

EXTRACT OF THE MINUTES OF THE 146TH COUNCIL MEETING HELD ON 31 JANUARY 2024

"A2446 ANNUAL REPORT: FINANCIAL YEAR 2022/2023

(9/2/3/3)

Office of the Municipal Manager

RESOLVED

THAT the contents of the Annual Report 2022/2023, attached as Annexure "A", be hereby approved."

* * * * *

It is hereby certified that this is a true extract from the minutes of a meeting of the Sedibeng District Municipality.

Council held on: 31/01/2024

Signed by: MR NGATIS

Designation: MANAGER

Legal And Support Services



A2446 ANNUAL REPORT: FINANCIAL YEAR 2022/2023

(9/2/3/3)

Office of the Municipal Manager

1. PURPOSE

The purpose of the Annual Report 2022/2023 is to:

- (a) Provide a record of the activities of the Sedibeng District Municipality during the financial year 2022/2023.
- (b) Provide a report on performance against the budget of the Sedibeng District Municipality for the 2022/2023 financial year reported on.
- (c) Promote accountability to the local community for the decisions made throughout the year by Sedibeng District Municipality.

2. BACKGROUND

Annual reports are the key reporting instruments for the Municipality to report against the performance targets and budgets outlined in their strategic plans.

Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that: "Every municipality and municipal entity must for each financial year prepare an annual report in accordance with its guidelines."

That Annual Report includes:

- a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA.
- b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with section 45 (b) of the MSA; on the financial statements in (a) above;
- c) The annual performance report of the Municipality as prepared by the Sedibeng District Municipality in terms of section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);
- d) An assessment of the arrears on municipal taxes and service charges;
- e) An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year.
- f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- g) Recommendations of the Municipality's Audit Committee.

3. DISCUSSION

This Annual Report, in addition to the Audited Annual Financial Statement and the Audit report for the year under review, contains information on service delivery performance. It reports on how the budget for that financial year was implemented, relative to the objectives set out in the Service Delivery, Budget and Implementation Plan. It further assists other Stakeholders and oversight bodies to measure the performance of the institution against those objectives and targets.

4. ALIGNMENT WITH COUNCIL STRATEGIES

The Annual Report 2022/2023 is submitted as a summative reflection of the performance of the municipality over the financial year under review.

5. FINANCIAL IMPLICATIONS

There are no financial implications in the report given that it is a reporting document; expenditure has already been incurred during implementation of the set targets in line with the municipal budget in the year under review; and such is highlighted in the Annual Financial Statement.

6. LEGAL/CONSTITUTIONAL IMPLICATIONS

This report is in accordance with Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA)

7. COMMENTS: FINANCE

The report is supported.

8. COMMENTS: COMMUNITY SERVICES

The report is supported.

9. COMMENTS: STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

The report is supported.

10. COMMENTS: TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT

The report is supported.

11. CONCLUSION

That Annual Report 2022/2023, be regarded as the primary instrument of accountability, in which the Executive Mayor and the Accounting Officer report on institutional performance, relative to the Service Delivery, Budget and Implementation Plan; and the progress made in realising the IDP priorities.

12. RECOMMENDATION

It is therefore recommended:

12.1 THAT the contents of the Annual Report 2022/2023, attached as Annexure "A", be hereby approved.

ANNEXURE

* Annexure "A" - Annual Report 2022/2023



Sedibeng District Municipality

Annual Report

2022/2023



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Introduction

INTRODUCTION

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 56 of 2003; the purpose of the annual report is:

- a) To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- b) To provide a report on performance in service delivery and budget implementation for the financial year; and
- c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year under review; which invariably means that the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan; including quarterly, midyear and annual performance report and the ultimate annual report must be consistent with information to enable synergy and link between all these plans and the actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a retrospective document, focusing on performance in the financial year under review and must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

Section 46 of the Municipal Systems Act, 44 of 2003, requires that:

- (1) A municipality must prepare for each financial year an Annual Performance Report reflecting –
 - a) The performance of the municipality and of each external service provider during that financial year;
 - b) A comparison of the performances referred to in paragraph (a) with target set for and performances in the previous financial year; and
 - c) Measures taken to improve performance.
- (2) An Annual Performance Report must form part of the municipality's Annual Report in terms of the Municipal Finance Management Act, Chapter 12.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 56 of 2003, further stipulates that if the Executive Mayor, for whatever reason, is unable to table in the council the annual report of the municipality, the Executive Mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

Therefore, Sedibeng District Municipality presents and tables the Annual Report for 2021/22 financial year. This report was prepared in compliance with Section 121(4) (a), (b), (e), (g) and (h) of the MFMA, 56 of 2003. Amongst others, this Annual Report includes the following:

- The Municipal Annual Performance Report;
- The Annual Financial Statements of the Municipality;

Introduction

- The Auditor General's report on municipal performance and financial audit report, including corrective action taken or to be taken by the Municipality on issues raised in the Audit Reports.

This report provides information about the administration's financial and operational performance for the period under review. It also reflects on the municipal progress against the objectives of its Integrated Development Plan (IDP). The content of this Annual Report is structured around the five R's plus two strategic focus areas (pillars) and their underlying objectives, as contained in the municipality's five-year IDP.

The table below outlines a short summary of the Chapter 12 process

ACTIVITY	TIMELINE
Section 127 (1) of the MFMA:- The Accounting Officer of a municipal entity must, within six (6) months after the end of financial year, submit the municipality's annual report for that financial year to the municipality	<ul style="list-style-type: none"> • 31st December 2022
Section 127 (2) of the MFMA The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	<ul style="list-style-type: none"> • 31st January 2023
Section 127 (3) of the MFMA:- (a)The mayor must promptly submit to council within seven (7) months, a written explanation of as to why the Annual report could not be tabled within the regulated dates and (b) submit to council the outstanding annual report as may be possible	<ul style="list-style-type: none"> • 31st January 2023
Section 127 (5) (a) (i) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must publish the draft Annual Report.	<ul style="list-style-type: none"> • Immediately after been tabled at Council
Section 127 (5) (a) (ii) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must invite local community to submit representations in accordance with the annual report.	<ul style="list-style-type: none"> • Immediately after been tabled at Council
Section 127 (5) (b) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	<ul style="list-style-type: none"> • Immediately after been tabled at Council
Section 129 of the MFMA: Oversight reports on the annual reports:- Council must (i) Consider the draft Annual Report within 9 months after the end of the financial year; including oversight report (ii) Adopt an oversight report containing Council's comments on the annual report, which incl. approval an/or rejections and or referring back of the annual report for further revision.	<ul style="list-style-type: none"> • 31 March 2023

Chapter 1

Vision

Sedibeng District Municipality envisions building towards a developmental Metropolitan River City of choice.

Mission

- To promote and sustain Integrated Service Delivery that enhances and supports the municipality to achieve growth and development for its community.
- To promote efficient and effective Integrated Services that addresses the socio-economic and environmental development imperatives of the Region;
- To Implement Prudent and Cost-effective Financial Management and Sustainability;
- To ensure Good Governance and sound management practices; and
- To ensure effective Service Delivery.

Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



The year 2022/2023 was both a successful and challenging year in which, we were able to stabilize the Municipality by fulfilling all mandates that determine a stable environment and still also forging ahead with ensuring all the difficulties the municipality is facing is overcome.

Once more, I am humbled to table and present the 2022/23 Sedibeng District Municipality's Annual Report a barometer to which we measure our performance, achievements as well as improving on our none-success on all our priority areas and mandate as a district municipality.

The above strategic deliverables are achieved through our Integrated Development Plans, the Service Delivery and Budget Implementation Plans effective from 1 July 2022 to 30 June 2023.

These key priorities describe our collective efforts, commitment and attitude to maintain the necessary focus in order to build on what Sedibeng District Municipality was able and unable to achieve its mandate as per the reviewed IDP and SDBIP.

Governance

The district has a functional governance system, it continues to be stable politically and administratively after the appointment of the Municipal Manager, the municipality further appointed two Executive Directors who have since assumed their responsibilities from April 2023 in the last quarter of 2022/23 under Spatial Planning and Economic Development and Corporate Service clusters. We are working towards having a full complement of section 56 managers before the end of the first quarter 2023/24 financial year as we are concluding on remaining three sec 56 which are as follows; Chief Financial Officer, Executive Director Community Services and Transport Infrastructure and Environment.

Financial Viability

The district municipality is DORA grant dependent as its main revenue; however, it has received marginal growth of 2.72% per annum for the past 12 years, against employee costs averaging a growth of about 4% to 5% and below CPI (Inflation) of 4%.

Auditor General's Report

Sedibeng District Municipality received unqualified audit outcome with more matters of emphasis for the year under review 2022/2023. The management has developed an Audit Action Plan which indicate on how these findings will be corrected and be presented to the Auditor General and Council.

Chapter 1

Key Service Delivery Improvement

Let me be the first to acknowledge that the region remains in distress because of high levels of unemployment and poverty, which is of great concern because of the one-third of the population in Sedibeng lives in poverty an indicator that a number of families are poor or indigent. However, it is not all gloomy as we are working very hard in this new financial year to strengthen and build partnerships with interested investors in order to alleviate the burden faced by our communities.

As we identify partnerships as another source of income, top on the agenda is the implementation of the economic recovery plan as means to reach our goal for economic growth.

The state of the economy in our region is dominated by few key factors namely Agriculture, Manufacturing, Finance and Community Services.

The following are the economy drivers that will assist to resuscitate our economy to be realized:

- The completion and opening of Zone 17 Clinic in Sebokeng is assisting with employment of residents in the area.
- Refurbishment Vereeniging Taxi Rank is finished and awaiting to be launched.
- Solving issues around the HIV/AIDS Educators and Rolling-out the program has also alleviated the burden.
- Hosting of the second Agri-Summit in the district with participation of more than 300 small scale and commercial farmers is another indication of growing our Agriculture sector and encourage food security amongst communities,
- Vaal River Integrated and Section 63 (Sedibeng Regional Sewer Service) implementation is ongoing and Rand Water is the implementing agent appointed by the Department of Water and Sanitation.
- Training of 100 youth for 12 months Information Technology (IT) across the region with R3000 stipend per month;
- Nomination of Sharpeville Human Right Precinct to be a World Heritage Site by UNESCO;
- 67 residents were employed via Expanded Public Works Programme for poverty and income relief
- The refurbishment of the Fresh Produce Market and appointing investors who will make the FPM viable and a competitor of the existing markets is another indicator that we are moving with high speed.

All of the above shows that we are not folding our arms but working towards economic emancipation for our communities and local businesses finding or identifying opportunities.

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Public Participation

Community and stakeholder engagement is at the cornerstone of transparency, accountability and collaborative planning, budgeting and implementation of projects and programmes. Sedibeng District Municipality held the following engagements:

- Integrated Development Plan (IDP) / District Development Model (DDM) and One Plan session
- District Development Model Launch by President Cyril Ramaphosa, 12 August 2022
- District Wide – School Governing Body DDM Engagement
- Vaal Business Forum session
- Ntirhisano/ Service Delivery Outreach Programme across the district municipality,
- Launching the LBQTI+ Desk in the Municipality as well as training of staff in the workplace decorum on the best approach and addressing issues of sensitivities of the LBQTI+ colleagues

The district municipality has an existing website and social media platforms used to share information and increases public awareness on services, projects and programmes.

Future Actions

In order to strengthen the district municipality's capacity to deliver services and to ensure financial viability, good governance and sustainability for continuous enhanced services delivery.

The following actions are already taking place:

- Auditor General's Report on municipal performance and financial reporting for the past three years have been stagnant, as an unqualified audit opinion with findings. Audit Action Plan is a standing item to the Mayoral Committee Meetings, in order to monitor and evaluation progress in corrective measures to improve the internal controls environment of the municipality
- Hosting of Jozi Tesse Festival, to stimulate economic growth in the tourism sector
- Interviews are already taking place on filling of vacant posts of Senior Managers (Chief Financial Officer, Community Services and Transport, Infrastructure and Environment) reporting to the Municipal Manager;
- Refurbishment and upgrading of the Vereeniging Fresh Produce Market;
- Feasibility study for Just Energy Transition with the private sector
- Improving private sector engagements towards investment and job creation
- Establishment of the Bulb Manufacturing Plant jointly with Khanya Bulbs

Chapter 1

- Development of the Vaal River City, Hydropolis and Aerotropolis

Agreements / Partnerships

- The district municipality continuously seeks value driven relationships towards improving infrastructure and service delivery across the region.
- The following agreements/partnerships have been entered into to achieve the infrastructure and service delivery obligation, namely:
- Service Level Agreement with the Emfuleni LM, Lesedi LM and Midvaal LM in rendering of Municipal Health Services
- Food and Beverage SETA – to provide 12 months Information Technology (IT) training towards the Fourth Industrial Revolution (4IR), catering for 100 youth across the region with R3000 stipend per month
- National Youth Development Agency – to provide skills and empowerment programmes across the region for the youth at the tune of R 550,000
- Expanded Public Works Programme was funded at the tune of R1,023,000
- Agreement with Gauteng Provincial Government, Department of Sports, Arts, Recreation and Culture to operationalize Boipatong Memorial and Youth Centre at a tune of R1,491,162;
- Partnership with Growth Media & Events to plan, organize, fund raise and market Agriculture Summit (Agri-Summit) for the next 5 years
- Memorandum of Agreement (MOA) with Gauteng Department of Health for rendering HIV/AIDS and TB ward-based programme at the tune of R 11,454,000 across all local municipalities;
- Agreement with Department of Transport for rendering the Rural Road Asset Management Systems (RRAMS) programme across the district at a tune of R2,186,166;
- Service Level Agreement (SLA) with Midvaal Local Municipality on the development of Doornkuil Precinct, particularly the new landfill site and regional cemetery.
- National Treasury in relations to Supply Chain Management internship programme at the tune of R1,200,000
- On tourism an agreement with Jozi Tese Festival has been reached to organize a tourism lifestyle-oriented festival to draw feet, tourism and investment to the Vaal.

Chapter 1

Conclusion

The aim is to professionalize, capacitate both our personnel and Councilors in order for them to respond to the challenges facing our district with the limited resources at our disposal. I am also aligning service delivery and special programs with Section 80 and clusters the purpose is to make it easy to attract partnerships as they will not struggle to identify beneficial sharing of resources as it will not only strengthen relations with business but will attract lasting solutions to our challenges as we endeavor and strive for a healthy and better municipality.

We have not reached the goals we have set for ourselves when we took over this administration, however strengthening administration was our priority and that we have achieved and so the challenges faced by residents of Sedibeng of unemployment and poverty during this financial year our focus is to nourish the partnerships and investors already identified to help us by combining ideas and resources that will be of mutually beneficial to bring back the glory days for the residents in the region.

In the current financial year, we are forging ahead with ensuring on maximizing on partnerships of service delivery programs that will benefit the residents of Sedibeng. We are intentional with stabilizing the municipality and adhering to strict municipal systems and principles.

May I take this opportunity to thank everyone who has been part of our journey in last year's financial year by show of interest, advice or participating in our programs and service delivery projects to ensure we thrive. We also extend our sincere thanks to the support which we continue to receive from our both provincial and national government.

Your sincerely

Cllr Lerato Maloka
Executive Mayor

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COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

The Sedibeng District Municipality's draft consolidated Annual Report for the 2022/23 financial year has been prepared in compliance with the provisions of the Local Government: Municipal Finance Management Act of 2003 and applicable Regulations. Sedibeng municipality is a category C municipality with limited powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. While we understand and acknowledge the challenges which come with limited powers and functions, the developmental hope of Sedibeng's future rests with the newly established District Development Model (DDM). This model was initiated and signed off by the President of the Republic of South Africa, His Excellency Matamela Cyril Ramaphosa. To date the municipality has appointed the Regional Support Team (RST) in replacing the previous district technical teams set up under Covid 19 period.

Midvaal Local Municipality, one of the three local municipalities under the Sedibeng District Municipality, received a clean audit opinion in the 2022/23 financial year. As a District, we have put efforts in improved audit opinions for all municipalities in the region. It is a pleasure to highlight that the Sedibeng District Municipality maintained an unqualified audit outcome for the 2021/22 financial year, with findings.

We acknowledge the role of provincial and national government, and we regularly engage on platforms to share information and to learn best practices. These platforms include but not limited to South African Local Government Association (SALGA) MINMEC, Premiers Coordinating Forum and Municipal Managers Forum. This Annual Report bears testament on what can be accomplished by the District and its local municipalities through inter-governmental relations focused on service delivery. In presenting the 2022-23 draft Annual Report, we affirm that Sedibeng District Municipality has been empowered by law to play its significant part by coordinating and supporting our local sphere of government. We have enjoyed strategic and technical interventions from both Provincial and National spheres of government.

Sedibeng District Municipality has repositioned itself, to strategically take part in initiatives by the provincial and national government through District Development Model. This transpose will be done parallel to strengthening of municipal governance, accountability, transparency and intergovernmental relations.

SDM continues to face myriad of challenges in terms of financial standing and governance. Many of these challenges have re-occurred in the year under review, as captured in Municipality's annual and audit reports. Some of these challenges will be fully addressed once a full complement of senior management has been appointed. The municipality is in a drive to appoint managers reporting and accountable to the Municipal Manager. The municipality has appointed the Municipal Manager, the Executive Director: Corporate Services and Executive Director: Spatial Planning and Economic Development clusters, and is finalizing the appointments of the Chief Financial Officer, Executive Director: Transport Infrastructure and Environment, and Executive Director: Community Services.

Financial Management of Sedibeng District Municipality

The Sedibeng financial position remains unstable due to the deficit which the municipality incurred over a period of time, as a result of salary related costs, and minimum annual increases in grants from the National Treasury. Unfunded budget is the

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dichotomy between wish and reality, meaning the income is less than the expected total expenditure. The 202/23 annual budget was at R409 million of which R306 million 75% of total budget was for salaries, thus leaving the developmental mandate with only 25%.

We are a whole grant dependent municipality, grants such as HIV&AIDS, Municipal Health Services and Rural Roads Management Services, are not consistent though has been marginal increases. The municipality's key consideration is a long-term financial stability to attract and promote future financing and investments opportunities. SDM's ability to generate revenue and financial accountability shall underpin improved investor and community confidence in the district. SDM administration, as per council resolution, initiated mega projects for the development of the Doornkuil land parcels. In partnership with Midvaal Local Municipality, both municipalities are entering into a profit sharing service level agreement for the establishment of the regional cemetery and landfill site.

The 2022/23 Audit Improvement Plan has been prepared and implemented to address audit findings aligned to the required corrective actions. The municipality in addressing these findings/challenges worked on the following:

- Work on revenue management and revenue enhancement strategies to enhance the revenue base of the district.
- Centralize cash collection points
- Improve the interface between directorates pertaining to revenue management value chain.
- Improve forward planning, demand management and acquisition:
- Timeous submission of procurements plans and fully functional bid committees
- Benchmarking on bids and quotations

Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW)

The municipality incurred irregular and unauthorized expenditure which was as a result of the previous financial year 2021/22. Noting the current state of affairs, reasonable steps have been taken to prevent and reduce Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) as required by section 62(1) (d) of the MFMA. The Fruitless and Wasteful expenditure was significantly eradicated in the year under review.

The municipality through its council has approved the establishment of the Municipal Financial Misconduct Disciplinary Board which investigates all these expenditures and recommend to council on how to recoup the monies from guilty officials. The district established the Municipal Public Accounts Committee (MPAC), also adopted the consequence management policy which will give the municipality more powers to deal with transgressions and misconduct.

Strategic risks

- Sedibeng continues to have challenges on its budget, because 75% of total revenue goes to salary bill.
- The status of municipal buildings poses a serious risk to human capital.
- Unfunded mandates performed by the municipality on behalf of other spheres of government.

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Organizational Structure

The organizational structure of the Municipality currently has 576 approved positions while filled positions as at the end of June is 514. In the operational organizational structure, the Municipality is headed by the Municipal Manager with the following section 56 managers:

- Chief Financial Officer (Acting by CoGTA secondee)
- Corporate Services (filled)
- Strategic Planning and Economic Development (filled)
- Transport, Infrastructure and Environment (Acting)
- Community Services (Acting)

It is an operational challenge that three of the six section 56/57 positions within the Municipality are currently vacant. Sedibeng council sought help from COGTA, by requesting MEC to second three officials to act in there vacant posts. On 01 June 2023, COGTA seconded acting Chief Financial Officer only. Sedibeng is at an advanced stage of filling these vacant posts, and will complete the appointments in the first quarter of 2023/24 financial year. Due to these vacancies and acting capacities, it has become difficult to inculcate a culture of continuity and performance-driven attitude. The municipality, in the year under review, achieved average of 78% performance against set targets. There is a dire need to improve governance and oversight within the Municipality.

Risk, Internal Audit, Audit Committees and Performance Management Units

The municipality has reviewed an organogram in the Risk Management Unit, thus address capacity needs and ensure effectiveness and efficiency in the Unit. The municipality has appointed acting Risk Manager and Internal Audit Manager to ensure needed services are continued in these critical departments. The Units under the Directorate: Municipal Systems, namely Internal Audit, Performance Management, and Risk Management, are functional, although with insufficient human capital. These noted incapacities all addressed through the organizational restructuring process.

Supply chain management

The Municipality experienced the following critical challenges relating to SCM:

- Low procurement against the procurement

This is evidenced in the quarterly assessment report of the municipality by the Provincial Treasury. Notable challenges within SCM were critical vacancies, which are filled, lack of discipline, also addressed through relevant disciplinary processes, and delays in initiating rollout of the procurement plan. Hence a move to acquire procurement system, and micro-management of incumbents within the Directorate.

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The Provincial and National Treasury departments seconded expert advisors to SDM, to provide support in the needed financial and supply chain management areas.

Contract management.

Contract Management has been a challenge at Sedibeng District Municipality, hence relocation of contract management committee from Legal Department to Finance, thus management and monitoring of contracts closely. Legal will continue with its functions of the development and review of all contracts. Sedibeng is implementing a holistic plan to address challenges that have been identified. Thus a number of strategies have been developed, refined and will be implemented in the short, medium and long term through the framework to address challenges faced by the Municipality to ensure sustainability over the medium to long term.

There is urgency for officials of the Municipality to perform optimally, and key performance areas and related indicators be incorporated in the performance agreements of all employees. Plans are set to improve on the monitoring and evaluation across all levels in the municipality. This would assist in placing the Municipality on a trajectory to meet its obligation to provide services towards sustainability.

Finally, it is emphasized that the responsibility to implement changes set to address the above-mentioned challenges rests within Sedibeng administration and political oversight. That the strategy to do so, places significant implementation responsibility on the political leadership, Accounting Officer, Chief Financial Officer, Senior Managers, Stakeholders and general employees. A dire need for regular monitoring by Council, its Committees, and the Executive Mayor to ensure successful implementation of all plans and council resolutions.

Yours sincerely

FM MATHE

Municipal Manager

Chapter 1

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1.1. MUNICIPAL FUNCTIONS

The administration of the Municipality must:

- Be responsive to the needs of the community
- Facilitate the culture of public service and accountability among its staff
- Take measures to prevent corruption
- Establish clear relationships, facilitate cooperation communication between it and the local community;
- Give members of the local community full and accurate information about level and standards of services they are entitled to receive; and inform the local community how the municipality and cost and the persons in charge

Like other similar District Municipalities in the country, Sedibeng District Municipality is created and classified as a Category C municipality by Section 155 of Constitution of the Republic of South Africa, Act 108 of 1996, in conjunction with Section 4 of the Local Government Municipal Structures Act, 117 of 1998. Upon its creation, certain functions were delegated to it and it can only perform those functions and duties allocated by these pieces of legislation. The principal and primary Constitutional mandate of the district municipality such as Sedibeng dictates that it:

- a) provides democratic and accountable government for local communities
- b) ensures the provision of services to communities in a sustainable manner
- c) promotes social and economic development
- d) promotes a safe and healthy environment and
- e) Encourages the involvement of communities and community organizations in the matters of local government.

Other pieces of legislation such as The Local Government: Municipal Structures Act, 1998, Act No 117 of 1998, section 84 (1) sets out the following powers and functions for Sedibeng District Municipality:

- a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- b) Potable water supply systems.
- c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- d) Domestic waste-water and sewage disposal systems.
- e) Solid waste disposal sites, in so far as it relates to- (i) the determination of a waste disposal strategy;
 - (i) The determination of a waste disposal strategy;
 - (ii) The regulation of waste disposal; and
 - (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and Waste disposal facilities for more than one local municipality in the district.
- f) Municipal roads which form an integral part of a road transport system for the area of the district municipality
- g) Regulation of passenger transport services
- h) Municipal airports serving the area of the district municipality as a whole
- i) Municipal health services
- j) Firefighting services serving the area of the district municipality as a whole, which includes-
 - (i) Planning, co-ordination and regulation of fire services;
 - (ii) Specialized firefighting services such as mountain, veld and chemical fire services;

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- (iii) Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
- (iv) Training of fire officers
- k) The establishment conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district
- l) The establishment conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district
- m) Promotion of local tourism for the area of the district municipality
- n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality
- o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality
- p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms

However, the following functions were adjusted by the MEC for Local Government to be performed by the Local Municipalities:

- a) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and where applicable, the generation of electricity.
- b) Domestic waste-water and sewage disposal systems.
- c) Solid waste disposal sites, in so far as it relates to-
 - i. The determination of a waste disposal strategy;
 - ii. The regulation of waste disposal; and
 - iii. The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
 - iv. Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole.
- d) Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole
- e) Firefighting services serving the area of the district municipality as a whole, which includes-
 - i. Planning, co-ordination and regulation of fire services
 - ii. Specialized firefighting services such as mountain, veld and chemical fire services;
 - iii. Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
 - iv. Training of fire officers.

Therefore, functions constitutionally belonging to the district but were adjusted to the locals, form part of other reasons why the municipality is struggling financially and is not viable, compounded by the dwindling, on yearly basis, of the equitable shares and sharp increases of salaries as negotiated and concluded by bargaining council.

1.1.2. SEDIBENG DISTRICT BACKGROUND

Sedibeng District Profile

The Sedibeng District Municipality is classified as a Category C municipality by the Municipal Demarcation Board in terms of Section 4 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998). The Municipality was established in the year 2000 through the integration of various councils that had previously served the Vaal and the surrounding areas.

The municipality is the only area in Gauteng province that is situated at the southern tip of the provinces, and strategically borders three provinces, namely, Free State, North West and Mpumalanga. The other fact and strategic niche is that the

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municipality is the only one in the province that is located on the banks of Vaal River and Vaal Dam; covering the area formerly known as the Vaal Triangle.

Sedibeng is a stone throw away from Johannesburg. Legally, the municipality is comprised of three Local Municipalities i.e. Emfuleni Local Municipality, Midvaal Local Municipality and Lesedi Local Municipality. The District municipality also includes areas of historical epochs such as Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong, Ratanda and towns which include Vereeniging, Vanderbijlpark, Meyerton and Heidelberg.

Sedibeng offers a variety of cultural, heritage attractions and historical experiences. Some of these are the heritage sites related to South Africa Wars of 1899-1902 and the two World Wars that followed. The Sharpeville Precinct still stands as the reminder and the hallmark of the Sharpeville Massacre of 21 March 1960, when 68 people lost their lives during the pass laws protests.



The Vaal River on the southern border of Sedibeng constitutes one of the most important sources of water in South Africa. Water from the river meets the residential, industrial and agricultural needs for much of Gauteng. The River is also a key supplier of other tributaries located in Mpumalanga, the Free State, North West and the Northern Cape. Construction of the Vaal Dam was completed in 1938 but its capacity was later extended during the 1950s. The tourism town of Vaal Marina is located on the banks of the dam in the Midvaal Local Municipality. Development of irrigation farming, tourism and agro-processing industries are of central importance to Sedibeng, especially in the Midvaal and Lesedi municipal areas.

The Sedibeng District Municipality is located in the southern parts of the Gauteng Province, and features the cities of Vanderbijlpark, Vereeniging and Evaton. Accounting for approximately 33% of the national GDP, the Sedibeng District Municipality is perceived as an integral part of the Gauteng Province. The District Municipality features more than a wide variety of landmarks, such as the Vaal River and Vaal Dam, the Suikerbosrand Nature Reserve, the Sasol refinery, the ArcelorMittal (previously ISCOR) factory, as well as the Emerald Casino and Safari Park.

Sedibeng District History

Flying over the Sedibeng landscape, reveals the stone circles marking settlements of people that lived in the region from the dawn of time. The area has moved on from its pre-historic roots to play a crucial part in shaping the South Africa we live in. While the landscape has been shaped by the Vaal River, our communities have been carved out of struggles for freedom. The long and bloody history of South Africa's journey through the Boer War, and the long years of apartheid, can all find their story right here in the heart of Sedibeng

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The Treaty of Vereeniging (commonly referred to as Peace of Vereeniging) was the peace treaty, signed on 31 May 1902, which ended the South African War between the South African Republic and the Republic of the Orange Free State, on the one side, and the British Empire on the other. This settlement provided for the end of hostilities and eventual self-government to the Transvaal (South African Republic) and the Orange Free State as colonies of the British Empire. The Boer republics agreed to come under the sovereignty of the British Crown and the British government agreed on various details.

None of this meant a great deal during the long, dark, oppressive years of apartheid that were to follow, and the brutal and violent fight to break down a tyranny of oppression and inhumanity. The world will never forget what is now marked as our day of Human Rights in South Africa. On 21 March 1960, events were planned for many parts of the country, for people to protest against one of the unjust laws of apartheid. The Pass Law required all Africans living or working in and around towns to carry documents (known as passes) with them at all times. Failure to carry this document would lead to arrest by the police.

On this day people decided to go to police stations without their passes and to demand that they be arrested. The idea was that many people would be arrested and the jails would become so full that the country's unjust laws would be exposed to the international world. It was hoped that this would lead to the draconian laws being scrapped. At Sharpeville in Sedibeng, thousands of unarmed people gathered at the police station demanding to be arrested. They were met by 300 police officers who opened fire on the crowd. Sixty-nine people were killed and more than 180 others were injured in the Sharpeville Massacre. This event precipitated the banning of the ANC, and the PAC and the start of the armed struggle. Every year on the 21st March, the people of Sedibeng, the country, and the entire world bow their heads to observe the brutal killings of anti-pass laws and apartheid protestors - making it one of the most historic political events which shook the world and changed the course of history in South Africa.

And so began decades of further oppression and restrictions of freedom that ultimately culminated in the dawning of democracy in 1994. But Sedibeng was to see some much darker days before that beacon of light came into sight. The early 1990s in South Africa, the period when negotiations were unfolding between the ruling National Party and the ANC, is marked as one of the most violent and turbulent times in our history to democracy. And Sedibeng saw some of the worst of it.

On 12 January, 1991, 39 mourners were viciously murdered at an all-night vigil, and over forty were injured. At the Nangalembe Night Vigil Massacre in Sebokeng. Mourners were paying their final respects to their community leader, when a sudden invasion by a gang of armed men resulted in a hand grenade being set off and the aggressors began to shoot randomly into the crowd. The Nangalembe Night Vigil Massacre will go a long way into the books of our history as it heralded an undefined and unresolved period of brutal attacks against the Sebokeng community.

Just over a year later, Sedibeng was to mourn again. On the night of 17 June 1992, a heavily-armed force of Inkatha members, secretly raided the Vaal township of Boipatong and killed 46 people. The Boipatong Massacre caused the African National Congress to walk out of CODESA, the initial formal negotiations to end apartheid, accusing the ruling National Party of complicity in the attacks. The massacre drew the attention of the United Nations Security Council, which passed Resolution 765 on July 16, 1992, urging a full investigation into the incident.

Sedibeng cannot bring back its fallen heroes, but it can certainly celebrate them through its continued struggles to end poverty and bring about economic equality. From 1902, the region seemed to almost have come full circle, and appears to be a most fitting place for the Signing of South Africa's First Democratic Constitution in 1996. The 10th December 2011 marked the 15th Anniversary of the signing of the South African Constitution into law - by the then President of South Africa, Mr. Nelson Mandela, in Sharpeville.

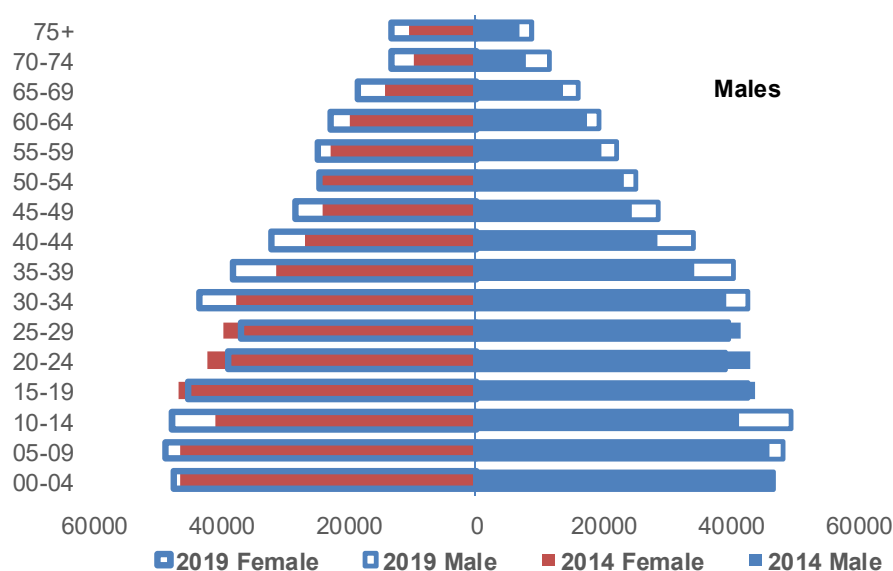
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The year 2012 has turned out to be a remarkable and amazing year in the history of South Africa and Sedibeng. This year the ruling party celebrates its centenary, 100th year of a selfless struggle to liberate South Africa and the African continent, making it a historic moment for all the people of South Africa.

1.1.3. SEDIBENG DISTRICT POPULATION

The Sedibeng District Municipality constitutes the second largest municipality in the province geographically, covering a land area of about 3,894 km². The total population of the District is 916 484. Lesedi has a population of 99 520, Midvaal 95 301 and Emfuleni 721 663; with the population density of District as a whole as 198 people per km². It is clear from the stats that 8 out of every 10 people in Sedibeng live in Emfuleni and the vast majority (more than 700 000 people) live in the black township areas especially Sebokeng and Evaton. Source: Stats SA, 2011. In the Gauteng municipalities, Sedibeng is the fourth populated region after the City of Tshwane.

Figure 1: Sedibeng's Population Pyramid in 2014 & 2019



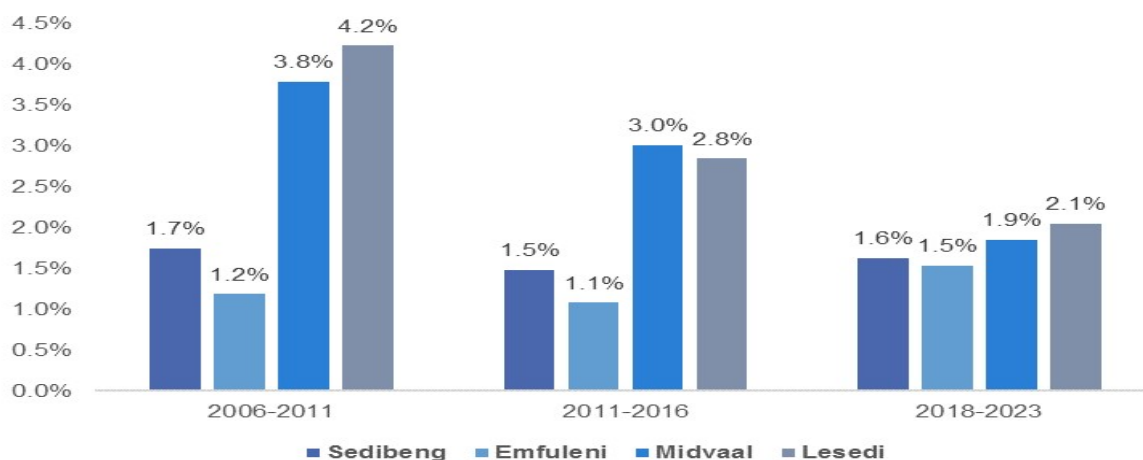
Source: IHS Markit, 2020

Figure 1 shows the population pyramid of the Sedibeng region by gender for 2014 and 2019. The youth population bulge (15-34 age cohort), a situation where most of the population consist of youth, appears stronger in the Sedibeng region, a phenomenon which is more prevalent in all regions in the country. However, another bulge was in those between the ages of 0 to 9 years, indicating that supporting children is a significant factor for the average working-age person in the region. The gender distribution indicates that there are more males than females in the region in the period under review.

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Figure2: Average Population Growth Rates



Source: IHS Markit, 2020

The figure above shows average population growth rates for Sedibeng and its local municipalities from 2006 to 2016 and forecast to the 2023. Average population growth tends to be decreasing in all the municipalities between the years 2011-2016 and is expected to rise slightly between the years 2018-2023. The figure indicates that Lesedi and Emfuleni have the highest growth rates in the periods under review.

Education levels in Sedibeng District Municipality since 2014-2018

Below is a table depicting a comparative analysis of qualifications in local municipalities during the period 2014 and 2018. The level of education with a decrease of less than 1091 from 21,201 in 2014 to 20,110 in 2018 for those with no school. The numbers of those who have matric only were at 199,565 in 2014 and have increased with 22,666 to 222,231 in 2018. The numbers have increased by 4439 from 44,164 in 2014 to 48,603 in 2018 for people having diplomas with grade 12. There is also significant increase by 4149 from 24,869 in 2014 to 29,018 in 2018 for people with bachelor degrees. There is an increase of people with high degrees (Masters or Doctorate) by 2134 from 11,460 in 2014 to 13,594 in 2018

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Table 1: Sedibeng Qualifications between 2914 and 2918

Qualifications	Emfuleni				Midvaal				Lesedi				Sedibeng			
	2014		2018		2014		2018		2014		2018		2014		2018	
	no	%	No	%	no	%	no	%	no	%	no	%	no	%	no	%
Grade 0-2	14,663	100.0%	13,823	2.8%	2,654	3.8%	2,589	3.3%	3,883	5.7%	3,698	4.9%	21,201	3.5%	20,110	3.1%
Grade 3-6	14,663	100.0%	7,738	1.6%	1,163	1.7%	1,159	1.5%	1,843	2.7%	1,819	2.4%	11,262	1.9%	10,716	1.7%
Grade 7-9	14,663	100.0%	31,572	6.4%	4,237	6.1%	4,324	5.6%	5,678	8.4%	5,809	7.6%	42,418	7.1%	41,705	6.5%
Grade 10-11	14,663	100.0%	68,261	13.9%	9,558	13.7%	9,533	12.3%	10,672	15.8%	11,085	14.6%	90,285	15.1%	88,878	13.8%
Certificate / diploma without matric	14,663	100.0%	127,586	26.0%	16,280	23.3%	17,871	23.1%	17,866	26.4%	21,240	27.9%	150,851	25.2%	166,697	25.8%
Matric only	14,663	100.0%	2,637	0.5%	534	0.8%	511	0.7%	409	0.6%	405	0.5%	3,626	0.6%	3,552	0.6%
Matric & certificate / diploma	14,663	100.0%	170,231	34.6%	24,850	35.5%	29,063	37.5%	19,612	29.0%	22,938	30.2%	199,565	33.3%	222,231	34.4%
Matric & Bachelor's degree	14,663	100.0%	38,079	7.7%	5,036	7.2%	5,910	7.6%	4,040	6.0%	4,614	6.1%	44,164	7.4%	48,603	7.5%
Matric & Postgrad degree	14,663	100.0%	21,586	4.4%	3,927	5.6%	4,597	5.9%	2,331	3.4%	2,835	3.7%	24,869	4.1%	29,018	4.5%

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HIV&AIDS, STIs and Tuberculosis (TB)

South Africa still remains heavily burdened by HIV&AIDS, STIs and Tuberculosis. The country is one of the World Health Organization's 30 high-burden countries for TB, TB/HIV and multidrug-resistant TB. In 2021, the country accounted for 3.3% of the global TB burden and TB was the leading cause of death. TB treatment coverage decreased from 68% in 2017 to 58% in 2019, and about 40% of TB cases are missing (see Figure 3). WHO's 2021 Global TB report indicated a 50% decrease in the number of drug-resistant TB patients enrolled on treatment compared to 2019. The country's HIV/TB co-infection rate was 59% in 2019, the highest in the world.

HIV Incidence (Sedibeng)

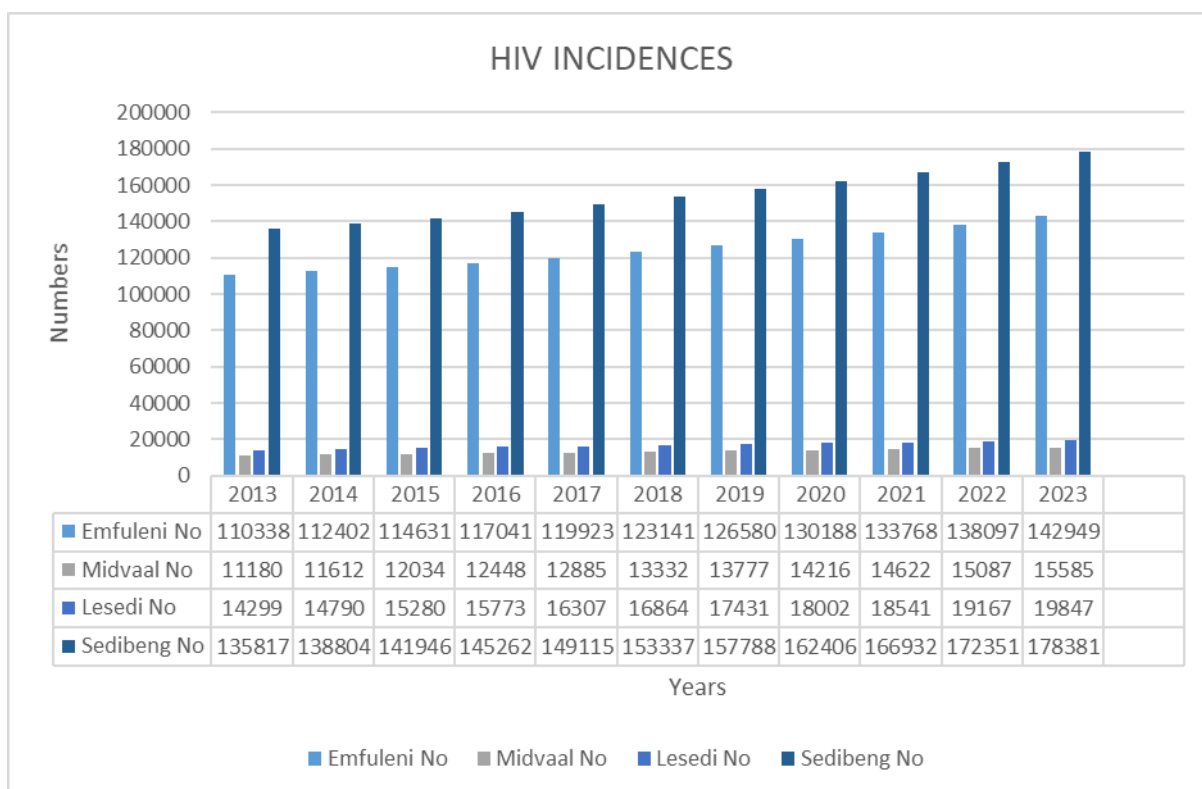
Year	Emfuleni		Midvaal		Lesedi		Sedibeng	
	No	Growth	No	Growth	No	Growth	No	Growth
2013	110338	1.9%	11180	4.2%	14299	3.7%	135817	2.2%
2014	112402	1.9%	11612	3.9%	14790	3.4%	138804	2.2%
2015	114631	2.0%	12034	3.6%	15280	3.3%	141946	2.3%
2016	117041	2.1%	12448	3.4%	15773	3.2%	145262	2.3%
2017	119923	2.5%	12885	3.5%	16307	3.4%	149115	2.7%
2018	123141	2.7%	13332	3.5%	16864	3.4%	153337	2.8%
2019	126580	2.8%	13777	3.3%	17431	3.4%	157788	2.9%
2020	130188	2.9%	14216	3.2%	18002	3.3%	162406	2.9%
2021	133768	2.8%	14622	2.9%	18541	3.0%	166932	2.8%
2022	138097	3.2%	15087	3.2%	19167	3.4%	172351	3.2%
2023	142949	3.5%	15585	3.3%	19847	4.5%	178381	3.5%
Average % growth		2.8%		3.8%		3.8%		3.5%

Source: -Regional Explorer (2023)

Observing only the past 10 years; HIV infections continue to cause havoc in the lives of the Sedibeng District communities, albeit at steady rates. All local municipalities show relative increases in their new infections (Emfuleni at an average of 2.8%), (Midvaal at an average of 3.8%) and (Lesedi at an average of 3.8%). All things being equal, these new infections are worrisome, considering the strategies the government has employed to reduce and ultimately eradicate this scourge. The incidence rates may also be attributed to inequality, poverty and unemployment, for which the alleviation may see many people, especially women and children been less vulnerable to abuses, which may predispose to HIV infections.

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Graph: HIV Incidences (Sedibeng)



The graph above illustrates the growth of new infections by local municipality. It is noted that while Emfuleni has more population, its incidence numbers over the 10-year period remain relatively low; while Lesedi numbers continue to grow, especially in the last two years.

In the previous 2017-22 District Multisectoral plan, the region used the 90-90-90 strategy in an attempt to get the HIV epidemic under control among others adopting a 'test and treat' approach. This plan was affected by the COVID-19 pandemic period which made some targets lower than expected. Based on the available data, in the past five-year period, there's an increase of 3, 5 percent in the new infections. The current estimates indicate a slight increase in new cases.

The HIV and TB co-infection poses a serious challenge that requires the 2023-28 newly approved National strategy to be implemented. Based on limited resources available, the district relies highly on the Department of Health, interdepartmental and internationally funded partners to effect the Multisectoral plan. In an endeavor to resuscitate the AIDS Councils which are overseeing the implementation of the programs, South African AIDS Council's support has been sought out throughout the Gauteng Province. Resourcing of the local AIDS Councils through provincially supported grant will be used in the current plans. Preventive programs in the form of ward-based daily door-to-door HIV/AIDS, Tuberculosis and Sexually Transmitted Infections education will be conducted through local municipalities' support.

Chapter 1

Provision of Health Services in the region

Health related indicators remain vital for a region's development. A healthy labour force can contribute much more to the economic productivity of a region and thus to the output. This section provides analysis on the health-related indicators. Health services in the region are provided by both Public and Private sector.

Sedibeng District Municipality, has three (03) public hospitals, namely Kopanong which is a District Hospital and Sebokeng Hospital a Regional Hospital, both these hospitals are located within Emfuleni Local Municipality and Heidelberg District Hospital is located at Lesedi Local Municipality. In addition to these public hospitals there are six (06) private hospitals of which four (04) are within Emfuleni Local Municipality, and one is located in Lesedi Local Municipality and Midvaal Local Municipality. Based on this scenario it is evident that hospitals services are more clustered in Emfuleni Local Municipality.

It should be noted that, Primary Health Care (PHC) and Emergency Medical Services (EMS) are the competency of Gauteng Department of Health in terms of the Constitution and the Health ACT 61 of 2003. However; Sedibeng District Council plays a crucial coordinating, oversight and supportive role through its Intergovernmental Relations (IGR) Forum, namely; District Health Council, which is mandated by section 31 of the National health Act No 61 of 2003, and this forum had two successful sittings and six oversight visits for the financial year 2022/23

Section 31 of the National health Act No 61 of 2003 provides the following as the functions of the DHC: Promote co-operative governance; ensure coordination of planning, budget, provisioning and monitoring of all health services that affect residents of the health district for which the council was established and advise the relevant MEC through the Provincial Health Council on matters regarding health services in the district for which the council was established. For the financial year 2022/23 the District Health Council held two successful sittings and six oversight visits.

Sedibeng District Health has a total number of thirty- eight (38) Primary health Care Facilities; four (04) Community Health Centres; three (03) Community Day Centres and thirty-one (31) clinics.

The table below illustrates the number of health facilities in the district per sub-District and the type of service rendered: financial year 2022/23.

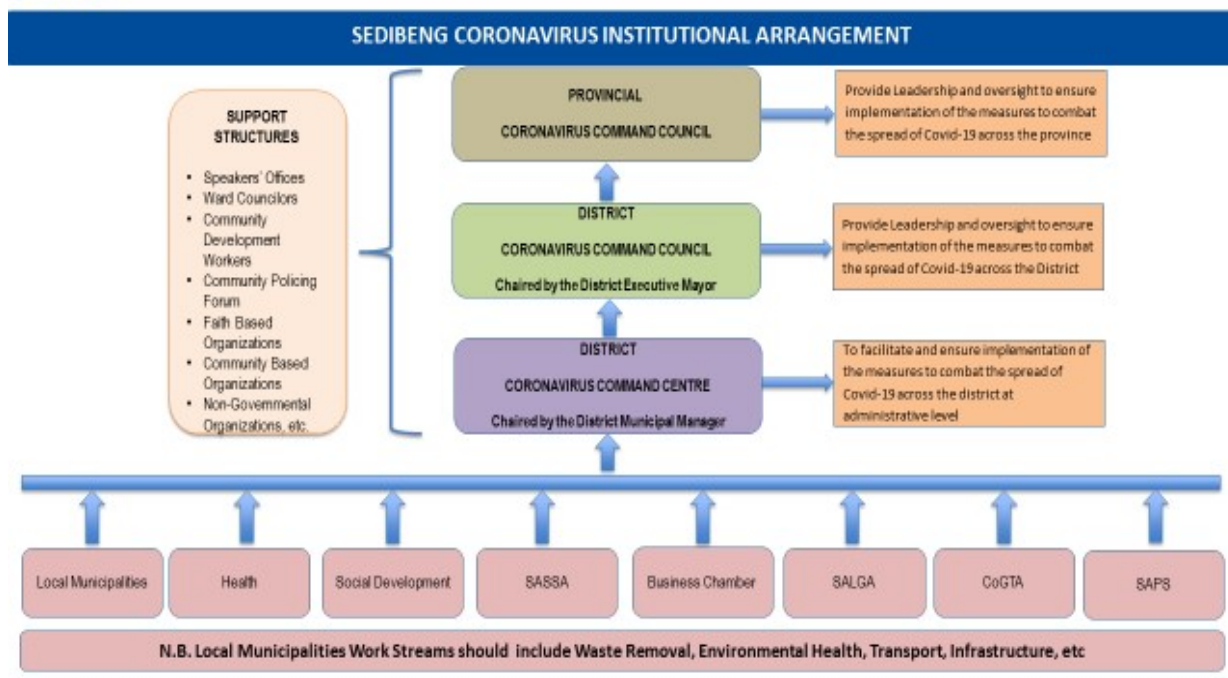
Municipality	Clinics	Community Day Centres	Community Health Centres	District Hospitals	Regional Hospital	Other Hospitals
Emfuleni	20	02	04	01	01	06
Lesedi	07	01	0	01	0	02
Midvaal	03	01	0	0	0	01
Sedibeng	30	04	04	02	01	09

Source: DHIS

There are four (04) Maternity Obstetric Units (MOU) and all located within Emfuleni Sub-District, and operates 24hrs mitigating the pressure at Kopanong and Sebokeng Maternity wards. In light of these, both Lesedi and Midvaal lack fully fledged Community Health Centres that will operate 24hrs and alleviate the pressure from the district hospitals.

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Covid-19 Sedibeng region Institutional arrangements



1. District Command Council deals with political and strategic matters relating to COVID19 – Executive Mayor and Municipal Manager
2. District Command Centre: Coordination and reporting–Managed by Director for Disaster Management and Emergency services
3. District Work-streams: Coordination and reporting by senior management at District and Locals.
4. District JOCOM: Chaired by General Molefe and Brigadier Mokoena Local JOCs/Technical Teams
5. Sedibeng Community Services Cluster: Review and Consolidation of District plans and reports by Executive Director Community Services

Most visibly, the lockdown has resulted in staggering levels of hunger, as household incomes have collapsed and nutritious food has become increasingly difficult to access. Other social impacts, such as job losses, interruptions to public health programmes, loss of access to educational and other child support services, growing challenges with mental health, and increased gender-based violence are collectively deepening destitution in many communities.

These social impacts will leave a legacy long after the virus itself is eventually brought under control through a vaccine or effective treatment. National Government has recognized the urgency of providing social support. Ensuring that resources are directed to the areas of most urgent need requires a localized understanding of South Africa's diverse human and physical geography.

Chapter 1

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Health related indicators remain vital for a region's development. A healthy labour force can contribute much more to the economic productivity of a region and thus to the output. This section provides analysis on the health-related indicators. Health services in the region are provided by both Public and Private sector.

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Municipality	Clinics	Community Day Centres	Community Health Centres	District Hospitals	Regional Hospital	Other Hospitals
Emfuleni	20	02	04	01	01	06
Lesedi	07	01	0	01	0	02
Midvaal	03	01	0	0	0	01
Sedibeng	30	04	04	02	01	09

Source: DHIS

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1.1.4. ENVIRONMENTAL OVERVIEW

Environmental quality has been an ongoing concern in the Sedibeng Region for a number of years. Other strategies, The Growth and Development Strategy in particular, through the pillar of “Reviving Our Environment” if effectively implemented, will finally give the region the means to comprehensively address this issue and ensure that its citizens live in an environment that supports a positive quality of life for them, their children and future generations. Sedibeng has identified awareness as a key intervention to assist communities to understand issues around the environment. Lack of environmental skills in the region is addressed through the implementation of career exhibition programs which are supported by various stakeholders.

Air Quality:

Air quality is affected by the climate, the landscape, natural and economic activities that take place in an area. There are different sources of Air pollution: emissions from industrial processes, domestic fuel burning, vehicle exhaust emissions and waste facilities. Sedibeng District Municipality is regarded as one of the most polluted municipality because of the level of industrialization in the areas within the Emfuleni Local Municipality and Midvaal Local Municipality.

Emfuleni Local Municipality and Midvaal Local Municipality have been declared to be part of the first national priority areas in Vaal Air-shed Priority Area, because of the elevated level of pollution within the area. Lesedi local Municipality is also included in the second declared priority area, the Highveld Priority Area which includes areas in Mpumalanga and Ekurhuleni. Particulate matter has been identified as a pollutant of concern within the region and the major contributors for particulate matter (PM10) is both industrial sources and domestic sources especially in winter.

In an attempt to improve the quality of air in the region, Sedibeng is participating fully in priority area Air-shed implementation forums that seek to ensure the implementation of projects that are identified in the priority area plans (Vaal Triangle Air-shed Priority Area and Highveld Priority Area Air Quality Management Plan).

The plans have been adopted by Sedibeng District Municipality as the region’s Air Quality Management plan in order to inform the management of air quality within the region. The objectives of the priority area plans are the same as the district objectives that of achieving clean air for the residents of the region.

However, the municipality is currently having a number of challenges with regard to availability of both human and financial resources to efficiently execute the function of air quality management. The lack of these minimum resources results in the district not being able to implement fully programmes that are directed at reducing air pollution within the region.

Despite the number of challenges to date the municipality has managed to issue a number of licenses to industries in the region. The licensing of industries has been identified as a critical mechanism of ensuring that industries are regulated and emissions improved. The focus is rather not on issuing licenses only, but exercises are conducted in the region, supported by the local municipalities and with the support from province compliance monitoring unit.

The Sedibeng District Municipality has two Ambient Air Quality Monitoring Stations which are operational namely:

- Meyerton Ambient Air Quality Monitoring Station
- Vanderbijlpark Ambient Air Quality Monitoring Station
- The raw data collated from both stations is forwarded to SAQIS for verification.

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Water Pollution:

Sedibeng is faced with serious water pollution challenges in river systems and water bodies, notably the Kliprivier and Blesbokspruit which are polluted from runoffs from industrial areas, townships and waste water treatment works. The Kliprivier is one of the most polluted rivers in the Sedibeng District as a result of mining and industrial activities in the upper catchments, outside the borders of the Sedibeng.

The state of Sedibeng's surface and ground water quality is influenced by activities within and beyond the boundaries of Sedibeng. External pressures, emanating from mining and industrial activities on the West Rand (Roodepoort and Randfontein) and East Rand (Germiston, Boksburg, Brakpan and Springs), are major contributing factors to the current state of surface and ground water quality in Sedibeng.

The largest internal pressures are limited to the industrialized and urban areas in Emfuleni, including Meyerton, Vanderbijlpark and Vereeniging. Rural areas in Midvaal and Lesedi, where agricultural activities dominate, have a lesser, but nonetheless important influence on the surface and ground water quality. Heidelberg and Devon, which are the main urban areas of Lesedi, also contribute to surface and groundwater deterioration through urban-associated pollution. The main pressures on the quality of surface and groundwater resources in the Sedibeng District are the following:

- Mining activities, including physical mining practices and mining effluent release from mineral extraction and mine dumps;
- Industrial activities;
- Water treatment works;
- Informal settlements, which usually lack services;
- Poorly serviced high-density residential settlements;
- High-density urban areas;
- Coal combustion on the Mpumalanga Highveld, which results in acid rain in the Sedibeng District;
- Water abstraction for urban and agricultural use;
- Flow reduction in streams and rivers as a result of dams and weirs; and
- Agricultural activities.

Waste:

Sedibeng's history with regards to waste management is not that different to the South African situation in general. The issue of waste as with most local, provincial and national departments has many facets including economical, physical, social and political. Waste management has traditionally taken place on an ad-hoc basis to meet the current needs, with very little foresight into the future needs of an ever-increasing population.

Identification of landfill sites has generally taken the form of unplanned site location with little or no thought of design to reduce potential impacts to the environment, neighboring communities, etc. With the development of the minimum requirements by the Department of Water Affairs and Forestry (DWAF) for waste disposal by landfill the identification of landfill sites now take a much more pro-active approach in reducing further negative consequences related to an activity such as planning and design.

Local authorities in Sedibeng have indicated that they have neither sufficient funding nor adequate trained staff, to effectively plan and execute their waste management functions in a sustainable manner. Communities have also not been involved in the identification of the landfills, which has resulted in community resistance and/or limited support. The level of services varies from area to area, and in particular the previously disadvantaged areas have been left without proper waste management services. The Sedibeng District's Integrated Waste Management Plan was approved by the Province for inclusion in the IDP as per the Waste Act, in November 2014; and the implementation thereof will assist in achieving the National Waste Management Strategy's goals which are as follows;

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- Promote waste minimization, reuse, recycle and recovery
- Ensure the effective and efficient waste services
- Grow the contribution of the waste sector to the green economy
- Ensure that people are aware of the impact of waste on their health, well-being and environment
- Achieve waste management planning
- Ensure sound budgeting and financial management of waste services
- Provide measures to remediate contaminated land; and
- Establish effective compliance with the enforced Waste Act

Biodiversity

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality), Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal river).

The Sedibeng District Municipality falls within priority areas identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

Climate Change:

The Sedibeng District Municipality has developed a Climate Change Response Plan in 2016. The plan was developed through assessing vulnerability risks assessment focusing on Agriculture, Biodiversity, Environment, Human Health, Human Settlement and Water. The vulnerability risks assessment focused on the following parameters:

- Exposure,
- Adaptive capacity,
- Sensitivity

Natural Resources	
Major Natural Resource	Relevance to Community
Vaal River	Tourism and fishing which creates jobs and improve the economy of the region
Arable land	Farming which will create jobs, thereby reducing poverty and improve the economy of th region
Suikerbosrand Nature Reserve	Opportunity for tourism which will create jobs and improve the economy

The Municipality must embark on establishing and implementing Environmental Management Plan which should assist in identifying environmentally sensitive areas and awareness campaigns about tourist areas for better utilisation of opportunities.

1.1.5. Economic Performance of the Region

Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This subsection reviews the recent economic

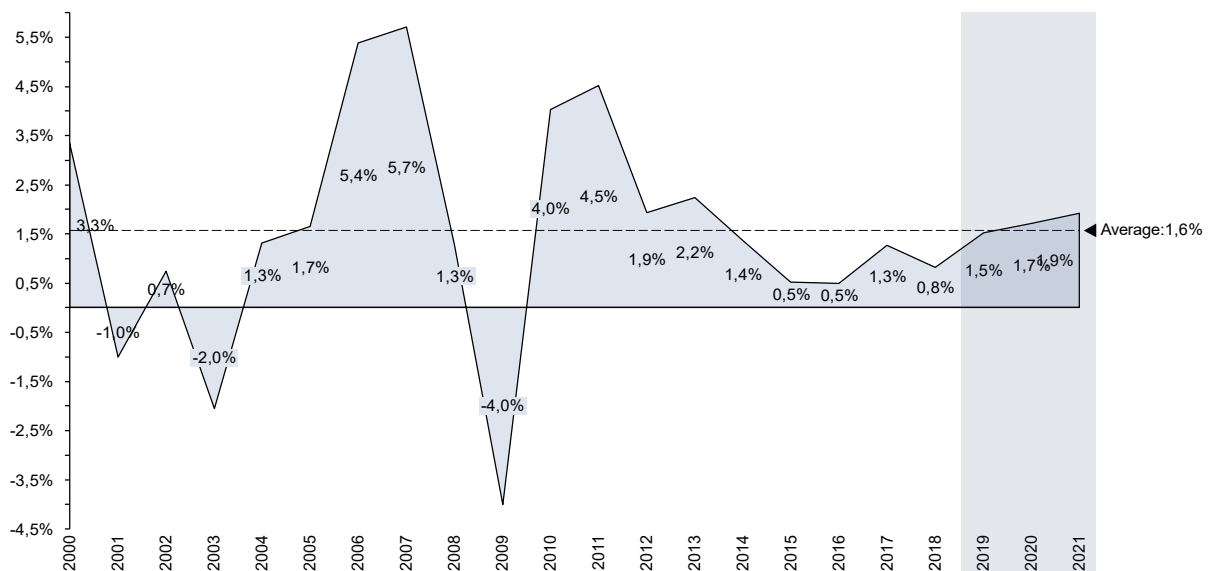
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performance trends in Sedibeng and its local municipalities. GDP Growth Performance and Expected Growth Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), grew at much slower pace in 2018.

In 2019, Sedibeng's economy contracted by 0.3 per cent and this was driven mainly by the contraction in the mining, manufacturing and electricity sectors. The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its region Education levels in Sedibeng District Municipality since 2014-2018

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors (construction, manufacturing and mining). In 2019, the manufacturing sector accounted for about 25 per cent of the total Sedibeng economic activity.

Figure 4: GDP Growth of Sedibeng, 2000 - 2021



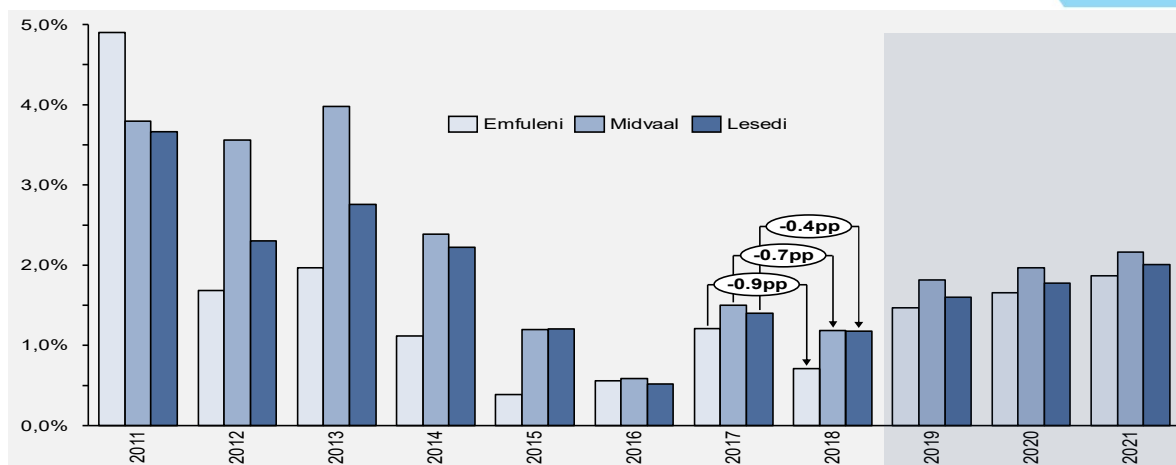
Source: IHS Markit 2019

Note: Shaded Areas illustrates forecasts

Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at a much slower pace in 2018.

Figure 5: GDP Growth of Local Municipalities, 2004 – 2021

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Source: IHS Markit, 2019

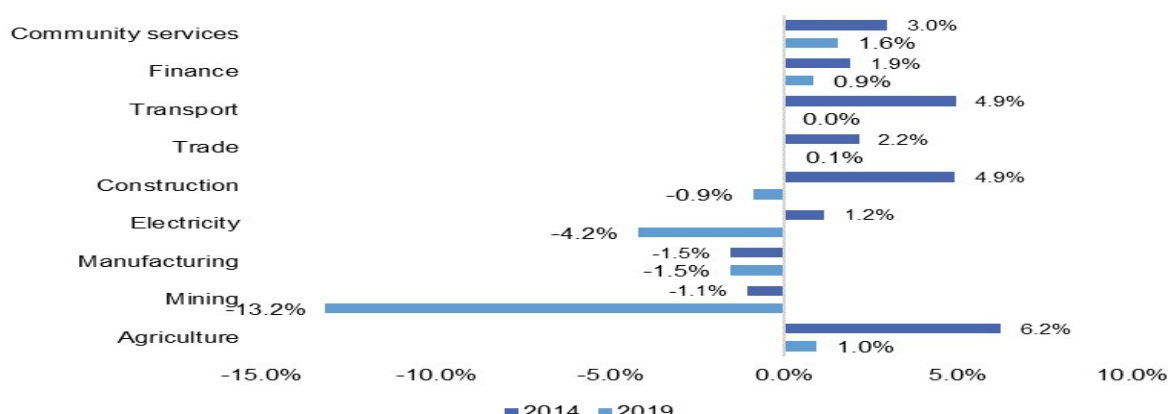
Note: Shaded area illustrates forecasts

Similar to the district, growth is expected to have slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, is expected to have recorded the lowest growth rate of 0.7 per cent, which is down from 1.2 per cent in 2017. The Midvaal economy is expected to have grown at 1.2 per cent, compared with 1.5 per cent in 2017. Lesedi is estimated to have grown at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

Similar to the district, growth was slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, recorded the lowest growth rate of 0.7 per cent, which was down from 1.2 per cent in 2017. The Midvaal economy grew at 1.2 per cent, compared with 1.5 per cent in 2017, while Lesedi also grew at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

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Figure 6: Sector Growth, 2014 & 2019



The graph above depicts the economic activity decline in the Sedibeng region, which in the main was due to a decline in the mining, electricity and the dominating manufacturing sector in 2019. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.

Tourism:

The Sedibeng region has a number of areas with intrinsic potential for tourism. These include areas such as Suikerbosrand nature reserves, the Vaal dam area, areas along the Vaal River, sites in Sharpeville and numerous other historical sites. To unlock and maximize the tourism potential a Tourism Development Strategy for the area was developed and adopted in 2003 and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 Strategy (2007).

In 2019 the Sedibeng Tourism Development Strategy was reviewed with the purpose to align it with new and existing legislation, as well as national and provincial strategies and policies. These Strategies and Policies include the National Development Plan 2030, the New Growth Path, the National Tourism Development Strategy 2016-2026, the Gauteng Transformation, Modernisation, Reindustrialization Strategy (2014) (TMR), the Gauteng Tourism Development Strategy (2017), the Sedibeng Growth and Development Strategy, and the Sedibeng Spatial Development Framework (2019).

Amongst others, the Tourism Strategies have the following goals:

- Develop a common understanding of the Tourism industry, defining the roles and the responsibilities of Government in particular and the broader stakeholder groups, in growing the Tourism industry in Sedibeng.
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector in consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realize these objectives, the following key performance areas have been identified:

- Tourism Policy, Strategy, Regulations, Monitoring and Evaluation
- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing

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- Tourism Supply: Product and Skills Development

Promotion of the development of Tourism Infrastructure

The Sedibeng District Municipality has embarked on a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

Tourism Potential:

The Sedibeng region with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

The classification is based on the following:

- Natural Resources
- Cultural Heritage Resources
- Scenic Attractions
- Close proximity to Johannesburg and major travelling routes
- Proximity to markets and airports
- Strong infrastructure
- Inland water resources
- Tertiary Education Facilities
- Quality medical facilities

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Figure 7: Total Employment by Economic Sector in Sedibeng 2014 & 2018

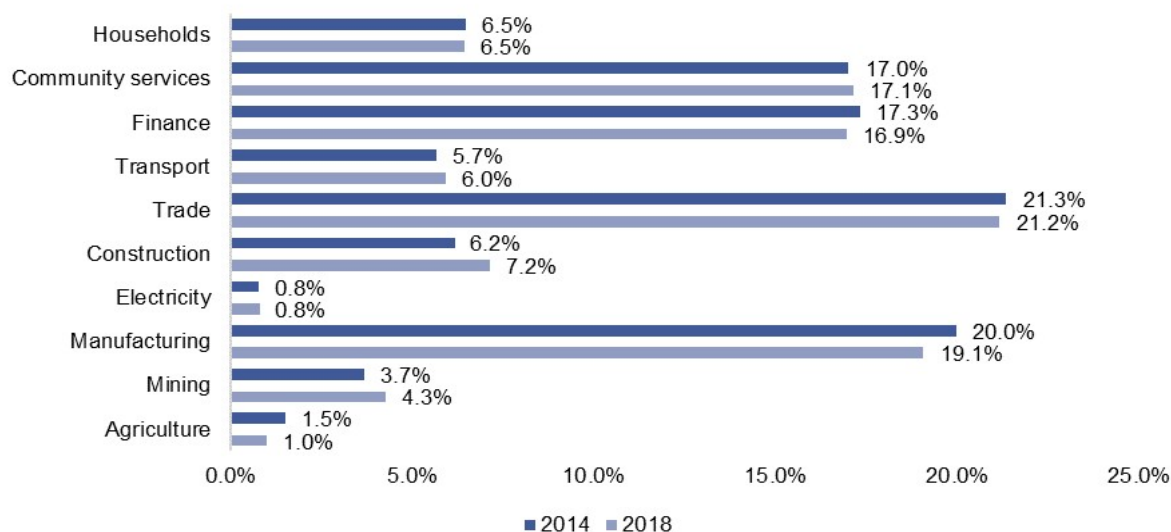


Figure shows employment by sector in Sedibeng for 2014 and 2018. It worth noting that the sector that dominates economic activity, which is manufacturing, is not the biggest employing sector in the region. The trade sector is the biggest employing sector at 21.2 per cent in 2018, while manufacturing is at 19.1 per cent during the same period.

1.2. SERVICE DELIVERY OVERVIEW

Constitutional provisions do not give Sedibeng as a District Municipality, powers to provide basic services. Although the District supports and coordinates the provision of such in Local Municipalities; there are direct services mandated by legislation, which the Municipality provides. These include the Air quality Management; Driver Licensing Testing Centres (DLTC's); Motor Vehicle Registration and Licensing; Public Halls (Vereeniging City Hall); Theatres (Mphatlalatsane and Vereeniging Civic Theatres); Aerodromes; Disaster Relief; Heritage Centres (Vaal Teknorama, Sharpeville Monument); and Taxi ranks

Core Support Functions:

- Support to Local Municipalities

The Sedibeng District continues to support the local municipalities, wherever possible. The district provides resources wherever possible, although at the moment financial constraints prevents it from monetary support to municipalities. The shrinking Capital Budget of the District has seen diminishing support in capital projects.

- Facilitating Development

This remains one of the key areas that the district plays in both the socio-economic development, the District stimulates investment and facilitates development. For the year under review, the municipality has played a prominent role in assisting in the coordination and facilitation for the developments of projects such as Savannah City.

Performance Management System and Overview of Performance:

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The deliverables set at the beginning of the financial year 2019/2020 IDP and SDBIP were implemented and most of them achieved. The overall performance of the municipality with regards to SDBIP objectives and targets is enunciated further in the chapters that will follow.

1.3. FINANCIAL HEALTH OVERVIEW

For the financial year ending 30 June 2023, the municipality's total liabilities (R111,5 million) exceeded the municipality's total assets (R114,2 million) and the municipality's deficit net worth position has decreased further from R108,2 million in 2021/22 to R111,561 million in 2022/23). This places the municipality in an unattractive standing on the open investment market.

The municipality further declares an operating deficit of R3,361 million where the total revenue of R395,142 million was insufficient to meet the operational expenditure of R398,503 million for the financial year ending 30 June 2023. This is primarily attributed to the municipality's limited ability to grow and raise revenue from rendering of municipal functions as assigned, as well as from the disproportionate staff structure, which is the primary operating cost of the municipality. The problem is further exacerbated by the municipality rendering a number of "legacy" functions outside of the core district functions as envisaged in section 84 of the Municipal Structures Act (117/1998) placing greater demand on the limited financial resources of the municipality. The equitable share distribution does not make provision for these functions and the funding is directed to the provincial and national sector departments under the Division of Revenue Act, leaving the municipality to fund these programmes from our own limited internal funds.

Financial Overview: Year 0			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	314,247,000	315,637,435	311,014,490
Taxes, Levies and tariffs	0	0	0
Other	80,996,706	79,744,275	84,127,883
Sub Total	395,243,706	395,381,710	395,142,373
Less: Expenditure	412,422,978	411,296,538	399,253,133
Net Total*	-17,179,272	-15,914,828	-4,110,760
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	78%
Repairs & Maintenance	0.53%
Finance Charges & Impairment	0%
T 1.4.3	

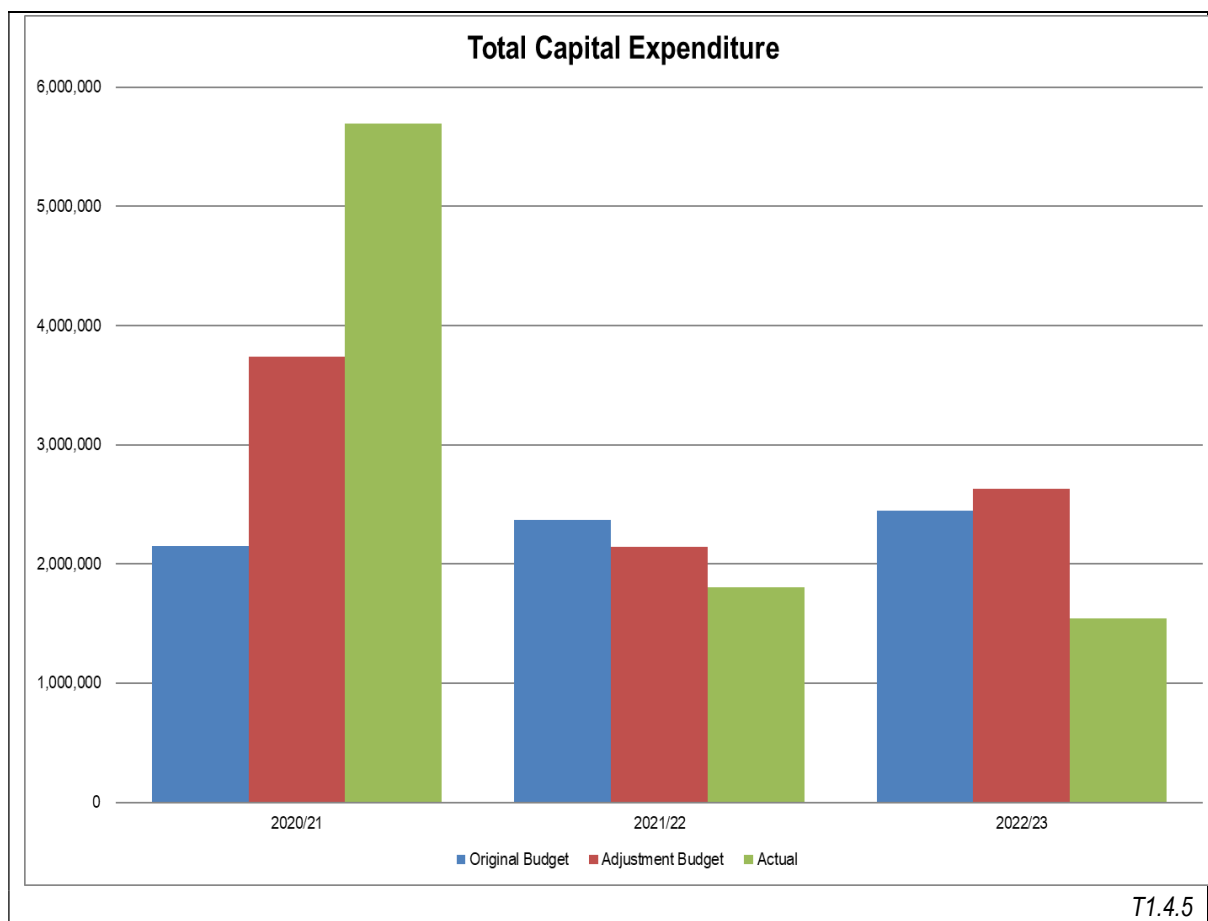
COMMENT ON OPERATING RATIOS

Employee costs is expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%. The Municipality's employee cost is much higher than the expected percentage and

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therefore the reduction in repair and maintenance cost and general expenses in order to compensate for the employee cost,

Total Capital Expenditure: Year -2 to Year 0			
Detail	2020/21	2021/22	2022/23
Original Budget	2,150,000	2,370,000	2,445,413
Adjustment Budget	3,740,000	2,143,240	2,633,295
Actual	5,693,418	1,805,630	1,540,224
			T 1.4.4



COMMENT ON CAPITAL EXPENDITURE

The District Municipality is not capital intensive based on the current power and functions.

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

Human Resource is fundamental to the strategic thrust of the district. It is geared to accomplish optimum outcomes and impact on Service Delivery. For the period under review, the Human Capital of Sedibeng District Municipality comprised of 571 appointed employees, Elected Councillors and appointed community members serving on ad hoc committees. Section 67 of the Municipal Systems Act requires municipalities to develop and adopt appropriate systems and

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procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resources function is discharged through Human Capital Administration and human Capital Development:

Human Capital administration

Human capital Administration is responsible for employee relations, provisioning, and maintenance, which includes recruitment, selection, leave management as well as benefits administration.

Human Resource Administration

For the period under review Council had 19 new appointments, 27 promotions in the form of internal appointments and 25 attritions.

Labour Relations.

Labour Relations manages and ensures sound labour relations and practices. For the period under review

Human Capital Development

The human capital development is responsible for Human Resources Development, Organisational development and Employee Assistance Programme and Wellness Divisions.

The Human Resource Development

The unit is responsible for training and development of employees and members of the community

Organisational Development

Organizational Development for organizational renewal, organizational structure review as well as job design.

SALGA has established job evaluation committees to oversee the job evaluation process for all Municipalities in the Province. The committees include amongst others, the Job Evaluation Administrators (responsible to load jobs and job descriptions on the system), District Job Evaluation Committee (responsible to evaluate jobs) and the Provincial Audit Committee (responsible for coding jobs from all Districts, moderate / audit the evaluated jobs and issue an outcomes report to Municipalities). For the period under review the committee could not execute its functions as it is still awaiting training from Salga prior to conducting any business.

Employee Wellness Programme

This division ensures that employees and councilors have access to a range of wellness services that can address challenges through proactive and curative strategies.

Employee wellness services provided for the period under review included but not limited to the following:

- Post traumatic counselling;
- Routine trauma de-briefing;
- Bereavement counselling;
- Financial literacy and assistance on financial related challenges, clinical and non-clinical and preventative services.

The EAP unit continues to serve as a cornerstone in supporting employees affected with COVID19 and provide Individual Support. The following were some of the Individual Sessions that the Unit assisted employees on social challenges which include marital difficulties. and relationship challenges.

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Occupational Health and Safety

This is concerned with the safety, health and welfare of employees and Councilors at work, for the period under review

The Human Resource Management (HRM) is further strengthened through the following various Committees in pursuit of Good Governance:

- Local Labour Forum (LLF);
- Human Resources Development LLF Sub Committee;
- Workplace and Services Restructuring and LLF Sub Committee;
- Basic Conditions LLF Sub Committee;
- Employment Equity Committee;
- Occupational Health and Safety Committees; and
- Job Evaluation Committee.

1.5. AUDITOR GENERAL REPORT

While the aim is always to ensure that the municipality receives a clean audit; for the period under review, the municipality received an unqualified audit with material findings in the performance information and material non-compliance with laws and regulations. Overall picture indicates a regression as opposed to prior year due to repeat findings that have been identified during this audit cycle and further non-compliance relating to asset management.

The municipality has already developed a remedial action plan to address matters raised in the management letter of the Auditor General. The Accounting Officer has put in place various systems to enable improved systems of internal control and the development of processes to enhance reporting throughout the financial year.

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1.6. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2022/2023 Annual Report 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)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
<i>T 1.7.1</i>		

Chapter 2

CHAPTER 2 – GOVERNANCE



COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Chapter 7 of the Constitution of the Republic of South Africa, Act 108 of 1996 implores that the legislative and executive functions of a municipality are vested within its Municipal Council.

Sedibeng District Municipality exercised its mandate by separating executive and legislative functions. This it did by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts (MPAC) and its implied oversight role, there has been a further implied split between the two functions. The MPAC, as a structure of the legislative function, which is Council; assist by providing an oversight role over the executive function (the Executive Mayor). The Speaker leads Council which is constituted of all 49 Councillors. Below is the narrative relating to political structures of the municipality.

Political Structures and Functions:

Political Head	Functions
 <p data-bbox="226 1350 411 1375">Cllr. Lerato Maloka</p>	<p data-bbox="577 958 743 985"><u>Executive Mayor</u></p> <ul data-bbox="628 1025 1407 1384" style="list-style-type: none"> • Besides the powers and functions accorded to the Executive Mayor in terms of legislation i.e. the MSA, MFMA and others, the Executive Mayor is delegated with the executive function of the Council, as the appointed head of the executive function. • The Executive Mayor exercises political oversight of the administration, except for the Office of the Speaker. • The Executive Mayor presides over the Mayoral Committee Meetings. • Recommends to the Municipality Council strategies, programmes and services to address priority needs through the IDP, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans
 <p data-bbox="226 1865 456 1890">Cllr. Moipone Modikeng</p>	<p data-bbox="577 1469 766 1496"><u>Speaker of Council</u></p> <ul data-bbox="628 1541 1407 1935" style="list-style-type: none"> • The Speaker of Council performs duties and exercises the powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000); • Presides over Council meetings, and advice on major legislative compliance issues. • Ensures that the council meets at least quarterly; • Maintains order during meetings • Ensures compliance in the council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government Municipal Systems act 32 of 2000; and • Ensures that council meetings are conducted in accordance with the standing rules and orders of the council.







Cllr. Mamohale Moloji

Chief Whip of Council:

- The Chief Whip of Council is the chairperson of the ruling party Caucus, Whippyery, Multiparty, and Political Management Team (PMT) in council and also plays advisory to the Speaker of Council.
- The Chief whip is responsible for allocation of Councillors in different committees of Council and to ensure the attendance and maximum participation in those committees.
- The Chief Whip is responsible for administering the Whipping system that ensures that members of the party attend and vote in Council as the party leadership desire.
- The following functions are delegated by Council to the Whip of Council, in terms of national conventions on the duties and functions of the Whippyery. The Chief Whip of Council is required to:
 - Ensure the effective and efficient functioning of the Whips Committee and the Whippyery system;
 - Assist with the smooth running of Council meetings by:
 - Determining, prior to Council meetings, items on the agenda which political parties may wish to discuss and advising the Speaker accordingly;
 - Ensuring that all political parties have nominated councillors to represent their parties and lead discussion on those areas identified by the party, and forwarding such names to the Speaker at least 12 hours before the time set for the Council meeting to commence.
 - Allocating speaking times for each of the political parties, in line with the principles of democracy.

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MEMBERS OF MAYORAL COMMITTEE	
Name & Surname	Portfolio
 <p>Cllr Jimmy Sandile Mochawe</p>	<p><u>MMC for Finance</u></p> <ul style="list-style-type: none"> Provides Political Oversight on the rendering supply chain management and financial management services and the increase of revenue collection
 <p>Cllr Bheki Meshack Mkhize</p>	<p><u>MMC for Administration</u></p> <ul style="list-style-type: none"> Provides Political Oversight on the rendering of centralised Human Resources Services; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; Corporate and Secretariat support.
 <p>Cllr Busang Joshua Tsotetsi</p>	<p><u>MMC for Sports, Recreation, Arts, Culture, Heritage & Community Safety</u></p> <ul style="list-style-type: none"> Provides Political Oversight on the facilitation and coordination of efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development;
 <p>Cllr Nkubi Frances Mokoena</p>	<p><u>MMC for Social Development</u></p> <ul style="list-style-type: none"> Provides Political Oversight on the provision of comprehensive, integrated, sustainable and high quality health and social development; and the development and implementation of holistic and integrated disaster management planning and practice in a cost effective and participatory manner.

Chapter 2

	<p><u>MMC for Development Planning and Human Settlement</u></p> <ul style="list-style-type: none">• Provides Political Oversight on the coordination of Human Settlement, and Development Planning
	<p><u>MMC for Local Economic Development and Tourism</u></p> <ul style="list-style-type: none">• Provides Political Oversight on the coordination of the Local Economic Development and Tourism, Integrated Development Planning (IDP),
	<p><u>MMC for Environment and Clean Energy</u></p> <ul style="list-style-type: none">• Provides Political Oversight on the establishment of a safe environment with clean energy and build partnerships to ensure integrated environmental awareness, planning and management:
	<p><u>MMC for Transport and Infrastructure</u></p> <ul style="list-style-type: none">• Provides Political Oversight on the provision of safe, efficient, effective and integrated public transport system and facilities within the region

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Committees of Council

Committees of Council Sedibeng District Municipality have established all committees and subcommittees to enhance efficiency and effectiveness of governance structures. Such committees operate with clearly defined roles and responsibilities. For instance, the Section 79 and 80 Committees are set up to deal with oversight roles and provide an advisory role to Council. Council convenes on quarterly basis. The Municipality's Audit Committee members have been appointed with their contracts having ended in June 2021/22 FY. Their contracts are requested to be extended for 6th Months -Starting January till June 2022/23. The Audit Committee is accountable to Council; and it provides opinions and recommendations on financial processes and performance; and provides comments to the Oversight Committee on the Annual Report. The Sedibeng District Municipality also established a Section 79/Oversight Committees. Some of these committees also include Councillors. The following committees were established:

- Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee (MPAC) plays an oversight role to Council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the Municipal Finance Management Act requirements and guidance. It also ensures the economic, efficient and effective use of municipal resources. By doing so the Committee helps to enhance the public awareness on financial and performance issues of Council. The MPAC consist of members of the majority and opposition parties.

- Gender Committee

The committee oversees and reviews the alignment, efficiency and effectiveness of gender policy, mainstreaming strategy to implementation. It also oversees and ensures that civic education and awareness programmes, gender analysis and impact assessments are activated within the municipality and across the district.

Petitions Management Committee

The Petitions Committee has been established as a Section 79 Committee reporting directly to Council. The committee meets at intervals not exceeding six months to submit to Council a report indicating all the petitions received, referred and resolved and a summary of the response to the petitioners/community.

Ethics Committee and Rules committee

Sedibeng resolved to consolidate Ethics and Rules committee to form one committee which is Rules and Ethics Committee. The Committee helps the Speaker with the performance of the delegated functions; while it also exists to create a clear road map on the implementation of rules within the Sedibeng District Municipality.

It enforces compliance in all sittings and official gatherings of the council. It also puts into place systems that enhance the development of members of the council in terms of conducting fruitful gatherings within the Council. Lastly the committee enforces discipline among its employees during council sittings and public gatherings.

Remunerations Committee

The Remuneration Committee is established and functional; although it has not set for some time. It is chaired by the Executive Mayor, and is constituted by other members of the Mayoral Council and opposition parties. Corporate Services provides a secretarial service to the committee i.e. responsible for meeting registers, minutes and all other logistics. The committee deals with all remuneration matters of the municipality, including the performance bonuses for the Section 56 employees.

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Other Committees include:

- Audit/Performance and Risk Committee

The Audit and Risk Committee was functional for the period under review with four members, audit chairperson, deputy chairperson and two ordinary members. As per the legislative mandate, the Internal Audit Plan was executed by the Internal Audit team, with reports noted with recommendations by the Audit Committee. These reports included the Performance Information, Finance and Operational Audits. The committee also emphasized the need for management to implement remedial action plans timeously to effect the changes required to improve the municipality's internal control environment.

- Section 80 (MSA 32 of 2000) Committees

All 10 Section 80 Committees are established, chaired by relevant members of Mayoral Council, and fully operational. The Municipality has appointed a highly competent and capable administrative leadership led by the Municipal Manager. The administrative wing of governance consists of the Municipal Manager, five Executive Directors, and four Directors (representing the office of the Municipal Manager, Executive Mayor, Speaker and Chief Whip). These members constitute a Management Committee (MANCO) which sits on a fortnightly basis to address both strategic and operational issues.

The municipality has an active inter-governmental relations functions, which is shared across the entire organization. There are constant engagements with all intra-, inter- and external stakeholders, thus to ascertain that information sharing, challenges and updates are communicated on continuous basis. External stakeholders include all spheres of government, and established entities like the office of the Auditor General.

Political Decision-Making:

The administration develops reports based on requests from councillors, communities, individuals, and various stakeholders. These reports are then submitted to various committees established under Section 80 of the Local Government: Municipal Structures Act, 1998 (as amended). These committees, after extensive deliberations and consideration of the reports in their meetings, they recommend to the Mayoral Committee and Council for resolutions of Council. By law, all Municipal council meeting should be open to the public. In addition, it is common and acceptable, based on the Rules of Council; that Councillors submit motions for consideration by full Council.

Municipal Council passes, amongst others, the following:

- Approving budget and monthly expenditure
- Approving Council Policies
- By-Laws
- Tariffs




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2.2. ADMINISTRATIVE GOVERNANCE

While legislatively the Executive Mayor exercises political oversight over the administration; MFMA section 60 (b) directs that the Municipal Manager of a municipality is the Accounting Officer of the municipality. This warrants that he/she provides compliance guidance to the political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

In any municipality, the administrative wing of governance consists of the Accounting Officer, Managers directly accountable to the Municipal Manager. In Sedibeng District Municipality, Management Committee consists of the Accounting Officer, managers directly accountable to the municipal manager and the directors in the Political Offices. This has been a long-standing arrangement which enable coordination, integration and synergy between the two governance wings. Management Committee meetings are held on fortnightly basis

Administration Structure and Functions

Name and Surname	Position and Functions
 <p data-bbox="240 1167 427 1196">Mr. Motsumi Mathe</p>	<p data-bbox="603 792 794 822"><u>Municipal Manager:</u></p> <p data-bbox="603 826 1449 920"><u>Purpose:</u> The formulation, development and management of an economical, effective and accountable administration, in accordance with the Local Government: Municipal Structures Act, 1998 and other applicable legislation</p> <ul data-bbox="651 925 1235 1126" style="list-style-type: none"> • Finance Cluster • Corporate Services Cluster • Community Services Cluster • Strategic Planning and Economic Development Cluster • Transport Infrastructure and Environment • Internal Audit
 <p data-bbox="240 1563 416 1592">Mr. Charles Steyn</p>	<p data-bbox="603 1202 884 1232"><u>Acting Chief Financial Officer</u></p> <p data-bbox="603 1267 1449 1330"><u>Purpose:</u> To render accounting supply chain management and financial management services for the Municipality, and to increase revenue collection.</p> <ul data-bbox="699 1335 1161 1397" style="list-style-type: none"> • Financial Management and Budgets • Organisational Supply Chain Management
 <p data-bbox="240 1912 464 1942">Ms. Florence Mokgobu</p>	<p data-bbox="603 1599 979 1628"><u>Executive Director: Corporate Services</u></p> <p data-bbox="603 1664 1449 1789"><u>Purpose:</u> To execute functions relating to the rendering of a centralised Human Resources Service; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; and Corporate and Secretariat support:</p> <ul data-bbox="699 1794 1315 1960" style="list-style-type: none"> • Human Resources • Information and Communication Technology Management • Corporate and Secretariat Services • Protection Services • Facilities Management

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 <p>Ms. James Hammer</p>	<p><u>Executive Director: Community Services</u></p> <p><u>Purpose:</u> To execute functions relating to the provision of comprehensive, integrated, sustainable and high quality health and social development; facilitating and coordinating efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development; developing and implementing holistic and integrated disaster management planning and practice in a cost effective and participatory manner.:</p> <ul style="list-style-type: none">• Health and Social Development• Community Safety• Disaster Management• Sports, Recreation, Arts, Culture and Heritage
 <p>Mr. Gregory Makhubu</p>	<p><u>Acting Executive Director: Strategic Planning and Economic Development</u></p> <p><u>Purpose:</u> To execute functions relating the coordination of Strategic Planning and Economic Development; which include Human Settlement, Integrated Development Planning (IDP) Land use management (LUMS), Precinct developments, Local Economic development and Tourism:</p> <ul style="list-style-type: none">• Local Economic Development• Development Planning• Human Settlement
 <p>Mr. Bheki Ngobese</p>	<p><u>Acting Executive Director: Transport, Infrastructure and Environment</u></p> <p><u>Purpose:</u> To execute functions relating to the provision of safe, efficient, effective and integrated public transport system and facilities; the establishment of a safe environment where all people can develop to their full potential; and build partnerships to ensure integrated environmental awareness, planning and management:</p> <ul style="list-style-type: none">• Transport• Infrastructure Planning• Environment• Clean Energy
 <p>Ms. Nomvula Khalo</p>	<p><u>Director: Office of the Executive Mayor</u></p> <p><u>Purpose:</u> To execute functions relating to members of the public who approach it for assistance on issues that concern them. The office looks after the Executive Mayor's political projects and campaigns; and provide political oversight on all Council events:</p> <ul style="list-style-type: none">• Protocol• Research• HIV&AIDS• Service Delivery Monitoring• Youth Programmes• Stakeholders Management• Communications

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Mr. James Dlangamandla

Director: Office of the Speaker of Council

Purpose: To execute functions relating to Councillors Welfare; Public Participation; Capacity Building; Committees; Research and MPAC:

- Councillors Welfare
- Capacity Building
- Public Participation
- Research
- Committees



Ms. Disebo Tlebere

Director: Office of the Chief Whip of Council

Purpose: To execute functions relating to Caucus, Whippery, Multiparty, and allocation of Councillors in different committees of Council and to ensure the attendance and participation is maximal in those committees.

- Committees
- Research & Protocol
- Caucus and Capacity Building



Mr. Mncedisi Mpontshane

Director: Office of the Municipal Manager

Purpose: To execute functions relating to Risk Management; Organisational Performance Management; and Internal Audit.

- Risk Management
- Organisational Performance
- Intergovernmental Relations

COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of Intergovernmental Relations Framework Act (2005) this act provides a framework for the establishment of intergovernmental forums and mechanism to facilitate the settlement of intergovernmental disputes. District municipalities in terms of the Division of Powers provides support and assists local council through; facilitating the sharing of specialized capacity and equipment between municipalities and assisting in the development of co-operative relations between municipal planning and legal services through IGR. Sedibeng District Municipality has adopted for a democratic model for cooperative governance that provides basis for intergovernmental Relations. The objective of Intergovernmental Relations in the District is to facilitate the intergovernmental dialog and structures with relevant provincial government departments, parastatals and state owned enterprises by creating a conducive working relationship between the municipality, Provincial departments, and other stakeholders. This facilitates systems and

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relationships that enable the different spheres of government to participate effectively and carry the service delivery mandate to the local community that is being served and to achieve government goals.

The Sedibeng District Municipality established functional structures to undertake its objectives on Inter-Governmental Relations (IGR). The IGR Unit, located in the office of the Municipal Manager. This unit is part of the revised organogram which is about to be tabled to Council for approval. The intention of the revised organogram is to ensure that all employees are well placed and that critical positions are filled. That the IGR will enable the District Development Model concept to see its realization as it stands to coordinate all service delivery resources from all spheres of government and to capacitate these units with staff in order to fulfil its objective of close interaction with all spheres of government, thus playing a demanding coordination role.

The continuous 'unqualified audit' status of the Sedibeng District Municipality has encouraged constant engagement with other municipalities, entities and government departments on learning, networking and benchmarking. The unit still sits actively in all district, provincial and national forums.

2.2 INTERGOVERNMENTAL RELATION

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATION.

Increased globalization and the aim to bridge the digital divide has led all governments across the world exploring new forms of international economic cooperation and political interaction. This has also forced different spheres of government to delve into international arena in order to build sustainable regions and communities and deal with the negative impacts of poverty, inequality and marginalization. Of late a huge emphasis is placed on local government as global concerns have local resonance. Also a huge demand is placed on local leaders to move quickly to plan for growth. The speed and the scale of urbanization brings challenges and the capacity to tackle challenges essential to assure safe growth for all living in the district.

The key priorities are to utilize and leverage off strategic national, regional and international partnerships with the aim to;

- 1) Facilitate information and sharing
- 2) Equip councilors and officials with additional skills and capacity,
- 3) Build managerial and technical capacity
- 4) Unlock bottlenecks and challenges
- 5) Promote the district as an attractive location for investment and tourism
- 6) Develop project partnership for mutual benefits
- 7) Address regional and global challenges that have local impact which need to be tackled on a broad basis like climate change and contribute to global understanding, solidarity and peace

National Intergovernmental Structures

The Sedibeng District Municipality actively participates in various key forums at a national level. The key forums include the South African Local Government Association (SALGA) and the National Anti - Fraud & Corruption IGR Forum. In SALGA, the Directorate of Community Safety represents Sedibeng District Municipality at the Civilian Secretariat for Police Working Group and Plenary Forums.

These platforms are responsible for policy development and reviews related to the Community Policing Forums, Community Safety Forums, Green Paper on Policing, Rural Safety, etc.

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Participation at this level enables the Sedibeng District Municipality to expand and further build its strategic networks, impacting positively in terms of acquisition of best models for the benefit communities within Sedibeng. Information attained from these forums assist the municipality during its policy and procedure processes undertaken on an annual basis.

Provincial Intergovernmental Structure

Sedibeng District Municipality also participates in various structures at provincial level, namely the Gauteng Intergovernmental Safety Coordinating Committee, MEC/Mayoral Committee Forum, Gauteng Speaker Forum, Premier's Coordinating Forum, and SALGA Working Groups & Functional Areas. SDM is fully represented by the relevant clusters and members of the Political Management Team. Their participation and continuous feedback keep the municipality informed of current issues related to amendments in legislation and new developments in municipal management and strategies

The Municipality has set up these Forums and Committees to advise on direct operationalization of policies, systems, projects and programmes as mentioned above. They advocate integration, coordination and synergy in the region, thus curbing duplications and possible waste of time and public resources.

Relationships with Municipal Entities

Sedibeng District Municipality established and registered an entity; a state-owned company called Vaal River City Promotion Company. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists. This, is envisaged that it will be done through various coordinated marketing initiatives such as promoting Vaal River City brand and encouraging the hosting of unique integrated events. This structure is meant to advance district-wide delivery of desired services towards realization of the Growth and Development Strategy (GDS).

District Intergovernmental Structures

Sedibeng District Municipality, in consultation with all local municipalities in its municipal area, has set up relevant IGR forums to advance cooperation and consultation towards coordinated development and advancement of the region. These structures meet on monthly, quarterly and bi – annual basis. Sedibeng District Municipality and three local municipalities, namely Emfuleni, Lesedi and Midvaal Local Municipalities, are fully represented in these Forums. Some of these are aligned to both national and provincial structures for direct implementation of plans as designated at higher levels.

The Municipality has set up these Forums and Committees to advise on and direct operationalization of policies, systems, projects and programmes as discussed. Various forums like the CFOs Forum, Safety Management Forum, Municipal Environmental Health Forum, Transport and Roads Forum, IDP Task Team Forum, IDP Steering Committee, IDP District wide Lekgotla, and many more were established. These structures advance district-wide delivery of desired services towards realization of the growth and development strategy.

The following Forums are established and operational:

- Joint Mayors Forum; Sedibeng Speakers Forum; Sedibeng Chief Whips Forum; Joint Municipal Managers Forum; Chief Financial Officers Forum; Community Safety Forum; Municipal Environmental Health Forum; Transport and Roads Forum; Legal IGR Forum; Disaster Management Forum; IDP Task Team Meetings; IDP Steering Committee; IDP District-wide Lekgotla; and many more. Regional Support Structure through DDM.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Communication, Participation and Forums

The mandate of Sedibeng District Municipality is to plan for public engagements, including meetings, events and consultations led by both political and administration principals. These occasions were planned according to Sedibeng District Municipality outcomes as aligned to legislative requirements and annual plans corporate calendar; and the District Municipality's Communication Department was meant to play a major role to reach all stakeholders, physically and through electronic media, including website information.

- WARD COMMITTEES

The Sedibeng District Municipality has no Ward Committees. However, through the Office of Speaker and in collaboration with local municipalities, it provides oversight, capacity building and support to all Ward Committees.

- PUBLIC MEETINGS

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Numbers of Community Members attending	Yes/No) Issues Addressed	Date of feedback given to community
IDP Stakeholders Meeting	November 2022	49	15	200	Electricity Load shading Unemployment Lack of business	
Mayoral Breakfast Meeting	December 2022	49	15	200	Electricity Load shading Unemployment Lack of business	
IDP Stakeholders Meeting (Feedback Session)	May 2022	49	15	200	Electricity Load shading Unemployment Lack of business	

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2.5 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

COMPONENT D: CORPORATE GOVERNANCE

Sedibeng District Municipality has a strong governance system. All political and administrative structures are set in terms of relevant legislations and aligned in operation to the revised King Report. Municipal Council embraces various circulars from Cooperative Governance and Traditional Affairs (COGTA) and Treasury Departments, to enhance municipal governance.

Sedibeng District Municipality through its Intergovernmental Structures, liaise with all stakeholders at Local, Provincial and National levels. Section 79 and 80 Committees are established to assist political leadership, the Executive Mayor and the Members of the Mayoral Committee with oversight on the total efficiency and effectiveness of the municipal systems. MPAC provides the overall oversight report of the municipality.

Audit Committee is also a critical institution set up as a Section 79 Committee of Council. SDM has built internal capacity in Internal Audit Function, working close with the Audit Committee and technically coordinated and supported by the Chief Audit Executive. The Risk Management Unit, manages and deals decisively with issues of Business Continuity Planning, Ethics & Integrity Management and Anti-Fraud & Corruption related-matters. The Local Labour Forum advocates for harmonious workplace relationship between employer and employees.

The following were achieved during the period under review:

- Intergovernmental Framework is implemented and the coordination is functional and effective.
- All MEC/MMC meetings are attended and reports brought back to the Mayoral Committee.
- Fraud and Corruption issues are addressed as and when they are reported.
- Capacity-building programmes are continuously undertaken by Sedibeng District Municipality.
- Code of Conduct for Councillors and Officials is distributed to all on an annual basis.

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- Sedibeng District Municipality is engaged in capacity building programmes for officials to meet minimum competency requirements.
- Adherence to all legislative and compliance requirements.
- All Committees of Council are fully functional.
- Oversight Committees which are Audit and Municipal Public Accounts Committees are functional.
- Political Management Team is fully functional and provide Politico-administrative direction.

2.6 RISK MANAGEMENT

Sedibeng district municipality in the year under review had challenges with regard to Risk unit as the Manager was ill throughout and this created a gap in the work which was supposed to be performed. The municipality has appointed an individual to act in this position so that the work could be done. The Municipal Manager has made inputs on how to build a risk unit by seconding personnel with the correct qualification under risk as the Manager alone becomes overwhelmed. Risk management affords the municipality an opportunity to take informed decisions. Comprehensive managing of risk will permit the district to anticipate and respond to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.

Though risk management culture is not yet at the desired level, the district continues to implement its enterprise-wide risk management strategy to ensure effective mitigation of risks and identification of any opportunities there may be. Risks are assessed at different levels which include strategic, operational and project level. Risk management is not only about identification of risks but what becomes important is the implementation of committed mitigation actions.

The Risk Management Unit should provide a comprehensive support service to ensure systematic, uniform and effective Enterprise Risk Management (ERM). The Risk Management Unit plays a vital communication link between operational level management, senior and executive management, risk management committee and other relevant stakeholders. The Risk Management Unit is the custodian of the Enterprise Risk Management strategy and framework, the coordinator of the risk management processes throughout the institution and the institutional advisor on all risk management matters. Top 9 Strategic Risks of Sedibeng District Municipality are:

- Declining economy within the district;
- Difficulty in fulfilling the District's mandate;
- District not Operating as a Going Concern (Financial Unsustainability);
- Fraud and Corruption; and
- Inadequate Disaster Management in the District.
- Threat to quality of life (District Citizens)
- Inability to continue operations in the event of a disaster (BCM)
- Dilapidated Infrastructure (Municipal Buildings)
- Loss or Unauthorised Access to the Districts' confidential Information (Reputational Risk)

2.7 ANTI-CORRUPTION AND FRAUD

Sedibeng District Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent manner. Consequently, SDM is committed to fighting fraudulent behaviour at all levels within the organization. The Municipal Manager bears the ultimate responsibility for fraud and corruption and risk management within the Municipality. This includes the coordination of fraud risk assessment, overseeing the investigation of suspected fraud corruption and facilitation of the reported employees or other parties.

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In Sedibeng District Municipality, there is an Anti-Fraud and Corruption Unit which comprises of 2 Internal Investigators who report directly to the Municipal Manager. Sedibeng District Municipality reviewed their Fraud Prevention Plan, together with the Fraud Policy & Response Plan.

The plan is premised on the organizations core ethical values, intent and commitment to prevent fraud and corruption together with the planning and organizational measures required in achieving that outcome. Effective planning is essential for preventing fraud and corruption and responding promptly and appropriately when it occurs.

2.8 SUPPLY CHAIN MANAGEMENT

Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. MFMA section 110 – 119, SCM Regulations 2005, and relevant MFMA circulars, set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The Supply Chain Management Unit resides within the Finance Cluster.

MFMA Supply Chain Management Regulations effected June 2005 require that in order to perform the oversight role of Council, the Accounting Officer must submit a quarterly report to the Mayor of the municipality on the implementation of the supply chain management policy. The Supply Chain Management Policy was adopted by Council resolution A1532 on 08 June 2016, in line with the prescripts of Section 111, Local Government: Municipal Finance Management Act (56 of 2003). Subsequent reviews were conducted annually as follows:-

- Council Resolution A1631 of 31 May 2017;
- Item R03 of 42nd Special Council sitting on 07 June 2019;
- Council Resolution A2133 of 26 May 2021;
- Council Resolution A2275 of 26 October 2022;
- Council Resolution A2308 of 25 January 2023; and
- Council Resolution A2374 of 31 May 2023.

Reports are compiled monthly to assist Council to perform their oversight function as prescribed under MFMSM Regulation 6, as well as to promote the municipality's procurement principles of transparency, equal treatment, effectiveness, competitiveness, fairness, ethics, proportionality, uniform application, responsibility, openness, value for money and, commitment to safety, health and the environment.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

The Bid Adjudication Committee was established in terms of the provisions of MFMA SCM Regulation 29. This committee consist of officials with authority to make final recommendation to the Accounting Officer to award bids in accordance with their terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000), Preferential Regulations published in terms of Government Gazette No. 22549, Broad Based Black Economic

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Empowerment Act (Act No. 53 of 2003), Construction Industry Development Board Act (Act No: 38 of 2000) and also the criteria set out in terms of Municipal Finance Management Act (Act 56 of 2003) Circular 53. Other criteria for technicality, capability and functionality are determined at the cross-functional bid specification stage, wherein due consideration is also given to achievement of Council strategy, project risk assessment, and alignment to the national Expanded Public Works Programme (EPWP).

In terms of “National Treasury MFMA Circular 62 dated 20 July 2012,” accounting officers must approve a plan containing all planned procurement for the financial year in respect of goods, services and infrastructure projects anticipated to exceed R200,000. An approved procurement plan for 2022/2023 had been compiled in conjunction with the approval process for the 2022/2023 MTREF of Council. The 2022/2023 procurement plan as approved by the accounting officer, had also been submitted to Gauteng Provincial Treasury. The Demand Management function then monitored procurement requests against this plan. Quarterly reporting of progress against the 2022/2023 procurement plan was submitted to Gauteng Provincial Treasury for monitoring purposes, as per “Gauteng Provincial Treasury: Municipal Supply Chain Management Circular No. 1 of 2014.”

The annual procurement plan had been updated in accordance with budgetary changes effected after the MFMA section 28 annual budget adjustment, and was duly approved by the accounting officer on 27 March 2023.

The cross-functional bid committees convened on an as-and-when required basis in accordance with the requirements of the approved procurement plan.

Public bids represent acquisition of goods and/or services through a public competitive bidding process for proposals above R 30,000 (Vat Inclusive). Further details of awards made are provided under chapter 5.

Regulation 36 of the Supply Chain Management Regulations allow for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only in an emergency circumstances; if such goods or services are produced or available from a single provider only)for the acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

There were a total of ten (10) Regulation 36 procurement transactions approved as deviations during the 2022/2023 financial year to a value of R 365,501.19. The details per transaction and reasons are recorded and disclosed in the notes to the Annual Financial Statements.

Furthermore, SCM regulation 17(1)(c) requires a municipality to maintain a register recording the reasons where three quotations were not obtained, and report on those awards on a monthly basis. A total of twenty-two (22) procurement transactions were duly reported by Council to the total value of R 270,854.41 as minor breaches of a technical nature from procurement transactions as per Council policy and as per SCM Regulation 36(1)(b) at the time of reporting. The details per transaction and reasons are recorded and disclosed in the notes to the Annual Financial Statements.

Regulation 32 of the Supply Chain Management Regulations allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of the state, but only if-

- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of the state;
- (b) The municipality has no reason to believe that such contract was no validly procured;
- (c) There are demonstrable discounts or benefits for the municipality to do so; and

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(d) That other organ of the state and provider has consented to such procurement in writing.

There were no applications made by Sedibeng District Municipality under SCM Regulation 32 for the 2022/2023 financial year.

The SOLAR system has the database of suppliers and is updated on a daily basis through manual processes. It gives effect to all the SCM and legislative requirements. The department receives new applications on a daily basis which show the interest of suppliers in the local economy, while existing suppliers are required to update their vendor information as and when required.

An automated system has been developed in-house whereby supplier data can be extrapolated directly from CSD into the municipal financial system with the intent of automatically rotating and randomising requests for quotations. The system reduces the degree of human interference in the sourcing and selection of CSD registered suppliers, allowing for a fairer and more equitable selection process, and at the same time improving the compliance outcomes of selected suppliers. The Acquisition Unit run parallel processes for the sourcing of quotations between R1,000 up to R30,000 on both, the SOLAR database and the CSD in order to not disadvantage any existing suppliers on the municipal database set.

National Treasury have developed a centralised supplier database (CSD) to optimise the efficiency of service delivery. The CSD is interfaced to South African Revenue Service (SARS) to enable tax clearance status verification of suppliers throughout the Procure-to-Pay process and the Companies and Intellectual Property Commission (CIPC) for vetting of business registration and business ownership. All municipalities were required to migrate onto the CSD by 01 July 2016. Further details were tabled under the separate cover of the report on “MFMA Circular No. 81: Web Based Central Supplier Database (CSD).”

The SCM unit at the municipality is registered onto the CSD and the SCM Demand Unit has begun incorporating information from CSD onto the existing SOLAR database, on an as and when required basis.

The Broad-Based Black Economic Empowerment Act (53/2003) was promulgated in order to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution. This was achieved through establishing national policy on broad-based black economic empowerment to promote the economic unity of the nation.

BBBEE scoring is conducted through accreditation agencies and points are awarded on the calculation of the following elements on the scorecard:

- The level of black ownership;
- The level of black management;
- Employment equity in the workplace;
- Development of skills and competencies of black people;
- The level of goods and services that a business procures from BBBEE compliant suppliers;
- The level of contribution to enterprise development; and
- Social economic development.

During the 2022/2023 financial year, the municipality expended a total of R 16,011,808.55 on three hundred and eighty (380) BEE Level 01 suppliers, equating 76.5% of the total four hundred and ninety-seven (497) municipal awards for procurement of goods and services.

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In order to implement National Treasury & Provincial Treasury Reforms and to ensure the provision of business to people with disabilities, youth and women owned companies, expenditure is tracked based on the BBBEE certificates / sworn affidavits submitted by suppliers. It was further recorded that of the total of four hundred and ninety-seven (497) suppliers contracted during 2022/2023, one hundred and seventy-three (173) were women-owned businesses, fifty-three (53) were youth-owned, and, one hundred and fifty-four (154) of these suppliers are “Emerging Micro Enterprises” (EMEs) which equates to 76.5% of total awards for 2022/2023, while one hundred and eighteen (118) were township-based businesses, equating to 23.7% of total awards. The municipality did not meet the performance target for awards made to businesses owned by people with disabilities. Further details are disclosed under chapter 5.

Of the total procurement incurred for 2022/2023 it is reported that approximately a quarter was expended on suppliers within the Sedibeng region equated to:

- 20% within Emfuleni Local Municipality (R 5,068,708.50);
- 2% within Lesedi Local Municipality (R 444,526.85);
- 1% within Midvaal Local Municipality (R 157,649.35);
- 61% outside SDM but within Gauteng Province; and
- 16% outside of Gauteng Province.

Contract management is the function of the cross-functional Contract Management Committee which resides with Corporate Services: Legal and Support, and their reporting obligations lie under the Office of the Municipal Manager Legal Portfolio. The SCM Policy places the responsibility to conduct performance evaluation based on the vendors' performance with regards to delivery of goods/ services against pre-determined criteria as entered into through service delivery contracts on the end-user departments as the project managers. These performance evaluations are reported on a quarterly basis through to the Contract Management Committee. The service providers are being evaluated on a scale of 01 (Poor) to 05 (Excellent) in the following criteria:

- Delivers Goods/Services Timeously; and
- Provides Products/Services That Meet Specifications/Requirements.

2.9 BY-LAWS

Section 152 (2) of the Constitution of the Republic of South Africa empowers the district to promulgate and implement By-laws; to enable effective and efficient administration of its matters.

These By-laws are anticipated to be reviewed annual and some as and when the need and circumstance arise. For the year under review, only one By-law as promulgated regarding Tariffs. This is done annually as mandated by legislation so that they talk to the Budget of the municipality.

By-laws Introduced during 2022/2023					
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
	Municipal Tariffs	Yes	During IDP process	Yes	Jun-2021

Chapter 2

2.10 WEBSITES

Legislation requires that the municipality publishes its business activities in the website. This assists the community to assess how the municipality is doing in terms of programmes and projects, inclusive of the financial spending. Corporate Services Cluster has the responsibility of overseeing the operations of Internal Communication; where the website unit resides. This Unit is responsible for the design, layout and uploading of all relevant documentation related to the District functions and compliance onto the website. It is therefore required of the municipality clusters and departments to furnish the webmaster, on monthly basis, the information to be uploaded in the website.

The Internal Communication Unit has finalised a new and easily accessible website. The website is fully functional on all devices (Personal Computers, laptops, tablets and phones). In collaboration with the External Communications Department, notices and information is posted on social media which then leads stakeholders to the website, other online platforms such as SEO (Search Engine Optimization) are utilised to lead users to the website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	27/02/23
All current budget-related policies	Yes	05/05/22
The previous annual report (Year -2021/2022)	Yes	16/03/2023
The annual report (Year 2022/2023) published/to be published	No	-
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2022/2023) and resulting scorecards	Yes	03/02/2023
All service delivery agreements (2022/2023)	N/A	-
All long-term borrowing contracts (2022/2023)	N/A	None disclose
All supply chain management contracts above a prescribed value (give value) for 2022/2023	N/A	None to disclose
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N/A	None to disclose
Contracts agreed in 2022/2023 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	-
Public-private partnership agreements referred to in section 120 made in 2022/2023	N/A	None to disclose
All quarterly reports tabled in the council in terms of section 52 (d) during 2022/2023	Yes	27/10/2022 20/01/2023 26/04/2023 04/08/2023

The Public can access information on www.sedibeng.gov. 24 hours a day by viewing some information on respective pages. Some other information is available as downloads i.e. PDFs (Readable with Acrobat Reader). In addition, the district is in the process of establishing an Anti-Fraud and Corruption hotline. 0860 061 022; which will be linked to the Office of the Municipal Manager.

The website can be accessed at public libraries for members of the community who do not have devices and can be accessed at public Wi-Fi hotspots for members of the community who have limited data. The website consists of 80%

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Hyper Text Mark-up Language (HTML) and Cascading Style Sheets (CSS) code which means it does not consume too much network data on any device and can be comfortably viewed on free data.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

SDM has no constituency; as such did not conduct public satisfaction levels surveys; however, the municipality relies on the public participation for such as the social media. These and public participation engagements have given the municipality the nod from members of the public.

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

This Chapter provides information and gives account of all services that were provided by the municipality during the year under review. However, it is noted that basic services such as the provision of water (3.1); waste water (sanitation) (3.2); electricity (3.3.) waste management (3.4); housing services (3.5); and some free basic services (3.6) are provided at local municipality level. The district plays a facilitating and coordinating role in direct liaison with local municipalities.

Furthermore, this chapter closely focuses at what the district municipality set out to achieve at the beginning of the financial year; and the achievements thereof. All anticipated projects and programmes are enshrined in the IDP and SDBIP; and all are also outlined in the 5+2 Pillars of the IDP. The pillars are:

- Re-invent our Economy
- Renew our Communities
- Re-integrate our Region
- Revive our Environment
- Release Human Potential
- Good Governance
- Deepening Democracy

The Transformation, Modernization and Reindustrialization (TMR) Programme pursued by the Gauteng Province 5th Administration; which brought a sign of urgency and renewed hope is included in the objectives of the municipality as a guiding principle. The municipality achieved most of its objectives in the year under review. The municipality's powers and functions doesn't allow it to offer basic services; as such the municipality renders very few services directly to residents. These include:

- Licensing on agency basis
- Emergency Medical Services
- Facilities e.g., Theatre, Hall

Comprehensive information on the above-mentioned services is captured under the same titles later in the report. While local municipalities provide the following basic services as outlined below, Sedibeng District Municipality only plays a coordinating and facilitating role in housing and transport. They are water, sanitation, electricity, waste management, some free basic services, including indigent services.

3.1. WATER PROVISION

The provision of water is primarily a function of local municipalities.

3.2. WASTE WATER (SANITATION) PROVISION

This service is primarily a function of local municipalities.

3.3. ELECTRICITY PROVISION

Some functions are provided by local municipalities while a certain portion is provided by ESKOM.

Chapter 3

3.4. WASTE MANAGEMENT

Local Municipalities' primary function is to provide waste management.

3.5. HOUSING

Schedule 4 of our Constitution stipulates what functions each sphere of government is responsible for. It states that housing is a function of our National and Provincial Governments. But in reality, although the finance for housing development is provided by National Government, through Provincial Government, the management and coordination of the implementation of housing projects has become the responsibility of Sedibeng District Municipality. Because of the resources required to take on this responsibility, this is often referred to as an under-funded or unfunded mandate, which are mandates or responsibilities where Sedibeng performs certain functions or activities for which they do not have any clear source of funds. In particular, Sedibeng is expected to carry out functions that are not specified or not allocated in the Constitution.

The human settlements development function in Sedibeng Region is administered by Gauteng Department of Human Settlements (GDHS) and like in the last financial year, is characterized by different challenges like slow delivery of houses, water logged stands, invasion of houses, delay in allocation to beneficiaries, community protests, delays in electricity reticulation in the almost complete projects etc.

The District Municipality has resolved to embark upon a process to apply for accreditation with the Gauteng Department of Human Settlements. Upon approval, the municipality will be in a favorable position to receive the Urban Settlements Development Grant from National Treasury for purposes of delivering sustainable human settlements for its constituency.

Sedibeng District Municipality (SDM) role is only to coordinate and monitor human settlements programs through established Human Settlements Coordinating Forum. The Forum is made up of GDHS, the three local Municipalities and the District. The Forum discusses issues such as provision of houses, title deeds, engineering services, land use applications and etc. Sedibeng District Municipality received funding from the Gauteng Provincial Treasury (GPT) to register and transfer Title Deeds to beneficiaries. Sedibeng District Municipality subsequently appointed conveyancers to assist with this process which is currently underway. Major concern is that as a district, we are still struggling with the registration and transfer of title deeds.

Chapter 3

Financial Performance Year 0: Housing Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue					0%	
Expenditure:						
Employees	1,898	1,726	1,730	1,730	0%	
Repairs and Maintenance					0%	
Other	32	28	29	28	0%	
Total Operational Expenditure	1,930	1,755	1,759	1,758	0%	
Net Operational Expenditure	1,930	1,755	1,759	1,758	0%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5	

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Housing is a function of Province and therefore the district municipality can only coordinate and facilitate where it is permitted to do so. The district municipality can only eradicate the current housing backlogs and other related challenges once the function of housing is relocated to the district.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services, including Indigent support are implemented by local municipalities

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

The provision of roads planning and infrastructure resides within local municipalities in the district. The Sedibeng district municipality's (SDM) duty is to put together Road Asset Management Plan (RAMP), which is reviewed and compiled annually.

The data is upgraded every three years according to National Department of Transport (NDoT) funding cycle. The data is then sent to Local Municipalities for implementation. This digital system help municipality to better manage their road infrastructure and develop preventative maintenance plans.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

The Sedibeng District Municipality is currently not providing the bus services. The Public bus services in the district is provided by the Gauteng Provincial Government through the Department of Roads and Transport on behalf of the Sedibeng District Municipality. Sedibeng District Municipality has entered into an agreement with the Gauteng Department of Roads and Transport and signed a reviewed ntergovernmental Authorization Agreement that has extended the mandate of the Province to appoint Bus service operators in the area of juristic of Sedibeng. The agreement signed with the Operators made provisions of empowering the local operators as well. Negotiated contracts with the Bus Operators have been completed and entered into a seven years contract.

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The Sedibeng District Municipality is currently implementing the Sedibeng District Integrated Plan (DITP) inclusive of the associated local municipalities ITP's consisting of Emfuleni, Lesedi and Midvaal Local municipalities and the Transport fraternity. The plan includes but not limited to:

- Commuter Rail Information ; Sedibeng has two Rail Corridors the Vereeniging to Germiston and the Vereeniging to Park Station Johannesburg. The Vereeniging/ Johannesburg corridor has not been operational for the past five years, whilst the Vereeniging/ Germiston is operational at a low Scale but mainly on transporting goods.
- Rail Infrastructure : The Rail Infrastructure in the Vereeniging/ Johannesburg has been destroyed and vandalized in some stations its totally none existence. Vereeniging/ Germiston Infrastructure was vandalized as well especially during Covid-19 but Rail lines still intact.
- Road based public transport information ; Sedibeng District Municipality has conducted a fully-fledged Transport Infrastructure audit with the CSIR and the report has reflected the state of the Taxi Ranks status in the region.
- Transport needs assessment; Studies conducted highlighted urgent need to improve road infrastructure in the region and the regular maintenance of the roads.

Sedibeng District Municipality is working with the National Department of Transport through its Road Agency Sanral in maintaining and rehabilitation of the National Roads , N1, N17, and N3 routes

Sedibeng District Municipality is working with the Provincial Department of Roads and Transport in sealing and closing of the Potholes in the region, rehabilitation and maintenance of all Provincial Roads R59,R82 routes and R42, Expansion of R82 and the development of the Transport intersection in Bedworthpark.

- Sedibeng District Municipality and Gauteng Department of Roads and Transport has commissioned the CSIR to conduct a study of the impact of the Covid-19 Household survey as to assess the lesson learned for future planning. The survey was conducted and concluded by the CSIR
- Sedibeng District Municipality is a member of the Transport Authority of Gauteng Board has been participating and in Global Transport initiatives and conferences organized by TAG in partnership with other international bodies.

MOTOR VEHICLE LICENSING AND REGISTRATION

Sedibeng District, on an agency basis and on behalf of Provincial Department of Roads and Transport; runs a successful vehicle licensing and operations. This is attested by the increasing number of clients utilising the services.

However, there are incidents of misconducts by employees. These are handled jointly by province and Sedibeng District Municipality. The Service Level Agreement between province and the municipality has been finalised and will be valid until 2024. In addition, the municipality is looking at reviewing the Strategy; which will be in line with the province and the municipality's strategies, goals and objectives.

The risks regarding cash at licensing centres still remain a concern but the municipality is engaging relevant banks to reinforce cash management; which should reduce theft and potential and current robberies at these centres.

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Financial Performance Year 0: Transport Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	70,736	76,647	76,301	77,960	2%	
Expenditure:						
Employees	73,119	75,878	74,066	72,414	-5%	
Repairs and Maintenance	71	100	100			
Other	12,334	14,410	12,643	11,782	-22%	
Total Operational Expenditure	85,524	90,388	86,809	84,196	-7%	
Net Operational Expenditure	14,788	13,741	10,507	6,236	-120%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.8.5	

3.9 WASTE WATER (STORMWATER DRAINAGE)

These services are provided by Local municipalities

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The district municipality's area of responsibilities includes planning for the development of space in terms of Schedule 4 of the Constitution read in conjunction with Chapter 5 of the Municipal Systems Act. The district municipality is thus responsible for the development and review of the Spatial Development Framework. This function incorporates the management of development projects as outlined in both the SDF and IDP respectively. Controlling the usage of land and managing the Geographic Information Systems thus plays a pivotal role in how land develops in the region. Part of these responsibilities includes the management of land use and the Geographic Information Systems.

Through local economic development, the district is responsible for tourism, agriculture and investor/business relations. The greatest challenge in the region at present is the aged and dilapidated bulk infrastructure that has a negative effect on the economic growth of the region. The Vaal River, Vaal Dam, Suikerbosrand Nature Reserve and rich political history of the region present tourism opportunities for the region. The arable land and currently vacant industrial sites present opportunities for the agro-industry to advance. The N1, N3, N17, R59, R42 and R82 routes present great opportunities for corridor development and prospective growth for the logistics sector..

3.10 PLANNING

Spatial Planning:

The latest SDF was adopted by Council in 2019 and it is in alignment with the Spatial Planning and Land Use Management Act, 2013. The district is currently in the process of developing a Vaal River Spatial Development Framework that will focus on complimentary development on both sides of the Vaal River, including the Vaal Dam area.

Geographic Information Systems:

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The district has developed an integrated GIS with a dashboard that depicts spatial data for all municipalities in the region.

Southern Corridor Regional Implementation Plan

The district municipality has in 2018 adopted a Southern Corridor Regional Implementation Plan. This plan is an implementation tool for all strategic and game-changer projects in the region. The listed projects in the plan will contribute massively to the Gauteng City Region and give the region a competitive advantage in the global market. From the 14 listed projects, the following projects were identified as short-term projects that warranted immediate action and intervention from all spheres of government. The projects are as follows:

1. Sedibeng Regional Sewer Scheme

The Department of Water and Sanitation has instituted section 63 of the Water Services Act and subsequently appointed Rand Water as the implementing agent. The purpose of this intervention is to repair and replace pipes, operate and maintain waste water treatment works. The project is progressing fairly well in line with the project plan, module six (6) has been completed and module to commence in the next financial year.

2. Sedibeng Government Precinct

A Transaction Advisor was appointed by the Gauteng Infrastructure Financing Agency to conduct a Feasibility Study for the project. Due to lack of participation from both the province and national departments in the project, the Project Steering Committee resolved to treat the project as an office accommodation project for the municipal employees. However, the project has hit an impasse due to the recommended solutions options as proposed by the Transaction Advisor. The municipality has as a result released a Request For Proposals to enter into agreements with suitable investors and developers that will ensure the successful implementation of the precinct plan.

3. Vereeniging Fresh Produce Market

The Feasibility Study was approved by Council in 2019 and the process is currently at the TVRll phase with the National Treasury. A Request For Qualifications was released by the municipality under the tutelage of Gauteng Infrastructure Financing Agency. This process will subsequently be followed by the release of an Request For Proposals from prospective partners in the private sector. The maintenance of the Fresh Produce Market is currently budgeted for by the municipality.

The following table outlines progress made, challenges and interventions:

Table 8: Projects

PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Sedibeng Regional Sanitation Scheme	On track as per the project plan	<ul style="list-style-type: none">• District does not have control over the project due to devolved Powers and Functions.• District has engaged provincial CoGTA to review the powers and functions of municipalities in the Gauteng Province and be consistent with legislation.
Sedibeng Government	Impasse on the Feasibility Study Process and awaiting proposals from the private sector as per the	<ul style="list-style-type: none">• Recommended options are not suitable for the objectives of the project and the

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Precinct	released Request For Proposals	<p>municipality.</p> <ul style="list-style-type: none"> District released Request For Proposals
Vereeniging Fresh Produce Market	Request For Proposals phase	<ul style="list-style-type: none"> Funding District has resolved to partner with the private sector pertaining to operations of the fresh produce market.
Vaal Logistics Hub	<p>Feasibility study has been concluded.</p> <p>No response from the Request for Proposals.</p>	<ul style="list-style-type: none"> Project not coordinated by the district. Proposal to relocate to a site closer to the envisaged Vaal Aerotropolis.
GraceView.	Phase 5 and Grace View developed, but marketing to increase uptake is required.	<ul style="list-style-type: none"> Bulk Infrastructure. Awaiting support from the Department of Water and Sanitation.
The Graceland	Application has been approved by Midvaal Local Municipality.	<ul style="list-style-type: none"> Sewer is a major challenge. Solution is part of the Sedibeng Regional Sewer Scheme.
Heidelberg CBD	None	<ul style="list-style-type: none"> Funding Lesedi LM has advised to stall the project for now.
Vaal River City	90% of bulk challenges have been resolved and EIA process underway.	<ul style="list-style-type: none"> Delayed decision-making pertaining to the application for student accommodation of 12 000 beds to support neighboring universities. K174 project on track
R59 Corridor	Western Side development dependent on road network and services. Servitudes need to be procured which is an ongoing process as budgets allow.	<ul style="list-style-type: none"> Will require grant funding for services when servitudes procured. Part of the One Plan catalytic projects.
Sicelo Precinct	<ul style="list-style-type: none"> Development underway, housing projects being implemented. Waiting for allocation of MIG funding to build informal trading stalls. There is a need to integrate Sicelo with the main CDB which requires a pedestrian bridge over R59. 	<ul style="list-style-type: none"> The area is inundated by underlying dolomitic rock, making the development of high-density residential blocks unfeasible. Bridge construction. Precinct plan developed for the area and incorporated in the latest Midvaal LM Spatial Development Framework.
Lesedi Transit Hub	<ul style="list-style-type: none"> Developer in place (Tecino); Warehouse port is at the Environmental Impact Assessment (EIA) stage; Commercial development in Kwa-Zenzele awaiting township establishment. 	<ul style="list-style-type: none"> Project communication is on-going.

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Doornkuil Precinct	<ul style="list-style-type: none"> Pre-feasibility completed. Land to be leased to potential investors. 	<ul style="list-style-type: none"> Bulk infrastructure District Municipality has resolved to lease the land to prospective investors.
Devon Tannery	The Lesedi Local Municipality is no longer interested in this project	<ul style="list-style-type: none"> Lesedi LM has advised to stop the project for now.
Langzeekoegat Precinct	Pre-Feasibility study completed	<ul style="list-style-type: none"> Limited infrastructure and access. Transfer of land from National Government and Sizanani Community Trust

Geographic Information Systems (GIS)

An integrated GIS system has been developed for the district and local municipalities. The system includes a central server which is located at the district offices and a viewer which is accessed by all municipalities.

Lesedi Local Municipality is the only Local Municipality that is not connected to the central server. This is because the municipality is not on the centralized ICT network of the Sedibeng District Municipality; which poses a challenge in terms of data transfer and storage.

More funds are required to complete the GIS project that will enable the district and its' local municipalities to make well informed decisions on development of land..

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	2	10	10	0	0%
7 - 9	0	7	7	0	0%
10 - 12	2	2	2	0	0%
13 - 15	2	3	3	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	6	22	22	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.10.4

Chapter 3

Financial Performance Year 0: Planning Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3,669	3,526	3,646	3,994	12%	
Expenditure:						
Employees	27,438	27,380	26,251	27,061	-1%	
Repairs and Maintenance	127	150	999	271	45%	
Other	2,222	1,831	1,898	1,900	4%	
Total Operational Expenditure	29,787	29,361	29,148	29,232	0%	
Net Operational Expenditure	26,118	25,835	25,502	25,238	-2%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.10.5	

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The role of the district is to guide and manage the development of land in the region. Tools such as the Geographic Information Systems are pivotal in executing such a task in that with such a tool, trends can be tracked and disasters can be averted. The district therefore needs financial support to efficiently execute GIS related activities.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Promote and Develop the Tourism Sector

To unlock and maximize tourism potential in the Sedibeng region the Sedibeng Tourism Development Strategy was developed and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy and the Sedibeng Integrated Development Plan (IDP) 2021-2026 and the Sedibeng Spatial Development Framework (2019). The strategies and frameworks have the following goals:

- To address the pillar on “Reinventing the Economy”, as stipulated in the IDP;
- To utilise the existing natural, cultural-historic and man-made resources towards the development of Tourism Precincts and Tourism Corridors throughout the District;
- To develop a common understanding of the tourism industry, defining the roles and the responsibilities of government in particular and the broader stakeholder groups, in growing the tourism industry in Sedibeng.
- To develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector into consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realise these objectives, the following strategic objectives have been identified:

- Tourism Policy, Strategy, Regulations, Monitoring, Evaluation and Transformation
- Partnerships, linkages, enabling institutional framework and relationships
- Tourism Demand: Regional Destination Marketing;
- Tourism Supply: Product and Skills Development;
- Promote the Development of Tourism Infrastructure.

During the 2020/2021 financial year the following deliverables were achieved:

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Tourism Demand: Regional Destination Marketing

Through the collective effort of government, private sector stakeholders and the community, participation in marketing initiatives for tourism products and related tourism packages benefit a tourism destination.

Through the Gauteng Tourism Authority (GTA), South African Tourism (SAT), and the Gauteng Department of Economic Development (GDED), marketing initiatives are developed for tourism products to take advantage of. The Sedibeng District Municipality has facilitated or coordinated the following marketing initiatives of 2020/2021, including:

- the sharing of marketing related information, such as leisure events, to GTA, SAT and local publications;
- the participation in South African Tourism's Tourism Recovery Survey;
- the participation of tourism destination content creation for ENCA with Gauteng Tourism Authority;
- the implementation of the Domestic Tourism Scheme with the National Department of Tourism and Gauteng Tourism Authority;
- the participation in the Gauteng Tourism Authority's provincial marketing initiative;
- the participation of tourism products in South African Tourism's Pan-Indian engagements, Country-wide Insights and Halaal Tourism training;
- the participation of local tourism products in the South African Tourism's speed marketing sessions
- the participation of local tourism products for Gauteng Tourism Authority's virtual marketing session with the Indian based, Akbar Holidays;
- the development of regional itineraries as part of Gauteng tourism routes for the European tourism market, through South African Tourism and the Gauteng Tourism Authority;
- the participation in the National Tourism Association's "Villages, Towns and Small Dorpies Project" with South African Tourism and Gauteng Tourism Authority.

Tourism Supply: Product and Skills Development

Regular training and information sharing within the industry is critical to ensure that quality services are provided at tourism establishments, which will ensure sustainability and growth in tourism businesses, and transformation of this sector. The Sedibeng District Municipality has facilitated a number of product and skills development initiatives in the region in the 2020/2021 financial year. These include:

- Tourism skills training for tourism stakeholders (114 stakeholders were trained in Customer Service and 38 stakeholders were trained in Events Coordination);
- Covid-19 Tourism Relief Measures and Information;
- Gauteng SMME Sustainability Support Programme;
- National Department of Tourism's Service Excellence Programme;
- Gauteng Province Local Government Peer Learning Session;
- National Tourism Information Monitoring System data collectors' training programme;
- National Tourism Equity Fund;
- Gauteng Visitor Information Services' Consultative Forum;
- Gauteng Institutional Framework;
- Gauteng Department of Economic Development's Tourism, Trade and Investment Working Group;
- National Department of Tourism's Food and Safety Assurers Training Programme;
- Gauteng Tourism Infrastructure Assessment.

Relief and Mitigation Measures for the Tourism Sector in Response to the Covid-19 Pandemic and National Lockdown, with the announcement by the President of South Africa that a nationwide lockdown (enacted in terms of the Disaster Management Act) would be effective from 27 March 2020 to curb the spread of Covid-19, numerous restrictions and regulations were introduced.

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The subsequent lockdown in a phased approach in South Africa has allowed for the tourism and event industries to slowly begin operating again. However, operational and financial challenges are experienced across the board due to amendments of these regulations (such as curfew and the sale of alcohol) and changes in lockdown levels, which determine the level at which establishments and services may operate. This has impacted the tourism sector negatively.

The Tourism Department has ensured that tourism stakeholders in the region have been informed of available national relief funds, information on national and provincial recovery plans and Gazetted Directions that are of relevance to the tourism industry.

To support tourism business and products within the Sedibeng region, the Tourism Department facilitated the sharing of meetings, marketing initiatives, information and training sessions, which were hosted on virtual platforms, with tourism stakeholders.

Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This sub-section reviews the recent economic performance trends in Sedibeng and its local municipalities.

GDP Growth Performance and Expected Growth.

Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, is expected to have slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 and 2019 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at much slower pace in 2018.

The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its regions, Sedibeng's economy contracted by 0.3 per cent in 2019 and this was driven mainly by the contraction in the mining.

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate.

The decline in economic activity in the Sedibeng region was mainly due to a decline in the mining, electricity and the dominating manufacturing sector. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.

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COMMENT ON LOCAL JOB OPPORTUNITIES:

The district comprises high levels of poverty and low levels of employment, however there are opportunities in the rural economy such as tourism and agriculture. These two (2) sectors should lead the economy recovery plans of the region and supported by logistics and manufacturing

TOURISM

The Sedibeng District Municipality has embarked upon a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

The Sedibeng region, with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

A Tourism Development Strategy for the area was developed and adopted in 2003 and principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 strategy (2007).

The Tourism Strategies have the following goals:

- Develop a common understanding of the tourism industry, defining the roles and responsibilities of government in particular and the broader stakeholder groups, in growing the Tourism Industry in Sedibeng;
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng Tourism Sector into consideration;
- Build the capacity of the three major stakeholder groupings (Government, Private Sector and Community) to grow tourism and subsequently create economic and job opportunities.

In order to realize these objectives, the following deliverables have been identified:

- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing
- Tourism Supply: Product and Skills Development
- Promote the Development of Tourism Infrastructure

Tourism Institutional Arrangements

- Support Regional Tourism Organisation (Vaal River City Tourism Promotion Company (SOC))

The Sedibeng District Municipality has coordinated the establishment of a Regional Tourism Organisation, with Public, Private and Community Stakeholders, to create an enabling and facilitating environment for the Tourism Industry in the Sedibeng Region as informed by the National Growth Path, the Constitution of the Republic of South Africa and the National and Provincial Tourism Development Strategies.

A state-owned company (Vaal River City Promotion Company (SOC)) was registered in August 2013. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists, through various coordinated marketing initiatives, such as promoting Vaal River City as a brand and encourage the hosting of unique integrated events.

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The Board consists of five Board Members, chaired by Advocate G Malindi.

- Provided technical support to the Municipal Manager
- Tourism demand through targeted tourism marketing initiatives
- Marketing and Exhibitions

The Tourism Department is involved with many exhibitions and events on an annual basis. This platform is an excellent marketing tool to raise the tourism profile of the region. A Generic Tourism Brochure, profiling the tourism offering in the region, is distributed. A Sedibeng tourism website has been developed, which includes accommodation establishments, tourism attractions, packages and events.

Listed graded establishments are linked to their respective websites. Sedibeng District Municipality submits information to the National Department of Tourism, Gauteng Tourism Authority, N3 Gateway and Vaal Meander to be included on their respective websites and digital platforms. The Sedibeng District Municipality and tourism stakeholders participated in numerous exhibitions, such as the International Tourism Indaba, World Travel Market 2018. One hundred and eighty-three (183) Events and Packages in the region were submitted to the N3 Gateway Association, Gauteng Tourism Authority, Vaal Meander, the Sedibeng, External Communications Department and Emfuleni, Midvaal and Lesedi Tourism Departments for inclusion in marketing initiatives.

Accommodation and Tourism Product Audit:

The Tourism Department has conducted an audit on the graded and non-graded accommodation facilities in the region. This is an on-going process. A total of 19 databases have been developed and maintained regularly.

- There are 94 graded establishments in the region and 132 non-graded establishments. Approximately 4426 beds (2700 Graded and 1726 Non-Graded), ranging from luxury to budget accommodation, are on offer to tourists.
- There are 75 Conference and Function venues with capacity for 20 to 4000 pax.

Tourism Product Development:

The Sedibeng District Municipality has participated or submitted inputs for the development of National and Provincial policies, strategies, studies and plans. These include the Gauteng Suikerbosrand Repositioning Strategy, Gauteng Township Tourism Programmes, and Tourism Signage for Gauteng Township Destinations.

- Tourism Training, Capacity Building and Skills Development.

Sedibeng, in partnership with the National Department of Tourism, Gauteng Enterprise Propeller, Gauteng Tourism Authority and tertiary institutions, conducts skills development and tourism awareness workshops on a regular basis for emerging and established tourism establishments. The Sedibeng Tourism Department, with relevant stakeholders, facilitated and participated in the following workshops:

- ✓ Gauteng Positioning and Working Group Workshop
- ✓ Economic Township Tourism Stakeholder Engagement Session
- ✓ Gauteng Global City Region Seminar
- ✓ BBBEE Awareness Workshop
- ✓ Township Tourism Coordination Workshop
- ✓ Women in Tourism Workshop
- ✓ Gauteng Tourism Safety Monitors

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- ✓ GDED Awareness Workshops
- ✓ Sedibeng Cookout Event
- ✓ My Run Programme

Information on training, capacity building and skills development opportunities by tourism departments and organisations, such as the National Department of Tourism, Gauteng Department of Economic Development, Gauteng Tourism Authority, FEDHASA, N3 Gateway, SAHRA, etc. are sent to all stakeholders to participate.

The Sedibeng District Municipality facilitated the implementation of a National Training Programme, namely The Tourism Youth Hospitality Programme. 47 learners graduated in the programme and 8 got permanent employment.

- Promote the Development and Maintenance of Tourism Infrastructure
- ✓ Facilitated a Township Tourism site audit with the Gauteng Department of Economic Development for the development of Township Tourism.
- ✓ Facilitated the application for the approval and installation of Tourism Directional signage of 3 tourism products in Sharpeville.
- ✓ Submitted information to the Gauteng Department of Economic Development for the inception report on tourism signage for Gauteng Township destinations.
- ✓ An audit on Tourism Infrastructure in the region was conducted and submitted to the Emfuleni Tourism Routes Working Committee, Midvaal and Lesedi Local Municipalities, Gauteng Department of Economic Development, Gauteng Tourism Authority and the Sedibeng Heritage Department for the consideration in the planning of tourism routes and the maintenance of infrastructure.

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				
4 - 6	3	3	4	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	
13 - 15	6	6	3	3	50%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	11	11	9	3	27%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.11.8

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Financial Performance Year 0: Local Economic Development Services						R' 000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees	2,603	2,761	3,181	3,040	9%	
Repairs and Maintenance						
Other	72	64	76	56	-14%	
Total Operational Expenditure	2,675	2,825	3,257	3,097	9%	
Net Operational Expenditure	2,675	2,825	3,257	3,097	9%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.11.9

Capital Expenditure Year 0: Economic Development Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0			
Project A						
Project B						
Project C						
Project D						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The district municipality is a granted dependent municipality and therefore currently does not have capital budget to either implement projects or execute programmes. This consequently limits the municipality to coordinate and facilitate local economic development in the region.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Introduction

This is a community-based cluster which seeks to release human potential from low to high skills and build social capital through united, non-racial, integrated and safer communities. This is done by providing support services to various areas such as disaster management services, community safety, health care services, social development, youth development, sports, recreation, arts, culture and heritage in the region. Key priority areas of this cluster include the following:

- Promoting and building safer communities
- Promoting disaster resilient communities

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- Promoting efficient delivery of primary health care, social development and gender and women programs
- Promoting sports, recreation, arts and culture
- Preserve heritage and museums, including promotion of historical commemorative days
- Facilitate geographical name change process

Children and Older Person Programmes

One of the key delivery areas of SDM is to promote social development of our communities, support and facilitate implementation of youth development programmes across the region. The services relating to children, and older persons are primarily the responsibility of the Provincial Department of Social Development. However; Sedibeng District Municipality's key role is to coordinate and give support to the Local Municipalities in collaboration with the province, to give effect for this implementation of programmes. Various programmes have been implemented in conjunction with the Local Municipalities focusing on the designated groups i.e. youth, children, women and gender and people with disability.

Facilitate Implementation of Gender and Women Programmes

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable nation. Commitment and a bold action are needed to accelerate progress, including promotion of laws, policies, budget and institutions that advances gender equality.

Gender equality and women's empowerment has received much attention in South Africa workforce with concerted efforts being made to bridge the gender inequality gap. However, a lag remains between women and their male counterparts. Women in South Africa have been experiencing gender-based discrimination for many years, especially when they are striving towards executive positions.

Women's access to employment and positions is very important for development, poverty alleviation and promoting gender equality, for women to gain access and participate economically, socially and politically, they need to be capacitated and skilled.

In line with the above, Sedibeng District Municipality with the limited resources continually coordinate, support and implement gender and women programmes; the following programs were implemented for the financial year 2022/23:

On the 8th August 2022 training course on Scientology Tools for life Community and Economic Development was held at Kyalami facilitated by the Church of Scientology. Thirteen (13) participants including officials and Councillors attended the course, from the thirteen participant five (5) completed the sixteen (16) modules and two (2) delegates graduated NQF Level 5 on the 19th September 2022, the three delegates graduated in October 2022.

Localising Sustainable Development Goals (SDG) through gender mainstreaming workshop was held on the 6th October 2022 at Riverside Sun Hotel in Vanderbijlpark, the workshop was supported and facilitated by the Commission for Gender Equality. One of the objectives of the workshop was to promote the use of standard indicators and collaboration amongst South African National Statistics Systems (SANSS) partners, thereby mitigating challenges related to reporting.

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On the 24th May 2023, Women and Gender Family Law Workshop was held in Evaton West, facilitated by FAMSA and the Family Law Advocate. The main objective was to sensitise the participants on domestic violence and the reporting processes, thereof. Thirty-seven (37) participants attended the workshop.

Support Social Development Programmes

There are engagements with relevant stakeholders to revive the Sedibeng People with Disability Forum, which collapsed during the Covid-19 period.

Sedibeng has eight (8) residential facilities for older persons, per sub-district are as follows:

- Emfuleni Local Municipality has five residential facilities funded by DSD.
- Lesedi local Municipality has two residential facilities, one funded and the other one is unfunded.
- Midvaal local Municipality has one funded residential facility.
- The residential facilities were visited by family physicians from Sedibeng District Health.
- Food distribution is done to the homes of older persons.

Facilitate Youth Development Programmes through the National Youth Development Agency (NYDA)

The Sedibeng District Municipality continue to reaffirm its commitment in delivering and identifying holistic interventions that seeks to capacitate and empower the Youth in the region. For over the years, the Municipality has established strategic partnerships with various agencies such as the National Youth Development Agency (NYDA) and government departments, this was done to accelerate the implementation of Youth Development programmes across the district.

The district acknowledges that Youth development still remains a critical area that needs continuous attention to ensure that sustainable development, active participation and skill growth is achieved. As a result, various interventions were implemented by the District and the NYDA to curb the alarming rate of Youth unemployment and vulnerability.

The following activities took place during January October to December 2022

Programme	Annual Target	Annual Performance
Business Management Training	600	217
Mentorship	41	35
Grant	81	78
Voucher	47	50

SUMMER SEASON INITIATION SCHOOL OPENING

On the 24 October 2022, Gauteng Department of Cooperative Governance and Traditional Affairs released Circular of 2 of 2022(Annexure B) that allowed cultural communities to be permitted to submit applications as per requirement of the Customary Initiation Act. Based on the provincial recommendations to different municipalities, SDM delegated two officials to oversee and monitor the initiation schools across the region.

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Objectives as per requirement of the Act are to: -

- to protect, promote and regulate initiation and for this purpose –
 - (a) to provide acceptable norms and standards; and
 - (1) To provide initiation oversight and coordinating structures at three spheres of government with a view to ensure that initiation takes place in a controlled environment
 - (b) to provide for protection of life, the prevention of injuries and the prevention of all forms of abuse that initiates may be subjected to as results of initiation practices
 - (c) to address the governance aspects of initiation and the roles of all relevant role-players and
 - (d) to protect the customary practice of initiation and ensure that it is practiced within the Constitutional and other legal prescripts.

OUTPUT

Number of application forms issued	Number of application forms returned	Number of applications approved	Number of applications declined	Number of illegal schools found	Number of illegal schools destroyed by SAPS	Number of registered initiation schools visited and monitored
63	42	43 (21 females + 22 males)	19	6 (2)SDM initiation schools located in Sedibeng (29 initiates); (2) COJ (36 initiates) (2)West Rand (56 initiates)		

Initiates report

Number of initiates enrolled at registered initiation schools	Number of reported missing children	Number of missing children recovered	Number children returned to parents/ guardians	Number of recovered children sent to registered initiation schools
Males	119	119	119	unknown
Females	0	0	0	0

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Incidents

- Death of a 38 year old female initiate in Boipatong , inquest opened at Barrage Police Station Case no. 9/12/22

Achievements

- All 40 Initiation schools were successfully visited and monitored
- Most lost children were recovered and the region became stable

Challenges

- Cross borders initiation schools by non-complying criminal elements who make use of missing children
- Trespassing by illegal initiation schools
- Failure and refusal of SAPS to open cases on missing children and against illegal initiators
- Delay by CoGTA Provincial Initiation Coordinating Committee (PICC) to send approvals to the region
- Use of firearms and other dangerous weapons by youth involved in the cultural practice
- Commercialisation of the cultural practice that goes along with unregulated fees charged from parents/ guardians
- 9 Under aged children found among illegal initiation schools
- Recruitment of children is made in schools through the influence of initiation school principals
- Entitlement by habitual initiation schools' principals who on annual basis demand to open initiation schools
- Gangsterism caused by competition among initiators
- Under resourced municipality officials (dedicated transport and officials)
- None participation of local municipality officials in the programme
- Local courts' failure to implement the Customary Act

Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

Key Strategic Objective: Promote the efficient delivery of Primary Health Care and Social Development of our Communities									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		2022/2023			Year 02	Year 03	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: To ensure effective service delivery									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

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Youth Development programmes	Facilitate the implementation of youth programmes through NYDA	04	04	04	07	04	08	04	08
N.B: Youth Development programmes migrated to the office of the Executive Mayor from the Health and Social development									T3.22.3

Staff Complement

Employees: Health and Social Development					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	01	01	0	0%
04 – 06	02	04	02	02	0%
07 – 09	12	15	12	05	0%
Total	15	20	15	0	0%
					T3.23.3

The performance of child care, aged care, social programmes overall

The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2022/23 financial year.

The expected outcome of coordination and support to promote social development of our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period. These includes of the Regional IGR structures and the provincial IGR forum chaired by the DSD HOD in preparation of the MEC/MMC IGR.

Issues relating to children care services are a core functionality of the province in accordance to the Child Care Act. The district continues to provide relevant support in conjunction with the locals including the ECD Steering Committee, and the ECD migrated from the DSD to the Department of Basic Education as of April 2022, this emanated from the Honorable President Cyril Ramaphosa speech of Nation Address of February 2019.

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COMPONENT F: HEALTH

Promotion of Effective Delivery of Primary Health Care Services

Effective Delivery of Primary Health Care Services

In accordance with the Health Act No. 61 of 2003, health care services are the priority and the mandate of Provincial Department of Health. However; Local government as the closest sphere of government to communities is also expected to coordinate and support this function, as a result Sedibeng District Municipality coordinate and support the function through the District Health Council as stipulated in the chapter five in the Act.

As a result; Council has established an intergovernmental relations structure in the form of a District Health Council for coordination and support the District health Services in the region. This council is appointed by the MEC for Health, and it sits on quarterly chaired by the SDM: MMC for Health and Social Development. It is at this forum whereby various stakeholders from health sector provide regular reports that give synoptic overview of health care services in the region and where resolutions are taken to advise the MEC for health.

For the Financial year 2022/23 District Health Council was held during quarter 1 and 3. Throughout the DHC meetings all the relevant stakeholders from the three hospitals within the region i.e. the Chief Executive Officers (CEO) presented their report and the Emergency Medical Services Director, including the acting chief director of Sedibeng District health Services and from all the presentations through the 2022/23 financial year the critical challenges which were referred to MEC was the infrastructural challenges and the shortage of human resource to enhance service delivery.

In support and coordination of Primary Health Care services SDM MMC for Health and Social Development together with the locals and the Sedibeng District Health Services took an over sight visit to the regional Sebokeng hospital, Kopanong and Heidelberg district hospitals and most of Midvaal: Kookrus; Randvaal; Pontshong; Mayorton clinics and Lake side health post, at Emfuleni oversight visit was done at the following PHC Primary Health Care facilities: Retswelape clinic and Sharpeville MOU. Lesedi Ratanda and Ext 7 PHC facilities were visited and the other 7 facilities will be visited in the 2023/23 financial year. Challenges like infrastructural issues and shortage of human resource issues were noted and escalated to the office of the MEC

The National Department of health has a policy mandate for the National health Systems of South Africa, while the health services rendered by the District Health Systems that are managed by Provincial Department of Health. The District Health Plan is informed by the National and Provincial Annual Performance Plans. The purpose of the DHP is to set goals and strategies to enable the health district to the best meet the health needs of its population.is done on an annual basis, In line with these the District Health Plan for 2022/23 was developed and adopted by Province

District Health Council will continue to do their oversight role to enhance improved quality delivery of Primary Health Care services to the betterment of our communities. Intergovernmental work stream structures functional to strengthen District Development Model that will improve the quality of health care services.

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Primary Health Care Facility (PHCFC)

Primary Health Care Facility Committees known as Clinic Committees are statutory bodies appointed by the Member of Executive Council (MEC) for Health and this is stipulated in Section 42 of the National Health Act, No. 61 of 2003.

Their main objectives amongst the others includes:

- Promoting effective and efficient governance through public participation.
- To assist the clinics in addressing the health needs of the communities served.
- To ensure accountability and effective management of facilities and
- To ensure that the Primary Health Care Facility, known as a clinic is responsive to community needs that they serve.

Sedibeng has since played a pivotal role in ensuring that efficient delivery of Primary Health Care services in the region is achieved through public participation, which means governance structure in the form of Primary Health Care Facility Committees (PHCFC) thus known as clinic committees.

The term of office for the current PHCFC is three years i.e., 2021/2024 and the application was published from MEC for Health and the nominations were sent to all the health facilities in the region, the process went well and Sedibeng PHCFC were appointed and received the appointment letters signed by the MEC for Health

Below is the PHCFC Appointment Status report For Sedibeng from 1st April 2021 to End of Term (31st March 2024)

Total Number of Clinics	38
Clinic with no submissions of nomination forms	17
Clinic with less than 5 members	11
Clinic with five members	08
Total number of clinic committees with appointment letters	74 out of 190 committee members
Total Percentage	38,9%

Since the establishment and appointment of PHCFC in April 2021, the first training facilitated by the office of the MEC for health was held on the 28th March 2023. The table below indicates the number of clinics that participated in the training per sub district:

Sub District	No of Facilities Participated in the training
Emfuleni	11
Midvaal	02
Lesedi	0
Sedibeng	12

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3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Part A schedule 4 and 5 of the Constitution of South Africa, 108 of 1996 lists the following as provincial competencies: Archives, other than National Archives, Libraries, other than National Libraries, Museums, other than National Museums, Provincial Cultural matters, Provincial Recreation amenities and Provincial Sports.

The Gauteng Department of Sports, Arts, Culture and Recreation operate within the Constitutional Mandate. Part B of the same schedule lists competencies in which the Provincial Department has a role to support and monitor local government i.e., amusement facilities, local amenities, sports facilities, municipal parks and recreational facilities

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	312	382	382	394	3%	
Expenditure:						
Employees	17,335	17,975	16,928	16,743	-7%	
Repairs and Maintenance						
Other	531	475	535	485	2%	
Total Operational Expenditure	17,866	18,450	17,462	17,228	-7%	
Net Operational Expenditure	17,554	18,069	17,080	16,834	-7%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.5	

3.13 CEMETORIES AND CREMATORIIUMS

This function is performed by Local Municipalities

COMPONENT E: ENVIRONMENTAL PROTECTION

Environmental protection within the District is covered by a number of Clusters. The district has a specific role to play in terms of air quality management in terms of licensing of listed activities and is performed by the air quality officer of the District. Pollution control is a program within Municipal Health Services and which is rendered by the District Municipality.

The poor air quality in Sedibeng District to a number of sources; industrial sources, domestic fuel burning, windblown dust, and biomass burning.

Air Quality Management objectives are to:

- (i) Manage the Section 21 industries through Atmospheric Emission Licensing,
- (ii) Ensure the availability of air quality data through Ambient Air Quality Monitoring and National Atmospheric Emission Inventory System (NAEIS); and
- (iii) Provide awareness and education on the impacts of air pollution on health to the communities through Awareness Programmes, Implementation Task Teams, and multi-stakeholders engagement.

In order to tackle the Air Quality Management problems in the district, two coordinators were appointed in October 2019 under Ambient Air Quality Monitoring and Atmospheric Emission Licensing. This brings the total number of employees under Air Quality Management to three.

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3.15 POLLUTION CONTROL

3.15.1 MUNICIPAL HEALTH SERVICES

The Pollution control programme is managed by Sedibeng District Municipality as one of the nine programs under Municipal Health Services. The service is rendered through a service level agreement with the local municipalities who perform the function on behalf of the District. Pollution control activities do not differentiate between communities and the service is rendered equally throughout the District. Priority is given to all related complaints and referred to relevant departments (where applicable) for attention and action. Most of the complaints relating to solid waste removal and sanitation were referred to the responsible service departments only in instances where Environmental Health Practitioners could not resolve the matter and needed assistance.

Table: Environmental pollution complaints

Data element	Emfuleni	Midvaal	Lesedi	Total District
Air pollution	1	13	3	17
Unhygienic conditions	6	0	3	9
Food related	5	0	0	5
Insects/ Pests	0	0	0	0
Noise	4	48	2	54
Sanitation	3	5	1	9
Illegal burning	4	59	1	64
Offensive odour	2	47	0	49
Keeping of animals	1	0	0	1
TOTAL	26	172	10	208

All communities in the district, including the socio-economically disadvantaged (poverty) population have access to the Municipal Health Services. The top three pollution control priorities within the program are:

- Water pollution control
- Air pollution control
- Noise control

Water quality monitoring: There is a water sampling program in place that ensures water sampling takes place as scheduled within the district. The main objective of water monitoring is to ensure that the water provided to the communities is safe and sound for consumption, including in compliance with the South African National Standard (SANS) 241:2015. Therefore, water samples are taken at the points of the end user (taps, boreholes, and reservoirs). A **total number of 448** water samples were taken. Unfortunately, a total number of 5 samples from a borehole in Midvaal area were non-compliance. As a result, the owner was advised to boil the water before use. However, no water-borne diseases were reported to the Sedibeng District Municipality during this period.

Table: Water Sampling

Data element	Emfuleni	Midvaal	Lesedi	Total District
Drinking Water	80	67	268	415
Bore hole	0	13(*5)	15	28 (*5)
Storage tanks	0	3	0	3
Municipal Reservoir	0	0	2	2
TOTAL	80	83	285	448

*Samples not in compliance

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Of great concern are the pollution of the Vaal River and Rietspruit with raw sewerage from the municipal pump stations or water care works. All complaints are handled in line with the complaints protocol and referred to the relevant authorities where and when applicable. Major efficiencies can be summarized as follows:

- Air pollution complaints, including indoor air pollution are covered on a routine basis. All complaints are addressed and referred to the relevant departments for further interventions where necessary. **A total number of 17** air pollution related complaints were received and managed by the Environmental Health Practitioners.
- Noise pollution complaints are handled and resolved or referred where applicable. **A total number of 54** noise-related complaints were received and managed by Environmental Health Practitioners. Most of the cases refer to the playing of loud music, festivals, parties, industrial equipment, barking dogs or the keeping of roosters. All of the complaints were duly handled and resolved.

Financial Performance Year 0: Pollution Control						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	174	1,575	1,575	212	-643%	
Expenditure:						
Employees	3,072	3,090	3,188	3,201	3%	
Repairs and Maintenance						
Other	57	55	62	55	1%	
Total Operational Expenditure	3,130	3,145	3,250	3,256	3%	
Net Operational Expenditure	2,956	1,570	1,675	3,044	48%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.15.5	

3.15.2 AIR QUALITY MANAGEMENT

Sedibeng District Municipality features a wide variety of landmarks such as the Vaal River, Vaal Dam, Suikerbosrand Nature Reserve, the Sasol refinery, ArcelorMittal, as well as the Emerald Casino. It is an urban and an industrial heartland of the South of Gauteng and is home to many industries which includes steel manufacturing, ceramics and tiles manufacturing, foundries, etc. The combination of industrial, domestic, transportation, biomass burning, agricultural and other emission sources have led to degraded air quality over the area.

Sedibeng District Municipality is the only region in South Africa which is part of air quality priority area. An area is declared an air quality priority area if the ambient air quality monitoring standards are being or may be exceeded, or a situation exists which is causing or may cause the negative impact on the quality of the air in the area. The two local municipalities under Sedibeng District Municipality, namely Emfuleni and Midvaal Local municipalities, forms part of the Vaal Triangle Airshed Priority Area (VTAPA) declared by the Minister of the then Department of Environmental Affairs in 2009, now Department of Forestry and Fisheries and Environment (DFFE). Following this declaration, DFFE developed an Air Quality Management Plan (AQMP) for the VTAPA and Sedibeng adopted this AQMP as the guide to combat air pollution in the area. Based on the air quality assessment results from simulated concentrations verified with ambient monitoring data of the area, it was evident that the main pollutants of concern in the Sedibeng District Municipality are inhalable particulate matter (PM₁₀ and PM_{2.5}) as well as Sulphur Dioxide (SO₂). Manufacturing in the District is dominated by the fabricated metal and chemical sectors. The remaining part of Sedibeng District Municipality which is Lesedi Local Municipality forms part of another air quality priority area called Highveld Priority Area (HPA). Highveld Priority Area is made up of Lesedi Local Municipality, Ekurhuleni Metropolitan Municipality, and a large part of the municipalities in the Mpumalanga Province.

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THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

MUNICIPAL HEALTH SERVICES

Despite the shortage of personnel and resources the Environmental Health Practitioners at local municipalities have continuously investigated and managed Environmental Pollution complaints on behalf of the Sedibeng District Municipality.

Most of the pollution within communities relates to dumping of household waste and issues relating to sanitation which are attended to by the relevant services department.

The several successes have been recorded in the management of air quality in the district. The municipality has appointed two coordinators. The draft VTAPA AQMP has been published for comments, bringing the process closer to completion. In line with Section 105A of the Criminal Act of 1977, the municipality and DEFF instituted a case against Arcellor Mittal SA (Vanderbijlpark Works) and won the case.

After being non-operational due to a lightning incident that occurred in May 2018, the Meyerton Station has finally being brought back to operation, although not yet reporting valid data to SAAQIS. Preplanned stakeholder engagements, awareness campaigns and other engagement have been cancelled due to Covid 19 regulations.

AIR QUALITY MANAGEMENT

Air Quality Management unit is made up of three personnel, a Manager / District Air Quality Officer, a Coordinator for Ambient Air Quality Monitoring, and a Coordinator for Licensing and Permitting.

Atmospheric Emission Licensing

Atmospheric emission licensing is one of the key tools in the management and regulation of air quality activities. **The challenge however is the lack of a dedicated Environmental Compliance and Enforcement unit to monitor and enforce compliance of the AEL conditions.**

AEL is used to regulate the activities of listed activities that has potential to release emissions that may have harmful effects on the environment, health and socio-economy. During the financial year 2021/2022, the list of the AELs below were processed.

APPLICANT	TYPE OF APPLICATION	LISTED ACTIVITY	STATUS
Sandy Sandy	Renewal	4.2; 4.10	Issued
Meyerton Galvanizing	Renewal	4.10	Issued
Cape Gate Pty Ltd	Renewal	4.2; 4.7; 4.22	Issued
Flexilube Pty Ltd	Renewal	2.4; 7.2	Issued
Rockfibre SA Pty Ltd	Renewal	5.8	Issued
Dense Media Separation Powder SA Pty Ltd	Transfer and Variation	4.1; 4.9	Issued
Terra Nova Ceramics	Renewal	4.13; 4.19	Issued
Indigo Foundry	Renewal	4.1; 4.2; 4.10	Issued
National Asphalt	Renewal	5.10	Issued
Yellow Star Manufacturing	Renewal	4.10	Issued
Naledi Ring rollers Pty Ltd	Renewal	4.2	Issued
PPC Cement SA Meyerton	Renewal	5.2; 5.4	Issued
Samancor Managnese Pty	Renewal	1.4; 4.9; 4.11;5.1	Issued

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APPLICANT	TYPE OF APPLICATION	LISTED ACTIVITY	STATUS
Ltd			
Gryphon Tile Factory	Renewal	5.2; 5.9	Issued
Vereeniging Foundries	Renewal	4.10	Issued

Table 1: AELs PROCESSED

Ambient Air Quality Monitoring

Sedibeng District Municipality has two ambient air quality monitoring stations; Vanderbijlpark and Meyerton ambient air quality monitoring stations. Vanderbijlpark Monitoring station is located on the school grounds of Laerskool Hendrik Van Bijl, while Meyerton monitoring station is located on the premises of Meyerton Sports Ground (Meyerton Bowling Club). The two stations over the years are measuring PM2.5, PM10, Ozone, NOx, Black Carbon and SO2 as well as the meteorological data (Rainfall, wind speed, wind direction, relative humidity, ambient temperature, pressure and solar radiation).

Both Meyerton and Vanderbijlpark stations are fully operational and reporting to SAAQIS. Vanderbijlpark remains under the management of the DEFF-NAQI project until the end of third quarter 2023/2024 after the NAQI contract was extended for another year at its completion in March 2023. Meyerton station is under the management of Sedibeng District Municipality and requires a substantial budget for the maintenance of the station in order to report credible data at all times to SAAQIS. An insufficient budget for the maintenance and maintenance of the ambient air quality monitoring stations remains a concern.

Table 2: THE DISTRICT'S STATIONS

STATION NAME	LOCATION	RATIONALE	POLLUTANTS
MEYERTON MONITORING STATION	Meyerton Bowling Club, 9 Doc Immelman Street, Meyerton, 1961	Industrial	PM2.5, PM10, Ozone, SO2, Black Carbon, NOx
VANDERBIJLPARK MONITORING STATION	Laerskool Hendrik Van der Bijl, 6 Stephenson Street, CW5, Vanderbijlpark, 1900	industrial	PM2.5, PM10, Ozone, SO2, Black Carbon, NOx

The station's performance

Table 3: THE STATION'S PERFORMANCE

	Q1 data recovery	Q2 data recovery	Q3 data recovery	Q4 data recovery	Annual data recovery	COMMENTS
MEYERTON MONITORING STATION	69%	50%	70%	71%	65%	The station's data recovery is below the recommended level of 75% because of (I) During rain season the station had to be switched off at times to prevent damage to equipment as the shelter has leaks; (II) loadshedding.
VANDERBIJLPARK MONITORING STATION	94%	87%	85%	39%	76%	The station's data recovery is above the recommended level of 75% except for Q4 due to challenges with power at the station. The annual average however remains above 75%.

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3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality), Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal River). The Sedibeng District Municipality falls within priority areas identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional Plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

The priority service delivery projects are as follows:

- Wetlands rehabilitation
- Clear River campaign and
- Maintenance of open space area.

The progress made thus far linked to service delivery priorities include the following:

- Conducting education and awareness as follows: (04 August 2022 at Sharpeville George Thabe stadium, 05 August 2022 at Powerville, 17 November 2022 at Ratanda ext 7 Library and 29 March 2023 at Golden Gardens) in addressing illegal dumping at wetlands sites, open spaces, and rivers.

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

There were no capital projects under these focus areas due to lack of budget allocation.

COMPONENT F: HEALTH

3.17 CLINICS

Promotion of Effective Delivery of Primary Health Care Services Primary Health Care (PHC): Addresses the main health problems in the community that provides and promote preventative, curative and rehabilitative services. According to the World Health Organisations (WHO's) 1978 Alma Ata Declaration, "primary health care is essential healthcare based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individual and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination. It forms an integral part on both of the country's health system, of which it is the central function and main focus, and of the overall social and economic development of the community. It is the first level of contact of individuals, the family and community with the national health system bringing healthcare as close as possible to where people live and work, and constitutes the first element of a continuing health care process".

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In accordance with the Health Act No. 61 of 2003, health care service is a competency of Provincial Department of Health. However; Local government as the closest sphere of government to communities is also expected to coordinate and support this function.

As a result; Council has established an intergovernmental relations structure in the form of a District Health Council (DHC) for support and oversight purposes. This DHC structure was established and appointed by the MEC for Health, the meetings for this Council are held on quarterly basis and chaired by the MMC for Health and Social Development of. It is at this forum whereby various stakeholders from multidisciplinary health sector provide regular reports that give synoptic overview of health care services in the region.

The DHC Microsoft visual meeting chaired by District MMC for Health and Social Development was held on Tuesday 01st September 2020, with section 80 councillors in attendance and Local MMC's for Health and Social Development. The discussion in this meeting was around the readiness of the hospitals in relation to Covid 19 and four (4) critical reports were discussed from Sebokeng, Heidelberg, and Kopanong Hospitals inclusive with the Emergency Medical Services (EMS).

From April 2020 to date the daily Coordination of Health screening and testing for COVID -19 within the region was done and all the daily reports formed part of the situational report that was compiled daily and send to Gauteng Disaster Management Council, Provincial Command Council, Local Government Work stream, District Command Centre and Council.

The second meeting covered the period of April to June 2021 as one of the DHC function is an oversight role as outlined in the Health Act 61 of 2003, on the 18th May 2021 DHC had an oversight visit to verify Covid-19 registered vaccination sites at Sebokeng hospital and Levai Mbatha clinic. The Sebokeng hospital lacked water and the Emfuleni MMC for Health and Social Development contacted Metsi a Lekoa immediately and water tanks were dispatched. Levai Mbatha clinic was faced with more patients and less vaccines and there was a meeting held with the facility manager and the matter was resolved with pharmacist to deliver additional vaccine. All Covid-19 protocols were adhered to. The picture below is the vaccination site at Sebokeng Hospital.

Clinic Committees are statutory bodies appointed by the Member of Executive Council (MEC) for Health, according to Section 42 of the National Health Act, No. 61 of 2003. Their main objectives include promoting effective and efficient governance through public participation, to assist the clinics in addressing the health needs of the communities served, to ensure accountability and effective management of facilities and to ensure that the Primary Health Care Facility, known as a clinic is responsive to community needs.

On Tuesday the 8th June 2021 the Sedibeng District Municipality MMC for Health and Social Development and Emfuleni MMC convened a hand over appointment letter for PHCFC at Thusong Service Centre Mafatsane NYDA offices in Evaton and Palm Springs. Later the meeting continued to be at Sebokeng Masoheng Municipal building for all the Sebokeng clinics including Boitumelo. Lastly the meeting was held in Bophelong library to meet with the clinic committee members from Sharpeville, Bophelong, Boipatong and Johan Heyns. All Covid 19 protocols were adhered to. The term of office is from 2021 to 2024.

The picture below, depicts handing over of Appointment letters by MMCs of Health and Social Development from both Sedibeng District and Emfuleni Local Municipalities to Johan Heyns PHCFC members.

Sub District	No of Clinics
Emfuleni	28
Midvaal	04
Lesedi	08
Total Sedibeng	40

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Key Strategic Objective: "Promote the efficient delivery of Primary Health Care"									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		2022/2023		Year 02	Year 03		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: To ensure effective service delivery									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

3.18 AMBULANCE

It is noted that Ambulance services are a provincial competence; therefore, this service was migrated to province some years ago.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

According to Schedule 4 Part B of the Constitution, Municipal Health Services (MHS) is a function of a Metropolitan and District Municipality. Subsequently, Municipal Structures Act defines Municipal Health Services as a function of a District or Metropolitan. However, according to the Municipal Systems Act, a Municipality may determine if it can render a service by itself to the communities (if it has the capacity to do so) or can appoint a service provider to render the service on its behalf. The Sedibeng District Municipality opted for the latter option and resolved in 2004 to appoint the local municipalities (Emfuleni, Lesedi and Midvaal) to render the service as "Agents" for the Sedibeng District Municipality. This arrangement is formalized through a service level agreement and is renewed on annual basis by the parties to this agreement. The Service Level agreements with the three local municipalities were signed for the 2021/2022 financial year. The Service is coordinated at Sedibeng District Municipality. The local municipalities are contracted to render the nine (9) components of Municipal Health Services as defined in the National Health Act, 2003 (Act 61 of 2003). Namely;

- Water quality monitoring
- Food control
- Waste Management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases excluding immunization.
- Vector Control
- Environmental pollution control (Noise, air, water and land)
- Disposal of the dead
- Chemical safety and hazardous substances control

The National Environmental Health Norms and Standards as approved by the Minister of Health forms the basis of the agreement between the District and its local municipalities and serve as a guideline on how services are to be rendered and at what frequency.

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The top 3 service delivery priorities are:

- water quality monitoring
- Health surveillance of premises
- Disposal of the dead

- Water quality monitoring

This comprises of the monitoring and surveillance of water quality and availability thereof that is intended for human consumption, recreational, commercial and industrial use. Continuous monitoring of drinking water throughout the District is a preventative measure and serves as an early warning system in the control, management and provision of water to communities which is safe and sound for human consumption.

- The health surveillance of premise

This programme concerns the identification, monitoring and evaluation of health risks, nuisances, hazards and the instituting remedial and preventive measures at all premises. Food premises are prioritizing due to the impact that noncompliance can have on the health of people. Compliance of food premises, including spaza shops in terms of regulation 638: Regulations Governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matter in the township areas is a challenge. Persons in control of premises are informed of non-compliance issues and requested to rectify the problem areas. Statutory notices or prohibition orders are issued as a last resort where there is continuous non-compliance that needs to be addressed. A total number of **7142** food premises were inspected for this period.

Table: Inspection at food premises

Data element	Emfuleni	Midvaal	Lesedi	Total District
Food premises inspected (Number of inspections)	1933	1439	3770	7142

In an effort to improve the general hygiene standards and assist owners in getting their premises to comply with the minimum environmental health standards, Environmental Health Practitioners targeted Early Childhood Development facilities for inspections.

The district was able to perform the required inspection intervals as prescribed in the National Norms and standards. A total number of **1172** inspections were conducted at Early Childhood Development premises during this period. The Environmental Health Practitioners continued to strengthen the collaboration with other enforcement and compliance stakeholders such as social development in the monitoring of Early Childhood Development premises in the District.

A total number of **ninety-seven (97)** Early Childhood Development premises were issued with Health Certificates. As a result, the approved Early Childhood Development premises owners were able to apply for the social grant in the Department of Social development.

- Disposal of the dead

This refers to compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries, including the management, control and monitoring of the exhumations and reburial or disposal of human remains. The premises were monitored in compliance with regulation 363: regulation relating to the management of human remains.

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The premises are monitored in compliance with regulation 363: regulation relating to the management of human remains. A **total number of 291** funeral undertakers were monitored or inspected. In addition, a total **number of fifteen (15)** Certificates of Compliance were issued during the period under review. Moreover, a **total number of 4** exhumations were monitored by the Environmental Health Practitioners.

Table: Surveillance of premises (inspections)

Data Element	Emfuleni	Midvaal	Lesedi	Total District
Funeral undertakers	170	37	84	291

Chemical Safety

Chemical safety includes the monitoring, identification, evaluation and prevention of the risks of chemicals that are harmful to human health. This includes the following but is not limited to:

- Complaint investigation.
- Monitoring safe disposal of chemical waste.
- Law enforcement by serving compliance notices where necessary
- Compliance monitoring in terms of legislative requirements and provisions and instituting remedial and preventative measures including the removal of chemical spillages.
- Health promotion and training.

Although the provincial Department of Health is responsible for management and control of hazardous substances, Environmental Health Practitioners routinely conduct inspections at all hardware stores, supermarket chain stores, paint dealers, spray painters and other related industrial activities to monitor the safe storage and handling of chemical products. The Monitoring of Chemical safety is part and parcel of the inspection protocol and is applied during all inspections on premises. Data is not specifically kept for these premises as chemicals are available on all premises.

THE PERFORMANCE OF HEALTH INSPECTIONS

The resource constraints, including personnel has impacted the delivery of the service within the district. In addition, the COVID-19 pandemic exacerbated the situation where the Environmental Health Practitioners were expected to continuously monitor the compliance to COVID-19 protocols during the public gatherings and special events, including funerals. However, Environmental Health Practitioners were consistent and fair in rendering the Service in the district. The Service was rendered in accordance to the National Environmental Health Norms and Standards.

Financial Performance Year 0: Health Inspection and Etc					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue					
Expenditure:					
Employees	999	980	1,045	878	-12%
Repairs and Maintenance					
Other	18,795	19,951	19,951	18,187	-10%
Total Operational Expenditure	19,793	20,931	20,997	19,065	-10%
Net Operational Expenditure	19,793	20,931	20,997	19,065	-10%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5

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COMPONENT G: SECURITY AND SAFETY (COMMUNITY SAFETY)

3.20 POLICE

This service is a national competence; however, the district plays a coordination and facilitation role to enhance and enable smooth Police operations.

COMMUNITY SAFETY

Promote and build safer communities

In terms of Section 152 (1) (d) of the Constitution of the Republic of South Africa Act, 108 of 1996, municipalities are required to provide safe and healthy environments for the residents. As a result; an intergovernmental relations structure, namely; Sedibeng Community Safety Forum was established to ensure proper coordination for the implementation of this key object.

It is common knowledge that community safety should be every person's concern. Various organizations, community groups and the residents are expected to contribute to the creation of a safe and cohesive living environments. As a result; Sedibeng District Municipality through its Community Safety IGR Forum which meets on monthly basis, has been actively involved in fostering joint crime and violence prevention across the region. These safety programmes include schools' safety, community police relations, community corrections, gender-based violence, social crime prevention, stakeholder relations and road safety programmes.

NB: It should further be noted that Sedibeng District Municipality does not have a competency for Traffic Police Services, Fire and Rescue Services, and Emergency Medical Services. These competencies are located at the Local Municipality and Provincial levels, respectively.

The following achievements have been recorded during the financial year: 2022-2023.

Support implementation of Ward-Based Crime and Violence Prevention Initiatives

Implementation of the Ward Based Crime and Violence Prevention in aligned to the District Development Model adopted by the Municipality through its "DDM One Plan.". This pal is aimed at facilitating integrated planning, delivery and monitoring of Government programmes across the three spheres of Government. As a result; Ward Based Crime Prevention Forums were established in Sebokeng and Evaton, which falls within the Emfuleni Local Municipality jurisdiction. The roll-out of the programme is on-going to cover all the wards within the district municipality.

Review of the Community Safety Strategy 2018 - 2022

Community Safety Strategy serves as guiding document for the development and implementation of community safety programmes across the region. This process is led by the Community Safety Forum which serves as an Intergovernmental Relations Structure on Justice, Crime Prevention and Security Cluster within the Sedibeng Region. This process was activated through a stakeholders' consultative workshops which were held during the periods; 07 – 08 March 2023 at the Emerald Casino and Conference, Vanderbijlpark, 25 April 2023 at the Vaal Technorama, Vereeniging, and 14 – 15 June 2023 at the Riverside Sun Hotel, Vanderbijlpark. A draft Community Safety Strategy 2023 – 2028 has been developed and awaits Council approval and adoption for implementation.

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Facilitate implementation of road safety initiatives across the region

Road safety promotion requires multi-disciplinary approach to create an understanding of associated challenges. It is common knowledge that there is a general ignorance of road rules by road users, vandalism of road signs, including creation of unauthorized taxi ranks. Intervention measures such as intensive road safety education is required for road users and general communities. Scholar transport, public and private transport therefore; needs regular monitoring and law enforcement for road ordinances compliance. As a result; the following road safety programmes were implemented with focus being on the jurisdiction of Lesedi and Midvaal Local Municipalities, respectively.

- 28 July 2022 - Road Safety Awareness Programme conducted in Meyerton CBD
- 16 August 2022 - Child Learner in Traffic Workshop held at Meyerton Pre-schools
- 09 September 2022 - Law Enforcement Operation on Pedestrians along R59 Highway bridges, namely; Johan Le Roux and Sicelo (Meyerton)
- 23 September 2022 - Road Safety Awareness Programme conducted at the White House in Meyerton

Monitor and evaluate the impact of adopted interventions towards elimination and reduction of crime within our communities

The SAPS Crime Analysis Report showed a significant increase of violent and contact crimes across the region. This includes crimes such as murder, attempted murder, assault GBH and common assault. From these crimes, murder alone, has recorded an alarming increase across the district, which is also a major concern at national level. Research shows that often murders are the outcome of aggressive verbal disagreements between young men, as a result; of excessive alcohol consumption and intoxication, or during the perpetration of another crime, such as robbery. This type of crime is further amplified by men living in communities where there are generally high levels of interpersonal violence; and where firearms are easily obtainable, such as participating in gangsters' activities.

The crime analysis report shows a huge increase of robberies with aggravating circumstances around Boipatong area, with Vaal Marina recording a significant decrease in these types of crimes. A minimal increase has been recorded in property related crimes, such as house burglaries, business burglaries, theft of motor vehicles, theft out of motor vehicles and stock theft in the region. Even though there is a minimal increase in sexual offences across the region, there are positives recorded with regard to rape incidents, where there is an overall decrease of rape incidents in most areas across the district. Recorded rape incidents seem to be taking place in areas classified as remote and semi-rural areas, comprising of vast and isolated plots. The causal factors for this significant increase of rape cases may be derived from associated socio-economic conditions such as poverty levels, excessive alcohol consumption, and general criminality often associated with these types of areas. There has also been a marginal increase of rape incidents in areas such as Vanderbijlpark, Sharpeville and Sebokeng, which may be attributed to entertainment places such as taverns and night clubs, and mostly taking place on weekends and at nights.

Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

Key Strategic Objective: "Promote disaster resilient communities"									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		2022/2023			Year 02	Year 03	
		Target	Actual	Target	Actual	Target	Target	Target	Target
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: To conduct community awareness campaigns									
Implement community safety programmes	08 Community Safety Programmes	08	08	08	08	08	08	08	08
									T3.22.3

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Staff Complement

Employees: Community Safety					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	0	01	0	0%
04 – 06	04	01	03	01	0%
07 – 09	01	02	01	02	0%
10 – 12	01	0	01	0	0%
Total	07	03	06	03	0%
					T3.23.3

Comment on the performance of Community Safety overall

There is a high level of damage to assets and infrastructure such as cable theft across district, and this is negatively impacting on economic development of the region. Regular maintenance of infrastructure such as streetlights, potholes, cutting and removal of tall vegetation and bushes, house numbering and strengthening community police relations is highly encouraged, as this could eliminate existing opportunistic gaps often exploited by criminals.

COMPONENT G: DISASTER MANAGEMENT & FIRE SERVICES

3.21 FIRE SERVICES

Introduction to Fire Services

Firefighting services in terms of Schedule 04, Part B of the South African Constitution is the responsibility of local government with national and provincial oversight. The Fire Brigade Services Act (FBSA), 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services. In terms of the FBSA, local authorities are allowed to establish and maintain a fire brigade service for the following purpose:

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;

In terms of Section 85 of the Municipal Structures Act No. 117 of 1998, the MEC has the power to adjust certain powers and functions between category B and C municipalities, which includes firefighting services. The MEC for Local Government in Gauteng opted to make adjustment/divisions for the function and accordingly, Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act 117 of 1998, which includes:

- planning, co-ordination and regulation of fire services;
- specialized firefighting services such as mountain, veld and chemical fire services;
- co-ordination of the standardization of infrastructure, vehicles, equipment and procedures; and

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- Training of fire officers.

During the year in question key Delivery Priorities of the district were as follows:

- Provision of specialized firefighting services. No claims were received from the local municipalities regarding specialized firefighting services as per Section 84 (1) j.
- Emergency Services Forum sittings. The main objective of this forum is to strengthen relations amongst all the Emergency Services within the region and also assist in planning and standardization of the function, inclusive of resources. Only two sittings took place. The third one was scheduled; however, it did not sit due to absence of two Local Municipalities.

Comments on the performance of fire services overall

Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act and does not render Fire brigade operational duties. In ensuring that principles of cooperative governance are promoted as well as integrated and coordinated efforts, the Emergency Services Forum met 2 times for the year under review. All the sittings were convened by the Sedibeng Disaster Management Directorate.

3.22 INTRODUCTION TO DISASTER MANAGEMENT

INTRODUCTION

The purpose of the Disaster Management Directorate, which is established within Community Services cluster, is to promote an integrated; coordinated and multi-disciplinary system of disaster prevention, mitigation and risk management aimed at lessening impacts of natural hazards and related environmental, technological and biological hazards. The presentation of the 2022-2023 Sedibeng Disaster Management Centre Annual Report is in compliance with Section 50 of the Disaster Management Act (Act 57 of 2002, as amended). Section 50 (2)(a) of the Disaster Management Act stipulates that a Municipal Disaster Management Centre must, at the same time that its report is submitted to the municipal council, submit a copy of the report to the National Centre and the Disaster Management Centre of the province concerned. The purpose of the annual report is to present:

- An overview of the status of Disaster Management in the region
- Activities that were undertaken during the year under review, with regard to implementation of the Act and the Disaster Management Policy Framework.
- Challenges experienced during the term in question

Legislative mandate of the Sedibeng Disaster Management Centre

The Sedibeng Disaster Management Centre draws its legislative mandate from:

- Disaster Management Act (Act 57 of 2002), which provides for an integrated and coordinated approach to Disaster Management that is focused on rapid and effective response; recovery from disasters as well as reduction of Disaster Risk.
- Disaster Management Amendment Act (Act 16 of 2015), which seek, among others to clarify the policy focus on rehabilitation and functioning of Disaster Management Centres. The Act focuses on the crucial

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role of Traditional Leaders, the impact of climate change and roles and responsibilities of local municipalities in Disaster Management.

The Sedibeng Disaster Management Plan and the Sedibeng Disaster Management Framework (2020) which comprises four (4) key performance area (KPA) and three (3) supportive enablers required to achieve the objective set out in the KPAs. The KPAs and enablers are informed by specified objectives and, as required by the Disaster Management Act 2002, as amended, key performance indicators (KPIs) to guide and monitor progress.

Key performance area 1: Focuses on establishing the necessary institutional arrangements for implementing disaster risk management within the national, provincial and municipal spheres of government.

Key performance area 2: Addresses the need for disaster risk assessment and monitoring to set priorities, guide risk reduction action and monitor the effectiveness of our efforts.

Key performance area 3: Introduces disaster risk management planning and implementation to inform developmentally –orientated approaches, plans programmes and projects and reduces disaster risks.

Key performance area 4: Presents implementing priorities related to the establishment of an integrated and comprehensive information management and communication system for disaster response and recovery and rehabilitation.

- **Enabler 1:** Focuses on priorities related to the establishment of an integrated and comprehensive information management and communication system for disaster management.
- **Enabler 2:** Addresses disaster risk management priorities in education, training, public awareness and research.
- **Enabler 3:** Sets out mechanism for the funding of disaster risk management in South Africa.
- **Fire Brigade Services Act (No. 99 of 1987):** Provides for the establishment, maintenance, employment, coordination and standardisation of fire brigade services and matters connected therewith
- **The White Paper of Fire Services (2020):** Provides the current context in which the programme functions and the revised role of provincial fire services including the establishment strengthening of institutional capacity, intergovernmental/ advisory committees and the provision of research of research, education and training, among others.
- **National Disaster Management Framework 2002:** Recognises a diversity of risks and disaster that occur in South Africa, and gives priority to developmental measures that reduces the vulnerabilities and households. Also, in keeping with international best practice, the National Disaster Management Framework places explicit of disaster risk reduction concepts of disaster prevention and mitigation as the core principles to guide disaster risk management in South Africa.
- **Sendai Framework for Disaster Risk Reduction 2015-2030:** This is a non- binding voluntary framework whose main focus is on the reduction of disaster risk. It is the successor to the Hyogo Framework of Action (HFA) 2005-2015 and emphasises the importance of understanding disaster risk in all its aspects. The main focus is on understanding different dimensions of exposure, vulnerability, hazard, strengthening

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of disaster risk governance, and accountability. The Sendai governance, and accountability. The Sendai seven Campaign-7 Targets, 7 years, was launched in 2016 with the main objectives of promoting the seven targets of the Sendai Seven Campaign over seven years. This is an advocacy initiative to encourage implementation of the Sendai Framework for Disaster Risk Reduction with the goal of saving lives, reducing disaster losses and improving management of disaster risk.

- **The Constitution of the Republic of South Africa (1996):** Chapter Two of the Constitution of South Africa: All spheres of government are obliged to ensure the social and economic development of its citizens while preserving the ecosystem for future generations. If these rights are achieved it will increase the livelihood of the most vulnerable, protect the environment from degradation and stimulate economic development that will contribute to the necessary infrastructure that could reduce the risk of disasters or the impact of disasters. The SDM needs to promote disaster risk reduction initiatives that ensure sustainable ecological development in Sedibeng, while prompting economic and social developments.
- **Local Government: Municipality System Act (No: 32 of 2000):** This Act provides guidance to the PDMC's strategic intent and operations:
 - To provide the core principles, mechanisms and processes necessary to allow for progressive municipal growth towards the social and economic upliftment of local communities, and ensure affordable universal access to essential services for all.
 - To provide for the manner in which municipal authority and functions are exercised and performed.
 - To establish a simple and enabling framework

ACTIVITIES ACCOMPLISHED DURING THE REPORTING TERM

INTERGOVERNMENTAL STRUCTURES/FORUMS

The Directorate has established several structures for effective planning, coordination and implementation of disaster management initiatives in the SDM.

The integrated institutional capacity is required to establish the necessary institutional measures for disaster risk management, which are formed within the principles of cooperative governance and stakeholder involvement in strengthening the municipal capacities to reduce the likelihood and severity of disaster.

2.1.1 Sedibeng Disaster Management Advisory Forum

In the spirit of co-operative governance (Chapter 3 of the Constitution of the Republic of South Africa Act 108 of 1996) and in order for all relevant role players in disaster management in the municipal area to co-ordinate their actions on matters relating to disaster management as prescribed in Section 44 of the Disaster Management Act 57 of 2002, a Sedibeng District Municipality Disaster Management Advisory Forum (DMAF) has been established/restored as provided for in Section 51 of the above-mentioned Act, during the reporting term in question.

The aim of the DMAF is to provide a consultative medium through which all relevant disaster management role-players in the district can consult one another and co-ordinate their actions. The DMAF must make recommendations to the district Council on matters concerning disaster management. The Forum must also advise different organs of state, statutory functionaries, the private sector, non-governmental organisations or communities on any matter relating to disaster management.

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During the reporting term, and in efforts to comply with the legislation, the Disaster Management directorate held the Sedibeng Disaster Management Advisory Forum in April 2023 and August 2022. The focus of the sittings were on different themes offered through presentations and deliberations.

PRESENTATIONS	KEY FOCUS AREAS
Role of National Organs of State in Disaster Management	<ul style="list-style-type: none"> • Legal obligations for National Organs of State • Role Players in the Advisory Forum • National Disaster Management Policy Framework
February 2023 Emfuleni Floods	<ul style="list-style-type: none"> • Background on the floodings • Summary statistics based on the assessment conducted • Impacts • Intervention measures • Challenges
South African Weather Services: Seasonal Forecast	<ul style="list-style-type: none"> • Products offered by the South African Weather Services • Daily weather forecast for 7 days period • Impact Based Warnings, Advisories & Fire Danger Warnings • Seasonal Climate watch • SAWS: Social Media pages
Disaster relief, declaration & Funding	<ul style="list-style-type: none"> • Powers and Duties of MDMCs • Coordination of relief efforts • Disaster Assessment • Powers and duties of sector Departments • Disaster Declaration and Classification • Disaster Grant Funding
Disaster Management Overview	<p><u>The presentation highlighted the following:</u></p> <ul style="list-style-type: none"> -The Disaster Management terminologies -The constitutional and legislative frame work - The overview on the provincial Disaster Management Centre (PDMC) <ul style="list-style-type: none"> • -The status of Sedibeng District Municipality Disaster Management: Functionality Assessment, reflecting also on challenges.
Disaster Management Advisory Forum Formation:	<p>The purpose of the forum is to make provision for all relevant role players and stakeholders in disaster risk management in the District Municipality to integrate and co-ordinate their actions on matters relating to disaster risk management as prescribed in Section 51 of the Disaster Management Act No. 57 of 2002 and to further give effect to the principle of co-operative governance in the Sedibeng District Municipality</p> <p><u>The presentation highlighted the following:</u></p> <ul style="list-style-type: none"> -The legislative mandate -Composition of the MDMAF -Management of MDMAF -Scope of Responsibilities

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PRESENTATIONS	KEY FOCUS AREAS
	-Draft Terms of Reference
Seasonal Climate watch: South Africa Weather Services	<p>The presentation highlighted the following:</p> <ul style="list-style-type: none"> -The recent rain -Rainfall Accumulation -Current Seasonal Rainfall prediction Aug-Sep-Oct 2022 -minimum temperature predictions <p><u>Summary and conclusions</u></p> <p><i>Above normal rainfall expected for Gauteng for the next few months leading into summer</i></p> <p><i>Above normal temperatures expected for Gauteng</i></p> <p><i>Entering into severe thunderstorm season</i></p> <p><i>Optimal use of WhatsApp group Weekly weather outlooks</i></p>

2.1.2. Emergency Services Forum

The Emergency Services forum is a forum that deals with Emergency Services in the region. The role of the forum is to provide leadership and guidance to ensure that the fire and rescue services, inclusive of Emergency Medical Services operate efficiently, remain capable and are able to adapt and respond to the ever-changing environment of emergency services. The committee proactively supports and promote the development of common processes, practices and procedures that enable Emergency Services in the region to provide a safe and effective operations to meet the range of incidents which they may encounter.

In the last financial year, the Sedibeng Disaster Management Centre convened two ESF sittings, with key focus on the floodings that were taking place in the region.

2.2. PUBLIC AWARENESS CAMPAIGNS

The Disaster Management directorate facilitates and continues to accelerate disaster awareness and education campaigns within communities in the region. Such programs are aimed at educating community members on the prevalence of most of the top identified risks and also to create disaster resilient communities. Moreover, the programs are focused on addressing local disaster risk dynamics and even response to disaster incidents. Through the programs, there is also fostering of partnerships with relevant stakeholders to enhance Disaster Management education and training programmes.

In implementation of the programmes the directorate and other relevant stakeholders strives to instil the culture of risk avoidance, improve response mechanisms and even share indigenous knowledge in dealing with incidents. Hence, the efforts are multi-disciplinary in focus and continuous in nature. Section 44 (1) (h) of the Disaster Management Act, 2002 (Act No. 57 of 2002) calls for the MDMC to “promote disaster management capacity building, training and education, including in schools, in the municipal area. Advocacy and public awareness, as defined in Enabler 2 of the Disaster Management Policy Framework, mandates us to promote the culture of risk avoidance through integrated education, training and public awareness. It is for this reason that the Sedibeng Disaster Management Centre held different initiatives to address this.

During the year under review, the directorate initiated and carried out various disaster prevention and mitigation initiatives. These include the commemoration of commemoration of special days with intention of

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informing, educating and empowering communities, disaster management campaigns, etc. The initiatives are prescribed by Enabler 2 of the Disaster Management Policy Framework, which recognizes advocacy and public awareness as effective measures for Disaster Risk Reduction.

In efforts to combat disaster risks, some of the key programmes that were implemented during the year under review are as follows:

THE BUCKET BRIGADE TRAINING PROGRAMME AT PILLIS FARM, KLIPRIVIER: MIDVAAL LOCAL MUNICIPALITY

In advocating for Community capacitation and self-reliance, the Sedibeng Disaster Management Centre, coordinated training of community bucket brigades for Fire fighting. The programme took place at Pillisi Farm: Kliprivier, under the Midvaal Local Municipality. 50 community members were trained as bucket brigades, 62 community members were in attendance of the program and all provided with buckets, as contributed by the Provincial Disaster Management Centre.

The bucket brigade technique involves passing of water in a bucket from one person to another so as to suppress a fire, especially in informal settlements. This technique is very effective and proactive because fires, especially in informal settlements develops very fast that even a fire truck ready and waiting at a nearest fire station will not reach before a home is destroyed. The effectiveness of the bucket brigade technique however depends on adequate water supply and the flow rate of water.

Moreover, during the Bucket Brigade programme and as part of fire risk reduction, 30 smoke alarms, as fire preventative measure (early warning mechanism) were installed in the homes of people with disabilities, elderlies and child headed households. The Smoke alarms were provided by SANTAM. The third session of the programme encompassed distribution of whistles, again, as early warning measure for alerting community members on any incident emanating and when assistance/response is needed.

All the above initiatives were in collaboration with AGAPE NGO, Provincial Disaster Management Centre, Midvaal Local Municipality Traffic and Road Safety unit, Working on Fire (WOF), as part of the SANTAM fire awareness initiatives.



2022 INTERNATIONAL DAY FOR DISASTER RISK (IDDR) COMMEMORATION

The annual commemoration of the International Day for Disaster Reduction (IDDR) is a celebration of how people across the globe are reducing their risk to disasters, advocating for risk reduction and raising awareness about the

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importance of mitigating the disasters they face. This commemoration provides a platform for encouraging individuals, communities, government and civil society to contribute and become agents of change in building disaster resilient communities, countries and regions.

The IDDR is celebrated on 13 October every year as per Resolution 64/200 of the United Nations General Assembly; which, amongst other deliverables, reaffirmed the International Strategy for Disaster Reduction as the primary mechanism for development, promotion and improvement of disaster reduction method. The need to build capacities of institutions at local, national and regional levels as a way of building resilience was also highlighted, as well as systematic incorporation of DRR approaches in the implementation of emergency preparedness, response and recovery programmes, as well as long term development plans.

The 2022 IDDR is under Target G which is **“Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to the people by 2030”**.

The Sedibeng Disaster Management collaborated with the Provincial Disaster Management Centre in physical events in commemorating the IDDR day. The commemoration was on the 17th of November 2022 and was carried out in two-folds. Firstly, the MEC, Executive Mayor and MMC: Health & Social Development, Local Councillors and community members together with Officials from different fraternities (Fire Services, Rand Water, Department, GDARD, SDM, PDMC, etc) embarked on a Risk assessment ground-truthing tour (Community Based Risk Assessments and physical site visits) at Soul City informal settlement in Tshepiso: Ward 22, Emfuleni. Soul City is an informal Settlement comprising of over 100 households. The primary purpose of this community risk assessment was to provide *data* to better inform local decisions on implementation of risk reduction measures. Such effective Community Risk Assessment contributes to a greater understanding of:

- The nature and level of risks that Soul City community is faced with;
- where these risks come from;
- who will be worst affected;
- what means are available at all levels to reduce the risks;
- what initiatives can be undertaken to reduce the vulnerability and strengthen the capacities of people at risk.

The Community Based Risk Assessment revealed that the Ward 22 community has settled on Rand Water Pipelines, Eskom and Sasol Servitudes. This is termed encroachment. Encroachment is when an individual who knowingly or unknowingly occupies, settles on or trespasses on servitudes, culverts, valve chambers, etc.

These encroachments have the following associated risks:

- Potential danger to people's lives and properties if a pipe burst should occur (life threatening);
- A fault anywhere on the power lines of Eskom may cause very high current to flow towards the ground, which may hurt or kill people;
- A conductor might break due to strong winds or bad weather and land on an informal house or a person and cause loss of life or serious injuries;
- Gas leakages from the SASOL pipelines may cause loss of life or serious injuries;
- access to infrastructure is virtually impossible in certain points for maintenance and repairs;
- Safety risks to personnel patrolling and/or servicing the pipelines/pylons.

The outcome of the tour revealed that the community of Soul City is faced with life threatening hazards that can lead to loss of lives and properties, serious injuries and even major damages to properties.

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2022 IDDR Commemoration: 2nd phase

The second phase of the Commemoration included Ward Councillors from the 3 local Local Municipalities with the main objective being to capacitate and to empower them on the dissemination of early warning systems and mechanisms, in line with the 2022 IDDR Commemoration. The second phase was held at Emerald Casino Resort. The following presentations were done during the session:

1. South African Weather Services
2. Rand Water
3. SASOL

All the presentations emphasized on early warning systems and risk reduction. The outcomes of the IDDR event included:

- Understanding and interpreting Early Warning Systems
- Dissemination of Early Warning information
- Understanding the hazard profile of the District and Local Municipality
- Collaboration with relevant stakeholders to prepare and mitigate incidents



RAND WATER EMERGENCY PREPAREDNESS WORKSHOP

Rand Water as a National Key Point (NKP) is obliged to ensure safety of its employees and also that of the general community in terms of their operations. The entity needs to be at all times ready and prepared for any eventualities that may happen like gas leakages, which may affect the general public. Disaster Risk Management activities on the other hand must be integrated into the routine activities of important sectors or entities like NKPs, so as to ensure safety of the general public.

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In pursuit of promoting disaster resilient environment and also ensuring that Rand Water as a National Key Point comply to safety measures, the Disaster Management directorate held a one-day Emergency Preparedness workshop for Rand Water employees as part of the Rand Water 120 years celebration.

The key focus of the workshop was on the following themes:

- Alerting Workers and nearby communities of an emergency
- Establishment of Emergency Plan and appointment of Emergency Coordinators
- Fire Safety
- Road Safety



SEDIBENG DISASTER MANAGEMENT EARLY CHILDHOOD DEVELOPMENT CENTRES RISK REDUCTION AWARENESS PROGRAMME: MIDVAAL LOCAL MUNICIPALITY

In advocating for community capacitation, the Sedibeng Disaster Management Centre held a Risk Reduction awareness programme on the 19th of April 2023 focusing on Early Childhood Development Centres (ECDs) in Midvaal Local Municipality: Sicelo Community Hall, with beneficiaries being children from the age of 3 to 6 as well as their caregivers, educators, school counsellors, and principals.

Number of ECD'S	Principals	Practitioners	Children
33	34	66	745

The key purpose of the programme was to make the ECD Practitioners and the learners aware of the risks that they may be faced with on a day-to-day basis within the schooling environments and even at homes. The programme focused on reduction of vulnerability to incidents/disasters and Preparedness for when incidents/disasters occur, with emphasis on:

- Increasing awareness on the hazards and possible risks related to fire and road safety
- Reducing the likelihood of child entering an unsafe situation
- Clear demonstration of how to respond to an unsafe situation, like fire applying the STOP, DROP AND ROLL TECHNIQUE
- Emergency Evacuation
- First Aid Training

Role players that took part in the programme are as follows:

- The Gauteng Department of Education
- Gauteng Social Development
- Road Traffic Management Corporation

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- Sedibeng Disaster Management
- Sedibeng Community Safety Forum
- Rand-water
- Eskom
- Midvaal Traffic Department
- Midvaal Fire Department
- Working on Fire



INCIDENTS THAT OCCURED IN THE REGION DURING THE YEAR IN QUESTION AND RESPONSE INTERVENTIONS

One of the key competencies of Disaster Risk Management is the response, recovery and the provision of relief for communities affected by severe emergency or tragic conditions that are related to disasters. In the definition of “Disaster Management”, as entailed in the Disaster Management Act, Act 57 of 2002 & as amended Act No. 16 of 2016, it is stipulated that:

“Disaster management” means a continuous and integrated multi-sectoral, multi-disciplinary process aimed at planning and implementation of measures aimed at:

- a) Preventing or reducing the risk of disasters;
- b) Mitigating the severity or consequences of disasters;
- c) Emergency preparedness; and
- d) Post –disaster recovery and rehabilitation.

Since the beginning of the financial year 2022/2023, the region has experienced numerous disastrous occurrences resulting from hazards such as fires, floods and severe storms which have resulted in significant losses of properties, lives, infrastructure and even ecosystems.

DECEMBER 2022 MIDVAAL LOCAL MUNICIPALITY FLOODS

On the 10th of December 2022 in the morning, Kliprivier areas in Midvaal Local Municipality were hit by floodings, whereby some houses were flooded. The causal factor was the over-flow of the Kliprivier.

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Type0 of incident, Date & LM	Areas affected & No. of families	Damages	Immediate Interventions	Current Status
Midvaal Floods: 10 Dec 2022	Klipriver: Everite 10 Families	Houses under water.	3 tents pitched by Midvaal Fire Services, SDM provided Midvaal with the tents. 18 blankets and 9 mattresses were provided. SDM officials did assessment in the area, together with Midvaal Officials Incidents reported to Foodbank	Families moved back into houses; the houses belong to Everite Company have insurance
	Klipriver: Khayelitsha 25 families affected	Informal Houses under water.	Some of the people relocated to upper lying areas, 4 tents were pitched, 10 mattresses provided and 20 blankets. Incidents reported to Foodbank	All informal houses that were affected have been moved to higher grounds at the same property. The move was done by Midvaal Development & Planning and with assistance from the Red Ants
	Daleside 10 families	Houses under water.	SDM did assessment in the area, no relief material was required as families moved in with relatives/neighbours	5 of the affected families are not insured and a preliminary costing of R500 000 is estimated for damaged.
	Infrastructure Damages (Roads)	Potholes, other damages	None	Estimated cost of R500 000 proposed for repairs.



FEBRUARY 2023 EMFULENI LOCAL MUNICIPALITY FLOODS

In February 2023, Emfuleni Local municipality was hit by incidents floodings. The assessment findings indicated that a total of **1626** people and **657** households were affected by the floodings and **104** people were displaced and

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accommodated in different established temporary shelters (54 people at Boikago school: Evaton and 50 in Lochvaal temporary shelter) and others moved in with families and relatives. There were no confirmed fatalities emanating from the flooding incidents according to the assessment. There were however two drowning cases reported in the area and also 98 sheep and goats that were killed.

The table below illustrates the severity of the disaster impact based on number of households, number of people affected and humanitarian relief provided per area. It must be noted that the analysis of the affected areas and incidents statistics and interventions are based on:

- Submission from Ward Councillors, community members and CDWs (Verified by assessors through ground truthing)
- Physical assessments and site visits

Affected Areas and relief provided

Area	Ward	Affected House Holds	Affected People	No of displaced people	Food Packs	Blankets	Matrasses	Sand Bags	Tents	Sails
Evaton	43/44	137	276	50	50	54	54			
Palm Springs	20/43	38	183		50					
Small Farm	18/29	30	91		35					
Kanana	29	18	4							
Evaton West	24/26/28	18	12	4	15	12	12			
Polokong	25	28	84		50					
Sonderwater	28	33	123		35					
Beverly Hills	28	39	110							
Lakeside	41	7	22							
Boitumelo	27	29	74		29					
Hostel Sebokeng	2	5	21							1
Golden Gardens	17	3	7							
Zone 3	41	7	21							
Tshepiso P3	11	40	85		40					
Boipatong	8	4	10			1	1			
Barrage Informal Houses	25	53	127		31	127	127			2
Lochvaal/Rietspruit	25	119	225	50	18	67	67	67	5	
Bloempark	25	28	70			70	70	83	5	2
Miravaal	25	11	51		0	51	51			
Rosashof	25	4	6		5	6	6			
Nanascol	25	6	24		0	0	0	0	0	0
Total		657	1626	104	358	388	388	150	10	5

Statistics based on the assessment conducted

- Total number of structures damaged = Small farms 2 mud houses partially damaged and 1 Informal house in Evaton.
- Ward 28 (Evaton West, Beverly Hills and Dubai Informal settlement were assessed) most houses were waterlogged. Calls were handed over to Emfuleni roads and storm water.

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Picture 1 above depicts a flooded house Adam Str



Picture 2 depicts shacks built next to river banks in Hamilton



Picture 9: dead livestock



Picture 10: Farm Workers assessing loss



Picture 7: Disaster Management officials conducting damaged assessment





Picture 8: Disaster Management officials conducting damaged assessment

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Infrastructure Damages and Road Closures

Impact assessment conducted revealed that several infrastructure and public facilities are affected:

Schools	Roads & bridges	Closed & damaged Roads
<p>Radipeu Primary School</p> <ul style="list-style-type: none"> Kitchen for feeding scheme flooded program Four classrooms flooded and study material Entrance washed away 	<p>Road no: p175/1</p> <p>Road name: Potchefstroom Road</p> <p>Section: km 5,0</p> <p>Defects:</p> <ul style="list-style-type: none"> Road layers and embankment washed away around the bridge. Road completely closed to traffic. 	<ul style="list-style-type: none"> Golf Road: Flooded (closed) Brand Muller: Flooded (closed) General Hertzog: Flooded (closed) Boy Louw: Flooded (closed) Plaas kombuis road (Glen Donald road): Flooded (closed)
	<p>Road no: p24/1</p> <p>Road name: r54 Potchefstroom Road</p> <p>Section: km 60,00</p> <p>Defects:</p> <ul style="list-style-type: none"> Road embankment washed away around the bridge. One lane of the single carriageway is closed to traffic. 	<p>Falcon Road (between Palm Springs and Evaton): Damaged</p> <ul style="list-style-type: none"> Road layers washed away 

Loss of Livestock

It must be noted that 98 sheep and goats were also killed due to the floods in Evaton and GDARDE has already done Verification assessment, with the following key findings and interventions:

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- Positioning of the farm is vulnerable as it is situated on a floodline.
- Erected the structures within the riverbed.
- Keeping and breeding of animals is not allowed in the township hence the township farmers are not supported by GDARDE.
- Zoonotic diseases are caused by livestock farmers who keep their animals within the township.
- The farmer owns another farm in Poortjie which is bigger and safer for livestock keeping and breeding.
- The team also found out that the farmer is not registered on the GDARDE database for farmer support.
- The farmer was given forms to fill and submit them at GDARDE head office.

Summary of Incidents and Relief provided

Overall Affected People	Type of Incidents	Total of Incidents
2253	Informal House Fires	71
	Formal House Fires	37
	Roofs Blown off	43
	Water Logged Yards	476
	Houses Flooded	42
	Block of Flats Fire	29
	Tree falling on informal House	1
	Other	0
	Total of Incidents	699

Type of Relief Material	Total of Relief
Blankets	987
Food Parcel	408
Tents	23
Mattress	919
Tarpaulins	51
Sand Bags	150
Total Relief Provided	2538

	Total
Fatalities	1 (drowning)
Injured	5 (fire injuries)

SUPPORT RECEIVED FROM PDMC ON RELIEF MATERIAL

MONTH	QUANTITY
December 2022	80 Blankets
January 2023	1500 blankets 1000 mattresses 100 roof sheets
June 2023	300 blankets 40 roof sheets

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MAJOR CHALLENGES IN IMPLEMENTING THE LEGISLATION

While the Functionality Assessment conducted by the Provincial Disaster Management Centre reflects some improvement for the district in terms of Disaster Management, there are still some critical challenges that impede on effectiveness of the Sedibeng Disaster Management Centre.

Challenges	Impact of the challenge	Proposed remedial action
Lack of Fully-Fledged Disaster Management Centre	<ul style="list-style-type: none"> ▪ Contravention of sec 43 (1) of the DMA ▪ Ineffective Coordination and Liaison 	<ul style="list-style-type: none"> ▪ Request provincial and National Intervention
Misalignment with local Municipalities (ELM)	<ul style="list-style-type: none"> ▪ Inopportune decision-making/consultation 	<ul style="list-style-type: none"> ▪ Inclusion of LM Portfolio in Decision-making structures
Lack of provision of Disaster Management Grant (Funding)	<ul style="list-style-type: none"> ▪ Inability to provide support during disaster (contribute to response efforts) 	<ul style="list-style-type: none"> ▪ Request to Province to allocate grant for disaster Management.
Linear Departmental structure (Organogram)	<ul style="list-style-type: none"> ▪ No Specialization 	<ul style="list-style-type: none"> ▪ Restructuring
DM: unfunded mandate	<ul style="list-style-type: none"> • No Funding 	
Ailing Resources (very old vehicles)	<ul style="list-style-type: none"> ▪ Affect promptness of response and rolling out of other functions 	<ul style="list-style-type: none"> ▪ Request assistance from PDMC
No Disaster Management Liaison at Emfuleni Local Municipality	<ul style="list-style-type: none"> ▪ Poor repository and conduit for information pertaining to Disaster Management, disasters, emergencies for the Local municipality and poor Coordination between SDMC an Emfuleni 	<ul style="list-style-type: none"> ▪ Emfuleni to establish a Disaster Management Unit

Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

Promote disaster resilient communities	Disaster management awareness	Implement Disaster Risk Reduction (DRR) programmes.	G3	Number of Disaster Risk Reduction awareness programmes conducted	G3.1
Promote disaster resilient communities	Disaster Relief and Response efforts	To Establish Response Stakeholder Directory		Number of Response Directory	
Promote disaster resilient communities	Revive Disaster Management Advisory Forum	Effective arrangements for Disaster Management stakeholders' participation		Number of Forums sitting	

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Staff Complement

Employees: Disaster Management Services					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	02	01	1	0%
04 – 06	02	02	02	0	50%
07 – 09	02	02	02	0	0%
10 – 12	09	09	09	0	0%
Total	14	14	14	0	0%
					T3.23.3

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
	R'000				
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	9,039	9,059	8,667	8,514	-6%
Repairs and Maintenance					
Other	196	170	184	154	-10%
Total Operational Expenditure	9,234	9,229	8,851	8,668	-6%
Net Operational Expenditure	9,234	9,229	8,851	8,668	-6%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.22.5

Comment on the performance of Disaster Management

The directorate achieved its objectives as stipulated in the Service Delivery and Budget Implementation Plan (SDBIP) for the financial year in question. For the region to enhance compliance and to ensure effective implementation of the guidelines as set by the NDMC, it is critical that there is a move towards ensuring that all KPAs are implemented. The KPAs are informed by specific objectives and KPIs to guide and monitor progress.

FIRE SERVICES

Introduction to Fire Services

Firefighting services in terms of Schedule 04, Part B of the South African Constitution is the responsibility of local government with national and provincial oversight. The Fire Brigade Services Act (FBSA), 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services. In terms of the FBSA, local authorities are allowed to establish and maintain a fire brigade service for the following purpose:

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;

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In terms of Section 85 of the Municipal Structures Act No. 117 of 1998, the MEC has the power to adjust certain powers and functions between category B and C municipalities, which includes firefighting services. The MEC for Local Government in Gauteng opted to make adjustment/divisions for the function and accordingly, Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act 117 of 1998, which includes:

- planning, co-ordination and regulation of fire services;
- specialized firefighting services such as mountain, veld and chemical fire services;
- co-ordination of the standardization of infrastructure, vehicles, equipment and procedures; and
- Training of fire officers.

During the year in question key Delivery Priorities of the district were as follows:

- Provision of specialized firefighting services. No claims were received from the local municipalities regarding specialized firefighting services as per Section 84 (1) j.
- Emergency Services Forum sittings. The main objective of this forum is to strengthen relations amongst all the Emergency Services within the region and also assist in planning and standardization of the function, inclusive of resources. Only two sittings took place. The third one was scheduled; however, it did not sit due to absence of two Local Municipalities.
- The Provincial Disaster Management Centre allocated grants to the three local municipalities in the region during the year in question for capacitation of Fire Services in the region. The amounts allocated were as follows:

Emfuleni Local Municipality: R7.8 million

Midvaal Local Municipality: R7.8 million

Lesedi Local Municipality: R4.2 million.

Comments on the performance of fire services overall

Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act and does not render Fire brigade operational duties. In ensuring that principles of cooperative governance are promoted as well as integrated and coordinated efforts, the Emergency Services Forum met 2 times for the year under review. All the sittings were convened by the Sedibeng Disaster Management Directorate.

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COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

Financial Performance Year 0: Sport and Recreation						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees	1,631	1,722	1,903	1,952	12%	
Repairs and Maintenance						
Other	13	13	20	21	37%	
Total Operational Expenditure	1,644	1,735	1,923	1,972	12%	
Net Operational Expenditure	1,644	1,735	1,923	1,972	12%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4	

Promote, support and resuscitate sport and recreation in the South Corridor.

The slow re-emergence and aftermath recovery of the COVID 19 Pandemic since March 2020 to 2022, had produced serious impact challenges across the entire spectrum of our sport and recreation operations, as most activities across all spheres of government, the private sector and to a large degree the economy domestically and globally shut down to a minimum never experienced before, which created conditions that impacted negatively on various sectors of sport and recreation fraternities as numerous sporting codes, facilities and recreation activity seized to operate under these conditions.

The impact assessment of the Pandemic over this period revealed numerous abrupt dysfunctionality of well-structured sectors of sport and recreation that came to a complete halt that requires a complete reset/re-establishment of various sporting codes including the resuscitation of primary recreation facilities that experienced the impacts of the functional adjustments during this period as very limited opportunities existed to continue to support the various impacted sectors to re-invent their capacity and functionality which took a long protracted development approach in developing the growth of these sectors including massive fiscal and capacity influences over the past, that now requires new strategic approaches to augment its resurgence of its former advances in these sectors.

The Sport and Recreation division had to migrate to digital virtual platforms to effectively continue to facilitate the coordinating functions with strategic stakeholders/partners in pursuance of performance targets as per the SDBIP and IDP operational prescriptions which remained unadjusted to the reality of the impact of the Pandemic, however despite these conditions the Sports and Recreation Division sought to comply with the strategic outcomes of the SDBIPs to the best of its ability and continued with its coordination role by assisting and supporting Provincial DSACR, DE, Tertiary Institutions and Local Municipalities in assessing their development trajectory in the 09 Prioritized Sporting Development Codes identified, including giving priority to reinvigorate the functionality of Sports Council's in creating a climate conducive in achieving strategic developmental outcomes of the various sports disciplines which is at different phases of development and maturity within Sedibeng region.

The overall impact across all spheres of Government has necessitated the re-think of how business continuity remains viable in the current conditions and the natural migration to a digital platforms using AI technological advancements has brought very interesting and dynamic innovations to the resuscitation strategies of re-building the various sectors to their former glory would require complete migration and/or partial re-invention of how to be more effective and sufficient in a re-worked environment influenced by modern technology in regaining advances or quick wins in normalising the status

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quo more holistically that can create a conducive environment in fulfilling the Vision and Mission through identified new/modified options in giving effect to these strategic outcomes.

A major new concern analysed during this period was the consistent vandalism culture that had emerged during the complete shutdown of operations as numerous sports and recreation facilities became targeted areas of asset stripping to the point of complete operational collapse, as many stadiums and other sporting or recreational facilities became victims of this new culture, which exposes the challenges of custodianship and ownership of these facilities within the communities that have been fortunate to have had the advantage of having this opportunity, the need to establish a workable solution in the future is probably fast becoming a focussed area to resolve this misguided culture from creating unwarranted destruction and delays in the restoration of the sectors.

The Provincial DSARC has embarked on a programme in all five corridors of Gauteng to focus on the establishment of out-door community gymnasiums, artificial Turf development programmes along with some facility infrastructure assistance grants that has an 8% maintenance clause, set aside for future maintenance that would greatly assist our financially strapped Local Government institutions, Provincial DSACR has embarked on a program with the Department of Education to develop 69 combi-courts and sports facilities at schools within our communities that could seriously impact on the challenge of managing the culture of vandalism in our communities and has also established a support grant program in developing swimming pools and libraries/memory centres in our areas of jurisdiction.

Our Core Responsibilities of Sports and Recreation Division remains constant:

- Coordinate developmental sports programs of the 11 priority Sporting Codes as identified in Gauteng Province.
- Facilitate the development of a Recreational Policy for the South Corridor that focusses on the geographic natural landscape aligned to the Provincial Policy.
- Establish strategic partnerships to advance our holistic Sport and Recreation developmental agenda of creating academia of excellency for specific codes.
- Identify sport talents that would require specific development in our National Colours Program, including Olympic status.
- Develop the turnaround strategy of our Region through a Revised Sports Plan.
- Facilitate the impact of the Recreational Policy for the Region once approved.
- Facilitate the identification of Sporting Facilities that can assist in developing our variable Sporting Codes more appropriately.
- The Vitality Netball World Cup scheduled a massive country wide, province to province and region to region awareness marketing expose of exhibiting the Netball World Cup Trophy which the Provincial MEC of Sport, Recreation, Arts and Culture had presented the World Cup Trophy to the Executive Mayor of SDM, Cllr. Lerato Maloka who handed it over to the Executive Mayor of Midvaal Local Municipality at Sicelo Sports ground and Executive Mayor of Emfuleni at Saul Tsoetsi Sports Complex in Sebokeng in separate presentations of the program in that lasted from the morning to the evening because of the tour route that incorporated presentations at the various venues mentioned in the report.
- 30th of May 2023, in Sedibeng District Municipality the nostalgia and hype created by the hosting of the Netball World Cup in Cape Town during August 2023 has produced an element of excitement as Sedibeng and the rest of the Country as the pre-marketing program of taking event to each Province has stimulated the interest in the growing sporting code of Netball in South Africa noting the portfolio of evidence of some of our successes regarding Sport and Recreation.

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Summary of the annual performance of Sport and Recreation Division

The **Hanyani Wellness Programs** was hosted in Sedibeng District Municipality in collaboration with Provincial DSARC on the following dates and areas.

- On the 9th of July 2022, at the Boipatong Stadium in ward 8, as a build-up program of the Commemoration of the Boipatong Massacre on the 17th of June 2022 in Emfuleni LM, targeted participation was 500 people, however 830 people participated.
- On the 15th of July 2022, at the Vischkuil, Kwazanzele Stadium in Lesedi LM, targeted 500 participants, however 952 people participated, and
- On the 11th of August 2022, the third addition of the program was held in Evaton Zone 3, Stadium as a build-up program for the Presidential Imbizo on the 12th of August 2022, at the Sharpeville Cricket Pitch, targeted audience participation was 500 and 828 people participated, noting that all three programs focused on the following sporting codes:
 - 5 km Fun Walk, Aerobics, Active Ageing Program, Football and Netball with overwhelming community support and participation
- The O R Tambo Soncini Social Cohesion Games, hosted at Germiston Stadium on the 29 – 30 October 2022, produced the following sporting codes:
 - a. Football (Male & Female and Intellectually impaired males,
 - b. Netball (Male & Female)
 - c. Rugby (Male & Female)
 - d. Basketball (Male & Female)
 - e. Athletics (Male, Female Intellectually Impaired and Physical Disabled)
 - f. Swimming (Male, Female and Physically Disabled)
 - g. Chess (Male, Female, and the Physical Disabled).
- 30th of May 2023, in Sedibeng District Municipality the nostalgia and hype created by the hosting of the Netball World Cup in Cape Town during August 2023 has produced an element of excitement as Sedibeng and the rest of the Country as the pre-marketing program of taking event to each Province has stimulated the interest in the growing sporting code of Netball in South Africa noting the portfolio of evidence of some of our successes regarding Sport and Recreation.

Promote and Support Arts & Culture Programmes

The SRACH Directorate which include the Arts and Culture Division was highly impacted under the current period of review and suffered the impact consequences of the Pandemic as mentioned before in the report, however ongoing strategic partnerships with loyal patrons and the Provincial DSACR programs within the Arts & Culture fraternity continue to resuscitate the fledging sector, however emphasis should be placed on defining a strategic partnership agreement to restore, build and operate the theatres at a more tactical operations level that would attract Theatre development standards across theatres under our jurisdiction especially the Vereeniging Theatre in the centre of the Constitutional Square that has to be restored to its former glory to resuscitate audience development and exposure to the different genres of the performing arts, this must include our previous approaches of the "Arts to the People programs" round robin approach that expands the opportunity to all our theatres in the South Corridor which has been highly vandalized and inoperable currently in Sharpeville, Boipatong, and Mphalatesane Theatre in Sebokeng that could all act as talent identification centres in the Arts and Culture Fraternity that would lay the foundation of eventually establishing a Region School of the Arts to develop the entire South Corridor sufficiently as Arts and Culture has a huge potential to become a New Economic Driver through the developmental opportunities with the underprivileged communities who have consolidated and registered capable institutions and NPO who has tremendous funding opportunities in processing

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support from donor agencies that could augment operational strategic partners in developing the Arts and Culture sector into futuristic Industry within the South Corridor by giving our communities the expediency necessary to develop within their preferred sectors of the Arts and Culture Industry by focussing on the following since we have just established a professional Officer capacity in the Division of Arts and Culture by:

- Facilitating a proper due diligence on our facilities to determine the best operational options for our facilities to operate more effectively, professionally, and developmental in enhancing the sector.
- Establish the Development of the Creative Industries as a New Economic Driver in the South Corridor by implementing strategic developmental programs.
- Develop the turnaround strategies with our practioners for Arts & Culture and Theatres in our Region.
- Develop the South Corridor "School of the Arts" in our Region at our major facilities in a more nuanced method associated to our 'Arts to the People Program
- Facilitate Strategic Partnerships and peculiar adoptions of specific sectors/programs through Social Responsibility mechanisms around taxation and the issuing of this types of exemptions as a strategy to overcome under development in our various Divisions within SRACH Holistically (5% write off) as we pay a lot of taxes on salaries but cannot apply for most Government support grants.
- Consider Public, Private, Partnerships that can create mutual beneficiation opportunities for all our operations to advance the development of our various sectors and divisions within SRACH.

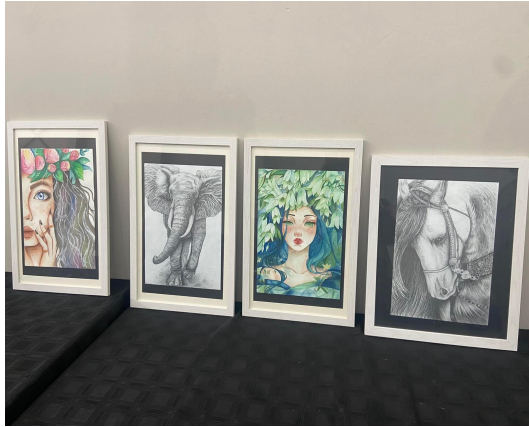
The current period of review comes at a time when we have just started our slow recovery after the Pandemic, focussing on re-operationalising our facilities and functions to an area of acceptable standards and practises, aligned to the DDM model that could facilitate a holistic impact assessment of powers, functions and management of specific functions within the change management envisaged, noting the dire conditions of our facilities which needs major refurbishment and maintenance to remain effective in moving forward in the Arts and Culture Division to restore confidence in the sector which impacts on the strategic emphasis of how it impact on the final adjustments in the re-design:

- Implement the National Arts Council Act 56 of 1997
- Cultural Institutions Act 119 of 1998
- National Film and Video Foundations Act 73 of 1997
- Cultural Laws Amendment Act 36 of 2001

Summary of the Annual performance of Arts and Culture

- From the 6th to 13th of August 2022, **Show Your Talent Competition:** Hosted by the Arts and Culture Division in collaboration and partnering with Show Your Talent Group, Curro School in Vanderbijlpark, Talent Africa and DBV Productions, which focussed on the following genres of the Arts:
 - Dancing, Acting, Creative Works, Modelling, Photogenic, Singing, Variety Arts and Instruments.
 - The top ten finalist received trophies/certificates and the overall grand Prize winner received a cheque of R10,000-00.

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Show Your Talent
Dancing | Acting | Creative Works | Modelling | Photogenic | Singing | Variety | Instruments

Date: AUGUST 2022

To: **OVERALL WINNER**

TEN THOUSAND RAND R **10 000.00**

:46522Q339: 8QQ765231: QQ1

Juanita Oosthuizen
SIGNATURE

- 22ND of November 2022, The Creative Productions Mentorship Program, of DSARC and SDM/Arts and Culture was hosted at Boipatong Memorial and Youth Centre where 182 community members participated.
- 22nd of February 2023, The First PMT meeting of the **Human Rights Month Programme** met at the Vereeniging Library and the SDM, Arts and Culture Division participated in the establishment of the joint Provincial, District and Local Municipalities Events Coordinating Committee (ECC) that was responsible for the Arts & Culture disciplines, noting that weekly PMT meeting were held, which still required the separate meetings of the working group and through weekly reports and implementation to the plenary of the PMT.
- 7th of March 2023, a Stake Holder engagement with the Concerned Arts and Culture, Heritage Foundation from Evaton was held at the Vereeniging Theatre to develop common understandings of the different needs in various genres of Arts and Culture disciplines in the region.
- 17th of March 2023, the ECC met to adjudicate on the artist and performers associated to the Main Event on Human Rights Day and preliminary programs that included preparations for a dry run-on the 20th of March 2023 at George Thabe Stadium.

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- 18th of March 2023, the Imbalwa Story Telling Program of Survivors & a Film expose was held at the Sharpeville Monument in collaboration with the Khulumani Group, DSACR, Gauteng Film Commission and SDM- Arts & Culture
- 21st of March 2023, in collaboration with DSARC, Craft Hub Division and SDM-Arts & Culture Held a successful Arts and Craft Exhibition and Market at the Old Sharpeville Police Station and the Sharpeville Monument, including the procurement of the following Artist and Performers for the 21st of March 2023, Human Rights Day
 - Lesedi Gospel Choir, participated in the morning wreath laying ceremony at Phelindaba Cemetery
 - St. John Brass Band at the ceremony at the Sharpeville Monument second phase program.

The following artists performed at George Thabe Sports Ground, were procured by the ECC, and paid by Gauteng Province Department of Sport, Art, Culture and Recreation: for the main event **formal program** being:

- Director: Makhwekhwe
- DJ: Paya (from Sharpeville)
- Artists: -Brazo
- Jus Sam (From Sharpeville)
- City Boz (From Sharpeville)
- Dance
- Maths (Dipalo)(From Sharpeville)
- Sello Malete (Gospel artist) (From Vaal/Sedibeng)
- Poet: Tsoana Nhlapo (From Sharpeville)
- Choir: singing RSA national Anthem and AU Anthem (African Sweet Melodies (Sebokeng)
- 24th of March 2023, SDM Arts & Culture in partnership with Gauteng Province Department of Arts and Culture and Emfuleni SRAC organized a “Dry run” for **Puisano Jazz festival**. Dry run at Dlomo Dam, Sharpeville
- 25th of March 2023, Sedibeng District Municipality SRAC & H, Emfuleni SRAC and Gauteng Province Sport Arts, Culture & Recreation held the **Puisano Jazz Festival**, (the following Six (6) development Jazz Band groups performed for payment through SDM/SRACH including VIP Catering during the Human Rights programme at Dlomo Dam:
 - Sharpeville Swingsters
 - Black 3 jazz band
 - Inganekwane jazz band
 - Arch of art jazz band
 - Bongani Jazzman Majola
 - Preeminent Antics Jazz band

Gauteng Province, Department of SACR (Sport, Arts, Culture & Recreation) was responsible for procurement and payment of stage, sound, and marshals. including the following artists were paid by Gauteng DSACR, (Directorate of Creative Performance):

- Mccoy Mrubata,
- DJ. Tank,

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- JT The Voice
- Programme Director: T Bose.

Promote and support Heritage & Museums in the Sedibeng Region:

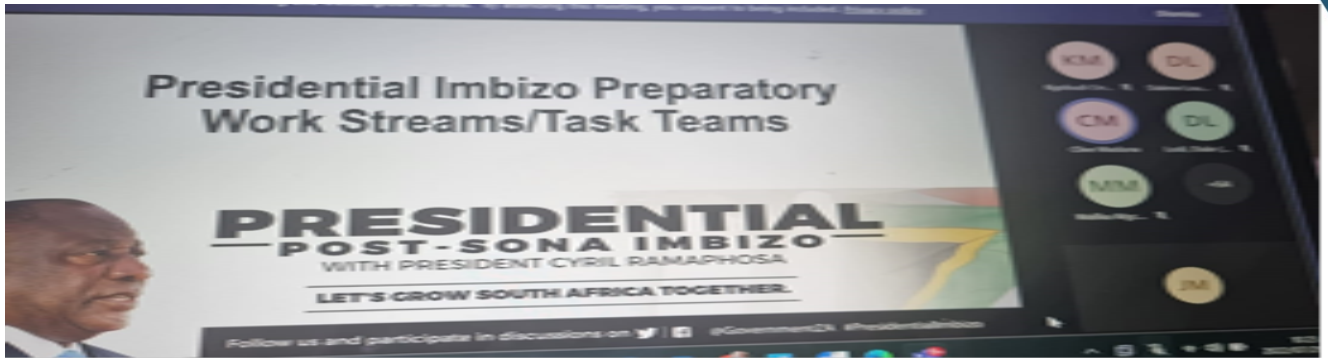
Defining the period under review the Heritage and Museums Division of SRACH had a mixed reaction to successfully implementing all its involvement with programs because of capacity and budgetary constraints and the holistic re-set of normalising after Covid 19, We managed to implement a series of activities within its scope of performance in relation to some key associated events aligned to our core responsibilities aligned to the Heritage & Museums functions including important additional programs that we participated in besides activities prescribed by our SDBIP performance review of which we successfully implemented the following outcomes:

- 30th June to 1st of July 2022, Misty Hills, West Rand



- 3rd of August 2022 to 12th of August, we hosted a joint Presidential Imbizo, preceded by a joint Ministerial/Mec interaction with the Local Government in our Region.

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- The joint hosting of the Signage of the Constitution on the 10th December 2022 created quite a challenge as the National Department of Justice pulled out of the event on the eve of the event due to unfortunate misunderstandings and its relationship with an NPO in our Region, however We managed to continue the process with support of DSACR successfully in the Banquet Hall, however very valuable lessons was gained to avoid similar challenges.
- The Sebokeng Night Vigil Massacre on the 12th of January 2023, was hosted successfully with the families and survivors of the tragic event.



- In March 2023, a series of build-up programs for the Human Rights Month were successfully hosted. These programmes included among others Imbawula Storytelling, Candlelight and Cleaning of the Graves. These

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build-up programmes led to the main event that was hosted by the Sedibeng District Municipality in collaboration with Gauteng Provincial Government and the families of the victims and survivors.

- 8th of March 2023, Heritage & Museum, South Corridor DSACR collaborated with the Provincial Department of Education hosted 15 schools in Gauteng.
- 12th of March 2023, Heritage & Museums hosted the Ahmed Kathrada Foundation as a build-up program



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- 10th of March 2023, Cleaning of the Graves Program with the Khulumani Group, Survivors & Heritage Division

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- 21st of March 2023, Human Rights Day Activities

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- 8th of May 2023, The Heritage Division Established a Multi-Disciplinary Task Team for the UNESCO Serial Nomination of Sharpeville as part of the Cabinet Presidential Project of the Nelson Mandela Legacy across the Country, Major Work on cleaning and maintenance and repairs in collaboration with National, Provincial & Local Governments in impacted areas of the holistic project.

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- 31st of May 2023 Commemoration of Peace Treaty of Vereeniging was commemorated in partnership with Midvaal Municipality and Afrikaner entities at the Blockhouse where very serious vandalism of the Blockhouse structure was noticed that completely needs intervention to circumvent collapse of the entire structure.

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- Unfortunately, the Commemoration of the Boipatong Massacre on the 17th of June 2023 had to be postponed due to circumstances beyond our control in mitigating specific challenges which is currently receiving attention from both the Political and Administrative Leadership in resolving the general challenges.
- The Heritage & Museums Division had engaged with numerous Webinars on programs and process planning with various National, Provincial and Local Governance structures on processing support for a range of our SDBIP Programs in particular the Commemorative Days program, Geographic Name Change Programs, Identification and registration of Heritage Sites in the Region and direct interactions with both the National Heritage Council and PRAG around source work related to UNESCO for Sharpeville and Boipatong Museum respectively.

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3.24 EXECUTIVE AND COUNCIL

On the 3rd of August 2016, South Africa conducted Local Government Elections. Emanating from this process, there were changes in the municipality; where new Councillors were ushered in Council. Subsequently Sedibeng Council was established on the 18th of August 2016; with new political parties constituting Sedibeng Council. Effective corporate governance is a central focus that distinguishes Sedibeng District Municipality from other municipalities. The District Municipality has established important committees to encourage compliance with all legislation and to enhance ethical consideration by all its employees and Councillors.

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive and Council include all administrative support that is provided to the offices of the Executive Mayor, the Speaker of Council, the Municipal Public Accounts Committee Chairperson and Councillors. Normally these would include all meetings of Council and those of other committees of council.

The support is rendered by the Committee Section within the Corporate Services Cluster. The primary function of this unit is to ensure support to the Executive Mayor and Speaker of Council; ensuring efficient, well-coordinated and smooth running of the meetings, including minutes recording and archiving of all Mayoral, Council and other Committees of Council minutes.

COMMENTS ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL

For the period under review, Executive performed well, albeit under financial constraints.

Financial Performance Year 0: The Executive and Council						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees	43,626	49,976	52,709	51,767	3%	
Repairs and Maintenance						
Other	2,460	2,445	2,699	2,104	-16%	
Total Operational Expenditure	46,086	52,422	55,408	53,871	3%	
Net Operational Expenditure	46,086	52,422	55,408	53,871	3%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						
					T 3.24.5	

3.25 FINANCIAL SERVICES

This Cluster is regarded as the aorta for the municipality; hence prudent, effective and efficient service is the blood within this cluster. It is divided into two Directorates, namely, the Financial Management Directorate and the Supply Chain Management Directorate, all reporting the Chief Financial Officer.

The Cluster sees to it that there is prudent spending on all municipality projects. The cluster is highly regulated and ignorance is no excuse in executing duties and responsibilities. Below is graphical and tables enunciating what transpired in terms of financial movements.

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Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	4	3	1	25%
4 - 6	7	9	8	1	11%
7 - 9	8	8	7	1	13%
10 - 12	1	6	3	3	50%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	21	29	23	6	21%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.25.4

Financial Performance Year 0: Financial Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	317,037	299,197	299,280	301,636	1%	
Expenditure:						
Employees	12,668	12,870	14,209	14,742	13%	
Repairs and Maintenance						
Other	6,360	7,945	8,621	8,785	10%	
Total Operational Expenditure	19,029	20,815	22,830	23,527	12%	
Net Operational Expenditure	(298,009)	(278,382)	(276,450)	(278,109)	0%	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.25.5

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3.26 HUMAN RESOURCE SERVICES

The strategic objective of the Sedibeng District Municipality's human resource services is to recruit and retain competent human capital and sound labour relations effectively and efficiently. This objective was pursued through the following projects, which were achieved as at the end of the year under reviews:

- Successfully submitted Workplace Skills Plan and Training Plan with LGSETA within prescribed time period;
- Capacitated employees on code of conduct, including conditions of employment;
- Established Job Evaluation Committee;
- Migrating Job Descriptions to Tuned Assessment of Skills and Knowledge (TASK) format
- Established Occupational Health and Safety Committee;
- Participated in the Local Labour Forum meetings and the implementation of its resolutions;
- Capacitating employees through internal bursaries;
- Recorded yet again zero fatalities and injuries in the workplace.
- Continued with Wellness programmes aimed at empowering employees on a variety of socio-economic issues or challenges faced by employees; including personalised one-on-one Psycho-social support;
- Recruitment and selection of suitable candidates for positions;
- Hazard identification and risk assessment;
- Capacitation of young people in the district with regard to learnership and experiential training;
- Timeous submission of the Employment Equity Report.

Through active participation and cohabitation with organised labour, the Municipality has successfully maintained harmonious workplace relations by proactively preventing disputes, disruptive workplace activities and resolving workplace disputes by application of various dispute resolution mechanisms; for which the testimony is the zero protests by employees.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	Year -1	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Level 0-3	3	3	3	0	0%
Level 4-6	5	15	5	10	0%
Level 7-9	4	6	4	2	0%
Level 10-12	0	0	0	0	0%
Level 13- 15	2	3	0	0	33%
Level 16-18	0	0	0	0	0%
Level	0	0	0	0	0%
Total	14	14	13	1	7%

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Financial Performance Year 0: Human Resource Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	473	508	758	481	-6%	
Expenditure:						
Employees	11,125	11,873	12,904	12,830	7%	
Repairs and Maintenance						
Other	1,198	927	1,547	1,399	34%	
Total Operational Expenditure	12,323	12,800	14,451	14,229	10%	
Net Operational Expenditure	11,851	12,291	13,692	13,748	11%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL: Add content

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information technology is critical for the Sedibeng District Municipality's (SDM) mission and its successful operations, and information technology is needed to create a strategic advantage for the municipality. When information technology initiatives align with the strategic goals of SDM, the impact can be transformative – empowering Departments to improve business operations to deliver quality services, and fomenting change through the intelligent use of data.

Accountability and responsibility for the corporate governance of ICT in SDM is assigned to the following:

- The Accounting Officer (MM) is accountable for implementing the Corporate Governance of ICT;
- The Executive Director Corporate Services is responsible for implementing the Corporate Governance of ICT; and
- The SDM Governance Champion is assigned to the Executive Director Corporate Services and is responsible for the operationalization of the Corporate Governance of ICT.

The Directorate of Information and Communication Technology (ICT) Services is situated in the Corporate Services Cluster and reports to directly to the Executive Director: Corporate Services. The Department is headed by the Director ICT and supported with a staff compliment of fourteen. The staff compliment consists of highly skilled technical support personnel, administrative personnel as well as switchboard operators.

The priorities of the Directorate for the year included the following:

3.27.1.1 The corporate governance of ICT

ICT Governance (Information and Communication Technology Governance) is a process used to monitor and control key information technology capability decisions - in an attempt –to ensure the delivery of value to key stakeholders in an organization. The Corporate Governance of ICT is about ICT decisions that have an impact on business value. The Directorate endeavoured to control and monitor objectives to deliver key value. The imperatives for alignment were identified and responded to as follows:

Affordability – the ICT Directorate contained costs and focused on value for money.

Ease of use – the Directorate endeavoured to ensure that the ICT technology would be easy to use for all users and supported end-users in numerous ways. Through the Help Desk 802 users were assisted with ICT related queries and

42 audio visual meetings were supported. Training of users in the use of MS Teams is ongoing to ensure compliance with work-from-home requirements through reducing physical contact.

Reliability - Systems need to function as intended at all times. ICT supported this objective vigorously and sustained high uptime of systems, servers and hardware. For the period server services were available at 99.916%, internet and electronic mail access at 99.416% and fibre connectivity at 97.583%. Indeed, excellent achievement within budget and scope.

Security - Firewalls, anti-virus programs and facilitation of administrators' rights are in place and monitored on an ongoing basis. No security breaches or unusual activities were detected during for the period. Licenses were renewed on time as to ensure a secure environment. The anti-virus system functioned fully in the period and patches and updates are downloaded on a continuous basis to both servers and other tools of the trade.

3.27.1.2 Management of the fibre optic infrastructure.

The Information and Communication Technology (ICT) Department of the Sedibeng District Municipality (SDM) maintains approximately 110 km of fibre underground for fibre-optic communication purposes. This network connects buildings and offices throughout the Sedibeng region and facilitates communication, data sharing and exchange. The functionality of the fibre is vital to ensure connectivity throughout the district, as this infrastructure forms part of the vital fibre optic backbone linking SDM and its local municipalities.

Fibre and radio communication availability to end-users remained high at 95%. The fibre break at the Market is not repaired and a tender process will be needed to effect repairs. The appointment of a service provider to deliver specialised services in terms of the wide and local area network is outstanding. The budget allocated in terms of capital on the network vote will not be sufficient should a major fibre fault occur. The fibre infrastructure is not insured.

3.27.1.3 Securing the ICT operating environment

The ICT Department is tasked with securing the data and electronic communications environment of Sedibeng. Securing the environment requires physical and technical efforts to build resistance to prevent unauthorised access to servers, data and information. To mitigate any attempt at breaching security, dedicated ICT staff members maintain and regularly review system access violation logs to identify possible hacking attempts. Threats identified are investigated, reviewed and reported to implement a suitable action plan to thwart and prevent any unsolicited attack/breach.

The Sentinel Log Manager application logs and reports such events. In the period the log manager did not report any attempt at infiltration and successfully quarantined any malicious software that attempted to infiltrate the ICT environment.

The ICT Department succeeded in protecting the ICT assets of SDM in the period. Not only was the physical hardware protected, but also information stored on computers and networks were protected from unauthorised access and malicious attacks. Daily monitoring of systems is ongoing.

3.27.1.4 Approving and implementing the SDM ICT Strategic plan

The Information and Communication Technology Strategic Plan (ICTSP) for 2020-2025 provides a blueprint for achieving the vision of leveraging reliable and emerging technologies and information resources to support the mission and vision of the SDM.

Chapter 3

The Strategic plan, as approved by Council, was monitored and reported on quarterly. All financial responsibilities in terms of licensing and other operational expenses were timely met and expenditure on votes remained within the approved budget.

The twelve approved objectives stipulated in the Strategic Plan were all reported on and were successfully met. Policies were continuously enforced and monitored, whilst change management took place within the ambit of approved policies. Service delivery on all objectives were high and the Directorate was dedicated to the implementation of the strategic plan to ensure the achievement of goals and objectives.

3.27.1.5 Review and monitor approved contracts in the ICT Department

The ICT Department currently have six operational service level agreements in place. A summary of the service level agreements is as follow:

VPN2021 - VPN Technologies provide IT networking engineering support and internet services. The contract is valid until 2024 and quarterly performance review took place along with monthly security meetings. Service delivery on this contract is in line with service deliver objectives stipulated in contract.

TMD2021- High-mast rental through TMD Communications. The contract is valid until 2023 and service availability on this contract was 100% uptime in the period.

AMYSA2021, PAL2021, MULI2021 – Provision of printer cartridges. Three appointed vendors supply printer consumables on a rotational basis. The contracts are valid until Janaury 2024 and service delivery on contracts are in line with service delivery objectives as stipulated in the original contracts.

Performance reviews of all contracts took place. Performances are in line with objectives as set out in the approved contracts and performance agreements with the respective vendors. The ICT and SCM Departments continue to work together with all role-players to ensure that contracts are valid, authorised and compliant. The ICT Department works tirelessly with vendors ensuring proper service delivery on approved contracts.

Chapter 3

3.27.1.6 Performance and improving risk

The ICT risk assessment register was completed with input from the Gauteng Provincial Government Audit Services (GAS). The objective of the ICT risk assessment was to identify ICT risks that could influence the achievement of organisational achievements. To this effect, ten (10) risks were identified. Of these, three had a lower inherent risk rating and the remainder had a high residual risk rating.

Both the software and hardware environment remained stable in the quarter, with no exceptions reported. All software is synchronised and current with vendor releases. It is important to ensure that all software remain current as new releases will aim to either fix bugs, fix security vulnerabilities, provide new features or improve performances and usability. This reduces the risk of unauthorized access and loss/corruption of data (identified risk 1)

The matter concerning the appointment of members to the ICT steering committee is still outstanding. The ICT Department has prepared letters to all heads of political offices and senior managers (MANCO) to ask for the appointment of members to the committee. The Municipal Manager approved and signed the memos and nominations from the different clusters are expected. Inability to support business effectively through ICT operations and the ineffective monitoring of governance processes and policies are mitigated by a functional and effective ICT Steering Committee (identified risks 2 – 4).

Inadequate environmental controls are identified risk 5. The lack of maintenance and budgetary constraint effect risk reductions on the item. Currently fire alarm system is not functional and the automatic fire extinguisher system is faulty. A request for a replacement system was submitted, but budgetary constraints effected rollout.

Insufficient infrastructure capacities are driven by warranty lapses on hardware (servers and ICT tools of the trade) and the failure to maintain an upgrade plan due to budgetary constraints (risk 6).

The Disaster Recovery Plan (DRP) is not aligned to business operations. A review of the policy is in process to facilitate alignment with the current environment and resource availability to ensure a stable recovery environment (identified risk 7).


The risk of failure to implement Audit finding of AG are supported by the availability of resources and management support (identified risk 9). Progress was made with resolving items raised by the Auditor General. On finding 18 – regarding the ICT Steering Committee, letters were forwarded and nominations are awaited. Two members of staff are currently studying towards networking qualifications, supporting finding 19 in terms of specialised training. Findings 21, 23, 24 and 26 are currently being reviewed and recommendations implemented. AG finding 25 was resolved, and backup processes are ongoing and backup logs reviewed.

External suppliers failing to deliver on agreed service are fully mitigated by regular performance reviews (identified risk 10). Six vendor contracts are in place and reviewed quarterly. Vendors are all performing in line with service objectives stipulated in performance agreements.

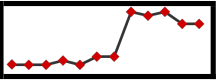



Progress was made on improving some of the identified risks. The lack of budget allocation hampered achieving significant improvement in high-risk areas as reducing the risk in these identified areas requires substantial capital investment in ICT. The lack of specialist training of ICT is also of concern (identified risk 8).

T 3.27.1

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SERVICE STATISTICS FOR ICT SERVICES			
ICT Service Statistics 2021/2022			
ICT Governance			
Reporting on the status quo of the ICT operational environment regarding the compliance with the corporate governance of information and communication technology (ICT) policy framework (CGICTPF) as approved by Council.			
Imperative	Operational Requirements	ICT Environment	
Affordability	SDM require ICT costs to be low and are focused on value for money	ICT expenditure included (in Rand):	
		Mobile communication	428,231
		Telephony	1,861,373
		High mast rental	104,501
		Internet and firewall services	396,474
		Software license fees	4,081,399
		DSTV & SABC TV Licenses	12,439
		Repair and maintenance of hardware	115,950
		Repair and maintenance of network infrastructure	167,713
		Printing peripherals	254,616
		Capital expenditure computers and peripherals	917,576
Capital expenditure networking/fibre	8,521		
Ease of use	The ICT technology should be easy to use for all users.	<p>In the period a total of 1,126 calls were logged and resolved through the ICT help desk. The help desk software had a 100% availability during the year.</p> 	

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		<p>A total of 102 audio and visual support events were hosted.</p> 
Reliability	Systems need to functions as intended at all times	<p>Fibre optic availability: 98.75%</p> <p>The fibre optic infrastructure delivered consistent performance in the period under review. Downtime caused by operational infractions.</p> 
		<p>ICT Operational environment availability: 99.66%</p> <p>The servers continue to deliver high uptime and functionality. Downtime occurred due to a sustained power outage and system maintenance.</p> 
		<p>The servers continue to deliver high uptime and functionality. On 13 – 14 June 2022, the main building had a breakdown on an electrical phase that feeds the substation in the basement. Because a single phase dropped, the generator and UPS malfunctioned and tripped as well. The server room lost power completely and power was only restored after Emfuleni Technician came on site to resolve the fault in the Substation room. This only happened a day later. Therefore, all services were down for 25 hours. Investment in upgrading the aging hardware is essential and should be observed as recommended in the approved ICT Strategic Plan.</p>
		<p>Internet an electronic mail availability: 99.6%</p>  <p>Overall, the performance was excellent with the software and systems continuing to provided very high uptime to users.</p>

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Security	Unauthorized access to data should be prevented and integrity of data/system protected	<p>Firewalls, anti-virus programs and facilitation of administrators' rights are in place and monitored.</p> <p>Firewall version: Release 2.6.0 current, no change, latest release 4/06/2022 at 00:13 Free BSD 12.2 and stable.</p> <p>Eset Nod32 updated to version 9.0.2046.0 with build 25522 on 30/06/22 22:00.</p> <p>New releases are loaded automatically from Eset server.</p> <p>License renewed for period 16/03/2022 – 16/03/2023.</p> <p>No breaches in security occurred in the year 2021/2022 as reflected in the statistics</p>
Audit and internal controls	An accurate reflection of processes and procedures is vital to ensure compliance to best practices, ICT standards and regulatory requirements	<p>Progress was made with resolving items raised by the Auditor General. On finding 18 – regarding the ICT Steering Committee, letters were forwarded and nominations are awaited.</p> <p>Two members of staff are currently studying towards networking qualifications, supporting finding 19 in terms of specialised training.</p> <p>Findings 21, 23, 24 and 26 are currently being reviewed and recommendations implemented. AG finding 25 was resolved, and backup processes are ongoing and backup logs reviewed.</p> <p>No internal audit review of ICT services took place in the period.</p>
ICT Operational Services		
Vendor performance monitoring	Six contracts are in place for the supply and delivery of equipment and services. Vendors were evaluated in September 2021, November 2021, March 2022 and June 2022 and all performed within the requirements of contract. In the period, the six vendors met and exceeded their performance metrics.	

Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		2022/2023			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
WORLD-CLASS ICT INFRASTRUCTURE IN SUPPORT OF A "SMART SEDIBENG"									
Implement ICT Governance Framework	Report on repairs, maintenance and performance of optic fibre network	4	4	4	4	4	4	4	4
Implement ICT Strategy	Number of municipalities participating in the ICT related shared services	4	4	4	4	4	4	4	4
Implement ICT Security Controls	To provide oversight to ICT operations	4	4	4	4	4	4	4	4
Identify and manage identified ICT risks									T 3.27.3

Employees: ICT Services					
Job Level	Year -1	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Level 0-3	4	3	3	0	0%
Level 4-6	5	7	7	0	0%
Level 7-9	0	0	0	0	0%
Level 10-12	2	2	2	0	0%
Level 13- 15	2	3	0	0	33%
Level 16-18	0	0	0	0	0%
Level	0	0	0	0	0%
Total	14	14	13	1	7%

Chapter 3

Financial Performance Year 0: ICT Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	11,125	11,484	11,522	11,467	0%
Repairs and Maintenance	1,250	1,226	168	125	-882%
Other	10,258	12,263	10,962	8,792	-39%
Total Operational Expenditure	22,632	24,973	22,651	20,384	-23%
Net Operational Expenditure	22,632	24,973	22,651	20,384	-23%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

Overall, the Directorate performed excellent with the resources apportioned. The Department ensured delivery of high availability of systems, data and tools of the trade. Resources were available 99.6% in the year with downtime due to an electrical fault in the basement substation.

Fibre and radio communication availability to end-users remained high at 95%. The fibre break at the Market is not repaired and a tender process will be needed to effect repairs. The appointment of a service provider to deliver specialised services in terms of the wide and local area network is outstanding. The budget allocated in terms of capital on the network vote will not be sufficient should a major fibre fault occur. The fibre infrastructure is not insured.

Compliance with the austerity measures implemented by the Accounting Office ensured that the Department remained within the budget allocated. All software licenses are current and paid timely to ensure compliance with contractual obligations and end-user license agreements.

Chapter 3

Server infrastructure and software resources consistently performed well, but as technology age and newer technology becomes available, it is inevitable that upgrades will need to be made, which will require increased capital allocation to ICT capital votes. The fibre infrastructure availability remained in the high throughout. The operational environment remained safeguarded from a security perspective, and software as well as the firewall and supporting resources performed excellent.

Proper governance, like any other aspect of ICT, requires management to be more involved in setting direction and overseeing the management of risk. It is therefore essential to take action to ensure that the importance of information security is communicated to all and that policies are enforced to underpin activities in a changing environment. The ownership and responsibility for information security is not only the responsibility of ICT staff members, but should be accepted by all staff members of Sedibeng.

The final audit report from the Auditor General (AG) was received. Target dates for implementation were agreed with the AG, and quarterly reports on the progress are submitted. Significant progress has been made in implementing the recommendations.

It is also imperative that any shortage of skilled resource in the ICT area is addressed, as it may be impossible to retain all the necessary skills and functions in-house. Specialist training of staff is essential and also identified in the risk register as a high-risk area that could lead to a breakdown of services or at minimum hamper the effective delivery of ICT services.

The successful implementation of the approved strategic plan hinges on the allocation of resources. The budget allocation approved in the policy is conservative, and considers the scarcity of financial resources within Sedibeng. However, technology is a tool that enhances output exponentially, and therefore allocation to specified projects is necessary to achieve the set objectives of this document. The approval of the ICT strategic plan paved the way to implement an extensive plan, but with the limited financial resources allocated to the ICT Department in the 2021/2022 financial year, limited resources were available to implement the strategic objectives of the plan.

Chapter 3

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Legal Services:

The key objective for Legal Services is to ensure an enabling legal environment for Council to operate in. This is achieved by rendering support in the drafting and vetting of contracts, the provision of legal advice to council committees and other functionaries, the perusal of reports and other documents and providing legal comments thereof, policies and other documents. Legal Services is also tasked with the management of legal cases instituted by the municipality and the defence of actions that are instituted against the municipality.

The overall objective for the department is ensuring the proper management of Council business and ensuring that Council is legislatively compliant. Its other divisions are the committee administration section which renders effective secretarial services to Council and its committees, the records section which continues to be the best nationally and auxiliary services, which provides a courier service and a printing service to the organisation, and the communications sections which services Council as a whole.

The presence of Legal Services is felt in every aspect of Council work, municipalities being a highly regulated environment with a myriad of legislation and regulations that need to be complied with. Legal Services assist in this regard by providing advice when called upon to do so, maintaining a presence at meetings, providing advice in relation to the interpretation of legislation and other legal instrument, and drafting legal opinions on requests from internal Stakeholders that form part of Council.

A crucial part of the service that this unit provides is in the drafting and vetting of contracts. This function is potentially fertile ground for legal challenges and consumes a lot of time and expertise to perform effectively. Contract management and administration in particular, and legal services in general cannot be done by the staff in the department. It is a support services department and its work feeds off the inputs and instructions provided by the rest of the organisation. The quarterly contract management meetings which is a dual function of Legal Services and Finance department is an example of the symbiotic relationship the department has with the other offices, and are aimed at improving the understanding of each functionary of what contract administration entails, the red flags that all should be on the look-out for. It is intended that information sessions that go beyond the administration and management of contracts be held going forward, in order to improve performance, efficiencies and cooperation among the internal stake-holders. The key objective for Legal Services is to provide legal services to the political and administrative arms and to ensure an enabling legal environment for Council to operate in. This can be achieved by ensuring that Legal Services performs its core functions accurately. The core functions of the directorate include, but are not limited to the following

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Litigation management

- Defending all legal action/applications instituted against SDM by third parties,
- Instituting legal action/applications on behalf of the SDM against third parties,
- Management of external attorneys and service providers.

Corporate and Council legal compliance

- Providing legal comments on all reports submitted to SDM committees, the Mayoral Committee and the Council,

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- Providing legal opinions to the Council and the Directorates,
- Drafting and reviewing of SDM by-laws and promulgation thereof and assisting directorates with policy-making that are pertinent to the Municipality,
- Providing legal support to the Council and its functionaries,
- Providing legal services in respect of projects or initiatives of the SDM and serving on the technical task teams concerned,
- Providing legal support in respect of commercial ventures and related contracts,
- Defending litigation cases and managing the legal process to defend or recover damages from third parties regarding SDM property Alienation, acquisitions and development law,
- Administering and rendering effective secretarial services to Council and its committees,
- Drafting, reviewing and implementation of the System of Delegation,
- Vetting, developing and managing all Council contracts,
- Providing legal support in respect of the review process of Council Policies,

Updating or keeping the Council and its functionaries abreast with the new or legislative amendments affecting Local Government.

Procurement Services

The Supply Chain Management Unit resides within the Finance Cluster. The Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

All municipal procurement is conducted against the annual procurement plan that has been approved by the Accounting Officer. Demand management performance has been monitored and reported on a monthly basis to the senior management team for oversight and control purposes.

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SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

A number of contracts were drafted and vetted. Monthly Mayoral and Council meetings are attended. Ad hoc committee meetings are also attended. There were litigation matters for the financial year. Some of these matters were against the municipality; while other matters were the municipality instituting proceedings against third parties.

Chapter 3

Financial Performance Year 0: Property; Legal; Risk Management (Corporate Services)						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees	61,891	65,386	60,103	60,022	-9%	
Repairs and Maintenance	1,794	1,552	1,699	1,586	2%	
Other	27,257	23,014	25,530	28,539	19%	
Total Operational Expenditure	90,941	89,951	87,331	90,147	0%	
Net Operational Expenditure	90,941	89,951	87,331	90,147	0%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.28.5	

COMPONENT J: MISCELLANEOUS

There are two Airports within Sedibeng District, namely manages both the Vereeniging and Heidelberg Airports. The Vereeniging Airport is currently without operating licensing after the Airport Authority suspended the license due to non-compliance issues, mainly safety and security. The Airport has since also halted the selling of fuel due to fuel tank's safety concerns. This has resulted in the loss of revenue for the municipality.

The Heidelberg Airport is operated by the local flying club and a pilot training school is also based at the facility. The former Vanderbijlpark Airport has been deregistered.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The purpose of this report is to provide a summary analysis of Sedibeng District Municipal performance for the 2022/2023 financial year. The Municipal Systems Act, Act 32 of 2000, in terms of Section 46 requires Council to comply with the provisions of the said legislation, to annually prepare a Performance Report. The format and structure of the report is determined according to the said section. The said section reads as follows:

- 1) A municipality must prepare for each financial year a performance report reflecting –
 - a. the performance of the municipality and of each external service provider during that financial year;
 - b. a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - c. measures taken to improve performance.
- 2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

This is dictated to by the Municipal Systems Act 32 of 2000; which prescribes that the municipality must establish performance management system that is:

- a. Commensurate with its resources
- b. Best suited to its circumstances and:

Chapter 3

- c. In line with its priorities, objectives, indicators, and targets as contained in the Integrated Development Plan

Currently, Sedibeng is implementing a manual organisational performance management system; in line with and compatible with all the legislation that governs performance. The system has been in use for about 3 years now, albeit with some challenges with regards to principles of objectives and indicators; which we hope to improve on going forward.

The municipality performance system is in line with the vision and mission of the municipality; and also juxtaposed with the 5Rs+2 of the second generation GDS III; which are:

- Reinvent the Economy;
- Renew our Communities; Reviving a Sustainable Environment;
- Reintegrating our Region;
- Releasing Human Potential;
- Good and Financial Sustainable Governance; and
- Vibrant Democracy.

Progress is tracked every quarter and is accompanied by POEs, signed off by the HOD of respective Clusters and PMT offices. Although there was a notable improvement in performance, there are still challenges with regard to implementing the principles underpinning objectives and indicators. We subsequently developed Standard Operating Procedures (SOPs) to guide and support objectives and indicators against the targets.

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SEDIBENG DISTRICT MUNICIPALITY 2022/23 FY ANNUAL PERFORMANCE REPORT SUMARY REPORT

The tabulation below illustrates that the **overall 2022/23 Annual** performance achieved was **78 %** for Administration compared to the previous 2021/22 FY was **68%** which has since improved due to changes in leadership where a permanent Municipal Manager has been employed in May 2021/22 FY as well Executive Directors appointed permanently in some of the clusters.

it also be noted that the calculations done are correct, as per the targets as set out in the SDBIP.ADMINISTRATION Calculation of the annual achievement was based on the overall achievement of targets set as supported by evidence made available for the purposes of this report

2022/23 FY - ADMINISTRATION					2021/22 FY - ADMINISTRATION				
Office	Planned	Achieved	Not Achieved	% Achievement	Planned	Achieved	Not Achieved	% Achievement	
Municipal Manager	10	6	4	60%	15	8	7	53%	
Finance	9	8	1	89%	9	9	0	100%	
Corporate Services	32	23	9	72%	36	18	18	50%	
SPED	11	9	2	82%	13	10	3	77%	
TIE	7	5	2	71%	9	7	2	78%	
Community Services	13	12	1	92%	16	8	8	50%	
TOTAL	82	63	19	78%	98	60	38	61%	

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART

The Organizational Development Unit in the Human Resources Directorate serves as key transformation agent dealing with the structure of the Municipality. This is done to ascertain that the municipality remains relevant and is aligned to its strategy, job description and evaluation process; including paradigm shift by all in the municipality; hence the unit operates separately within the Human Resources Department. The municipality needs to change to enable its responsiveness to citizen's needs, sustainability and resilience; including competitive edge. The municipality has to develop strong competitive advantage for impending evolution, including adoption of the 4th Industrial Revolution aspects.

The municipality therefore subscribes to the notion that “clearly defined and espoused organisational values as the compass for the journey towards organisational effectiveness. Values are the behaviours particularly valued in an organisation. They are defined as a set of core beliefs or principles that influence the way people and groups behave and are demonstrated through the behaviours they encourage. They provide a consistent point of reference to steer direction, inform decisions and measure outcomes enabling the organisation to achieve its visions”. The municipality therefore aspires to consistently consult, engage and focus in a manner that is consistent with the intention of those values

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The National Development Plan impresses on the attainment of a capable and developmental state; amongst others, the right quality and quantity of human resources. Therefore, adequately balanced and skilled workforce invariably enhance the quality and sustainable provision of service by the municipality. Although currently out of reach and seems impossible, the municipality is on a concerted efforts for appropriately sized organisation; where skills would match the core functions of the municipality.

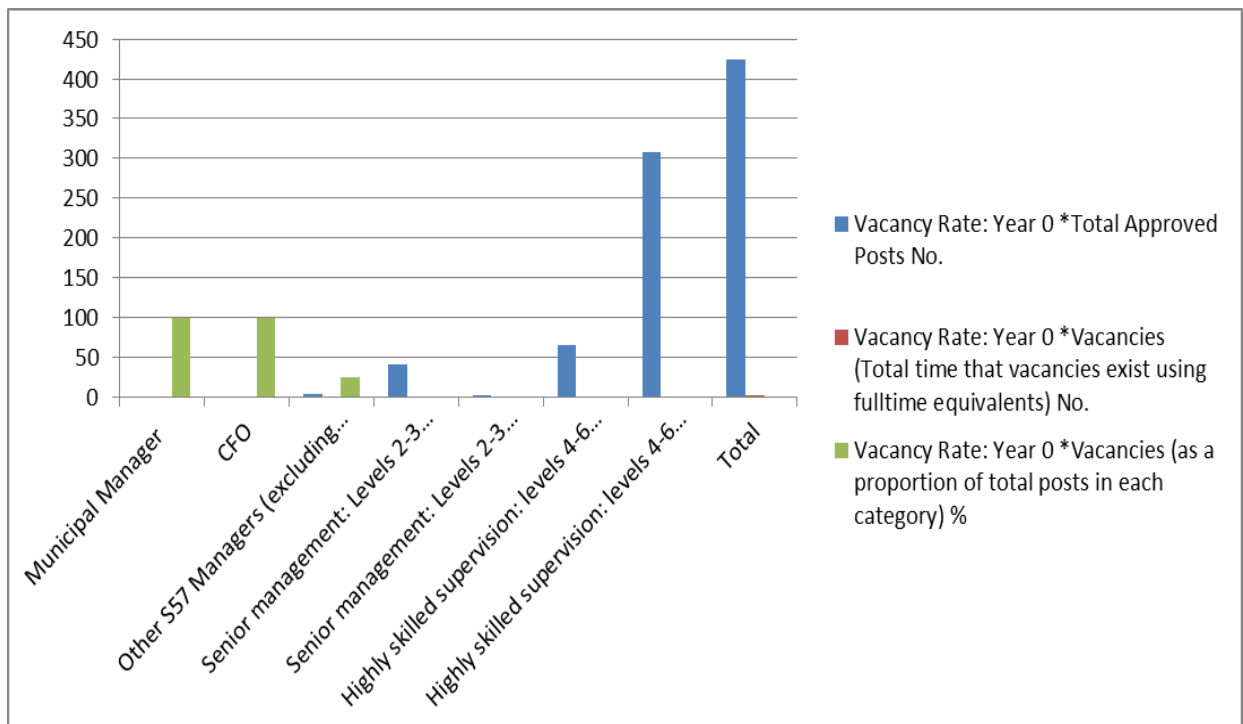
As at 30 June 2022, Sedibeng District Municipality had a total workforce of 522 employees, distributed to various departments. The Table below depicts the number of employees and vacancy rate per departments

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TOTAL NUMBER OF STAFF INCLUDING COUNCILLORS FOR JUNE 2023												
CATEGORY	CLUSTERS											Total Number per Category
	Councillors	Office of the Mayor	Office of the Speaker	Office of the Chief Whip	Office of the MM	Finance	Corporate Services	TIE	Community Services	SPED		
Permanent Staff	0	17	5	4	17	22	133	166	74	46		484
Contract Staff	0	2	6	6	0	0	0	1	3	2		20
Section 57 Staff	0	0	0	0	1	0	1	0	0	1		3
Interns	0	0	0	0	0	4	0	3	0	0		7
Committee Members	0	0	0	0	4	0	0	0	0	0		4
Councillors	45	1	2	1	0	0	0	0	0	0		49
TOTAL	45	20	13	11	22	26	134	170	77	49		567

Chapter 4

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	100.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	3	75.00
Senior management: Levels 2-3 (excluding Finance Posts)	42	6	14.3
Senior management: Levels 2-3 (Finance posts)	3	0	00.00
Highly skilled supervision: levels 4-6 (excluding Finance posts)	102	26	25.00
Highly skilled supervision: levels 4-6 (Finance posts)	9	4	44.00
Total	162	40	24.7



Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	518	28	5.4%
Year -1	616	21	4%
2022/2023	595	19	8%

It should be acknowledged that Sedibeng, like other municipalities in the country, experiences financial constraints. As such some vacancies, although approved, will still remain vacant until such time that the municipality's finances improve. It is also commendable that the municipality's vacancy rate is lower than 10%.

The turnover rate is also at the minimal; where in the main the attrition is caused by normal retirements, resignations and deaths, while very low percentage is due to dismissals. Otherwise, the average age of the workforce at this municipality is between 30 and 45 years of age; therefore high turnover rate is unlikely.

COMMENT ON VACANCIES AND TURNOVER

Sedibeng, like any other municipality, is experiencing staff turnover. During the year under review, in the main, staff turnover has been due to retirements and/or deaths; which unfortunately the municipality cannot fill most of them because of efforts to reduce staff.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Workforce management is a core function of each line manager and supervisors; hence the consistent development and reviewal of policies, processes and standards ensure fair and reasonable standardization in managing the workforce; and those are adopted and approved by various structures within the municipality. Sec 67 of the Municipal Systems Act requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

In an effort to uphold the provisions of legislation, the municipality reviewed and workshops were held on policies for councilors, conducted road shows for staff to reinforce and enlighten them about some crucial systems such biometric for time and attendance, code of conduct; and procedures such as grievance procures.

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Career Pathing Policy	100%		5-Dec-18
2	Succession Planning Policy	100%		5-Dec-18
3	Retention Policy	100%		5-Dec-18
4	Internship Policy	100%		5-Dec-18
5	Learnership Policy	100%		5-Dec-18
6	Essential Services	100%		26-Nov-14
7	Employee Assistance / Wellness	100%		26-Nov-14
8	Employment Equity	100%		26-Nov-14
9	Exit Management	100%		26-Nov-14
10	Grievance Procedures(SALGA/Labour Collective Agreement)	100%		26-Nov-14
11	HIV/Aids	100%		26-Nov-14
12	Human Resource Development	100%	100%	1-Dec-18
13	Incapacity Policy	100%	100%	5-Dec-18
16	Occupational Health and Safety	100%		26-Nov-14
17	Official Housing	100%		26-Nov-14
18	Official Journeys	100%		26-Nov-14
19	Official transport to attend Funerals (reflected on the Bereavement Policy)	100%		26-Nov-14
21	Organisational Rights	100%		26-Nov-14
22	Bereavement Policy	100%	100%	31-Mar-15
24	Recruitment, Selection and Appointments	100%		7-Jul-10
25	Remuneration Scales and Allowances	100%		26-Nov-14
26	Resettlement Relocation	100%		26-Nov-14
27	Sexual Harassment	100%		26-Nov-14
28	Flexi Time Policy	100%		26-Nov-14
29	Smoking	100%		26-Nov-14
31	Work Organisation	100%		26-Nov-14
32	Uniforms and Protective Clothing	100%		26-Nov-14
33	Other:			

COMMENTS ON WORKFORCE POLICY DEVELOPMENT

Policies provide a regulatory framework for effective and efficient operations and management of any organisation as well as adherence to compliance with relevant legislations.

Policies are reviewed as and when it's necessary based on new developments, changes in legislation and policies. A consultative process is normally taken in the review of policies a concerted, coordinated and synergised effort; where all and sundry in the municipality should be involved.

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4.3 INJURIES AND SICKNESS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	00	00	00	00	00
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	00	00	00	00	00
					<i>T 4.3.1</i>

COMMENT ON INJURY AND SICK LEAVE:

It is noted with concern that applications for sick leave is more predominant in highly skilled to senior management; which hamper smooth running of the municipality.

4.4 SUSPENSIONS

Suspensions					
Type of Misconduct	Number of Days	Level of employee	Proportion employees suspended	Number of Employees	Total Estimated Cost
	Days	No.	%		R'000
Financial Misconduct	120	Level 10	00	0,01	00

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Like any other municipality currently in the country, there are no sufficient funds to capacitate employees that need personal development. This has to a large extent been compounded by a lack of a comprehensive, holistic and integrated framework for human capital development that will guide and integrate key processes such as training needs analysis, career pathing and planning, succession planning, management and leadership development, knowledge

Chapter 4

exchange and innovation. However, the municipality provided financial assistance (bursary) to employees who needed to further their education; mostly in line with their Personal Development Plans.

During the year under review Council approved several policies. The municipality also complied with the Skills Development Act requirement of submitting to the Local government SETA (LGSETA) the Workplace Skills Plan (WSP) on the due date on the 30th April 2023.

SKILLS DEVELOPMENT AND TRAINING

Work Place Skills Plan was adopted by Council for the current financial year and has been implemented. The Municipality also implemented a number of skills development interventions:

- Implementation of the Workplace Skills Plan 2022/23
- National Treasury Minimum Competency Requirement for twelve (12) employees.
- National Certificate: Fire and Rescue NQF Level 5: Twenty-five (25) members of the community.
- Various Skills Programmes for 200 members of the community.
- International Digital Skills Programme for 100 members of the community.

The municipality has implemented its annual training plan for the 2022/2023 Financial Year. For the period under review Twenty-three (23) employees have received training within this financial year at a cost/budget of R500 000.00 and a total of R494 000.00 training interventions were implemented in the following fields:

- Finance
- Administration

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4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June 2022/2023	Number of skilled employees required and actual as at 30 June 2022/2023											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of Year -1	Actual: End of 2022/2023	2022/2023 Target	Actual: End of Year -1	Actual: End of 2022/2023	2022/2023 Target	Actual: End of Year -1	Actual: End of 2022/2023	2022/2023 Target	Actual: End of Year -1	Actual: End of 2022/2023	2022/2023 Target
MM and s57	Female	1	0	0	0	0	0	0	0	1	1	0	1	1
	Male	2	0	0	0	0	0	0	0	1	1	0	1	1
Councillors, senior officials and managers	Female	47	0	0	0	0	0	0	0	3	3	0	3	3
	Male	70	0	0	0	0	0	0	0	3	3	0	3	3
Technicians and associate professionals *	Female	32	0	0	0	0	0	0	0	3	3	0	3	3
	Male	22	0	0	0	0	0	0	0	2	2	0	2	2
Professionals	Female	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	81	0	0	0	0	0	0	0	0	0	0	0	0
	Male	94	0	0	0	0	0	0	0	0	0	0	0	0
Total		175	0	0	0	0	0	0	0	10	10	0	10	10

*Registered with professional Associate Body e.g CA (SA) T 4.5.1

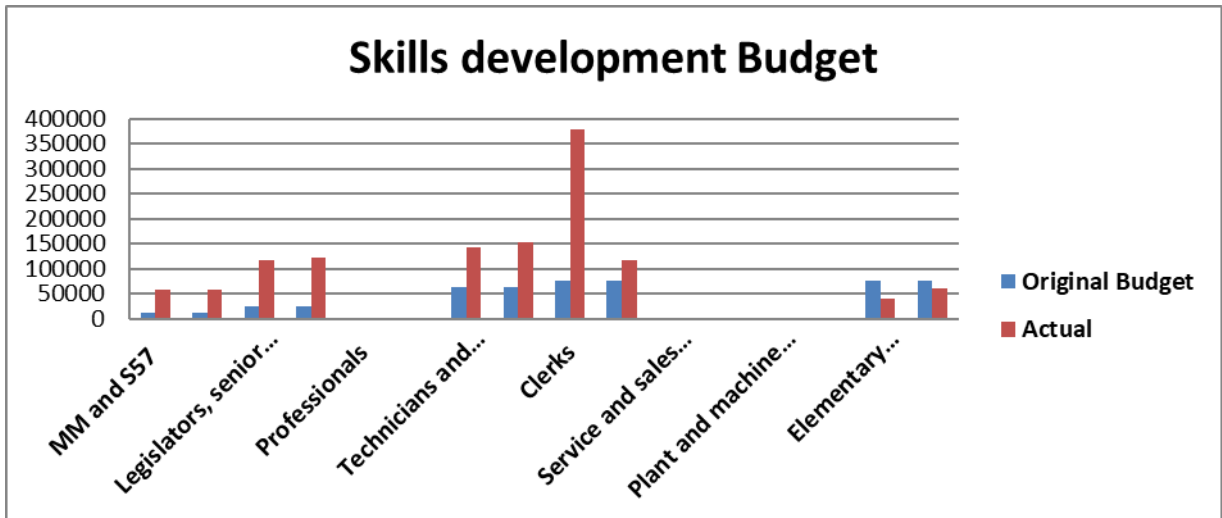
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Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	1	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	0	0
<i>Any other financial officials</i>	1	0	1	1	0	1
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	2	0	2	1	0	1
TOTAL	7	0	7	7	0	3
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

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Skills Development Expenditure										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female	1	0	0	0	0	12500	58000	12500	58000	
	Male	2	0	0	0	0	12500	57000	12500	57000	
Legislators, senior officials and managers	Female	47	0	0	0	0	25000	116000	25000	116000	
	Male	70	0	0	0	0	25000	120658	25000	120658	
Professionals	Female	1	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	0	
Technicians and associate professionals	Female	32	0	0	0	0	62500	142792	62500	142792	
	Male	22	0	0	0	0	62500	153650	62500	153650	
Clerks	Female	54	0	0	0	0	75000	379397	75000	379397	
	Male	17	0	0	0	0	75000	117020	75000	117020	
Service and sales workers	Female	0	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	0	
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	0	
Elementary occupations	Female	48	0	0	0	0	75000	40000	75000	40000	
	Male	35	0	0	0	0	75000	60000	75000	60000	
Sub total	Female	329	0	0	0	0	175000	696189	175000	696189	
	Male	111	0	0	0	0	175000	448328	175000	448328	
Total		440	0	0	0	0	500000	1144517	500000	1144517	
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R	
										T4.5.3	

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COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

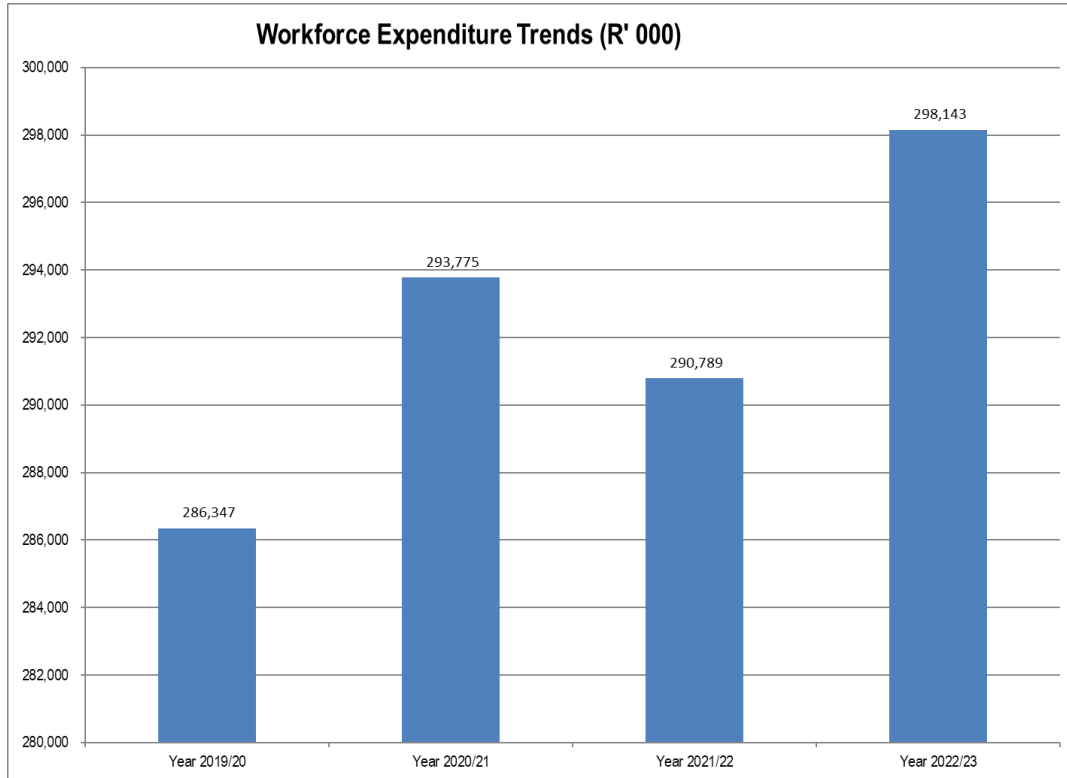
Although received late, there is progress made with regards to training of youth and other individuals regarding LGSETA funds.

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COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates					%	%
Service charges					%	%
Investment revenue	1,847	2,015	2,015	3,932	95.09%	95.09%
Transfers recognised - operational	301,855	314,247	315,637	311,014	-1.03%	-1.46%
Other own revenue	99,562	78,981	77,729	80,196	1.54%	3.17%
Total Revenue (excluding capital transfers and contributions)	403,264	395,244	395,382	395,142	-0.03%	-0.06%
Employee costs	290,789	307,671	304,039	298,143	-3.10%	-1.94%
Remuneration of councillors	12,271	14,035	14,805	14,519	3.45%	-1.93%
Depreciation & asset impairment	11,611	11,272	11,489	8,840	-21.58%	-23.06%
Finance charges	-	-	-	-	%	%
Materials and bulk purchases					%	%
Transfers and grants	-	-	-	-	#DIV/0!	#DIV/0!
Other expenditure	76,842	79,445	80,963	77,751	-2.13%	-3.97%
Total Expenditure	391,513	412,423	411,297	399,253	-3.19%	-2.93%
Surplus/(Deficit)	11,751	(17,179)	(15,915)	(4,111)	-76.07%	-74.17%
Transfers recognised - capital	512	-	-	-	%	%
Contributions recognised - capital & contributed assets					%	%
Surplus/(Deficit) after capital transfers & contributions	12,263	(17,179)	(15,915)	(4,111)	-76.07%	-74.17%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	12,263	(17,179)	(15,915)	(4,111)	-76.07%	-74.17%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	512	-	-	-	%	%
Public contributions & donations					%	%
Borrowing					%	%
Internally generated funds	1,294	2,445	2,633	1,540	-37.02%	-41.51%
Total sources of capital funds	1,806	2,445	2,633	1,540	-37.02%	-41.51%
Financial position						
Total current assets	21,333	8,831	22,380	33,464	278.95%	49.52%
Total non current assets	94,600	75,787	85,744	87,160	15.01%	1.65%
Total current liabilities	(224,575)	(211,538)	(232,607)	(233,376)	10.32%	0.33%
Total non current liabilities	-	-	-	-	%	%
Community wealth/Equity	(108,642)	(126,920)	(124,483)	(112,753)	-11.16%	-9.42%
Cash flows						
Net cash from (used) operating	10,054	4,368	9,835	15,883	263.58%	61.50%
Net cash from (used) investing	(1,806)	(2,445)	(2,633)	(1,528)	-37.50%	-41.96%
Net cash from (used) financing	-	-	-	-	%	%
Cash/cash equivalents at the year end	18,429	7,577	25,630	32,783	332.65%	27.91%
Cash backing/surplus reconciliation						
Cash and investments available	18,429	7,577	25,630	32,783	332.65%	27.91%
Application of cash and investments	-	(211,538)	(232,607)	(233,376)	%	%
Balance - surplus (shortfall)	18,429	(203,960)	(206,977)	(200,593)	-1.65%	-3.08%
Asset management						
Asset register summary (WDV)	94,600	75,787	85,744	87,160	15.01%	1.65%
Depreciation & asset impairment	11,611	11,272	11,489	8,840	-21.58%	-23.06%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	4,733	4,986	6,168	2,096	-57.97%	-66.02%
Free services						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

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Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water							
Waste Water (Sanitation)							
Electricity							
Waste Management							
Housing	(1,930)	(1,755)	(1,759)	(1,759)	0.22%	-0.05%	
Component A: sub-total	(1,930)	(1,755)	(1,759)	(1,759)	0.22%	-0.05%	
Waste Water (Stormwater Drainage)							
Roads							
Transport	(2,577)	179	(446)	4,418	95.96%	110.09%	
Component B: sub-total	(2,577)	179	(446)	4,418	95.96%	110.09%	
Planning							
Local Economic Development							
Component B: sub-total	-	-	-	-			
Planning (Strategic & Regulatory)	(22,240)	(23,849)	(21,834)	(22,018)	-8.32%	0.84%	
Local Economic Development	-	-	-	-			
Component C: sub-total	(22,240)	(23,849)	(21,834)	(22,018)	-8.32%	0.84%	
Community & Social Services	(30,882)	(31,427)	(30,276)	(30,190)	-4.10%	-0.29%	
Environmental Protection	(5,058)	(4,602)	(3,897)	(3,887)	-18.38%	-0.24%	
Health	(23,437)	(23,065)	(23,116)	(22,534)	-2.36%	-2.58%	
Security and Safety	(5,241)	(5,146)	(5,610)	(4,920)	-4.58%	-14.01%	
Sport and Recreation	(3,066)	(3,208)	(3,404)	(3,455)	7.14%	1.49%	
Corporate Policy Offices and Other	106,694	75,694	74,427	80,235	5.66%	7.24%	
Component D: sub-total	39,011	8,246	8,124	15,248	45.92%	46.72%	
Total net Expenditure	12,263	(17,179)	(15,915)	(4,111)	-317.91%	-287.15%	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

COMMENT ON FINANCIAL PERFORMANCE

See note 42 within the financial statements for detail on variances above 10%.

Chapter 5

5.2 GRANTS

Grant Performance						
Description	R' 000					
	Year -1	Year 0		Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	286,745	295,391	295,391	295,391	0.00%	0.00%
Equitable share						
Municipal Systems Improvement	-	-	-	-		
Department of Water Affairs						
Levy replacement	285,545	293,991	293,991	293,991	0.00%	0.00%
Other transfers/grants NDPG						
Other transfers/grants FMG	1,200	1,400	1,400	1,400	0.00%	0.00%
Provincial Government:	15,072	18,843	19,983	15,623		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation	1,491	2,927	2,927	1,386	-111.11%	-111.11%
Aerotropolis Grant		-	1,140	1,140		
EPWP grant	1,023	1,283	1,283	1,254	-2.27%	-2.27%
LED grant						
RRAMS	2,489	2,606	2,606	2,605	-0.02%	-0.02%
HIV & AIDS grant	10,070	12,027	12,027	9,237	-30.21%	-30.21%
District Municipality:	-	-	-	-		
	-			-		
Other grant providers:	550	-	-	-		
NYDA	550	-	-	-	#DIV/0!	#DIV/0!
Total Operating Transfers and Grants	302,367	314,234	315,374	311,014		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						
<i>Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

Roll over application was done for the HIV and AIDS grant as well as the Boipatong memorial grant whereby only the Boipatong grant was approved for roll over

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Note: Refer to Note 1.5 and 1.6 of the Annual Financial Statements for further details on asset management accounting policy, as well as notes 2 to 5 on the reconciliation of non-current assets.

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The municipality is not involved in infrastructure assets projects and the bulk of the asset register is comprised of movable assets. Assets are capitalized once procured and will be depreciated over the expected life span of the asset as per the accounting policy and asset management policy. Useful lives have been adjusted during the financial year of assets fully depreciated.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	IT Equipmnet			
Description	Information Technology procurement of ICT equipment			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2019/20	2020/21	2021/22	2022/23
Asset Value	340,052	2,273,548	1,195,650	662,122
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
Asset 2				
Name	Internal Networks			
Description	Cabelling of Council buildings to link IT network with different servers and hubs.			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2019/20	2020/21	2021/22	2022/23
Asset Value	23,780	144,332	8,522	17,376
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
Asset 3				
Name	Furniture & Equipment			
Description	Moveable asset procurement - Office furniture & Equipment			
Asset Type	Furniture & Equipment			
Key Staff Involved	Facilities			
Staff Responsibilities				
	2019/20	2020/21	2021/22	2022/23
Asset Value	218350	41706	161075	102105
Capital Implications				
Future Purpose of Asset	Furniture & Equipment for offices			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management policy			
				T 5.3.2

COMMENT ON ASSET MANAGEMENT:

Note: Refer to Note 2 of the Annual Financial Statements for greater detail.

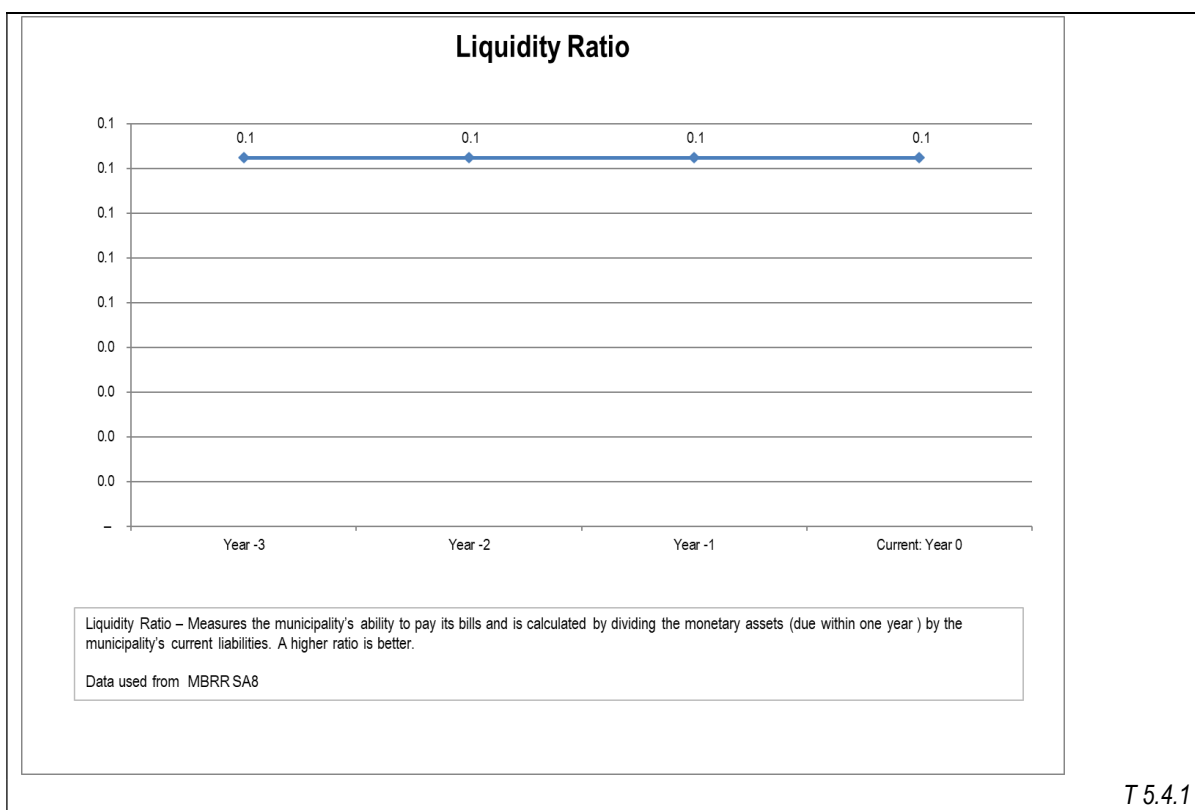
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Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4,986	6,168	2,096	66%
<i>T 5.3.4</i>				

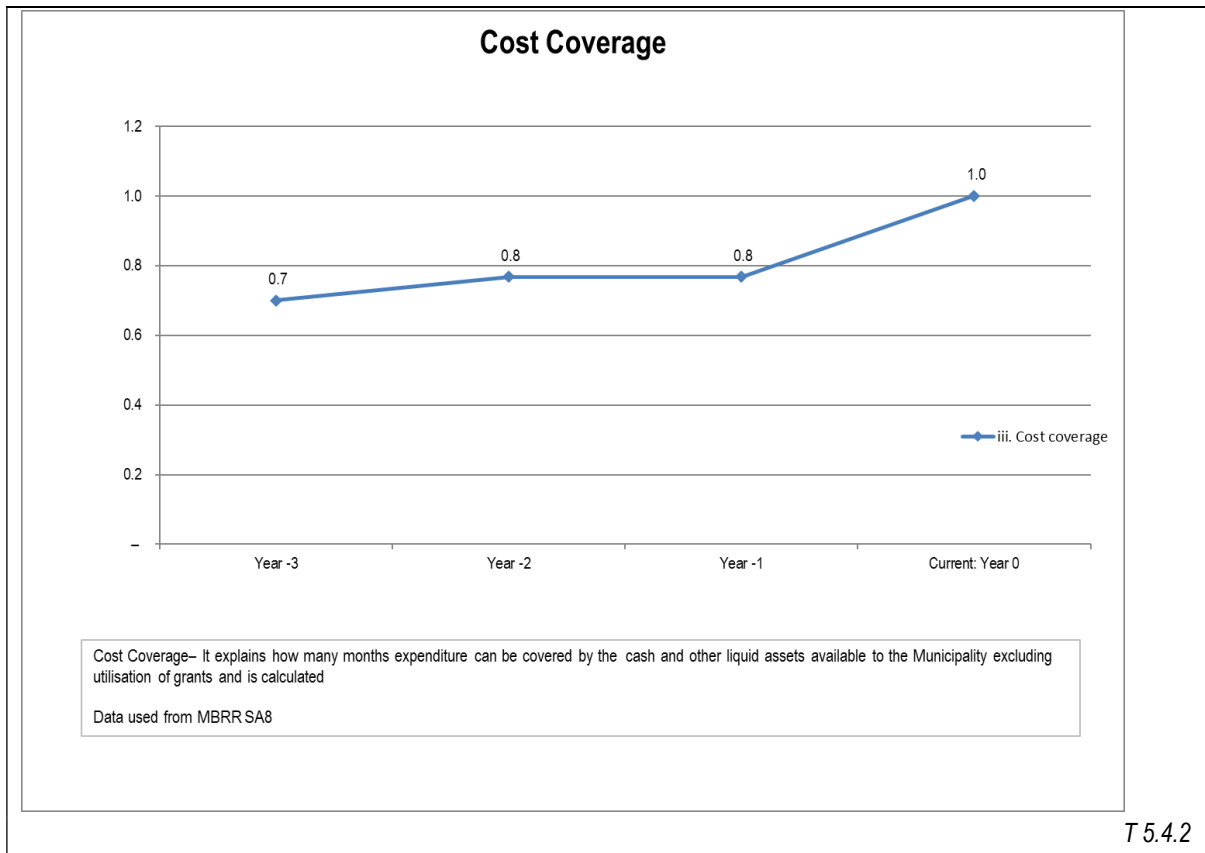
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Due to financial constraints, the municipality was not in a position to budget at the 8% benchmark for repairs & maintenance as prescribed by Treasury Norms and Standards

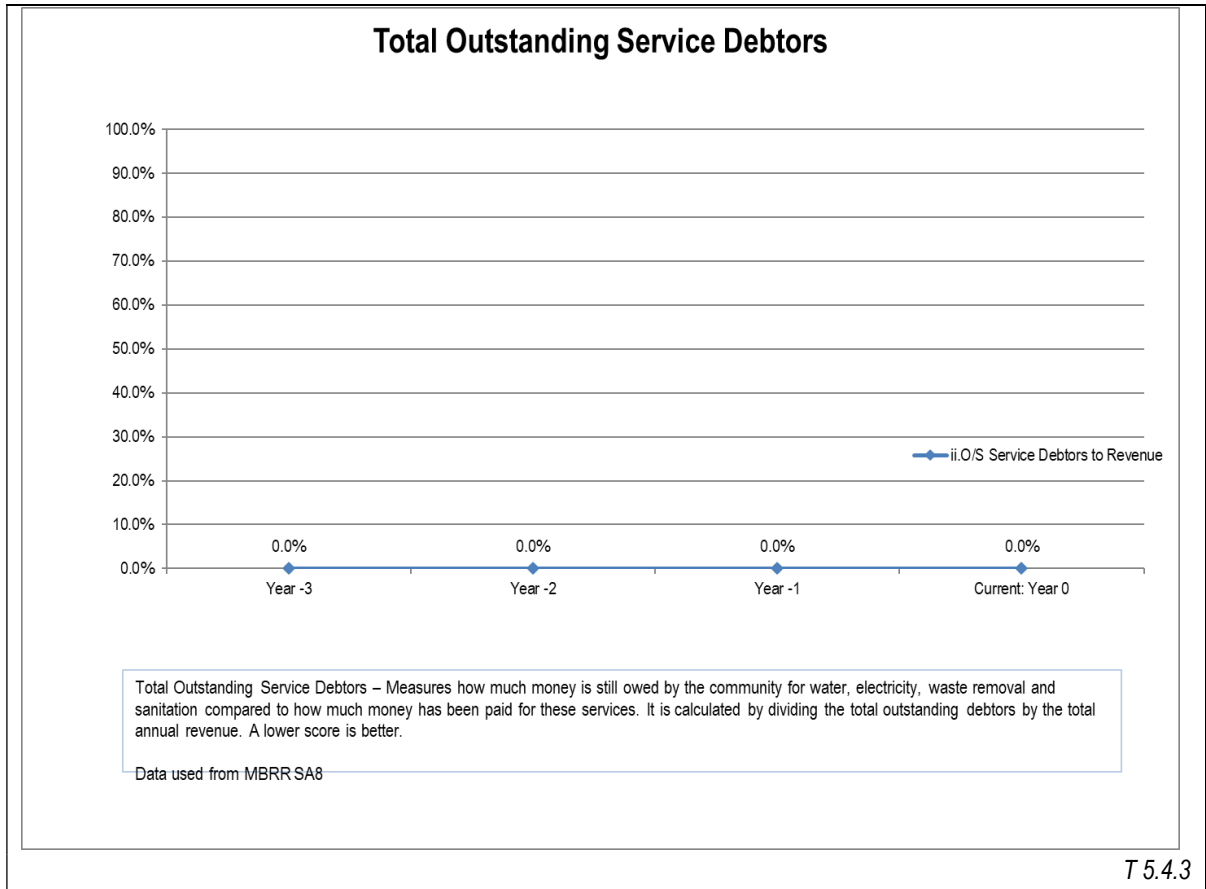
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



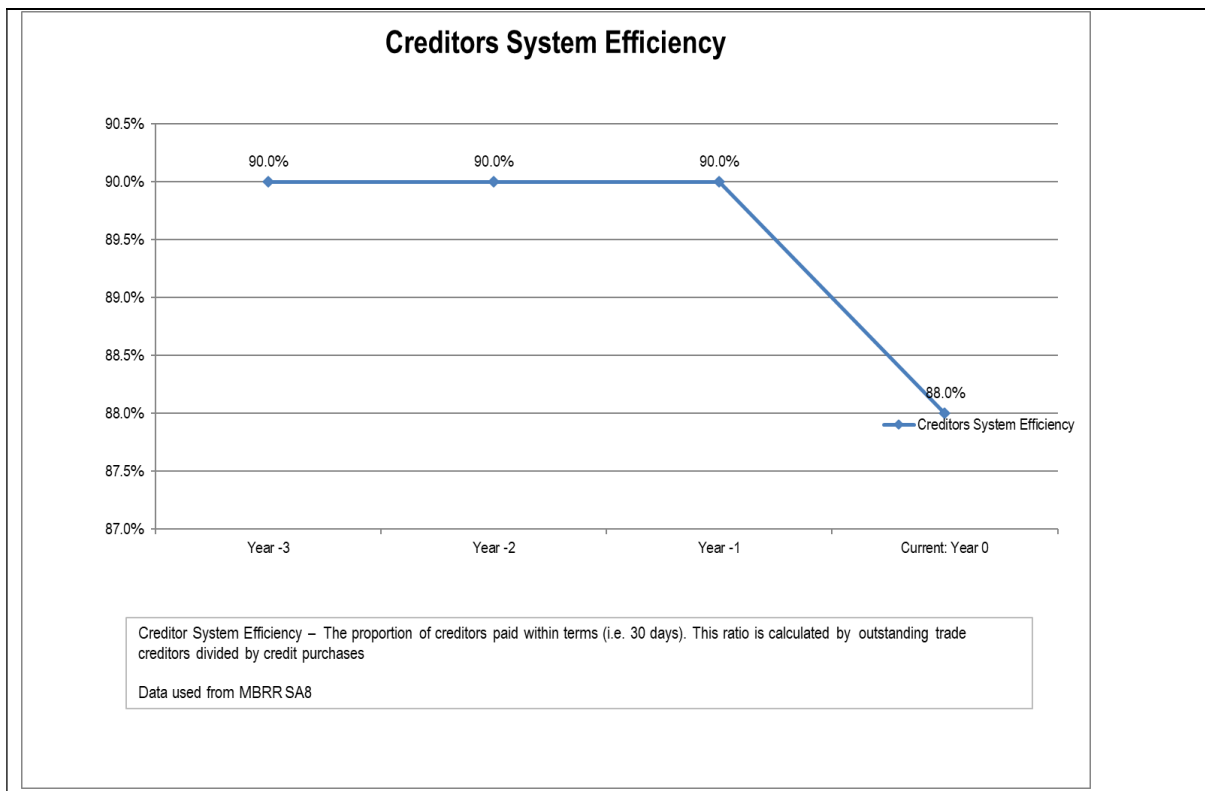
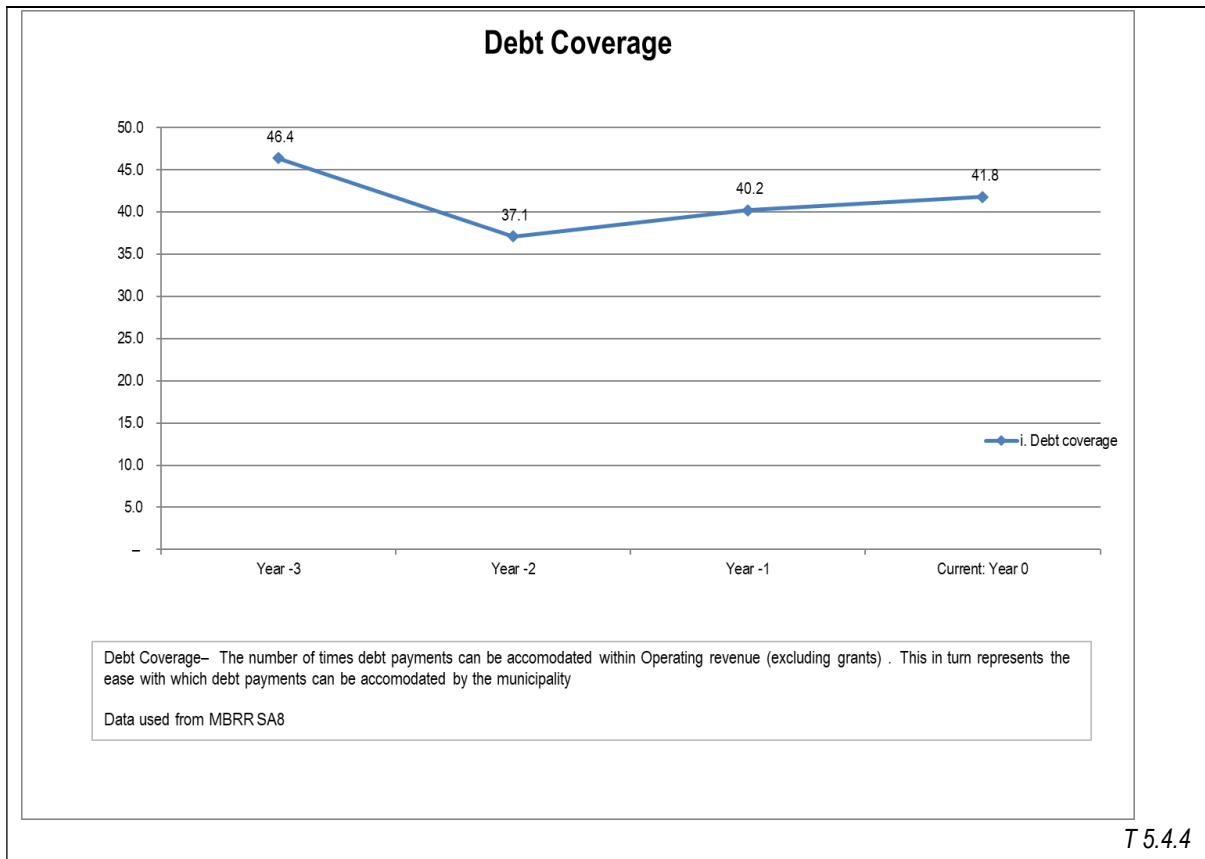
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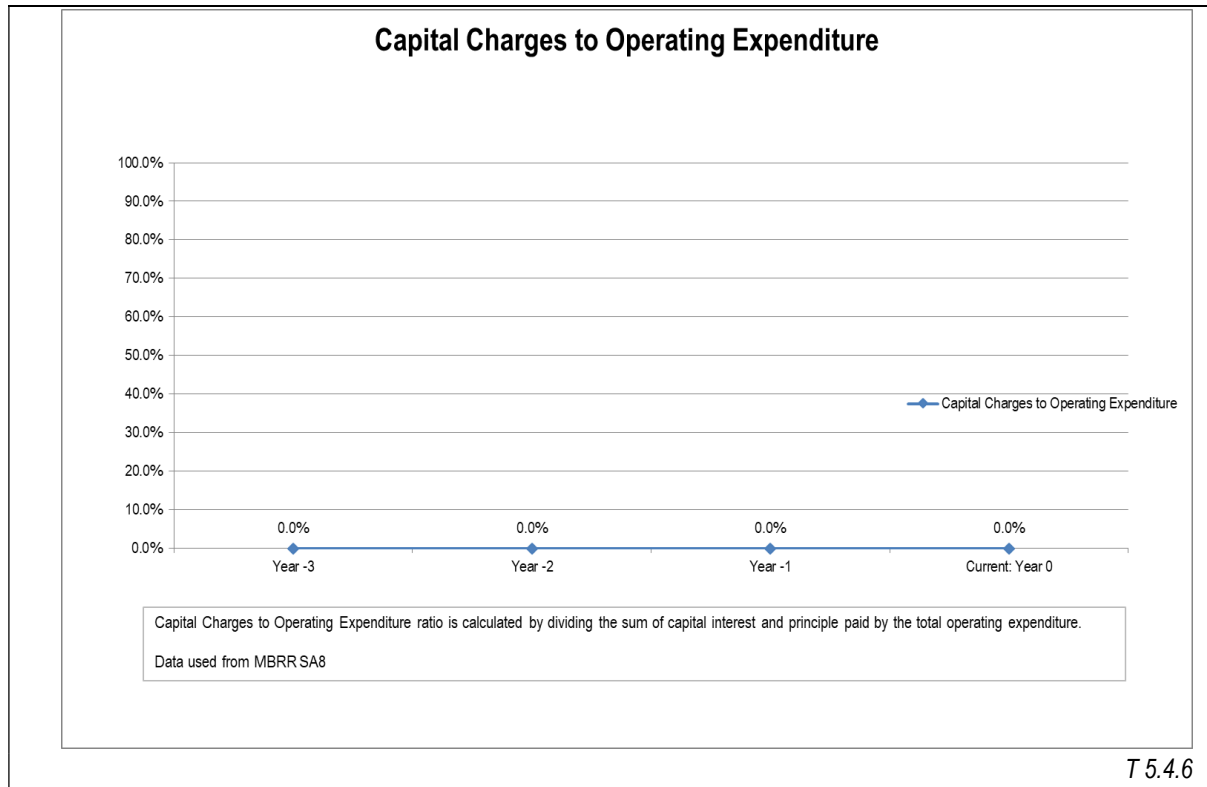
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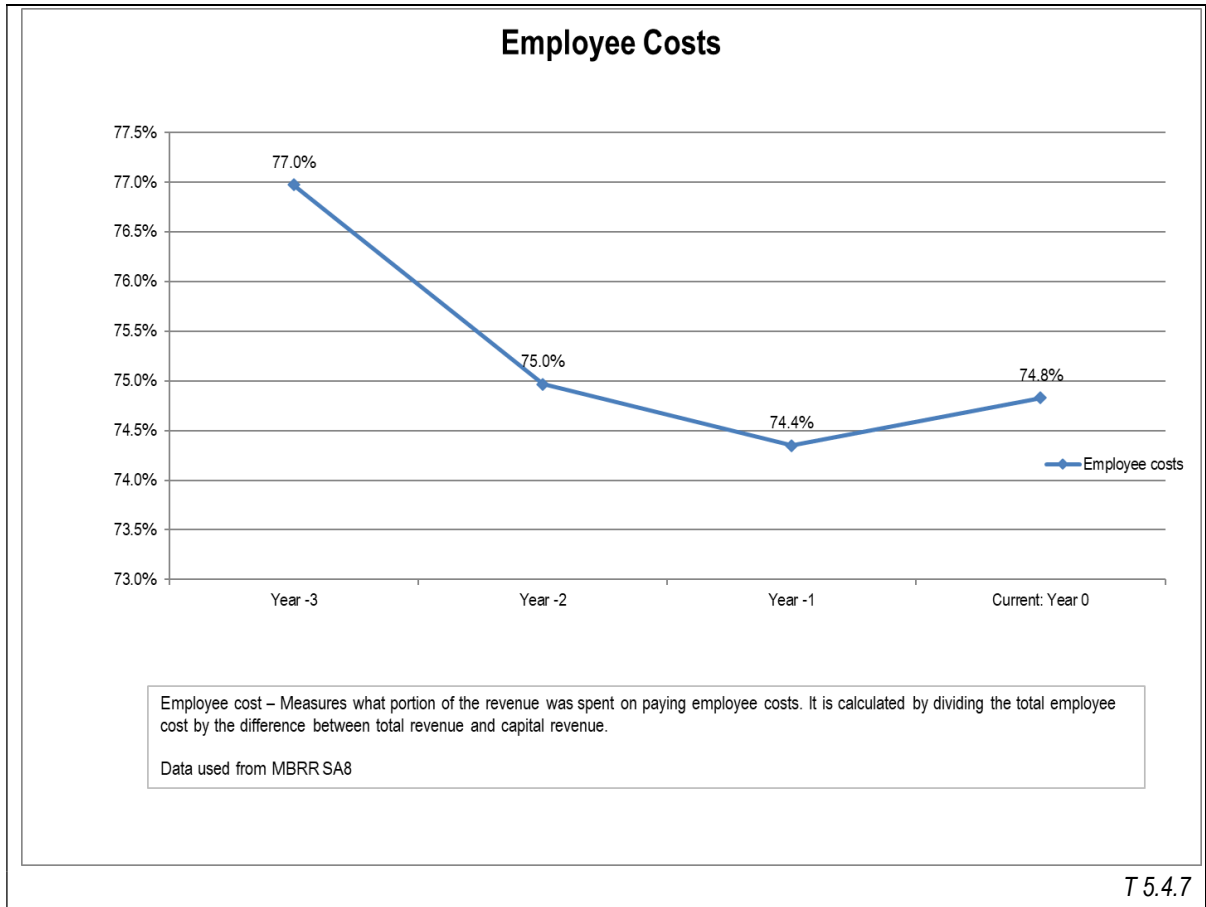
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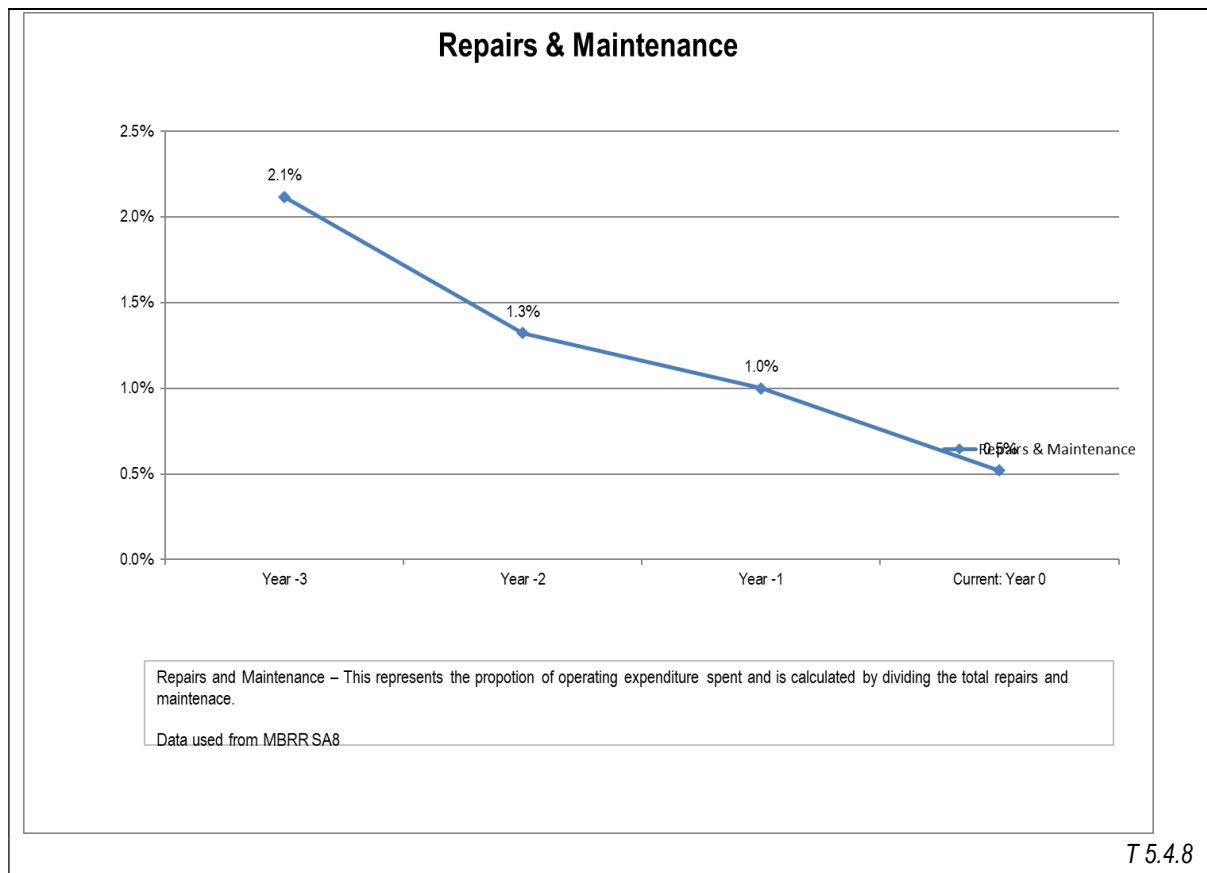
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COMMENT ON FINANCIAL RATIOS:

MFMA Circular 71 issued 17 January 2014 prescribes the framework for a holistic financial analysis of the municipality of all financial aspects of the institution that should be considered. Ratios are divided into various categories to address the different financial aspects and operations of a municipality or municipal entity.

- Financial Position
- Financial Performance
- Budget Implementation

The application of financial ratio analysis enables and informs our public office bearers and stakeholders decision making with regards to:

- Ability to meet long-term commitments;
- Ability to meet short-term commitments from liquid resources;
- Determine whether investments are yielding acceptable returns;
- Reduce risks arising from below average performance; and
- Make recommendations to address challenges

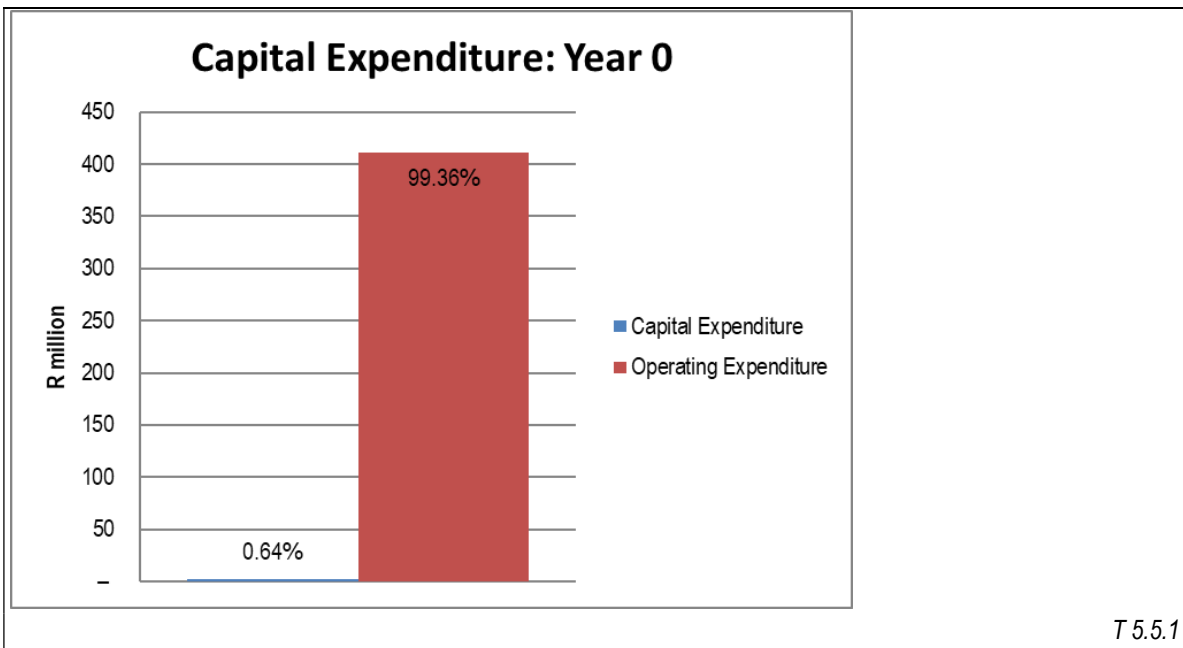
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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

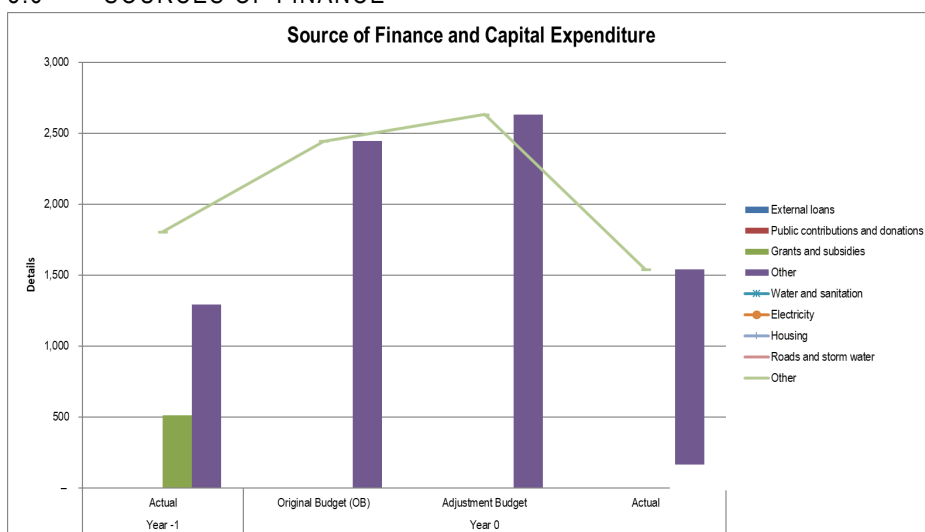
The municipality does not have any bulk infrastructure grant funding and all capital expenditure was budgeted from internal funds. Due to financial constraints, the municipality could not afford to provision for major capital works.

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE



Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans							
Public contributions and donations							
Grants and subsidies	512				#DIV/0!	#DIV/0!	
Other	1,294	2,445	2,633	1,540	7.68%	-37.02%	
Total	1,806	2,445	2,633	1,540	#DIV/0!	#DIV/0!	
Percentage of finance							
External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Grants and subsidies	28.3%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Other	71.7%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!	
Capital expenditure							
Water and sanitation							
Electricity							
Housing							
Roads and storm water							
Other	1,806	2,445	2,633	1,540	#DIV/0!	#DIV/0!	
Total	1,806	2,445	2,633	1,540	#DIV/0!	#DIV/0!	
Percentage of expenditure							
Water and sanitation	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Electricity	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	
Other	100.0%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!	

COMMENT ON SOURCES OF FUNDING:

The municipality was not a recipient of capital projects grant funding and the three capital projects were funded internally

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
A - Computer Equipment	800	800	662	17%	0%
B - Internal Network	100	100	17	83%	0%
C - Transport assets	1,266	565	591	53%	55%
D - Furniture & Equipment	279	279	102	63%	0%
E - Name of Project					
* Projects with the highest capital expenditure in Year 0					
Name of Project - A					
Objective of Project	External Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	IT Communication				
Name of Project - B					
Objective of Project	Internal IT Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	Internal IT connectivity				
Name of Project - C					
Objective of Project	Transport assets				
Delays					
Future Challenges	New to further enhance fleet as current fleet is old and unreliable.				
Anticipated citizen benefits					
Name of Project - D					
Objective of Project	Furniture & Equipment				
Delays					
Future Challenges	Delapidated assets due to age of existing assets				
Anticipated citizen benefits					
Name of Project - E					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

COMMENT ON CAPITAL PROJECTS:

No major capital projects occur as they will be done at local municipality level.

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Information about cash flows may be useful to users of the municipality's financial statements in assessing Council's cash flows, assessing Council's compliance with legislation and regulations (including authorised budgets) and for making decisions about whether to provide resources to, or enter into transactions with Council. These users and stakeholders are generally interested in how Council generates and uses cash and cash equivalents. Municipalities need cash for operations related to service delivery. Municipalities use cash to pay for the goods and services they consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. According to the standards of GRAP all entities are required to present a cash flow statement.

It must be noted that the municipality is heavily dependent on the equitable share as well as collections made on behalf of the Department of Roads and Transport its main sources of revenue and cash in-flows are determined around the triennial disbursement cycle of the equitable share. The municipality closed with a cash balance of R32,783 million which shows an increase of cash of R14,355 million from the previous year. The municipality held no investments during the 22/23 year.

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5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	357,393	320,022	323,311	405,776
Government - operating	298,363	314,247	314,247	311,092
Government - capital				
Interest	1,847	2,015	2,015	3,932
Dividends				
Payments				
Suppliers and employees	(647,549)	(631,916)	(629,739)	(704,917)
Finance charges				
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	10,054	4,368	9,835	15,883
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	12
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(1,806)	(2,445)	(2,633)	(1,540)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,806)	(2,445)	(2,633)	(1,528)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	-			-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	8,248	1,923	7,201	14,355
Cash/cash equivalents at the year begin:	10,181	5,654	18,429	18,429
Cash/cash equivalents at the year end:	18,429	7,577	25,630	32,783
Source: MBRR A7				T 5.9.1

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COMMENT ON CASH FLOW OUTCOMES:

The municipality over collected against projections against revenue from exchange transactions. The municipality did not realize higher than anticipated collection on air quality license and permits. Grants and subsidies received were lower than projected due to withholding of unspent conditional grants. There was a favorable variance of R7 million between the budgeted and actual net cash flow

5.10 BORROWING AND INVESTMENTS

Not applicable as the municipality do not have ant borrowing or investments

5.11 PUBLIC PRIVATE PARTNERSHIPS

Not applicable

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. MFMA section 110 – 119, SCM Regulations 2005, and relevant MFMA circulars, set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The Supply Chain Management Unit resides within the Finance Cluster.

MFMA Supply Chain Management Regulations effected June 2005 require that in order to perform the oversight role of Council, the Accounting Officer must submit a quarterly report to the Mayor of the municipality on the implementation of the supply chain management policy. The Supply Chain Management Policy was adopted by Council resolution A1532 on 08 June 2016, in line with the prescripts of Section 111, Local Government: Municipal Finance Management Act (56 of 2003). Subsequent reviews were conducted annually as follows:-

- Council Resolution A1631 of 31 May 2017;
- Item R03 of 42nd Special Council sitting on 07 June 2019;
- Council Resolution A2133 of 26 May 2021;
- Council Resolution A2275 of 26 October 2022;
- Council Resolution A2308 of 25 January 2023; and
- Council Resolution A2374 of 31 May 2023.

Reports are compiled monthly to assist Council to perform their oversight function as prescribed under MFMSM Regulation 6, as well as to promote the municipality's procurement principles of transparency, equal treatment, effectiveness, competitiveness, fairness, ethics, proportionality, uniform application, responsibility, openness, value for money and, commitment to safety, health and the environment.

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In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

The Bid Adjudication Committee was established in terms of the provisions of MFMA SCM Regulation 29. This committee consist of officials with authority to make final recommendation to the Accounting Officer to award bids in accordance with their terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000), Preferential Regulations published in terms of Government Gazette No. 22549, Broad Based Black Economic Empowerment Act (Act No. 53 of 2003), Construction Industry Development Board Act (Act No: 38 of 2000) and also the criteria set out in terms of Municipal Finance Management Act (Act 56 of 2003) Circular 53. Other criteria for technicality, capability and functionality are determined at the cross-functional bid specification stage, wherein due consideration is also given to achievement of Council strategy, project risk assessment, and alignment to the national Expanded Public Works Programme (EPWP).

In terms of "National Treasury MFMA Circular 62 dated 20 July 2012," accounting officers must approve a plan containing all planned procurement for the financial year in respect of goods, services and infrastructure projects anticipated to exceed R200,000. An approved procurement plan for 2022/2023 had been compiled in conjunction with the approval process for the 2022/2023 MTREF of Council. The 2022/2023 procurement plan as approved by the accounting officer, had also been submitted to Gauteng Provincial Treasury. The Demand Management function then monitored procurement requests against this plan. Quarterly reporting of progress against the 2022/2023 procurement plan was submitted to Gauteng Provincial Treasury for monitoring purposes, as per "Gauteng Provincial Treasury: Municipal Supply Chain Management Circular No. 1 of 2014."

The annual procurement plan had been updated in accordance with budgetary changes effected after the MFMA section 28 annual budget adjustment, and was duly approved by the accounting officer on 27 March 2023.

The cross-functional bid committees convened on an as-and-when required basis in accordance with the requirements of the approved procurement plan.

Public bids represent acquisition of goods and/or services through a public competitive bidding process for proposals above R 30,000 (Vat Inclusive).

Tender Reference	Tender Description	Cluster	Contract Duration	Successful Bidder(s)	Contract Value
8/2/2/15-2021	Appointment of a panel of attorneys to assist Sedibeng District	Corporate Services	12 months with option to renew for another two years subject to performance and	LVA/Lizel Venter Attorneys (CSD: MAAA0083269); Meise Nkayiseng	Amount not exceeding that of the price schedules attached (VAT

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Tender Reference	Tender Description	Cluster	Contract Duration	Successful Bidder(s)	Contract Value
	Municipality with legal related matters on an ad hoc basis		budget availability	Inc (CSD: MAAA0146017, CIPC: 1999/004176/21); GMI Attorneys (CSD: MAAA0028363, CIPC: 1987/002114/21); MB Mabunda Incorporated (CSD: MAAA0001841, CIPC: 2010/008956/21)	inclusive) as per written letter of instruction per transaction/ job requirement
8/2/3/1-2022	Proposal for Commercial Banking Services	Finance	Five (05) years	The Standard Bank of South Africa Limited (CSD: MAAA0065063; CIPC: 1962/000738/06)	Variable rates (VAT Inclusive) as per pricing schedule and subject to budget availability
8/2/2/5-2022	Supply and Delivery of Uniform: Two-piece continental suits and women's overalls for Sedibeng District Municipality.	Corporate Services	Once-off delivery of goods	Mleng Enterprises (Pty) Ltd (CIPC: 2017/126032/07; CSD: MAAA0547948)	R91,615.00
8/2/2/8-2022	Network Cabling, Peripherals and Cabling Repairs to Sedibeng District Municipality	Corporate Services	12 months with the option to renew for an additional 24 months subject to annual performance review (good performance rendered) and	Protect Security Installations (CSD: MAAA1184267 ; CIPC: 2020/452520/07)	As-and-when required basis as per the pricing matrix not exceeding the approved budget amount

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Tender Reference	Tender Description	Cluster	Contract Duration	Successful Bidder(s)	Contract Value
			budget availability		
8/2/2/10-2022	Supply, service and repair Fire Extinguishers for Sedibeng District Municipality	Corporate Services	12 months with the option to renew for an additional 24 months subject to annual performance review (good performance rendered) and budget availability	Vaal Triangle Fire Services (CSD: MAAA0185969; CIPC: 2006/042927/23)	As-and-when required basis as per the pricing matrix not exceeding the approved budget amount
8/2/6/2-2022 (re-advert)	Repairs and Maintenance of Vereeniging Fresh Produce Market Motorized and Non-Motorized Industrial Shutter Roller Doors and Motorized Sliding Gates	Strategic Planning & Economic Development	Once-off as per project plan	Bakgorogile Global Services (CSD: MAAA0232672; CIPC: 2015/363858/07)	R279,755.18 (VAT inclusive)
8/2/6/6-2022	Refurbishment of changing rooms and toilets at Fresh Produce Market	Strategic Planning & Economic Development	Once-off as per project plan	Bakgorogile Global Services (CSD: MAAA0232672; CIPC: 2015/363858/07)	R512,401.00 (VAT inclusive)

Regulation 36 of the Supply Chain Management Regulations allow for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only in an emergency circumstances; if such goods or services are produced or available from a single provider only) for the acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

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There were a total of ten (10) Regulation 36 procurement transactions approved as deviations during the 2022/2023 financial year to a value of R 365,501.19. The details per transaction and reasons are recorded and disclosed in the notes to the Annual Financial Statements.

Furthermore, SCM regulation 17(1)(c) requires a municipality to maintain a register recording the reasons where three quotations were not obtained, and report on those awards on a monthly basis. A total of twenty-two (22) procurement transactions were duly reported by Council to the total value of R 270,854.41 as minor breaches of a technical nature from procurement transactions as per Council policy and as per SCM Regulation 36(1)(b) at the time of reporting. The details per transaction and reasons are recorded and disclosed in the notes to the Annual Financial Statements.

Regulation 32 of the Supply Chain Management Regulations allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of the state, but only if-

- (e) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of the state;
- (f) The municipality has no reason to believe that such contract was not validly procured;
- (g) There are demonstrable discounts or benefits for the municipality to do so; and
- (h) That other organ of the state and provider has consented to such procurement in writing.

There were no applications made by Sedibeng District Municipality under SCM Regulation 32 for the 2022/2023 financial year.

The SOLAR system has the database of suppliers and is updated on a daily basis through manual processes. It gives effect to all the SCM and legislative requirements. The department receives new applications on a daily basis which show the interest of suppliers in the local economy, while existing suppliers are required to update their vendor information as and when required.

An automated system has been developed in-house whereby supplier data can be extrapolated directly from CSD into the municipal financial system with the intent of automatically rotating and randomising requests for quotations. The system reduces the degree of human interference in the sourcing and selection of CSD registered suppliers, allowing for a fairer and more equitable selection process, and at the same time improving the compliance outcomes of selected suppliers. The Acquisition Unit run parallel processes for the sourcing of quotations between R1,000 up to R30,000 on both, the SOLAR database and the CSD in order to not disadvantage any existing suppliers on the municipal database set.

National Treasury have developed a centralised supplier database (CSD) to optimise the efficiency of service delivery. The CSD is interfaced to South African Revenue Service (SARS) to enable tax clearance status verification of suppliers throughout the Procure-to-Pay process and the Companies and Intellectual Property Commission (CIPC) for vetting of business registration and business ownership. All municipalities were required to migrate onto the CSD by 01 July 2016. Further details were tabled under the separate cover of the report on "MFMA Circular No. 81: Web Based Central Supplier Database (CSD)."

The SCM unit at the municipality is registered onto the CSD and the SCM Demand Unit has begun incorporating information from CSD onto the existing SOLAR database, on an as and when required basis.

Contract management is the function of the cross-functional Contract Management Committee which resides with Corporate Services: Legal and Support, and their reporting obligations lie under the Office of the Municipal Manager Legal Portfolio. The SCM Policy places the responsibility to conduct performance evaluation based on the vendors'

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performance with regards to delivery of goods/ services against pre-determined criteria as entered into through service delivery contracts on the end-user departments as the project managers. These performance evaluations are reported on a quarterly basis through to the Contract Management Committee. The service providers are being evaluated on a scale of 01 (Poor) to 05 (Excellent) in the following criteria:

- Delivers Goods/Services Timeously; and
- Provides Products/Services That Meet Specifications/Requirements.

The Broad-Based Black Economic Empowerment Act (53/2003) was promulgated in order to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution. This was achieved through establishing national policy on broad-based black economic empowerment to promote the economic unity of the nation.

BBBEE scoring is conducted through accreditation agencies and points are awarded on the calculation of the following elements on the scorecard:

- The level of black ownership;
- The level of black management;
- Employment equity in the workplace;
- Development of skills and competencies of black people;
- The level of goods and services that a business procures from BBBEE compliant suppliers;
- The level of contribution to enterprise development; and
- Social economic development.

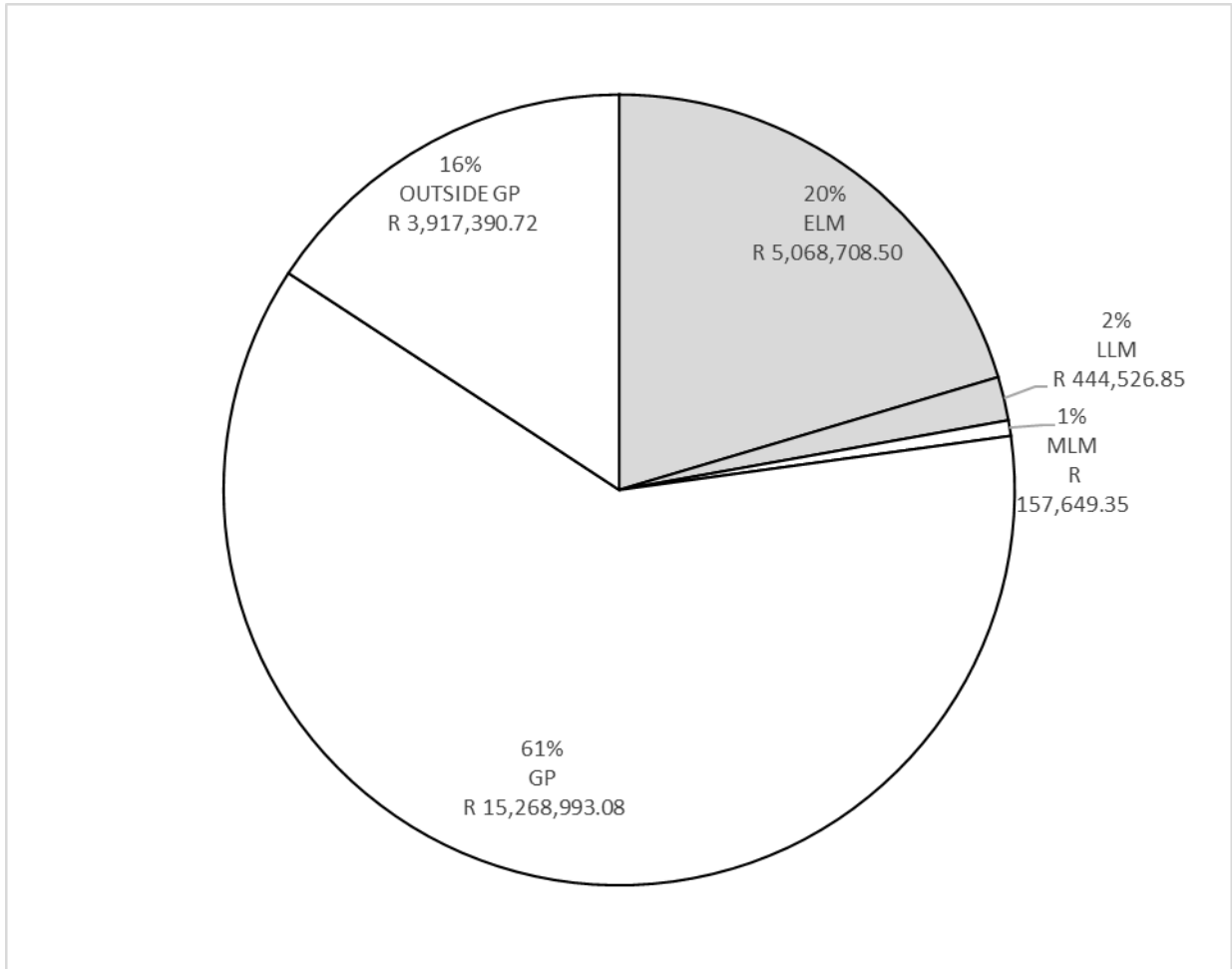
During the 2022/2023 financial year, the municipality expended a total of R 16,011,808.55 on three hundred and eighty (380) BEE Level 01 suppliers, equating 76.5% of the total four hundred and ninety-seven (497) municipal awards for procurement of goods and services.

In order to implement National Treasury & Provincial Treasury Reforms and to ensure the provision of business to people with disabilities, youth and women owned companies, expenditure is tracked based on the BBBEE certificates / sworn affidavits submitted by suppliers. It was further recorded that of the total of four hundred and ninety-seven (497) suppliers contracted during 2022/2023, one hundred and seventy-three (173) were women-owned businesses, fifty-three (53) were youth-owned, and, one hundred and fifty-four (154) of these suppliers are "Emerging Micro Enterprises" (EMEs) which equates to 76.5% of total awards for 2022/2023, while one hundred and eighteen (118) were township-based businesses, equating to 23.7% of total awards. The municipality did not meet the performance target for awards made to businesses owned by people with disabilities.

	Total Awards	Men Owned	Woman Owned	Youth Owned	PWD Owned	Township-Based	Emerging Micro Enterprise
Rand value	R 19,028,877.93	R 16,999,064.17	R 3,360,799.48	R 820,329.88	-	R 1,423,446.14	R 2,342,630.85
% of Rand value	100%	89.3%	17.7%	4.3%	-%	7.5%	12.3%
No. of Suppliers	497 suppliers	406 suppliers	173 suppliers	53 suppliers	nil suppliers	118 suppliers	154 suppliers

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% No. of Suppliers	100.0%	81.7%	34.8%	10.7%	-%	23.7%	31.0%
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Expenditure within the region for 2022/2023 equated to:

- 20% within Emfuleni Local Municipality (R 5,068,708.50);
- 2% within Lesedi Local Municipality (R 444,526.85);
- 1% within Midvaal Local Municipality (R 157,649.35);
- 61% outside SDM but within Gauteng Province; and
- 16% outside of Gauteng Province.

5.13 GRAP COMPLIANCE

The Municipality has implemented the GRAP standards applicable to the municipality.

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

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Report of the auditor-general to the Gauteng Provincial Legislature and council of Sedibeng District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Sedibeng District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sedibeng District Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the district municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 35 to the financial statements, which indicates that a net deficit of R4 110 760 was incurred during the year ended 30 June 2023 and, as of that date the total liabilities exceeded its total assets by R112 752 674. As stated in note 35, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the district municipality's ability to continue as a going concern.

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Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the district municipality at, and for the year ended, 30 June 2023.

Material uncertainties relating to contingent liabilities

10. With reference to note 33 to the financial statements, the municipality is the defendant in a number of lawsuits. The district municipality is opposing the claims, as it believes that the claims are not valid. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the district 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 district 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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following material performance indicators related to transport, infrastructure and environment key performance presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the district municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of expended public works programme (EPWP) beneficiaries employed
 - Number of meetings held with public transport industry
 - Number of reports on assessment of rural road
 - Number of reports produced on the implementation of licensing services
 - Number of reports produced on the ambient air quality monitoring station
 - Number of environmental awareness campaigns
 - Number of municipal health services reports.
19. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the district municipality's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the district municipality's mandate and the achievement of its planned objectives
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

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- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any measures taken to improve performance.

21. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

22. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

23. I could not determine how the planned indicators would be measured and what evidence would be needed to support the achievement. Evidence was not provided to confirm that processes had been established to consistently measure and reliably report on the indicators. This was due to a lack of measurement definitions and processes. Consequently, I could not confirm the reliability of the reported achievement. Furthermore, a comparison of the planned and actual performance of the year under review and that of the previous year was not included in the annual performance report. This would make it difficult to track the achievement of service delivery goals. The measures taken to improve performance against the targets were not reported in the annual performance report. This would make it difficult for users to determine what actions will be taken to improve service delivery.

Performance indicator	Target	Reported achievement
Number of expended public works programme (EPWP) beneficiaries employed	4	4
Number of meetings held with public transport industry	4	2
Number of reports on assessment of rural road	4	4
Number of reports produced on the implementation of licensing services	4	4

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Performance indicator	Target	Reported achievement
Number of reports produced on the ambient air quality monitoring station	4	4
Number of environmental awareness campaigns	4	3
Number of municipal health services reports	4	3

Other matter

24. I draw attention to the matter below.

Achievement of planned targets

25. 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

26. 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 district municipality's compliance with legislation.

27. 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.

28. 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 district 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.

29. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

30. 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 disclosure items identified by the auditors in the submitted financial statements were

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subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

31. The performance management system and related controls were inadequate, as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, as required by the municipal planning and performance management regulation 7(1).
32. The Service Delivery Budget Implementation Plan (SDBIP) was revised during the year without approval of the council following approval of an adjustments budget, as required by section 54(1)(c) of the MFMA.

Expenditure management

33. Reasonable steps were not taken to prevent irregular expenditure of R20 772 269 as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with contract management processes.
34. Reasonable steps were not take to prevent unauthorised expenditure of R4 552 365, as disclosed in note 37 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by inadequate budget processes.
35. Money owed by the district municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

36. Unauthorised expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
37. Irregular expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
38. I was unable to obtain sufficient appropriate audit evidence that losses resulting from irregular expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Procurement and contract management

39. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
40. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in

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contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.

41. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.
42. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and 2022 preferential procurement regulation (PPR) 4(4) and 5(4).
43. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the Construction Industry Development Board (CIDB) act and CIDB regulation 17.
44. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
45. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Other information in the annual report

46. 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 material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
47. 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.
48. 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 material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
49. 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.

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Internal control deficiencies

50. 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.
51. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
52. The accounting officer did not adequately exercise their oversight responsibility for financial reporting, performance reporting, compliance with laws and regulations, and implementing consequence management for poor performance and transgressions.
53. Senior management did not ensure adequate controls were implemented for the preparation of the financial and performance reports. In addition, management did not regularly monitor compliance with laws and regulations.

Auditor - General

Johannesburg

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district 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 district 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 district 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.

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Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	MFMA 122(1) MFMA 122(2) MFMA 126(1)(a) MFMA 126(1)(b) MFMA 127(2) MFMA 127(5)(a)(i) MFMA 127(5)(a)(ii) MFMA 129(1) MFMA 129(3) MFMA 133(1)(a) MFMA 133(1)(c)(i) MFMA 133(1)(c)(ii) MFMA 11(1) MFMA 15 MFMA 29(1) MFMA 29(2)(b) MFMA 62(1)(d) MFMA 65(2)(a) MFMA 65(2)(b) MFMA 65(2)(e) MFMA 13(2) MFMA 14(1) MFMA 14(2)(a) MFMA 14(2)(b) MFMA 63(2)(a) MFMA 63(2)(c) MFMA 53(1)(c)(ii) MFMA 1 Definition of SDBIP MFMA 72(1)(a)(ii) MFMA 24(2)(c)(iv) MFMA 54(1)(c)

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Legislation	Sections or regulations
	MFMA 1 - paragraphs (a), (b) & (d) of the definition: irregular expenditure MFMA 32(2) MFMA 32(2)(a) MFMA 32(2)(a)(i) MFMA 32(2)(a)(ii) MFMA 32(2)(b) MFMA 32(6)(a) MFMA 32(7) MFMA 170 MFMA 171(4)(a) MFMA 171(4)(b) MFMA 95(a) MFMA 112(1)(iii) MFMA 112(1)(j) MFMA 116(2)(b) MFMA 116(2)(c)(ii) MFMA 117
LG: MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1) 71(2) 72
LG: MFMA: Municipal investment regulations, 2005	Regulations 3(1)(a) 3(3) 6 7 12(2) 12(3)
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Reg 5(4) 6(8)(a) 6(8)(b) 10(1)
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulation 5 12(1)(b) 12(1)(c) 12(3) 13(b) 13(c)

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Legislation	Sections or regulations
	13(c)(i) 16(a) 17(1)(a) 17(1)(b) 17(1)(c) 19(a) 21(b) 22(1)(b)(i) 22(2) 27(2)(a) 27(2)(e) 28(1)(a)(i) 28(1)(a)(ii) 29(1)(a) and (b) 29(5)(a)(ii) 29(5)(b)(ii) 32 36(1) 38(1)(c) 38(1)(d)(ii) 38(1)(e) 38(1)(g)(i) 38(1)(g)(ii) 38(1)(g)(iii) 43 44 46(2)(e) 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	MSA 29(1)(b)(ii) MSA 27(1) MSA 29(2)(a) MSA 29(2)(c) MSA 42 MSA 25(1) MSA 26(a) MSA 26(c) MSA 26(i) MSA 26(h) MSA 41(1)(a)

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Legislation	Sections or regulations
	MSA 43(2) MSA 41(1)(b) MSA 34(a) MSA 41(1)(c)(ii) MSA 34(b) MSA 38(a) MSA 93B(a) MSA 93B(b) MSA 93C(a)(iv) MSA 93C(a)(v) MSA 57(6)(a) MSA 56(a) MSA 66(1)(b) MSA 66(1)(a) MSA 67(1)(d) MSA 57(2)(a) MSA 57(4B)
LG: MSA: Municipal planning and performance management regulations, 2001	Reg 15(1)(a)(i) 2(1)(e) 2(3)(a) 9(1)(a) 10(a) 12(1) 3(4)(b) 15(1)(a)(ii) 3(5)(a) 3(3) 8 7(1)
LG: 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)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 36(1)(a) 17(2)

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Legislation	Sections or regulations
LG: MSA: Disciplinary regulations for senior managers, 2011	Reg 5(2) 5(3) 5(6) 8(4)
Annual Division of Revenue Act (Dora)	Dora 11(6)(b) Dora 12(5) Dora 16(1) Dora 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	CIDB Act section 18(1)
CIDB regulations	CIDB regulation 17 CIDB regulation 25 (7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	PPPFA Section 2(1)(a) PPPFA Section 2(1)(f)
Preferential procurement regulations (PPR), 2011	PPR 2011 4(1) PPR 2011 4(3) PPR 2011 4(4) PPR 2011 4(5) PPR 2011 5(1) PPR 2011 5(2) PPR 2011 5(3) PPR 2011 5(5) PPR 2011 6(1) PPR 2011 6(2) PPR 2011 6(3) PPR 2011 6(5) PPR 2011 6(4) PPR 2011 7(1) PPR 2011 10 PPR 2011 11(2) PPR 2011 11(4) PPR 2011 11(5) PPR 2011 11(8)
Preferential procurement regulations (PPR), 2017	PPR 2017 5(1) PPR 2017 5(3) PPR 2017 5(6)

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Legislation	Sections or regulations
	PPR 2017 5(7) PPR 2017 6(1) PPR 2017 6(2) PPR 2017 6(3) PPR 2017 6(5) PPR 2017 6(6) PPR 2017 6(8) PPR 2017 7(1) PPR 2017 7(2) PPR 2017 7(3) PPR 2017 7(5) PPR 2017 7(6) PPR 2017 7(8) PPR 2017 8(2) PPR 2017 8(5) PPR 2017 9(1) PPR 2017 10(1) PPR 2017 10(2) PPR 2017 11(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Precca 34(1)

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COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/2022 (PRIOR YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2021/2022

Report of the auditor-general to the Gauteng Provincial Legislature and council on Sedibeng District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Sedibeng District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement, and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sedibeng District Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the district municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 35 to the financial statements, which indicates that the district municipality had accumulated deficit of R108 568 306 at 30 June 2022 and, that the district municipality's total liabilities exceed its assets by R108 568 306. As stated in note 35, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the district municipality's ability to continue as a going concern.

Emphasis of matter

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an errors in the financial statements of the district municipality at, and for the year ended, 30 June 2022.

Other matter

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

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the district municipality is required to disclose particulars of non-compliance with the MFMA 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

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the

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requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting officer is responsible for assessing the district 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 district municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.
18. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.

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19. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, which must be based on the district municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the district municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I selected the following material performance indicators contained in the transport, infrastructure and environment key performance area presented in the district municipality's annual performance report for the year ended 30 June 2022, set out on pages ... to I selected the indicators that measure the district municipality's performance on its primary mandated functions and that which are of significant national, community or public interest.

Performance indicators – Transport infrastructure and environment
Number of reports produced regarding compliance matters
Number of reports produced regarding the implementation of integrated transport plan
Number of regional infrastructure projects coordinated
Number of reports produced on the implementation of licencing services
Number of reports produced on the ambient air quality monitoring station
Number of environmental awareness campaigns
Percentage of compliance to municipal health norms and standards

22. The material findings on the usefulness and reliability of the performance information of the selected material performance indicators are as follows:

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Various indicators

Performance indicator	Target	Reported achievement
Number of reports produced regarding the implementation of integrated transport plan	1	1
Number of regional infrastructure projects coordinated	4	4
Number of reports produced on the implementation of licencing services	4	4
Number of reports produced on the ambient air quality monitoring station	4	4

23. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of the achievements reported in the annual performance report of the listed indicators. Furthermore, a comparison between the planned and actual performance was not included in the annual performance report.

Various indicators

Performance indicator	Target	Reported achievement
Number of environmental awareness campaigns	4	0
Percentage of compliance to municipal health norms and standards	50%	0%

24. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of

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the achievements reported in the annual performance report of the listed indicators. Furthermore, a comparison between the planned and actual performance, and measures taken to improve performance against targets were not reported in the annual performance report.

Number of reports produced regarding compliance matter

Performance indicator	Target	Reported achievement
Number of reports produced regarding compliance matters		
Target 1.1: Produce four reports on assets management of the cluster	4	4
Target 1.2: Produce 12 reports on website compliance	12	Not reported
Target 1.3: Produce four reports on the management of contracts of the cluster	4	4

25. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of the achievements reported in the annual performance report of the listed indicator. A comparison between the planned and actual performance was not included in the annual performance report. In addition, the indicator was included in the service delivery and budget implementation plan but was not reported on in the annual performance report. These changes were made without the necessary approval.

Other matter

26. I draw attention to the matter below.

Achievement of planned targets

27. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the under achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 25 of this report.

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Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the district municipality's compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the district municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the district municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and adequately available to report in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, current liabilities, revenue, disclosure items and cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
33. The oversight report adopted by the council on the 2020-21 annual report was not made public, as required by section 129(3) of the MFMA.

Strategic planning and performance management

34. The performance management system and related controls were inadequate, as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, as required by municipal planning and performance management regulation 7(1).

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Utilisation of conditional grants

35. The HIV and Aids, financial management and rural roads management grants were not spent for their intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Division of Revenue Act (Act 9 of 2021).
36. Performance in respect of programmes funded by the HIV and Aids, financial management grant, rural roads and expanded public works programme grants were not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure of R42 308 948, as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management (SCM) processes.
38. Reasonable steps were not taken to prevent unauthorised expenditure of R2 666 659, as disclosed in note 37 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by inadequate budget processes.
39. Money owed by the district municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

40. Unauthorised expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
41. Irregular expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
42. I was unable to obtain sufficient appropriate audit evidence that losses resulting from irregular expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

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Procurement and contract management

43. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
44. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
45. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
46. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
47. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
48. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
49. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Human resource management

50. I was unable to obtain sufficient appropriate audit evidence that the municipal manager and senior managers had signed performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

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Other information

51. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported in this auditor's report.
52. My opinion on the financial statements and material findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
53. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
54. 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

55. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
56. The accounting officer did not adequately exercise their oversight responsibility for financial reporting, performance reporting, compliance with laws and regulations, and implementing consequence management for poor performance and transgressions.
57. Senior management did not ensure adequate controls over daily and monthly processing and reconciling controls were implemented for the preparation of the

financial and performance reports. In addition, management did not regularly monitor and implement action plans that were developed to curb repeat findings.

Auditor-General

Johannesburg

05 December 2022



AUDITOR-GENERAL

SOUTH AFRICA

Auditing to build public confidence

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Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs and the AGSA audit methodology, 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 performance indicators and on the district municipality's compliance with selected requirements in key legislation.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability

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of the Sedibeng District 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 district municipality to cease operating as a going concern

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

Communication with those charged with governance

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

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Compliance with legislation – selected legislative requirements

5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	MFMA 122(1) MFMA 122(2) MFMA 126(1)(a) MFMA 126(1)(b) MFMA 127(2) MFMA 127(5)(a)(i) MFMA 127(5)(a)(ii) MFMA 129(1) MFMA 129(3) MFMA 133(1)(a) MFMA 133(1)(c)(i) MFMA 133(1)(c)(ii) MFMA 11(1) MFMA 15 MFMA 29(1) MFMA 29(2)(b) MFMA 62(1)(d) MFMA 65(2)(a) MFMA 65(2)(b) MFMA 65(2)(e) MFMA 13(2) MFMA 14(1) MFMA 14(2)(a) MFMA 14(2)(b) MFMA 63(2)(a) MFMA 63(2)(c) MFMA 53(1)(c)(ii)

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Legislation	Sections or regulations
	<p>MFMA 1 Definition of SDBIP</p> <p>MFMA 72(1)(a)(ii)</p> <p>MFMA 24(2)(c)(iv)</p> <p>MFMA 54(1)(c)</p> <p>MFMA 1 - paragraphs (a), (b) & (d) of the definition: irregular expenditure</p> <p>MFMA 32(2)</p> <p>MFMA 32(2)(a)</p> <p>MFMA 32(2)(a)(i)</p> <p>MFMA 32(2)(a)(ii)</p> <p>MFMA 32(2)(b)</p> <p>MFMA 32(6)(a)</p> <p>MFMA 32(7)</p> <p>MFMA 170</p> <p>MFMA 171(4)(a)</p> <p>MFMA 171(4)(b)</p> <p>MFMA 95(a)</p> <p>MFMA 112(l)(iii)</p> <p>MFMA 112(1)(j)</p> <p>MFMA 116(2)(b)</p> <p>MFMA 116(2)(c)(ii)</p> <p>MFMA 117</p>
<p>LG: MFMA: Municipal budget and reporting regulations, 2009</p>	<p>Regulations 71(1)</p> <p>71(2)</p> <p>72</p>
<p>LG: MFMA: Municipal investment regulations, 2005</p>	<p>Regulations 3(1)(a)</p> <p>3(3)</p> <p>6</p> <p>7</p> <p>12(2)</p> <p>12(3)</p>

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Legislation	Sections or regulations
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Reg 5(4) 6(8)(a) 6(8)(b) 10(1)
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulation 5 12(1)(b) 12(1)(c) 12(3) 13(b) 13(c) 13(c)(i) 16(a) 17(1)(a) 17(1)(b) 17(1)(c) 19(a) 21(b) 22(1)(b)(i) 22(2) 27(2)(a) 27(2)(e) 28(1)(a)(i) 28(1)(a)(ii) 29(1)(a) and (b) 29(5)(a)(ii) 29(5)(b)(ii) 32 36(1) 38(1)(c) 38(1)(d)(ii) 38(1)(e) 38(1)(g)(i) 38(1)(g)(ii)

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Legislation	Sections or regulations
	38(1)(g)(iii) 43 44 46(2)(e) 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	MSA 29(1)(b)(ii) MSA 27(1) MSA 29(2)(a) MSA 29(2)(c) MSA 42 MSA 25(1) MSA 26(a) MSA 26(c) MSA 26(i) MSA 26(h) MSA 41(1)(a) MSA 43(2) MSA 41(1)(b) MSA 34(a) MSA 41(1)(c)(ii) MSA 34(b) MSA 38(a) MSA 93B(a) MSA 93B(b) MSA 93C(a)(iv) MSA 93C(a)(v) MSA 57(6)(a) MSA 56(a) MSA 66(1)(b) MSA 66(1)(a) MSA 67(1)(d) MSA 57(2)(a)

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Legislation	Sections or regulations
	MSA 57(4B)
LG: MSA: Municipal planning and performance management regulations, 2001	Reg 15(1)(a)(i) 2(1)(e) 2(3)(a) 9(1)(a) 10(a) 12(1) 3(4)(b) 15(1)(a)(ii) 3(5)(a) 3(3) 8 7(1)
LG: 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)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 36(1)(a) 17(2)
LG: MSA: Disciplinary regulations for senior managers, 2011	Reg 5(2) 5(3) 5(6) 8(4)
Annual Division of Revenue Act (Dora)	Dora 11(6)(b) Dora 12(5) Dora 16(1) Dora 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	CIDB Act section 18(1)
CIDB regulations	CIDB regulation 17 CIDB regulation 25 (7A)

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Legislation	Sections or regulations
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	PPPFA Section 2(1)(a) PPPFA Section 2(1)(f)
Preferential procurement regulations (PPR), 2011	PPR 2011 4(1) PPR 2011 4(3) PPR 2011 4(4) PPR 2011 4(5) PPR 2011 5(1) PPR 2011 5(2) PPR 2011 5(3) PPR 2011 5(5) PPR 2011 6(1) PPR 2011 6(2) PPR 2011 6(3) PPR 2011 6(5) PPR 2011 6(4) PPR 2011 7(1) PPR 2011 10 PPR 2011 11(2) PPR 2011 11(4) PPR 2011 11(5) PPR 2011 11(8)
Preferential procurement regulations (PPR), 2017	PPR 2017 5(1) PPR 2017 5(3) PPR 2017 5(6) PPR 2017 5(7) PPR 2017 6(1) PPR 2017 6(2) PPR 2017 6(3) PPR 2017 6(5) PPR 2017 6(6) PPR 2017 6(8)

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Legislation	Sections or regulations
	PPR 2017 7(1) PPR 2017 7(2) PPR 2017 7(3) PPR 2017 7(5) PPR 2017 7(6) PPR 2017 7(8) PPR 2017 8(2) PPR 2017 8(5) PPR 2017 9(1) PPR 2017 10(1) PPR 2017 10(2) PPR 2017 11(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Precca 34(1)

GLOSSARY

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Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as

GLOSSARY

	"what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
KHITHIKA MI	FT	Council Sitting (10) MPAC (9)	EFF	1 Absent, 2 Apologies 3 Absent, 4 Apologies	70%
MAMASELI NS	FT	Council Sitting (10) Gender (8)	EFF	√ 1 Apology	100%
NAKANA M	FT	Council Sitting (10)	EFF	√	100%
MOHONO S	PT	Council Sitting (5)	EFF	1 Absent 1 Apologies	80%
MALOKA MJ	PT	Council Sitting (4)	EFF	1 Absent	75%
MAPEYI M	PT	Council Sitting (10) Petitions(5)	EFF	√ 2 Apologies	100%
TSHEHLA LF	PT	Council Sitting (5)	EFF	√	100%
MONAKALI NG	PT	Council Sitting (4)	EFF	1 Apologies	75%
GOMES P	FT	Council Sitting (10)	DA	5 Apologies	50%
PARSONSON L	FT	Council Sitting (10) Gender (8)	DA	1 Apology 1 Apology	90%
MOTSOANE TD	FT	Council Sitting (10) Petitions(5)	DA	1 Absent 1 Absent, 1 Apology	90%
DYONASE S	FT	Council Sitting (10)	DA	1 Absent	90%
DAMON G	FT	Council Sitting (10) Gender (8)	DA	1 Absent 1 Apology	90%
MSIBI JS	FT	Council Sitting (10)	DA	1 Absent	90%
MTHIMKHULU T	FT	Council Sitting (10)	DA	1 Absent, 1 Apology	80%
PETERS FW	PT	Council Sitting (10)	DA	5 Apologies	50%
KRUGER M	PT	Council Sitting (10)	DA	1 Apology	90%
JANSE VAN RENSBURG S	PT	Council Sitting (10)	DA	1 Absent, 1 Apology	80%

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
TLHOKWE T	PT	Council Sitting (10) MPAC (8)	DA	1 Absent, 1 Apology 1 Apology	80%
HLANYANE P	PT	Council Sitting (10)	DA	1 Absent, 1 Apology	80%
MOTLOUNG L	PT	Council Sitting (10) Petitions(3)	DA	1 Absent √	90%
RAMONGALO T	PT	Council Sitting (10) MPAC (8)	DA	2 Apologies 1 Apology	80%
MTHEMBU DN	PT	Council Sitting (10)	DA	2 Apologies	80%
HOLTZHAUSEN G	PT	Council Sitting (10)	DA	1 Absent, 2 Apologies	70%
VAN DER LITH H	PT	Council Sitting (10)	DA	√	100%
LUBBE R	FT	Council Sitting (10) MPAC (8)	FF+	2 Apologies √	80%
JONES MV	PT	Council Sitting (10)	NHM	1 Absent, 2 Apologies	70%
KANTSO MD MD	PT	Council Sitting (10) MPAC (8)	PAC	1 Absent, 1 Apology 3 Absent, 4 Apologies	80%
TSOTETSI BJ	FT	Council Sitting (10)	PAC	1 Apology, 1 Absent	80%
MAHLASELA SP	PT	Council Sitting (10)	VAAL	2 Apologies	80%
MOKHELE SG	PT	Council Sitting (10)	ACDP	1 Apology	100%
MOKOENA NF	PT	Council Sitting (10)	CSA	√	100%
MODIKENG ML	FT	Council Sitting (10) Gender (8)	ANC	√ √	100%
GAMEDE LSA	PT	Council Sitting (10)	ANC	2 Apologies	85.7%
MALOKA LF	FT	Council Sitting (10)	ANC	√	100%
MOSAI AC	FT	Council Sitting (9) Petitions(5) Gender (8)	ANC	1 Apology 2 Apologies 1 Absent, 1 Apology	90%
RAIKANE DM	PT	Council Sitting (1) Petitions(1)	ANC	1 Absent	100%
MAHOMMED YJ	FT	Council Sitting (10)	ANC	√	100%
MOKONANE SFA	FT	Council Sitting (10) Petitions(5)	ANC	1 Apology 1 Apology	90%

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
KHOMOEASERA ML	FT	Council Sitting (10)	ANC	√	100%
RADEBE V	FT	Council Sitting (10)	ANC	2 Apologies	80%
BUTHONGO CT	FT	Council Sitting (14) Petitions(5) MPAC (8) Gender (8)	ANC	1 Absent √ 3 Absent 2 Absent	90%
MOLOI MEF	FT	Council Sitting (14)	ANC	√	100%
DONDOLO MA	PT	Council Sitting (14) Petitions(3)	ANC	√ 1 Absent, 2 Apologies	100%
KHOZA TM	PT	Council Sitting (14) Gender (8)	ANC	√ √	100%
MOCHAWA JS	PT	Council Sitting (14)	ANC	1 Absent	100%
TLADI JR	PT	Council Sitting (2)	ANC	√	100%
YONGAMA	PT	Council Sitting (14)	ANC	√	100%
NAAPO SJ	PT	Council Sitting (14)	ANC	√	100%
NDWANDWE NG	PT	Council Sitting (14)	ANC	1 Apology	100%
SEFATSA SJ	PT	Council Sitting (14) MPAC (8)	ANC	1 Apology √	90%
MKHIZE B	PT	Council Sitting (14)	ANC	√	100%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Rules committee	Recommends rules and orders to Council concerning the smooth running of its business
Ethics & Integrity Committee	Promote a culture within the institution which is intolerant to unethical conduct.

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Municipal Public Accounts Committee (MPAC).	Reviews the municipal annual report in line with Auditor -General's findings. Provide political oversight to financial management and accounts.
Public Participation & Petitions Committee	Promotes the active involvement of the general public in municipal affairs. Receive petitions from ordinary community members on service delivery matters.
Gender Committee	Responsible for gender mainstreaming within the municipal environment. Monitor gender perspective of policies , programmes, projects and practices in the municipality
Section 80 Committees	Administrative oversight.
<i>Note * Councillors appointed on a proportional basis do not have wards allocation to them</i>	

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	MANAGERS/ASSISTANT MANAGERS (State title and name)
OFFICE OF THE EXECUTIVE MAYOR KHALO NR - DIRECTOR MAYORS OFFICE	
	MBULAHENI RA - MANAGER ADMINISTRATION
	KGASWANE SK - RESEARCHER & SPEECHWRITER
	MALEKA TT - ASS.MAN.STAKEHOLDER RELAT
	NHLENGETHWA TP - ASS.MANAGER WAR ROOM
OFFICE OF THE SPEAKER OF COUNCIL DLANGAMANDLA JM - DIR: SPEAKERS OFFICCE	
	TSHABALALA DE - ASS.MAN.STAKEHOLDER RELATIONS
	MOTAUNG NB - MANAGER MPAC
OFFICE OF THE CHIEF WHIP OF COUNCIL TLEBERE DN - DIRECTOR CHIEF WHIP	
	MGUDLWA TS - MANAGER OFFICE CHIEF WHIP
OFFICE OF THE MUNICIPAL MANAGER MATHE FM - MUNICIPAL MANAGER	
	DEYZEL GR - DIRECTOR SPECIAL PROJECTS
	MPONTSHANE HM - DIRECTOR MUNICIPAL SYSTEM
	PIETERSON M B - EXEC.SECRETARY MM OFFICE
	CUNA R - MANAGER INTERNAL AUDIT
	MASIBIHLELE MB - MANAGER RISK MANAGEMENT
	WIESE IC - ASS.MANAGER COMPLIANCE
FINANCE	
	LOUW DE - MANAGER:OFFICE OF CFO

APPENDICES

SUPPLY CHAIN	
WIESE KZ - DIRECTOR: SUPPLY CHAIN	NTJEPELA MS - ASS.MANAGER LOGISTICS
	ZWEDALA S - ASS. MAN. MUN.COMPLIANCE
FINANCIAL MANAGEMENT	
STEYN CE - DIRECTOR FIN.MAN.& BUDGET	LERATO TABANE - ASS.MAN.ASSETS&LIABILITY
CORPORATE SERVICES	
HR	
LERATO G NKOLI - DIRECTOR HUMAN RESOURCES	MALOKA TS - MANAGER LABOUR RELATIONS
	MOKAKO MS - MANAGER: LABOUR RELATIONS
	HLONGWANE BN - ASSISTANT MANAGER:EAP
	MORAJANE OM - ASS.MAN.ORG.DEVELOPMENT
	SERAME MC - ASS.MAN.PERSONNEL ADMIN
LEGAL SERVICES	
MHLWATIKA RBT - DIRECTOR LEGAL & SUPPORT	NGAKE MT - SENIOR LEGAL ADVISOR
INFORMATION TECHNOLOGY	
CHAMDA Y - DIRECTOR INFORM.MANAGEMENT	MANS HAJ - MANAGER INFORM/OPERATIONS
	VISAGIE MC - MANAGER INFORM.MANAGEMENT
	MONGA N - ASS.MAN.NETWORKS
	XABA TM - ASS.MAN. TECHNICAL ADMIN
FACILITIES	
MARANDA KD - DIRECTOR FACILITIES	JOHNSON BW - MANAGER BUILDINGS
	MOKOENA TJ - MANAGER FLEET
PROTECTION SERVICES	
MIYA TA - MANAGER: INTERNAL SECURITY	MTSHALI MB - ADMIN OFFICER VIP
RECORDS AND COMMITTEE SECTION	
TSHABALALA NN - RECORDS MANAGER	

APPENDICES

STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT	
LED & TOURISM	DLODLO S - ASS.MANAGER COMPLIANCE
MBONGO KS - DIRECTOR ECON.DEV.& IDP	MAJOLA CH - MANAGER DEV.PLANNING
	PELSER R - MANAGER TOURISM
	VAN WYK PS - ASS.MAN.TOURISM:PRODUCTS
DEVELOPMENT PLANNING AND HUMAN SETTLEMENT	MUTLANENG T - MAN.DEVELOPMENT PLANNING
MAKHUBU MG - EXECUTIVE DIRECTOR: STRATEGIC PLANNING & ECONOMIC DEVELOPMENT	PITSO SE - MANAGER HUMAN SETTLEMENT
	RAMAGAGA RD - IDP MANAGER
	DLADLA MD - ASS.MANAGER-MANUFACTURING
	MOKGATLHE MD - ASSISTANT MAN.AGRICULTURE
PROJECT MANAGEMENT UNIT	
NETSHIVHALE KR - DIRECTOR:PROJ.MAN.UNIT	
FRESH PRODUCE MARKET	
TSOTETSI TJ - DIRECTOR FRESH PRO MARKET	MAZIBUKO SP - ADMINISTRATIVE ASSISTANT
	RADEBE SJ - MAN. ENVIRONMENT PLANNING
TRANSPORT INFRASTRUCTURE AND ENVIRONMENT	
NGOBESE I - ACTING EXECUTIVE DIRECTOR TIE	KHALEMA MM - MANAGER TECH SERV.
	THEKISO MF - ASS.MAN. IGR
	MOFOKENG NS - MAN. TRANSPORT MANAGEMENT
LICENSING	
	VAN ZYL E - LIC SERV CENTER MANAGER
	LENAKE TM - LSC MANAGER
	MOKOENA M - ASS.MANAGER LICENSING
	MAKGALE NA - ASS.MANAGER LICENSING
AIRPORT	
	MOKOENA NCE - MANAGER AIRPORT

APPENDICES

ENVIRONMENT	
	NEMANGAYA NM - AIR QUALITY MANAGER
COMMUNITY SERVICES VACANT HEALTH MASUKELA DL - DIR:HEALTH&SOC.DEVELOPMEN DISASTER MOTHAPO MS - DIR:EMERGENCY MAN.SERV. SRAC & H FELIX NJA - DIRECTOR SRAC & H SAFETY LEACWE MJ - DIRECTOR:PUBLIC SAFETY	
	MOETI NV - ASS.MANAGER COMPLIANCE
	MOHAPELOA BP - HIV/AIDS COORDINATER
	NIEUWENHUIZEN PJ - ASS.MAN.OPERATIONS & LOGI
	LUFHUGU NP - ASS.MAN. SPORT&RECREATION
	KHUMALO SA - ASS.MANAGER HERITAGE&MUSE
	VAN WYK A - ASS.MAN. ARTS & CULTURE
KELE PB - ASS.MANAGER CRIME PREVENT	

APPENDICES

APPENDIX D – FUNCTIONS OF 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	Y	N/A
Building regulations	N	N/A
Child care facilities	N	N/A
Electricity and gas reticulation	N	N/A
Firefighting services	N	N/A
Local tourism	Y	N/A
Municipal airports	Y	N/A
Municipal planning	N	N/A
Municipal health services	Y	N/A
Municipal public transport	Y	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	N	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N	N/A
Stormwater management systems in built-up areas	N	N/A
Trading regulations	N	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	N	N/A
Beaches and amusement facilities	N	N/A
Billboards and the display of advertisements in public places	N	N/A
Cemeteries, funeral parlors and crematoria	N	N/A
Cleansing	N	N/A
Control of public nuisances	N	N/A
Control of undertakings that sell liquor to the public	N	N/A
Facilities for the accommodation, care and burial of animals	N	N/A
Fencing and fences	N	N/A
Licensing of dogs	N	N/A
Licensing and control of undertakings that sell food to the public	N	N/A
Local amenities	N	N/A
Local sport facilities	N	N/A
Markets	Y	N/A
Municipal abattoirs	Y	N/A

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Municipal parks and recreation	N	N/A
Municipal roads	N	N/A
Noise pollution	N	N/A
Pounds	N	N/A
Public places	N	N/A
Refuse removal, refuse dumps and solid waste disposal	N	N/A
Street trading	N	N/A
Street lighting	N	N/A
Traffic and parking	N	N/A
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E – WARD REPORTING

Not applicable to Sedibeng district municipality

APPENDIX F – WARD INFORMATION

Not applicable to Sedibeng district municipality

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/2023

Municipal Audit Committee Recommendations		
3rd	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27 th January 2022	<p>Chairperson requested Ms. T Moja to open the meeting to kick-start the process of discussing matters are of concern to Audit Committee with an understanding that the Executive Mayor should be made aware of:-</p> <p><u>STRATEGIC DIRECTION OF SDM</u></p> <p>Going-Concern Status of the municipality</p> <ul style="list-style-type: none"> ▪ Concerns were raised by AC that the financial state at which the municipality finds itself is dire as it is technically insolvent with asset base that is less than its liabilities. What is more of a concern was the fact the assets base itself, is not the kind of asset that an organisation would immediately sell to try and recover some monetary value in it, as it a unique type of assets. Even with the long-term view, the demand for such assets would be low. For example, a city hall or theatre, would be difficult to find a buyer and sell-off the asset at least at the market value. ▪ This begs the question that how does the municipality continue to operate and function, with the “money” that it does not have? How is that case sustainable going forward? ▪ Although the municipality currently relies largely on the equitable share and conditional grants, it has been clear that these too are being granted at a declining rate meaning they decrease with time. ▪ AC has requested management to provide a solid turn-around strategy with no success. This is critical to identify areas of revenue generating streams that will assist the municipality in reducing the burden of too much reliance of Grant Management schemes. ▪ Further, this would be required because focusing on cost-reduction will be become an ineffective method of trying to stay afloat as the biggest line item in terms of expenditure is the employee costs and that by its nature is a fixed line item, that you cannot rely on going forward. ▪ Capacity with the Key-Strategic roles remains a big concerns for AC, particularly when it comes to the role of Chief Financial Officer. For more than three years this role has been acted upon by different individuals for the past two financial years. <p>State of Governance & Management Leadership</p> <ul style="list-style-type: none"> ▪ The issue of continuous Acting- Position in the strategic positions remains a risk in the municipality as it constitutes non-compliance to regulation. Where According MSA act, Section 56 an 57 employees are required to formulate Employment Contract and Performance Contracts that should be reviewed on a quarterly basis to assess performance of each, in the space where there is continuous change, not only does it constitutes non-compliance by the municipality, but also impacts the organisational morale, performance and non- 	In-progress

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	<p>accountability from the entire municipality.</p> <p>Inability of the Audit Committee's role in performing its statutory mandate</p> <ul style="list-style-type: none"> The Audit Committee is unable to review the Mid-term term and Mid-Year reports according to the compliance calendar due to Information (Financial and Non-Financial) is not submitted or is submitted late. Making it difficult for an Internal Audit Function to perform its function, so that the AC can perform its necessary oversight. This includes, inputs that needs to be provided for in the IDP process and report therein, before submission to Mayco and Council for approval. <p>Performance Information Functional Unit</p> <ul style="list-style-type: none"> The municipality used to have an automated Performance Information that allowed the municipality to be efficient in reporting and measuring its performance against the SDBIP. However, the system has since been disbanded, making the process to be manual, hand-intensive with great risk of errors being introduced. Lack of staff capacitation thereof, remains an issue that has been raised by Internal Audit Unit, with no tangible action plan from the admiration. <p>The Risk Management Function</p> <ul style="list-style-type: none"> This function completely collapsed, with the frequent changing Acting positions of Acting Municipal Manager (AMM), with no proper capacitation within the unit. This makes it difficult for Internal Audit Unit to produce an Annual Internal Audit Plan that is informed by a proper risk assessment process that have not taken place the past three financial years. As a result, the 2020/21 Internal Audit Plan was found to be in-adequate in that it was not informed by the Risk Based approach, where Risk Management Function has assessed and provided for both the Strategic and Operational Risk Registers required for monitoring the municipality's risks. <p>Lack of Consequence Management</p> <ul style="list-style-type: none"> Lack of consequence management continues to erode the culture of accountability, where those who have been to have transgress the law, know that they will not be taken to task. <p>Staff Morale</p> <p>Instability in leadership, too much change in the environment has affected the morale of the municipality's staff overall.</p> <p>AC's Comments</p> <ul style="list-style-type: none"> The AC stated that it can perform its function thoroughly if the Internal Audit, Risk Management function and Performance Information Unit is not well 	

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	<p>capacitated.</p> <ul style="list-style-type: none"> Concern regarding the Risk Management is also of a key concern, especially where concerted effort was made to request National Treasury to assist and guide the municipality of the Risk Assessment Processes. However, due to non-commitment by management, treasury pulled its participation and support thereof. As such there is vacuum left in the Risk Management unit. <p><u>Resolutions by AC</u></p> <p>The municipality is encouraged to review its overall strategy to focus on the following:-</p> <ul style="list-style-type: none"> Develop and implement the “The Turn-Around Strategic Plan” Implement , Monitor and report on the progress of the Mokhare recommendations The role and function of Risk Management should be attended to with urgency. These matters should be discussed with the Executive Mayor on a continuous basis with implementation action plans attached. <p><u>Executive Mayor's Feedback</u></p> <p>Executive Mayor welcomed the presentation by Audit Committee and emphasised on the following matters:-</p> <ul style="list-style-type: none"> SDM was once a performing municipality with clean audit outcomes. Due to changes in the landscape, there has been change in performance and part of the reasons are due to the following:- The Powers and Function that the municipality has limits in that is main focus is more on the co-ordination role as opposed to service provision to the community. This places huge reliance on grant funding (Equity shares and conditional grants) from Treasury, where 72 % of the grants are allocated to salary of employees. <p>Action proposed to remediate the current challenges</p> <ul style="list-style-type: none"> Provide stability within the Administration i.e. appoint full-time position in key-strategic position to ensure that there is stability and headway made to fulfil on our mandate. The municipality is the process of engaging with various partners to foster partnership that will contribute to the growth of the district and its economy. There is a plan that will revisit the workforce or employees who are 60 years and older to encourage them to take an early retirement or at the retiring age to ensure that we reduce the workforce in an attrition way. Continue to monitor closely on the Audit Action Plan to ensure that the issues are being remediated as soon as possible so that we strive towards attaining clean audits. Monitor the progress and the implementation of the Mokhare recommendations. 	

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	<p><u>Resolution</u></p> <ul style="list-style-type: none"> There be a monthly meeting between the EX and the AC to appraise the EX of the New issues identified and follow up on the issues raised previously. <p>There be an action/resolution list created to track progress thereof</p> <p>Internal Audit's Feedback:-</p> <p>The IA Manager read through the content of the Audit Committee Report and summarised the following on the effectiveness of controls:</p> <p><u>Effectiveness of internal control</u></p> <p>The committee has observed that the overall control environment of the SDM has regressed compared to the previous financial year. There are a number of actions required to be taken by management to improve the status of the SDM internal control environment. It is noted that the recommendations of audit findings for both the AGSA and Internal Audit unit were not adequately attended to by management resulting in repeat and recurring findings by internal Audit and the AGSA</p> <p>The committee has also noted a number of repeat findings relating to non-compliance with laws particularly in the Supply Chain Management and Contract Management processes. The consistent high levels of Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) remains a matter of concern to the committee. This includes issues that were raised in the Mokhare report, which are still to be resolved with a matter of urgency. The issue of the vacancy rate at senior management level that is not being addressed in a speedy manner remains a matter of concern and has been reported by both the internal audit unit as well Auditor General.</p> <p><u>Performance Information</u></p> <p>The committee reviews quarterly performance reports prepared by management as well as performance information review reports conducted by Internal Audit. The reliability and usefulness of performance information is a concern to the committee. The committee further noted a concern relating to Key Performance Indicator (KPI) owners' not adequately complying with the developed performance information KPI Standard Operating Procedures (SOPs), thus exposing the SDM to reporting shortfalls and reputational damage.</p> <p>The committee is also concerned about the adequacy of the reporting validation procedures applied by the SDM on performance reporting relating to service level performance indicators.</p> <p>Lastly, the committee remains concerned about the level of performance achieved in</p>	

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	<p>the 2020/21 financial year.</p> <p>Management's effort in bolstering performance and performance information management was noted, however, prolonged vacancies in critical positions coupled with inadequate systems and processes in place were an impediment to the process of achieving the intended objectives of the municipality</p> <p><u>Risk Management</u></p> <p>Section 62 (1) (c)(i) of the MFMA requires that:</p> <ul style="list-style-type: none"> – “(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure - – (c) that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control.” <p>Section 62(1)(d) of the MFMA provides that the Accounting Officer must take all reasonable steps to ensure that unauthorized, irregular, fruitless and wasteful expenditure or other losses are prevented.</p> <p>For the period ended 30 June 2021, the noted the appointment of a risk position. However the committee remains concerned that the risk management function is still not adequately resourced and managed resulting in lapses in the key internal controls.</p> <p>The capacity of the risk management function requires urgent attention to assist the accounting officer to exercise his responsibilities diligently.</p> <p><u>Implementation of Corrective Actions</u></p> <p>Internal Audit conducted continuous follow-up audit on previous reported audit findings to give reasonable assurance that committed actions plans are adequately and effectively addressing the root causes of the identified control deficiencies.</p> <p>The committee notes and appreciates the establishment of Operation Clean Audit (OPCA) Steering Committee chaired by the Municipal Manager Office, which sit to monitor and hold accountable the respective Senior Managers on the resolution of both internal and external audit findings. However, the activities of the OPCA processed did not timely resolve prior year findings.</p> <p><u>Implementation of Consequence Management</u></p> <p>The Audit Committee is aware of the processes in place to remediate the findings raised regarding the Consequence Management processes in place. Furthermore, the committee acknowledges that the Consequence Management Policy and the</p>	

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	<p>financial misconduct disciplinary board terms of reference as required by law has been tabled to Council. However, there should be plans in place to ensure that the action is taken to avoid repeat findings and non-compliance to regulation.</p> <p><u>The Quality of S71 and S52 Reports Submitted in Terms of the MFMA</u></p> <p>The Audit Committee is satisfied with the content and quality of S71 and S52 reports prepared and issued by the Municipal Manager during the year under review.</p> <p>The committee raised concerns that, the section 52(d) reports were submitted to the committee after being approved by council. In contravention of section 166(2) of the MFMA</p> <p><u>Evaluation of Financial Statements</u></p> <p>The Audit Committee has:</p> <ul style="list-style-type: none"> ▪ Reviewed and discussed the unaudited the Draft 2020/21 Annual Financial Statements (AFS) to be included in the annual report with the Auditor-General and the Accounting Officer; ▪ Reviewed that there are no changes to the accounting policies and practices; ▪ Reviewed the Municipality's compliance with legal and regulatory provisions; ▪ The review notes on the draft unaudited AFS were submitted to management <p><u>The Quality of S71 and S52 Reports Submitted in Terms of the MFMA</u></p> <ul style="list-style-type: none"> ▪ The Audit Committee is satisfied with the content and quality of S71 and S52 reports prepared and issued by the Municipal Manager during the year under review. ▪ The committee raised concerns that, the section 52(d) reports were submitted to the committee after being approved by council. In contravention of section 166(2) of the MFMA <p><u>Evaluation of Financial Statements Performance Information Pre-Issuance by the au</u></p> <p>The committee has:</p> <ul style="list-style-type: none"> ▪ Reviewed and discussed the audited Annual Financial Statements to be included in the ▪ Annual Report, with the AGSA and the Municipal Manager; ▪ Reviewed the Draft Audit Report of the AGSA; ▪ Reviewed the AGSA's Management Report and Management's response thereto; ▪ Noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined ▪ Reviewed the Municipality's compliance with legal and regulatory provisions; and ▪ Reviewed significant adjustments resulting from the audit. 	

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	<ul style="list-style-type: none"> ▪ Reviewed the assurance level and the assessment of Assurance Providers with concern ▪ The committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the view that the audited Annual Financial Statements be accepted and read together with the report of the AGSA. <p>Auditor-General South Africa</p> <p>The committee confirms that it has met with AGSA and there are no unresolved issues with the AGSA.</p>	
23 rd February 2022	<p>Draft IDP – SPED</p> <p>The AC noted the draft IDP, however has raised issues concerning the following issues:-</p> <ul style="list-style-type: none"> - How will the issues relating to Human Resource (HR) issues in SDM enable the capacitation of the Service Delivery issues currently experienced and the support required from the Local District Municipalities? - This included the skills set required to support and fulfil the mandate of the IDP commitments. - From Disaster Management(DR) perspective given where the country is at with regards to Covid 19 pandemic and other natural disaster incidents- how has the IDP- catered for these to ensure there is some coverage in that space. - District Development Model (DDM):- From DDM perspective - the AC requested clarity with regards to the inclusion and the co-ordination of Disaster Recovery Implementation Activity Plans. - Furthermore a confirmation was required from Management to ensure that the DDM was understood by all the stakeholders of SDM. <p>AC also required confirmation from Management to ensure that necessary Risk Assessment processes were been undertaken to ascertain the level of risk appetite that which the municipality is willing to undertake for the period of IDP execution.</p> <p>Draft Budget - Finance</p> <p><u>Additional Revenue and Turn- around Strategy:-</u></p> <ul style="list-style-type: none"> - The Audit Committee noted the Draft budget - although the budget was presented with recommendations – the alternative Income streams were still silent on how the municipality will have additional revenue streams. - The Unfunded mandates: The AC required clarification in terms of how will that 	In- Progress

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	<p>relate to the New DDM given the current challenges.</p> <ul style="list-style-type: none"> - The AC is concerned with the deficit in the budget and as such requested Management to elaborate on whether they have considered the retrenchment "early retrenchment packages" that may be eligible within the legal prescribes. <p>Airport: The AC requested clarification in terms of the leasing the airport assets to external companies in order to assist the municipality to regain additional funds and reconsider the option of re-selling of the fuel to private other partners</p> <p>General Issues</p> <p>The AC requested clarity from management with regards to the following issues:-</p> <ul style="list-style-type: none"> - Asset Management and transfer of Emfuleni resources has been finalised given that it has been some time to finalise the hand-over process. - Skill Audit report- whether what is reported now - it's a new report of a follow up from what was reported previously? This includes the employees that were reported to be transferred from SDM to Emfuleni?? <p>Noting of Internal Audit reports as such with amendments.</p> <ul style="list-style-type: none"> - Quarter 3 2021/22 Performance Information Management Report ; Internal Audit - Asset Management Follow Report – Internal Audit - Financial Discipline – Follow Up report -Internal Audit - Audit Action Plan Report <p>Risk Management strategic Report</p> <ul style="list-style-type: none"> - The Risk Assessment report to be noted as such with immediate effect of the Risk assessment that needs to be conducted for the New Financial year. <p>Status on the Mokhare Report- AED – Corporate Services</p> <p>That issues relating to Mokhare report be reported to Council for resolution</p>	
2022/08/29	<p>Prior the adoption of the agenda The Chairperson of the Audit Committee highlighted that it had been some time since the audit committee had a meeting and that going forward the Audit Committee Meetings should take place as regularly and as scheduled.</p> <p>Audit Committee Member needed clarity before she could participate in the meeting regarding the membership status in the Sedibeng District Municipality Audit</p>	In-Progress

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	<p>Committee since the contracts had expired and if the process of extending the contract will be retrospective and duration of the extension</p> <p>The Chairperson of the Audit Committee Meeting presented the agenda prior for it to be adopted by everyone present. And further proposed that the item number AC/22/005 “adoption of previous minutes” not to be discussed as were no minutes submitted to Audit Committee for approval</p> <p>AGSA requested to add the engagement letter and the strategy document to the agenda of the day. AGSA highlighted that the documents were provided to management the prior the meeting.</p> <p>Resolved,</p> <p>Management confirmed that they had not yet commenced with the process of the extension for the Audit Committee members and that it was proposed that the duration of the extension will be for the full financial year and furthermore that the extension for the audit committee members will be retrospective.</p> <p>Management confirmed to have received the AGSA’s engagement letter and strategy document: Owing to management’s oversight, the documents were not furnished to the Audit Committee for attention and the Director in the Office of Municipal Manager rendered an apology.</p> <p>Audit Committee member proposed that the AGSA documents be discussed first so that AGSA can be excused should they wish not to sit through the meeting as there is a list of items to be further discussed and could take long.</p> <ul style="list-style-type: none"> ➤ The AC chairperson then proposed for adoption of the agenda and an AC member supported the adoption of the agenda as amended. ➤ Audit Committee(AC) referenced the utilization of caaTs, stating that the municipality must not be unfairly prejudice, and that the municipality must have access to check and ensure that there are no employees doing business with the state. The municipality should also take note of the tools that AGSA will be using ➤ That ,AGSA is to revisit the reference to the Public Service Commission for reporting irregularities as it does not apply to the municipalities. ➤ AGSA is to revisit the legal interpretation or the impact of protection of personal information Act (POPIA) in relation to the Public Audit Act, where the act allows an auditor to have an unrestricted access to all other information where as POPIA on the other side prescribes that the data subject must consent to access to information, that does AGSA have a definitive legal opinion with regards to the reference ➤ AC, raised concerns over the 6% increases that it is too steep and needed clarity on the large sum of money spent on travel within the province taking note that the Municipality does not have other offices that the AGSA will be travelling to. ➤ AC requested AGSA to confirm that should there be any material irregularities 	

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	<p>identified they will be raised</p> <ul style="list-style-type: none"> ➤ AC, wished to know how management addresses the issues of risk as there are expenses that needs to be considered in the financials relating to supply chain, contract management ➤ AC, needed confirmation from AGSA and Management if they have understanding with each other in terms of the permissible adjustment and this is due to the fact that the engagement letter and strategy has an element of strictness on the number of adjustments they will allow and the impact of such adjustment as a non-compliance to be reported and as well to find out on the level of flexibility as with regards to the essential core elements of the engagement, if there is a room for AG and Management to agree to disagree on those core elements ➤ AC requested clarity on the Engagement Letter and Audit Strategy that AGSA has not indicated how they will be evaluating the audit committee, and the approach on how they will handle the matter and the statutory criteria that AGSA will be using, and that I would have been better if it was incorporated in the engagement letter and strategy document so that there are no disputes arising at the end of the audit <p>Resolutions</p> <ul style="list-style-type: none"> ➤ AG with reference to the Public Service Commission will take the information into account as they finalising the reviews of the document ➤ The issue of POPIA, the information was shared with management in terms of how the AGSA interprets the issue of POPIA, the information obtained for the audit purposes are solemnly for the audit purposes and will not be shared with anybody else other than for the consumption for the audit purposes, AGSA will double check and share the information with the AC members and Management to provide the comfort on how the AGSA will go about dealing with the issue. ➤ AGSA will be applying the concept for material irregularities in the current year for that first time in Sedibeng District Municipality ➤ AGSA highlighted that for the past two years they had not have the audit fees increases and (for lack of better words by the presenter) have been having short falls on their side. That AGSA have been auditing and unable to recover all the costs that incurred during the audit furthermore that for the past two financial years there has been requests form the AC and Management for AGSA to try and contain the fees and for those reasons there were no increases as a result. During this financial year AGSA is unable to offer the audit at the same fees due to the rising prices of goods and services ➤ AGSA added that the audit team will be travelling for full three months and because of the distance between the AGSA offices and Vereeniging and in some instances there will be a need for the team members to be sleeping over at nearby places to the municipality and therefore will incur additional costs with a team compliment (Staff mix) and also subsistence allowance for team working away from their place of residence when performing the audits hence the subsistence is higher compared to previous years audits and having the 6% increases ➤ AC recommended that when AGSA submits an invoice it should be accompanied by a log book and the suggestion welcomed by the AGSA. ➤ AC proposed a revisit on the travelling issue, as AGSA is aware of the austerity measures that apply to municipalities and looking the municipality in question it 	

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	<p>is seriously constrained</p> <ul style="list-style-type: none"> ➤ Management responded and confirmed that they can foresee further engagements and going forward and will be open to engagements with the AGSA, however on the legal related matters there was an agreement that management will be susceptible to follow laws and regulations and on areas where AGSA and Management can engage and find flexibility. ➤ AGSA responded with an emphasis that should there be disagreements with Management there is escalation methods outlined in the engagement letter and audit strategy document and also the use of platforms such as audit steering committee meetings to deliberate on matters that will come out during and should there be differences it may enable early detection and to deal with issues as they arise, ➤ AGSA outlined that they will be very strict and will be granting management one opportunity in making corrections to the financial statements and the Annual Performance Report and that the opportunity granted by AGSA should be used wisely that all adjustments that will need to be processed are done correct and accurately, And that ➤ There seems to be an overreliance from the auditees where audit process keeps on picking up issues and get corrected the quality process from the audit perspective is compromised and for the current year there will be instances where management may not be granted second opportunity to make corrections and that there was a letter shared by AGSA to Management on the day indicating those instances where AGSA might have identified significant internal control deficiency reported in the current and previous years and for these reasons AGSA might not be granting opportunities to management. ➤ AC made emphasis that the management should avoid unnecessary disputes and make upfront disclosures where they are having challenges for whatever the reason may be and to give AGSA comfort that whatever that AGSA will test they will both come out with the same conclusion. ➤ AC, requested AGSA and Management to be close to the process to try and resolve issues as they arise and should not wait until the end of the process to address issues ➤ AC raised the issues of consistency to be applied throughout the audit and quality assurance and any other review before sign off that can AGSA deal with all upfront and not at the tail of the audit ➤ Management confirmed that the municipality is ready and committed to ensure added effort to be able to make the monthly payments to the AGSA considering the financial position of the municipality, and there will be some movements and push on some of the bigger revenue space of the municipality i.e. Licensing and cannot comfortably say that it's a budgeted and payment plans that will be smooth sailing. ➤ Management responded to say that there are direct responses that are noted down as far as the action plans are concerned, that some of the risks have been completed significantly and some will be completed in due course, that management will disclose all areas that still remains a challenge. ➤ AGSA will be assessing the audit committee based on what the Audit Committee is responsible for and whether the AC has conducted what they were responsible for and in doing so will be checking the impact of the Audit committee in terms of the overall outcome of the municipality. ➤ AC members approved the documents with subject to amendments and more 	

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	<p>emphasis on the issue of audit fees</p> <p><u>Annual Financial Statements</u></p> <p>Mr. C. Steyn: SDM Acting Chief Financial Officer presented the Annual Financial Statements</p> <p>Audit Committee noted the following on the Statement of financial Position that,</p> <ul style="list-style-type: none"> ➤ Page 5, The Inventory was noted as zero balance, and AC needed clarity on what is the plan, and if it came to that stage due to affordability or strategic decision by the Municipality not to run the Aerodrome any longer, furthermore that what will happen to the land and also the risks of keeping the fuel tanks empty furthermore how those risks are mitigated ➤ Receivables that are impaired each year at an amount of 954K what actions have been taken by management have to collect the revenue as the municipality is endured by the PFMA to collect all revenue due to the state and what has management done to demonstrate that. ➤ AC requested finance to check if there are no disclosure to statement or accounting standards issued <p>with regards to heritage assets.</p> <ul style="list-style-type: none"> ➤ Page 38, Note 33, contingent assets and liabilities, in the “matters of emphasis” in the audit report it was noted that there were matters of law suit and cases against the municipality and nothing has been shown of the face of the Annual Financial Statements and how it was dealt with ➤ Page 26, Property Plant Equipment during the current year it did not have disposables and whether that was it an error or that nothing was disposed in the current year and how was the issue of assets that had R1, R100 and those with zero value dealt with ➤ Page 28 what transactions are “unprocessed bank transactions” ➤ Page 29 management to provide reasons for the increase in unclaimed salaries and unknown deposits and that does the municipalities have policies in place to give guidance to ensure that the unknown deposits are written off as there was no movement for some time ➤ Page 30 management to provide reasons for the licensing permits tax revenues decrease ➤ Page 33 that management to add all totals as they were not balancing ➤ Note 35, correction to be made with the financial year 2021 to 2022 ➤ Note 4.8 and 4.9 move up above note 49.9 <p>Audit Committee noted the following on the Statement of Financial Performance</p> <ul style="list-style-type: none"> ➤ Page 23, Note number 14.1.1 AC needed clarity on transaction relating to the income received on behalf of department of transport whether it is immediately credited as revenue and the cash is kept at the bank and at what stage does finance raise the account payable to the agency and also what transaction are involved in that process. ➤ Further clarity on the percentage that is kept by the municipality and that the 	

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	<p>65million revenue from the transport department is included in the revenue and how is the liability raised by the municipality and what are the transactions involved in that process.</p> <ul style="list-style-type: none"> ➤ That are the internal controls on the contracted services in place and all contracts are valid ➤ Page 35,Note 26 cost containment not included on the line items ➤ Accounting policies on impairment on plant and equipment as omitted ➤ Page 26, Note 2 Why is there impairment on plant and equipment as the lifespan is 5 years that what could have happened in between the 5 years that calls for impairment which is over and above the depreciation, and that 5 years is a reasonable time to able to manage any plant and equipment to an extent that there may not be a need to impairment ➤ Leave payable amount is too high, and the amount is equivalent to two months and in order for the municipality to reduce the amount, it was suggested that the municipality can use the lockdown strategies and alternate employees to take leave in order to reduce the cost. ➤ Aerotropolis- What is meant to be done with the grant and who provides the grant to the municipality ➤ Typing error Note 10, “grant received by Emfuleni” to be changed to “grant received from Emfuleni” ➤ Page 33, Note 21 Employee related cost and councilor remuneration has decreased in the current year and AC wished to know the effect and what was done differently in the current financial year. ➤ Insert rand sign on the top of AFS amounts ➤ Note 2, Why was there depreciation on land and which land is it ➤ Note 4 it was suggested that the cost, impairment and the carrying amount balance be shown in the reconciliation as well to be able to see that the current value was reduced ➤ Where there was no comparative figures for 21/ 22 finance needs to clean and remove those notes ➤ Page 29 Note 8 ,Why the 40 825K cash on hand keep ➤ Page 43, Note 38 clarity on Fruitless expenditure amounts at bottom if its Interest on municipal bills ➤ Page 31, Note 13 why the drastic increase in comparison with previous financial year ➤ Page 32, agricultural grant it stated as 2,5 million years ago and now it has significantly shrunk ➤ Page 35, Note 24 lease rentals reasons for the large amount under adhoc line item ➤ Under the Contracted services the concern is over the cost containment and that it does not give one comfort that cost containment is practiced throughout and expenditure items such as catering was still taking place, that what events does the municipality cater for? ➤ Page 39,Note 32,2 no office lease line item that, where are the offices located now as there is no lease agreements ➤ Note 40,7 COVID-19 impact and related expenses, AC needed clarity on the breakdown of expenses incurred and that is there figure related to in terms of the financials statement R 1 083 385 ➤ AC posed a question to management in relation to the issue of the recurring findings that, what effort was made by management to go back to all the 	

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Municipal Audit Committee Recommendations		
3rd	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	<p>findings that occurred previous year</p> <p>Resolved</p> <ul style="list-style-type: none"> ➤ The grant is from the Gauteng Department Economic Development and is for the municipality to conduct a feasibility study on the possibility of having an Aerotropolis, in the region and to ascertain whether or not it would be viable for the region to have an Aerotropolis and the sole purpose of the airport is to offload the cargo for the OR Tambo international Airport and added to that is to develop the region taking into account the city river vision. ➤ AC general comments that it would be helpful for the reader to expand the explanation notes under the captions on notes discussed to further elaborate on the line items ➤ AC requested clarity as to where are the employees working from? Those are they working? Is there mechanisms in place to monitor them since are no office space? ➤ Management responded to say that, the strategy of trying to have and Aerotropolis within the area and the strategy is linked to the river city plan that is currently being implemented and also linked to the revival of the recovery of the aerodrome to the bigger airport which will also be addressing the needs within the area that, ➤ Aerodrome currently is non-functional to the extent that the fuel license has expired and also no landing is taking place due to non-compliance. The immediate intervention as management was engaging with the relevant departments was on the financial interjection for assistance because of the said bigger plans. There is commitment from the Department of Transport for assistance on the issue of re-establishing the operation of the airport ➤ The recommendations on by the AC on leave issue will be highly considered and that Management has developed a work from home policy and will be tabled in the next council meeting ➤ There are 108 total numbers of employees whom occupied the two buildings, some of those employees are working from home and others have been accommodated in the open plan offices in different directorates and are fully operational. There is an ongoing intervention program called “Ba Kae” developed by management to gradually bring back the employees and or to provide the tools of trade for those employees. There are three open spaces that have been identified and there will be a need to revamp, re-assemble and organize the furniture. The municipality will be going out on a bid for assistance with re assembling the furniture ➤ During the movement some of the furniture was damaged and ➤ AFS was recommended and seconded to council for approval with subjects to issues that needed to be rectified by the finance team and for Municipal Manager to take responsibility for the rectification of those issues. <p>Resolution</p> <ul style="list-style-type: none"> ➤ Management confirmed that performance management report under review will 	

APPENDICES

Municipal Audit Committee Recommendations		
3rd	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	<p>be revised under the same KPI's set as it was approved and implemented and that for the financial year 2022/23 management has revisited SDPIP and all KPI's with the participation of all clusters and have attempted to resolve all issues raised by AC and AGSA.</p> <ul style="list-style-type: none"> ➤ AC recommended and advised that since management has a plans going forward and in order not to waste time, effort and spend money that management take a disclaimer approach. The earliest that the municipality has a full complement of senior management there is a need to go back to a pm reporting framework, plans and policies that are proper, a system to report and to provide sufficient training for employees to take responsibility for performance ➤ AC noted on the pm excel spreadsheet report instances where there is disagreements between the pm and internal audit that there should be consensus between units before they are tabled at AC meeting. ➤ Growth angle approach by AC total by in at, for that road intensive consultation especially a political level ➤ Disclose upfront to AGSA and have agreements ➤ Proposal and initiate the relevant engagement with the support of AC ➤ AC Cost benefit analysis and that is the reason for the approach <p>It was concluded that,</p> <ul style="list-style-type: none"> ➤ Management should in future grant the AC sufficient time to prepare for the next coming AC meetings in order to be able to accomplish what is on the agenda on time and for a successful meeting ➤ AC, Wished management the best with the audit and that they should be open minded and accept findings that will be raised and to consider them to be a system and administration enhancement for the municipality 	
28 November 2022	<p><u>AC requested clarity on the following:</u></p> <ul style="list-style-type: none"> - Confirm if there are any outstanding issues and disputes and unresolved issues, which there was none except for the updated to AFS to be sent. - AC indicated that the MR Report itself is comprehensive in nature based on classification - AC indicted that Risk – must be allocated to the MM –with oversight responsible on AC – IA is not responsible for coordinating risk activities but to review. Risk is the responsibility of the CRO - AC seeked clarity on whether the report was discussed with the Executive Mayor So that are aware on these matters incl. MPAC where their oversight was not effectively exercised - AC noted that it did not influence for the positive audit outcome however based on the stagnation on progress- findings on either than Non compliance, unauthorised and irregular expenditure vs matters of emphasis (e.g uncertain in the cases, financial instability) AC required in terms of whether these will included in the report. - Chairperson requested input from AC Members - members added that audit outcome of unqualified with findings for 3 consecutive financial years is a 	In-Progress

APPENDICES

Municipal Audit Committee Recommendations		
3rd	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	<p>concern and as such intervention is required. Furthermore matters of emphasis not included on the MR report (i.e. contract Management and Assets Management should be reconsidered to be included in the report,</p> <p>Chairperson indicated the following:-</p> <ul style="list-style-type: none"> - The unfunded budget not elevated as a biggest issue given that it was raised for a number of years - Risk Management is the responsibility of the Accounting Officer – should be highlighted where there is a gap it must be highlighted - CSD – always been used – as public institution should be on the csd and as such SDM employees are always identified in there already. - Any outstanding –and unresolved issues in place to ensure that these are closed off before –closed off of the audit. - - Acting Chief Financial Officer (ACFO) will re-submit the adjusted AFS and this will be based on the AGSA’s checklists that will assist in collating and correcting the errors raised, particularly on the “irregular expenditure” items raised. - AC recommended that the issues raised should also not be based on remedial action but also to look at the “root Causes” to enable management to implement effective solutions. - MM confirmed that the issues were extensively and intensively discusses wit In as far as indicating to have a “Disclaimer” approach for where the performance information was not forth coming or in a manner required – what was AGSA’s approach in ensuring that no further testing is done given that information provided was not adequate. This is to ensure that no further work is done and additional costs incurred. - Where there are material misstatement identified on the AFS – Management should ensure that there is a process in place to identify areas where the “opening balances” will be impacted and these should be verified accordingly. - - The KPI’s and targets will be adjusted as such. - The Capacity and Capability issues in the Performance Information Unit will be re-defined. This includes the updating of the Standard Operating Procedures. - AC recommended that key commitments be finaclised to ensure that Council is assisted with implementing remedial actions and to ensure the strengthening of the internal controls. - It was confirmed that there was no further disputes to be discussed. - AGSA was also requested to confirm whether a Status of Readiness Review was conducted prior to the audit and whether the “Key Commitments” identifies by AC are in line with their recommendations:- <ul style="list-style-type: none"> o AGSA indicated that the state of readiness review was not conducted subsequent to the challenges experienced in 2020/21 pandemeci. However with things going back to normal- SDM will definitely benefit from this exercise however depending on whether management has implemented the controls <p>Meeting with Executive Mayor</p> <ul style="list-style-type: none"> - AC recommended that that the MM facilitates the process to ensure that the 	

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Municipal Audit Committee Recommendations		
3rd	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	<p>AGSA and EX discuss the reports before the final dates.</p> <ul style="list-style-type: none"> - - AC accepts the MR, and where there are challenges these must be communicated on time - ACFO will ensure to update any differenced on the AFS;s - AGSA was requested to confirm the state of the report based on the adjustment required. - MM confirmed the audit process went according to the audit strategy. - Chairperson indicated that it's the biggest report issues.. AC appreciated the effort and working close with Management, especially the newly appointed Accounting Officer. <p>Resolutions</p> <ul style="list-style-type: none"> - An Audit report should be prepared to council highlighting key major issues_:- <ul style="list-style-type: none"> o Compliance issue including UIWE – should be noted o Mokhare issues that are still outstanding and council should resolve accordingly o Finalise appointment of Senior Management o Risk Management processes and embedding the processes should be implemented o Assisted capacity and support to Internal Audit o Performance evaluation of Senior Managers must be in place o Preparations of the draft Annual Report should be implemented to enable the oversight committees to exercise their duties. - 	

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Quidity	Electronic Management of document and work-flow system.	12/02/2018	Ongoing	N Tshabalala - Records	R11 365.40 monthly license fee
Otis	Maintenance service of lifts	01/10/2021	30/09/2024	D Maranda - Facilities	R1 900 pm
Vaal Triangle Fire Services	Supply, Service and repair Fire Extinguishers	01/02/2020	31/01/2021	D Maranda - Facilities	Per SLA. The price will be determined by the quote of the service required.
Rentokil Initial	Supply and delivery of hygienic services	01/07/2020	30/06/2023	D Maranda - Facilities	R3 254 661.00
Emfuleni Local Municipality	Lease agreements for: - Sharpeville Exhibition Center - Sharpeville Hall - Teknorama - Mphatlalatsane Theater	July 2009	June 2012 Extended on a month to month basis	D Maranda - Facilities	R1 000 pm R1 000 pm R1 000 pm R1 000 pm
Emfuleni Local Municipality	Lease agreement- Old Sharpeville Police Station	July 2009	June 2012 Extended on a month to month basis	D Maranda - Facilities	R1 000 pm
Kitso Information and Development Centre	Sub -Lease agreement- Old Sharpeville Police Station	02/01/2020	01/01/2023	D Maranda - Facilities	No rental fees
Gauteng Department of Health	Lease of the fixed property known as Erf no: 2524 Evaton (Vacant Land)	01/02/2017	31/01/2018	D Maranda - Facilities	No rental fees
Tihonolofatso Old age Home (NPO)	Lease of the fixed property known as Erf no: 1248 Johandeo/Polokong in Sebokeng	01/02/2020	31/01/2021	D Maranda - Facilities	No rental fees
VPN Technologies	IT Networking Engineering Support and Internet services - Firewall	16/03/2021	15/03/2024	C Visagie - IT	R34 671.28 pm

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APPENDICES

Long Term Contracts					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Amyrsa Stationers	Supply and deliver printing cartridges on a rotational basis	27/01/2021	26/01/2024	C Visagie	On-demand budget R800 000
Palmerton Cartridges	Supply and deliver printing cartridges on a rotational basis	27/01/2021	26/01/2024	C Visagie	On-demand budget R800 000
Mulilavhathu Trading	Supply and deliver printing cartridges on a rotational basis	27/01/2021	26/01/2024	C Visagie	On-demand budget R800 000
Diamond Corner	Supply and deliver computer hardware and related peripherals	21/01/2021	20/01/2024	C Visagie	On-demand budget R400 000
Diamond Corner	Supply and deliver mobile communications equipment and data bundles	15/07/2021	14/07/2023	C Visagie	On-demand budget over various Departmental votes
JMP Security Solutions	Protection and Security Services	01/09/2020	31/08/2023	T Miya – Protection Services	R8 907 858.96
Futuris Security Monitoring Systems	Armed response and Security Monitoring Systems.	01/06/2022	31/05/2023	T Miya – Protection Services	R27 780.00
Nedbank	Commercial banking Services.	01/09/2017	30/09/2022	Finance	Use account as and when need arises.
Silver Lake Trading 305 (PTY) LTD T/A Oplentia	Short term insurance	01/07/2021	30/06/2022, with option to renew for a further two years	Finance	R1 530 865.00 VAT Included
Payday	Supply Software	Annual		Finance	R156 967.74 pa
PricewaterhouseCoopers	Baud Asset Management System	Annual		Finance	Based on quotation if the system requires maintenance
Standard Bank	Commercial banking Services	01/06/2023	31/05/2028	Finance	As set out in the Standard bank proposal
Payday Software Systems	Computer Programme-software license	01/07/2020	30/06/2023	Finance	R363 645.55 period 2020/2021
TS4 Innovations (PTY) LTD	Usage Terms & End-user License Agreement	01/07/2022	30/06/2023	Finance	Monthly payment R40 000 Total value R480 000

APPENDICES

Long Term Contracts					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Midvaal Local Municipality	Firefighting Services.	Tasit contract (2020) concluded between the District and the Locals	Tasit contract (2020)	P Niewenhuizen – Disaster Management	
Lesedi Local Municipality	Firefighting Services.	Tasit contract (2020) concluded between the District and the Locals	Tasit contract (2020)	P Niewenhuizen – Disaster Management	
Emfuleni Local Municipality	Firefighting Services.	Tasit contract (2020) concluded between the District and the Locals	Tasit contract (2020)	P Niewenhuizen – Disaster Management	
Subtropico Market Agency	Council provide trading space to market agents for selling of fresh produce from farmers	17/03/22	16/03/2025	J Tsotetsi – Fresh Produce Market	Council receiving 5% commission on total sales of produce sold by Agent.
Freshmark Systems	Provision of computer software support and upgrade at the Fresh Produce Market	01/09/2020	31/08/2023	J Tsotetsi – Fresh Produce Market	As per schedule “A”
VM Wholesalers & Distributers (PTY) LTD	Wholesaling of household and retail commodities	01/05/2020	30/04/2023	J Tsotetsi – Fresh Produce Market	Income for Council R11 741.20 pm
VM Meat Market (PTY) LTD	Meat wholesaling	01/05/2020	30/04/2023	J Tsotetsi – Fresh Produce Market	Income for Council R9 765.00 pm
The National Department of Transport has allocated SDM the RAMS Grant to SDM for the next 3 financial years to run the program.	Development of a Rural Road Asset Management System (RRAMS)	01/07/2021	30/06/24	M Sauhatsi (Khalema) - TIE	Project Budget: 2021/22 R2 489 2022/23 R 2 606 2023/24 R 2615 Total: R7 710
EPWP Grant Agreement	The National Department of Public Works in its EPWP Programme has allocated a budget for the EPWP Integrated Grant to	01/08/2021	31/08/2022	J Rasegwete - TIE	R1 023 for 2020/2021 The Grant allocated is paid in 3 tranches. Municipalities are

APPENDICES

Long Term Contracts					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
	Provinces and Municipalities for the 2020/2021. MTEF period, for Infrastructure, Social & Environment & Culture programmes				required to comply in terms of DoRA for the grant to be released.
Gauteng Provincial Government Department of Roads & Transport	Subsidised Bus Services	27/09/2017	26/09/2024	K Mofokeng - TIE	Province takes care of the subsidy payments
Gauteng Dept. Roads and Transport (GDRT)	Agency agreement for the operation of the licensing centers in Sedibeng.	26/11/2020	31/10/2025	B Korb - Licensing	20% of the all fees collected is retained by the SDM and the rest paid over to GDRT
Lesedi Municipality	Lease of : - Lesedi Licensing. - Lesedi Testing Station.	Initial period -3yrs	Extended on a month-to-month basis	B Korb – Licensing	R70 476 pm R1 000 pm Re-look at the clause when it's re-negotiated
Emfuleni Local Municipality	Lease agreements for: - Vereeniging License and Testing - Vanderbijlpark License and Testing	Initial period -3yrs	Extended on a month-to-month basis	B Korb – Licensing	R1 000 pm R1 000 pm
Midvaal Local Municipality	Lease agreements for: - Meyerton License and Testing station	01/11/17 - 31/10/20	Extended on a month to-month basis	B Korb - Licensing	R21 032.20 pm plus Water and lights
Local Municipalities (Emfuleni, Midvaal and Lesedi)	Agency Agreement for the rendering of Municipal Health Services (MHS). (The SLAs to render MHS in the 2022/2023 financial year were delivered to the three local municipalities (Emfuleni, Midvaal, and Lesedi) for signatures. Emfuleni has signed the SLA to render MHS for 2022/2023. Midvaal and Lesedi have not yet signed the	01/07/2022	30/06/2023	TIE	Differs from municipality to municipality. <ul style="list-style-type: none"> Emfuleni: R13 163 148.00 Midvaal: R3 081 089.00 Lesedi: R3 684 549.00

APPENDICES

Long Term Contracts					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
	SLAs due to inadequate budget allocations. As a result, MHS in the local Municipalities is rendered without SLA. SDM and the locals (Midvaal, and Lesedi) are still deliberating on the budget allocations.)				
Gauteng Department of Health	Funding agreement for management of HIV&AIDS Ward-based coordinators' daily door to door educational campaigns, activities and ward-based programmes.	01/07/2021	30/06/2022	B Mohapelo – Community Services	R11 454 000.00
		01/07/2022	30/06/2023		R120 277 000.00
Emfuleni Local Municipality	Implementing HIV and AIDS awareness programmes within the District	01/07/2021	30/06/2022	B Mohapelo – Community Services	2021/22 Contract between SDM and ELM not yet signed
Midvaal Local Municipality	Implementing HIV and AIDS awareness programmes within the District	01/07/2021	30/06/2022	B Mohapelo – Community Services	2021/22 Contract between SDM and MLM not yet signed
Lesedi Local Municipality	Implementing HIV and AIDS awareness programmes within the District	01/07/2021	30/06/2022	B Mohapelo – Community Services	2021/22 Contract between SDM and LLM not yet signed

Public Private Partnerships Entered into during Year 2022/2023					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
None					
					<i>TH.2</i>

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

None

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2022/2023 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
	Lerato Franscina Maloka	Declared
Member of Mayco/Exco		
	MMC Ndwandwe Nkosinathi	Declared
	MMC Veronica Radebe	Declared
	MMC. Lulama Shirley-Ann Gamede	Declared
	MMC Mmadisebo Lucia Khomoeasera	Declared
	MMC Busang Joshua Tsotetsi	Declared
	MMC Bheki Mkhize	Declared
	MMC Nkubi Frances Mokhele	Declared
	MMC Jimmy Sandile Mochawe	Declared
Councillors		
	Mgidi Issac Khithika	Declared
	Ntshadi Sarah Mamaseli	Declared
	Mmakhumalo Nakana	Declared
	Shawn Mohono	Declared
	Mzwakhe Mapeyi	Declared
	Lindiwe Tshehla	Declared
	Phil Gomes	Declared
	Lynda Parsonson	Declared
	Thabo Duncan Motsoane	Declared
	Sibusisu Dyonase	Declared
	Grace Damon	Declared
	Jabulani Simon Msibi	Declared
	Thandi Mthimkhulu	Declared
	Freddie Wilhelm Peters	Declared
	Marianna Kruger	Declared
	Salome Janse Van Rensburg	Declared
	Tebego Tlhokwe	Declared

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Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2022/2023 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
	Prudence Hlanyane	Declared
	Lehlohonolo Motloung	Declared
	Tumelo Ramongalo	Declared
	Duncan Nkosi Mthembu	Declared
	Gerry Holtzhausen	Declared
	Hein Van Der Lith	Declared
	Riaan Lubbe	Declared
	Mcedisi Vincent Jones	Declared
	Mbuyiselo Daniel Kantso	Declared
	Setlhare Petrus Mahlasela	Declared
	Nkubi Frances Mokoena	Declared
	Moipone Lydia Modikeng	Declared
	Lerato Franscina	Declared
	Andiswa Charlene	Declared
	Yusuf Joseph Mahommed	Declared
	Serame Frederik Archie Mokonane	Declared
	Cynthia Thembu Buthongo	Declared
	Mamohale Emmarentia Fatima-Zahra Moloji	Declared
	Mathabo Agnes Dondolo	Not declared
	Thandi Maria Khoza	Declared
	Jacob Rebone Tladi	Declared
	Moti Yongama	Declared
	Sibongile Judith Naapo	Declared
	Sefatsa Sefatsa	Declared
	Mgidi Issac Khithika	Declared
	Ntshadi Sarah Mamaseli	Declared
Municipal Manager		
	Mr. Motsumi Mathe	Declared
Chief Financial Officer		
	Mr. Charles Steyn	Declared
Executive Directors		
	Ms F M Mokgobu	Declared
	Mr. J.Hammer	Declared
	Mr. Bheki Ngobese	Declared
	Mr. G Makhubu	Declared
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 01 - Executive & Council	-	-	-	-		
Vote 02 - Budget & Treasury	322,251	304,758	304,864	307,264	1%	1%
Vote 03 - Corporate Services	10,547	12,043	12,075	9,290	-30%	-30%
Vote 04 - Roads And Transport	66,529	70,980	70,980	74,002	4%	4%
Vote 05 - Planning & Development	2,489	2,606	2,606	2,605	0%	0%
Vote 06 - Community & Social Services	2,527	4,897	4,897	1,993	-146%	-146%
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	404,342	395,284	395,422	395,154	-0.03%	-0.07%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>This table is aligned to MBRR table A3</i>						T K.1

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates							
Property rates - penalties & collection charges							
Service Charges - electricity revenue							
Service Charges - water revenue							
Service Charges - sanitation revenue							
Service Charges - refuse revenue							
Service Charges - other	-	-	-	-			
Rentals of facilities and equipment	367	166	453	549	70%	17%	
Interest earned - external investments	1,847	2,015	2,015	3,932	49%	49%	
Interest earned - outstanding debtors							
Dividends received							
Fines							
Licences and permits	174	1,575	1,575	174	-805%	-805%	
Agency services	66,529	70,980	70,980	74,002	4%	4%	
Transfers recognised - operational	302,065	314,247	315,450	311,014	-1%	-1%	
Other revenue	33,058	6,261	4,721	5,471	-14%	14%	
Gains on disposal of PPE	-	40	40	12	0%	0%	
Environmental Protection							
Total Revenue (excluding capital transfers and contributions)	404,039	395,284	395,234	395,154	-0.03%	-0.02%	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>							T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDICES

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management grant	1,400,000	1,400,000	1,400,000	0%	0%	Financial Management and Internship support
Expanded Public Works Prograame	1,283,000	1,283,000	1,254,495	-2%	-2%	Training of unskilled community
Rural roads Asset management gran	2,606,000	2,606,000	2,605,457	0%	0%	Rural roads assessments
HIV and AIDS	12,027,000	12,027,000	9,236,629	-30%	-30%	HIV and AIDS awareness
Sport and recreation	2,927,000	2,927,000	1,386,473	-111%	-111%	Community training and development
Org Plus	-	250,000	-	#DIV/0!	#DIV/0!	Organizational Development System
Aerotropolis Grant	-	1,140,435	1,140,435	100%	0%	Aerotropolis Feasibility Study
Total	20,243,000	21,633,435	17,023,489			
<p>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</p>						T L

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDICES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*								R '000
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								
Heritage assets - Total	-	-		-	-	-	-	
Buildings								
Other								
Investment properties - Total	-	-		-	-	-	-	
Housing development								
Other								
Other assets	270	1,266	1,266	682	-	-	-	
General vehicles	204	1,266	565	591				
Specialised vehicles								
Plant & equipment	66	-	701	90				
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-		-	-	-	-	
List sub-class								
Biological assets	-	-		-	-	-	-	
List sub-class								
Intangibles	170	-	188	77	-	-	-	
Computers - software & programming	170	-	188	77				
Other (list sub-class)								
Total Capital Expenditure on new assets	440	1,266	1,454	759	-	-	-	
Specialised vehicles	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

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FAPPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*								R '000
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								
Investment properties	-	-	-	-	-	-	-	
Housing development								
Other								
Other assets	1,357	1,079	1,079	764	670	670	-	
General vehicles								
Specialised vehicles								
Plant & equipment	161	279	279	102				
Computers - hardware/equipment	1,196	800	800	662	490	490		
Furniture and other office equipment					180	180		
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-	-	-	-	-	-	
List sub-class								
Biological assets	-	-	-	-	-	-	-	
List sub-class								
Intangibles	-	-	-	-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
Total Capital Expenditure on renewal of existing assets	1,357	1,079	1,079	764	670	670	-	
Specialised vehicles	-	-	-	-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2022/2023

Not applicable

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2022/2023

Not applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable

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

Not applicable

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

Not applicable

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not applicable



**Sedibeng District Municipality
Annual Financial statements
for the year ended 30 June, 2023**

General Information

Nature of business and principal activities	District Municipality – DC42
Capacity of Municipality	Medium capacity municipality
Accounting Officer	Mr. FM Mathe – Appointed 01 May 2022
Chief Financial Officer	Mr. CE Steyn – Acting till May 2023 Mr. X Malindi – Acting (CoGTA)
Registered office	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
Business address	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
Postal address	PO Box 471 Vereeniging 1930
Bankers	Nedbank (Primary Account) Standard Bank (New Primary Account)
Auditors	Auditor-General of South Africa
Executive Mayor	Councillor LF Maloka
Speaker	Councillor ML Modikeng
Chief Whip	Councillor MEFZ Moloji
Members of Mayoral Committee	Councillor MV Jones Councillor BJ Tsotetsi Councillor NG Ndwandwe Councillor NF Mokoena Councillor BM Mkhize Councillor ML Khomoeasera Councillor V Radebe Councillor LSA Gamede

Index

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

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Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MMC	Member of the Mayoral Committee
MFMA Act	Municipal Finance Management Act (act 56 of 2003 as amended)
MIG	Municipal Infrastructure Grant
GAMAP	Generally Accepted Municipal Accounting Practice
PPE	Property Plant and Equipment
SCM	Supply Chain Management

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

Every effort has been made to implement the austerity measures which has resulted in restriction of expenditure in certain areas in the financial statements.

We realized that it cannot be business as usual, the District Municipality will have to reduce the list of operations especially the employee cost.

The financial statements set out on pages 4 to 52, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August, 2023 and were signed on its behalf by:

Mr. MF Mathe

Municipal Manager

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2023

1. Incorporation

The municipality was incorporated on 1 January 1988 and obtained its certificate to commence business on the same day.

2. Accounting policies

The annual financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

3. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality	
Mr. Fairbridge Motsumi Mathe	RSA	Appointed 1 May 2022

4. Bankers

Standard bank is the newly appointed Municipality's primary banker.

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Statement of Financial Position as at 30 June, 2023

Figures in Rand	Note(s)	2023	2022 as restated
Assets			
Current Assets			
Receivables from exchange transactions	6	680,872	2,904,248
Cash and cash equivalents	8	32,783,122	18,428,534
		33,463,994	21,332,782
Non-Current Assets			
Property, plant and equipment	2	81,529,895	88,482,981
Intangible assets	3	787,885	1,221,945
Heritage assets	4	4,841,741	4,894,941
		87,159,521	94,599,867
Total Assets		120,623,515	115,932,649
Liabilities			
Current Liabilities			
Unspent conditional grants and receipts	9	16,651,535	16,574,216
VAT payable	11	625,745	395,411
Payables from exchange transactions	10	216,098,909	207,604,936
Total Current Liabilities		233,376,189	224,574,563
Total Liabilities		233,376,189	224,574,563
Net Assets		(112,752,674)	(108,641,914)
Net Assets			
Accumulated (deficit) /surplus		(112,752,674)	(108,641,914)

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Statement of Financial Performance

Figures in Rand

	Note(s)	2023	2022 as restated
Revenue			
Revenue from exchange transactions			
Sale of goods		-	1,544,149
Rental of facilities and equipment	13	447,694	316,432
Agency services	14	74,002,372	65,963,364
Other income	17	1,833,375	1,487,860
Interest received - investment	18	3,931,986	1,847,215
Commission received	16	3,700,456	3,402,962
Total revenue from exchange transactions		83,915,883	74,561,982
Revenue from non-exchange transactions			
Non-exchange revenue			
Licenses and permits	15	212,000	174,000
Government grants & subsidies	20	311,014,490	302,367,320
Services received in kind	19	-	26,672,926
Total revenue from non- exchange transactions		311,226,490	329,214,246
Total revenue	12	395,142,373	403,776,228
Expenditure			
Employee related costs	21	(298,143,138)	(290,788,716)
Remuneration of councillors	22	(14,519,067)	(12,271,405)
Depreciation and amortisation	23	(8,423,944)	(11,489,080)
Lease rentals on operating lease	24	(2,656,313)	(5,992,731)
Debt Impairment	7	(1,138,054)	
Loss on disposal of assets		(128,918)	-
Contracted services	26	(36,912,975)	(35,753,156)
Impairment loss	25	(415,759)	(122,177)
Inventory losses/ write-downs		-	(15,728)
Cost of sales	28	-	(1,228,657)
General Expenses	27	(36,914,965)	(33,851,367)
Total expenditure		(399,253,133)	(391,513,017)
Operating surplus / (deficit) for the year		(4,110,760)	12,263,211

Statement of Changes in Net Assets

Figures in Rand	Note	Accumulated surplus	Total net assets
Opening balance as previously reported		(120,905,125)	(120,905,125)
Correction of errors	34	-	-
Balance at 1 July, 2021 as restated*		(120,905,125)	(120,905,125)
Changes in net assets			
Surplus (Deficit) for the year		12,263,211	12,263,211
Total recognised income and expenses for the year		12,263,2311	12,263,211
Opening balance as previously reported		(108,568,309)	(108,568,309)
Correction of errors	34	(73,606)	(73,606)
Balance at 1 July, 2022 as restated*		(108,641,914)	(108,641,914)
Surplus (Deficit) for the year		(4,110,760)	(4,110,760)
Balance at 30 June, 2023		(112,752,674)	(112,752,674)

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Cash Flow Statement

Figures in Rand

	Note(s)	2023	2022 as restated
Cash flows from operating activities			
Receipts			
Grants & subsidies		311,091,809	298,362,724
Interest income		3,931,986	1,847,215
Other receipts		3,516,891	3,578,341
Receipts from Agency services (GDRT)		74,002,372	65,963,364
Receipts held on behalf of principal (GDRT)		252,217,369	219,246,249
Receipts from Commission (Fresh Produce Market)		3,700,456	3,402,962
Receipts held on behalf of the principal (Fresh Produce Market)		72,338,604	65,201,957
		720,799,487	657,602,812
Payments			
Employee costs		(313,088,467)	(305,360,482)
Suppliers		(72,337,804)	(75,070,889)
Total Payments (GDRT)		(247,151,746)	(201,963,176)
Payments Fresh Produce Market		(72,338,604)	(65,154,692)
		(704,916,621)	(647,549,239)
Net cash flows from operating activities	30	15,882,866	10,053,573
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,463,126)	(1,635,477)
Proceeds from sale of property, plant and equipment		11,946	-
Purchase of other intangible assets	3	(77,098)	(170,153)
Net cash flows from investing activities		(1,528,278)	(1,805,630)
Net increase/(decrease) in cash and cash equivalents		14,354,588	8,247,943
Cash and cash equivalents at the beginning of the year		18,428,534	10,180,591
Cash and cash equivalents at the end of the year	8	32,783,122	18,428,534

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Figures in Rand

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Sale of goods	1,486,267	(1,486,267)	-	-	-
Rental of facilities and equipment	397,850	31,541	429,391	447,694	18,303
Agency services	70,979,896	-	70,979,896	74,002,372	3,022,476
Commissions received	3,526,189	(125,000)	3,401,189	3,700,456	299,267
Other income - (rollup)	1,016,036	327,295	1,343,331	1,833,375	490,044
Interest received - investment	2,015,468	-	2,015,468	3,931,986	1,916,518
Total revenue from exchange transactions	79,421,706	(1,252,431)	78,169,275	83,915,883	5,746,608

Revenue from non-exchange transactions

Licenses and permits	1,575,000	-	1,575,000	212,000	(1,363,000)
Government grants & subsidies	314,247,000	1,390,435	315,637,435	311,014,490	(4,622,945)
Total revenue from non-exchange transactions	315,822,000	1,390,435	317,212,435	311,226,490	(5,985,945)

Total revenue	395,243,706	138,004	395,381,710	395,142,373	(239,337)
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Expenditure

Personnel	(307,671,116)	3,632,318	(304,038,798)	(298,143,138)	5,895,660
Remuneration of councillors	(14,034,991)	(770,459)	(14,805,450)	(14,519,067)	286,383
Depreciation and amortisation	(11,271,875)	(217,275)	(11,489,150)	(8,423,944)	3,065,206
Impairment losses	-	-	-	(415,759)	(415,759)
Lease rentals on operating lease	(2,828,819)	(73,082)	(2,901,901)	(2,656,313)	245,588
Debt Impairment	-	-	-	(1,138,054)	(1,138,054)
Contracted Services	(39,475,308)	(3,022,895)	(42,498,203)	(36,912,975)	5,585,228
Cost of sale	(1,486,267)	1,486,267	-	-	-
General Expenses	(35,654,602)	91,566	(35,563,036)	(36,914,965)	(1,351,929)
Total expenditure	(412,422,978)	1,126,440	(411,296,538)	(399,124,215)	12,172,323

Operating deficit	(17,179,272)	1,264,444	(15,914,828)	(3,981,842)	11,932,986
(Loss)/Gain on disposal of assets and liabilities	-	-	-	(128,918)	(128,918)

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(17,179,272)	1,264,444	(15,914,828)	(4,110,760)	11,804,068
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The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. For details on these changes please refer to the adjustment budget report.

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Figures in Rand

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Statement of Financial Position

Assets

Current Assets

Inventories	362,346	(362,346)	-	-	-
Receivables from exchange transactions	1,506,881	(156,338)	1,350,543	680,872	(669,671)
Cash and cash equivalents	6,961,466	14,068,194	21,029,660	32,783,122	11,753,462
	8,830,693	13,549,510	22,380,203	33,463,994	11,083,791

Non-Current Assets

Property, plant and equipment	70,185,908	10,076,472	80,262,380	81,529,895	1,267,515
Intangible assets	687,159	(100,490)	586,669	787,885	201,216
Heritage assets	4,913,941	(19,000)	4,894,941	4,841,741	(53,200)
	75,787,008	9,956,982	85,743,990	87,159,521	1,415,531

Total Assets	84,617,701	23,506,492	108,124,193	120,623,515	12,499,322
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Liabilities

Current Liabilities

Payables from exchange transactions	198,984,275	19,178,378	218,162,653	216,098,909	(2,063,744)
VAT payable	83,780	311,631	395,411	625,745	230,334
Unspent conditional grants and receipts	12,469,521	1,579,772	14,049,293	16,651,535	2,602,242
	211,537,576	21,069,781	232,607,357	233,376,189	768,832

Total Liabilities	211,537,576	21,069,781	232,607,357	233,376,189	768,832
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Net Assets	(126,919,875)	2,436,711	(124,483,164)	(112,752,674)	11,730,490
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	(126,919,875)	2,436,711	(124,483,164)	(112,752,674)	11,730,490
Total Net Assets	(126,919,875)	2,436,711	(124,483,164)	(112,752,674)	11,730,490

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Figures in Rand

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
Cash Flow Statement					
Cash flows from operating activities					
Receipts					
Grants	314,247,000	-	314,247,000	311,091,809	(3,155,191)
Interest income	2,015,468	-	2,015,468	3,931,986	1,916,518
Other receipts	4,475,153	3,414,193	7,889,346	3,516,891	(4,372,455)
Receipts from Agency services (GDRT)	70,979,896	-	70,979,896	74,002,372	3,022,476
Receipts held on behalf of principal (GDRT)	241,040,675	-	241,040,675	252,217,369	11,176,694
Receipts from Commission (Fresh Produce Market)	3,526,189	(125,000)	3,401,189	3,700,456	299,267
Receipts held on behalf of the principal (Fresh Produce Market)	-	-	-	72,338,604	72,338,604
	636,284,381	3,289,193	639,573,574	720,799,487	81,225,913
Payments					
Employee costs	(321,706,107)	2,861,859	(318,844,248)	(313,088,467)	5,755,781
Suppliers	(64,169,154)	(9,421,190)	(73,590,344)	(72,337,804)	1,252,540
Total Payments (GDRT)	(246,040,675)	8,736,409	(237,304,266)	(247,151,746)	(9,847,480)
Payments Fresh Produce Market	-	-	-	(72,338,604)	(72,338,604)
	(631,915,936)	2,177,078	(629,738,858)	(704,916,621)	(75,177,763)
Net cash flows from operating activities	4,368,445	5,466,271	9,834,716	15,882,866	6,048,150
Cash flows from investing activities					
Purchase of property, plant and equipment	(2,445,413)	(187,882)	(2,633,295)	(1,463,126)	1,170,169
Proceeds from sale of property, plant and equipment	-	-	-	11,946	11,946
Purchase of other intangible assets	-	-	-	(77,098)	(77,098)
Net cash flows from investing activities	(2,445,413)	(187,882)	(2,633,295)	(1,528,278)	1,105,017
Net increase/(decrease) in cash and cash equivalents	1,923,032	5,278,389	7,201,421	14,354,588	7,153,167
Cash and cash equivalents at the beginning of the year	5,654,180	12,774,357	18,428,537	18,428,534	(3)
Cash and cash equivalents at the end of the year	7,577,212	18,052,746	25,629,958	32,783,122	7,153,164

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023
Figures in Rand

2023

2022 as
restated

Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008, including any interpretations and directives issued by the Accounting Standards Board

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

The Minister of Finance has, in terms of General Notice 1290 of 2008 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

The following GRAP standards have been approved and are effective:

GRAP 1 -	Presentation of financial statements
GRAP 2 -	Cash flow statements
GRAP 3 -	Accounting policies, changes in accounting estimates and errors
GRAP 4 -	The effects of changes in foreign exchange rates
GRAP 5 -	Borrowing costs
GRAP 6 -	Consolidated and separate financial statements
GRAP 7 -	Investments in associates
GRAP 8 -	Interest in joint ventures
GRAP 9 -	Revenue from exchange transactions
GRAP 10 -	Financial reporting in hyperinflationary economies
GRAP 11 -	Construction contracts
GRAP 12 -	Inventories
GRAP 13 -	Leases
GRAP 14 -	Events after the reporting date
GRAP 16 -	Investment property

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023
 Figures in Rand

2023

2022 as
restated

GRAP 17 -	Property, plant and equipment
GRAP 18 -	Segment reporting
GRAP 19 -	Provisions, contingent liabilities and contingent assets
GRAP 20 -	Related party Disclosures
GRAP 21 -	Impairment of non-cash generating assets
GRAP 23 -	Revenue from non-exchange transactions
GRAP 24 -	Presentation of budget information
GRAP 25 -	Employee Benefits
GRAP 26 -	Impairment of cash generating assets
GRAP 31 -	Intangible assets
GRAP 103 -	Heritage assets
GRAP 100 –	Discontinued operations
GRAP 109 -	Principles and Agents
GRAP 27 -	Agriculture
GRAP 104 -	Financial instruments

Standards and interpretations issued but not yet effective

Standard / Interpretation	Effective Date: Years beginning on or after	Expected impact
GRAP 1 Presentation on Financial Presentation	01 April 2023	Unlikely to have a material impact
GRAP 103 Heritage Assets	01 April 2023	Unlikely to have a material impact
GRAP 104 (as revised) Financial instruments	01 April 2023	Unlikely to have a material impact

Offsets

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 SIGNIFICANT ESTIMATES, JUDGMENTS AND ASSUMPTIONS

1.3.1 Going Concern

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Figures in Rand

2023

2022 as
restated

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.3.2 Significant Estimates, Judgments and Assumptions

In preparing the annual financial statements to conform with the Standards of GRAP, management is required to make estimates, judgments and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgments and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

Specific areas where these significant estimation uncertainties as well as critical judgments and assumptions were made in the application of accounting policies with the most significant effect in the annual financial statements are included in the following notes:

Note 2, 3 & 4: PPE, Intangible assets and Heritage assets useful lives estimates

Note 33: Contingencies

Note 25: Impairment

1.4 GOVERNMENT GRANT

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.5 PROPERTY, PLANT & EQUIPMENT

1.5.1 Recognition and Subsequent Measurement

An item of property, plant and equipment which qualifies for recognition as an asset has been initially measured at cost.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is available for use.

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Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

1.5.2 De-recognition, Sale & Disposal

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the proceeds of disposal (if any) and the carrying value and is recognised in the Statement of Financial Performance.

1.5.3 Depreciation

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful life of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated useful life:

Community Assets	Years
Community halls	30
Recreation facilities	20 – 30

Other Assets	Years
Motor vehicles	5
Plant and equipment	5
Security measures	5
Buildings	30
IT equipment	5
Furniture and office equipment	7
Specialised vehicles	10

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from the previous estimate. Residual values of assets are assigned based on the possible expected value at the end of the useful life.

1.6 INTANGIBLE ASSETS

Intangible assets which qualify for recognition as an asset has been initially measured at cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and

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accumulated impairment losses. Refer to impairment of assets accounting policy 1.7

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognised in the Statement of Financial Performance as incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Municipality and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

1.6.1 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Financial Performance when incurred.

Development activities involve a plan or design for the production of new or substantially new improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the municipality intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the statement of financial performance as incurred.

1.6.2 Amortisation

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for current and comparative periods are as follows:

Item	Useful Life
Computer software	3 Years

Each item of intangible asset is amortised separately.

Intangible assets that have an indefinite useful life are tested for impairment annually.

The estimated useful life, the amortisation method and the residual values are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

1.7 IMPAIRMENT OF FINANCIAL ASSETS

Impairment of Non-financial assets

Non-Financial assets, excluding investment property and inventories, are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. Irrespective of whether an indication of impairment exists, the recoverable amount of goodwill, indefinite-life intangible assets and intangible assets not available for use are determined annually.

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The recoverable amount of an asset is the higher of its fair value less costs to sale and its value in use. In determining the value in use, the estimated future cash flows of the asset is discounted to their present value based on pre-tax discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset. If the value in use of an asset for which there is an indication of impairment cannot be determined, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset's cash generating unit is the smallest group of identifiable assets that includes the asset and that generates cash inflows from continuing use that are largely independent from cash inflows from other assets.

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit is greater than its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

Impairment of Monetary assets

A provision for impairment is created when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The carrying value is reduced through the use of a provision and is recognised as a charge to the statement of financial performance. When a receivable is uncollectible, it is written off against the provision. Any subsequent recoveries of amounts previously written off are credited directly in the statement of financial performance.

A financial asset is impaired when there is a significant or prolonged decline in the fair value of the asset below its cost price or amortised cost. At such a point, a cumulative gains or losses that have been accumulated in net assets are removed from net assets as a reclassification adjustment and are recognised in the statement of financial performance. Any subsequent impairment losses are recognised directly in the statement of financial performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

1.8 LEASES

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

The Municipality as Lessee

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment; refer to property, plant and equipment policy 1.5. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

Obligations incurred under operating leases are charged to the statement of financial performance in equal installments over the period of the lease, except when an alternative method is more representative of the time pattern from which

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benefits are derived.

1.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

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A financial asset is measured at cost less any impairments.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavorable to the entity.

A financial liability is measured at amortized cost.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre specified terms and conditions.

Loans payable are financial liabilities, other than short term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

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- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking;
 - non derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.10 INVENTORIES

Inventories are initially measured at cost, where cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Unsold aviation fuel are valued at the lower of cost and net realisable value on a specific identification cost basis. Fuel are recognized as inventory when purchased, and then charged to expense when sold. Aviation fuel are sold in line with the applicable tariff as promulgated.

1.11 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with banks. Short term investments are included. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.12 PROVISIONS AND CONTINGENCIES

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate used in calculating the present value is the interest rate implicit in the transaction. Where this is impractical to determine the average interest rate cost of borrowing rate of the Municipality is used.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is reversed.

The municipality on initial adoption of the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The necessary disclosures have been made for non-recognition of provisions that form part of the cost of an asset.

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised

as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to

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settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

Management judgment is required when disclosing and measuring contingent liabilities.

1.13 EMPLOYEE BENEFITS

1.13.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

1.13.2 Termination Benefits

Termination benefits are recognised when actions have been taken that indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.13.3 Retirement benefits

The municipality provides retirement benefits for its employees and councilors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councilors have rendered the employment service or served office entitling them to the contributions.

1.13.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.13.5 Post employment medical care benefits

The municipality provides post-employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period.

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The municipal post-employment medical care is also on the defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

1.14 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

1.14.1 Revenue from exchange transactions

Rendering of services

Flat rate service charges relating to rental of facilities and the reporting date shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliable.

1.14.2 Revenue from non-exchange transactions

Licenses and permits

Revenue from licenses and permits is recognized when the relevant service is rendered by applying the relevant tariff.

Grants and donations received

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

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Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such assets are transferred to the Municipality.

1.14.3 Transfer revenue

Assets and revenue recognised as a consequence of a transfer at no or nominal cost is measured at the fair value of the assets recognised as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

1.14.4 Other

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councilors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.15 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the cash basis.

1.16 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial

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1.19 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.20 CONSTRUCTION OF ASSETS IN PROGRESS

Construction of assets in progress is capital projects done on behalf of the Local Municipalities from the proceeds of conditional grants received and internal contributions. These projects are only handed over after full completion of the project and therefore all those uncompleted capital projects will be shown as Construction of assets in progress until date of transfer.

1.21 RELATED PARTIES

Related parties are identified and disclosed in terms of GRAP 20. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Associates (as per GRAP 7 - Investments in Associates);
- Joint ventures (as per GRAP 8 - Interests in Joint Ventures)
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Management, and close members of the family of management; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the two bullets above, or over which such a person is able to exercise significant influence.

Each municipality and its own municipal entities are related parties. A municipality is not related to another municipality as they are not under common control.

The national government does not control provinces or municipalities for accounting purposes, although funding may be received from the national government.

The Municipality does not have any associates nor any joint ventures or any other form of association that may be defined as related party relation.

1.22 HERITAGE ASSETS

A heritage asset is an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held indefinitely for the benefit of present and future generations. The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably. Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

- Heritage assets are subsequently measured at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non exchange transaction, its cost is deemed to be its fair value as at the date of

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acquisition.

- Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.
- Most heritage assets have an indefinite useful life as they are to be preserved for current and future generations and might appreciate in value over time due to their cultural, environmental, historical, natural, scientific, technological and/or artistic significance. Based on this analysis, there is no finite limit to the period over which a heritage asset is expected to be held by the entity. The useful life of the heritage asset is therefore likely to be indefinite or the annual depreciation is likely to be immaterial.
- The entity derecognises heritage asset on disposal, or when no service potential is expected from its use or disposal.
- The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.23 BUDGET INFORMATION

The municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2023 to 30 June 2023.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts (see page 9 - 11)

1.24 SEGMENT REPORTING

GRAP 18 defines a segment as a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information. This is done to evaluate the entity's past performance in achieving its objectives and as a basis for decisions about the future allocation of resources.

1.25 COMMITMENTS

The Municipality discloses capital expenditure as approved in the budget for each class of capital assets (PPE, investment properties, intangible assets and heritage assets) and as well as future minimum lease payments under non-cancellable operating leases. No commitments are disclosed for operating expenditure as the nature of the contracts "As and When required".

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2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	29,628,439	(608,655)	29,019,784	29,628,439	(608,655)	29,019,784
Buildings	72,320,311	(35,319,226)	37,001,085	72,320,311	(32,825,643)	39,494,668
Plant and machinery	11,662,295	(10,913,563)	748,732	11,615,725	(10,411,631)	1,204,094
Furniture and fixtures	23,130,984	(19,782,467)	3,348,517	23,028,879	(18,778,280)	4,250,599
Motor vehicles	10,865,416	(7,566,769)	3,298,647	10,455,228	(7,238,706)	3,216,522
Electronic equipment	81,786,503	(76,535,127)	5,251,376	81,266,584	(73,454,599)	7,811,985
Infrastructure	67,418,202	(64,556,448)	2,861,754	67,418,202	(63,932,873)	3,485,329
Total	296,812,150	(215,282,255)	81,529,895	295,733,368	(207,250,387)	88,482,981

Reconciliation of property, plant and equipment – 2023

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	39,494,668	-	-	(2,370,457)	(123,126)	37,001,085
Plant and machinery	1,204,094	90,375	(23,259)	(494,432)	(28,046)	748,732
Furniture and fixtures	4,250,599	102,105	-	(900,810)	(103,377)	3,348,517
Motor vehicles	3,216,522	591,148	(54,288)	(366,338)	(88,397)	3,298,647
Electronic equipment	7,811,985	679,498	(63,317)	(3,157,177)	(19,613)	5,251,376
Infrastructure	3,485,329	-	-	(623,574)	-	2,861,754
	88,482,981	1,463,126	(140,864)	(7,912,788)	(362,559)	81,529,895

Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	41,906,602	-	-	(2,411,935)	-	39,494,668
Plant and machinery	1,928,396	65,998	-	(785,865)	(4,435)	1,204,094
Furniture and fixtures	5,364,390	161,075	-	(1,254,906)	(19,960)	4,250,599
Motor vehicles	3,370,734	204,231	-	(358,444)	-	3,216,522
Electronic equipment	11,532,388	1,204,172	-	(4,826,792)	(97,783)	7,811,985
Infrastructure	4,513,308	-	-	(1,027,980)	-	3,485,329
	97,635,602	1,635,476	-	(10,665,922)	(122,178)	88,482,981

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Included in the fixed asset register are items with zero-rand book value. Management has assessed at reporting date the revision of useful lives of assets. The asset currently held at R0.00 book value is impaired based on the conditional assessment and are earmarked for disposal.

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The municipality also incurred **repair and maintenance** on the assets as outlined below. This repair and maintenance cost were not capitalized to the cost of the asset as per GRAP 17.

Buildings, Fences and Sites	1,398,433	2,842,794
Plant and Equipment	339,906	367,928
Infrastructure	-	1,098,800
Vehicle	357,455	423,426
Total repair and maintenance	2,095,794	4,732,948

3. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	14,857,296	(14,069,411)	787,885	14,872,352	(13,650,407)	1,221,945

Reconciliation of intangible assets – 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,221,945	77,098	(511,157)	787,885

Reconciliation of intangible assets – 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,874,950	170,153	(823,158)	1,221,945

4. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	1,527,941	(72,200)	1,455,741	1,527,941	(19,000)	1,508,941
Historical monuments	3,386,000	-	3,386,000	3,386,000	-	3,386,000
Total	4,913,941	(19,000)	4,841,741	4,913,941	(19,000)	4,894,941

Reconciliation of heritage assets 2023

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	(53,200)	1,455,741
Historical monuments	3,386,000	-	-	3,386,000
	4,894,941	-	-	4,841,741

Reconciliation of heritage assets 2022

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	-	1,508,941
Historical monuments	3,386,000	-	-	3,386,000

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4,894,941	-	-	4,894,941
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5. Inventories

Fuel – Airport

Both AVGAS and JET A1 are sold at the Vereeniging Aerodrome

Aviation Fuel

-	-
-	-

The license for selling of aviation fuel were revoke. Currently there is no inventory held.

6. Receivables from exchange transactions

Employee costs corrections	6.1	46,986	34,212
Prepayments	6.2	-	-
Recoveries from staff	6.3	13,136	4,437
Unprocessed bank transactions	6.4	-	933,671
Interest Receivable on bank account	6.5	397,840	113,743
Local Municipality services	6.6	-	-
Fresh Produce Market services	6.7	-	1,717,700
Vat on accruals	6.8	222,910	100,485
Gross amount		680,872	2,904,248

6.1 Employee cost recoverable

Current (0 – 30 days)

46,986

34,212

>91

-

-

Total Employee cost recoverable

46,986

34,212

6.2 Pre payments

Current (0 – 30 days)

>91

-

-

Total Pre payments

-

-

6.3 Recoveries from staff

Current (0 – 30 days)

13,136

4,437

6.4 Unprocessed bank transactions

Current (0 – 30 days)

-

-

Less: Debt Impairment

-

-

6.5 Interest receivable

Current (0 – 30 days)

397,840

113,743

6.6 Local Municipality services

Current (0 – 30 days)

-

-

>120 days

954,100

954,100

Less: Debt Impairment

(954,100)

(954,100)

Total Local Municipality services

-

-

6.7 Fresh Produce Market services

Current (0 – 30 days)

1,138,054

1,717,700

>120 days

(1,138,054)

Less: Debt Impairment

-

Total Fresh Produce Market services

-

1,717,700

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6.8 Vat on Accruals

Current (0 – 30 days)

222,910

100,485

7. Debt Impairment

Debt impairment

1,138,054

-

1,138,054

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand

40,825

40,825

Cash book balances

32,742,297

18,387,709

32,783,122

18,428,534

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June, 2023	30 June, 2022	30 June, 2023	30 June, 2022
Standard Bank - Primary account -21777667	13,251,354	790,207	13,251,354	790,207
Standard Bank - Licensing account - 21781494	4,520,203	1,008,733	4,520,203	1,008,733
NEDBANK – Cheque Account – 1152944835	3,186,391	2,983,408	3,088,958	2,985,328
NEDBANK – Licensing account – 1152944606	8,655,568	12,149,538	8,655,568	12,149,538
NEDBANK Investment Call account 03788117292923-000001	1,072	1,007	1,072	1,007
NEDBANK Investment Call account 03788117292923-000002	847,711	796,673	847,711	796,673
STANDARD BANK call account -228 499 054 009	0.01	0.01	0.01	0.01
STANDARD BANK – Fresh Produce Market - 21779589	48,564	7,858	48,564	7,858
NEDBANK – Fresh Produce Market – 1152944363	2,328,867	648,365	2,328,867	648,365
Total	32,839,730	18,385,789	32,742,297	18,387,709

The bank accounts for the Fresh Produce Market and Licensing are held specifically for transactions related to those functions. The bank balance at current is not in a position to settle the unspent conditional grants and payables from exchange transactions which poses a financial risk. This money is being held on behalf of the principals (Fresh Produce Market and Department of Transport)

9. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Provincial Grants	16,622,524	15,769,251
National Grants	29,011	804,965
	16,651,535	16,574,216

Movement during the year

Balance at the beginning of the year	16,574,216	20,578,812
Additions during the year	17,905,809	16,716,000

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	2023	2022 as restated
Income recognition during the year	(17,023,490)	(16,822,320)
Grant Reversal / forfeit	(805,000)	(3,898,276)
	16,651,535	16,574,216

The nature and extent of government grants recognised in the financial statements are an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. The cash and cash equivalent held on behalf of the transferring departments are not available for use as required by paragraph 49 of GRAP 2 based on the current going concern problems of the municipality.

See note 20 for reconciliation of grants from National/Provincial Government.

10. Payables from exchange transactions

Trade payables	2,426,779	936,800
Accrued leave pay	29,906,113	30,332,375
Department of Transport (License fees)	152,323,498	147,257,875
Local Municipalities Accounts	30,815,947	28,043,493
Refundable town hall rental deposits	199,206	135,356
Unclaimed Salaries	157,520	240,824
Unknown deposits	-	1,989
Mayoral events	203,551	
Fresh Produce Market payables	66,295	656,223
	216,098,909	207,604,936

11. VAT Payable

Payables from exchange transactions

Tax refunds payables	625,745	395,411
	625,745	395,411

Council is registered on the cash basis for VAT, this amount is due to SARS based on submitted returns

12. Revenue

Sale of goods	-	1,544,149
Rental of facilities and equipment	447,694	316,432
Agency services	74,002,372	65,963,364
Licenses and permits	212,000	174,000
Commissions received	3,700,456	3,402,962
Other income	1,833,375	1,487,860
Interest received - investment	3,931,986	1,847,215
Government grants & subsidies	311,014,490	302,367,320
Services received in kind	-	26,672,926
	395,142,373	403,776,228

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods – Aviation Fuel	-	1,544,149
Rental of facilities and equipment	447,694	316,432
Agency services	74,002,372	65,963,364
Commissions received	3,700,456	3,402,962
Other income	1,833,375	1,487,860
Interest received - investment	3,931,986	1,847,215
	83,915,883	74,561,982

The amount included in revenue arising from non-exchange transactions is as follows:

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	2023	2022 as restated
Taxation revenue		
Licenses and permits	212,000	174,000
Services receive in kind	-	26,672,926
Transfer revenue		
Government grants & subsidies	311,014,490	302,367,320
	311,226,490	329,214,246

13. Rental of facilities and equipment

Facilities and equipment

Facilities & equipment	255,926	101,576
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Garages and parking

Parking	191,768	214,856
	447,694	316,432

14. Agency services

Department of Transport	74,002,372	65,963,364
	74,002,372	65,963,364

The municipality is acting as an agent for the Provincial Department of Transport and receive an agency fee based on collections. Fraudulent transactions took place in both 2021/2022 and 2022/2023 financial years. Possible income loss as a result of the fraud amounts to R565,289 and R1,248,687 in the respective years which is not included in the Agency fees reflected.

15. Licenses and permits (from non-exchange transactions)

Air quality emission fees	212,000	174,000
	212,000	174,000

16. Commissions received

Commissions received	3,700,456	3,402,962
	3,700,456	3,402,962

17. Other income

Ad-hoc Income (Market)	293,128	266,222
Insurance refunds	44,129	30,963
Skills Levy Income	481,437	472,509
Incidental income	417,852	245,452
Commission on Salaries	290,756	299,710
Staff recoveries	306,073	173,004
	1,833,375	1,487,860

18. Investment revenue

Interest revenue

Bank	3,931,986	1,847,215
	3,931,986	1,847,215

19. Services receive in kind

Reduction in service charges payable to Emfuleni	-	26,672,926
	-	26,672,926

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20 Government grants and subsidies received

Operating grants

Equitable share	293,991,000	285,545,000
HIV and AIDS Grants	9,236,629	10,069,509
EPWP Grant	1,254,496	1,023,000
Rural Roads Grant	2,605,457	2,186,166
National Grants – FMG	1,400,000	1,200,000
GP – Sport and recreation	1,386,473	1,491,162
National Youth Development agency	-	550,000
Aerotropolis Grant	1,140,435	-
	311,014,490	302,064,837

Capital Grants

Rural Roads Grant	-	302,483
	-	302,483
	311,014,490	302,367,320

Equitable Share

Current-year receipts	(293,991,000)	(285,545,000)
Conditions met – transferred to revenue	293,991,000	285,545,000
	-	-

Provincial Grants

Balance unspent at beginning of year	15,769,251	18,200,198
Current-year receipts	12,616,810	11,454,000
Conditions met – transferred to revenue	(11,763,537)	(11,560,671)
Grants forfeited	-	(2,324,276)
	16,622,524	15,769,251

Conditions still to be met – remain liabilities (see note 9).

Reconciliation of Unspent Conditional Grants

	Opening Balance July 2022	Grants Forfeited	Grants Received 2022/23	Grants Spent/ 2022/23	Unspent Grants June 2023
LED Project	119,378	-	-	-	119,378
HIV/AIDS	1,384,491	-	9,439,809	(9,236,629)	1,587,671
Sport and Recreation	378,239	-	2,927,000	(1,386,472)	1,918,767
CoGTA – Orgplus Grant	-	-	250,000	-	250,000
Agriculture	79,718	-	-	-	79,718
Transfer of Informal Settlements	12,270,425	-	-	-	12,270,425
Aerotropolis Grant	1,537,000	-	-	(1,140,435)	396,565
	15,769,251	-	12,616,809	(11,763,536)	16,622,524

The amount of R2,324,276 was offset against the current year allocation of R11,454,000 related to the HIV/ AIDS grant allocation.

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National Grants

	2023	2022 as restated
Balance unspent at beginning of year	804,965	2,378,614
Current-year receipts	5,289,000	4,712,000
Conditions met - transferred to revenue	(5,259,954)	(4,711,649)
Grant Forfeit	(805,000)	(1,574,000)
	29,011	804,965

Conditions still to be met - remain liabilities (see note 9).

Reconciliation of Unspent Conditional Grants

	Opening Balance July 2022	Grants Forfeit	Grants Received 2022/23	Grants Spent 2022/23	Unspent Grants June 2023
Municipal Finance Management Grant	-	-	1,400,000	(1,400,000)	-
EPWP Grant	-	-	1,283,000	(1,254,496)	28,504
Rural Roads	804,965	(805,000)	2,606,000	(2,605,458)	507
	804,965	(805,000)	5,289,000	(5,259,954)	29,011

The grants forfeited during the year were offset against the equitable share.

Changes in level of government grants.

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding forthcoming 3 financial years.

21. Employee related costs

Employee related cost exclusive of Section 57 employees	192,904,826	186,185,487
13 th Cheques	14,603,896	14,412,078
Medical aid - company contributions	18,089,014	17,481,176
UIF	1,089,444	1,101,818
Other payroll levies	3,527,665	3,495,904
Leave pay provision charge	1,169,285	51,611
Defined contribution plans	37,516,937	36,557,646
Acting Allowance	344,285	1,031,038
Overtime payments	558,667	494,651
Inconvenience allowance	2,632,922	3,232,392
Car allowance	9,921,324	10,384,060
Housing benefits and allowances	1,578,624	1,579,868
Telephone Allowances	5,400	257,710
Standby Allowance	250,542	277,062
EPWP Stipends	1,208,449	989,113
HIV/AIDS Stipends	8,043,343	8,475,700
Termination benefits	(see note 44 for more detail)	2,018,453
	295,446,067	288,025,767

Remuneration of Municipal Manager

Annual Remuneration	1,131,752	247,409
Car Allowance	180,000	30,000
Contributions to UIF, Medical and Pension Funds	227,048	37,277
Acting allowances paid to Acting incumbents	-	75,407
	1,538,800	390,093

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The Municipal Manager position was filled in May 2022.

Remuneration of Chief Financial Officer

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Acting allowance paid to Acting incumbents	70,220	79,171
	70,220	79,171

The CFO is vacant since October 2019 and employees are acting in this position.

Remuneration of Executive Director – Corporate services

Annual Remuneration	236,682	761,024
Car Allowance	-	163,494
Contributions to UIF, Medical and Pension Funds	6,480	2,062
Other	-	8,681
Acting allowance paid to Acting incumbents	74,586	57,323
Encashment of Leave days	-	73,612
	317,748	1,066,196

Remuneration of Executive Director – Community services

Annual Remuneration	280,044	840,455
Car Allowance	60,000	180,000
Contributions to UIF, Medical and Pension Funds	752	1,932
Encashment of Leave days	-	53,982
Acting allowance paid to Acting incumbents	45,839	-
	386,635	1,076,369

Remuneration of Executive Director – Strategic Planning and Economic development

Annual Remuneration	201,348	16,358
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	41,814	164
Acting allowance paid to Acting incumbents	65,920	55,427
	309,082	71,949

Remuneration of Executive Director – Transport, Infrastructure and Environment (Vacant since May 2019)

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Acting allowance paid to Acting incumbents	74,586	79,171
	74,586	79,171

Total personnel cost	298,143,138	290,788,716
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The executive directors are being remunerated above the upper limit gazette number 43122 of 20 March 2020 and the excess amounts are reflected as irregular expenditure

22. Remuneration of Councillors

Executive Mayor	1,193,849	984,043
Mayoral Committee Members	5,518,217	4,982,661
Speaker	713,092	594,017
Councillors	7,093,909	5,710,684

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2023	2022 as restated
14,519,067	12,271,405

In-kind benefits (tools of trade)

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have use of a Council owned vehicle for official duties.

The Executive Mayor and Speaker have full-time bodyguards

23. Depreciation and amortization

Property, plant and equipment	7,912,787	10,665,922
Intangible assets	511,157	823,158
	8,423,944	11,489,080

24. Lease rentals on operating lease

Premises		
Contractual amounts	1,889,508	4,844,050
Motor vehicles		
Contractual amounts	43,132	382,752
Plant and equipment		
Contractual amounts	186,371	141,497
Ad-hoc amounts	537,302	624,432
	2,656,313	5,992,731

25. Impairment loss

Plant and equipment	362,559	122,177
Heritage Assets (art)	53,200	
	415,759	122,177

26. Contracted services

Outsourced Services

Municipal Health services	18,169,061	18,771,259
Fire Services	56,485	42,489
Hygiene Services	229,977	136,259
ICT Services	375,691	564,188
Security Services	8,786,291	6,426,484

Consultants and Professional Services

Business and Advisory	3,657,734	2,347,202
Legal Cost	2,969,536	2,215,145

Contractors

Employee wellness	30,000	90,000
Catering Services	351,298	203,201
Event Promoters	172,552	165,621
Fire Protection	34,064	37,143
Maintenance of Buildings and Facilities	1,398,432	2,842,795
Maintenance of Equipment	339,906	1,466,727
Medical Services	-	2,217
Pest Control and Fumigation	-	19,000
Transportation	341,948	423,426
	36,912,975	35,753,156

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	2023	2022 as restated
27. General expenses		
Advertising	218,351	304,088
Assessment rates & municipal charges	6,422,269	3,634,117
Auditors remuneration	3,677,943	3,660,134
Bank charges	4,450,738	3,757,938
Computer expenses	400,399	254,617
Consulting and professional fees	63,000	186,000
Consumables	3,245,998	4,320,730
Insurance	1,658,821	1,347,671
Community development and training	-	550,000
IT expenses	4,658,720	4,185,902
Levies	2,436,553	2,374,354
Printing and Publications	690,652	597,059
Protective clothing	105,295	64,148
Royalties and license fees	48,166	37,613
Subscriptions and membership fees	3,034,941	2,828,919
Telephone and fax	2,075,756	3,688,481
Training	1,581,926	474,280
Subsistence & Travel	262,993	79,772
Public Participation	419,110	221,426
Congresses & Meetings	60,849	52,210
WCA Contribution	1,402,488	1,231,908
	36,914,965	33,851,367
28. Sale of Goods		
Sale of goods		
Cost of Aviation fuel	-	1,228,657
Aviation fuel (JET A1 and AVGAS) are sold at the Vereeniging Aerodrome.		
29. Auditors' remuneration		
Fees	3,677,943	3,660,134
30. Cash generated from operations		
Deficit	(4,110,760)	12,263,211
Adjustments for:		
Depreciation	8,423,944	11,489,080
Loss / (Gain) on sale of assets and liabilities	128,918	-
Debt impairment	1,138,054	-
Impairment deficit	415,759	122,177
Movements in operating lease assets and accruals	-	(86,774)
Changes in working capital:		
Inventories	-	363,157
Receivables from exchange transactions	2,223,376	(944,748)
Debt Impairment – Related party debtors	(1,138,054)	-
Payables from exchange transactions	8,493,973	(9,614,335)
VAT	230,334	466,400
Unspent conditional grants and receipts	77,319	(4,004,596)
	15,882,866	10,053,573

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31. Risk management

31.1 Financial risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Currently the total liabilities exceed the total assets which create a high level of financial uncertainty.

Interest rate risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short-term interest rates.

This risk is managed on an ongoing basis by comparison between current market related rates and historical rates and adjustments made where considered necessary.

The municipality had significant interest-bearing investments in call accounts, of which the municipality's interest income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality did not hedge against any interest rate risks during the current year.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Categories of Financial Instruments

	2023	2022 as restated
Financial Assets		
Cash and cash equivalents	32,783,122	18,428,534
Trade and other receivables from exchange transactions	397,840	2,765,114
	33,180,962	21,193,648

Aging of Financial Assets

2023				2022			
Current to 30 days	90 days plus	Impairment	Total	Current to 30 days	90 days plus	Impairment	Total
397,840	2,092,154	(2,092,154)	397,840	2,765,114	954,100	(954,100)	2,765,114
Impairment on financial assets has increased with R1,138,054 based on the assessment received from the legal services lawyer whereby it was indicated that the probability in recovery of the amount is doubtful.							

Financial Liabilities

Unspent conditional grants and receipts	16,651,535	16,574,216
Trade and other payables from exchange transactions	186,035,276	177,031,736
Total Liabilities	202,686,811	193,605,952

If the interest rates received on investments increase or decrease by 100 basis points, the effect on the Statement of Financial performance would be as follows:

	2023		2022	
Floating Rate Financial Assets	Rate %	Effect on Surplus	Rate %	Effect on Surplus
Cash and cash equivalents	1%	327,831	1%	184,285
Trade and other receivables from exchange transactions	1%	3,978	1%	27,651
Floating Rate Financial Liabilities				
Unspent conditional grants and receipts	1%	(166,515)	1%	(165,742)
Trade and other payables from exchange transactions	1%	(1,860,353)	1%	(1,770,317)

32. Commitments

The municipality do not have any contracted capital or operating lease commitments.

33. Contingencies

The Municipality may be liable for claims instituted against the Municipality by employees who have disputes against the Municipality. The amount is uncertain as an arbitration award has not yet being issued against those claims.

33.1 Contingent assets

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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENT DATE	EXPECTED VALUE	PROGRESS
1. S. Suleman Attorneys	Collection obo municipality/ N. Shongwe	Collection of the money owed by the employee (Cashier at FPM) to the municipality	Mar-18	R52 240.79 plus interest (Income for SDM)	Summons were issued against the debtor which she failed to defend and default judgement against her. The debtor was summoned to the court for emoluments attachment hearing and she failed to appear in court and the warrant of arrest against her was issued. The execution of the warrant of arrest was suspended due to Covid 19 outbreak. We are still waiting for further progress report in this regard.
2. Mokhare report on investigation	Recovery of Irregular expenditure	An investigation conducted on behalf of MEC CoGTA resulted in possible recoveries of money	August 2020 financial year	G Modise R3,765,110 Prince Mudau R4,182,226 Mafoko Security R14,565,638 Income for SDM	The state attorneys to be approached alternatively the SDM to appoint a legal firm to assist with the issuing of the summons for the recovery of the money due and payable to the SDM.
3. Mokhare report on investigation	Recovery of Irregular expenditure	In the absence of an exemption from the Minister of COGTA, the municipality must initiate proceedings to recover the difference in the allowable salary paid to the former Municipal Manager and EDs.	August 2020 financial year	R2 336 132,00	The municipality is pursuing a claim through legal processes and the outcome is uncertain
Total Amount				R 24,901,346.79	

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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	INTENDED OUTCOME OF CLAIM	EXPECTED LIABILITY	PROGRESS
33.2 Contingent liabilities				
1.Nku (0204 0989)	Human resources dispute	Difference in salary between promoted position and existing position plus future legal costs	Legal Cost R93,595 Plus additional legal cost of R80,000	Sedibeng has instituted an application to review and correct or set aside a rescission ruling. We are still awaiting a set down date
2.Khambule M	Human resources dispute	Reinstatement plus back pay to date of dismissal plus legal costs, current and future costs	Legal Costs R1,787,712.73 Plus future legal costs R100 000.00	Sedibeng has instituted an application to review and correct or set aside an Arbitration award. We are currently awaiting a notice of set down on the unopposed roll.
3 Petlane MM	Human resources dispute	Reinstatement, alternatively, 12 months' compensation plus future legal costs	Future legal costs R423,861.60	Sedibeng filed a counter review in this matter to counter the review application launched by Petlane. It is currently preparing a record of proceedings
4 Irene Honoko	Human resources dispute	Reinstatement (plus Legal Costs R147 011.07) plus future legal costs	Future legal costs R292 885.08	Sedibeng is bringing an application to review and correct or set aside an Arbitration Award. We are still awaiting a set down date
5 Netshivhale KR	Human resources dispute	Placement (plus Legal Costs R78 711.75) plus future legal costs	Legal Costs R78,711.75 plus future legal costs R100 000.00	Sedibeng is opposing the review and reinstatement application.
6 Mokitimi W	Human resources dispute	Reinstatement (plus Legal Costs R173 994.32) plus future legal costs	Legal Costs R173,994.32 plus future legal costs R80 000.00	Sedibeng is opposing the review application. Court proceedings did take place on 2 nd June 2023 and we are waiting judgement of the court.
7 Pontule & Mtimkhulu	Human resources dispute	Dispute over supervisor status and level of remuneration	Legal Cost R124,163.20	The matter sits at court on the 3 rd August 2023 and we are awaiting the judgement
8 SAMWU obo Jonas Tale and others	Human resources dispute	Lost case by SAMWU taken on review by the applicants for uniform allowance	Legal cost R50,198.00	The matter has not yet been allocated a court date
9 Bafana Mthembu and others	Human resources dispute	Award that applicants be paid an inconvenience allowance	Contingency payable R1,072,816.38	The municipality still considering legal opinion on reviewing the award
10 S.Thakuli (02046753)	Human resources dispute	Review application by applicant	Legal Cost R113,123.50	Sedibeng brought a Rule 11 application to dismiss Thakhuli's review and is awaiting a notice of sit down.

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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	INTENDED OUTCOME OF CLAIM	EXPECTED LIABILITY	PROGRESS
11 CLLR Mgidi Isaac Khithika and others	Legal motion	Applicant was granted an order to the effect that the speaker must allow for a motion of no confidence against the mayor and allow for debate and vote upon receipt of the mayor's response to the motion. The respondents were granted leave to appeal the court order. The parties have since settled the dispute on the basis that the respondents withdraw the appeal proceedings and pay 70% of the costs.	R185,000	The parties have since settled the dispute on the basis that the respondents withdraw the appeal proceedings and pay 70% of the costs.
Total contingent Liability			R4,756,061.50	

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34. Prior year amendments

34.1 Correction of errors

See below detail of corrections. The total correction amounts to R 367,996

The correction of the error(s) and change in accounting estimates results in adjustments are as follow:

Statement of changes in net assets

Opening balance as previously reported 1 July 2022	-108,568,308
Receivables from exchange transactions understated	995,171
Payable from exchange transaction overstated	5,559,941
Payables from exchange transactions understated	(503,105)
Receivables from exchange transactions overstated	(6,125,616)
Restated Closing balance 1 July 2022	-108,641,914
Surplus (Deficit) for the year 2021 Previously reported	12,336,820
Bank charges overstated	933,671
Agency service received overstated	(565,675)
Legal fees payable understated	(441,605)
Restated Surplus (Deficit) for the year 2022	12,263,211

34.1.1 Correction on general expenditure classification

Description	2022 Restated	2022 Previous Year Stated,	Variance
Bank charges	3,757,938	4,691,609	(933,671)

Bank charges over charged were corrected by means of a refund from Nedbank which resulted in the correction

34.1.2 Correction on Agency services received

Description	2022 Restated	2022 Previous Year Stated,	Variance
Agency services	65,963,364	66,529,039	(565,675)

The fraud committed at the licensing centre Vanderbijlpark were incorrectly shown as a debtor as the municipality is not in control of the Natis system and processes. Provincial Department of Transport will manage the blocking of the defaulters in order to ensure that the funds are being paid back to Province and not necessarily the municipality who acts as an agent.

34.1.3 Correction of Contracted services expenditure

Description	2022 Restated	2022 Previous Year Stated,	Variance
Legal Fees	2,215,145	1,773,540	441,605

34.1.4 Correction on Receivables from exchange transaction

Description	2022 Restated	2022 Previous Year Stated,	Variance
Principal payments receivable (GDRT) – Agency services	-	6,125,616	(6,125,616)
Nedbank – Bank charges	933,671	-	933,671
Vat on Accruals	100,485	38,985	61,500

34.1.5 Correction on Payables from exchange transactions

Description	2022 Restated	2022 Previous Year Stated,	Variance
Department of Transport (License fees) – Agency services	147,257,875	152,732,965	(5,475,090)
Vat on Debtors	-	84,851	(84,851)
Trade payables	936,800	433,695	503,105
			(5,056,836)

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34.1.6 Correction on asset classification on PPE

Description	2022 Restated	2022 Previous Year Stated	Variance
Buildings - Cost	72,320,311	75,805,435	(3,485,124)
Buildings – Accumulated Depreciation	(32,825,643)	(34,798,039)	1,972,396
Buildings	39,494,668	41,007,396	(1,512,728)
Furniture and fixtures - Cost	23,028,879	19,543,755	3,485,124
Furniture and fixtures - Accumulated Depreciation	(18,778,280)	(16,805,884)	(1,972,396)
Furniture and fixtures	4,250,599	2,737,871	1,512,728

Assets wrongly classified under buildings were corrected and moved to Furniture and Fixtures

35. Going concern

We draw attention to the fact that at 30 June, 2023, the municipality had accumulated deficit of R 112,752,674 and that the municipality's total liabilities exceed its assets by R 112,752,674.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As a District Municipality based on our powers and functions, we are completely grant dependent. No other main revenue source is obtainable. Over the last 10 years, as a result of the global financial economy constraints, National Treasury downscaled and implemented austerity measures which resulted in the reduction of our main source of revenue, the Equitable share. It is as a result of the global financial constraint that the equitable share over the last 10 years was increase far lessor than the CPI for each financial period. In addition the South African Local Bargaining Council was implementing salary increases at a higher rate than the equitable share growth allocated to municipalities over the last 9 years – Uncontrollable to municipalities. The reduction has been reported to National Treasury as our revenue source diminished. It was based on this reason that the District Municipality implemented austerity measures over the last 7 years which is still in place. The municipality performs daily, weekly and monthly cash flow reconciliations with projections to ensure that we are able to meet our obligations. The municipality adopted a pro-poor budgeting approach and followed National Treasury budget guide as a principle for provision on depreciation and employee cost.

We draw further attention to the fact that at 30 June, 2023, the municipality's current liabilities exceed its current assets with R 199,912,195. The municipality also had operating deficit in the current financial year of R 4,110,760 (previous financial year surplus of R 12,263,211) which resulted in a decrease in the net asset value.

The Municipality is busy with a process of aligning the current powers and functions assigned to the District and the Locals in order to regain sustainability within the district. Drastic cost saving measures will be implemented starting with a process of restructuring the organization based on the assigned powers and functions. The Council has recently approved that it (Sedibeng District Municipality) should perform the section 84(1) powers and functions of the Municipal Structures Act 117 of 1998.

The municipality does not have any fixed-term borrowing or short-term loans and therefore does not put reliance on borrowings.

The municipality does have comprehensive insurance on its assets as set out in the asset register.

36. Events after the reporting date

None

37. Unauthorised expenditure

Opening balance	26,152,077	23,485,418
Add: expenditure identified – current period	4,552,365	2,666,659
Add: expenditure identified – prior period	-	-
Less: Approved by Council	-	-

30,704,442 **26,152,077**

Analysis follow: Cash

Employee related cost

Other expenses

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Lease rentals		
Grant expenses		
Transfer and subsidies paid		
Amount in excess of revenue budget (unfunded)	4,552,365	2,311,549
	4,552,365	2,311,549

Analysis follow: Non Cash

Depreciation and impairment losses	-	339,382
Inventory write down	-	15,728
	-	355,110

Analysis per Department:

Finance	703,413	
Corporate Services	3,848,952	
	4,552,365	2,666,659

38. Fruitless and wasteful expenditure,

Possible fruitless and Wasteful expenditure are investigated and where applicable recovered from the Employee / Councillor concern. An amount of R 49,629 was recovered from an employee related to salary cost recoverable. The municipality has paid interest on a civil claim as part of the court judgement to the value of R31,061 while R496,849 resulted in fruitless and wasteful expenditure based on the forensic investigation conducted

Opening balance	527,910	49,629
Paid off during the year	-	(49,629)
-Fruitless and wasteful expenditure identified during the year	-	527,910
	527,910	527,910

39. Irregular expenditure

Irregular expenditure was incurred in the financial year based on appointments made in deviating from SCM legislation where irregular expenditure was also incurred on Sect 56 employee-related costs during the financial year.

Opening Balance	95,573,833	53,264,885
Add: expenditure identified during the year	20,772,269	28,439,424
Add: expenditure – prior period identified during the year	-	13,869,524
Less: Approved by Council	-	-
	116,346,102	95,573,833

Instances and cases in the current year

Supply chain and contract management processes	20,467,416	42,023,827
Sect 56 & 57 Employee cost above threshold	304,853	285,121
	20,772,269	42,308,948

Cases under investigations

Investigations were not conducted by MPAC oversight committee on the 2021/22 financial year balances for unauthorized and irregular expenditure.

40. Additional disclosure in terms of Municipal Finance Management Act

40.1 PAYE, UIF & Skills levy

Current year subscription / fee	50,907,659	50,173,580
Amount paid – current year	(50,907,659)	(50,173,580)
	-	-

40.2 Pension and Medical Aid Deductions

Current year subscription / fee	86,002,403	82,668,703
Amount paid – current year	(86,002,403)	(82,668,703)
	-	-

40.3 VAT

VAT payable	625,745	395,411
	625,745	395,411

All VAT returns have been submitted by the due date throughout the year.

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40 Awards made to people in service of the state

40.4.1 Awards to close family members of persons in the service of the state

Company Name	Initials	Surname	Designation and Employee NO.	Relationship with the company	Amount Paid
Africa Shades Construction	N	Monga	Assistant Manager Networks (00518)	Son of the Director/Shareholder	R34,711
Panorama Bloemiste	CS	Heunes	Snr Accountant (17530)	Husband to the Director/Shareholder	R27,980
Lu De Big Pty Ltd	LPS	Lamfiti	Admin Assistant (01146)	Wife to the Director/Shareholder	R24,490
TOTAL					R 87,181

40.4.2 Awards made to suppliers in service of the state

No	Supplier name	Employee name	Employer name	Amount
1	TL Appliances and Lawnmowers	Americo Lottering	GP: Education	R44 362,00
Total				R44 362,00

41 Related party transactions

Councillors and specifically the Executive Mayor and Speaker remuneration in terms of the government gazette are shown separately in note 22.

Section 56 employees' (Key Management) remuneration packages are shown separately in note 21. Councillors and all officials must annually declare their interests and the interest of close family members to Council.

42 Principles and Agents

See segment reporting for further detail (note 43)

42.1 Gauteng Department of Transport

The municipality is acting as an agent for the Gauteng Department of Transport by rendering services related to motor vehicle license registrations and renewals, driver license applications and renewals. The municipality also collect AARTO fees as part of the function. The current amount owed to the Department of transport is reflected below as a liability while the current assets still in the municipality's possession are reflected below in the bank account and debtor's account.

Based on the financial position of the municipality the high amount still owing to the Department of Transport contributing to the liquidity problem the municipality is currently facing. Significant cash and cash equivalent held on behalf of the Department of roads and transport is not available for use as disclosed in the financial statements.

The municipality also depicted fraudulent transactions within the licensing sector which are currently under investigation by the special crime investigation unit. This resulted in the debtor's amount reflected in the municipality's records

Account number	Amount as per bank confirmation	
Nedbank- Current Account Licensing (115944606)	8,655,568	12,149,538
Standard bank Licensing account (21781494)	4,520,203	1,008,733
Total	13,175,771	13,158,271

Breakdown of transactions

Collections made on NATIS system 326,752,889 285,083,997

Distribution of Natis system collections

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	2023	2022 as restated
Refunds payable to Province	239,091,570	202,495,725
Refunds to AARTO	2,500,728	6,000,374
VAT payable on collections	11,096,795	9,888,556
Refunds to customers	85,160	170,304
Amount retained by Council	73,978,636	66,529,038
Total Distributed Amount	326,752,889	285,083,997

Liability to Principle

Total liability	152,323,498	147,257,875
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42.2 Fresh Produce Market

The municipality is acting as an agent by rendering management services at the fresh produce market where fresh produce are being sold by the market agent on behalf of the farmers. The municipality is managing the financial affairs and are managing two bank accounts on behalf of the agents. These amounts are not available for use. The current balances on the bank accounts are as follow:

Account number	Amount as per bank confirmation	
Nedbank- Current Account (115944363)	2,328,867	648,365
Standard bank (21779589)	48,564	7,858
Total	2,377,431	656,223

Breakdown of transactions

Bank statement o/b	656,223	608,958
Collections on the Fresh mark system	74,060,240	68,871,142
Payments made	(72,339,032)	(68,823,877)
Bank statement c/b held on behalf of the principal	2,377,431	656,223
Revenue		
Commission on transaction handling fees	3,700,456	3,402,962
Other income	293,128	266,223
Total Amount	3,993,584	3,669,185

43. Segment reporting

The municipality has identified the licensing centers and fresh produce market in terms of GRAP 18 as a unit with distinguishable activities of the municipality for which it is appropriate to separately report financial information. For management purposes, the municipality is organized and operates in two key segments. To this end, management monitors the operating results of these segments for the purpose of making decisions about resource allocations and assessment of performance. Revenue and expenditure relating to these segments are allocated at a transactional level.

The key segments identified are the Licensing centers and Fresh produce market.

The grouping of this segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

2023	Licensing Center's	Fresh Produce Market	Total
Segment revenue			
Revenue from exchange transactions	74,002,372	3,993,584	77,995,956
Revenue from non-exchange transactions	-	-	-
Interest received	-	-	-
Total Revenue	74,002,372	3,993,584	77,995,956

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2023	Licensing Center's	Fresh Produce Market	Total
Segment expenses			
Employee related costs	(62,143,524)	(10,244,797)	(72,388,321)
Impairment losses	-	(7,400)	(7,400)
Depreciation and amortisation	(185,594)	(952,780)	(1,138,374)
Lease rentals on operating leases	(186,371)	-	(186,371)
General Expenses	(6,537,194)	(811,753)	(7,348,947)
Interest charges	-	-	-
Losses on sale of assets	(36,278)	-	(36,278)
Total Expenses	(69,088,961)	(12,016,730)	(81,105,691)
Net surplus/(deficit)	4,913,411	(8,023,146)	(3,109,735)

Total Assets			
Non-Current assets	277,568	14,236,812	14,514,380
Current assets	13,175,771	2,377,431	15,553,202
Total segment assets	13,453,339	16,614,243	30,067,582

Total Liabilities			
Non-current liabilities	-	-	-
Current liabilities	(152,323,498)	-	(152,323,498)
Total segment liabilities	(152,323,498)	-	(152,323,498)

2022	Licensing Center's	Fresh Produce Market	Total
Segment revenue			
Revenue from exchange transactions	65,963,364	3,669,185	69,632,549
Revenue from non-exchange transactions	-	-	-
Interest received	-	-	-
Total Revenue	65,963,364	3,669,185	69,632,549
Segment expenses			
Employee related costs	(61,044,197)	(10,516,001)	(71,560,198)
Remuneration of councillors	-	-	-
Depreciation and amortisation	(264,555)	(1,022,560)	(1,287,115)
Lease rentals on operating leases	(141,497)	-	(141,497)
General Expenses	(7,276,615)	(835,015)	(8,118,630)
Interest charges	-	-	-
Loss on the sale of assets	(6,640)	(2,961)	(9,601)

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2022	Licensing Center's	Fresh Produce Market	Total
Total Expenses	(68,733,504)	(12,376,537)	(81,110,041)
Net surplus/(deficit)	(2,770,140)	(8,707,352)	(11,477,492)

Total Assets			
Non-Current assets	499,440	15,196,992	15,696,432
Current assets	13,158,271	656,223	13,814,494
Total segment assets	13,657,711	15,853,215	29,510,926

Total Liabilities			
Non-current liabilities	-	-	-
Current liabilities	(147,257,875)	-	(147,257,875)
Total segment liabilities	(147,257,875)	-	(147,257,875)

43. Changes in accounting estimate

None

44. Post employee Retirement Benefits

Post employee benefits are defined for medical contributions as defined contribution plans where the legal or constructive obligation is limited to the amount that is agreed to contribute to the fund.

The municipality's obligation towards contributions toward the medical aids are limited to the annual contribution of medical aid premiums and will be a fixed monthly premium. Annual increases will escalate in line with normal inflation.

Termination benefits	2,001,444	2,018,453
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45. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 16 and 17 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

LESS THAN 3 QUOTES FOR 2022/2023

N O.	PERIOD	ORDER NO	DATE	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
1	Jul-22	1040523	2022-07-28	JUTA AND COMPANY LTD	1,065.00	01 (One)	Sole supplier of Road traffic legislation	ROAD TRAFFIC LEGISLATION PLUS DELIVERY CHARGES
2	Aug-22	1040556	2022-08-08	GAUTENG DEPARTMENT OF ROADS AND TRANSPORT	25,172.40	1 (One)	MFMA sec110(2) provision of goods from another organ of state	FACE VALUE FORMS
3	Sep-22	1040599	2022-09-08	Workshop Electronics (Pty) Ltd	9,370.20	1 (One)	Sole service provider	Replacement of contractors
4	Sep-22	1040600	2022-09-08	Workshop Electronics (Pty) Ltd	15,185.44	1 (One)	Sole service provider	Yearly calibration of specialize VTS equipment
5	Sep-22	1040601	2022-09-08	Workshop Electronics (Pty) Ltd	17,375.58	1 (One)	Sole service provider	Yearly calibration of specialize VTS equipment
6	Sep-22	1040609	2022-09-09	Office-Cor CC	6,210.00	1 (One)	Ad-hoc repairs to rental equipment	Drum unit & Dev unit
7	Oct-22	1040702	2022-10-27	Media 24 Pty Ltd	10,000.00	1 (One)	Local newspaper advertisements; limited suppliers in the region meeting the prerequisite distribution and circulation criteria	Advertisements: Sedibeng Ster 91000 Distribution IDP Stakeholders

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8	Oct-22	1040706	2022-10-31	Premier Scale Services (Pty) Ltd	17,336.25	1 (One)	Sole service provider authorised to perform maintenance on Dept of Transport equipment	NCRS Certificate and Weighbridge Verification
9	Nov-22	1040719	2022-11-08	Mooivaal Media (Pty) Ltd	10,000.00	1 (One)	Local newspaper advertisements; limited suppliers in the region meeting the prerequisite distribution and circulation criteria	IDP stakeholder advert
10	Nov-22	1040735	2022-11-14	The Assessment Toolbox	18,182.83	2 (Two); 3rd supplier could not quote at the time of request	3rd accredited supplier could not quote at the time of request	Vetting of shortlisted candidates for the position(screening) CFO & ED:SPED
11	Nov-22	1040742	2022-11-17	Gijima Holdings (Pty)Ltd	28,800.00	2 (Two); 3rd supplier could not quote at the time of request	3rd accredited supplier could not quote at the time of request	Competency assessment of shortlisted candidates for positions: CFO & ED: SPED
12	Dec-22	1040789	2022-12-14	Motus Group (BMW Vereeniging)	3,862.57	1 (One)	Lapse of service plan was only detected after the vehicle was booked in for repairs and hence only one quote for repairs was sourced.	Service of brakes on vehicle: BMW X/S-Drive JX 61 HJ GP
13	Feb-23	1040850	2023-02-03	Analogue And Digital Systems Cc	10,404.00	1 (One)	Sole supplier authorised to service / repair vehicle testing equipment	Repairs & maintenance of motorcycle vehicle testing equipment
14	Mar-23	1040895	2023-03-01	Freshmark Systems (Pty) Ltd	13,821.85	1 (One)	Sole supplier for Fresh Produce Market software system	IT equipment & hardware
15	Mar-23	1040903	2023-03-13	Freshmark Systems (Pty) Ltd	5,652.25	1 (One)	Sole supplier for Fresh Produce Market software system	IT equipment & hardware

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restated

N O.	PERIOD	ORDER NO	DATE	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
16	Mar-23	1040910	2023-03-13	Mooivaal Media (Pty) Ltd	10,700.00	1 (One)	Local newspaper advertisements; limited suppliers in the region meeting the prerequisite distribution and circulation criteria	Advertisements: IDP/DDM representative forum meeting advert. Sedibeng Ster :20cm down x 12cm wide (quarter page)
17	Apr-23	1040982	2023-04-17	Gijima Holdings (Pty) Ltd	6,900.00	2 (Two); 3rd supplier could not quote at the time of request	Qualifications checks, criminal checks, credit checks	Vetting of Licensing staff
18	May-23	1041029	2023-05-09	Workshop Electronics (Pty) Ltd	1,898.42	1 (One)	Sole service provider authorised to perform maintenance on Dept of Transport equipment	Travelling per km
19	May-23	1041030	2023-05-09	Workshop Electronics (Pty) Ltd	1,245.22	1 (One)	Sole service provider authorised to perform maintenance on Dept of Transport equipment	labour/installation of equipment: White sensor at Meyerton LSC
20	May-23	1041024	2023-05-08	Mooivaal Media (Pty) Ltd	11,700.00	1 (One)	Local newspaper advertisements; limited suppliers in the region meeting the prerequisite distribution and circulation criteria	Supply master link chain at Vereeniging LSC
21	Jun-23	1041127	2023-06-19	Arena Holdings Pty Ltd	21,776.40	2 (Two)	Quotations only sourced from two national publications due to limited media houses in the market	Advert for Audit Committee Members (Sowetan)
				SUB-TOTAL FOR THE YTD OF 2022/2023	246,658.41			

Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2023

Figures in Rand

2023

2022 as
restated

APPROVED DEVIATIONS REGISTER FOR 2022/23

Applicable paragraph in SCM Policy	Name of Supplier	Date of the order	Month	Reason for deviation	Approved by:	Cluster	Amount	SCM Comments
1 <i>Paragraph 33.1.1.3 "The acquisition of special works of art or historical objects where specifications are difficult to compile"</i>	JM DODO; PA MOTLOUNG; T MBONYANE; BBM MAJOLA; NP MOLETSANE	Sundry payments made 30-Mar-23 and 31-Mar-23	Mar-23	Artistic performances for Jazz Festival	MM	Community Services	35,000.00	Artists commissioned for jazz festival. All procurement were below the threshold for verifying tax compliance. 1x service provider was in the service of the State. Approval was obtained from accounting officer and service level agreements concluded with the performers.
2 <i>Paragraph 33.1.1.2. "Any goods or services which are available from a single provider only"</i>	PREMIER SCALE SERVICES (PTY) LTD	11-May-23	May-23	VERIFICATION AND SUPPLYING A NRCS CERTIFICATE ASPER LEGAL METROLOGY ACT IN S.A		Corporate Services / Transport, Infrastructure, Environment	47,904.69	Sole service provider authorised to conduct maintenance and calibration of the weighbridge
				SUB-TOTAL FOR THE YTD OF 2022/2023			82,904.69	

46. Budget differences

Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2023

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget	Budget 2022	Actual restated 2022
Revenue							
Sale of goods	-	-	-	-		1,486,267	1,544,149
Rental of facilities and equipment	429,391	447,694	18,303	4.26%		277,713	316,432
Agency services	70,979,896	74,002,372	3,022,476	4.26%		71,679,896	65,963,364
Commissions received	3,401,189	3,700,456	299,267	8.80%		3,456,154	3,402,962
Other income - (rollup)	1,343,331	1,833,375	490,044	36.48%	Higher than anticipated income based on increase in ad-hoc income	947,912	1,487,860
Interest received - investment	2,015,468	3,931,986	1,916,518	95.09%	Increase in interest income as a result of interest rate increase during the year.	2,002,566	1,847,215
Total revenue from exchange transactions	78,169,275	83,915,883	5,746,608	7.35%		79,850,508	74,561,982
Licenses and permits	1,575,000	212,000	(1,363,000)	-86.54%	License renewals on air emission not done on an annual basis	1,575,000	174,000
Government grants & subsidies	315,637,435	311,014,490	(4,622,945)	-1.46%		307,897,190	302,367,320
Services receive in kind	-	-	-	-		-	26,672,926
Total revenue from non-exchange transactions	317,212,435	311,226,490	(5,985,945)	-1.89%		309,472,190	329,214,246
Total revenue	395,381,710	395,142,373	(239,337)	-0.06%		389,322,698	403,776,228
Expenditure							
Personnel	(304,038,798)	(298,143,138)	5,895,660	-1.94%		(293,670,450)	(290,788,716)

Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2023

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget	Budget 2022	Actual restated 2022
Remuneration of councillors	(14,805,450)	(14,519,067)	286,383	-1.93%		(12,456,928)	(12,271,405)
Depreciation & impairment	(11,489,150)	(8,423,944)	3,065,206	-26.68%	Reduction in depreciation due to useful life adjustments	(11,271,875)	(11,489,080)
Impairment Losses	-	(415,759)	(415,759)	100.00%	Impairment of scrap assets in the current year that were not budgeted for.	-	(122,177)
Lease rentals on operating lease	(2,901,901)	(2,656,313)	245,588	-8.46%		(6,137,363)	(5,992,731)
Contracted Services	(42,498,203)	(36,912,975)	5,585,228	-13.14%	Reduction in expenditure based on cost containment measures applied	(37,920,351)	(35,753,156)
Debt Impairment	-	(1,138,054)	(1,138,054)	100%	Impairment of debtor at Fresh Produce Market not budgeted for	-	-
General Expenses	(35,563,036)	(36,914,965)	(1,351,929)	3.80%		(37,311,819)	(35,080,024)
Total expenditure	(411,296,538)	(399,124,215)	12,172,323	-2.96%	Refer to note 37	(398,768,786)	(391,497,289)
(Loss)/Gain on disposal of assets and liabilities	-	(128,918)	(128,918)	100.00%	Losses exceed the gains while the budget allocation net result was zero in the current year	-	-
Inventories losses/write downs	-	-	-			-	(15,728)
	-	(128,918)	(128,918)	100%		-	(15,728)
Operating deficit	(15,914,828)	(4,110,760)	11,804,068	-74.17%	Refer to explanations above	9,446,088)	12,263,211



**SEDIBENG DISTRICT MUNICIPALITY
2022/23 FY
ANNUAL PERFORMANCE REPORT
SUMMARY REPORT**

The tabulation below illustrates that the **overall 2022/23 Annual** performance achieved was **78 %** for Administration compared to the previous 2021/22 FY was was **68%** which has since improved due to changes in leadership where a permanent Municipal Manager has been employed in May 2021/22 FY as well Executive Directors appointed permanently in some of the clusters.

it also be noted that the calculations done are correct, as per the targets as set out in the SDBIP.ADMINISTRATION Calculation of the annual achievement was based on the overall achievement of targets set as supported by evidence made available for the purposes of this report

2022/23 FY - ADMINISTRATION					2021/22 FY - ADMINISTRATION				
Office	Planned	Achieved	Not Achieved	% Achievement	Planned	Achieved	Not Achieved	% Achievement	
Municipal Manager	10	6	4	60%	15	8	7	53%	
Finance	9	8	1	89%	9	9	0	100%	
Corporate Services	32	23	9	72%	36	18	18	50%	
SPED	11	9	2	82%	13	10	3	77%	
TIE	7	5	2	71%	9	7	2	78%	
Community Services	13	12	1	92%	16	8	8	50%	
TOTAL	82	63	19	78%	98	60	38	61%	

SEDIBENG DISTRICT MUNICIPALITY

CLUSTER: OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE REPORTING FOR 2022/23 FINANCIAL YEAR

DP Strategy	Priority Area	IDPO Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2023	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
KPA1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																			
Ensure adherence to compliance matters	Compliance	To ensure that all compliance matters are adhered to	D1	Number of reports produced regarding compliance matters		Website compliance reports are available		OPEX Own Municipality funds	Produce 12 reports on website compliance	Produce 3 reports on Website compliance	Produce 3 reports on Website compliance	Produce 3 reports on Website compliance	Produce 3 reports on Website compliance	12/12 (100%) of the reports	Target Achieved	NA	NA	Target 100% Achieved	Target Achieved
Cooperative governance, joint planning and joint implementation	Inter-governmental Relations (IGR)	To coordinate intergovernmental collaborations with local, provincial and national departments	D2	Number of inter-governmental collaboration meetings coordinated	D2.1	Four (4) IGR Forums coordinated in the previous financial year		OPEX Own Municipality funds	Produce eight (8) inter-governmental collaboration meetings	Produce two reports on IGR meetings	Produce one reports on IGR meetings	Produce one reports on IGR meetings	Produce one reports on IGR meetings	Target Not Achieved 04/08	Target Not Achieved	For the 2022/23 FY, there was no evidence that IGR Forums were held. This is due to the vacancy in the position, there was no incumbent available to fulfil the position. The Manager position will be advertised.	Advertise and fill the vacancy in the IGR Manager position	Target Not Achieved	Target Not Achieved
Maintain effective, efficient and transparent systems of financial risk management and internal control	Risk Management	To develop Strategic and Operational Risk Registers	D3	Number of Risks registers developed for the municipality	D3.1	2022/23 Risk Management Plan		OPEX Own Municipality funds	Develop one Strategic and one Operational Risk Registers	Produce one Council approved Strategic Risk Register	NA	NA	NA	Target Not Achieved. Approx.	Target Not Achieved	Although Strategic Risk Assessment was conducted in Q2 of 2022/23 FY - it was still to be tabled at Council as well as a Risk Register not implemented due to lack of available resources	The Risk Register for the 2022/23 FY - will be tabled at Council for approval. In the Absence of an appointed Risk Committee the Accounting Officer will oversee the Committee until the R/C has been appointed.	Target Not achieved	Target Not Achieved
Develop, implement and monitor Risk-based Internal Audit Coverage Plan	Audit Plan	Develop and implement Internal Audit Plan	D4	Number of Internal Audit Plans Developed and reports produced	D4.1	2022/23 Audit Plan		OPEX Own Municipality funds	Develop one Internal Audit Plan and produce four Internal Audit Reports	N/A	NA	NA	NA	Target Not Achieved as the Internal Audit was completed without being informed by the strategic register.	Target Not Achieved	Although Internal Audit Plan was completed in Q2 of 2022/23 FY - it was still to be tabled at Council as well as the Risk Register not implemented due to lack of available resources.	The IA Plan will be approved by the newly appointed AC and Municipal Manager	Target Achieved	Target Achieved
Ensure measurable and transparent monitoring of the municipal performance	SDBIP	To develop and monitor the implementation of the SDBIP	D5	Number of Service Delivery and Budget Implementation Plans (SDBIP) approved and implemented	D5.1	Availability of IDP and SDBIP 2022/2023		OPEX Own Municipality funds	Develop one (1) 2022/23 SDBIP and produce four reports on the implementation of the SDBIP	Develop one (1) 2022/23 SDBIP and produce one report on the implementation of the SDBIP	Produce one report on the Review of the SDBIP	Produce one report on the Review of the SDBIP	Produce one report on the Review of the SDBIP	1 SDBIP (100%) Achieved	Target Achieved	NA	NA	Target Achieved	Target Achieved
Manage the Integrated Development planning process	IDP	Review the Integrated Development Plan	H3	Approved IDP Process Plan		2022/23 IDP		OPEX Sedibeng District Municipality	Submit Three progress reports on IDP	Submit the IDP Process Plan	NA	Submit Draft IDP	Submit Final IDP	Target 100% Achieved as at 30/06/2023	Target Achieved	NA	NA	NA	Target Achieved
World Class ICT Infrastructure in support of Smart Sedibeng	ICT Steering Committee	To implement ICT Steering Committee resolutions	H5	Number of reports produced regarding the progress on the implementation of the ICT resolutions	H5.1	Resolutions tracked and implemented for 2022/23		OPEX Own Municipality funds	Produce four reports regarding progress on the implementation of ICT Steering Committee Resolutions	Produce report regarding progress on the implementation of ICT Steering Committee Resolutions	Produce report regarding on the establishment of the ICT Steering committee.	Produce report regarding on the establishment of the ICT Steering committee.	Produce report regarding on the establishment of the ICT Steering committee.	44 (100%) ICT Reports were produced	Target Achieved	NA	NA	Target was not achieved as the ICT Steering Committee was not fully formalised	Target Not Achieved
Co-ordinate the Compliance Reporting, Monitoring and Evaluation	PMS	To monitor the performance of the municipality through the implementation of the SDBIP	D6	Number of Performance Management Reports produced	D6.1	Performance Management Framework		OPEX Own Municipality funds	Monitor and evaluate the performance of the Municipality through the implementation of SDBIP and produce four reports	Produce one performance management report	Produce one performance management report	Produce one performance management report	Produce one performance management report	44 (100% of 11 reports were produced)	Target Achieved	NA	NA	Target 100% Achieved	Target Achieved

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2023	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
Ensure Good Governance	Quality Assurance	To coordinate the remedial actions of the Auditor General General Findings	D7	Number of Auditor General findings remediated	D7.1	44 Auditor General Findings for 2021/2022	OPEX	Own Municipality funds	Produce one report with 23% remedial actions achieved	Produce one report with 23% remedial actions achieved	Produce one report with 23% remedial actions achieved	Produce one report with 23% remedial actions achieved	Produce one report with 23% remedial actions achieved	Target Not Achieved as 70%	Target Not Achieved	Remedial actions are being implemented however not in entirety. This is due to number of factors such as acting positions in key strategic positions (Executive Director), investigations other UIWE findings that require investigations to be finalised in order to resolve the outstanding issues.	Establishment of Cipoa	Target Not Achieved	Target Not Achieved
		To develop Annual Report for the municipality	D8	One Annual Report approved by Council	D8.1	2021/22 Annual Report	OPEX	Own Municipality funds	Produce one Annual report and submit it to Council for approval	N/A	N/A	N/A	Produce Draft Annual Report	1 (100%) Annual Reports	Target Achieved	N/A	N/A	Target 100% Achieved	Target Achieved

ANNUAL PERFORMANCE : 2022/23	
Targets Planned	10
Targets Achieved	6
Percentage Achievement	60%

SEDIBENG DISTRICT MUNICIPALITY																			
FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER																			
PERFORMANCE REPORTING FOR 2022/23 FINANCIAL YEAR																			
IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2023	Achieved/Not Achieved	Reasons for not achieved this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																			
OFFICE OF THE CHIEF FINANCIAL OFFICER																			
Progressive Compliance with MSCOA regulations	Implementation of MSCOA reforms	To ensure successful implementation of the MSCOA regulations	E1	Percentage of transacting on MSCOA posting accounts	E1.1	New Target	OPEX	Own Municipality funds	Implement 100% of MSCOA Regulations on account posting of transactions	Produce one report on 100% implementation of MSCOA Regulations	Produce one report on 100% implementation of MSCOA Regulations	Produce one report on 100% implementation of MSCOA Regulations	Produce one report on 100% implementation of MSCOA Regulations	100% implemented	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
Compile a realistic and funded budget	Municipal budget	To provide a realistic financial planning of the municipality	E2	Number of municipal budgets approved	E2.1	One (1) annual municipal budget in the previous financial year	Capex	Own Municipality funds	Compile one annual budget and submit to Council for approval	Compile one annual budget and submit to Council for approval	N/A	N/A	N/A	100% Target achieved	Target Achieved	N/A	according to the N	Target Achieved	Target Achieved
Development of an annual Procurement Plan	Procurement Plan	To determine procurement requirements and timeframes	E3	Number of Procurement plans submitted to National Treasury	E3.1	One (01) annual Capex Procurement plan submitted to National Treasury in the previous financial year	OPEX	Own Municipality funds	Submit one (01) annual Capex Procurement plan to National Treasury	Produce one Annual Capex Procurement Plan and submit to National Treasury	N/A	N/A	N/A	(100) Target achieved	N/A/A	N/A	Target Achieved	Target Achieved	Target Achieved
Implement Cost Containment Strategy	Cost Containment	To promote sound financial administration practices	E4	Percentage of cost saving realized	E4.1	5% cost saving realized in the previous financial year	OPEX	Own Municipality funds	Realize 1% of total annual saving on operating budget within general expenses and produce four reports	Produce one report on 1% of total annual saving on operating budget within general expenses	Produce one report on 1% of total annual saving on operating budget within general expenses	Produce one report on 1% of total annual saving on operating budget within general expenses	Produce one report on 1% of total annual saving on operating budget within general expenses	100% Target Achieved	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
Review tariff structure and income generating tariffs	Municipal Tariffs	To review the effectiveness of the existing tariff structures	E5	Number of municipal tariff reviews conducted	E5.1	One (1) Review of tariff structures conducted in the previous financial year	Capex	Own Municipality funds	Review tariffs for the 2022/2023 financial year and submit to Council for approval	Produce one report on Council approved Reviewed Tariffs for the 2022/2023 financial year	N/A	N/A	N/A	100% Target Achieved	Target Achieved	near	N/A	100% Target Achieved	
adherence to GEYODI Compliance	GEYODI Compliance	To adhere to GEYODI requirements	E6	Percentage of jobs awarded to people with disability	E6.1	2% jobs awarded to people with disabilities on the previous financial year	OPEX	Own Municipality funds	1% of total annual jobs awarded and services rendered by people with disabilities and produce one report	Produce one report on 0.25% jobs awarded and services rendered by people with disabilities	Produce one report on 0.25% jobs awarded and services rendered by people with disabilities	Produce one report on 0.25% jobs awarded and services rendered by people with disabilities	Produce one report on 0.25% jobs awarded and services rendered by people with disabilities	if the target was achieved	Target Not Achieved	do not respond to call	LED	Development to develop a strategy to	

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2023	Achieved/Not Achieved	Reasons for not achieved this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
				Percentage (%) of jobs awarded to Women owned businesses to date	E6.2	20% jobs awarded to women owned businesses in the previous financial year	OPEX	Own Municipality funds	20% of total annual jobs awarded and services rendered by women and produce one report	Produce a report on 5% of total annual jobs awarded and services rendered by women	Produce a report on 5% of total annual jobs awarded and services rendered by women	Produce a report on 5% of total annual jobs awarded and services rendered by women	Produce a report on 5% of total annual jobs awarded and services rendered by women	(100%) Target Achieved	Target Achieved	NIA	NIA	Target Achieved	Target Achieved
				Percentage of jobs awarded to Youth owned businesses to date	E6.3	4% jobs awarded to youth owned businesses in the previous financial year	OPEX	Own Municipality funds	4% of total annual jobs awarded and services rendered by youth and produce one report	Produce one report on 1% of total annual jobs awarded and services rendered by youth	Produce one report on 1% of total annual jobs awarded and services rendered by youth	Produce one report on 1% of total annual jobs awarded and services rendered by youth	Produce one report on 1% of total annual jobs awarded and services rendered by youth	(100%) Target Achieved	Target Achieved	NIA	NIA	Target Achieved	Achieved
To prioritize procurement of goods and services from local suppliers	Local Business Support	To provide support and develop local businesses	E7	Percentage of jobs awarded to local SMMEs and Cooperatives to date	E7.1.	30% jobs awarded to SMMEs and Cooperatives in the previous financial year	OPEX	Own Municipality funds	30% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	Produce one report on 10% of total annual jobs awarded and services rendered by SMMEs and Cooperatives	Produce one report on 10% of total annual jobs awarded and services rendered by SMMEs and Cooperatives	Produce one report on 10% of total annual jobs awarded and services rendered by SMMEs and Cooperatives	Produce one report on 10% of total annual jobs awarded and services rendered by SMMEs and Cooperatives	(100%) Target Achieved	Target Achieved	NIA	NIA	Target Achieved	Target Achieved
PERFORMANCE : 2022-23																			
Targets Planned		9																	
Targets Achieved		8																	
Percentage Achievement		89%																	

SEDIBENG DISTRICT MUNICIPALITY																		
CORPORATE SERVICES CLUSTER - CLUSTODAIN - EXECUTIVE DIRECTOR																		
PERFORMANCE REPORTING FOR 2022/23 FINANCIAL YEAR																		
IDP Strategy																		
KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																		
INFORMATION TECHNOLOGY																		
IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved	
Ensure adherence to compliance matters	Compliance	To ensure that all compliance matters are adhered to	F.1	Number of reports produced regarding compliance matters	F.1.1	No baseline	Ojex	Own Municipality funds	Produce four reports on Asset management of the Cluster	Produce one report on Assets management of the Cluster	Produce one report on Assets management of the Cluster	Produce one report on Assets management of the Cluster	Produce one report on Assets management of the Cluster	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
World Class ICT Infrastructure in support of Smart Sedibeng	ICT Governance	To implement ICT Governance Framework	F2	Number of ICT governance Framework reports produced	F2.1	ICT Governance Framework for 2022/23	OPEX	Own Municipality funds	Produce four reports on the Implementation of ICT Governance Framework	Produce one report on the Implementation of ICT Governance Framework	Produce one report on the Implementation of ICT Governance Framework	Produce one report on the Implementation of ICT Governance Framework	Produce one report on the Implementation of ICT Governance Framework	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
World Class ICT Infrastructure in support of Smart Sedibeng	ICT Strategy	To implement ICT Strategy	F3	Number of reports on the implementation of ICT Strategy	F3.1	ICT Strategy available	Ojex	Own Municipality funds	Produce four reports on the implementation of ICT Strategy	Produce one report on the implementation of ICT Strategy	Produce one report on the implementation of ICT Strategy	Produce one report on the implementation of ICT Strategy	Produce one report on the implementation of ICT Strategy	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
World Class ICT Infrastructure in support of Smart Sedibeng	ICT Security Controls	To implement ICT Security Controls	F4	Number of reports on the implementation of the ICT Security controls	F4.1	ICT Security control policy in place	Ojex	Own Municipality funds	Produce four reports on the implementation of ICT security Controls	Produce one report on the implementation of ICT security Controls	Produce one report on the implementation of ICT security Controls	Produce one report on the implementation of ICT security Controls	Produce one report on the implementation of ICT security Controls	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
World Class ICT Infrastructure in support of Smart Sedibeng	ICT Risks	To identify and manage identified ICT risks	F5	Number of reports on the remedial action regarding identified ICT risks	F5.1	Reports on the remedial action of the identified ICT risks for 2022/23	Ojex	Own Municipality funds	Produce remedial action reports on the identified ICT risks	Produce one report on the remedial action on the identified ICT risks	Produce one report on the remedial action on the identified ICT risks	Produce one report on the remedial action on the identified ICT risks	Produce one report on the remedial action on the identified ICT risks	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
Human Resource																		
Ensure effective, competent and motivated staff	Occupational Health and Safety	Implement Occupational Health and Safety programmes	F10	Number of Occupational Health and Safety programmes implemented	F10.1	Occupational Health and Safety Plan for 2022/23	OPEX	Own Municipality funds	Produce four reports on the implementation of the Occupational Health and Safety programmes for employees	Produce one report on the implementation of the Occupational Health and Safety programmes for employees	Produce one report on the implementation of the Occupational Health and Safety programmes for employees	Produce one report on the implementation of the Occupational Health and Safety programmes for employees	Produce one report on the implementation of the Occupational Health and Safety programmes for employees	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
Ensure effective, competent and motivated staff	Employment Equity programmes	To conduct workplace policies workshops for employees	F11	Number of workplace policies conducted for employees	F11.1	Workplace policies for 2022/23	OPEX	Own Municipality funds	Conduct four workplace policies workshops for employees	Conduct one workplace policies workshops for employees	Trained employment equity committees	NA	NA	44 Target for the workplace workshops	Target Not Achieved	Management will review the target during the problem	Target Not Achieved	Target Not Achieved
Ensure effective, competent and motivated staff	Capacity Building	Develop and implement capacity Building interventions		Number of Reports on the implementation of WSP interventions implemented in the last financial year		Previous report implemented in the last financial year	Ojex	USSETA	Produce Four reports on capacity Building interventions	Produce one report on capacity Building interventions	Produce one report on capacity Building interventions	Produce one report on capacity Building interventions	Produce one report on capacity Building interventions	100 % Target	Target Achieved	NA	Target Achieved	Target Achieved
Ensure effective, competent and motivated staff	Wellness Programme	Develop and implement employee wellness programme		Number of Reports on the implementation of employee wellness programme		Previous report implemented in the last financial year 2022/23	Ojex		Produce four reports on the implementation of employee wellness programme	Produce one reports on the implementation of employee wellness programme	Produce one reports on the implementation of employee wellness programme	Produce one reports on the implementation of employee wellness programme	Produce one reports on the implementation of employee wellness programme	44 (100%)	Target Achieved	NA	Target Achieved	Target Achieved
Legal and support																		

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved	Achieved/Not Achieved
Oversee the implementation of contract management by clients	Contract Management	To provide legal support regarding clients' management of their contracts	F13	Number of contract management oversight reports produced	F13.1	Four Contract management oversight reports in 20/2023 financial year	OPEX	Own Municipality funds	Oversee the implementation of contract management and produce four reports	Oversee the implementation of contract management and produce one report	Oversee the implementation of contract management and produce one report	Oversee the implementation of contract management and produce one report	Oversee the implementation of contract management and produce one report	34 (75%)	Not Achieved	The function was moved to Finance as such had an impact on the function	The function was moved to Finance with limited resources.	Not Achieved	Not Achieved
Effective Management of Council Business	Legal services	To advise council on all matters of legal nature	F14	Number of legal opinions provided to management	F14.1	No baseline	OPEX	Own Municipality funds	Produce four reports regarding legal opinions provided	Produce one report regarding legal opinions provided	Produce one report regarding legal opinions provided	Produce one report regarding legal opinions provided	Produce one report regarding legal opinions provided	100%	Target Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
Effective Management of Council Business		Litigation		Updated the Litigation Register		No baseline	OPEX	Own Municipality funds	Produce four Report on Litigation Register	Produce one report on Litigation Register	Produce one report on Litigation Register	Produce one report on Litigation Register	Produce one report on Litigation Register	44 (100%)	Target Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
Effective Management of Council Business		Legislative Compliance		Training and subscription to relevant resources (Digital)			OPEX	Own Municipality funds	Produce four Reports on legislative compliance	Produce one Report on Legislative compliance	Produce one Report on Legislative compliance	Produce one Report on Legislative compliance	Produce one Report on Legislative compliance	44 (100%)	Target Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
Effective Management of Council Business	Council meetings Secretary Support services	To provide secretariat support to council meetings	F16	Number of council meetings supported	F16.1	Eight Council meetings for 20/2023	OPEX	Own Municipality funds	Produce four sets of minutes and Agenda of Council meetings	Provide one set of minutes and Agenda of Council meetings	Provide one set of minutes and Agenda of Council meetings	Provide one set of minutes and Agenda of Council meetings	Provide one set of minutes and Agenda of Council meetings	100%	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
Records Management	Effective management of Council Business	To implement Records Management Strategy	F17	Number of reports on the implementation of the Records Management Strategy	F17.1	Records Management Strategy for 20/21	OPEX	Own Municipality funds	Produce four reports on the implementation of the Records Management Strategy	Produce one report on the implementation of the Records Management Strategy	Produce one report on the implementation of the Records Management Strategy	Produce one report on the implementation of the Records Management Strategy	Produce one report on the implementation of the Records Management Strategy	100%	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
COMMUNICATIONS																			
Effective management of Council Business	Communications Strategy	To develop Communication Strategy	F18	One Council Approved Report on Communication Strategy	F18.1	No Communication Strategy in 20/2023	OPEX	Own Municipality funds	Produce one Communication Strategy and submit to Council for approval	N/A	Produce one Communication Strategy and submit to Council for approval	N/A	N/A	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
Effective management of Council Business	Social Media Policy	To develop social media Policy	F19	One Council approved report on social media Policy	F19.1	No Social Media Policy in 20/2023	OPEX	Own Municipality funds	Produce one Social Media Policy and submit to Council for approval	N/A	Produce one social media Policy and submit to Council for approval	N/A	N/A	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
Effective management of Council Business	Municipality Image	To promote the municipality image through posting of events, campaigns and commemorative events on the website.	F21	Number of reports regarding municipality events posted on the website	F21.1	Uploaded website for the municipality events on the website for 20/2023	OPEX	Own Municipality funds	Uploaded four municipality events on the website	Uploaded one municipality events on the website	Upload two compliance reports on the website	Upload two compliance reports on the website	Upload two compliance reports on the website	44 (100%)	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
Effective management of Council Business		To implement Communication Strategy	F22	Number of Communication strategies implemented	F22.1	Communication strategies implemented in 20/2021 financial year.	OPEX	Own Municipality funds	One Communication Strategy developed and approved by Council	Develop One Communication Strategy and submit to Council for approval	N/A	N/A	N/A	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
Effective management of Council Business		To monitor Media Services	F23	Number of Media Monitoring Services implemented	F23.1	Media Monitoring Services implemented in 20/2021 financial year.	OPEX	Own Municipality funds	Four Reports on media monitoring	Produce one report on media monitoring	Produce one report on media monitoring	Produce one report on media monitoring	Produce one report on media monitoring	44 (100%)	Target Achieved	N/A	N/A	Achieved	Achieved
		To conduct media stakeholders relations meeting	F24	Number of Media Stakeholders meetings conducted	F24.1	No Baseline	OPEX	Own Municipality funds	Conduct one Media Stakeholders meetings	Conduct one Media Stakeholders meeting	Conduct one Media Stakeholders meeting	Conduct one Media Stakeholders meeting	Conduct one Media Stakeholders meeting	44 (100%)	Target Achieved	N/A	N/A	Achieved	Achieved

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved	Achieved/Not Achieved
				Number of District Communications Forum meetings	F24.3	No baseline	Opex	Own Municipality funds	Coordinate one District Communications Forum meeting	Coordinate one Communication forum meeting	Coordinate one Communication forum meeting	Coordinate one Communication forum meeting	Coordinate one Communication forum meeting	100%	Target Achieved	N/A	N/A	Target Achieved	Achieved
				Number of External newsletters developed, printed and distributed	F24.4	External newsletters developed, printed and distributed in 2020/21	Opex	Own Municipality funds	Develop, Print and Distribute 1 External newsletters each quarter	Develop, Print and Distribute 1 External newsletters each quarter	Develop, Print and Distribute 1 External newsletters each quarter	Develop, Print and Distribute 1 External newsletters each quarter	Develop, Print and Distribute 1 External newsletters each quarter	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
				Number of media engagements facilitated	F24.5	No baseline	Opex	Own Municipality funds	Facilitate four media engagements	Facilitate one media engagement	Facilitate one media engagement	Facilitate one media engagement	Facilitate one media engagement	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
		To implement social media Policy	F25	Number of Social Media reports submitted	F25.1	No baseline	Opex	Own Municipality funds	Submit four reports on Social media	Submit one report on Social media	Submit one report on Social media	Submit one report on Social media	Submit one report on Social media	0%	Target Not Achieved	Availability	Management	Target Not Achieved	Target Not Achieved
FLEET MANAGEMENT																			
Ensure effective and efficient fleet management	Integrated Fleet Management Strategy	To implement Integrated Fleet Management Strategy	F26	One Integrated Fleet Management Strategy approved by Council	F26.1	No Integrated Fleet Management Strategy in 2020/21	Opex	Own Municipality funds	Produce one Integrated Fleet Management Strategy and submit to Council for approval	Produce one Integrated Fleet Management Strategy and submit to Council for approval	N/A	N/A	N/A	100%	Target Achieved	N/A	Target Achieved	Target Achieved	Achieved
Ensure effective and efficient fleet management	Integrated Fleet Management Plan	To develop Integrated Fleet Management plan	F26	Council approved Integrated Fleet Management plan for 2022/23	F26.1	Approved Integrated Fleet Management plan for 2022/23	Opex	Own Municipality funds	Produce one Integrated Fleet Management Plan and submit to Council for approval	N/A	Produce one Integrated Fleet Management Plan and submit to Council for approval	N/A	N/A	100%	Target Achieved	N/A	Target Achieved	Target Achieved	Achieved
Ensure effective and efficient fleet management	Integrated Fleet Management Plan	To implement Integrated Fleet Management Plan	F27	Number of Council approved Integrated Fleet Management reports produced	F27.1	Approved Integrated Fleet Management reports for 2022/23	Opex	Own Municipality funds	Produce four reports on the implementation of the integrated fleet management plan for council approval	Produce one report on the implementation of the integrated fleet management plan for council for holding	Produce one report on the implementation of the integrated fleet management process plan.	Produce one report on the implementation of the integrated fleet management process plan.	Produce one report on the implementation of the integrated fleet management process plan.	44%	Target Not Achieved	N/A	Target Not Achieved	Target Not Achieved	Target Not Achieved
FACILITIES MANAGEMENT																			
Improve Council image and access to Municipality's Buildings and Facilities	Facilities and buildings	To develop General Repairs and Maintenance plan for facilities and buildings	F28	One General Repairs and Maintenance plan for facilities and buildings approved	F28.1	Approved General Repairs and Maintenance plan for facilities and buildings for 2022/23	Opex	Own Municipality funds	Produce one General Repairs and Maintenance plan for facilities and buildings for council approval	Produce one General Repairs and Maintenance plan for facilities and buildings for council approval	N/A	N/A	N/A	100%	Target Achieved	N/A	N/A	Target Achieved	Achieved
Improve Council image and access to Municipality's Buildings and Facilities	Facilities and buildings	To implement General Repairs and Maintenance Plan for facilities and buildings	F29	Number of General Repairs and Maintenance reports produced	F29.1	Approved General Repairs and Maintenance Reports in 2022/23	Opex	Own Municipality funds	Produce four reports on General Repairs and Maintenance of facilities and buildings	Produce one report on General Repairs and Maintenance of facilities and buildings	Produce one report on General Repairs and Maintenance of facilities and buildings	Produce one report on General Repairs and Maintenance of facilities and buildings	Produce one report on General Repairs and Maintenance of facilities and buildings	44%	Target Not Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
PROTECTION SERVICES																			
Ensure safety of users of municipality facilities and buildings	Safety and security of councilors, employees and members of the public	To implement the Protection Services Strategy	F30	Number of reports submitted on the implementation of the protection services Strategy	F30.1	Reports on the implementation of the Protection Services Strategy for 2020/2021	Opex	Own Municipality funds	Submit four reports on the implementation of the Protection Services Strategy	Submit one report on the implementation of the Protection Services Strategy	Submit one report on the implementation of the Protection Services Strategy	Submit one report on the implementation of the Protection Services Strategy	Submit one report on the implementation of the Protection Services Strategy	44%	Target Not Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
ANNUAL PERFORMANCE : 2022-23																			
Targets Planned						32													
Targets Achieved						23													
Percentage Achievement						72%													

SEDRING DISTRICT MINORITY																
TRANSPORT INFRASTRUCTURE & ENVIRONMENT C LISTER - CUSTODIAN/EXECUTIVE DIRECTOR																
PERFORMANCE REPORTING FOR 2022(FINANCIAL YEAR)																
Priority Area	OP Strategy	OP Objective	Strategic Priority Programme (SPP)	PRIN	Indicator	Baseline	Target	Annual Target	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Actual Performance Achieved as at 30th June 2022	Actual Performance Achieved as at 30th June 2022	Actual Performance Achieved
WPA & BASIS																
TRANSPORT																
Creating work opportunities in Traditional Programmes	ENVP	To create work opportunities in traditional programmes	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% Target Achieved	Target Achieved	Achieved
Plan and create accessible safe and efficient public transport systems and facilities	Infra and Transport Plan	To promote and create safe and efficient public transport systems and facilities	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% Achieved	Target Achieved	Achieved
Plan for effective efficient and sustainable transport infrastructure projects	Regional Infrastructure Project/Trade Area Management System (RTAMS)	To improve the efficiency and sustainability of transport infrastructure projects	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% of their equalisation	Target Achieved	N/A
Plan for effective efficient and sustainable transport services in the region	Urban Service Centres	To ensure effective delivery of transport services in the region	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% of their equalisation	Target Achieved	Achieved
Implementation of effective environment management in the region	Air Quality	Monitor the Ambient Air Quality in the region	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% of their equalisation	Target Achieved	Achieved
Implementation of effective environment management in the region	Environmental Awareness	To promote and create awareness on environmental issues in the region	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% of their equalisation	Target Achieved	Achieved
Enhance safe and healthy environment for people to live and work in and reduce environmental health risk	Municipal Health Services	To promote and create a safe and healthy environment for people to live and work in and reduce environmental health risk	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	ENVP	100% of their equalisation	Target Not Achieved	Not Achieved
ANNUAL PERFORMANCE: 2022																
Target Planned	1															
Target Achieved	6															
Percentage Achievement	11%															

SEDIENING DISTRICT MUNICIPALITY																			
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR																			
PERFORMANCE REPORTING FOR 2022/23 FINANCIAL YEAR																			
IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicators (KPIs)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2023	Achieved/Not Achieved	Reasons for Not Achieved this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
KPA 2: LOCAL ECONOMIC DEVELOPMENT																			
INTEGRATED DEVELOPMENT PLAN (IDP)																			
Consolidate, Review and Monitor implementation of the Sediberg Growth Development Strategy (SGDS) Development without post Spatial Imbalances	GDS III	To create a sustainable integrated, urban and rural region through sustainable and well-located development	H2	Quarterly reports on progress on Sediberg Growth and Development Strategy II	H2.1	2022/23 Progress reports on SGDS III	OPEX	Sediberg District Municipality	Submit four progress reports on the implementation of the Growth and Development Strategy III	Submit quarterly progress report on SGDS III	Submit quarterly progress report on SGDS III	Submit quarterly progress report on SGDS III	Submit quarterly progress report on SGDS III	Target Not Achieved 30 (70%) of	Target Not Achieved	Management Aided - LEJ was busy with the research on establishment of the Development Agency. The Agency will unlock the implementation of GDS III. A report will be submitted at the completion of the process.	Management Aided - LEJ was busy with the research on establishment of the Development Agency. The Agency will unlock the implementation of GDS III. A report will be submitted at the completion of the process.	Target Not Achieved in the	Target Not Achieved.
Promote sustainable development in the Region	Southern Corridor Regional Implementation Plan (SCRIP)	To create a sustainable integrated, urban and rural region through sustainable and well-located development	H6	Manage the implementation of SCRIP	H6.1	Approved SCRIP	OPEX	Sediberg District Municipality	Submit Four reports on SCRIP implementation	Submit report on SCRIP	Submit report on SCRIP	Submit report on SCRIP	Submit report on SCRIP	44 (100%) progress reports on SCRIP	Target Achieved	N/A	N/A	Target Achieved	Achieved
Special Development Projects		To create a sustainable integrated, urban and rural region through sustainable and well-located development	H6	Manage the implementation of Special Development Project	H6.1	2022/23 Reports submitted	OPEX	Sediberg District Municipality	Submit Four reports on Special Projects progress	Submit report on Special Projects	Submit report on Special Projects	Submit report on Special Projects	Submit report on Special Projects	34 (86%) projects were completed	Target Not Achieved	Management Aided - the need to re-evaluate the KPI will be reviewed in the next financial year.		not achieved	Not Achieved
Support the development of Human Settlements projects/programs	Housing and Urban Renewal programme	To create a sustainable integrated, urban and rural region through sustainable and well-located development	H5	Effective Human Settlements IGR Forum	H5.1	2022/23 Human Settlements Reports	OPEX	Sediberg District Municipality	Submit Four Human Settlements Reports	Submit Human Settlements report	Submit Human Settlements report	Submit Human Settlements report	Submit Human Settlements report	44 (100%) HS project reports prepared	Target Achieved	N/A	N/A	Target Achieved	Achieved
Ensure adequate support is provided to SMEs and Cooperatives	Integrated and Inclusive Regional Economy	Support SMEs/MSMEs in the Regional Economy	H5	Effective management of Sediberg United Business Chamber	H5.1	2022/23 Report on Investment Summit and SME/MSME Conference	OPEX	Sediberg District Municipality	Submit Four Reports on SME/MSME and Cooperatives support	Submit report on SME/MSME and Cooperatives support	Submit report on SME/MSME and Cooperatives support	Submit report on SME/MSME and Cooperatives support	Submit report on SME/MSME and Cooperatives support	44 (100%) Target achieved.	Target Achieved	N/A	N/A	Target Achieved	Target Achieved
Create a conducive environment for the creation of job opportunities to alleviate poverty, unemployment and inequalities	Integrated and Inclusive Regional Economy	Support the Retention, Expansion and Attraction of Investment in the Region	H5	Effective coordination and management of the Regional Economic Development Forum	H5.1	2021/22 Reports on the District Wide Leverage declaration	OPEX	Sediberg District Municipality	Submit Four Reports on SME/MSME and Cooperatives support	Submit report on Regional Economic Growth	Submit report on Regional Economic Growth	Submit report on Regional Economic Growth	Submit report on Regional Economic Growth	44 (100%) reports on Regional Economic Growth	Target Achieved	N/A	N/A	Target Achieved	Achieved
Promote and Support Agricultural Sector		Support the Retention, Expansion and Attraction in the Agricultural Sector	H5	Effective coordination of the agricultural Sector	H5.1	2021/22 Reports on Agricultural Activities	OPEX	Sediberg District Municipality	Submit Four Reports on Agricultural support	Submit report on Agricultural Support	Submit report on Agricultural Support	Submit report on Agricultural Support	Submit report on Agricultural Support	44 (100%) Reports on Agricultural Support	Target Achieved	n/a	n/a	Target Achieved	Target achieved

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for Not Achieved this target	Management Action	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved
Promote and support Agricultural Sector		To provide efficient services to suppliers and buyers		Effective management and operations of Vereeniging Fresh Produce Market		2021/22 Report on operation of Vereeniging Fresh Produce Market	OPEX	Sediberg District Municipality	Submit Four reports on Vereeniging Fresh Produce Market operations	Submit report on Vereeniging Fresh Produce Market operations	Submit report on Vereeniging Fresh Produce Market operations	Submit report on Vereeniging Fresh Produce Market operations	Submit report on Vereeniging Fresh Produce Market operations	64 (100%) Reports on Vereeniging Fresh Produce Market operations	Target Achieved	N/A	N/A	N/A	N/A
Promote and support the Tourism sector		To create tourism demand through targeted tourism marketing initiatives	H9	Effective coordination and promotion of Tourism marketing initiatives	H9.1	2021/22 Report on Tourism Demand	OPEX	Sediberg District Municipality	Submit Four Reports on Tourism Demand	Submit report on Tourism Demand	Submit report on Tourism Demand	Submit report on Tourism Demand	Submit report on Tourism Demand	64 (100%) Targets on Tourism Demand	Target Achieved	N/A	N/A	N/A	NA
Promote and support the Tourism sector		To develop skills and products in the tourism industry	H10	Effective coordination and management of skills development programmes in the Tourism Sector	H10.1	2022/23 Reports on Tourism Skills development	OPEX	Sediberg District Municipality	Submit four reports on Tourism, skills and product development	Submit report on Tourism, skills and product development	Submit report on Tourism, skills and product development	Submit report on Tourism, skills and product development	Submit report on Tourism, skills and product development	64 (100%) Reports on skills development	Target Achieved	N/A	N/A	N/A	Target Achieved

ANNUAL PERFORMANCE - 2022-23	
Targets Raised	11
Targets Achieved	9
Percentage Achievement	82%

SEDIBENG DISTRICT MUNICIPALITY																			
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR																			
PERFORMANCE REPORTING FOR 2022/23 FINANCIAL YEAR																			
IDP Strategy	Priority Area	IDP Objective	Objective No:	Key Performance Indicator	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four(4)	Actual Performance Achieved as at 30th	Achieved/N of Achieved	Reasons for Not Achieved this target	Management Action	Actual Performance Achieved as at 30th	Achieved/N of Achieved
KPA 4: BASIC SERVICES AND INFRASTRUCTURE																			
COMMUNITY SAFETY																			
Promote and build safer communities	Institutional Arrangement	Promote stakeholder relations that will produce effective crime prevention networks and intervention measures	G1	Review the Community Safety Strategy	G1.1	Implementation of community safety programmes	OPEX	Own Municipality funds		N/A	Conduct Stakeholder engagement for the review of the Safety Strategy (01 Stakeholder Workshop	N/A	Submit reviewed Community Safety Strategy 2023-2027 for Council approval	100% Achieved	Target achieved	N/A	N/A	Target Achieved	
	Crime and Violence Prevention	Improve crime and violence prevention through increased levels of social responsibility and policing	G2	Support implementation of Ward-Based Crime and Violence Prevention Initiatives	G2.2	Implementation of community safety programmes	Opex	Own Municipality funds	Produce two reports on establishment of Ward-Based Sector Crime Forum	N/A	Produce one report on the establishment of ward-based sector crime forum	N/A	Produce one report on the establishment of ward-based sector crime forum	100% Achieved	Target achieved	N/A	N/A	Target Achieved	
	Road Safety Promotion	Promote road safety awareness and education through active stakeholders' participation	G3	Facilitate implementation of road safety initiatives across the region	G3.3	Implementation of community safety programmes	Opex	Own Municipality funds	Produce Three Reports on Road Safety Promotion	N/A	Produce one Report on Road and Safety Promotion	Produce one Report on Road and Safety Promotion	Produce one Report on Road and Safety Promotion	100% Achieved	Target achieved	N/A	N/A	Target Achieved	
	Monitoring and Evaluation	Measure the impact of adopted interventions towards elimination and reduction of crime	G4	Coordinate crime prevention stakeholder engagements and generate	G4.4	Implementation of community safety programmes	Opex	Own Municipality funds	Produce Two Crime Analysis Reports	N/A	Submit one Crime Analysis Reports	N/A	Submit one Crime Analysis Reports	100% Achieved	Target achieved	N/A	N/A	Target Achieved	

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four (4)	Actual Performance Achieved as at 30th	Achieved/Not Achieved	Reasons for Not Achieved this target	Management Action	Actual Performance Achieved as at 30th	Achieved/Not Achieved
Promote disaster resilient communities	Disaster management awareness	Implement Disaster Risk Reduction (DRR) programmes.	G3	Number of Disaster Risk Reduction awareness programmes conducted	G3.1	Four (4) Awareness campaigns in 2022/23	OPEX	Own Municipality funds	Conduct four (4) Public Disaster Management awareness programmes and report	Produce one report on Public Disaster Management awareness programmes	Produce one report on Public Disaster Management awareness programmes	Produce one report on Public Disaster Management awareness programmes	Produce one report on Public Disaster Management awareness programmes	100% Achieved	Target achieved	N/A	NA	Target Achieved	
Promote disaster resilient communities	Disaster Relief and Response efforts	To Establish Response Stakeholder Directory		Number of Response Directory			Opex	Own Municipality	One Response stakeholder Directory	N/A	N/A	Produce one Report on the Establishment of Stakeholder Directory	N/A	100% Achieved	Target achieved	N/A	NA	Target Achieved	
Promote disaster resilient communities	Revive Disaster Management Advisory Forum	Effective arrangements for Disaster Management stakeholders' participation		Number of Forums sitting			Opex	Own Municipality	Host Two Disaster Management Advisory Forum	One advisory Forum Sitting	N/A	N/A	One advisory Forum Sitting	100% Achieved	Target achieved	N/A	NA	Target Achieved	
Promote efficient delivery of Primary Health Care Services	District Health Council Activities	coordinate implementation of District Health Council Activities	G4	Number of District Health Council programmes coordinated	G4.1	Three (3) District Health Council Programmes On 2022/23 financial year	OPEX	Own Municipality funds	Coordinate three (3) District Health Council programmes	Produce one report on District Health Council Activities	N/A	Produce one report on District Health Council Activities	Produce one report on District Health Council Activities	100% Achieved	Target Not Achieved	Management will re	The target will	Target Achieved	
Facilitate implementation of youth development programmes in the region through NYDA	Youth Development Programmes	To coordinate youth development programmes in the region through NYDA	G5	Number of Youth Development Programmes coordinated	G5.1	-	NYDA Budget	Own Municipality funds	Coordinate four (4) Youth Development Programmes and produce reports	Coordinate Youth Development Programmes	Coordinate Youth Development Programmes	Coordinate Youth Development Programmes	Coordinate Youth Development Programmes	2/4 (50%) of	Target Not Achieved	Unavailability of res	Management	Target Achieved	
Promote women advocacy and gender equality within our society	Women and Gender Programmes	To coordinate implementation of women and gender programmes	G6	Number of Women and Gender Programmes coordinated	G6.1	Three (3) Women and Gender Programmes in 2022/23 Financial year	OPEX	Own Municipality funds	Coordinate two (2) Women and Gender Programmes and produce reports	Produce one reports on Women and Gender programmes	N/A	Produce one reports on Women and Gender programmes	N/A	100% Achieved	Target achieved	N/A	NA	Target Achieved	

IDP Strategy	Priority Area	IDP Objective	Objective No.	Key Performance Indicator	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two(2)	Quarter Three(3)	Quarter Four (4)	Actual Performance Achieved as at 30th	Achieved/Not Achieved	Reasons for Not Achieved this target	Management Action	Actual Performance Achieved as at 30th	Achieved/Not Achieved
Promote the development of sports and recreation in the region	Sports and Recreation Programmes	Coordinate developmental sport and recreational programmes in the region	G7	Number of sport and recreation programmes coordinated	G7.1	Four (4) Programmes in the previous financial year	OPEX	Own Municipality funds	Coordinate (4) Developmental Sports Programmes and produce reports	Produce one Quarterly report on Developmental Sports programmes	Produce one Quarterly report on Developmental Sports programmes	Produce one Quarterly report on Developmental Sports programmes	Produce one Quarterly report on Developmental Sports programme	100% Achieved	Target achieved	N/A	NA	Target Achieved	
Support Arts and Culture Programmes	Arts and Culture	Coordinate arts and culture events and programmes in line with Covid-19	G8	Number of Arts and Cultural programmes coordinated	G8.1	Four (4) Programmes in the previous financial year	OPEX	Own Municipality funds	Coordinate four (4) Arts and Culture Programmes	Coordinate one Arts and Culture programme	Coordinate one Arts and Culture programme	Coordinate one Arts and Culture programme	Coordinate one Arts and Culture programme	100% Achieved	Target achieved	N/A	NA	Target Achieved	
Facilitate the Geographical Name Change process	Geographical Name Change	Coordinate mobilization of stakeholders' participation for Geographical Name Change	G9	Number of GNC Stakeholders meetings coordinated	G9.1	GNC stakeholder's participation meetings held in the previous financial year.	OPEX	Own Municipality funds	Coordinate four (4) GNC Stakeholders meetings and produce reports	Produce one report on GNC Stakeholders Consultations	Produce one report on GNC Stakeholders Consultations	Produce one report on GNC Stakeholders Consultations	Produce one report on GNC Stakeholders Consultations	100% Achieved	Target achieved	N/A	NA	Target Achieved	

ANNUAL PERFORMANCE : 2022-23	
Targets Planned	13
Targets Achieved	12
Percentage Achievement	92%