

MERAFONG CITY

LOCAL MUNICIPALITY

A

ANNUAL REPORT

2021/2022

FINAL AUDITED

Contents

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ANNUAL REPORT TEMPLATE

The purpose of this Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

This template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year; **2020/2021**
- Year 0: The financial year of reporting; **2021/2022**
- Year 1: The following year, mostly requires future targets; and **2022/2023**
- The other financial years will follow a similar sequence as explained above.

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REVISED ANNUAL REPORT TEMPLATE

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

a. Vision:

The vision and mission statements of Merafong City Local Municipality pledged specifically to satisfy the Constitutional obligations in terms of Chapter seven (7) for Local Government sphere. The municipality’s vision states as “a prosperous, sustainable and community-oriented city” and the mission states to “provide quality services to our community through accountable governance”. The Local Government sphere is consistently experiencing the crucial socio-economic challenges which aggravated by unemployment, poverty and inequality. It is the reason why the municipality is intensifying its measures to address these challenges to improve the lives of our people.

The municipality is upholding to the values and practices that reflect the core guidelines and constitutional obligations for the provision of basic services to the community. A customer-centric approach shapes the values of Merafong City Local Municipality. This defines the character of the municipality and the foundation on which leadership and employees behave and conduct themselves and guide the way in which decisions are made. Furthermore, our change in approach requires for us to prioritize values that create a new behavior within the municipality.

As guided by our vision to provide quality services to our community through accountable governance remains our guiding tool towards delivering of quality services that is responsive to the demands and challenges of the community. As a result, the Municipality has fully aligned its political vision to the recent District Development Model (DDM) concept, National Development Plan (NDP) guidelines such as the National Development Framework; the Growing Gauteng Together Plan at provincial level; and fourteen (14) Regional Outcomes at the district level. For the municipality to perform maximally it is important to firstly capacitating the workforce starting from the executive management level until to other critical areas such as infrastructure and finance sections.

The Municipality has performed its constitutional obligations under strenuous challenges of staff incapacity, COVID-19 regulations, low collection rate for services, persisting risk dolomitic condition of Khutsong location which exacerbated by a decayed infrastructure. Be as it may, the municipality is committed to provide quality services although under critical challenges of limited resources but striving to implement the interventional measures to create an enabling environment for the creation of jobs opportunities. The fight or battle against Covid-19 is continuing even if, the scourge of the Coronavirus (COVID-19) has had a negative impact of socio-economic landscape of the municipality thus contributing further to the ailing position of the Municipality’s financial position. This pandemic resulted into a mass unemployment effect from the mining sector which is the main economic driver for Merafong City community.

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The municipality is committed to provide basic services to the people of Merafong community without fail by applying all interventions, opinions and the strategies approved. Currently the municipality is under Section 154 intervention which gradually improving the basic services to our people. The officials of the municipality are adhering to other compliance measures such as cost containment measures, implementation of financial recovery plans, application of Municipal Financial TurnAround strategy, communication strategy and the enforcement of Memorandum Of Understanding with the Gauteng Provincial Department of Public Transport and Roads Infrastructure.

For the financial year of 2020/2021 the municipality has received an adverse audit opinion which amplified our commitment to attend to the issues raised by the Auditor General. The municipality has established committees in terms of the Local Government Municipal Systems Act. No 32 of 2000 for compliance issues and effective performance such Section 80 Committees, MPAC Committee and other Section 79 committees.

b. Key Policy Developments:

The municipality re-affirmed its commitment to focus primarily on the development of policies and directives that address the improvement of revenue collection. This unfolded through the review and implementation of its strategic pillars of the Financial Turn Around Priority Plan. The recent 19 to 20 January 2022 councillors' workshop on policies refined the measures to improve revenue collection. The Municipality undertook the process for the review and adoption of the Merafong Spatial Planning and Land Use Management Bylaws as well as its Land Use Scheme in compliance with the SPLUMA, 2013 that seeks to create spatial cohesion and promotion of socio-economic development within the Municipality. The Municipality concluded its Water Services Master Plan and Water Services Development Plan through the support of the Development Bank of South Africa.

The municipality is ready to implement the recent promulgated Local Government Municipal Staff Regulations approved by the Minister for Corporative Governance and Traditional Affairs Dr Nkosasana Dlamini Zuma which supposed to be applied with effect from the 1st of July 2022. The introduction of this regulation will benefit the municipality against the labour issues that are compromising the performance of the municipality, especially on service delivery issues.

c. Key Service Delivery Improvements:

It is officially known that the municipalities at the local government level are suffering from two major service delivery drivers being the electricity and water supply. It is against the above-mentioned statement to announce that the municipality has managed to keep the payment arrangements for these major service delivery commodities. For the sustainable supply of these service delivery drivers the municipality applied the measures of Municipal Finance TurnAround Plan which including illegal disconnections, electricity load reduction and water restriction to areas identified.

The above-mentioned campaign resulted into an improvement for 2021/2022 quarter three (3) on low payments of services and a number of payments arrangements by the departments, businesses and owing rent payers. The improvement is as a result of an established collaborated "Revenue Blitz Team" consists of finance, water, electricity, municipal social development and public safety sections observed by the respective ward councilors.

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Key service delivery improvements were concentrated essentially on the 14 regional outcomes mandated by the district and the interventions on water supply included the following:

- Maintenance plans developed and continuously monitored,
- Continuous efforts to improve the billing system for accuracy towards reduction of unaccounted water,
- Constant community outreach programs for payment of services,
- Comprehensive implementation of indigent policy to address water loss,
- War on water leaks community project

The municipality has received a donation of fleet from the Minister of Fisheries, Forestry and Environment B Creecy for the purpose of improving service delivery and maintenance of the environment. The council of Merafong City as well approved a proposal to purchase a new fleet of vehicles for the purpose of service delivery improvements especially for illegal dumping sites, electrical issues and water loss.

d. Public Participation:

Section 152(1)(a) of the Constitution provides that the objects of the local government are to encourage the involvement of communities and community organizations in the matters of local government; also with Section 28 of the Municipal System Act, Act 32 of 2000 requires that each Municipal Council adopts a process plan that would guide the planning, drafting, adoption and review of the IDP, Budget and Performance.

The municipality has reliable structures that are sustaining and improving the public participation as required in terms of Local Government Systems Act. No32 of 2000 Chapter 4, on community participation. Public Participation is led by a legislated Ward Committees structure and other collaborated structures such as Ward Based War Room Structures, Community Development Workers, Expanded Public Works Programs, Clinic Committees, School Governing Bodies, Community Forums including Gender, Youth, Disabled sector and further community designated groups. The municipality has approved a communication strategy which complemented by CoGTA advised public participation guidelines such as:

- i. WhatsApp Groups,
- ii. Facebook,
- iii. Media, E.G. Radio and News Papers,
- iv. Municipal Website,
- v. SMS bundles,
- vi. Email Addresses,
- vii. Posters at the strategic points,
- viii. Creation of WhatsApp number for consultation,
- ix. WhatsApp ChatBots,
- x. GovChart Platform.

The above-mentioned communication platforms were applied in line with the adopted municipal strategy to reach every citizen of Merafong for the purpose of public participation. The recent 2021/2022 IDP/Budget quarter 4 community consultation was a success following the above-mentioned guidelines. The introduction of new District Development Model (DDM) as well amplifying

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the public participation of the community members on issues relating to their developments. The DDM intensified public participation programs at ward levels through the Ward Based War Room structures coordinated by the ward councilors. Following the experience of COVID-19 all public participation programs are subject for the protocols and the introduced regulations.

e. Future Actions:

Council has noted the Auditor General's opinion on the Financial Statements presented and on the performance information of the municipality. Administration has recommitted itself in ensuring that all findings and matters of emphasis will be given attention. The overall audit opinion for the municipality is a disclaimer. An action plan has been developed to ensure an improvement in the audit opinion.

Continuous review will be done on the revenue Collection, Revenue Management, Water Management Strategies and Waste Management Strategies in manner that will build confidence of Merafong residents and the improvement of Municipal Finances.

The municipality has a continuous engagement with Gauteng Provincial Department of Public Transport and Roads Infrastructure about approved Memorandum Of Understanding on infrastructure issues, amendments on MOU made and services delivered in an ad hoc so far.

A Department of Human Settlement at national level in collaboration with other stakeholders such as War Room structures, Human Development Agency, preparing an intervention plan for Khutsong sinkholes condition.

f. Agreements / Partnerships:

The Municipality has a Memorandum Of Understanding (MOU) with Gauteng Provincial Department of Public Transport and Roads Infrastructure.

The municipality and Rand water has an ongoing MOU towards addressing of water losses, maintenance plans, including water loss management programs with special focus on leaking residential and business water meters add to water losses.

The municipality is maintaining its relationship with Municipal Infrastructure Support Agent (MISA), recently a partnership produced an employment contract of four hundred (400) workforce to maintain environment.

Also we have entered into further partnership with CoGTA towards funding initiative through MISA funds to establish mitigation measures to overcome the challenges faced due to the interruption of power supply, illegal connections and poor maintenance of station to overcome damages and losses suffered by the municipality as a result of the power cuts.

Currently the municipality and National Department of Human Settlement are initiating intervention for Khutsong sinkholes disaster. This is approached in collaboration with other key stakeholders such as COGTA and Human Development Agency (HDA).

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g. Conclusion:

We are re-affirming our commitment to complying and applying all necessary measures in order to turn the state of the municipality around for the benefit of the people of Merafong. Service delivery will be accelerated as the municipality requested to COGTA and Treasury for an Acting Municipal Manager and an acting Chief Financial Officer. Currently there is a seconded Municipal Manager and Chief Financial Officer. The challenges of our people will be directly confronted with the partnership of all government and community stakeholders to be able to take Merafong City forward.

The high vacancy rate at the top management is acknowledged and will be dealt with by commencing the recruitment process at the reasonable timeframe. We are ready to embrace and implement our new Municipal Staff regulation for the effective capacitation of our workforce so that we provide maximum service delivery to our people.

Merafong City Local Municipality is committed to prioritise its vision, mission and values at all times .



(Signed by :) _____

Mayor/Executive Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

In the 2021/22 financial year, the Merafong City Local Municipality was still battling with its financial situation. The main contributor of this situation has been attributed to the culture of non - payment of services by the community. The municipality has also been grappling with distribution losses in terms of water and electricity. The losses on the water side are caused by ageing infrastructure which causes water leakages and pipe bursts. The losses on the electricity have been far worse as it is caused by, bridging and by-passed electricity meters and illegal electricity connections. The municipality closed the year with electricity and water losses standing at 61,05% and 32,89% respectively. The industry norm for the losses is 15% for both electricity and water losses.

These losses impact negatively to the financial viability of the municipality in that on the 100% water and electricity bought from Rand Water and ESKOM 32,89% and 61,05 is lost and no revenue is collected from providing those services. The revenue collection for the municipality closed at 47,36 which has been deteriorating and being lower than the budgeted 60% revenue collection. In addressing this situation, the municipality came up with various strategies. One of the strategies was to implement a load reduction on electricity, a strategy that has translated to communities experiencing 12 to 13 hours of switch off. The municipality appreciates the frustration brought about by this strategy however it is the only way to deal with the growing ESKOM bill.

In view of the above discussion, it is clear that this situation will have a negative impact in the municipality's ability and capacity to render quality services. The Municipality achieved an overall performance of **50%** on the implementation of its Service Delivery and Budget Implementation Plan for the year under review compared to 49.14% in the previous financial year. This indicates that the Municipality was not fully effective in its implementation of the SDBIP due to the reasons indicated under each indicator. See the detailed Annual Performance Report (Annexure B) of this report

The municipality consolidated its SDBIP into 5 goals aligned to the Nation Framework, and are the following:

- Goal 1: Basic Service Delivery
- Goal 2: Local Economic and Social Development
- Goal 3: Transformation and Organisational Development
- Goal 4: Municipal Financial Viability and Management
- Goal 5: Good Governance and Public Participation

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A brief summary of performance on these goals is discussed below:

Goal 1: Basic Service Delivery

This goal comprises of 73 targets, the overall organizational performance achieved on this goal is **44%** for the year under review compared to 45.07% in the 2020/2021 financial year.

Goal 2: Local Economic and Social Development

This goal comprises of **25** targets. The performance achieved on this goal is **48%** for the year under review compared to 46.15% in the 2020/2021 financial year.

Goal 3: Transformation and Organizational Development

This goal comprises of 21 targets from outcomes 3 and 14. The performance achieved on this goal is **86%** for the year under review compared to 56.52% in the 2020/21 financial year.

Goal 4: Municipal Financial Viability and Management

This goal comprises of 22 targets from outcome 13. The performance achieved on this goal is **27%** compared to 60.86% in the 2020/21 financial year.

Goal 5: Good Governance and Public Participation

This goal comprises of 12 targets from outcome 2 and 4. The performance achieved on this goal is **67%** compared to 87.5% in the 2020/21 financial year.

The 2021/22 external audit process is currently underway, and the municipality intends and put all effort to ensure that the municipality moves out of the adverse audit opinion in the 2020/21 audit.

The economy of Merafong has for decades being dominated by the mining sector, the sector that has proved to be declining. The declining mining sector comes with a myriad of challenges. The shedding of jobs, growing the unemployment levels, damage in infrastructure due to illegal mining activities on the closing shafts etc. The municipality is affected in that it must investigate game-changer projects that will diversify the economy of Merafong. The municipality, in conjunction with national government, the West Rand District Municipality has, in line with the District Development Model (DDM) identified four (4) catalytic projects for Merafong.

These projects are meant to unlock other economic sectors and reduce the over reliance on the mining sector and create employment opportunities. These catalytic projects are long-term in nature which are include feasibility studies to be undertaken. Unfortunately, one of the 2 projects that studies were undertaken has proved to be not feasible in Merafong. The municipality has also in this financial year, appointed a manager on an acting capacity to drive internal local economic development projects, a position which was vacant for over a long period of time. The municipality also started with a recruitment process to make a permanent appointment in that function.

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During the time of this Annual Report, Merafong was still under section 154 of the Constitution and was busy implementing the Financial Turnaround Plan. This plan is based on the following seven pillars:

- Pillar 1: Governance
- Pillar 2: Institutional Development
- Pillar 3: Financial management
- Pillar 4: Financial Planning and Credible Budget
- Pillar 5: Revenue Management and Enhancement
- Pillar 6: Service Delivery, Infrastructure Development and Management
- Pillar 7: Economic Development

Progress on the implementation of the Financial Turnaround Plan for the financial year 2021/22 was presented to Council. Generally, the set targets in these indicators have shown some improvement. However, in the critical areas such as Collecting revenue, dealing with the inadequate and ageing infrastructure and improving the local economy there hasn't been satisfactory progress.

During this financial year, critical financial policies were reviewed and approved by Council. The following policies were approved:

Debt Control and debt Collection Policy
Asset Management Policy
Supply Chain Management Policy
Borrowing Policy
Budget funding and reserves Policy
Cash Management Policy
Cost Containment Policy
Investment Policy
Long-Term Financial Planning Policy
Sundry Tariff Policy and
Indigent Management Policy

In terms of governance committees, the municipality is using a shared service model with the West Rand District Municipality (WRDM) with regards to the Audit and Risk Committees. Which means the WRDM appoints the committees which will serve in committees for all municipalities within the district. These committees are functional, and their recommendations are implemented fully by management.

Management of Merafong is fully committed to implement all Council resolutions and decisions in light of the pressing issue of delivering quality services to the residents of Merafong. The Auditor general's Opinion for the 2021/22 FY has regressed from Adverse to a Disclaimer audit opinion. This is a serious setback for the institution, whereby robust action plans have already been put in place. An Operation Clean Audit Plan (OPCA) was immediately put in place. In addition, COGTA has seconded an acting Municipal Manager, Mr. L Mere and Provincial Treasury has seconded and Acting CFO, Mr. Malusi Brian Dlamini. This added capacity to the municipality is envisaged to turn the municipality's situation around in terms of improving performance, finance management and overall compliance.

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Signed by :) L MERE

Acting Municipal Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The 2011 census data was primarily used in municipal planning for the preceding reporting period. Since the release of the 2016 Community Survey data by Statistics South Africa, the key characteristics of the municipal demographic profile have changed considerably. This data input supported the 2021/2022 planning processes.

In comparing the 2011 Census data with the 2016 Community Survey data, the population of Merafong decreased from 197 250 to 188 843. The decline in population is mainly attributed to the declining mining sector which, resulted in net out-migration as depicted below. The detailed demographic data is contained in municipal Integrated Development Plan (IDP).



Source: Quantec 2017

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WATER AND SANITATION

Provision of Water and Sanitation to the community of Merafong statistically for the year 2020/21 for water 97% and sanitation 89,4%. Although the provision of water and sanitation are at these levels, the section experienced a lot of service interruptions. Causes for these problems range from theft, vandalism of infrastructure, unavailability of equipment to attend to urgent service queries and collapse of infrastructure due to ageing. The municipality strives to ensure this basic service continues to be provided to the community even considering the limited budget resources. The municipality also experienced high levels of water losses which prompted the municipality to restrict water in some high consuming areas to reduce the losses. The municipality is also implementing a “war on leaks” programme which is intended to further reduce water losses.

ELECTRICITY

The year under review was characterized by significant increase in the vandalism and theft of Infrastructure. This had a significant impact on repairs and maintenance budget.

The municipality partnered with Municipal Infrastructure Support Agency (MISA) to plan, review and finalise the Infrastructure Master Plan of electricity services for Merafong City.

The municipality also partnered with COGTA to implement an Automatic Meter Reading (AMR) solution to support the Financial Turnaround Strategy of the municipality. The programme planning and resumption of the procurement processes by COGTA. The programme is anticipated to be rolled-out in the 2022/2023 Financial Year.

The Programme for the development/improvement on the Bulk Supply Capacity from Eskom also commenced in the current year this includes the Bulk Supply Upgrade for Fochville areas and the Khutsong South Extensions/ Welverdiend areas.

The Phase 4 Streetlight Project that is Funded by MIG as a multi-year programme was completed. Phase 5 shall commence in the next Financial Year.

REFUSE

Refuse removal service is rendered to the formal and informal settlements. The service coverage to the formal settlements is 96.69% and comparatively the coverage in the informal settlements is lower. Municipality is providing 57 192 formal households with access to weekly refuse removals using 240 wheelie bins, which the level of service is in line with refuse removal norms and standards.

The phase-in approach is utilised for the introduction of service to the newly developed formal areas. Planning process for rendering the refuse removal service to the community.

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ROADS

The Municipal Systems Act stipulates that the municipality is mandated to provide good quality and reliable roads and stormwater infrastructure to the community. This can be achieved by availing financial resources required. The municipality must generate revenue internally through provision of services to the community. Once there is financial stability, it becomes easy for the municipality to fulfil its mandate effectively. All maintenance needs must be met, including roads and stormwater.

The Municipal Infrastructure Grant made an allowance to cater for maintenance needs within the grant. The condition set to access the grant is that the municipality must have an existing Master Plan, that will then inform the maintenance projects to be implemented by the grant. The municipality does not have the Master Plan in place, therefore cannot utilise the grant for that purpose.

Since the municipality experienced challenges with generating sufficient income to cater for Infrastructure Maintenance, there has been drastic deterioration of the infrastructure. Financial constraints affected the performance of the municipality on roads maintenance. The conditional grants that are supposed to fund construction of new roads and stormwater are also not sufficient to address the current backlog that the municipality has.

The resealing of roads that were done with municipal revenue are no longer taking place due to the decline in revenue collection.

Management is exploring the alternative sources of funding for implementation of roads and stormwater projects to reduce or eliminate the backlog.

Operational funding generated by the municipality is the only source of fund that is utilised for maintenance of roads and stormwater infrastructure. The municipality has got more gravel roads in its network, that requires periodic maintenance in a form of grading. That could not be properly adhered to due to budgetary constraints that made it impossible to acquire the machinery. This affected the townships more, since they are historically disadvantaged areas with gravel roads.

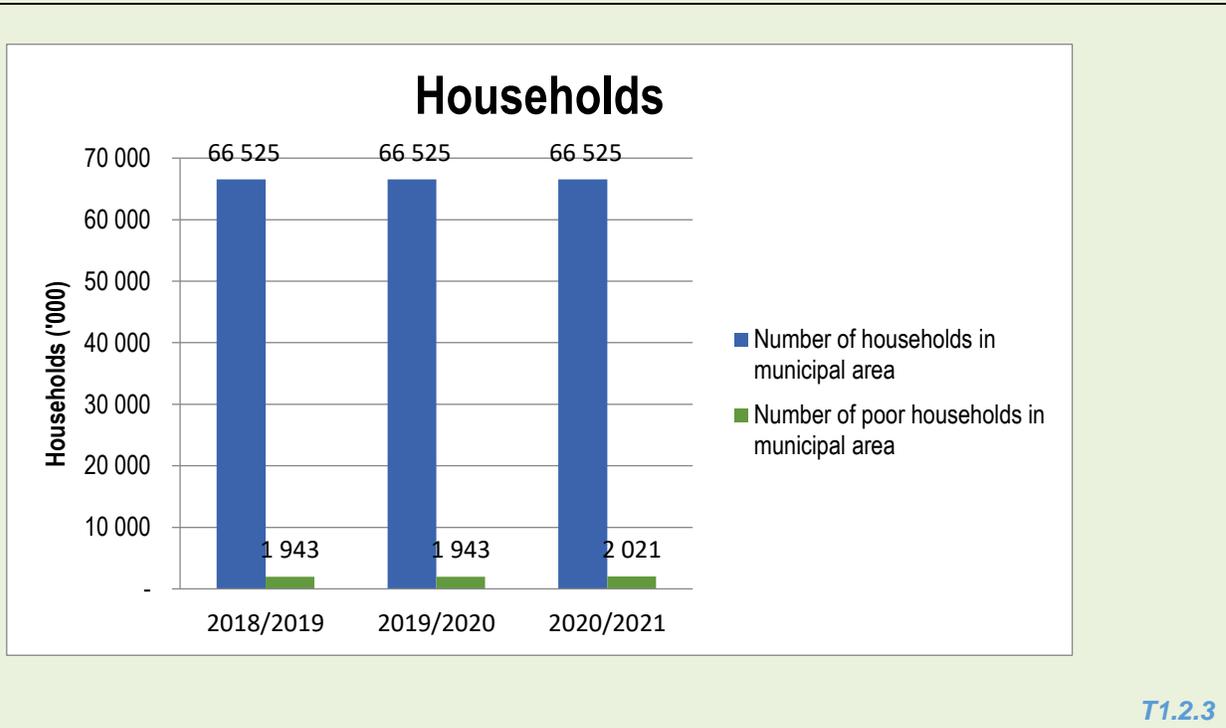
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POPULATION DETAILS							Population '000		
Age	2019/2020			2020/2021			2021/2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	8613	7814	16427	8613	7814	16427	8613	7814	16427
Age: 5 - 9	7226	7163	14389	7226	7163	14389	7226	7163	14389
Age: 10 - 14	6435	6755	13190	6435	6755	13190	6435	6755	13190
Age: 15 - 19	6256	7148	13404	6256	7148	13404	6256	7148	13404
Age: 20 - 24	7352	7934	15286	7352	7934	15286	7352	7934	15286
Age: 25 - 29	9161	9304	18465	9161	9304	18465	9161	9304	18465
Age: 30 - 34	8280	7344	15624	8280	7344	15624	8280	7344	15624
Age: 35 - 39	10031	7388	17419	10031	7388	17419	10031	7388	17419
Age: 40 - 44	9618	6608	16226	9618	6608	16226	9618	6608	16226
Age: 45 - 49	8724	5438	14162	8724	5438	14162	8724	5438	14162
Age: 50 - 54	7339	4391	11730	7339	4391	11730	7339	4391	11730
Age: 55 - 59	4787	3747	8534	4787	3747	8534	4787	3747	8534
Age: 60 - 64	3200	2314	5514	3200	2314	5514	3200	2314	5514
Age: 65 - 69	1850	1528	3378	1850	1528	3378	1850	1528	3378
Age: 70 - 74	1296	1329	2625	1296	1329	2625	1296	1329	2625
Age: 75 - 79	586	871	1457	586	871	1457	586	871	1457
Age: 80 - 84	320	405	725	320	405	725	320	405	725
Age: 85+	77	213	290	77	213	290	77	213	290
Total	101150	87693	188843	101150	87693	188843	101150	87693	188843

Source: Statistics SA Community Survey 2016 T 1.2.2

Chapter 1



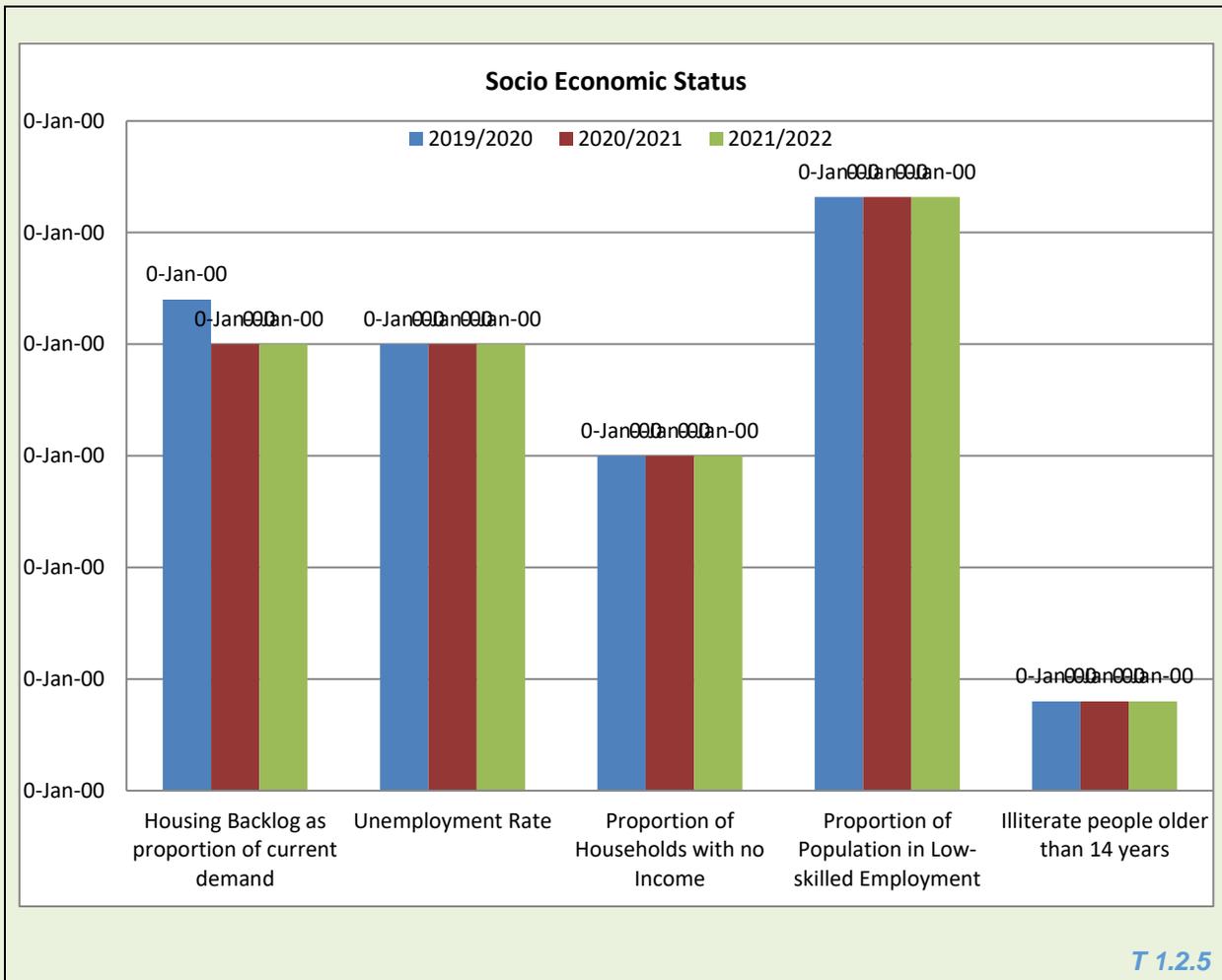
T1.2.3

Socio Economic Status					
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	Illiterate people older than 14 years
2019/2020	22%	20%	15%	27%	4%
2020/2021	22%	20%	15%	27%	4%
2021/2022	22%	20%	15%	27%	4%

Source: Statssa Community Survey 2016 & Own Source

T1.2.4

Chapter 1



Chapter 1

Overview of Neighborhoods within 'Merafong Municipality'			
Settlement Type	Population 2011	Projection 2019	Projection 2024
NORTHERN URBAN AREA			
Carletonville	26 486	26 950	29 800
Welverdiend	2 706	2 801	2 901
Blybank	1 889	4 750	3 250
Khutsong (North)	62 457	37 630	28 519
Khutsong South		21 907	26 317
Elijah Barayi	0	1 200	4 953
Sub-Total	93 538	95 238	95 740
SOUTHERN URBAN AREA			
Fochville	9 504	9 837	10 811
Kokosi	26 400	26 400	25 576
Greenspark	2 586	3 312	3 362
Wedela	17 931	18 245	17 995
Losberg	0	0	0
Southern Total	56 421	57 794	57 744
MINING BELT			
Mining Belt	40 341	26 721	22 044
PROCLAIMED URBAN TOTAL	149 970	153 390	153 659
NON-URBAN	7 220	4 860	4 131
Grand Total	197 520	185 240	179 659
Own Source			<i>T 1.2.6</i>

Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Agriculture	Vast tracks of unproductive agricultural zoned land owned by the mines and the Far West Rand Dolomitic Water Association (FWRDWA) present an opportunity for agricultural production and related industrial development, e.g. Establishment of a Bioenergy Park and Agricultural Parks (Agri- Parks)
Mining	The declining trend in the performance of the mining sector is due to temporary and permanent shutdowns of mining activities which have weakened Merafong's GDP contribution to WRDM economy. High outmigration rates are fostered by job losses in mining and low incomes relative to earnings in other major cities within the Gauteng Province. The future of gold mining in the area lies in automation and mechanisation which will change the mines' workforce and impact on employment in the Municipality.
Infrastructure & Access to Services	The provision of essential services such as housing, electricity, access to clean water, health facilities, etc. is vital in determining the quality of life and satisfaction in residing in a locality (GCRO, 2015). Almost three quarters (74.2%) of households in Merafong were living in formal dwellings in 2016. This indicates an improvement from 2006, where almost 40% of the population were staying in informal settlements. This signifies formalisation of housing arrangements in the Municipality. The number of households accessing electricity marginally increased from 79.7% in 2006 to 82.5% in 2016. Although 83% of the households had access to piped water on their erven, there was a slight increase in the number of households relying on communal water (from 15% in 2006 to 16% in 2016). This was because of a 1% decrease of households relying on other sources of water supply (borehole, dam, well, etc.) during 2006-2016.
Source: Quantec 2017 T 1.2.7	

COMMENT ON BACKGROUND DATA:

Chapter 1

The decline in the population of Merafong City due to the net outmigration as a result of the declining mining economy, poses a serious risk to sustainable growth and development.

Population Profile

According to Global Insight 2016, the Merafong population profile was male dominated with males accounting for 54, 3% of the total population and females at 45, 7%. This was a clear demonstration of the impact of mining in the area. This trend has however changed considerably according to the 2017 Quantec data reports, where males account for 48, 8% and females 51, 2% of the population. This clearly demonstrates the impact of the steadily declining mining sector.

Education Profile

With regard to the education profile, there has been a remarkable improvement in the literacy levels since 2011 - 2016 in the following:

Population with tertiary education: 4.4% ⇒ 9.3%

Population with matric education: 16.6% ⇒ 28.8%

Population with secondary education: 35.9% ⇒ 57.8%

Population with no schooling education: 12.8% ⇒ 4%

Household Income Profile

The majority household income is between R19 201 to R76 800 per annum, like Gauteng Province and WRDM. The average household income of R6 750 per month is lower than the district's household average income of R8 690 and almost 50% lower than Gauteng's average household income. It is therefore clear that Merafong is a relatively poor community which negatively impacts on the ability of households to afford municipal services.

T 1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

WATER AND SANITATION

A comprehensive evaluation on challenges in the service in terms of the generic procedures and requirements to provide basic services to the community and to address major water losses was completed in 2018. The assessment has indicated that Merafong Water and Sanitation does not comply with any of the minimum requirements in terms of the relevant legislation and procedures regulating the provision of basic services and infrastructure, leaving Council wide open for legal action from DWAFF and the Department of Environment Affairs. Furthermore, the situation creates a negative perception towards Council and officials from the residents in terms of the following challenges experienced.

- Water losses as a result of limited maintenance of infrastructure
- Non-compliance of wastewater effluent Critical vacancies on the organogram Insufficient equipment --
- Failing infrastructure as a result of dolomitic incidents
- Project execution Unavailability of material to address urgent matters
- Unavailability of mechanical equipment

Despite the financial constraints, the municipality finds itself in we are still striving to give the basic quality service to the community we serve. Revenue collection is not in good state to improve the service, but we manage to give the basic level service. All Merafong residents have access to basic level of services.

ELECTRICITY

The Electricity Section of Merafong City is managed under the Infrastructure Development Department. The primary functions are the Management of the Network; the Repairs and Maintenance as well as Customer Services.

The projects and programmes planned for the year were achieved with challenges that were managed and mitigated.

The response to Network Faults resulting from normal wear and tear were responded and attended to within the prescribed standards.

Unplanned network repairs as a result of vandalism and theft were also responded to. Some of the work in these category of power outages took longer due to the nature of it being an unplanned event.

Theft and vandalism remain the single biggest challenge to the electricity services. This compromises the reliability of supply to the communities.

The above creates a challenge in the planning and procurement of Contingency Spares and Material. This also depletes the Budget of the Department due to unforeseen expenditure.

Chapter 1

REFUSE

Solid Waste Operations managed to render the service of refuse removal internally although they have shortage of personnel and fleet.

The Integrated Waste Management Plan (IWMP) is implemented and aligned with the Integrated Development Plan.

Thirty-seven (37) general workers were employed in September 2021 and October 2021 although they were not enough to assist on refuse removal service.

The unfriendly usable roads infrastructure in the newly development areas delay the extension of waste collection service. Shortage of personnel, illegal dumping equipment including solid waste fleet at large. Also, municipal financial constraints to fund implementation of waste collection strategy in the informal settlement hindered the delivery of quality of waste collection service.

HOUSING

Merafong City Local Municipality is located within the southwestern portion of the Gauteng Province. The Municipal Area is connected to the rest of Gauteng and neighbouring Provinces through the N12, N14 and R500 that traverses the Municipal area.

Merafong City is characterized by several informal settlements scattered throughout the Municipal Area. This scattered settlement pattern is largely due to mining activities concentrated along the mining belt running through the centre of the Municipal Area.

Merafong City as a predominant mining community is also characterized by the migration patterns linked to the mining industry. This has led to the growing informal settlements.

A socio-economic analysis of informal settlements in Merafong City has revealed that 3 distinguishable groups exist:

- People living on the fringes of townships,
- People living close to mine shafts, and
- People living on farms, not associated with those localities mentioned above.

There are 20 810 informal settlement households within Merafong City LM. These informal settlements have access to basic services, such as water, sanitation and high mast lighting, whereas the informal settlements located on farmland around these areas, basically only have access to water and basic sanitation.

Taken the above mentioned into consideration Merafong City Local Municipality has a Housing Plan in place which is revised annually to actively address the backlog in the areas and promote service delivery to the residents. Funding is secured through the Department of Human Settlement to actively address the backlog and the infra structure to develop the new areas for permanent housing. In the 2021/22 financial year the Housing & Administration Section had secured a budget of R36, 023, 226.00 for infra structure to develop the new areas as follows:

-	Khutsong Outfall Sewer	R10 000 000
-	Khutsong Roads & Storm water	R 5 000 000
-	Khutsong Electrification	R 5 000 000
-	Khutsong Alternative Bulk Water	R 6 000 000
-	Kokosi Outfall Sewer	R 4 582 683

Chapter 1

- Greenspark Outfall Sewer R 1 440 543

The above mentioned projects were implemented to secure the services to be able to relocate the informal settlements around these areas to permanent structures with services.

LOCAL DEVELOPMENT

ROADS AND STORMWATER DRAINAGE

The core functions of Civil Engineering Services are as follows:

Provision of roads and stormwater network

Provision of safe, ride-able and accessible roads infrastructure

Provision of sidewalks that are safe and accessible

Provision of traffic calming measures to ensure safe traffic flow

Provision and maintenance of adequate stormwater infrastructure

Upgrading of current roads and stormwater infrastructure

Maintenance of Municipal buildings and facilities

Coordination of Geotechnical management and legislative compliance

Ensure that the municipality has got the updated Master Plan and Pavement Management System for the roads and stormwater infrastructure

Register community needs on the IDP document and facilitate implementation of projects thereof.

Ensure that the SDBIP is aligned with needs as submitted through the IDP process, for the successful implementation of roads and stormwater projects.

The Key Performance Indicators, as contained in the SDBIP and Annual Maintenance Plan include:

1. Maintenance of gravel roads in townships and informal settlements as well as farming areas that fall within our jurisdiction and cleaning of stormwater systems but could be performed minimally due to non-availability of budget to acquire required resources.
2. Cleaning of Stormwater systems which is cleaning stormwater channels throughout the municipality. This was not achieved according to plan due to non-availability of machinery.
3. Cleaning of Kerb Inlets was overachieved, despite the limitation in human capital within the section.
4. Patching of potholes was also done, though not at the required pace due to limitation of resources.

The townships of Kokosi, Khutsong and Wedela have benefitted in the road's construction projects through the MIG initiative. Wedela and Kokosi have been addressed to a large extent leaving a few gravel roads to be implemented. In the upcoming years, focus will be in Khutsong township to eliminate the backlog of gravel roads.

ROADS AND STORMWATER DRAINAGE: CHALLENGES

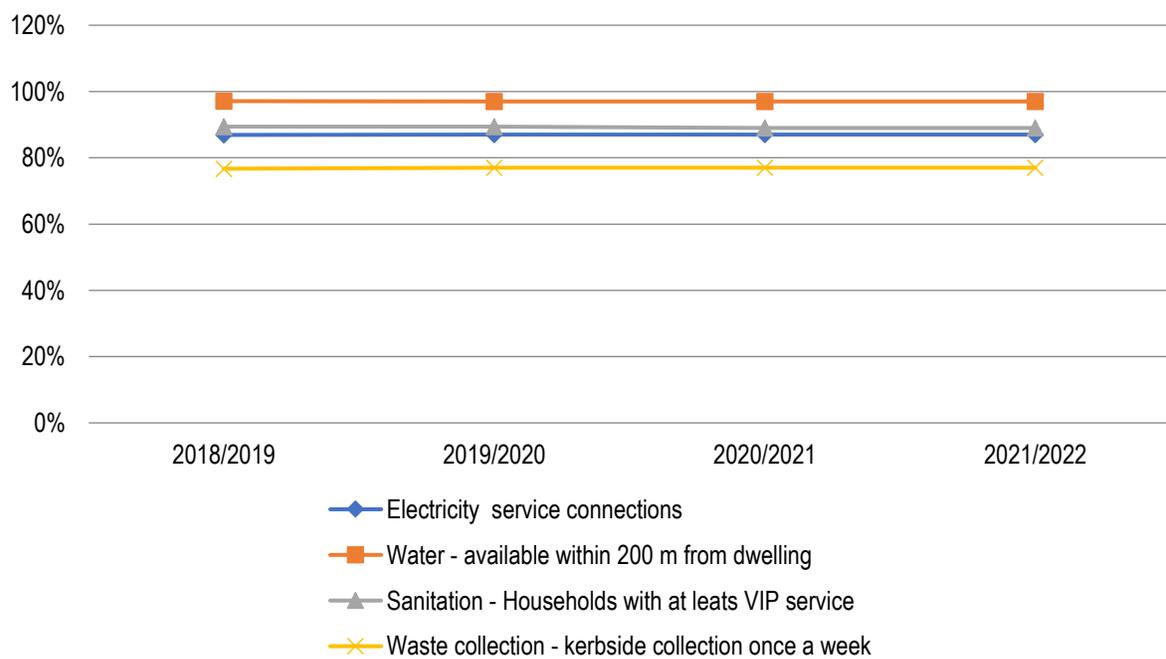
During the year under review, the municipality could not achieve performance targets on cleaning of channels and grading of roads due to non-availability of machinery. The municipality is struggling to engage on certain maintenance activities due to budgetary constraints. We have abandoned certain programmes that had to do with long term maintenance of roads and stormwater infrastructure. That have also affected the filling of vacancies which has left the municipality with staff shortage that also impacts negatively on the proper functioning of the maintenance sections.

Chapter 1

Surfacing of all existing gravel roads remains a critical need for the municipality, since the challenge makes it difficult and expensive to maintain roads and stormwater infrastructure. The challenge remains the non-availability of funds to address the issue.

T 1.3.1

Proportion of households with access to basic services



T 1.3.2

Chapter 1

COMMENT ON ACCESS TO BASIC SERVICES:

ELECTRICITY

Formal households in the municipal Jurisdiction of electricity services have access to Basic Services. Planning for future extensions has been completed. Planning for the improvement of Bulk Services has been completed and being implemented on a multi-year basis as per the allocation of budgets and funds from the Department of Mineral Resources and Energy.

REFUSE

The Solid Waste department is experiencing the shortage of staff in terms of the top management, middle management and operational personnel and this resulted in the backlog of newly development formal areas households which are without access to the weekly kerbside refuse removal service.

Eighty-two percent (82%) of the households in the informal areas did not have access to the refuse removal service due to the lack of financial resources to give effect to the implementation of the Waste Collection Strategy in the informal settlements.

ROADS AND STORM WATER DRAINAGE

All areas of the municipality have got access to Road's infrastructure. The infrastructure comes at different standards whereby some are paved and some unpaved roads. The municipality is in the process of clearing the backlog of unpaved roads, since they are heavy on the maintenance budget. The stormwater infrastructure is also provided according to the type of road in a specific area. For unpaved roads the municipality offers mitre drains and open earth channels, whereas on paved roads we get stormwater reticulation in a form of piped network as well as concrete lined channels. The municipality has got approved business plans to address the backlog of gravel roads on all townships.

T 1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The City continues to monitor its financial performance and position that has been showing slow improvements on financial results on year-on-year basis. During the financial year under review, various initiatives were embarked upon to improve slow financial management.

These includes among other

Ongoing implementation of MFMA Circular 82 dealing with cost containment. The City has adopted its own cost containment policy and reports to Council on quarterly basis on the progress thereof. The municipality has strengthened other finance and budget related policies in support of cost containment in line provincial and national circulars guidelines.

The municipality has adopted Unauthorised Irregular Fruitless and Wasteful (UIF& W) strategy to curtail cost. The municipality ongoing cash flow management is monitored on daily basis to ensure that the municipality working capital improve on payments of trade payables

Development of finance related standard operating procedure to improve financial management and to capacitate municipal employees have been initiated, the municipality must on regular basis conduct workshops and training to ensure that current and newly appointed finance officials.

The municipality has developed budget funding plan that is assisting the municipality to improve on its unfunded budget position.

The municipality has experienced number of challenges: -

The municipality asset management reconciliation stills need serous attention, one must note that in the under review there are number of turnaround strategies and improvements. The municipality is in the process of procuring asset management services.

The municipality financial management accounting system requires improvements relating to MSCOA compliance in line with norms and standards. The municipality financial reporting is mainly produced on manual system due to financial accounting system non-compliance to MSCOA requirements.

T 1.4.1

Chapter 1

Financial Overview: Year 2021/22			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	257 009	255 814	133 864
Taxes, Levies and tariffs	1 418 917	1 385 390	1 581 792
Other	256 483	254 494	221 514
Sub Total	1 932 409	1 895 698	1 937 170
Less: Expenditure	1 899 876	2 231 353	1 254 890
Net Total*	32 533	-335 655	682 280
<i>* Note: surplus/(defecit)</i>			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	17%
Repairs & Maintenance (Contracted Services)	6%
Finance Charges & Impairment	32%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

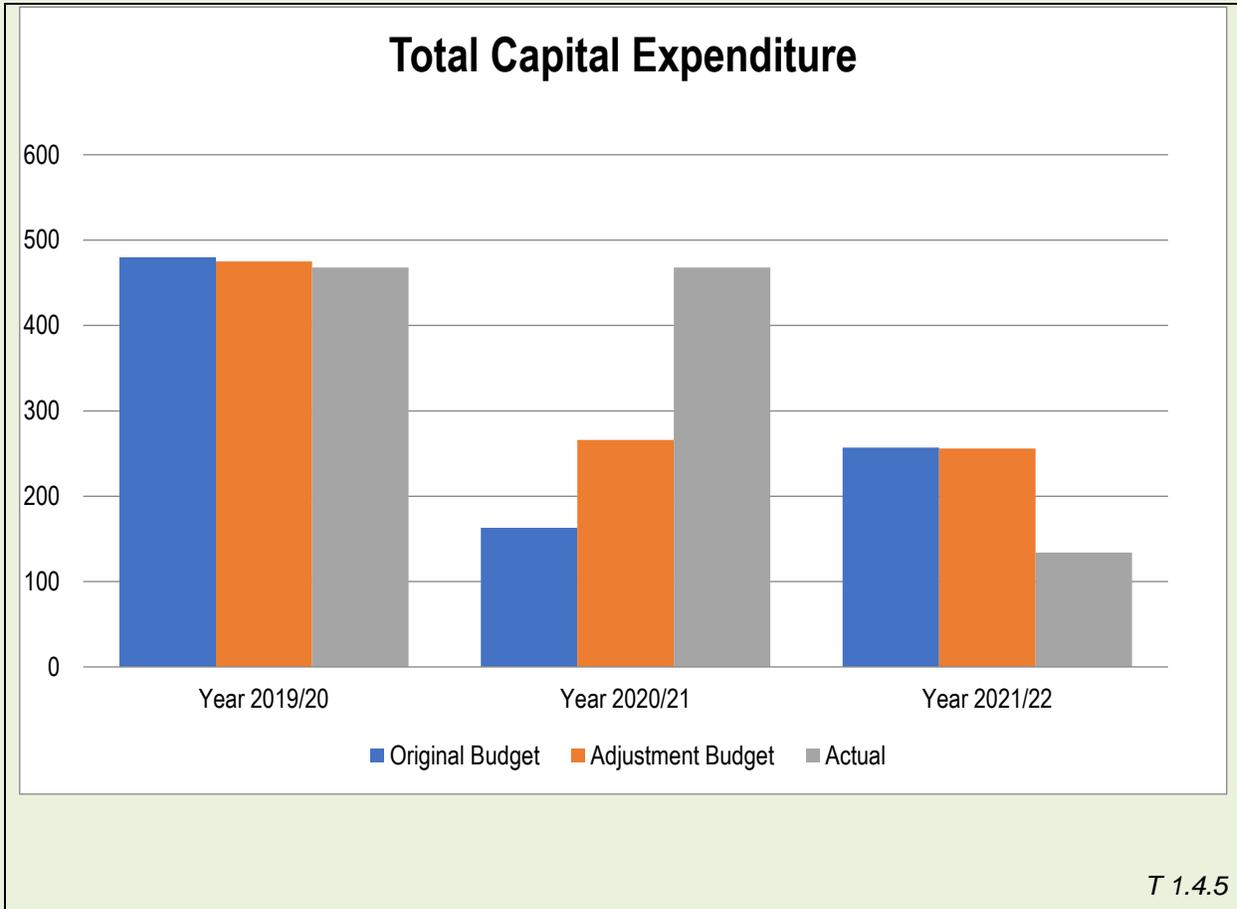
The municipality employee cost averaged to 17% and within acceptable standard norm of 30%. The municipality half the organisational structure is vacant hence spending on employee related cost is low.

The municipality repairs and maintenance is lower 6% due to cash flow challenges associated with low revenue collection. Finance charges is attributed mainly by Eskom and Randwater interest charges on overdue accounts, while impairments high-rate outcome is mainly contributed by debt impairment as the result of among other high unemployment leading to households' inability to meet all their debt on time.

T 1.4.3.1

Total Capital Expenditure: Year 2019/20 - 2021/22			
			R'000
Detail	Year 2019/20	Year 2020/21	Year 2021/22
Original Budget	480	163	257
Adjustment Budget	475	266	256
Actual	468	468	134
			T 1.4.4

Chapter 1



COMMENT ON CAPITAL EXPENDITURE:

In the financial year 2019/20 the actual outcome of capital budget was R468 against the original budget of R480 which was adjusted downwards to R475. In the financial year 2020/21 the actual outcome of capital budget was R468 against the original budget of R163 which was adjusted upwards to R266. In the year under review 2021/21 actual results is R134 against original budgeted amount of R257.

T 1.4.5.1

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Successful sourcing of artisans is still a problem. New efforts and emphases on training of artisans are embarked on.

All the positions of senior managers on the high-level structure of the council were not filled during the year. This objective was achieved under the leadership and drive of the seconded acting municipal manager. The position of Municipal Manager, Chief Financial Officer, Executive Director Corporate and Shared and Executive Director Economic Development is still not filled. The posts were advertised appointment was done and candidates later rejected the officer.

Policy development is an ongoing process and while new policies are prepared, some older policies are reviewed to adjust to changed circumstances.

Targets of filling funded position on the approved structure of the council proceeded better as planned during the year. Out of analyses of separations during the past ten years, it was found that more employees left the organisation because of natural reasons, such as deaths or reaching pensionable age that employees resigning. The bulk of the workforce remains stable. Merafong therefore became an employer of preference.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The assurance providers which include executive authority (Mayor), leadership (Municipal Manager) and senior management was slow to address the root causes identified in the previous year 2020/2021 which led to an Adverse audit opinion. The regression in the audit opinion on the annual financial statements (AFS) can be attributed to the instability of key positions within the municipality which includes the Municipal Manager and Chief Financial Officer. There was an increase in findings on non-compliance with laws and regulations. The audit of performance information has also regressed to Adverse audit opinion with several material misstatements identified.

AG reported misstatement on property plant and equipment, depreciation, impairment loss, trade payables, cash flow statement and statement in comparison of budget and actual remained uncorrected. This was due to an inadequate lack competency in the review of the AFS prepared and poor systems of internal control to prevent and detect errors in financial and performance information.

T 1.6.1

Chapter 1

1.7. 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 year 0 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	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

Merafong is committed to adhere to the above mentioned deadlines as provided by COGTA and Treasury in order to be in line with Municipal planning and reporting prescripts. Failure to achieve these timeframes will result non-compliance raised by COGTA and Treasury.

Merafong has to a large extent achieved an alignment between the Integrated Development Plan (IDP), Budget and Performance Management Reporting systems, this is evident in that there has not been any non-compliance issues raised by COGTA and Treasury.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Merafong City Local Municipality was established in terms of Chapter 7 of the Constitution of the Republic of South Africa, 1996, section 151. In terms of governance the municipality's IDP process encourages public participation whereby invitation to IDP public consultative meetings is advertised and publicised widely. The community of Merafong is given an opportunity to give input in terms of their needs and these are considered when the IDP as a strategic plan of the Municipality is developed.

The Internal Audit Unit of the Municipality develops an annual plan which is developed based on the risks identified in that particular year. To satisfy oversight requirements, the Internal Audit Section functionally to Audit Committee and administratively to the Accounting Officer (Municipal Manager), the Audit Committee holds its meetings on a quarterly basis. The Audit Committee holds accountable those that are charged for governance by a report of the Audit Committee Chairperson which is presented to Council.

The Municipality also has a functional Municipal Public Accounts Committee (MPAC) in terms of Section 79 of the Municipal Structures Act. It is a practice in Merafong to include the MPAC Chairperson to be part of Audit Committee proceeding in order to achieve synergy in the work done by both Oversight Committees.

In addition, the Municipality has a Risk Management Unit in place which is responsible for Enterprise Risk Management, Compliance Management, Ethics Management and Combating of Fraud and Corruption. In order to improve good governance and strengthen oversight the risk management function of the municipality has a functional Risk Management Committee (RMC) with an external chairperson. The chairperson provides an independent view of risk management activities within the organisation and whether risk management activities add value in the organisation. The RMC Chairpersons report is for the Accounting Officer and presented to the Audit Committee.

The municipality is using a Shared service model of the district regarding Section 79 committees. This means that all municipalities within the district are using the same committees to standardise and have the same approach in improving governance.

According to the municipality's approved IGR Strategy, the municipality also participates in the IGR engagements within the District, the Province and those that are coordinated by SALGA in order to align the activities of the municipality with the governance initiatives within the Gauteng Province.

T 2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Political and Administrative governance is conducted in terms of the Local Government Municipal Structures Act, No 117 of 1998 and other related regulations. The Executive Mayor of Merafong City Council plays an oversight role over the administration of the municipality led by the Municipal Manager.

The Mayoral Committee which is made up of portfolio heads are playing a vital role to political and administrative governance as well. The Heads of Departments and officials are responsible to implement all political decisions of the council, and ward councillors with their ward committees support and strengthen the public participation.

During this financial year, there has been 2 political regimes, due to the Local Government Elections (LGE) in November 2021. In this report reference is made to the two political administrations.

Concerning the administration side, the team is led by an Acting Municipal Manager. The departments are led by Executive Directors (ED) (section 56) who are reporting directly to the Acting Municipal Manager. Due to the high turnover at the top management level, in the five (5) Executive Director positions, only one (2) are in their permanent positions, the other three are in acting positions. The original position of the current acting Municipal Manager is ED Infrastructure Development. This prompted Council to also appoint an acting ED in Infrastructure.

The Municipal Manager is reporting to the Council through the Executive Mayor.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Local Government Municipal Structures Act no. 117 of 1998 determined the Merafong City Local Municipality to be declared a municipality with executive powers, and that would have an Executive Mayoral System combined with a Ward Participation System. The political leadership of the municipality exercise their executive and legislative powers and functions to govern the affairs of the municipality. The legislative function of the council is vested within the full council with the speaker as a chairperson. The passing of by-laws and policies on functions remains the responsibility of council except where delegations have otherwise been made.

The Executive Mayor has an executive strategy and political responsibility for Merafong City and also represents the municipality at the ceremonial functions. Different portfolio committees submit reports with recommendations to the Executive Mayor to be presented to the council.

Chapter 2

The speaker of council, Cllr TE Mphithikezi is the chairperson of the council and presides over council meetings to ensure that meetings are held as scheduled, maintains order during council meetings following the rules and regulations of the meeting procedures.

The Chief Whip of the Council, Cllr. T Mokuke is the chairperson of whippyery team responsible for building and maintaining relationships between all parties in council to ensure the smooth running of the Portfolio Committees and caucus study groups.

The municipality is complying in terms of the Municipal Structures Act Section 80 committees to assist the executive committee. The section 80 committee consists of ten Mayoral Committee Members who head different departments. The section 80 portfolio heads report to the Executive Mayor by submitting reports from different council departments.

The Independent Audit Committee reports directly to the council, providing opinions and recommendations on financial processes and performance. It is constituted to review the control, governance and risk management within the municipality. It is established in terms of section 166 of the Municipal Finance Management Act. It meets quarterly as scheduled and provides recommendations on financial and non-financial processes of the municipality.

A section 79 Municipal Public Accounts and oversight committee (MPAC) is in place to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. Its function includes the analysis of the Annual Report and submission of the oversight report on the annual report to council with recommendations. Once the oversight report has been considered and approved by the council it is published in accordance with the MFMA requirements and guidance.

In the office of the Speaker, the petition committee is established as a section 79 committee and reports directly to the council. The ethics committee, as well, has been established to manage the conduct of the municipal councillors in terms of the approved ethics conduct, especially in compliance with section 54 of municipal systems Act - code of conduct for councillors.

The municipality also subscribed to the Batho-Pele principles in terms of public participation in the communities especially in compliance with Chapter 4 of MFMA, which detailed the development of culture of community participation. The community consultation programme remains a paramount pillar between the municipality and the community stakeholders. The ward committees' structure plays a vital role to coordinate the issues from the community at ward levels to the respective departments by monthly reports. The Executive Mayor consults the community on a quarterly basis except in the case of other compliance programmes such as budget and Integrated Development Plan (IDP) consultation programme.

The executive and legislative authority of a municipality is exercised by the council of the municipality, and the council takes all the decisions of the municipality in terms of Municipal Systems Act.

The Executive Mayor of the municipality has powers and the legislative delegations in terms of section 59 of MFMA Chapter 7. Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (e.g. the Municipal Systems Act, Municipal Finance Management Act, etc.), the executive function of the council is delegated to the Executive Mayor as the appointed head of the executive function as far as the Constitution and practicalities allow.

Chapter 2

In executing and performing the executive functions of council and the municipality, the Executive Mayor is complemented by ten Members of the Mayoral Committee each with a particular portfolio in terms of section 80 of the Municipal Structures Act.

Whippery

The Whippery Committee comprises of the Chief Whip of Council and of all opposition parties represented in the Council. The Whippery is very instrumental in organizing and fostering cooperation between members of the council from different political parties and primarily to promote inter-party relations, party discipline and strive for consensus in issues of mutual interest.

Specific Programmes

- The committee plays an overall coordination of Whippery activities, e.g., managing number and order of members who wish to speak in debates.
- Liaises and monitor performance of members of council to their area of deployment
- Promotes public participation, for example to interact with communities through community outreach programmes and engaging with interest groups

Special Programmes

The political sector of the municipality is also championing the special programmes in the municipality for the purpose of political governance to emphasize and intensify the implementation on these programmes. The Executive Mayor has special projects in her/his office, special programmes among others include the likes of Mayoral soccer cup games, Ward Committees awards, Letsema projects, Mandela Day, Matric Special awards, GEYODI programmes and women empowerment programs. The purpose of the special programs is to complement the legislative in place such as Equity Act, youth empowerment, public participation and compliance of minimum 2% of disability people in the municipality among other objectives.

T 2.1.1

Chapter 2

POLITICAL STRUCTURE

POLITICAL STRUCTURE EXECUTIVE MAYOR

CLLR SM MOGALE LETSIE (from 2016 to 31 March 2021)

CLLR MG SELLO (from 31 March 2021 to 31 October 2021)

CLLR N BEST (November 2021 to date



Functions

Presides at meetings of the executive committee and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee

SPEAKER

CLLR TE MPHITHIKEZI



Functions

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

Chapter 2

CHIEF WHIP

CLLR WM MOSIANE

From (2016 to 31 October 2021)

CLLR T MOKUKE

From November 2021 to date



Functions

(i) ensure the effective and efficient functioning of the Whips Committee and the Whippery system.

(ii) 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.

Ensuring that Councillors adhere to the speaking times allocated to their political parties; and

Assisting the Speaker to maintain order in Council by requiring Councillors to adhere to the Rules of Council regarding general conduct in meetings.

(iii) Ensure the allocation of Councillors to standing committees in accordance with the representation of parties in Council.

(iv) ensure that Councillors observe the Code of Conduct for Councillors in any meetings, workshops or seminars approved by the Speaker; and

(v) Ensure that Councillors are familiar with the Code of Conduct for Councillors and to facilitate training as and when there is such a need.

Chapter 2

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Mayoral Committee from 2016 TO 31 October 2021

<u>MAYORAL COMMITTEE MEMBER</u>	<u>PORTFOLIO</u>
CLLR M SELLO	ROADS, STORM WATER AND PUBLIC WORKS
CLLR ML SKOSANA	HEALTH AND SOCIAL DEVELOPMENT
CLLR N BEST	CORPORATE AND SHARED SERVICES
CLLR MB LEPHUTING	INTEGRATED ENVIRONMENTAL MANAGEMENT
CLLR LA MGANU	LOCAL ECONOMIC, TOURISM AND RURAL DEVELOPMENT
CLLR DV TABANE	FINANCE
CLLR MN MATSHE	ELECTRICITY, GAS AND WATER
CLLR MD DLHAMINI	PUBLIC SAFETY, SECURITY AND TRANSPORT
CLLR M. MOYENI	HUMAN SETTLEMENT AND LAND DEVELOPMENT
CLLR E LEKOPA	SPORTS, RECREATION, ARTS, CULTURE, HERITAGE, LIBRARIES AND INFORMATION SERVICES

Mayoral Committee from November 2021 to date

<u>MAYORAL COMMITTEE MEMBER</u>	<u>PORTFOLIO</u>
CLLR M MOYENI	FINANCE
CLLR GA MBALISO	LOCAL ECONOMIC, TOURISM AND RURAL DEVELOPMENT
CLLR GM SELLO	CORPORATE AND SHARED SERVICES
CLLR D TABANE	ROADS AND STORMWATER, PUBLIC WORKS AND PMU
CLLR P SEFAKO	HUMAN SETTLEMENT AND LAND DEVELOPMENT
CLLR N MCETYWA	PUBLIC SAFETY, SECURITY AND TRANSPORT

Chapter 2

CLLR L MGANU

ELECTRICITY, GAS AND WATER

CLLR E TIBANE

HEALTH AND SOCIAL DEVELOPMENT

CLLR D SEGAKWENG

INTEGRATED ENVIRONMENTAL
MANAGEMENT

CLLR V NKWANYANA

SPORTS RECREATION ARTS,
CULTURE, HERITAGE AND LIBRARIES

T2.1.1

Chapter 2

COUNCILLORS

Committee The Council consists of 55 seats, of which 28 are Ward seats and 27 are Proportional Representatives. The first Council meeting subsequent to the Local Government Elections (LGE 2021) in November 2021 elected the Executive Mayor, Council Speaker and Chief Whip. The Executive Mayor, Chief Whip and Speaker forms the TROIKA of the municipality. The Executive Mayor has 10 a member Mayoral Committee as per the above table.

T 2.1.2

POLITICAL DECISION-TAKING

has an Executive Mayoral system with a Mayoral Committee consisting of 10 full time portfolio heads as an advisory structure to the Executive Mayor. The Executive Mayor has delegated powers on matters dealt with by portfolio committees. The Council is the decision-making body of the municipality regarding non-delegated matters as prescribed by legislation.

The political decisions are taken in terms of the Municipal Structures Act, 117 of 1998 by the Mayoral Committee and Section 80 Committees before they are tabled at Council for a resolution. There were 93 resolutions taken and all of them were implemented through the execution notices system. The Municipal Public Accounts Committee as well plays an oversight on decision taken by the council for oversight purposes.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of the administration and the municipality's Accounting Officer. The Head of the Administration is responsible for:

- The provision of Municipal Strategic Direction and the Operationalizing of such strategies.
- The provision of the following infrastructural services for Merafong City Local Municipality: Water; Sanitation, Geotechnical Services; Civil Engineering Services; Electrical Engineering Services; and ensuring that Capital Project Financing is properly managed and accounted for;
- The rendering of Community Services which are: Public Safety; Community Development; and Solid Waste and Environmental Management Services.

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- The provision of Urban Planning and Development Services comprising: Spatial Planning and Land Use Management; Property Management Services; and Housing Administration.
- The provision of Financial Planning and Accounting Services which are: Budgeting and Accounting services; and Supply Chain Management Services; and
- The rendering of Municipal Support Services which are: Human Capital Management; Legal and Administration Services; and Management Information Services

In terms of section 55 of the Systems Act, the Accounting Officer is responsible and accountable for the formation and development of such an establishment and is supported by the Office of the Chief Operations Officer overseeing responsibilities of Integrated Development Planning, Performance Management, Risk Management and Compliance Management.

The administrative governance strives to achieve a clean Auditor General's report at the end of the financial year. To achieve this goal, a standing item is placed on the regular management meetings between the Municipal Manager and the Heads of the various Departments.

In terms of promulgated regulations and the MSA a municipal council must have at least the following senior management positions on its complement:

During the year Merafong Municipality was engaged in a project called "RE AGA MERA FONG BOSWA ORGANISATIONAL STRUCTURE AND INSTITUTIONAL REVIEW", with the assistance of COGTA. The purpose of this project was to review and align the organizational structure to the strategy of the municipality. An organizational structure will be approved in the 2023/24 financial year to improve service delivery.

T 2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE TIER 1	FUNCTION
 <p>Mr L MERE (ACTING MUNICIPAL MANAGER (NOVEMBER to date)</p> <p>MUNICIPAL MANAGER</p> <p>MR SL MDLETSHE ACTING MUNICIPAL MANAGER (31st March -October 2022)</p>	<p>As the Head of Administration, the Municipal Manager is the Accounting Officer. The Municipal Manager advises Council and its committees on administrative matters such as policy issues, financial matters, organisational requirements and personnel matters.</p> <p>The Municipal Managers Office and ensures compliance with the Municipal legislation. It also monitors that all departments adhere to the IDP, the municipal strategy and policies. Internal Audit is also located in this office.</p>
<p>CHIEF FINANCIAL OFFICER</p> <p>Mr MB DLAMINI ACTING CHIEF FINANCIAL OFFICER (November 2022 to Date)</p> <p>MS JT MAGONGWA ACTING CHIEF FINANCIAL OFFICER (January 2020 to-October 2022</p>	<p>The Chief Financial Officer ensures that the municipal finances are well managed in accordance with the various legislative requirements and consists of the following Divisions:</p> <ol style="list-style-type: none"> 1. Treasury and Budget Office 2. Creditors 3. Expenditure 4. Revenue 5. Supply Chain Management
<p>EXECUTIVE DIRECTOR: INFRASTRUCTURE DEVELOPMENT</p> <p>MR SL MDLETSHE (Acting Municipal Manager)</p> <p>N MOYO ACTING EXECUTIVE DIRECTOR:</p>	<p>The role of the department is to maintain effective and efficient provision of basic services with regard to the following:</p> <ul style="list-style-type: none"> . The provision, distribution and maintenance of basic electricity supply networks; . The provision, distribution and maintenance of basic water and hygienic sanitation networks; . The construction and maintenance of municipal roads and stormwater for safe accessible roads;

Chapter 2

	. The implementation of Capital Projects within the specified budget, time and quality through the Infrastructure Planning and Programme Section (PMU);
EXECUTIVE DIRECTOR: CORPORATE SHARED SERVICES MR SB MAZIBUKO ACTING EXECUTIVE DIRECTOR	Corporate Support Services is tasked with providing support functions within the organisation and services the organisation through the following divisions: <ol style="list-style-type: none"> 1. Contract Management 2. Legal and Secretariat 3. Human Capital Management 4. Corporate Communication and Marketing 5. Industrial Relations 6. Employment Equity Information Communication Technology (ICT)
EXECUTIVE DIRECTOR: COMMUNITY SERVICES MR S MANTJANE	The role of the department is to provide and maintain effective and enhanced community services in the following functional areas: <p>Public Safety – to create an enabling environment for safer and secure communities</p> <p>Integrated Environment and Waste Management – to ensure the provision of effective environmental management and integrated waste management services</p> <p>Sport, Recreation, Arts, Culture & Heritage – To promote social cohesion through the promotion of sport, recreation, arts, culture and heritage</p> <p>Library Information Services – To manage and provide library and information services</p> <p>Health & Social Development – To ensure the promotion of social services</p> <ol style="list-style-type: none"> 7. Public Safety and Security

Chapter 2

<p>EXECUTIVE DIRECTOR: ECONOMIC DEVELOPMENT & PLANNING</p> <p>MS J SMITH ACTING EXECUTIVE DIRECTOR</p>	<p>The role of the department is to create an investor friendly town with constant economic growth, sustainable developments and a variety of tenure options through provision of integrated, sustainable and safe human settlements.</p> <ul style="list-style-type: none"> . Local Economic Development - Rural and Agricultural Development, Enterprise Development and Support, Business Retention, Expansion and Attraction . Spatial Planning - Land use control and management, Development Facilitation/GIS, Densification & infill programmes . Building Control <p>Human Settlement - Facilitate Sustainable Human Settlements</p>
	T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Constitution of the Republic of South Africa, 1996 clearly indicates that the national, provincial and local spheres of government are distinctive, interdependent and interrelated. Merafong Local Municipality operates within the prescripts of the Democratic Constitution of the Republic South Africa 1996, where local government is one of the spheres of government. The promulgation of the Intergovernmental Relations Framework Act (No.13 of 2005) provides a regulatory framework within which all the spheres of government interact. The Municipality is not excluded and fully participates in all the intergovernmental structures that operate at provincial level. These structures enable the Municipality to contribute to legislative undertakings.

As a Local Municipality, the municipality does not officially participate in National Intergovernmental Structures such as MINMEC and MINTECH and related working groups. The Municipality fully participates in MEC-MMC political and technical intergovernmental forums as well as SALGA and the respective SALGA working groups.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) developed a Local Government Turnaround Strategy (LGTAS) which places emphasis on the essence of an IDP as an expression of all government's work within a municipal space. A system of engagement and collaboration that will ensure the protection of the integrity of all the sphere of government in the delivery of services in pursuit of the constitutional principles of cooperative governance, which the IGR Framework seeks to achieve.

T2.3.0

Chapter 2

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality annually participates in the National South African Local Government Association Members Assembly where matters of mutual interest of Local Government is discussed to inform Policy and legislative reforms as may be applicable.

In terms of the Constitution of SALGA, the municipality as a member shall be represented in the National Conference and National Members Assembly and be entitled to vote in accordance with the applicable formula.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality forms part of the Premier's coordinating forums, Provincial Sector Intergovernmental which comprises of MEC, MMCs and the sectoral technical IGR forums which comprises of senior officials. Merafong City Municipality is fully represented in a number of Provincial IGR structure such as:

- Provincial Speakers Forum which is coordinated by the Gauteng Legislature.
- IGR Practitioners Forum (chaired by the Office of the Premier)
- MEC/MMC Forum (Alignment according to Portfolio).

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have any entities.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Merafong Municipality participates in the following District IGR structures:

District IGR Forum

District Speakers Forum (Coordinated by the Speaker of the District).

Chief Whip's Forum

IDP Forum at the District level

Municipal Manager's Forum

Chief Financial Officer's Forum

T 2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

WARD COMMITTEES

The fifth term of Local Government ended on the 30th October 2021 then the six term of Local Government started after the Special Inaugural Council Meeting on was held on 22 November 2022 for the new elected Councillors 2022-2026. The Execution Notice was approved by the Council under Item 8/2021.

This report complies with Section 73(3) of the Act, which states that Council must make rules regulating the procedure to elect members of the ward committees and operations of ward committees.

It also meets the mandate of Section 73 (5)(b) which requires Council to develop a policy and determine criteria for and calculation of the out-of-pocket expenses.

Council has approved the Execution Notice item 8/2021 to proceed with the Ward Committee elections by amending its year calendar to accommodate the Ward Committees establishment processes to conclude by 1 March 2022 as per the Department of Cooperative Governance and Traditional Regulations. The Merafong City Local Municipality Speakers Office couldn't conclude within the legislative timeframe of 120 days after Local Government elections.

Then the Office of the Speaker on 9th March 2022 wrote a letter of application of extension of Merafong City Local Municipality Ward Committee 2022 – 2026 to Gauteng Cooperative Governance and Traditional Affairs Member of the Executive Council Honourable L.I.Maile request for extension and noting the slight delay in Ward Committee Elections 2022, as required in terms of section 73(1A)(b) of the Local Government: Municipal Structures Act No. 117 of 1998, as amended ("the Act").

The Ward committee's primary objective is to enhance active participatory democracy between the municipality and the community as per the Constitutional mandate entrenched in the Local Government Municipal Structures Act No 117 of 1998. The ward committees dealt with the issues raised by the community which included: Basic Service delivery issues especially on Roads, Water, Electricity and Waste, Further responsibility was to coordinate the ward programs and municipal events Mayoral Imbizo's and Integrated Development Plan/Budget consultation process to the community. Other issues that ward committees dealt with the impact of Disaster Management Act 2002 and COVID 19 Regulations that impacted negatively bad within the ward committees and the entire community. Ward committees couldn't hold community, block engagement meetings due to Coronavirus pandemic and the COVID 19 regulations.

Gauteng Province and West Rand District Municipality identified Merafong City as a hot spot area particularly Wedela. The province introduced the District Development Model due to the ravage of Covid 19. We implemented the District Development Model at ward level, the Gauteng Province, West Rand District Municipality and Merafong City office of the Speaker earmarked Wedela area for the launch of Ward based War Room with three (3) wards: Ward 11, 20 and 23 as the hotspot area on June 2020.

Chapter 2

All other wards from ward 1 to ward 28 have identified and the ward base stakeholders and established the structures except ward 17. Furthermore, the Disaster Management Act of 2002 and COVID Regulations dictates that all community engagement meetings be done using alternative communication platforms such as media, teleconferencing, video conferencing, Whatsapp, Facebook, municipal website, notices, Govchart, GCIS, SMS bundles, posters and flyers

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

PUBLIC MEETINGS 2021/2022

The municipality has a functional communication office and adopted the communication strategy to coordinate issues through basic media means including municipal website, local newspaper, local radio, posters, flyers and so forth. The office of the Speaker is the custodian of community stakeholders through the ward councillors and ward committees.

The existing forums including the Sports Associations, Faith Based Organisations, Business Forums, People with Disabilities, Military Veterans, Elderly People and so forth. The schedule of ward councillors public meetings adopted by the council, the respective portfolios as well adopted schedule of stakeholders meetings. The municipality enhance the functionality of the forums through the special coordinators for Moral Regeneration, Youth, Disability programs, Elderly people programs and including GEYODI coordination reporting at the IGR forum.

The purpose of the meetings are ranging from general community development through CDWs, EPWPs, for Health through community health workers, HIV/AIDS volunteers and clinic committees, the welfare of people with disabilities and so forth. The purpose of the meetings is also for IDP and Budget consultation purposes. The 2021/22 IDP /Budget consultation implemented across Merafong as per the attached schedule.

T 2.4.1

Chapter 2

Nature and purpose of the meeting	Date of the events	Number of participating municipal councillors	Number of participating municipal administrators	Number of community members	Issues addressed (yes/no)	Dates and manner of feedback given to community
Ward 1	08/01/22 11/02/22	1	2	45 43		None
Ward 2	08/02/22 07/02/22	1	3	43 23		None
Ward 3	23/02/22 10/04/22 12/05/22 22/06/22 21/07/22	1 1 1 1 1	2	144 810 52 62 40		None
Ward 4	23/02/22	1	1	133		None
Ward 5	21/01/22 08/02/22 23/02/22 07/03/22 24/05/22 04/06/22 07/06/22 14/07/22 18/07/22 25/07/22 28/07/22	1 1 1 1 1 1 1 1 1 1 1 1	2	80 62 169 29 125 09 126 175 59 43 15		None
Ward 6	24/02/22	1	2	200		None
Ward 7	17/02/22 24/02/22 02/06/22 13/02/22 15/06/22	1 1 1 1 1	2	202 66 123 122 15		None
Ward 8	01/03/22	1	1	160		None
Ward 9	22/02/22 12/05/22 08/05/22 17/06/22 24/06/22 06/01/22 03/0/22 25/02/22	1 1 1 1 1 1 1 1	2	89 70 92 133 37 158 39 161		None
Ward 10	25/02/22	1	1	58		None
Ward 11	14/02/22	1	1	144		None
Ward 12	10/03/22	1	1	40		None
Ward 13	22/02/22	1	1	144		None
Ward 14	15/02/22	1	1	38		None

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Ward 15	28/02/22	1	1	48		None
Ward16	09/02/22	1	2	8		None
Ward 17	17/02/22	1	2	12		None
Ward 18	10/02/22	1	3	32		None
Ward 19	28/02/22	1	1	28		None
Ward 20	23/07/20	04	03	20		None
Ward 22	None					None
Ward 23	17/02/22	1	1	72		None
Ward 24	05/07/22 14/02/22	1	1	15 28		None
Ward 25	16/02/22	1`	2	78		None
Ward 26	16/02/22	1	2	144		None
Ward 27	17/02/22	1	2	152		None
Ward 28	23/02/22	1	1	10		None
						T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The strategy of Merafong City Local Municipality could be able to consult in various alternative convenient methods to the engage community through social media, facebook, whatsapp, municipal website, sms bundles, local newspaper and radio, posters, Govchat, GCIS, flyers and notices by the ward committees, loud hailing system across all stakeholders of the community.

The effectiveness of using other methods of communication to the public could be testified from the recent IDP/Budget 2020/21 consultations programs during COVID. The broader community including the stakeholders such as Youth forums, Faith base Organisations, People with Disabilities, Community Organisations, Non-Governmental Organisations and Business Communities consulted across Merafong community for the municipal IDP/Budget presentation.

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The alternative communication platforms to the public served as a convenient platform during COVID 19 for the community members to comment and submit constructive issues for the purpose of community development. It was through the media platforms that the municipality was able get cooperation from the community to make payment arrangements for the arrears of rates and services of the municipality. Alternative methods of consultations demonstrate the element of transparency, accountability and the compliance on Batho - Pele Principles. As a result the community benefited in the process of IDP/Budget consultation especially for policy issues such as Indigent Policy and By-Laws on Waste Management.

The public meetings exhibit the vision of the municipality and the theme of “government of the people by the people”. The municipality is continuing to provide basic services to the community through the effective of alternative communication methods including the Ward Base War Room Stakeholders meetings, mayoral consultations and other compliance engagements for the purposes of IDP and Budget.

T 2.4.3.1

Chapter 2

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
* Section 26 Municipal Systems Act 2000	
T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Section 62.(1)(c) of MFMA states that “The Municipal Manager of the Municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control”.

Risk is inherent in all business activities and every official and Councillor of the Municipality must continuously manage risks within their respective area of responsibility. The Merafong City Local Municipality (MCLM) recognizes that the aim of Risk Management is not to eliminate the risk totally but rather to provide the structural means to identify, assess, manage and monitor the risks involved in all municipal activities. It requires a balance between the cost of managing risks and the anticipated benefits that will be derived.

Every entity, whether for profit or not, exist to realise value for its stakeholders. Value is created, preserved, or eroded by management decisions in all activities, from setting strategy to operating the

Chapter 2

organisation day-to-day. ERM supports value creation by enabling management to deal effectively with potential future events that create uncertainty and respond in a manner that reduces the likelihood of downside outcomes and increases the upside.

The Enterprise Risk Management Unit is responsible for the coordination of Risk Management activities in the Municipality and it is accountable to the Accounting Officer.

A risk identification and assessment exercise is undertaken on an annual basis in line with the IDP and SDBIP to re-determine the risk exposure of the municipality. In total 12 risks have been identified.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Anti –Corruption Strategy of MCLM is aligned with the 2016 Local Government Anti - Corruption strategy championed by COGTA. The local government anti-corruption strategy is built around the three strategic objectives, namely: through effective investigation and resolution. The anti-corruption strategy of Merafong was reviewed and Promoting community ownership, strengthening municipalities’ resilience against corruption and building trust and accountability approved during this financial year of reporting.

Merafong has committed to institutionalising the fight against corruption by implementing initiatives based on the four pillars of:

- Prevention
- Detection
- Investigation; and
- Resolution

The municipality is currently using the services of the Provincial Ethics Hotline. This is a facility that allows all stakeholders and community to report unethical conduct. During the year the municipality received three (3) cases reported through the hotline. The cases were investigated by Internal Audit and two (2) were resolved and one is still pending a disciplinary process.

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The benefit of using an external hotline is that the whistleblower can remain anonymous and at the same time being protected from victimization.

Merafong has also continued work around building a strong ethical culture by implementing an Ethics Management Implementation Plan. This plan ensures that the municipality is institutionalising ethics management in the organisation. Through this plan, the municipal Council in its meeting of the 29th July 2021 approved and ethics management strategy. Key strategic focal points of the strategy include:

1. Leadership commitment
2. Ethics Management Program
3. Managing ethics, fraud and corruption risks
4. Develop a competent professional and effective workforce
5. Ensure effective consequence management
6. Community /Public participation

Another achievement in this financial year, that the Accounting Officer appointed the Ethics Working Group. This is an administrative committee looking into the implementation of the Ethics Management Strategy and Implementation Plan. During the second quarter of the financial year the municipality requested fraud and corruption awareness material/posters from COGTA to ensure continuous education and awareness for the employees, councillors, and stakeholders of the municipality. This was done in compliance with COVID restrictions on physical contact in case of fraud and corruption awareness workshops.

The country went into Local Government Election in November 2021 and there was a need to induct new councillors on Fraud and Corruption strategies that the municipality has in place. The Local Government Anti-Corruption Strategy was distributed to them, and a presentation was also done for them. The municipality is intentional regarding the fight against fraud and corruption despite capacity challenges in the Risk Management Unit of the municipality which is currently responsible for this function.

During this financial year a joint approach was done with Corporate and Shared Services in ensuring that the values of the municipality are included in the job advertisement that were published. This is to ensure that any external person interested in being employed by Merafong City should make sure that their values align with the municipality's.

Chapter 2

In the coming financial year, the municipality would like to approve all ethics management related policies, eg. The protection of whistle-blower, The investigations and a conflict-of-interest policies. The Accounting Officer is also looking at capacitating the Risk Management Unit which is currently operating with one official. This will ensure that all functions of risks management are attended to.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

In its pursuit for clean governance, Merafong Local Municipality has reviewed and amended the Supply Chain Management Policy as it does annually to align it with the legislative requirements and National Treasury issued Circulars and was adopted by Council. Furthermore, in line with the Municipal Supply Chain Management (MSCM) regulation 3(c), which requires at least annually review of the implementation of the SCM policy, the approved SCM policy was reviewed during the period under review and it required no amendments.

The Municipal Supply Chain Management (MSCM) Regulation 7(3) states, each municipality must establish a Supply Chain Management unit to implement its supply chain management policy. Furthermore, MSCM 7(4) states a Supply Chain Management unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the act. The Supply Chain Management Unit of the Merafong Local Municipality, in terms of the legislation, is responsible for the following prescribed functions:

- Demand management;
- Acquisition management;
- Disposal management;
- Logistics management;
- Performance management; and
- Risk management.

Supply Chain is currently in the process of filling the vacancies in SCM to allow for proper fulfilment of the SCM mandate derived from the MFMA and other applicable legislation.

Overall opinion on SCM compliance by Internal Audit of the area reviewed is fair: The system of internal control is adequate and effective to provide reasonable assurance that objectives will be met. Risk exposure is effectively controlled and managed.

T 2.8.1

Chapter 2

2.9 BY-LAWS

By-laws Introduced during the year 2021/22					
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
	Tariffs for the supply of water, electricity, sewage, cleansing and sundry services	Yes	With the budget road show	Yes	5 August 2020
	Notice of general assessment rates	Yes	With the budget road show	Yes	5 August 2020

T2.9.1

COMMENT ON BY-LAWS:

The budget public participation process is used to ensure community participation in the determination of the published documentation.

T 2.9.1.1

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2.10 WEBSITES

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year 2018/2019)	Yes
The annual report (Year 2019/2020) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2019/2020) and resulting scorecards	Yes
All service delivery agreements (Year 2019/2020)	Yes
All long-term borrowing contracts (Year 2019/2020)	Yes
All supply chain management contracts above a prescribed value (give value) for Year 2019/2020	Yes
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 2020/2021	No
Contracts agreed in Year 2018/2019 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 2019/2020	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2019/2020	Yes
<i>T 2.10.1</i>	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website is hosted in-house and is updated by the Information Communication and Technology Section. A series of meetings were held with the Gauteng Coperative Governance and Traditional Affairs (COGTA) and E-Gov to assist the municipality with the upgrade of the website. A business case was signed between the two departments and the municipaplity and an upgraded website will be implemented soon. The municipal website is available to the community through the libraries in the Merafong City area of jurisdiction. The libraries provide free access to internet for half an hour per user per day. Currently there are 80 computers with internet access and free Wi-Fi available at 16 libraries.

T 2.10.1.1

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

PUBLIC SATISFCATION LEVELS

Public service delivery complaints increased during the 2021/22 financial year, mainly due to problems experienced with old and aging water infrastructure network, turnaround time for water and sewer complaints due to financial constraints faced by the municipality, across Merafong. Major complaints are stolen water meters, water leaks and burst pipes due to aging infrastructure.

Sinkhole formations being the major contributor to the impact of water.

Electricity complaints also increased due non-working streetlights, load shedding, transformers fault and power cuts due cable theft.

Complaints from business and the community on the refuse removal service and mushrooming illegal dumping sites has shown an increase due to financial constraints.

Complaints from the community about increased crime statistics in targeted areas of the city due to the delay in grass and tree cutting across the city.

T 2.11.1

Chapter 2

Satisfaction Surveys Undertaken during: 2021/2022			
Subject matter of survey	Survey method	Survey date	No. of people included in survey
Overall satisfaction with:			
(a) Municipality	14 Press Releases with regards to Municipal actions during the year under discussion	2021/22	Newspapers Electronic Media
(b) Municipal Service Delivery	40 Press Enquiries on Municipal Service Delivery failures during the year	2021/22	Newspapers Electronic Media
(c) Mayor	01 Media Monitoring/ Press Enquiries on actions by the Executive Mayor during the year.	2021/22	Newspapers/ Electronic Media
Satisfaction with:			
(a) Refuse Collection	46 Media Monitoring/ Press Enquiries on Service Delivery failures during the year 59 Call & Contact Centre enquiries on Service Delivery Failures during the year.	2021/22	Newspapers/ Electronic Media/Call and Contact Centre

Chapter 2

(b) Road Maintenance	53 Media Monitoring/ Press Enquiries on Service Delivery failures during the year 104 Call & Contact Centre enquiries on Service Delivery Failures during the year.	2021/22	Newspapers/ Electronic Media/ Call and Contact Centre
(c)Electrical	50 Media Monitoring/ Press Enquiries on Service Delivery failures during the year 3013 Call & Contact Centre enquiries on Service Delivery Failures during the year.	2021/22	Newspapers/ Electronic Media/ Call and Contact Centre
(d) Water Supply	104 Media Monitoring/ Press Enquiries on Service Delivery failures during the year 4576 Call & Contact Centre enquiries on Service Delivery Failures during the year.	2021/22	Newspapers/ Electronic Media/ Call and Contact Centre
(e) Information supplied by municipality to the public	0 Website Based Enquiries on Service Delivery failures during the year	2021/22	Website
(f) Opportunities for consultation on municipal affairs	0 Community outreach to register community complaints in all areas.		Community Consultation

Chapter 2

T2.11.2

COMMENT ON SATISFACTION LEVELS:

For the 2021/22 the municipality did not commission any survey. The information contained in the above table is extracted from the Call and Contact Centre and Press Enquiries/Releases.

A new Call Centre number was launched by the Premier's Office in September 2021 for service delivery related issues and complaints. Staff members from service delivery sections such as Revenue, Infrastructure and Community Service as well as the Call Centre operators underwent training on how to use the Premier's Office system to curb service delivery complaints within the City.

The Call and Contact Centre is currently utilizing two hotline numbers for the public to call for their service delivery complaints. The one number is the municipality's and the other one is currently run by the Premier's Office.

There's also a WhatsApp number that the public is encouraged to use when lodging their complaints as this is cost effective for the public. The Facebook page has a WhatsApp icon that directs followers to the Call Centre WhatsApp number.

In case the public is unable to call or send a WhatsApp, it is advisable for them to walk into the Centre for assistance as there are operators during office hours that are there to assist in logging the complaints/queries.

Residents and businesses of Merafong City are encouraged to direct their service delivery complaints to the available Call and Contact Centre WhatsApp number. No complaint will be attended to if directed to other WhatsApp group chats, besides the Call Centre number.

The numbers are as follows:

- **WhatsApp**

082 516 0794 and is operational as follows:

Weekdays: 07h30-22h00

Weekends: 08h00- 22h00

- **Premier's Hotline**

0860 256 256 and is operational 24/7

Municipality's hotline

018 788 9990 and is operational as follows:

Weekdays only: 07h30-16h00

Chapter 2

Since the launch of the Premier`s Hotline and the introduction of the WhatsApp number, the complaints are minimal. This shows improvement in the turnaround time on attending to community queries.

T 2.11.2.2

Chapter 3

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

A detailed performance report is in Annexure B of this report

COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

A comprehensive evaluation on challenges within the section in terms of the generic procedures and requirements to provide basic services to the community and to address major water losses was completed in 2018/2019 financial year. The assessment has indicated that Merafong Water and Sanitation does not comply with any of the minimum requirements in terms of the relevant legislation and procedures regulating the provision of basic services and infrastructure, leaving Council wide open for legal action from DWAFF and the Department of Environment Affairs. Furthermore, the situation creates a negative perception towards Council and officials from the residents, in terms of the following challenges.

- Water losses as a result of limited maintenance of infrastructure.
- Noncompliance of wastewater effluent.
- Critical vacancies on organogram.
- Insufficient equipment.
- Failing infrastructure because of dolomitic activities.
- Project execution.

The evaluation also included recommendations to turn the situation around.

The current situation can be resolved by prioritizing and investing capacity and funds into the Water and Sanitation section to comply with its duties and responsibilities to provide basic water and sanitation to all citizens on a daily and continuous basis and increase revenue by addressing water losses on behalf of the Council, and to comply with the following legal requirements and Council responsibilities.

- The Water services Act - Duty and responsibility of Local Council to provide basic water and sanitation to all citizens within Merafong borders on a daily and continuous basis.
- The Water Act - Duty and responsibility of Local Council to effluent standards at Wastewater Treatment Plants and the Water Licence issued in terms of the Act
- The Occupational Health and Safety - Everyone has the right to an environment that is not harmful to their health or wellbeing.
- Finance Management Act – Water losses detrimental to the health of Merafong's revenue collection

Chapter 3

- Municipal Systems Act – The Council of a municipality has the duty to promote a safe and healthy environment in the municipality.
- Act 95 of 1998 (NHBRC) and SANS 1936 - Requires a Dolomite Risk Management Policy approved by the Council to be proactive on measures that reduce the vulnerability of communities
- Relevant SABS and SANS standards on projects and the responsibilities of Consultants to comply.

Various urgent challenges that needed immediate attention include amongst others the following:

- Continuous breakage of water infrastructure in the same areas causing further deterioration of an already high-risk dolomitic sub soil conditions.
- Residents are residing on high-risk dolomitic areas, while collapsed sewer infrastructure cause back ponding of sewer in the underground infrastructure, flooding residential areas with raw sewage.
- Water losses because of no maintenance to Pressure Reducing Valves (PRV's), valves, water meters and control of acceptable water pressures in zones.
- Water losses and noncompliance at WWTP's due to theft and vandalism of infrastructure
- Sewer flooding some areas because of limited water provision that densify sewer flow causing blocked networks.
- Bulk sewer lines in several residential areas blocked because of no maintenance flooding stands within the lower sewer catchment areas and sensitive wet buffer zones.
- Unacceptable high-water pressures within certain zones resulting in pipe bursts daily.
- Vast areas in Khutsong north where internal networks have collapsed and no sewer drainage exist, internal networks flooded, MH's are pumped out by Municipal sewerage trucks.
- Unacceptable sewer blockages in newly constructed residential areas Khutsong South and Kokosi Ext 6
- Theft and vandalism of Council's infrastructure
- Untreated raw sewage draining directly into natural streams, Kokosi Pump station, Wedela WWTP, Khutsong South WWTP and several bulk sewer lines; Greenspark and Fochville to Kokosi WWTP and Khutsong Bulk Sewer lines.
- Unacceptable quality of newly completed projects because of no involvement of the project owners in the execution process of projects.
- Non-availability of mechanical equipment.
- Unavailability of material to address urgent matters. 6

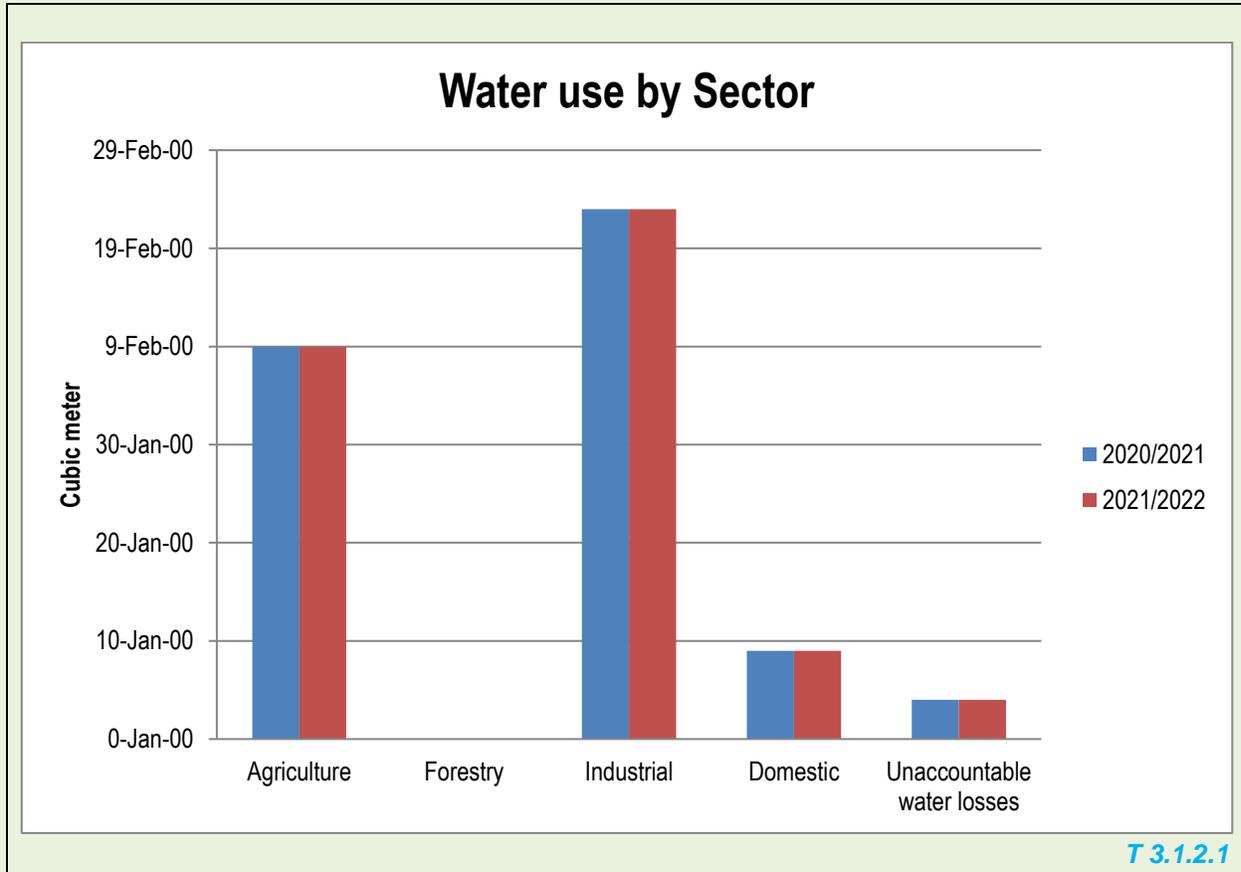
The Water and Sanitation section should be prioritized to provide basic services to all. The situation needs urgent and immediate attention. Current knowledge of the problem makes the council, councillors and officials liable if positive action is not taken. Any delay or failure to take appropriate and urgent action may impose a legal liability in terms of above.

Investment into this section will reduce water losses of almost 50%, address non compliances and provide funding for normal maintenance and increase the income of Council.

T 3.1.1

Chapter 3

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/2021	40	0	54	9	4
2021/2022	40	0	54	9	4
					<i>T 3.1.2</i>

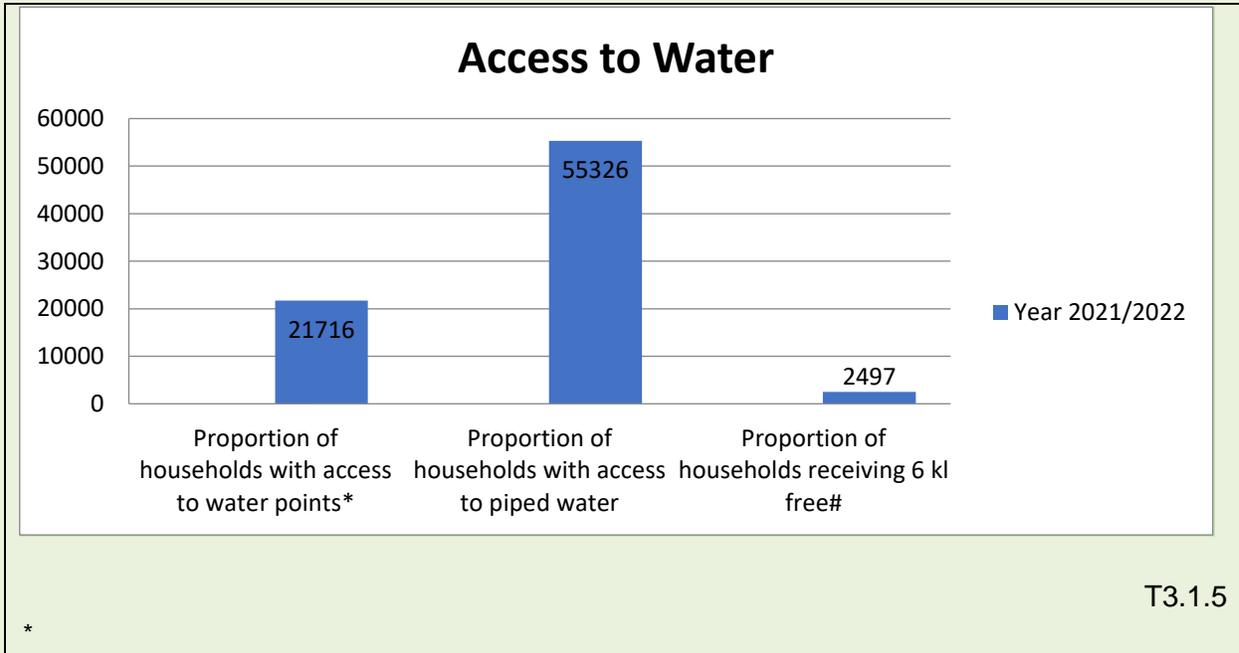


Chapter 3

Water Service Delivery Levels Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	34 000	34 500	35 000	35 500
Piped water inside yard (but not in dwelling)	1 450	1 450	1 450	1 450
Using public tap (within 200m from dwelling)	13 000	13 000	13 000	13 000
Other water supply (backyard families)	6 000	6 000	6 000	6 000
<i>Minimum Service Level and Above sub-total</i>	54 450	54 950	55 450	55 950
<i>Minimum Service Level and Above Percentage</i>	80%	79%	80%	80%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	0	0	0	
Other water supply (more than 200m from dwelling)	14 000	14 000	14 000	14 000
No water supply	0	644	0	
<i>Below Minimum Service Level sub-total</i>	14 000	14 644	14 000	14 000
<i>Below Minimum Service Level Percentage</i>	20%	21%	20%	20%
Total number of households*	68 450	69 594	69 450	69 950
* - To include informal settlements				<i>T 3.1.3</i>

Households - Water Service Delivery Levels below the minimum Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	45 535	38 665	38 655	38 655
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%
Informal Settlements				
Total households	27 315	27 315	27 315	27 315
Households below minimum service level	14 000	14 000	14 000	14 000
Proportion of households ts below minimum service level	51%	51%	51%	51%
				<i>T 3.1.4</i>

Chapter 3



Chapter 3

Water Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/21			Year 2021/22	
		*Previous Year	Actual	*Previous Year Planned	*Previous Year Actual	Actual	*Current Year planned	Current Year Actual
<i>Service Indicators</i>								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	
Service Objective								
Provision of basic services to water accessibility	Measures the percentage access of households to basic level of water services	100%	99%	95%	96%		100%	95%
Provision of Quality and Reliable Water Supply	Measures the percentage compliance to the Water Quality Standards	100%	100%	100%	99%		100%	85,90%
Maintain Efficient Water Infrastructures	Indicator measures percentage of activities implemented in accordance with the Water Services maintenance plan, reported in percentage	100%	44%	100%	22%		100%	79,95%
Curbing of Water Losses	Indicator measures unaccounted water losses measured as percentage of bulk purchases vs sales	less than 40%	51%	less than 30%	26%		less than 25%	35,95%
								T3.1.6

Chapter 3

Employees: Water Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	4	2	2	50%
7 - 9	5	16	7	9	56%
10 - 12	15	17	15	2	12%
13 - 15	51	62	51	11	18%
16 - 18	75	144	77	67	47%
Total	150	244	153	91	37%

T3.1.7

Financial Performance Year 2021/2022: Water Services					
					R'000
Details	Year 2020/2021	Year 2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	310024	350040	339168	325216	-8%
Expenditure:					
Employees	25155	34143	32842	31866	-7%
Repairs and Maintenance	1341	18786	14442	1707	-1001%
Other	281858	304774	317523	365950	17%
Total Operational Expenditure	308354	357703	364807	399523	10%
Net Operational Expenditure	-1670	7663	25639	74307	90%

T 3.1.8

Chapter 3

Capital Expenditure Year: 2021/2022 Water Services					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	73 169	144 489	75 449	3%	
Khutsong North Water & Sewer Reticulation	10 225	9 562	709	-1342%	232 976
Merafong Bulk Supply	0	6 900	6 756	100%	6 900
Replacement of Khutsong Reservoir	20 000	54 683	10 725	-86%	95 000
Carletonville Reservoir(007)	0	7 881	7 877	100%	18 136
Upgr of Existing Bulk Water Line and Pumpstation (Kokosi Ext 6)	0	4 034	1 073	100%	6 510
Adata Pipeline	0	11 137	11 137	100%	55 000
Fochville Reservoir	17 944	26 326	21 485	16%	32 030
Khutsong Bulk Pipe Line (HSD)	25 000	23 966	15 687	-59%	32 030
T 3.1.9					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

During February 2022 the PMU Awaited the documentation pertaining to the standardized claim format for the Schedule 6B project from DWS. Claim submitted for June 2022 still outstanding. Awaited total payment of R 442 186.35 (Water Tankering R 378 486.35 + Admin fees R 63 700.00) from Water & Santation Dept.

Kokosi Ext 6/7 Completion of Sewer Network/ Fochville Reservoir

The consultant SCIP Engineering Group has been appointment on 20 July 2021. Project Initiation concluded on 6 August 2021. During September 2021 the site survey was completed and the assessment of the current status of the pipelines is in process. Water leak detection and sewer internal and link network has been concluded during October 2021. The washing of the lines was prioritized during November 2022. CCTV investigation conducted during January 2022. Turnkey contractor appointed during February 2022 and Project launched on 23 February 2022. Planned construction start date of 7 April 2022 cancelled due to SMME community challenges. Planned project re-launch for 17 May 2022 has been cancelled and has been finalized on 10 June 2022.

Chapter 3

Replacement of Khutsong Reservoir

The consultant Morad Consulting Engineers has been appointed on 10-05-2016 for the replacement of Khutsong 30MI Reservoir. Consultant's appointment amended to turn-key dated 4/11/2020. Construction progress at 98% for all activities on site in terms of replacement contractor's construction program (Multi-year project). Project planned to be completed by end July 2022

Khutsong South Installation of Alternative Bulk Water Supply

Tlou Consulting Engineers (Pty) Ltd was appointed on the 20th/07/2021. New Project for 2021/2022 FY and a multi-year project. Project initiation concluded on 6-08-2021. Amendment of Assignment for Consultant services to Turn-key basis dated 10/02/2022. Project was launched on 10/06/2022.

Khutsong North Water & Sewer Reticulation Stage 1

Pro-Plan Consulting Engineers (Pty) Ltd was appointed 21-09-2017 on a Turn-key assignment for this project. Site handover meeting 17-02-2020. Project rolled over from 2020/21 FY. Construction progress at 75% due to the extended scope of works. Construction of sewer pipeline in progress. All SMME's issues were resolved. It is expected for the works to be completed by end of July 2022.

Khutsong North Water & Sewer Reticulation Stage 2 – Skopas

Morad Consulting Engineers (Pty) Ltd was appointed 04-12-2020 on a Turn-key assignment. Project rolled over from 2020/21 FY. Construction progress at 98%. Contractor to acceleration works to ensure that project get completed by end July 2022. .

Khutsong North Water & Sewer Reticulation Stage 3

New Project 2021/2022. Appointment of Consultant to start with planning post finalization by Merafong owner department.

T 3.1.10

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Water services (i.e. water supply and sanitation) in Merafong are controlled by the Water Services Act. (Act 108 of 1997) and the National Water Act (Act 36 of 1998). The Water Services Act deals with Water Services provision to consumers, while the National Water Act deals with water in its natural state. As in the case of water supply, the provision of sanitation to a community should take place in terms of the relevant Water Services Development Plan, which is required in terms of the Water Services Act.

The Water Services Development Plan (which should, of course, be compiled taking cognisance of the National Sanitation Policy) defines the minimum level of sanitation as well as the desired level of sanitation for communities that must be adhered to by a Water Services Provider in its area of jurisdiction. It describes the arrangements for water services provision in an area, both present and future. Water services are also to be provided in accordance with regulations published in terms of the Water Services Act.

The provision of appropriate sanitation to a community should take place in accordance with national policy. Among the major aims set out in the National Sanitation Policy are the following to improve the health and quality of life of the whole population.

- To integrate the development of a community in the provision of sanitation;
- To protect the environment; and
- To place the responsibility for household sanitation provision with the family or household.

The provision of appropriate sanitation to a community should take place in accordance with national policy. Among the major aims set out in the National Sanitation Policy are the following to improve the health and quality of life of the whole population;

- To integrate the development of a community in the provision of sanitation;
- To protect the environment; and
- To place the responsibility for household sanitation provision with the family or household.

The minimum acceptable basic level of sanitation is (Department of Water Affairs):

- Appropriate health and hygiene awareness and behaviour;
- A system for disposing of household wastewater and refuse, which is acceptable and affordable to the users, safe, hygienic and easily accessible, and which does not have an unacceptable impact on the environment; and
- A toilet facility for each household.

Sanitation goes hand in hand with an effective health-care programme. The importance of education programmes should not be overlooked, and the Department of Health must assist.

Sanitation education is part of the National Sanitation Policy and should embrace proper health practices, such as personal hygiene, the need for all family members (including the children) to use the toilet and the necessity of keeping the toilet facility clean. Education should also include the proper operation of the system, such as what may and may not be disposed of in the toilet, the amount of water to add if necessary, and what chemicals should or should not be added to the system. The user must also be made aware of what needs to be done if the system fails or what options are available when the pit or vault fills up with sludge.

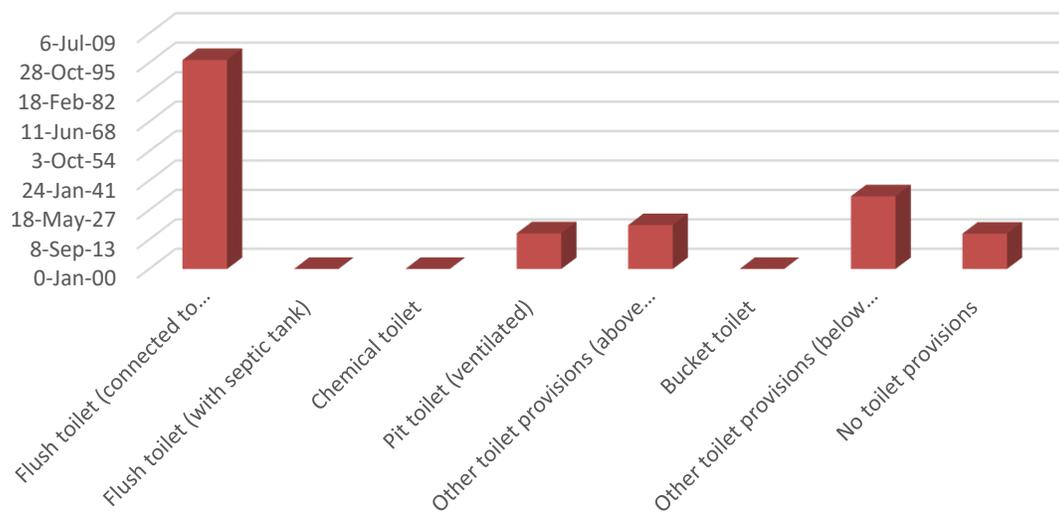
Chapter 3

Current policy is that the basic minimum facility should be a ventilated improved pit (VIP) toilet, or its equivalent.

The five main criteria to be considered when providing a sanitation system for a community are: • Reliability; • Acceptability; • Appropriateness; • Affordability; and • Sustainability.

T 3.2.1

SANITATION /SEWERAGE ABOVE MINIMUM LEVEL YEAR 2021/22



T 3.2.2

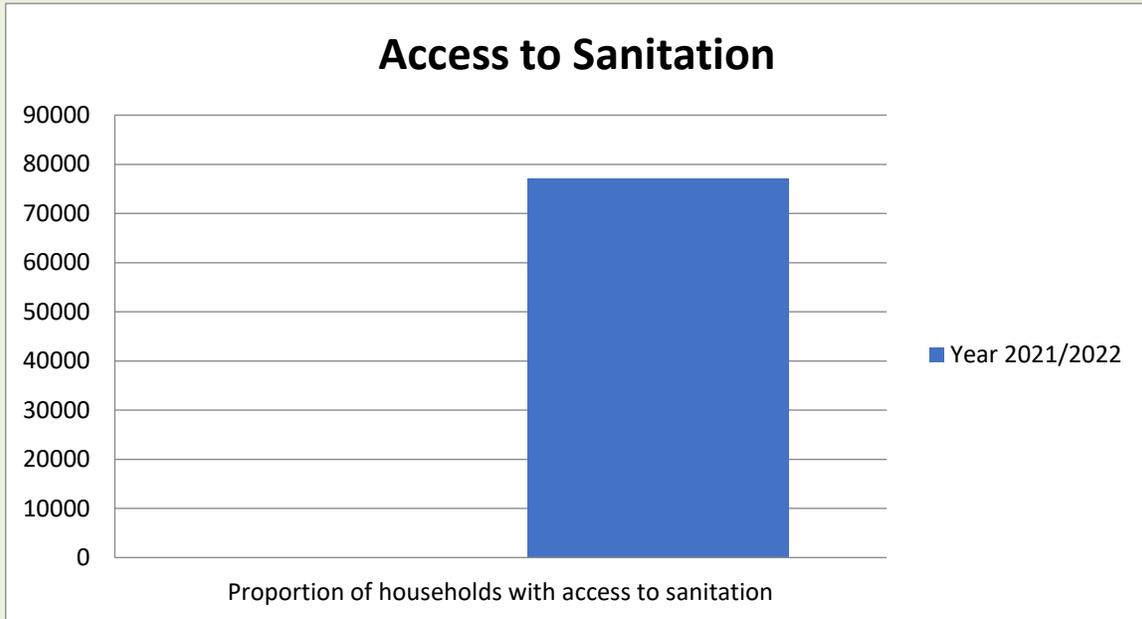
Chapter 3

Sanitation Service Delivery Levels				
Description	2018/19	2019/20	2020/21	*Households 2021/22
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	34 000	34 500	35 000	35 500
Flush toilet (with septic tank)	0	0	0	0
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	6 064	6 064	6 064	6 064
Other toilet provisions (above min.service level)	7 450	7 450	7 450	7 450
<i>Minimum Service Level and Above sub-total</i>	47 514	48 014	48 514	49 014
<i>Minimum Service Level and Above Percentage</i>	72.1%	72.3%	72.6%	72.8%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	12 355	12 355	12 355	12 355
No toilet provisions	6 000	6 000	6 000	6 000
<i>Below Minimum Service Level sub-total</i>	18 355	18 355	18 355	18 355
<i>Below Minimum Service Level Percentage</i>	27.9%	27.7%	27.4%	27.2%
Total households	65 869	66 369	66 869	67 369
*Total number of households including informal settlements				T 3.2.3

Households - Sanitation Service Delivery Levels below the minimum

Description	2018/19	2019/20	2020/21	2021/22
Household (000)	Outcome	Outcome	Outcome	Actual
Formal Settlements				
Total households	67369	67369	67369	67369
Households below minimum service level	6000	6000	6000	6000
Proportion of households below minimum service level	8.9%	8.9%	8.9%	8.9%
Informal Settlements				
Total households	67369	67369	67369	67369
Households ts below minimum service level	18355	18355	18355	18355
Proportion of households ts below minimum service level	27%	27%	27%	27%
				T3.2.4

Chapter 3



T3.2.5

Chapter 3

Water Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	Year 2019/20		Previous Year Year 2020/21		Current Year Year 2021/22		Following Year 2022/2023
		Target	Actual	Target	Target	Actual	Target	
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year		*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	
Service Objective								
Provision of basic services and accessibility	Measures the percentage access of households to basic level of sewer services	100%	99%	99%	95%	96%	95%	100%
Provision of Quality and Reliable Sanitation Service	Measures the percentage compliance to Quality Standards	100%	100%	100%	100%	85,90%	100%	100%
Maintain Efficient Sanitation Infrastructures	Indicator measures percentage of activities implemented in accordance with the Services maintenance plan, reported in percentage	100%	50%	50%	100%	79,79%	79,97%	100%
								T3.2.6

Chapter 3

Employees: Sanitation Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9	EMPLOYEE INFORMATION INCLUDED IN WATER SERVICES T3.1.7				
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
<i>T 3.2.7</i>					

Financial Performance Year 2021/22: Sanitation Services					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	126 510	97 527	114 613	114 613	15%
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Debt impairment and write-offs	38 800	0	35 417	35 417	100%
Depreciation and amortisation	24	75	411	411	82%
Operational cost	3 850	3 006	2 704	2 704	-11%
Inventory consumed	0	4	0	0	#DIV/0!
Total Operational Expenditure	42 674	3 085	38 532	38 532	92%
Net Operational Expenditure	-83 836	-94 442	-76 081	-76 081	-24%
<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>					<i>T 3.2.8</i>

Chapter 3

R' 000						
Capital Projects	Year 2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Value	Project
Total All	47 249	47 249	31 743	-49%		
Sludge Drying Beds - Kokosi & Khutsong WWTW	2 500	2 500	2 500	0%		2500
Khutsong North Water & Sewer Reticulation Stage 1	7 972	7 972	6 704	-19%		7972
Khutsong North Water & Sewer Reticulation Stage 2 - Skopas	15 783	15 783	15 581	-1%		15783
Greenspark Outfall Sewer	6 411	6 411	1 441	-345%		6411
Kokosi Ext 7 East Outfall Sewer	4 583	4 583	4 522	-1%		4583
Khutsong South Ext. 5 Outfall Sewer	10 000	10 000	995	-905%		10000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						<i>T 3.2.9</i>

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Kokosi Ext 6/7 Completion of Sewer Network/ Fochville Reservoir

The consultant SCIP Engineering Group has been appointment on 20 July 2021. Project Initiation concluded on 6 August 2021. During September 2021 the site survey was completed and the assessment of the current status of the pipelines is in process. Water leak detection and sewer internal and link network has been concluded during October 2021. The washing of the lines was prioritized during November 2022. CCTV investigation conducted during January 2022. Turnkey contractor appointed during February 2022 and Project launched on 23 February 2022. Planned construction start date of 7 April 2022 cancelled due to SMME community challenges. Planned project re-launch for 17 May 2022 has been cancelled and has been finalized on 10 June 2022.

Greenspark Outfall Sewer

Consultant appointed 11 December 2018. Turnkey construction commenced on 29 May 2019. Project suspended pending settling of contractors claim as per adjudication award. A letter dated 20 October 2021 was submitted to the municipality by the consultants indicating the termination of the contract. A meeting has been arranged to discuss the restart of the project.

Chapter 3

Kokosi Ext 7 East Outfall Sewer

Consultant appointed on 2 July 2020. Pipeline project handed over to contractor on 28 April 2021. Pipeline Project Completed 25 October 2021. The Inlet Works equipment has been removed for refurbishment and replacement. A workshop visit was conducted on 10 November 2021. Scope creep has been identified by the consultant. Installation of lights and cabling complete. Inlet Estimated Progress 82%.

Sludge Drying Beds - Kokosi & Khutsong WWTW

SCIP Consulting Engineers was appointed 24-07-2019. BAC meeting 30-03-2020. The Contractor CMS Water Engineering CC appointed 30-03-2020 and the project Handover to contractor 11-05-2020. Project rolled over from 2020/21 FY. The main contractor has been engaged with a view of serving a Notice of Intended Termination. The contractor has returned to site on the 08/06/2022 to complete the outstanding works. It is expected for the works to be completed by end July 2022 . Progress is at 98%.

Khutsong North Water & Sewer Reticulation Stage 1

Pro-Plan Consulting Engineers (Pty) Ltd was appointed 21-09-2017 on a Turn-key assignment for this project. Site handover meeting 17-02-2020. Project rolled over from 2020/21 FY. Construction progress at 75% due to the extended scope of works. Construction of sewer pipeline in progress. All SMME's issues were resolved. It is expected for the works to be completed by end of July 2022.

Khutsong North Water & Sewer Reticulation Stage 2 – Skopas

Morad Consulting Engineers (Pty) Ltd was appointed 04-12-2020 on a Turn-key assignment. Project rolled over from 2020/21 FY. Construction progress at 98%. Contractor to acceleration works to ensure that project get completed by end July 2022. .

Khutsong North Water & Sewer Reticulation Stage 3

New Project 2021/2022. Appointment of Consultant to start with planning post finalization by Merafong owner department.

Khutsong South Ext. 5 Outfall Sewer

Pro-Plan Consulting Engineers (Pty) Ltd was appointed 20-07-2021. Project initiation concluded on 6-08-2021. Necessity for EIA (Basic Assessment) to be confirmed. Amendment of assignment for Consultant services to turn-key basis dated 10/02/2022. Consultants wrote a letter dated 23 June 2022 to the municipality for withdrawal from the turnkey arrangement due to the pressure from MBC. Acting Municipal Manager has arranged a meeting with affected stakeholders to resolve issues of procurement.

T 3.2.10

Chapter 3

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The provision of electricity services is in terms of provision of the following:

1. Bulk Supply
2. Medium and High voltage distribution network
3. Low Voltage and customer connections
4. Metering and monitoring
5. Operations and Maintenance

The priority of the strategy for the year under review was the extension of services to the newly developed areas of the Elijah Barayi Corridor. Fochville Bulk Supply Substation Upgrade project is at an advanced stage where implementation by Eskom and the Municipality is underway,

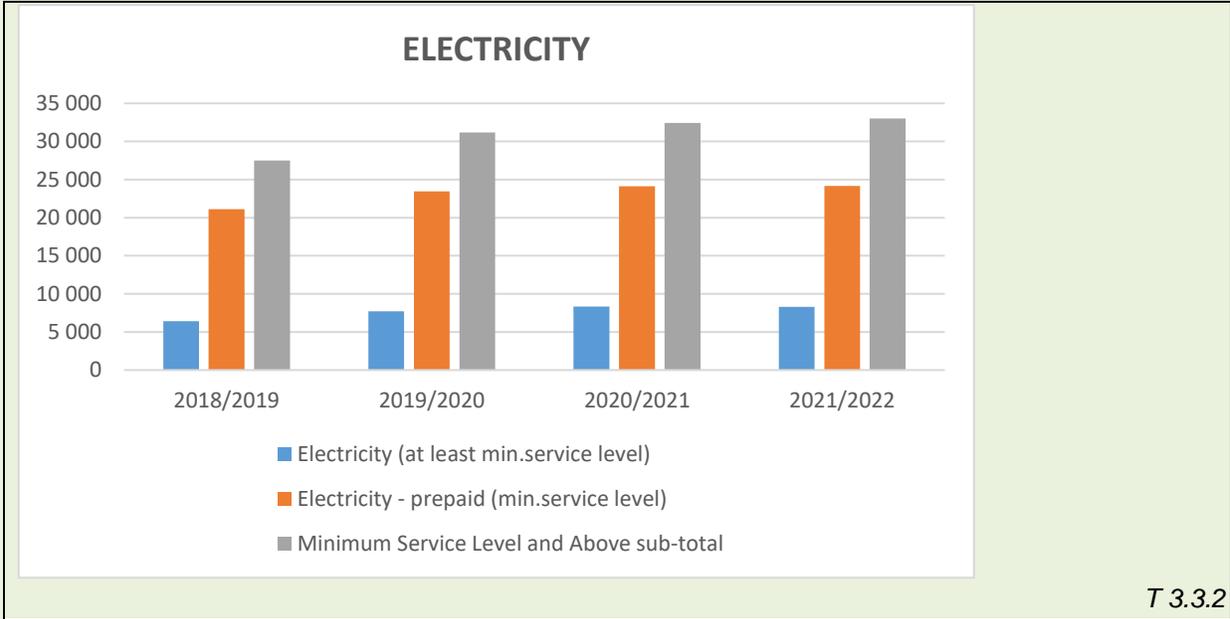
The Design and Planning for the creation of a new Bulk Supply Capacity for the Khutsong South Extensions via a New Substation (Plover Substation)

Maintenance and infrastructure renewal plans were severely compromised due to the Theft and vandalism of Infrastructure during the 21/2022 Financial Year. The bulk of the resources be it Financial or Manpower was extensively utilised in Repairs more than Maintenance.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

T 3.3.1

Chapter 3



Chapter 3

Electricity Service Delivery Levels Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)	6 416	7 699	8 339	8 306
Electricity - prepaid (min.service level)	21 097	23 465	24 105	24 176
<i>Minimum Service Level and Above sub-total</i>	27 513	31 164	32 444	33 022
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service
Electricity - prepaid (< min. service level)	-	-	-	-
Other energy sources	0	0	1	1
<i>Below Minimum Service Level sub-total</i>	Not applicable	Not applicable	Not applicable	Not applicable
<i>Below Minimum Service Level Percentage</i>				
Total number of households	27 513	28 969	31 164	32 022

T 3.3.3

Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	2018/19	2019/20	2020/21	2021/22		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	27192	31 164	32 444	32 600	32 600	33 022
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
Informal Settlements						
Total households	0	0	0		0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
						<i>T 3.3.4</i>

Chapter 3

Electricity Service Policy Objectives Taken From IDP										
Service Objectives <i>Service Indicators</i> (i)	Outline Targets (ii)	Service	2018/2019		2019/20		2020/21	2021/22		
			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: Provision of basic Services										
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)		1200	564	926	600	137	600	200	200
T 3.3.5										

Chapter 3

Employees: Electricity Services					
Job Level	2020/21				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	6	11	5	6	55%
7 - 9	16	27	18	9	33%
10 - 12	38	64	38	26	63%
13 - 15	4	30	6	24	80%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	66	133	62	71	53%

T 3.3.6

Financial Performance Year 2021/22: Electricity Services					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	302 434	372 002	345 186	345 186	-8%
Expenditure:					
Employees	32 858	38 917	35 138	35 138	-11%
Debt impairment and write-offs	23 653	0	25 175	25 175	100%
Depreciation and amortisation	16 293	5 392	15 284	22 488	76%
Operational cost	3 217	16 037	14 162	14 162	-13%
Inventory consumed	62	421	-56	-56	852%
Total Operational Expenditure	76 083	60 767	89 703	96 907	37%
Net Operational Expenditure	-226 351	-311 235	-255 483	-248 279	-25%
<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 3.3.7

Chapter 3

Capital Expenditure Year: 2021/2022 Electricity Services					
					R' 000
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	23 219	24 848	21 314	-9%	
Fochville Bulk Supply	11 219	13 219	13 219	15%	13 219
Street Light Merafong Phase 2 (Phase 5)	7 000	6 629	7 851	11%	7 851
Khut South Installation of Bulk Electricity	5 000	5 000	244	-1949%	5 000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Fochville Electricity Bulk Supply (Phase 4)

New Project. Consultant appointed on 20-07-2021. Letter of acceptance awaited. Project initiation provisionally scheduled for 6-08-2021. Scope of work to be confirmed. Site visit conducted on 30 September 2021. A request for funding has been submitted to DMRE. A change control from Elijah Barayi to Fochville Bulk supply with Eskom was approved by DMRE on 22 November 2021. Arrangements for project implementation by ESKOM under discussion. Only payments will be made to Eskom during 2021/2022 FY.

Street Light Merafong Phase 2 (Phase 5)

LSO Consulting Engineers (Pty) Ltd was appointed 20-07-2021 on a turn-key assignment. New Project 2021/2022. Progress currently at 100%. Practical inspection was done 24/06/2022 and contractor is attending snag list. Completion was achieved 30/06/2022.

Khutsong South Installation of Bulk Electricity

Korone Consulting Engineers (Pty) Ltd was appointed 17-09-2021. New Project 2021/2022. The inception report was approved on 12 November 2021. Draft Tender document submitted to PMU 21 January

Letter dated 23 June 22 to the municipality for withdrawal from the turnkey arrangement due to the pressure from MBC. Acting Municipal Manager has arranged a meeting with affected stakeholders to resolve issues of procurement.

T 3.3.9

Chapter 3

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

INTRODUCTION TO WASTE MANAGEMENT

Street Cleaning service is done daily including weekends around Fochville and Carletonville CBD's. CWP workers do litter picking in Townships.

Solid Waste is being collected once a week with kerb side method in the formal household as per National Waste Collection Standard. There are 57 192 household with access to weekly waste removal in the formal areas.

The Solid Waste Management department oversee the recycling services and Khabokedi Waste Management Company submit their stats to Waste department in monthly basis.

Mphahlwa village as an informal settlement is being served using 6m3 skip containers.

Business around Merafong and mines are also being serviced using the 6m3 containers and 240l bins.

Removal of illegal dumping is being scheduled monthly and executed internally with the available limited resources and additional equipment are sourced in when funds are available.

Carletonville Landfill Site is used for the final and safe disposal of waste in Merafong. Khabokedi Waste Management (Pty) Ltd was appointed as the service provider to operate and manage landfill site.

Corporate and shared services department appointed permanently thirty-seven (37) general workers to relieve shortage of staff in Solid Waste Operations although they are not enough.

T 3.4.1

Chapter 3

Solid Waste Service Delivery Levels				
Description	Year	Year	Year	Households
	2018/19	2019/20	2020/21	Year
	Actual No.	Actual No.	Actual No.	2021/22 Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	54507	54507	54507	57192
<i>Minimum Service Level and Above sub-total</i>	54507	54507	54507	57192
<i>Minimum Service Level and Above percentage</i>	96,00%	96,00%	96,00%	96.69%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	13413	13413	13413	13413
Using own refuse dump	53645	53645	53645	53645
Other rubbish disposal	53645	53645	53645	53645
No rubbish disposal	53645	53645	53645	53645
<i>Below Minimum Service Level sub-total</i>	67058	67058	67058	67058
<i>Below Minimum Service Level percentage</i>	54,0%	54,0%	54,0%	54,0%
Total number of households	98457	98457	98457	98457

T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year	Year	Year	Households		
	2018/19	2019/20	2020/21	Year 2021/22		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	54507	54507	54507	57192	57192	57192
Households below minimum service level	1280	1280	1280	1280	1280	1280
Proportion of households below minimum service level	2%	2%	2%	2%	2%	2%
Informal Settlements						
Total households	67058	67058	67058	67058	67058	67058
Households below minimum service level	53645	53645	53645	53645	53645	53645
Proportion of households below minimum service level	80%	80%	80%	80%	80%	80%

T3.4.3

Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -2020/21		Year 2021/22		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	5	0	5	100%
4 - 6	0	11	0	11	100%
7 - 9	17	38	17	21	55%
10 - 12	1	1	1	0	0%
13 - 15	89	211	120	91	43%
Total	107	266	138	128	48%
					<i>T3.4.5</i>

EMPLOYEES: WASTE DISPOSAL AND OTHER SERVICES					
Job Level	2020/21		2021/22		
	Employees	Posts	Employee s	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	WASTE DISPOSAL INFORMATION INCLUDED WITH SOLID WASTE T3.4.5 ABOVE				
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
					<i>T3.4.6</i>

Chapter 3

Financial Performance Year 2021/22: Waste Disposal and Other Services					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	130	108	93	-40%
Expenditure:					
Employees	248	250	254	246	-2%
Repairs and Maintenance	248	250	254	246	-2%
Other	248	250	254	246	-2%
Total Operational Expenditure	744	750	762	738	-2%
Net Operational Expenditure	649	620	654	645	4%
<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 3.4.8					

Capital Expenditure Year 2021/2022: Waste Management Services						
R' 000						
Capital Projects	Year 2021/2022					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Value	Project
Total All						
NO CAPITAL PROJECTS FOR THE YEAR UNDER REVIEW						
T 3.4.9						

Chapter 3

Taken the above mentioned into consideration the Municipality had to provide not only housing but infrastructure as well for current and future housing projects.

Merafong City LM is on a push to decrease its housing backlog through the following programmes:

1. Provision of services which include water and sanitation
2. Provision of houses
3. Provision of title deeds to beneficiaries
4. Provision of rental accommodation by private developers
5. Informal Settlement upgrade programme

Through the delivery of the above programmes we are ensuring a sustainable communities and creating jobs and capacitation of local SMME's. Merafong City LM has committed to continue improving the quality of life and the dignity of the people through our partnership with Gauteng Department of Human Settlement.

Housing delivery in Merafong City focusses on the following needs:

- State funded, low cost housing.
- Private sector developments targeting mainly mixed, middle to upper income groups.
- Affordable rental accommodation and social housing.
- Informal settlement up-grade.

Throughout all our projects the following criteria for a housing opportunity must be considered:

- The elderly;
- People with disabilities;
- Child-headed households;
- Those who have been the longest on the waiting list; and
- Our backyard dwellers, particularly single mothers.

Funding through Urban Settlement Development Grant which includes the Distress Mining Allocation. The Distress Mining Allocation has enabled the Municipality to deliver on its mandate. Over the (MTREF) the following housing related infrastructure projects have been implemented through the Mining Town Allocation in this regard for 2021/22 amounting to R36, 023, 226.00:

Khutsong Outfall Sewer	R10 000 000
Khutsong South Installation of Bulk Electricity	R 5 000 000
Khutsong South Installation of Alternative Bulk water supply	R 6 000 000
Khutsong South Ext. 5&6 Roads & Storm water	R 5 000 000
Kokosi Ext. 7 Outfall Sewer	R 4 582 683
Greenspark Outfall Sewer	R 1 440 543

The following factors have influenced negatively on the delivery of the projects during the 2021/22 financial year:

1. Procurement of services providers
2. Planning and designs for all the above mentioned projects had to be drafted which also delayed the projects;
3. Appointment of local SMME delayed the processes to conclude

Chapter 3

Progress has been made in the construction of 5804 top structures in the following projects:

1. Elijah Barayi
2. Fochville Ext. 11 & 8
3. Khutsong South Ext. 5 & 6

Elijah Barayi:

The Gauteng Department of Human Settlement in collaboration with the Housing Development Agency is the Developer in the Elijah Barayi housing project. This development is planned as a mixed housing development to be integrated with the Khutsong development and will yield 12491 units. This is in line with the pillars for Radical Transformation to modernise human settlements in the Province.

The development consist of the below listed number of residential units and types. Social amenities such as schools, places of worship, and recreational areas etc. has been incorporated into the development.

BNG: Low Cost		5000
Social Housing Units	-	2000
Community Rental Units-		1000
FLISP		1000
Bonded above R700k	-	2831



Chapter 3

The development have presently 3855 serviced stands. There is currently 4231 foundations completed. The first floor wall plates have 3426 completed and the send floor have 2190 wall plates completed. There are 3752 completed units.

Fochville Ext. 11 & 8:

Merafong City LM and a private developer started the Fochville Ext development focussing on the higher income group that could not be targeted in the low cost housing segment of the market for Kokosi and Fochville. The development started the planning phases and approval from 2008 and the actual construction for the 2021/22 financial year were 514 completed units. The potential units planned for this development are as follows:

The proposed phases are as follows:

Fochville	Zoning	Potential
Ext. 8	Residential 2	256 Units
Ext. 11	Residential 2	258 Units
Ext. 12	Business 1	13.560 Sq
Ext. 14	Residential 2	220 Units
Ext. 15	Residential 2	268 Units
Ext. 16	Residential 2	124 Units
Ext. 17	Residential 1	165 erven
Ext. 18	Residential 1	195 erven
Ext. 19	Residential 1	270 erven
Ext. 20	Residential 1	131 erven
Ext. 21	Residential 1	299 erven
Total		2 188 erven
Total Business potential		13. 560 Sq

Chapter 3



Sinkhole Formation:

During the 2021/22 financial year, the Municipality experienced some sinkhole formations that resulted in the evacuation of families from their properties. The Housing section had to provide alternative accommodation to the affected families. Some of the affected families were allocated houses in Khutsong South Ext. 5 & 6. The remaining is catered for in new Khutsong South Ext. 5 project along with Khutsong Ext. 3 residents.

Informal Settlements:

The section in collaboration with Eskom started with the registration, mapping, and relocation of the following informal settlements in Khutsong for the electrification programme.

1. Chris Hani
2. Rest in Peace
3. B-Section

New Housing Applications:

All housing applications received are captured within seven days as per SDBIP. The target for this indicator was 100% achieved for the 2021/22 financial year.

Provision of Title deeds issued to beneficiaries:

In 2021/22 the Municipality was able to issue 195 title deeds handed over to the rightful owners. It must be noted that the registration of the title deeds at the Registrar of Deeds Office have impacted negatively on the handing over process due to the slow process at their offices.

T 3.5.1

Chapter 3

Percentage of households with access to basic housing 2021/22			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2018/2019	560000	350000	62,5%
2019/2020	654000	450000	68,8%
2020/2021	654000	500000	76,5%
2021/2022	684000	540000	78,9%
			T 3.5.2

Chapter 3

Housing Service Policy Objectives Taken From IDP				
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2020/21	2021/22	2022/23
		Actual	Actual	Target
		Previous Year	Present Year	*Following Year
Service Objective				
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	Number of additional houses (Number houses required)	Number of additional houses (houses required)	Number of additional houses (houses required)
Human Settlement Management	Additional houses provided during the year (Houses required at year end)	0	0	753
New Housing Applications Capture	New applications captured	100%	100%	100%
Mixed Housing Projects facilitated	Facilitated mixed housing projects	7	7	7
Number of Informal Settlements registered	Number of Informal Settlements registered	100%	100%	100%
Occupancy rate of community rentals	Occupancy rate of community rentals	95%	95%	95%
Number of Tittle Deeds	Number of Tittle Deeds submitted for registration	6189	109	450

T3.5.3

Chapter 3

Employees: Housing Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	8	15	8	6	40%
10 - 12	0	0	0	0	0%
13 - 15	1	4	1	3	75%
16 - 18	0	0	0	0	0%
19 - 20					
Total	12	23	12	10	43%
					T 3.5.4

R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	5 504	5 738	5 797	5 797	1%
Depreciation and amortisation	63	45	52	52	13%
Operational cost	1	8	3	3	-167%
Inventory consumed	1	4	0	0	#DIV/0!
Total Operational Expenditure	5 569	5 795	5 852	5 852	1%
Net Operational Expenditure	5 449	5 670	5 752	5 757	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 3.5.5

Chapter 3

R' 000					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Greenspark Outfall Sewer (2 Year)		1 440 543,00	3 840 922,35		
Kokosi Ext. 7 Outfall Sewer & WWTP		4 582 683,00	4 522 422,43		
Khutsong 5&6, Construction of Outfall sewer	10 000 000,00		994 824,81		
Khutsong Ext 5, Installation of Bulk electricity	5 000 000,00		244 379,20		
Khutsong South, Alternative bulk water	6 000 000,00		4 807 227,09		
Khutsong 5 &6, R&SW	5 000 000,00		850 652,73		
Kokosi ext 6 , Water meters and sewer network	4 000 000,00		2 399 026,50		
Total All	30 000 000,00	6 023 226,00	17 659 455,00	42%	

T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The modernisation of Human Settlements and urban development as one of the pillars for radical transformation is achieved through Merafong's vision of a fully integrated community with residential, business and community facilities, as entrenched in the layout of the Khutsong South Human Settlement projects, Elijah Barayi, Wedela, Fochville Ext 11 and Kokosi inner-city development.

The Municipality has continued its Housing programme in accordance with the Municipal Housing Plan, incorporated in the Integrated Development Plan. Merafong City LM along with the private developers in Elijah Barayi and Fochville Ext. 11 have constructed over 5800 units with an occupancy rate of 42%.

Gauteng Department of Human Settlement has made funds available for the construction of a community hall, sports complex, taxi rank and a sports complex in Elijah Barayi to address the needs identified for social amenities.

While we appreciate the collaboration of the Human Settlement Section with sister departments at local level. The National and Provincial Departments must also assist in providing roads and storm water as part of the Record of decision for the Khutsong area to avoid the formation of dolomite.

Chapter 3

National Department of Human Settlement has appointed the Housing Development Agency to develop Khutsong Resettlement Programme, which outlines the critical points towards the success of the sinkhole interventions. In carrying out the responsibility Housing Development Agency to bring the complete history of the problem to the fore for both context and critical learning lessons from the past initiatives.

Mining Town Allocation

The National Department of Human Settlement has appreciated the work done by the municipality in the spending and of the mining town allocations to an extend that there is more funding made available in future. During the 2021/22 financial year in collaboration with the Gauteng Department of Human Settlements the Mining Town Allocation programme delivered projects amounting to R36,023,226 in the Merafong area. The projects were as follows:

Project Name	Grant
Khutsong South Ext. 5 Outfall Sewer	R10 000 000
Khutsong South Ext. 5&6 Roads & Storm water	R5 000 000
Khutsong South Installation of Bulk Electricity	R5 000 000
Khutsong South Installation of alternative bulk water supply	R6 000 000
Kokosi Ext. 6 Completion of sewer network & Installation of water meters	R4 000 000
Kokosi Outfall Sewer	R4 582 683
Greenspark Outfall Sewer	R1 440 543
Total	R36 023 226

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

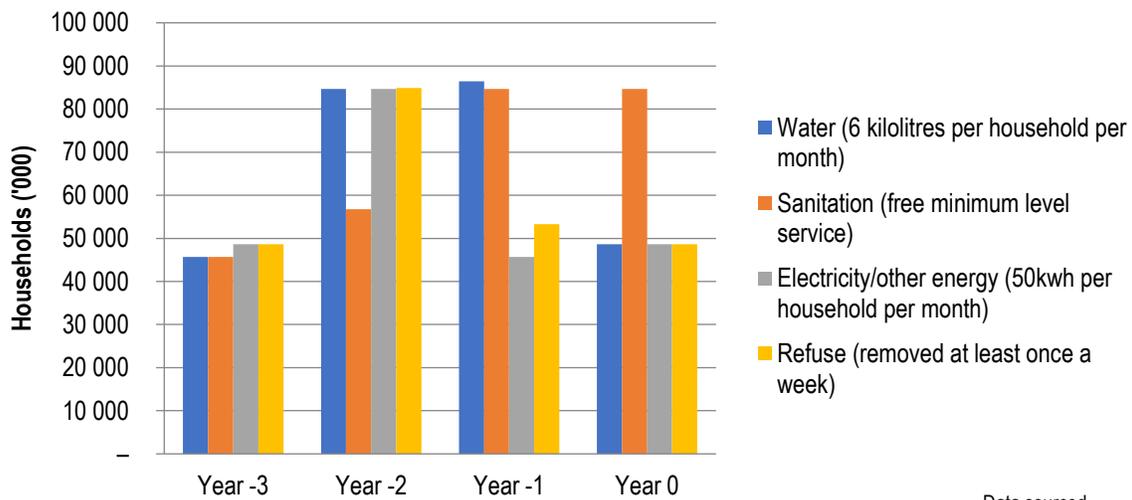
The Municipal Indigent Policy provides that a verification process must be conducted on all households applying for indigent support to confirm credibility of all the profiles provided. Ward based Indigent harvesting programs continues in affected wards and efficiently facilitated by Indigent verification officers.

During the year in review, a total of 2497 households were verified, approved and registered in the Indigent Register of the Municipality. As prescribed by the Indigent Policy, the full indigent basic service package that include 6kl of water, 50kw of electricity, free sanitation and refuse removal services are provided to beneficiaries on a monthly basis.

T 3.6.1

Chapter 3

Free Basic Household Services



Data sourced

T 3.6.2

Free Basic Services To Low Income Households

	Number of households										
	Total	Households earning less than R1,100 per month									
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse			
		Total	Access	%	Access	%	Access	%	Access	%	
Year 2019/20	103 000	18 500	13 000	70%	11 000	59%	14 500	78%	8 000	43%	
Year 2020/21	105 000	19 000	15 000	79%	12 000	63%	16 100	85%	9 000	47%	
Year 2021/22	108 000	19 800	16 000	81%	12 600	64%	16 500	83%	10 100	51%	

T 3.6.3

Financial Performance Year 2021/22: Cost to Municipality of Free Basic Services Delivered

Services Delivered	Year 2020/21	Year 2021/22			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	248	2257	2257	2140	-5%
Waste Water (Sanitation)	245	2891	2891	2790	-4%
Electricity	135	4661	4661	4510	-3%
Waste Management (Solid Waste)	125	5552	5552	5425	-2%
Total	753	15361	15361	14865	-3%

T 3.6.4

Chapter 3

The Municipality adopts, annually the Indigent Free Basic Policy to ensure that a guideline to support residents with no means to afford the costs of free basics services. Included in this category are the unemployed, pensioners, people with disabilities, child headed families and low earners. Verified households who meet this requirement are subsidised on rates and taxes, refuse removal and provided with monthly 6kl of water and 50 kl of electricity.

An Indigent After care programme has been developed for efficient monitoring and to ensure that all beneficiaries have access to the support packages as provided in the Council Indigent register. Debt write-off and provision of Indigent support was maintained to all verified and qualifying indigents. Consumption control of indigent services remains a concern as installation of prepaid and restrictive devices is disabled by Council financial constraints. Qualifying indigents remain in the register for 24 months after which a new application and verification is required. Delete Directive note once comment is completed

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Roads and Stormwater

The municipality implements Roads Transport activities through the district municipality. The municipality provides support by maintaining the infrastructure that supports the operation. Public Facilities such as taxi ranks are being maintained by the municipality.

T 3.7

Chapter 3

3.7 ROADS

INTRODUCTION TO ROADS

Within the roads infrastructure there is construction of new roads and maintenance of existing infrastructure. The municipality has MIG approved business plans that are set to be implemented every financial year. This is meant to address the backlog of unpaved roads. The focus of the MIG funding is to assist in addressing the current backlog of unpaved roads particularly in historically disadvantaged areas. This will go on up until all areas have been fully addressed. From the capital funding a certain percentage is set aside for the purpose of clearing backlogs of gravel roads on historically disadvantaged areas.

The townships of Kokosi and Greenspark have been prioritised by the strategy and about 95% of gravel roads have been eliminated. The challenge still remains with Khutsong township but a plan has been made for the upcoming financial years. Certain housing projects come with roads network projects attached, therefore assisting the municipality in eliminating the backlog.

Priority is given to Khutsong township in terms of elimination of gravel roads since other areas are better off.

Grading of roads in areas with no tar roads has been prioritised as means of maintenance programmes throughout the financial year.

T 3.7.1

Gravel Road Infrastructure

	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2019/2020	174.9	0	1.45	2.2
Year 2020/2021	174.9	0	3.5	73
Year 2021/2022	182.563	10.9	3.2	66.47

T 3.7.2

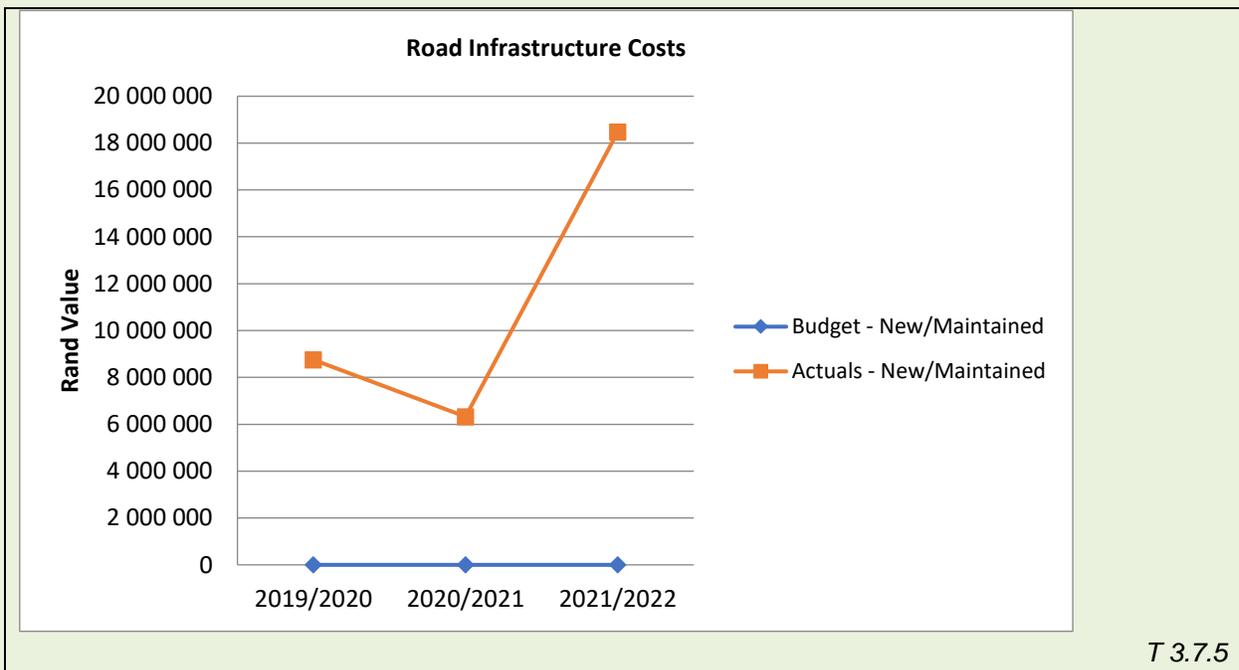
Tarred Road Infrastructure

	Kilometers				
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year 2019/2020	382.6	1.45	0	0	0
Year 2020/2021	386.1	3.5	0	0	0
Year 2021/2022	389.34	3.24	0	0	1.7

T 3.7.3

Chapter 3

Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year 2019/2020	0	8 748 033	644 501	8 748 033	0	644 501
Year 2020/2021	0	6 323 753.21	1 473 847.52	0	6 323 753.21	1 473 847.52
Year 2021/2022	10.9	18 384 257.45	1 644 321.22	18 384 257.45	0	1 644 321.22
<i>T 3.7.4</i>						



Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/2020		Year 2020/2021			Year 2021/2022	Year 2022/2023	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Elimination of gravel roads in townships	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	173.45 KM gravel roads remaining	1.45KM gravel roads tarred (174.9 KM gravel roads remaining)	173.45 KM gravel roads remaining	3.24 KM gravel roads tarred (173.45KM gravel roads remaining)	3.24 KM gravel roads tarred (182.563KM gravel roads remaining)	Baseline (182.563KM gravel roads remaining)	182.563	182.563
Development of municipal roads as required	3.24 KM of municipal roads developed	0 KM	0 KM	1.45 KM	1.45KM	3.24KM	3.24 KM	0	3.24KM

T 3.7.6

Chapter 3

Employees: Stormwater Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	3	20	3	17	85%
10 - 12	3	8	3	5	63%
13 - 15	15	42	15	27	64%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	24	74	24	50	68%

T3.7.7

R'000					
Details	Year 2020/21	Year 2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	137	66 533	737	737	-8928%
Expenditure:					
Employees	8 595	10 344	9 528	9 528	-9%
Depreciation and amortisation	53 122	59 580	59 027	108 250	45%
Disposal of PPE	3 616	0	0	0	#DIV/0!
Operational cost	1 499	8 709	1 149	1 149	-658%
Inventory consumed	23	102	30	30	-240%
Total Operational Expenditure	66 855	78 735	69 734	118 957	34%
Net Operational Expenditure	66 718	12 202	68 997	118 220	90%
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 3.7.8</i>

Chapter 3

Capital Expenditure Year 2021/2022: Road Services					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	34 466	36 187	24 454	-41%	
Khutsong Roads and Stormwater (Phase 4)	2 450	4 117	3 900	37%	7 286
Khutsong Roads and Stormwater (Phase 5)	9 700	5 426	1 005	-865%	9 998
Khutsong Roads and Stormwater (Phase 6)	700	1 178	1 178	41%	9 178
Kokosi Roads and Stormwater (Phase 4)	290	3 235	662	56%	6 638
Kokosi Roads and Stormwater (Phase 5)	5 925	4 735	5 140	-15%	6 478
Kokosi Roads and Stormwater (Phase 6)	850	644	577	-47%	8 577
Wedela Ext 3 Roads and Stormwater (Phase 4)	461	1 800	927	50%	8 655
Wedela Ext 3 Roads and Stormwater (Phase 5)	5 165	5 165	5 261	2%	8 091
Wedela Ext 3 Roads and Stormwater (Phase 6)	650	1 500	1 566	58%	8 966
Upgrading of Access Road to Carletonville Landfill Site	3 275	3 387	3 387	3%	6 123
Khutsong South Ext 5 & 6 Internal Roads and Stormwater	5 000	5 000	851	-488%	30 851

T 3.7.9

Chapter 3

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Kokosi Roads and Stormwater (Phase 4)

Consultant appointed on 24 July 2019. The contractor has been appointed on 12 March 2020. Construction progress is 65%. Progress on project is behind schedule due to stoppages by the community and SMME's. Project rolled over from 2020/21 FY. Rollover request submitted to NT. Dispute resolved and contractor resumed construction on 26-07-21. Construction suspended due to assault on site manager. Incident report reviewed and Consultant requested to issue an instruction to proceed with construction. Project delayed and disrupted by community. Consultant submitted an intention to terminate on 22 September 2021. Contractor served with Notice of Intent to Terminate. Contractor submitted a notice to terminate the contract on 4 November 2021. Legal in process of reviewing implications. Final Account submitted on 20 Jan 2022. On 29 April 2022 the consultant requested for a meeting to be arranged to discuss the way forward. Meeting held on 23 June 2022 with the consultant resolved that matter be referred to the MM. Resolution was taken to remunerate the last submitted certificate to the contractor.

Kokosi Roads and Stormwater (Phase 5)

Consultant appointed on 30 March 2020. Contractor appointed on 19 March 2021 and site handover conducted on 6 May 2021. The contractors guarantee was only received on 23 July 2021 with launching of project scheduled for 4 August 2021. Rollover request submitted to NT. Consultant submitted extension of time request on 24 November 2021. A CCTV Investigation conducted and report submitted to the PMU on 24 March 2022. Bus shelter approvals was sent to the consultant on 11 April 2022. Delays incurred due to contractors cash flow as well as SMME's not agreeing to scope of work identified. The contractor prepared a cession agreement on 12 May 2022 for the supply of construction material and submitted to the client on 26 May 2022 for approval which was approved on 21 June 2022.

Kokosi Roads and Stormwater (Phase 6)

Dikgabo Consulting Engineer appointed on 20 July 2021. The letter of acceptance was received on 28 July 2021 and the project initiation was scheduled for 6 August 2021. A site visit was conducted on 30 September 2021 to establish the scope of work. Land surveying and Geotechnical Investigation has been completed. The testing of sampled material has been conducted. The PDR has been prepared and submitted to owner department for comments on 11 Feb 2022. Appointment of consultant amended on 31 May 2022 to Turnkey Assignment. The PDR has been approved on 11 June 2022.

Upgrading of Access Road to Carletonville Landfill Site

Tlou Consulting (Pty) Ltd has been appointed on 30 March 2020. The contractor Mopani Civils (Pty) Ltd has been appointment on 19 March 2021. The contractor encountered challenges with the commercial availability of G4/G3 gravel material, delivery delays of diesel and cement for subbase stabilization due to unrest/looting. Practical Completion achieved on 20 September 2021. Project Completion Achieved on 1 October 2021. Project Close- Out Documentation submitted on 4 October 2021.

Chapter 3

Khutsong Roads and Stormwater (Phase 4)

Maragela Consulting Engineers (Pty) Ltd, was appointed on 24-07-2019 and Bid Spec meeting held dated 13-07-2020. Tender notice was issued by the 02-08-2020 and Tender closed 26-08-2020. The contractor Giya Dlozi Projects (Pty) Ltd JV Dinah and Joyce Business Enterprise was appointed on 04-12-2020. The contractor was on site meet January 2021. Project rolled over from 2020/21 FY. Practical Completion achieved 10-01-2022. Partial Completion achieved on 18/02/2022 and outstanding Storm water section was completed by 02/06/2022. Project completed successfully achieved on 03/06/2022.

Khutsong Roads and Stormwater (Phase 5)

SCIP Consulting Engineers (Pty) Ltd, was appointed on 31-03-2021 and during April 2021 municipality owner department was busy finalizing the scope of the roads to be constructed. Project initiation meeting held on 6-05-2021. Project rolled over from 2020/21 FY. Amendment of assignment for consultant services to turn-key basis dated 11/05/2022. Consultant busy with the process of procuring a turn-key subcontractor.

Khutsong Roads and Stormwater (Phase 6)

LSO Consulting Engineers (Pty) Ltd, was appointed on 20-07-2021. New Project 2021/2022 and Amendment of assignment for consultant services to turn-key basis dated 20/06/2022. Consultant busy with the process of procuring a turn-key subcontractor.

Khutsong South Ext 5 & 6 Internal Roads & Stormwater

Pro-Plan Consulting Engineers (Pty) Ltd, was appointed on 21-09-2017. New Project 2021/2022. Amendment of assignment for consultant services to turn-key basis dated 10/02/2022. Consultant busy with the process of procuring a turn-key subcontractor. Project planned to be launched by 08/06/2022 and was disrupted by MBC. Consultants wrote letter dated 23/06/2022 to municipality for withdrawal from the turnkey arrangement due to the pressure from MBC. Acting Municipal Manager has arranged a meeting with affected stakeholders to resolve issues of procurement.

Wedela Ext 3 Roads and Stormwater (Phase 4)

Dikgabo Consulting Engineers (Pty) was appointed on the 24-07-2019 and BAC meeting was held on the 20-03-2020. Contractor appointment 25-03-2020. Handover to contractor done on the 20-05-2020. Project rolled over from 2020/21 FY. Project completion successfully achieved on 15/09/2021.

Wedela Ext 3 Roads and Stormwater (Phase 5)

SCIP Consulting Engineers (Pty) was appointed on the 30-03-2020. Contractor DKPB, Meyaphuti JV was appointment 19-03-2021. PDR was received in August 2020 and Tender document was to be reviewed by end-user department. Bid Spec meeting scheduled for 06-10-2020 and the tender advertised 08 November. Original closing date scheduled for 30 November, but limited availability of tender documents necessitated for closing date to be postponed to 7 December. Project was then handed over to the contractor 06-05-2021. Project rolled over from 2020/21 FY. Project completion successfully achieved on 26/11/2021.

Chapter 3

Wedela Ext 3 Roads and Stormwater (Phase 6)

Morad Consulting Engineers (Pty) was appointed on the 20-07-2021. New Project 2021/2022 FY. Project initiation concluded on 5-08-2021. Amendment of assignment for consultant services to turn-key basis dated 31/05/2022. Consultant in the process of procuring sub-contractor.

Roads construction and maintenance was fairly achieved during the year under review. Implementation of roads construction projects have been done in Khutsong and Kokosi townships. Maintenance of existing roads is currently a challenge within the municipality due to the budgetary constraints. The current financial situation is worsening the backlog of the municipality since we are still faced with backlog of eliminating the gravel roads. The implementation of roads has been set to be executed on each financial year. This will assist in addressing the current backlog of unsurfaced roads particularly in historically disadvantaged areas.

This will go on up until all areas have been fully addressed. Khutsong township remains the priority of the municipality in terms of elimination of gravel roads since other areas are better off. Challenges of ineffective service providers have been identified where projects were delayed thereof. Grading of roads in areas with no tar roads has been prioritised as means of maintenance programmes throughout the financial year.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

This component includes Motor Vehicle Registration Authority (MVRA), Vehicle Testing Centre (VTS) as well as Driving License Testing Centre (DLTC). It includes issuing of vehicle permits, road worthiness of vehicles and application for learners, drivers and professional driving permits in line with the National Road Traffic Act 93 of 1996.

In addition, the South African Post of Services is mandated to do renewal of motor vehicle licensing. As a result, this reduced the number of renewals of motor vehicle licensing at the municipality. In addition, learner license test is computerized and the failing rate is high. The bookings on DLTC are conducted by RTMC. (<http://online.natis.gov.za>)

South African Post Office is registered as an agent to renew motor vehicle licenses. In addition, legislation authorized a person to renew a motor vehicle license at any local authority within Gauteng Province with a renewal notice.

No bus Service in Merafong Municipality.

T 3.8.1

Chapter 3

Municipal Bus Service Data				
Details	2019/2020	2020/2021		2021/2022
	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys	The Municipality does not have bus services.		
2	Seats available for all journeys			
3	Average Unused Bus Capacity for all journeys			
4	Size of bus fleet at year end			
5	Average number of Buses off the road at any one time			
6	Proportion of the fleet off road at any one time			
7	No. of Bus journeys scheduled			
8	No. of journeys cancelled			
9	Proportion of journeys cancelled			
<i>T 3.8.2</i>				

Concerning T 3.8.2

Merafong Local Municipality has no municipal bus service in its territory. Commuters use minibuses and midi-buses as a mode of public passenger road transport.

T 3.8.2.1

Chapter 3

Transport Service Policy Objectives Taken From IDP (VEHICLE LICENSING)								
Service Objectives	Outline Service Targets	Service	2020/2021		2021/2022		2022/2023	
			Target	Actual	Target	Actual	Target	Actual
<i>Service Indicators</i>								
Service Objective								
Registration of vehicles	Registration of vehicles	of	8 113	9 087	9 087	8 266	8 266	8 266
Licensing motor vehicle			31 881	38 431	38 431	36 856	36 856	36 856
Drivers Licenses			17500	22 786	22 786	10 192	10 192	10 192
Learners Licenses			3 643	5 794	5 794	6 692	6 692	6 692
<i>T 3.8.3</i>								

Chapter 3

Employees: Vehicle Licensing					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	4	4	2	2	50%
7 - 9	17	17	13	4	78%
10 - 12	25	25	19	6	80%
13 - 15	6	6	1	5	60%
16 - 18	0	0	0	0	0%
Total	52	53	35	18	75%

T3.8.4

Capital Expenditure 2021/2022: Transport Services					
					R' 000
Capital Projects	Year 2021/2022				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	0	0	0		
NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.8.6

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The Registration and licensing section still negotiating with the Gauteng Department of Transport for Service Level Agreement to do registration and licensing of motor vehicles, learner license and driver licenses. The South African Post Office is also registered as an agent to renew motor vehicle licenses. As a result, this reduced the number of renewals of motor vehicle licensing at the municipality. The National Road Traffic Act. 93/1996 authorized a person to renew a motor vehicle license at any local authority within Gauteng Province with a renewal notice. In Merafong Municipality some mines and businesses are closed due to economy and Covid 19, the loss will be plus minus 300 (motor vehicles, trucks and trailers crones).

Chapter 3

This section is responsible for the testing of learners and driver's licenses as well as testing of vehicles in terms of legislation. The learner license test is recently computerized, and the failing rate is high due to the fact that applicants are not familiar with the system. The Road Traffic Management Corporation (RTIC) has implemented the online booking system for bookings to reduce fraudulent: online.natis.gov.za.

The project was registered for the building of the New Driver License offices in Carletonville. The building is at 90% completion. This will improve on service delivery and compliance to the best practice model.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The municipality has managed to install stormwater infrastructure in areas that were having a challenge before through the MIG funding initiatives. The areas that benefitted with new stormwater infrastructure include Kokosi and Wedela , where the network never existed before. In Wedela and Khutsong the challenge is being addressed continuously within the road's projects.

The maintenance plan that was drafted for the year under review was partially adhered to address some of the problems although the plan itself had to be downscaled due to financial constraints. There are areas that still have the need to upgrade the stormwater system through maintenance programme, but have been kept on halt due to budgetary constraints. That include Kokosi extension two and Wedela township.

T 3.9.1

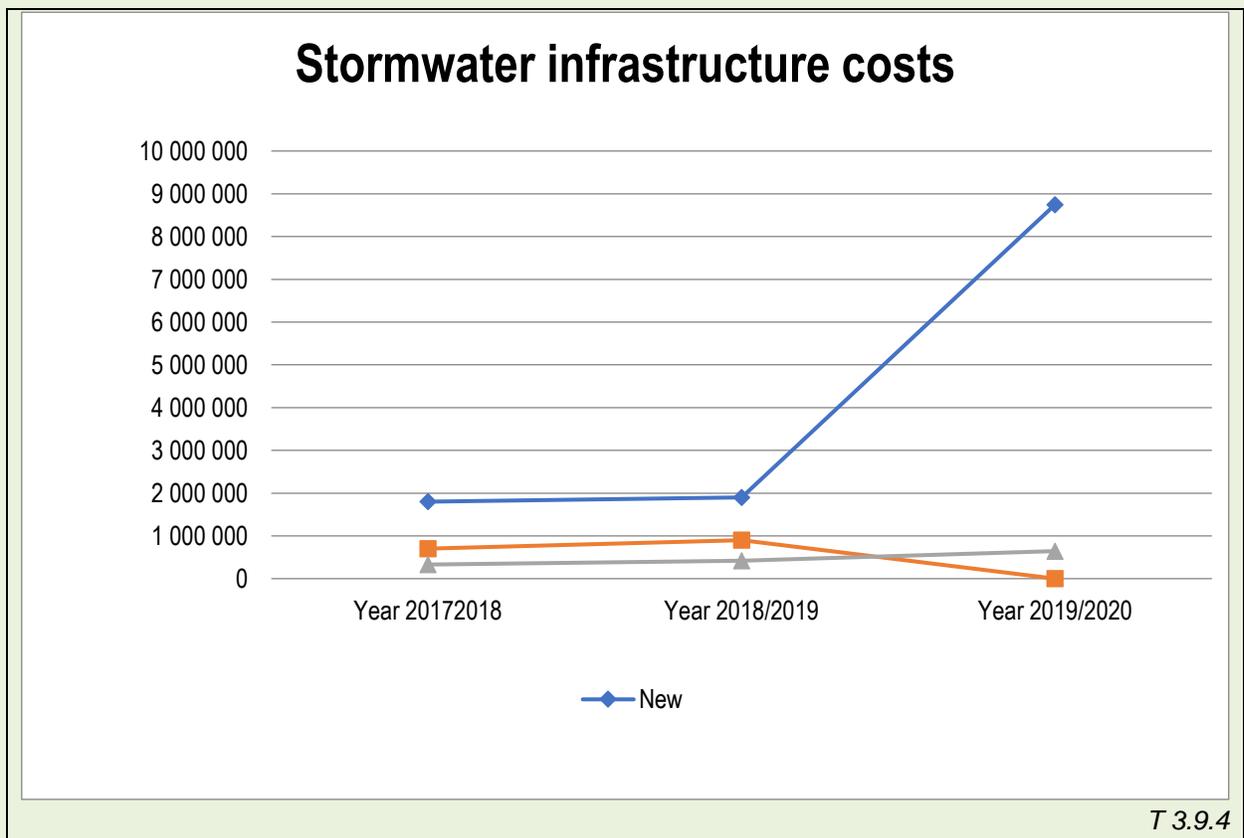
Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year 2019/2020	No Baseline	0.25	455 units kerb inlets cleaned and repaired	455 units of kerb-inlets cleaned and repaired and 1262 meters channels cleaned.
Year 2020/2021	No baseline	0	406 units kerb inlets cleaned and repaired	406 units kerb inlets cleaned and repaired
Year 2021/2022	No baseline	7	768 units kerb inlets cleaned and repaired	553 units kerb inlets cleaned and repaired

T 3.9.2

Chapter 3

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
Year 2019/2020	8 748 033	0	644 501
Year 2020/2021	6 323 753.21	0	1 473 847.52
Year 2021/2022	9 324 856		497 322

T 3.9.3



Chapter 3

Stormwater Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/2021 Previous Year		Year 2021/2022 Current Year		Following Year	
		Target	Actual	Target		Target Plan	Actual	2022/23	
		(i)	(ii)	(iii)	(iv)	(v) Planned	(vii)	(viii)	(ix)
Service Objective: Reliable Storm water Infrastructure									
<i>Meters (1000) of storm water drainage system maintained in accordance with the maintenance plan</i>	Indicator measures meters of storm water drainage system maintained in accordance with the maintenance plan implemented	100	16.31	710	210	100	35	7550	
	Number (300) of kerb inlets maintained in accordance with the maintenance Plan	100	12	314	358	300	553	400	
									T 3.9.5

Chapter 3

Employees: Stormwater Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	3	20	3	17	85%
10 - 12	3	8	3	5	63%
13 - 15	15	42	15	27	64%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	24	74	24	50	68%

T3.9.6

Chapter 3

Capital Expenditure Year 2021/2022: Stormwater Services					
					R' 000
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	Capital Expenditure included in T3.7.9				
Khutsong Roads and Stormwater (Phase 4)	Capital Expenditure included in T3.7.9				
Khutsong Roads and Stormwater (Phase 5)	Capital Expenditure included in T3.7.9				
Khutsong Roads and Stormwater (Phase 6)	Capital Expenditure included in T3.7.9				
Kokosi Roads and Stormwater (Phase 3)	Capital Expenditure included in T3.7.9				
Kokosi Roads and Stormwater (Phase 4)	Capital Expenditure included in T3.7.9				
Kokosi Roads and Stormwater (Phase 5)	Capital Expenditure included in T3.7.9				
Kokosi Roads and Stormwater (Phase 6)	Capital Expenditure included in T3.7.9				
Wedela Ext 3 Roads and Stormwater (Phase 4)	Capital Expenditure included in T3.7.9				
Wedela Ext 3 Roads and Stormwater (Phase 5)	Capital Expenditure included in T3.7.9				
Wedela Ext 3 Roads and Stormwater (Phase 6)	Capital Expenditure included in T3.7.9				
Upgrading of Access road to Carletonville Landfill Site	Capital Expenditure included in T3.7.9				
Khutsong South Ext 5 & 6 Internal Roads and Stormwater	Capital Expenditure included in T3.7.9				
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.9.8</i>

Chapter 3

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Kokosi Roads and Stormwater (Phase 4)

Consultant appointed on 24 July 2019. The contractor has been appointed on 12 March 2020. Construction progress is 65%. Progress on project is behind schedule due to stoppages by the community and SMME's. Project rolled over from 2020/21 FY. Rollover request submitted to NT. Dispute resolved and contractor resumed construction on 26-07-21. Construction suspended due to assault on site manager. Incident report reviewed and Consultant requested to issue an instruction to proceed with construction. Project delayed and disrupted by community. Consultant submitted an intention to terminate on 22 September 2021. Contractor served with Notice of Intent to Terminate. Contractor submitted a notice to terminate the contract on 4 November 2021. Legal in process of reviewing implications. Final Account submitted on 20 Jan 2022. On 29 April 2022 the consultant requested for a meeting to be arranged to discuss the way forward. Meeting held on 23 June 2022 with the consultant resolved that matter be referred to the MM. Resolution was taken to remunerate the last submitted certificate to the contractor.

Kokosi Roads and Stormwater (Phase 5)

Consultant appointed on 30 March 2020. Contractor appointed on 19 March 2021 and site handover conducted on 6 May 2021. The contractors guarantee was only received on 23 July 2021 with launching of project scheduled for 4 August 2021. Rollover request submitted to NT. Consultant submitted extension of time request on 24 November 2021. A CCTV Investigation conducted and report submitted to the PMU on 24 March 2022. Bus shelter approvals was sent to the consultant on 11 April 2022. Delays incurred due to contractors cashflow as well as SMME's not agreeing to scope of work identified. The contractor prepared a cession agreement on 12 May 2022 for the supply of construction material and submitted to the client on 26 May 2022 for approval which was approved on 21 June 2022.

Kokosi Roads and Stormwater (Phase 6)

Dikgabo Consulting Engineer appointed on 20 July 2021. The letter of acceptance was received on 28 July 2021 and the project initiation was scheduled for 6 August 2021. A site visit was conducted on 30 September 2021 to establish the scope of work. Land surveying and Geotechnical Investigation has been completed. The testing of sampled material has been conducted. The PDR has been prepared and submitted to owner department for comments on 11 Feb 2022. Appointment of consultant amended on 31 May 2022 to Turnkey Assignment. The PDR has been approved on 11 June 2022.

Upgrading of Access Road to Carletonville Landfill Site

Tlou Consulting (Pty) Ltd has been appointed on 30 March 2020. The contractor Mopani Civils (Pty) Ltd has been appointment on 19 March 2021. The contractor encountered challenges with the commercial availability of G4/G3 gravel material, delivery delays of diesel and cement for subbase stabilization due to unrest/looting. Practical Completion achieved on 20 September 2021. Project Completion Achieved on 1 October 2021. Project Close- Out Documentation submitted on 4 October 2021.

Chapter 3

Khutsong Roads and Stormwater (Phase 4)

Maragela Consulting Engineers (Pty) Ltd, was appointed on 24-07-2019 and Bid Spec meeting held dated 13-07-2020. Tender notice was issued by the 02-08-2020 and Tender closed 26-08-2020. The contractor Giya Dlozi Projects (Pty) Ltd JV Dinah and Joyce Business Enterprise was appointed on 04-12-2020. The contractor was on site meet January 2021. Project rolled over from 2020/21 FY. Practical Completion achieved 10-01-2022. Partial Completion achieved on 18/02/2022 and outstanding Storm water section was completed by 02/06/2022. Project completion successfully achieved on 03/06/2022.

Khutsong Roads and Stormwater (Phase 5)

SCIP Consulting Engineers (Pty) Ltd, was appointed on 31-03-2021 and during April 2021 municipality owner department was busy finalizing the scope of the roads to be constructed. Project initiation meeting held on 6-05-2021. Project rolled over from 2020/21 FY. Amendment of assignment for consultant services to turn-key basis dated 11/05/2022. Consultant busy with the process of procuring a turn-key subcontractor.

Khutsong Roads and Stormwater (Phase 6)

LSO Consulting Engineers (Pty) Ltd, was appointed on 20-07-2021. New Project 2021/2022 and Amendment of assignment for consultant services to turn-key basis dated 20/06/2022. Consultant busy with the process of procuring a turn-key subcontractor.

Khutsong South Ext 5 & 6 Internal Roads & Stormwater

Pro-Plan Consulting Engineers (Pty) Ltd, was appointed on 21-09-2017. New Project 2021/2022. Amendment of assignment for consultant services to turn-key basis dated 10/02/2022. Consultant busy with the process of procuring a turn-key subcontractor. Project planned to be launched by 08/06/2022 and was disrupted by MBC. Consultants wrote letters to the municipality for withdrawal from the turnkey arrangement due to the pressure from MBC. Acting Municipal Manager has arranged a meeting with affected stakeholders to resolve issues of procurement.

Wedela Ext 3 Roads and Stormwater (Phase 4)

Dikgabo Consulting Engineers (Pty) was appointed on the 24-07-2019 and BAC meeting was held on the 20-03-2020. Contractor appointment 25-03-2020. Handover to contractor done on the 20-05-2020. Project rolled over from 2020/21 FY. Project completion successfully achieved on 15/09/2021.

Wedela Ext 3 Roads and Stormwater (Phase 5)

SCIP Consulting Engineers (Pty) was appointed on the 30-03-2020. Contractor DKPB, Meyaphuti JV was appointment 19-03-2021. PDR was received in August 2020 and Tender document was to be reviewed by end-user department. Bid Spec meeting scheduled for 06-10-2020 and the tender advertised 08 November. Original closing date scheduled for 30 November, but limited availability of tender documents necessitated for closing date to be postponed to 7 December. Project was then

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handed over to the contractor 06-05-2021. Project rolled over from 2020/21 FY. Project completion successfully achieved on 26/11/2021.

Wedela Ext 3 Roads and Stormwater (Phase 6)

Morad Consulting Engineers (Pty) was appointed on the 20-07-2021. New Project 2021/2022 FY. Project initiation concluded on 5-08-2021. Amendment of assignment for consultant services to turn-key basis dated 31/05/2022. Consultant in the process of procuring sub-contractor.

The performance of stormwater drainage system showed an improvement during the year under review, although it is not at the level where the municipality expects it to be. Cleaning of kerb inlets was implemented with the aid of temporal employees through the initiatives of Expanded Public Works programme. There is a need of manpower to execute maintenance activities that do not necessarily require financial implications.

During the year under review, new stormwater infrastructure was installed in townships of Khutsong and Kokosi through the MIG funding projects. The master plan of which funding has been requested, will also assist in addressing the long-term maintenance plan issues. Some stormwater drainage systems have to be concrete aligned to ease the maintenance levels. The compilation of the master plan is pending funding availability.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The key objective to achieve integrated planning, optimal connectivity, liveable sustainable human settlements, and growth and green smart developments, is entrenched in the Spatial Development Framework. The SDF was reviewed to be aligned with the Gauteng City Region and Corridor Development Initiative, Special Economic Zones and to incorporate the Capital Expenditure Framework.

The Spatial Development Framework recognizes economic opportunities and guides new development opportunities to be strategically placed to achieve sustainable integrated planning and capital investment.

The municipality is committed to facilitate Radical Economic Transformation and to diversify the economy from the dominant mining sector. In this regard several catalytic projects have been identified that can change the face of Merafong City and the West Rand if investment can be attracted.

In the previous years it was reported that business plans were submitted to the Gauteng Funding Agency to facilitate Radical Economic Transformation within the West Rand, but to date no funding were received for the following projects:

- Carletonville Multi Nodal Transport Hub

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- Khutsong South Extensions Taxi Rank
- Kokosi Precinct Upgrade
- Kokosi Social Development Cluster
- Fochville- Kokosi Regional Park

The modernisation of Human Settlements and urban development as one of the pillars for radical transformation is achieved through fully integrated township layouts for residential, business and community facilities for the following approved Mega Projects:

- Khutsong South Human Settlement Projects (next phases)
- Khutsong South Extension 8
- Elijah Barayi Village Mega Project
- Kokosi Extension 7

Due to a series of sinkhole formations in Khutsong, the Khutsong Resettlement Plan has received renewed attention at National level. The National Department of Human Settlement has appointed the Housing Development Agency (HDA) to provide urgent support to Merafong City, by inter alia develop a tangible action plan with specific mandated targets. The Khutsong Resettlement Plan will be a catalytic project to attract investment and to fully develop the Carletonville-Khutsong-Welverdiend Corridor.

The attraction and implementation of Mega projects is dependent on the availability of bulk services pertaining to water, sewer and electricity. The Municipality also has a challenge of aging infrastructure that urgently needs rehabilitation. This aspect will also be addressed through the Khutsong Resettlement Plan developed by HDA.

The Municipality is confident that its Strategic Planning Framework provides a solid foundation to attract investment for mega projects to facilitate growth and development in Merafong City, as part of the Gauteng City Regions' Western Corridor Development.

T 3.10

3.10 SPATIAL PLANNING

INTRODUCTION TO SPATIAL PLANNING

Spatial Planning in Merafong City is guided by the Spatial Development Framework and the strategies outlined in the Planning Framework to ensure the following:

- Improve Urban Efficiency and rectify spatial disparities
- Improve urban and rural living environment
- Facilitate sustainable economic growth and diversification
- Protect natural and agricultural resources

Improve Urban Efficiency and rectify spatial disparities

In order to achieve integrated urban areas and restructure the urban form to meet current and future efficiency challenges, the following were achieved:

- Improvements were made to the Municipal Spatial Development Framework, with special reference to new growth management zones to guide development in accordance with the future desired state, and to incorporate the Capital Expenditure Framework.
- The Municipality has promulgated its new uniform Land Use Scheme on 16 August 2020, which is currently being implemented.
- Continuation of the implementation of existing and new Mega Human Settlement projects in order to rectify spatial disparities.

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The main challenges experienced in this regard were related to funding constraints for the rehabilitation and construction of bulk infrastructure which caused a delay in the implementation of Human Settlement and development projects. Human Settlements is however a Provincial function and therefore the municipality is dependent on budget allocations from the National- and Provincial Annual Budget Allocations.

Improve urban and rural living environment

In order to create a conducive living environment for the community where basic needs are met, the cost of living is bearable, amenities and employment are accessible and urban spaces are aesthetically pleasing and healthy, the following was achieved:

- The MSDF identified land for economic development interventions in previously disadvantaged areas to enable the implementation of economic development projects.
- Non-Motorized Transport priorities and needs were identified and communicated to Gauteng Province as part of the Gauteng Renewed Focus on Non-Motorized Transport.
- Land was identified in previously disadvantaged areas for alienation for churches, businesses, residential development and NPO's, to support a better functioning social environment.
- Land was identified and availed for social infrastructure development in various areas comprising of clinics and libraries.

The main challenges experienced in this regard stem from the presence of dolomite which greatly reduces viable options for locating facilities in the process of creating improved living environments.

Facilitate sustainable economic growth and diversification

In order to facilitate the development of new economic drivers and the diversification of the economy and to revitalize stagnant economic activity nodes the following was achieved:

- Great strides were made with the conceptualization, project development and funding of Merafong City's game changer projects. The Gauteng Infrastructure Financing Agency (GIFA) concluded the feasibility study for the Bio-energy Eco-Industrial Park, which found the project to be feasible in Merafong City. The conceptualization of the project is currently underway.
- After extensive research the designated nodes and corridors in the MSDF were re-aligned in order to yield higher growth results in the urban space.

The main challenges experienced in this regard were the ever-present shortage of funding as well as strategically located land for projects. These challenges are however being addressed through co-operation with the local Mining Houses and Gauteng Province.

Protect natural and agricultural resources

In order to protect and actively manage the natural environmental resources of Merafong City to ensure a sustainable co-existence between urban, mining, agricultural and ecological land uses, the following was achieved:

- The MSDF was aligned to the new Gauteng Environmental Management Framework. Climate change mitigation measures were improved through the designation of new protected critical diversity areas. The renewed focus was placed on the inter-relation between spatial planning and conservation of wetlands by a new partnership between ICLEI, the WRDM and Merafong City.
- The Spatial Planning Section actively attracted interest for green investment that aims to rehabilitate mine impacted land and generate renewable green energy. The envisaged development will for a component of the Bio-energy Eco-Industrial Park bring about a reduction in carbon emissions noticeable on a regional scale.

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Funding is once again the main challenge in implementing environmental orientated projects within a context of limited resources and competing social and economic needs.

Service delivery priorities pertaining to Land Use Management, Spatial Planning and Building Control were addressed in accordance with the Service Delivery Budget Implementation Plan (SDBIP) of Council.

The main services delivery priority pertaining to land use management was the implementation of the Spatial Planning & Land Use Management Act (SPLUMA) (Act 16 of 2013) which came into operation on 1 July 2015. The main intention of SPLUMA is to streamline Spatial Planning and Land Use Management and to promote a uniform system of spatial planning and land use management. Funding was received from GDRDLR for the compilation of a new uniform Land Use Scheme for the entire Merafong City. The new Land Use Scheme was promulgated on 16 August 2020 and are currently implemented.

The categorization of applications, the delegation of certain powers to the Designated Officer and the adoption of SPLUMA By-Laws has improved performance and efficiency within the Department. The SPLUM By-Laws were reviewed and aligned with the new Land Use Scheme, which was also promulgated on 16 August 2020. In comparison to the previous year, there was an increase in applications submitted and finalized. Apart from the challenges experienced with Covid-19 and the negative effect it had on the economy within Merafong City, a total of 38 development applications have successfully been processed.

The increasing number of illegal land uses identified during the year is a serious concern. A tendency has been noted that illegal back rooms are constructed and rented out, some of an informal nature, impacting negatively on services such as sewer, electricity, and the living environment. In this regard 130 statutory processes have been implemented for illegal land uses and illegal buildings, and penalties charged.

Within the Building Control Section a concerted effort was made to improve the timeframe for processing building plans. In comparison with the previous year, a significant increase in the submission of building plans was experienced. During this year a total of 149 building plans have been approved within the legislated timeframe, resulting in no backlog on approval of building plans. The total value of building plans approved has increased to R248,124,000.

T 3.10.1

Chapter 3

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year 2020/2021	Year 2021/2022	Year 2020/2021	Year 2021/2022	Year 2020/2021	Year 2020/2021
Planning application received	0	0	6	48	119	149
Determination made in year of receipt	0	0	6	38	81	92
Determination made in following year	0	0	0	0	38	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	10	0	57
						<i>T 3.10.2</i>

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Planning Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2021/2022	2022/2023		
		Target	Actual	Target	Actual		Target	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
Land Use Management	% statutory notices issued within 7 days of identification of Illegal Land use	100%	100%	100%	100%	100%	100%	100%	100%	
Spatial Planning	Reviewed SDF	1	1	1	1	1	1	1	1	
	SPLUMA - no of applications submitted vs approved	100%	100%	100%	100%	100%	100%	100%	100%	
Economic Development	% of developmental municipal owned land advertised for development in accordance with 5 year plan	100%	100%	100%	100%	0%	100%	100%	100%	
Building Control	Building plans <500m ² attended within 30 days	100%	100%	100%	100%	100%	100%	100%	100%	
	Building plans >500m ² attended within 60 days	100%	100%	100%	100%	100%	100%	100%	100%	
	% building inspections conducted vs applied for	100%	100%	100%	100%	100%	100%	100%	100%	
	% statutory notices issued within 14 days of identification of Illegal building	100%	100%	100%	100%	100%	100%	100%	100%	
									T 3.10.3	

Chapter 3

Employees: Spatial Planning Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalentents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	7	18	7	11	61%
7 - 9	2	3	1	2	67%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	10	22	9	13	59%

T 3.10.4

Financial Performance Year 2021/22: Spatial Planning Services (LED)					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1	1	1	1	0%
Expenditure:					
Employees	1 368	1 425	1 464	1 464	3%
Depreciation and amortisation	162	1 425	1 464	1 464	3%
Operational cost	0	5	0	0	#DIV/0!
Inventory consumed	0	11 725	0	0	#DIV/0!
Total Operational Expenditure	1 530	14 580	2 928	2 928	-398%
Net Operational Expenditure	1 529	14 579	2 927	2 927	-398%

T 3.10.5

Chapter 3

Spatial Planning						R' 000
Capital Projects	2021/2022					Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total	
NO CAPITAL PROJECTS FOR THE YEAR UNDER REVIEW						
						<i>T 3.10.6</i>

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Spatial Planning and Environmental Management Section did not have any Capital projects for the year under review. As far as the Operating Expenditure is concerned, the Section successfully implemented its SDBIP and achieved 100% expenditure of the approved budget.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED Section has experienced a significant decline in recent years; however, the new political administration has prioritised it as a key improvement area. Subsequently human resources have been deployed to the section to assist in bringing economic development to the foreground. Rapid improvements were made to deal with backlogs and to chart a new path forward. A total of 24 new projects have been developed by the end of the financial year. These projects are included in the new IDP and are expected to make a big impact in reducing unemployment and growing the economy.

It is a well-known fact that the economy of Merafong is highly dependent on gold mining and that the sector is in decline. It is therefore of critical importance to create a new economic foundation separate from mining in order for our economy to thrive.

The municipality, with the cooperation of its partners and stakeholders from the government, private sector, and the community, needs to restructure the local economy into a vibrant post-mining economy.

T 3.11.1

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

It is well known that the economy of Merafong has not been performing to the best. The local economy of Merafong faces similar challenges as the rest of the country; however, these problems are compounded by the serious structural problems due to the dominance of mining and the vulnerabilities associated with this. The following problematic points are very important to note:

- Economic activities are highly concentrated around mining. The diversification that has occurred in the past decade has been from the mining base.
- Mining activities are in decline and the decline is expected to continue in coming years. If new mining shafts are opened it will not have the same impact on labour as in the past. The deep levels at which new mining must occur make it unviable for using labour and instead mines will increasingly make use of robotics and automation.
- The Merafong economy is in decline. Economic output has decreased by about 25% in the last 2 decades. The diversification in non-tradable sectors has reduced the impact of the decline, however as mentioned this diversification has occurred off the mining base which means that it will eventually collapse due to the decline in mining activities.
- Tradable Sectors, which bring in money from the outside, e.g. Mining, Agriculture, Tourism and Manufacturing, form the foundation upon which any urban economy is built. Within Merafong, these sectors are either in decline or lacking. The only significant tradable sector in the economy is mining, which is in decline.
- The Merafong economy has over decades become uncompetitive, which has led to a lack of new investment and transformation. There is however massive potential to unlock dormant potential.
- Although there are contradictory indications on population growth from different sources, even with the lowest level of growth (decline), the economy has declined more than the population has declined. This creates a very serious problem where the economy continues to decline whilst the people are still moving in from deeper rural areas.
- As indicated, the impact of COVID-19 on the economy has been huge. The economy has seen an estimated decline of almost 10% per annum. This has been disastrous to many enterprises were already struggling on the brink of financial viability.
- Like many other areas, the levels of youth unemployment have become disastrous. Young people are finding it harder to become employed after the worst of the pandemic is over. Where businesses are hiring, they tend to hire back more experienced individuals that are older, which exacerbates the problem of youth unemployment.

As demonstrated, the problems that the community and the municipality of Merafong is presented with are numerous and severe. Fortunately, the municipal area has potential in terms of its space-economy positioning and existing opportunities that can be utilised to turn the situation around.

The municipality, with the cooperation of its partners and stakeholders from the government, private sector, and the community, needs to restructure the local economy into a vibrant post-mining economy. This must be done in a planned manner in order to be effective, as numerous past initiatives were implemented in a haphazard and unstructured manner, leading to insignificant results.

Given the municipal area's resource endowment, infrastructure network and positioning in the space economy, the major areas of development potential lie in agriculture, manufacturing as well as tourism and eventually urban renewal. This is confirmed by national and especially provincial policies. The following sectors and sub-sectors have a good chance of becoming highly competitive in Merafong:

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- Agriculture and agro processing. Merafong has thousands of hectares of good quality arable land that has been locked away under the ownership of the mine with billions of liters of underground water that could be used for irrigation purposes.
- General industrial development. The area has good industrial development potential. Conditions are favourable for industrial development given the locality of Merafong within the space-economy of the Gauteng Global City Region and existing infrastructure and a blue-collar skills base.
- Circular Economy. A confluence of opportunities and constraints has led to the development of economic concepts relating very strongly to industrial symbiosis and the circular economy. Merafong has the opportunity to reinvent itself and make a leap from lagging sectors to leading sectors that are competitive within the context of the 4th industrial revolution.
- Tourism and urban Renewal. Although the area has seen very little tourism development, there is massive latent potential. Merafong hosts the 6 largest caves in SA, has a site where an entire village was constructed in a cave and also has potential to expand the existing Abe Bailey Nature Reserve to become the largest provincial reserve in Gauteng without sacrificing agricultural land. The area also has a rich history of mining the labour movement and some of the best-preserved examples of Mid-Century Modern Architecture in the country.

In order to create a new economic foundation, the municipality is in the process of developing 'game changer' projects that will breathe new life into our economy.

The current flagship economic development project is the Merafong Bioenergy Agro-Industrial Park. It is a combined agriculture and industrial project that will include bioenergy generation to maximise opportunities. The project will make use of existing land water and infrastructure availed by mining companies to develop a new industrial park aimed at agriculture and agro processing.

The project has massive potential to act as a catalyst for industrialisation and modernisation of the economy. It will become one of the most comprehensive circular economy initiatives ever attempted in South Africa. This project will also have a big impact on correcting economic imbalances in the Merafong and contribute significantly to land reform. The potential exists to create thousands of jobs through direct, indirect and induced effects in the economy. The number of direct permanent jobs is estimated at approximately 1 000 and the indirect permanent jobs is estimated at around 2 000.

The following components are expected to be developed:

- Piggeries with up to 200 000 pigs
- Cattle feedlot with up to 10 000 heads of cattle
- High tech agri-park style greenhouses of up to 100 hectares
- An abattoir
- Further meat processing facilities
- A biogas digester with electrical generation that will generate up to 35 000 Megawatt Hours of electricity per year.
- Further agricultural and industrial investment will be attracted to the park

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The African Development Bank and the Gauteng Infrastructure Financing Agency is assisting Merafong to commercialize the project. R 10 million has been availed by the African Development Bank in order to bring the project into commercial operation and construction is expected to start within 18 to 24 months. It has been a long time since this project was first announced, however it takes a significant amount of time to build up such a large and complicated project. Once operational it will have the power to change the future of our communities.

T 3.11.4

Jobs Created during Year 2021/2022 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year 2019/2020	6135		6135	Monthly reports
Year 2020/2021	3696		3696	Monthly reports
Year 2021/2022	4482		4482	Monthly reports

T 3.11.5

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2019/2020	30	403
2020/2021	20	325
2021/2022	18	127
* - Extended Public Works Programme		

T 3.11.6

Chapter 3

Local Economic Development Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year 2019/2020		Year 2020/2021		Year 2021/2022
		Target	Actual	Target	Actual	Target
<i>Service Indicators</i>						
Service Objective						
Local Economic Development	Jobs creation through LED initiatives	6000	6135	4000	4482	2628
	Review of the Merafong Growth and Development Strategy 2014	1	0%	1	0%	-
	Percentage business licence applications and trading permits processed within 30 days	30 days	30 days	30 days	30 days	30 days
	Number of SMME workshops facilitated	4	100%	3	3	3
	Number of municipal owned farms managed i.e. Nooitgedacht & Khutsong 18 plots	2	100%	-	-	-
	Number of Farmers Day Exhibitions facilitated	1	100%	-	-	-
						<i>T 3.11.7</i>

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Employees: Local Economic Development Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	4	1	3	75%
7 - 9	2	3	2	1	33%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	8	3	5	63%
					<i>T 3.11.8</i>

R'000					
Details	Year 2020/21	Year 2021/22			
	1	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	304	216	366	366	41%
Expenditure:					
Employees	1 701	1 642	1 818	1 818	10%
Depreciation and amortisation	48	251	93	93	-170%
Operational cost	2	11	0	0	#DIV/0!
Inventory consumed	0	1	0	0	#DIV/0!
Total Operational Expenditure	1 751	1 905	1 911	1 911	0%
Net Operational Expenditure	1 447	1 689	1 545	1 545	-9%
					<i>T 3.11.9</i>

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Capital Expenditure Year 2021/2022: Economic Development Services					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECT DURING THE YEAR UNDER REVIEW					/
<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:

Harmony Gold have invested R3.5 million into the Wedela Agricultural Project. Community members have been appointed to be trained as emerging farmers in vegetable production. A market has been set-up with Food Lovers Market and the Joburg Fresh Market.

The Fochville Business Centre Project has been undertaken by Harmony Gold to create a facility to accommodate business development and the eradication of poverty through job creation and income generation. The facility will have the capacity to accommodate 42 hawkers from the local town and surrounding community. 6 Local companies were contracted to provide security, brickworks, steel-fixing, and toilet-rental services. The project is ongoing and is expected to be completed within 2022.

Harmony Gold have also invested R5.8 million into the Carletonville Youth Refurbishment Project. The refurbishment of this facility is almost fully completed, and the conversion of the Sport Centre and installation of palisade fencing is in progress.

The construction of the Blybank Multi-Purpose Hall is currently in the procurement phase; this project has been undertaken by Sibanye Stillwater as part of Infrastructure Development with a Budget of R9 million.

A Nursery and Farmer Out-Grower Scheme project are running hand-in-hand and Sibanye Stillwater are in the process of appointing a new service provider to run with this project, the aim of this project is job creation and Biodiversity Management with a total budget of R13 million.

The Manufacturing Incubator project is to be incorporated into the West Rand Industrial Park, the project is a Regional project. Busmark has been identified as a project partner and market. The project is aimed at SMMEs in the Manufacturing Sector. Busmark will be providing incubation for SMMEs, training SMMEs on products used for bus manufacturing. After being trained these SMMEs can possibly become suppliers to Busmark. Sibanye Stillwater have developed a scope to consider other Service Providers in this project. The value of this project is R4 million.

T 3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; community halls; cemeteries, child care; aged care; social programmes.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Libraries are a major source of reality for many. Libraries alleviate inequality by providing equal access to Information and Technology. Communities that are disadvantaged are assisted by Libraries to access books and other reading materials. Reading in turn increases vocabulary, increases the ability to read and write for better grammar and spelling.

Libraries' outreach programs empower communities by imparting knowledge through Motivational Talks and workshops. Free membership allows everyone accessibility to information, free- internet, books, Library events and Technology. Through collaboration with stakeholders, services and information are brought to the community of Merafong City.

T 3.12

3.12 LIBRARIES; ARCHIEVES; COMMUNITY FACILITIES; OTHER

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

MERAFONG CITY LIBRARY SERVICES

Merafong City Library Services are the cornerstone of information and development in community of Merafong. All libraries offer programs which are educational and fun such as World Read Aloud Day, Heritage Day. Programs are implemented with the aim of marketing library services and empowering.

During lockdown libraries worked in collaboration with Department of Health to issue out vaccination certificates to members of the public.

Department of Sport, Arts, Culture and Recreation (SARC) has upgraded internet connectivity in libraries, for fast and efficient access. Free Internet service in libraries is of importance as it assists the Department of Education with registration of Grade 1 and Grade 8 learners.

Through the Equitable share and Conditional grant, the library service managed to procure books, pay salaries for staff, licence for library system, Rooipoort library electricity consumption, fuel for two vehicles, alarm system and maintenance of library infrastructure.

Merafong Library Service offer services such as, free membership, extended hours during exam period, free internet, study area, lending of books and printing out of documents.

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COMMUNITY FACILITIES

Facilities in Merafong are utilized by members of the community and Private sector for events such as workshops and training, presentations, seminars, conferences, funerals, music concerts, theatre comedy performances, parties, wedding etc. They are also used for council purposes.

Access into these facilities is managed through bookings and a certain tariff is paid for utilisation. These tariffs are reviewed annually through budget processes. Disadvantaged communities are assisted with free usage which is obtainable through internal processes.

Some of the Facilities in Merafong such as Fochville Swimming Pool, Carletonville Swimming Pool, Carletonville Civic theatre and Greenspark Community Hall are not operational as they have been negatively affected by theft and vandalism.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Month	Membership 2021/2022			In House Use (Number of _____) 2021/2022			
	Children	Adult	Total	Reference Users	Student Learners	ICT (Computer) Users	Total
						Total	
				Total			
July 2021	6835	10549	17384	71592	28097	5521	40777
August 2021	6841	10566	17407	7264	29901	5437	42602
September 2021	8057	11342	19399	7329	29974	4248	41551
October 2021	8038	11354	19392	11428	25297	8819	45544
November 2021	8159	11412	19571	9457	21451	6575	37483
December 2021	8169	11472	19641	5184	8662	4839	18685
January 2022	8232	11472	19704	7770	20878	15124	43772
February 2022	8204	11483	19687	12611	26764	15221	54596
March 2022	8155	11397	19552	12126	23928	9424	45478
April 2022	8156	11377	19532	15414	42424	17230	75068
May 2022	8048	11731	19779	15230	20446	6187	41863
June 2022	8197	11824	20021	15496	21340	9154	86032

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The table below reflects the service statistics pertaining to community facilities.

Community Facilities

Facility	Number of facilities	2020/2021	2021/2022
Khutsong Community Hall	1	93 Bookings	38 Bookings
Khutsong Stadium	1	265 Bookings	219 Bookings
Fochville Civic Centre	2	26 Bookings	108 Bookings
Greenspark Community Hall	1	4 Bookings	0 Bookings
Molatlhegi Hall	1	14 Bookings	38 Bookings
Wedela Main Hall, Chamber	2	242 Bookings	172 Bookings
Carletonville Lapa	1	6 Bookings	50 Bookings
Carletonville Civic Centre	3 Halls	152 Bookings	158 Bookings
Carletonville Sport Complex	5 Halls and outside terrain	2 Bookings	220 Bookings

T 3.12.2

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2019/20Year		2020/21		2021/22	2022/23		
		Target	Actual	Target		Actual	Target		
		Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
To render an effective and efficient services of our facilities in the Jurisdiction area of Merafong City	Upgrading and Maintenance of Khutsong Community hall	0%	0%	0%	0%	0%	0%	100%	100%
	Maintenance of Khutsong South MPCC	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Carletonville Civic Centre	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Carletonville Sports Complex	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading & Maintenance of Carletonville Lapa	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Wedela Community hall	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Molatlhegi community hall	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Fochville Civic centre	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Greenspark community hall	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading of Carletonville Swimming Pool	0%	0%	0%	0%	0%	0%	100%	100%

Chapter 3

	Upgrading of Fochville Swimming Pool	0%	0%	0%	0%	0%	0%	100%	100%
	Installation, repair and Maintenance of air conditioners for Merafong Municipal Buildings	0%	0%	0%	0%	0%	0%	100%	100%
	Upgrading and Maintenance of Official Mayoral Residence (Plot 9, Watersedge)	0%	0%	0%	0%	0%	0%	100%	100%
Access to information to the newly developed area	Kokosi Ext 4 Library	90%	10%	90%	10%	90%	10%	90%	10%

T. 3.12.3

Chapter 3

Employees: Community Facilities					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	2	1	1	50%
7 - 9	6	8	6	1	13%
10 - 12	11	12	10	2	17%
13 - 15	24	46	29	17	37%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	42	69	46	22	32%

T 3.12.4

Financial Performance Year 2021/2022 Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17 394	19 023	13 123	13 123	-45%
Expenditure:					
Employees	16 444	17 511	17 280	17 280	-1%
Depreciation and amortisation	4 322	2 154	879	879	-145%
Operational cost	3 768	3 312	2 090	2 090	-58%
Inventory consumed	193	1 961	1	1	-196000%
Total Operational Expenditure	24 727	24 938	20 250	20 250	-23%
Net Operational Expenditure	7 333	5 915	7 127	7 127	17%
<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

Chapter 3

Capital Expenditure Year 2021/2022: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 800	7 800	6 550	-19%	
MOVABLE ASSETS	7 800	7 800	6 550	-19%	7 800
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.12.6</i>

COMMENT ON THE PERFORMANCE OF LIBRARIES; COMMUNITY FACILITIES.
OTHER OVERALL: COMMUNITY FACILITIES

LIBRARIES

Merafong City library services has an obligation to provide information to the community of Merafong, with variety of programs as prescribed in the Calendar of Events and space which is conducive to learning and recreation. Carletonville library needs expansion and Blybank needs new study.

COMMUNITY FACILITIES

Maintenance and upgrading of facilities was prioritized in the IDP for the 2021/22. Projects were implemented on a as and when basis. Soft Maintenance in terms of Cleaning and grass cutting was also done regularly in all Facilities.

Vandalism and theft in facilities are a contributing factor to the dilapidation of Merafong facilities contributing negatively to the financial status of Council. The rate of theft and vandalism is minimized through allocation of security Personnel in facilities.

T 3.12.7

Chapter 3

3.13 CEMETERIES AND PARKS

INTRODUCTION TO CEMETERIES AND PARKS

Cemeteries are one of the highly utilised and visited areas in Merafong City especially during the religious holidays such as Easter and Christmas, as well as other important holidays. The top service delivery priorities are the provision of graves for burials, reservation of graves for future use, exhumation of mortal remains as and when requires, safe filing and keeping of records of all cemeteries functions as well as provision of safe environment through grass cutting, cleaning and tree trimming and maintenance of all cemeteries. Currently four (4) cemeteries in Merafong City are in use, whereas seven (7) have been used to capacity and two (2) have been discontinued due to health hazard that is caused by the high underground water level, especially during the rainy season.

The number of burials has increased due to COVID19 pandemic. The demand for new graves and reopening of reserved graves has increased in 2021/2022 which has a big influence on the availability of suitable burial land. A contracted service provider is responsible for the digging of all required graves. A service provider has been contracted for the provision of all indigent and pauper burials in the municipality.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES AND PARKS

CEMETERY	2020/2021	2021/2022
West Wits Cemetery	148	177
Khutsong South Cemetery	581	681
Wedela Cemetery	32	41
Fochville Cemetery	253	346
Greenspark Cemetery	24	18
Total	1038	1263

Landscaping and maintenance of municipal gardens, town entrances and parks is done according to the preapproved sectional plans. The eradication of aquatic and terrestrial alien vegetation has not been done since 2014 due to financial constraints.

T 3.13.2

Chapter 3

Cemeteries and Parks Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2020/2021		2021/2022			2022/2023	2023/2024	
		Target	Actual	Target	Actual		Target	Target	
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Grave Digging/ provision of graves at all cemeteries in Merafong City	Khutsong South Cemetery West Wits Cemetery Fochville Cemetery Wedela Cemetery Greenspark Cemetery	100%	100%	100%	100%	100%	100%	100%	100%
Grass cutting on open spaces, sidewalks on main roads, Parks Cemeteries	All areas in Merafong City Local Municipality	100%	100%	100%	100%	100%	100%	100%	100%
Trees Maintenance	All areas in Merafong City Local Municipality	100%	100%	100%	100%	100%	100%	100%	100%
									T 3.13.3

Chapter 3

Job Level	Employees: Cemeteries and Parks				
	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	0	1	100%
4 – 6	2	2	2	0	0%
7 – 9	6	10	6	6	60%
10 – 12	27	68	27	27	40%
13 – 15	35	107	35	35	33%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	70	188	70	69	37%
					T 3.13.4

Financial Performance Year 2021/2022: Cemeteries and Parks

R'000

Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	469	320	442	442	28%
Expenditure:					
Employees	916	902	960	960	6%
Depreciation and amortisation	2	20	256	256	92%
Operational cost	1 037	1 000	984	984	-2%
Inventory consumed	26	30	0	0	#DIV/0!
Total Operational Expenditure	1 981	1 952	2 200	2 200	11%
Net Operational Expenditure	1 512	1 632	1 758	1 758	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 3.13.5

Chapter 3

Capital Expenditure Year 2021/22 Cemeteries and Parks						R' 000
Capital Projects	Year 2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	1 894	1 894	1 894	0%		
Development of New Kokosi Cemetery	1 894	1 894	1 894	0%	280	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						

T 3.13.6

COMMENT ON THE PERFORMANCE OF CEMETERIES AND PARKS OVERALL:

The Cemeteries and Parks section did not have any capital projects during 2021/2022 financial year, except for the grave digging which is done by the contracted service provider. All the required functions of the cemeteries were executed internally, successfully. The provision of graves to the community of Merafong City is the main priority and function, which is done as and when required. The rate of burials have increased due to Covid19, whereas the rate of grave reservations has decreased.

The Section: Parks and Cemeteries did not have any capital projects during 2021/2022 financial year. The section only focused on grass cutting and maintenance on open spaces, sidewalks, traffic islands, town entrances, parks, cemeteries, municipal facilities and sports facilities, as well as tree trimming and maintenance thereof. All these activities were executed successfully amid the challenges brought by old and worn out machinery and shortage of personnel.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Health and Social Development Plan gave more priority on strengthening stakeholder relationships for efficient delivery of prioritised programmes. During the year in review, emphasis was put on improving access to child care services which had been previously affected by the COVID 19 National lockdown. Capacity building workshops and training of Early Childhood Development practitioners were implemented. Seventy practitioners were enrolled with the Mathew Goniwe School of governance for a twelve months NQF 4 ECD training. In partnership with the Hope Worldwide Vision, a further hundred practitioners were trained for the Learning through play program. The ECD function was shifted from the Department of Social Development to the Department of Education. All practitioners were skilled on all the implications of the shift. This mandate was officially shift to the DoE.. This move was necessitated by the need to increase focus on foundation phase and increase learning outcomes of children in the ECD phase.

Chapter 3

Implementation of the National Drug Master Plan was also prioritised. This in a fight against drugs and substance abuse. During the year in review, six awareness drives were held both in schools and communities in collaboration of Local Drug Action Campaigns (LDAC) stakeholders. Fourteen service Users were admitted to rehabilitation centres.

Through support from Harmony Gold Mine, food security programs were implemented for the aged and people living with disabilities. Over 200 food hampers, six wheelchairs and blankets were donated to centres for people with disabilities and old age clubs in Kokosi, Khutsong and Wedela.

T 3.14.1

SERVICE STATISTICS FOR CHILD CARE

Monitoring of ECDs continued during the year in review though not optimal due to COVID 19 Lock down restrictions. Capacity building of ECD practitioners was prioritised to enhance child stimulation from the onset and to improve learning outcomes. 70 ECD practitioners were enrolled for the NQF 4 course through the Mathew Goniwe School of governance. A further 100 practitioners were trained on learning through play program.

T 3.14.2

Chapter 3

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2020/2021		2021/2022			2022/2023	2023/2024	
		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									
<i>Coordinate and support ECDs on Social Development programs with Provincial Departments</i>	Ensures that basic conditions at ECDs are improved	100%	100%	100%	100%	100%	100%	100%	100%
Number of ECD awareness campaigns conducted	Measures the number of ECD awareness campaigns planned v/s conducted	4	3	3	3	3	3	100%	100%
Number of Healthy Communities Plan approved	Measures the development of an integrated Healthy Communities Plan	1	1	1	1	1	1	100%	100%
Calendar of Events on Health and Social Development	Measures the implementation of the Health and Social Development Plan	100%	100%	100%	100%	100%	100%	100%	100%
Provision of Basic Services to the indigents	Measures the percentage of registered indigents supplied with free basic services	100%	100%	100%	100%	100%	100%	100%	100%
Support to indigent families with Indigent burial	Measures the percentage of assistance provided to indigent families vs applications received	100%	100%	100%	100%	100%	100%	100%	100%

T 3.14.3

Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	3	0	3	100%
7 - 9	3	4	3	1	25%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	8	4	4	50%

T 3.14.4

Financial Performance Year 2021/2022: Child Care; Aged Care; Social Programmes					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	6 719	5 696	6 462	6 462	12%
Operational cost	4	1 557	9	9	-17200%
Inventory consumed	1	1	1	1	0%
Total Operational Expenditure	6 724	7 254	6 472	6 472	-12%
Net Operational Expenditure	6 724	7 254	6 472	6 472	-12%

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 3.14.5

Chapter 3

Capital Expenditure Year 2021/22: Child Care; Aged Care; Social Programmes					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS FOR THE YEAR UNDER REVIEW					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.14.6</i>

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

The Health and Social Development Plan was developed, and implementation prioritized as planned. All programs were enabled through collaboration with external stakeholders.

During the year in review, forty-two verification officers and supervisors were contracted to facilitate the Indigent verification program. Through this program, a total of 2497 indigents were verified, approved and supplied with free basic services. These indigents will remain in the register for 24 months. A further ninety-three families were assisted with indigent burial. In the fight against the drugs and substance scourge, the Local Drugs Action Committees implemented awareness campaigns in Khutsong, Kokosi, Carletonville and Wedela.

Almost 600 people were reached on education and awareness. Collaborations with local business and stakeholders enabled support to vulnerable groups. Almost Two hundred older and disabled persons were reached with donations including food parcels, wheelchairs and blankets.

There were no capital projects for this function

T 3.14.7

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Environmental Management Sub-Section within the Spatial Planning Department, mainly deals with detection of non-compliance in terms of environmental authorizations (RODs) on new developments, as well as compliance to permit and license conditions of listed activities, which is monitored through monthly audits.

The functions related to pollution control falls within the Municipal Health Services function, which is a District Municipal function. Good collaboration exist to ensure that pollution detected are reported to the relevant authorities for mitigation and control.

Matter pertaining to biodiversity is mainly managed by the West Rand District Municipality, in terms of the Regional Biodiversity Plan.

The environmental management section has conducted monthly audits of all waste management facilities within Merafong City, being the Rooipoort Landfill site, Fochville- and Welverdiend Transfer Stations. The compliance to waste management standards and permit conditions remains a serious challenge. The average compliance score for the Rooipoort Landfill Site has decreased to 63%. The Fochville Transfer Station average compliance has dropped considerably from the previous years to a staggering 6,25%, whilst the Welverdiend Drop-off facility achieved an average compliance score of 40%. The inability to implement recommendations remains a serious concern and is evident from the deteriorating environmental conditions. The lack of capacity, compounded by the financial position of Council, to address these issues remains a serious challenge.

Waste collection services throughout Merafong City have also deteriorated during the year which contributed to illegal dumping and waste pollution. The worst affected areas are the informal settlements where no formal waste collection services exists. The Waste Management Section could also not roll-out kerbside collection services to the newly developed human settlements in Khutsong South Extension 4, 5 and 6, as well as Kokosi Extension 6. A strategy to address these shortcomings have been developed by the relevant section for implementation as and when funding becomes available.

Chapter 3

Monitoring of Waste Water Treatment Facilities

Quarterly audits have been conducted to monitor compliance to the legislative requirements at the 4 Waste Water Treatment Works of Merafong. The Khutsong Waste Water Treatment Plant slightly decreased to an average compliance score of 55%, the Kokosi Waste Water treatment plant has improved to an average score of 67% and the Oberholzer Waste Water Treatment Plant also dropped to an average score of 74%. Recommendations have been made to the relevant sections to ensure full compliance.

The Wedela Waste Water treatment plant was a mine facility but is currently managed by the Municipality. The facility does not have a licence and therefore no formal audits could be conducted. The Water and Sanitation Section is in process to apply for a water use licence.

Monitoring of Kokosi Extension 6 human settlement project - RoD requirements

Pertaining to the compliance of the Environmental Authorisation (RoD) issued for the Kokosi Extension 6 human settlement project, audits are conducted monthly. The average compliance score achieved throughout the year has increased slightly to 44%. All non-compliance items have been reported to the project steering committee, as the Gauteng Department for Human Settlement is the project implementor.

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

The following inspections were conducted within the year of review which resulted in 48 non-compliance notices issued:

Audits conducted	-	72
Routine site inspections -		387

T 3.15.2

Chapter 3

Pollution Control Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2020/2021		2021/2022			2022/2023	2023/2024	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Water and air purity	% non-compliance detected vs compliance notices issued within 7 days	100%	100%	100%	100%	100%	100%	100%	100%
	% Environmental Audits Conducted vs Planned	72	72	72	72	72	72	72	72

T 3.15.3

Chapter 3

Employees: Pollution Control					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	4	2	2	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	4	2	2	50%

T 3.15.4

Financial Performance Year 2021/2022: Pollution Control					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance	INFORMATION INCLUDED IN TABLE 3.10.5				
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.15.5

Chapter 3

Capital Expenditure Year 2021/2022: Pollution Control					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW					
					<i>T 3.15.6</i>

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Pollution Control is an operational programme within the Spatial Planning & Environmental Management Section. The lack of funding to fund high-cost capital infrastructure such as air pollution monitoring stations and sampling equipment impacts negatively on the effectiveness of the function.

Due to the financial constraints experienced by the municipality, the likelihood to source funding to expand the function is low. This section therefore mainly focuses on operational audits and monitoring compliance.

T 3.15.7

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

BIO-DIVERSITY

Bio-diversity as such is not managed by the Environmental Management Sub-section. The Regional-Bio-diversity plan is taken into consideration in the Spatial Development Framework and in the consideration in development applications.

LANDSCAPING

The Section Parks and Cemeteries is responsible for grass cutting on open spaces, sidewalks, traffic islands, parks, cemeteries, town entrances as well as landscaping of municipal gardens in all facilities. This includes the development of and maintenance of parks, town entrances, municipal gardens and management of the municipal nursery, the tree planting as well as maintenance thereof. All these functions are done by the internal workforce as well as the EPWP and NYS interns when available. The intake of EPWP and NYS interns provides temporary employment for the duration of the contracts.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

This component includes police(Traffic Officers); fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

This component is focused on safeguarding the council assets, property, employees, executive mayor and other dignitaries, clients of the municipality.

Community Safety Forum (CSF) is another wing/responsibility for municipal security section.

CSF it is a legislated forum, is the umbrella of all other crime forums such as Community Policing Forum (CPF) etc. The forum was established on May 2015 and it consists of many stakeholders such as SAPS, Social development, SANCA, Home Affairs etc. It is a very effective forum with quick response and communication through the social media (what's up). The private company of Fidelity Security Services is backing up the municipal security. The challenge of private security, the council is losing money due to the theft taking place in their presence. Planning of installation of alarm system, CCTV camera and biometrix to all council infrastructures.

The objectives are to:

- Enable communities to participate in the local planning and monitoring of the criminal justice and social cluster department.
- Promote closer co-operation and access to basic services at local level in order to improve living conditions and community cohesion; and
- Support and enhance crime prevention and education programs in partnership with JCPS and Social Cluster departments, local government, and communities.

T 3.20

Chapter 3

3.20 POLICE

INTRODUCTION TO POLICE(Traffic Officers)

This component ensures law enforcement relating to roadworthy vehicles, driver fitness, road conditions, promotion of road discipline, safety and education to road users and community safety policing. All law enforcement activities are executed within the legislative framework of National Road Traffic Act 93 of 1996, Municipal By-laws, Criminal Procedure Act 51 of 1977 and the Constitution of the country.

The objective is to do traffic control thus reducing motor vehicle accidents. Public nuisance is addressed through municipal by-laws. Stray animals within the municipality are dealt with in conjunction with the SPCA as per a service level agreement.

T 3.20.1

Security and Safety Police Service Data					
	Details	2020/21	2021/22		2022/23
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1459	1405	1208	1208
2	Number of by-law infringements attended	65	100	136	100
3	Number of traffic officers in the field on an average day	51	66	39	40
4	Number of traffic officers on duty on an average day	25	55	26	75

T 3.20.2

Chapter 3

Employees: Police Officers					
Job Level Police Administrators	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers					
4 - 6	5	8	5	4	50%
7 - 9	26	57	27	30	60%
10 - 12	25	28	13	14	22%
Total	56	93	45	48	100%

T 3.20.4

Capital Expenditure Year 2021/2022: Police(Traffic Officers)					
					R' 000
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

T 3.20.6

COMMENT ON THE PERFORMANCE OF POLICE(TRAFFIC OFFICERS) OVERALL:

Law enforcement operational plans are set with the objective to mainly reduce motor vehicle accidents, reducing crime in the area, providing road safety education, road markings and signs, reduction of illegal trading in the area and provision of other special services.

The motor vehicle accident rate increased as compared to previous years due to shortage of traffic personnel. Increase in crime also played a role in this because of reduced staff compliment.

T 3.20.7

Chapter 3

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire services are not a local municipality competency but of the West Rand District Municipality

T 3.21.1

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

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES ARE NOT A FUNCTION OF MERA FONG LOCAL MUNICIPALITY

T 3.22.1

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The Sport and Recreation Section's objective for the Community of Merafong City is to have an active and winning City through Sport & Recreation. To transform the Sport & Recreation environment through integrated, sustainable mass participation, development and high performance at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of Merafong City.

The Arts, Culture & Heritage Section's objective and focus is to develop, promote and preserve social cohesion and nation-building through Arts, Culture and Heritage programs. The Section aims to work towards sustainable economic development through partnership with Private and Business Sector.

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

SERVICES STATISTICS FOR SPORT & RECREATION 2021/2022

Month	Program Implemented
October 2021	- OR. Tambo Soncini Social Cohesion Games
April 2022	- Merafong Sport Confederation Easter Junior Tournament
June 2022	- Mayoral Games

SERVICE STATISTICS FOR ARTS & CULTURE 2021/2022

Month	Program Implemented
August 2021	- Female Choir Festival
September 2021	- Ngwao ya Rona (Heritage Day Celebration) - Puisano Jazz Live Music Festival

Chapter 3

December 2021	<ul style="list-style-type: none"> - Music Festival: Brass Bands - Theatre & Dance Auditions - Dance Auditions - Isicathamiya Music Festival - Basetsana Script Writing Woman Workshop
January 2022	<ul style="list-style-type: none"> - District Dance and Theatre Festival
February 2022	<ul style="list-style-type: none"> - Basetsana/Women Script Writing Workshop- - Woman Dance and Theatre Festival
May 2022	<ul style="list-style-type: none"> - Merafong Creatives Program - Inter Provincial Choral Music Competition in Partnership with GACMA
June 2022	<ul style="list-style-type: none"> - Merafong Talent Search Auditions

SERVICE STATISTICS FOR SPORT FACILITIES 2021/2022

Facility Name	Statistics 2020/2021	Statistics 2021/2022
Popo Molefe Stadium	0	0
Gert Van Rensburg Sport Complex	0	0
Carletonville Sport Complex	36	126
Khutsong Stadium	24	219
Wedela Sport Ground	6	33

T 3.23.1

Chapter 3

Sport and Recreation Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	Year 2020/2021		2021/2022		2022/2023	
		Target	Actual	Target		Actual	Target
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective							
<i>Establish a cohesive community</i>							
Calendar of events for Sports, Recreation, Culture and Heritage	Percentage implementation of calendar of events	100%	100%	100%	100%	75%	100%
Implement Socialcohesive initiatives	Sports, Recreation, Arts, Culture and heritage implemented	100%	5%	100%	100%	75%	100%
Maintenance of sports field	Percentage implementation of sports field maintenance Plan	100%	77%	100%	100%	50%	100%
Implement sports and recreation programmes	Percentage implementation of sports and recreation programmes	100%	0%	100%	100%	50%	100%
Promote Arts, Culture, and Heritage programmes	Percentage Arts, Culture and Heritage services provided	100%	5%	100%	100%	70%	100%
Maintenance of community facilities	Percentage implementation of community facilities maintained	100%	68%	100%	100%	48.61%	100%
							T3.23.2

Chapter 3

Employees: Sport and Recreation					
Job Level	Year 2020/2021		Year 2021/22		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	1	0	1	100%
4-6	0	2	0	2	100%
7-9	1	1	1	0	0%
10-12	2	4	2	2	50%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	3	8	3	5	63%

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 3.23.3

Financial Performance Year 2021/2022: Sport and Recreation					
					R'000
Details	Year -2020/21	Year 2021/22			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	1 197	1 385	1 579	1 579	12%
Depreciation and amortisation	16	69	13	13	-431%
Operational cost	1	278	28	28	-893%
Inventory consumed	0	2	0	0	#DIV/0!
Total Operational Expenditure	1 214	1 734	1 620	1 620	-7%
Net Operational Expenditure	1 214	1 734	1 620	1 620	-7%

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 3.23.4

Chapter 3

Capital Expenditure Year 2021/2022: Sport and Recreation					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW				
Project B					
Project C					
Project D					

T 3.23.5

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Despite the Current financial crisis of the Municipality the Sport & Recreation Section successfully implemented programs in partnership with Local, District as well as Provincial Stakeholders. More support has to be given to the Section in order to realize its Annual Plan (Calendar of Events) and to broaden the services rendered to the Community of Merafong City.

The Arts, Culture & Heritage Section under difficult circumstances (No Budget Allocations for the Whole of the Previous Financial year, Staff Shortage, expectation to implement our own Local programs and further to participate in both the District and Provincial programs with one Official within the Section) excelled in executing/implementing its planned programs as per the approved Calendar of Events through its partnership and financial assistance from the Province.

The Section hopes to receive budget allocation (for the 2022/2023 Financial Year) from the Municipality and also to fill all vacant Positions to enable the Section to cater for the whole of Merafong including both farming and mining Areas.

T 3.23.6

Chapter 3

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The department is tasked with the provision of financial services in an accountable, effective and transparent manner. Measure in the form of budget related policies are in place to protect the financial integrity of the municipality as well as to ensure compliance with the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The following main services are rendered by the department (with an indication of main activities and/or achievements for the year)

Asset management

Improvements and completion of asset register and condition verification

Financial Reporting

Financial statement was finalised and submitted on time to National Treasury and Office of Auditor General.

The Audit action plan was compiled, monitored and implemented.

Monthly and quarterly reports submitted in line with legislative deadlines. All financial/ budget related policies were reviewed and approved

Revenue Management, Including billing and collection of municipal rates and service charges

A cash collection is still below 60% budget collection. This is due to amongst others meter readings that is still a challenge, and the municipality strives to improve on this service.

Expenditure Management, including the rendering of a payroll function and Supply Chain Management

Expenditure management is an ongoing function with the aim of improving creditors efficiency by striving to pay creditors within 30 days noting cash flow challenges. A single pay-roll function is rendered, and all employees are paid via EFT's on monthly basis. All statutory deductions are paid to the relevant bodies within the prescribed timeframes. The department has developed UIF&W turnaround strategy that is monitored, and progress report is tabled to Council.

T 3.25.1

Chapter 3

Debt Recovery								R' 000
Details of the types of account raised and recovered	2020/2021		Year 2021/2022			Year 2022/2023		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Property Rates	541 494 11,45	30%	581 356 619,00	565 253 625,61	36%	518 214 976,48	99%	
Electricity - B	261 980 76,77	96%	300 751 178,00	287 435 176,63	89%	317 831 461,02	87%	
Water - B	350 926 71,49	66%	372 056 620,00	372 804 475,64	65%	403 972 370,16	102%	
Sanitation	66 773 898,20	51%	73 728 232,00	70 014 131,45	41%	79 669 926,60	96%	
Refuse	76 986 140,35	49%	80 346 932,00	79 634 898,45	46%	86 488 116,48	96%	
Other	-	-			-	-		

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

T 3.25.2

Concerning T 3.25.2

The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues. The decrease in the revenue collection on property tax is affected by the ongoing mine valuation appeals. The low payment levels in township areas remains a challenge. The projected increase in revenue collection is based on the revenue turnaround plans that will be implemented to improve the revenue collection and the continuous community engagements to encourage consumers to make payments towards their municipal services.

T 3.25.2.1

Chapter 3

Financial Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	Year 2020/2021		Year 2021/2022	
Service Indicators		Target	Actual	Target	Actual
(i)		*Previous Year		*Current Year	*Current Year
Provision of Financial Viability and Management	(ii)	(iii)	(iv)	(v)	(vi)
Percentage					
(100) implementation of the Financial Turnaround Plan –Priority plan implemented	Indicator measures the implementation of the Financial Turnaround Plan- Priority Plan	100%	100%	100%	100%
Percentage (100) of prior year Audit findings resolved (OPCA)					
Number (1) of Annual Financial Statements 2020/2021 submitted by due date, end August	Indicator measures number of audit queries received vs cleared, reported as a percentage in the performance reports	100%	98%	100%	13,46%
Ratio debt coverage (norm 45%)	The indicator measures Annual Financial Statements submitted for 2019/20	1	1	1	1
Ratio outstanding service debtors to revenue (norm 8.3%)	Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	norm 45%	1%	norm 45%%	1%

Chapter 3

Cash vs Cost coverage ratio achieved (norm 1:2:1)	Total outstanding service debtors/annual revenue received for services	norm 8.3%%	0%	norm 8.3%%	26%
Collection Rate (Norm 95%)	Indicator measures Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants), reported as a percentage in the performance report	norm 1:2:1%	0%	norm 1:2:1%	1:0:1%
Unqualified Audit Opinion maintained	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Norm 95%%	55%	Norm 95%%	53%
Number (16) of budget performance reports on financial operations submitted	Indicator measures the audit outcome from the Auditor General's report	Unqualified Audit Outcome %	100%	Unqualified Audit Outcome %	0,00%
Percentage (100) of revenue collected from payment of traffic fines issued vs the monthly target (R500 000 monthly target	Indicator measures the Quarterly budget performance report in terms of Section 71 & 72 and Section 52 Reports , reported as a percentage in the performance reports	16	8	16	100%
Percentage (5) collection of debtors outstanding for more than 90 days	Indicator measures percentage on amount of revenue collected from [payment of traffic fines issued against the monthly target of (R500 000)	100%	69%	100%	66%
Percentage (30) achieved of labour cost to total operational expenditure	Indicator measures 5% on debt collected	5%	5%	5%	8,20%

Chapter 3

Percentage (100) achieved in bad debt written off vs provision of bad debt	Indicator measures the percentage of labour cost to total operational expenditure / 30% or below as a norm reported as a percentage in the performance report : ≤30=100% performance	30%	23%	30%	26%
Achieved average number (30) of days for creditors payments made	Indicator measures percentage bad debt written off vs provision of bad debt.	100%	100%	100%	100%
Percentage (90) achieved on Operational Budget Spent (OPEX) (100%)	Indicator measures average number of days achieved for creditors payments made, reported as a percentage in the performance reports	30	90	30	30
Percentage (95) achieved on Capital Budget Spent (CAPEX) (100%)	Indicator measures 100% achieved on operational budget spent	90%	80,38	90%	94%
Percentage (100) of capital budget spent on capital projects(NI)	Indicators measures 100% on Capital budget spent.	95%	53,38	95%	87%
Percentage (100) of capital budget spent on capital projects(NI)	Indicator measure the percentage capital budget actually spent on capital projects identified in the financial year in the Municipal IDP (funded projects)(NI)	100%	50,38	100%	82%
T3.25.3					

Chapter 3

Employees: Financial Services					
Job Level	Year 2020/21	Year 2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	4	2	1	25%
4 - 6	7	15	7	1	7%
7 - 9	32	49	32	4	8%
10 - 12	17	29	17	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	58	98	59	6	6%
					T 3.25.4

Capital Expenditure Year 2021/2022 Financial Services					
					R' 000
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		
NO CAPITAL PROJECT DURING THE YEAR UNDER REVIEW					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.25.6

Financial Performance Year 2021/2022: Financial Services					
					R'000
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	790 307	605 111	848 229	848 229	29%
Expenditure:					
Employees	31 502	33 954	34 186	34 186	1%
Repairs and Maintenance	22 301	20 169	18 425	18 426	-9%
Other	702 720	255 475	660 245	660 321	61%
Total Operational Expenditure	756 523	309 598	712 856	712 933	57%
Net Operational Expenditure	-33 784	-295 513	-135 373	-135 296	-118%
<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 3.25.5

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The City had budgeted R1 million for procurement of mainly office equipment and the source of funding was own revenue.

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Section Human Resource Management of Merafong City Local Municipality is focused on providing the best personnel services through fair and transparent processes and procedures. It is also focused on effective recruitment procedures, training and staff empowerment, and providing expert and professional advice to staff and management on Human Resources-related issues.

The Human Resources Management Section maintained its strategy during 2021/2022 to recruit qualified and competent staff to fill vacancies. Structured interviews were conducted together with work sampling-based tests to assist with the selection of the best candidates for appointment.

Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider before appointments are made. This prevented the Municipality from appointing staff without the necessary skills, competencies, and qualifications.

In addition to the foregoing, a Workplace Skills Plan is being compiled, submitted to the Local Government Sector Education Training Authority (LGSETA) on an annual basis, and implemented accordingly to attend to the most critical skills development needs. It is usually complemented by the bursary scheme, which caters for longer-term qualification strategies. The bursary system could not be implemented for the financial year under review due to financial constraints. The Local Labour Forum, Staff Wellness Meetings, and Human Resources Development Meetings were being planned to take place monthly.

T 3.26.1

Chapter 3

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

During the 2021/2022 financial year, the Human Resource Section development and implemented a Recruitment Strategy to respond to the Department needs for staffing of critical positions. Ward committee 255, Councillors 26, Mayoral Committee 3, MPAC Chairperson 1, EPWP 5, HIV Volunteer 5, Indigent Clerk 1, Audit committee 6, Field Workers 2, Manager 2, Political Advisor 1, General worker 36, Electricians 1, Occupational Safety Officer 1 and Plumbers 3 this is a great achievement due to the Municipals Financial constraints.

the Merafong City Local Municipality implemented the Amended Local Government: Municipal Systems Act 32 of 2000 and Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (*Government Notice 21 in Government Gazette 37245, dated 17 January 2014. Commencement date: 17 January 2014*) by appointing the Section 56 Senior Managers permanently. This is an achievement to stabilize the institutions and ensure the provision of quality services to the community.

T 3.26.2

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2019/2020		Year 2021/2022			2022/23	2023/2024	
		Target	Actual	Target		Actual	Target		
Service Indicators		Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective : Provision of Institutional Development and Transformation									
Ensure and maintain an HR Plan	Percentage (100) implementation of HR plan	100%	62,49%	100%	100%	100%	100%	100%	100%
Ensure Skilled, Capacitated, Competent and Motivated Workforce	Percentage (100) implementation of the organisational training plan	100%	83,33%	100%	100%	100%	100%	100%	100%
Lean Organisational Structure aligned to the strategy	Percentage (100) implementation of the organisational structure implementation plan	100%	100%	100%	100%	100%	100%	100%	100%
Alignment of the structure to the strategy/number of vacant budgeted positions filled	Percentage (100) prioritized funded positions on the structure filled	100%	66%	100%	100%	100%	100%	100%	100%
Improved Labour Relations Management	Number (10) Local Labour Forum (LLF) meetings held	100%	80%	100%	100%	72%	100%	100%	100%
									T 3.26.3

Chapter 3

Employees: Human Resource Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	9	4	5	56%
7 - 9	5	11	5	6	55%
10 - 12	1	2	1	1	50%
13 - 15	9	15	9	6	40%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	20	38	20	18	47%

T3.26.4

Chapter 3

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

A proper system of performance management is in place for senior managers. The process of concluding evaluation by an evaluation panel in order to facilitate that payment of bonuses was not finalized at the end of the financial year on 30 June 2022.

A performance appraisal system for employees of the council employed on the conditions of service applicable and prescribed by SALGBC (Salga Bargaining Council) is not implemented yet. They are still receiving only a thirteenth cheque. In the lack of proper national guidelines and aligned local policies, the performance of these employees is not evaluated. They however need to comply with the tasks and responsibilities that are included in their individual job description and are managed accordingly.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Merafong City Local Municipality Information Communication and Technology is a component of Corporate Support and Shared Services. The section reports to the Director Corporate Support Services. Merafong ICT is playing an increasingly strategic role as an enabler of Merafong City local municipality. The primary goals are to ensure that the investment in ICT generate business value and mitigate risks that are associated with ICT. Merafong Information Communication and Technology support all ICT infrastructure and Operations on a daily basis in order to ensure the availability of systems for service delivery objectives. The ICT section provide the following,

-Overall planning of ICT Architecture machinery, including ICT procurement, ICT governance and management.

-ICT operations services covering help desk support, desktop support, systems administration, network administration, ICT security and Telephone services.

-Knowledge management service and records management to the Municipality

-Business intelligence and Database administration services.

-ICT Service Delivery Support – management of ICT contracts and assets

T 3.27.1

Chapter 3

SERVICE STATISTICS FOR ICT SERVICES

MONTH	UPGRADING/INSTALLATION OF NETWORK	INSTALLATION OF COMPUTERS/PRINTERS /SOFTWARE	MAINTANANCE/REPAIR OF HARDWARE/e-MAILS/INTERNET/SERVERS
JULY 2021	41	57	66
AUGUST 2021	27	77	41
SEPTEMBER 2021	30	42	49
OCTOBER 2021	33	20	38
NOVEMBER 2021	24	29	37
DECEMBER 2021	12	13	23
JANUARY 2022	10	18	31
FEBRUARY 2022	21	9	28
MARCH 2022	39	23	33
APRIL 2022	23	25	17
MAY 2022	7	12	35
JUNE 2022	20	55	61
TOTAL	287	380	459

T 3.27.2

Chapter 3

ICT Services Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2020/21		202/21			2021/22	2022/23		
		Target	Actual	Target		Actual	Target			
<i>Service Indicators</i> (i)	(ii)	*Previous Year (iii)	Previous Year (iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Objective: Provision of Institutional Transformation and Organisational Development										
Master Systems Plan (MSP)	Implementation of Master Systems plan	100%	100%	100%	100%	100%	100%	100%	100%	

T 3.27.3

Chapter 3

Employees: ICT Services					
Job Level	2020/2021	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	9	4	5	56%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	12	7	5	42%
					T3.27.4

Capital Expenditure Year 2021/2022: ICT Services					
R' 000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW					
					T3.27.6

Chapter 3

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

During the year under review, ICT section implemented Master Systems plan which resulted in a stable ICT environment. The ICT policies are adopted and computer users trained on all policies. ICT services are rendered by Merafong Technicians, such as hosting the Website, emails, internet services, network switches, radios and network connectivity, servers, hardware and telephones maintenance. The services rendered by internal ICT staff resulted in saving ICT costs previously paid to service providers.

Disaster Recovery Plan (DRP) has been implemented and testing is done every year. The section cleared all management findings through OPCA initiatives.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

LEGAL

The section Corporate & Legal consist of Legal Services, Secretariat and Administration as well as the Fleet section. The Administration section includes the Municipal Telephone Switchboard, Records and Archive Management as well as the Document Reproduction Unit. Secretariat services are also provided by the section by the compilation and distribution of various agendas for Council Meetings, Mayoral Committee Meetings and Section 80 Committee Meetings. Minutes of these as well as other meetings are also prepared and distributed by the section.

Legal Services is a support function to the whole Municipality. The Section assist with perusing and drafting of contracts and agreements, provision of legal advice as well as assisting with legal action instituted by the Municipality or against the Municipality. The section also assists with perusing and drafting policies, by-laws and other documentation. The Fleet section assists the various Departments to manage the municipal fleet, the logistics regarding fuel provision and servicing of vehicles.

RISK MANAGEMENT

The Accounting Officer of Merafong has approved the Enterprise Risk Management Implementation Plan which is developed on an annual basis. The development of the plan is done considering the Risk management policy, the strategy, available resources, urgency, quick wins and the support provided by the Provincial Treasury.

Chapter 3

The plan indicates all activities that will be undertaken in a particular financial year and these activities form part of the Municipal Service Delivery Budget Implementation Plan (SDBIP) and monitored on a monthly basis. During the financial year under review all indicators set were achieved 100%.

The Risk Management function of the municipality currently operates with high vacancy rate an issue which management is currently working to address. The unit is receiving support from provincial Treasury and COGTA to ensure the plans are implemented. .

PROCUREMENT SERVICES

In its pursuit for clean governance, Merafong Local Municipality has reviewed and amended the Supply Chain Management Policy as it does annually to align it with the legislative requirements and National Treasury issued Circulars and was adopted by Council. Furthermore, in line with the Municipal Supply Chain Management (MSCM) regulation 3(c), which requires at least annually review of the implementation of the SCM policy, the approved SCM policy was reviewed during the period under review and it required no amendments.

The Municipal Supply Chain Management (MSCM) Regulation 7(3) states, each municipality must establish a Supply Chain Management unit to implement its supply chain management policy. Furthermore, MSCM 7(4) states a Supply Chain Management unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the act. The Supply Chain Management Unit of the Merafong Local Municipality, in terms of the legislation, is responsible for the following prescribed functions:

- Demand management;
- Acquisition management;
- Disposal management;
- Logistics management;
- Performance management; and
- Risk management.

SCM has facilitated the supply chain process, which enables service delivery by the Merafong Local Municipality.

T3.28.1

Chapter 3

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

LEGAL

A number of Agreements and Contracts were perused and drafted and general legal work done as part of the functions of the section. The section also assisted with 10 court cases against the Municipality.

RISK MANAGEMENT

A risk identification and assessment exercise is undertaken on an annual basis in line with the IDP and SDBIP to re-determine the risk exposure of the municipality. In total 12 risks have been identified.

SUMMARY OF STRATEGIC RISKS

STRATEGIC RISK EXPOSURE PER MUNICIPAL GOAL

The summary of the 12 strategic risks identified during the Risk Assessment process is presented below categorised per Municipal Strategic Goal and residual risk rating.

MCLM Strategic Goals	Risk	Inherent Risk	Residual Risk
To Provide Basic Services	Deterioration of the geological conditions (dolomitic land)	25	20
	Proliferation of informal settlements	25	20
	Inadequate infrastructure to render sustainable basic services	25	16
	High distribution losses Electricity and Water	20	16
	Environmental pollution	25	16
To Provide Local Economic & Social Development	Declining local economic activity.	25	20
To Provide Municipal Transformation & Organisational Development	Inadequate human resources to fulfil Municipal mandate	25	16
	Inadequate ICT services to support Municipal operations	16	12
To Provide Financial Viability & Management	Decline in financial viability of the Municipality	25	20
	Non-compliance to supply chain management policies	25	16
	Poor Contract Management	20	16
To Provide Good Governance & Public Participation	Fraud and corruption	25	20

Chapter 3

The below narration talks to the top 5 top risks of the municipality for the year under review and the status of the risks at the end of the financial year June 2022.

1. Declining financial Viability
2. Declining local economy
3. Inadequate infrastructure to render sustainable services
4. Deterioration of the geological conditions (dolomitic land)
5. High Distribution losses

Risk 1: Financial Viability

Declining financial viability of the municipality has been significantly caused by the culture of non-payment of services by the community. On the other end the municipality is under tremendous pressure to collect revenue from the consumers due to tampering of meters and illegal connections. The municipality has employed some strategies to address these problems. The load reduction which was implemented has seen the electricity being switched off for low paying communities for about 12 to 13 hours to reduce the growing ESKOM bill without payment.

A Blitz project was implemented which envisaged to remove illegal connections, fix faulty meters, and normalize tampered meters. The Blitz operations has yielded positive results and management must sustain the project.

The property rates dispute between the municipality and the mining houses is on-going however the payment that the mines are making is split, the 50% goes to the attorney's Trust account and 50% to the municipality. The payment levels of the municipality were still around 50% at the end of the financial year despite the 60% mark.

Risk 2: Declining local economy

During this year, the Accounting Officer appointed an acting manager in the LED section in a position which was left vacant for a long period of time. Projects to improve the economic outlook of the municipality have been identified and included in the IDP. The projects under the DDM that will try to diversify the economy are in feasibility phase and are long term projects.

Risk 3: Ageing, dilapidated and capacity of infrastructure to render sustainable services

The development of an Infrastructure Master plan has been identified as a mitigating strategy to deal with the risk. The municipality has finalized an application to the DBSA for Infrastructure Master Plan for Electricity and Roads, response is still awaited. The success of this application will assist the municipality in upgrading the infrastructure which is ageing. The existence of illegal mining activities in the Merafong area exacerbates the problem of dilapidating infrastructure.

Chapter 3

Risk 4: Deterioration of the geological conditions

The municipality through the West Rand District has applied to Provincial and National government for assistance. The submission was a holistic report and assessment of the risk exposure of the municipal area.

The regional disaster management committee has been established for the dolomite and sinkhole issue. The West Rand District Municipality has assisted Merafong in the request for classification of a local state of disaster to COGTA in respect to the formation sinkholes. This is the process that will unlock funds from Treasury to address the problem the municipality is currently faced with.

Risk 5: High distribution losses

Electricity and water losses stood at high levels throughout the year. Electricity losses are at an average of 60% and water losses at 30%. These percentages are high considering the industry norm allowing for at least 15% for both services. The municipality is experiencing illegal electricity connections and tampered meters. This problem also exacerbates the losses and also leaves the municipality with a high bill for these bulk services to ESKOM and Rand Water.

The municipality has initiated robust programmes to address these risks despite community resistance in townships. Attempts to implement these measures will continue until the risk is manageable.

In the year under review, the Enterprise Risk management plan was approved by the Accounting Officer and was implemented to ensure the embedding of risk management in the day to day activities of the municipality. The activities of the plan were fully achieved. The risk identification and assessment were done for Strategic, Operational and project risks.

Strategic, Operational and Project risk registers were developed. Fraud risk assessments were also included in a separate process in order to assess risk exposure in that area. Action plans were then put in place to mitigate these risks and these are monitored on a quarterly basis to ensure that they don't impact negatively to the set objectives.

For Risk Management to be fully implemented and effective the key success factors which influence the risk culture need to be met as follows:

NO.	KEY SUCCESS FACTORS	CONSIDERATIONS	CURRENT STATUS
1.	Tone at the Top	Management commitment and Accountability linked to Performance Agreements	Risk Management included in the performance agreements of senior management. This is the commitment to the processes of risk management within the organization. Risk Management is included as a standing item in Executive Management Committee(EXCO) meeting Agenda

Chapter 3

2.	Governance of Risk Management/ Accountability	Effective Risk Management Policies, Committees (RMC & AC) and Reporting	Risk Management oversight is exercised by the following structures: Risk Management Committee (RMC), and Audit Committee. The RMC has approved its Charter with Terms of Reference and the Municipality has appointed an Independent External Chairperson through a district shared service model. All RMC meetings were held and recommendations of the RMC chairperson were reported to the Accounting Officer and Audit Committee..
3.	Risk Function Capacity	Risk Structure, Skills and Capacity	The Municipality has a functional Risk Management Unit in place for the implementation of an Annual Enterprise Risk Management Plan. Capacity in the unit in terms of filled position is still lacking as no added capacity was availed to the Unit. Management has included filling of a vacancy of a Risk Officer in the priority process plan. The Chief Risk Officer has attended training through the Provincial Audit and Risk Forum which is a learning forum where different aspects of Audit and Risk Management are discussed.
4.	Risk Management Methodology	Risk Management Frameworks and Plans; Risk Assessment Systems and Processes	Risk Management Frameworks and Plans are in place and reviewed in the 2019/20 Financial year and approved by Council; Risk identifications and Assessment Systems and Processes and methodologies are in place and assessments undertaken annually.
5.	Good Communication and Training	Management and employee awareness, training and development and workshops	Due to COVID 19 restrictions and the new normal communications were done on virtual platforms and through posters in terms of Fraud and Corruption awareness drive.
6.	Organizational Integration	Incorporation of risk practices into policies, strategies, plans, processes and procedures for day-to-day implementation. Risk Management influencing the Control Environment	The Strategic Risk Assessment is aligned to the Strategic planning process of the Municipality. Identified risks are linked to all objectives of the municipality in the IDP. Risks are identified at a strategic and operational, and also at projects

Chapter 3

level. Risk registers are assembled, monitored and reported on a quarterly basis through the Risk Management Committee and to Council through the Audit Committee chairperson.

PROCUREMENT SERVICES

During the 2020/21 financial period, Supply Chain Management has appointed eighteen (18) bids, Six (6) of them being to local Service providers of which one was to youth.

Only one (1) formal quotation was awarded of the two advertised, this was due to the interruption caused by the abeyance on all procurement.

Supply Chain Management procurement processes were impeded by the abeyance placed on all procurement that was in place during the year 2021/22(03 March 2022 until 30 May 2022), the abeyance lasted for about three months, it has since been lifted, nonetheless its effects which lasted longer than this period were detrimental to the Procurement plan 2021/22.

In terms of the Advisory note from National Treasury dated 25 February 2022, all organs of state were advised as follows:

- Tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations.
- Tenders advertised on or after 16 February 2022 be held in abeyance; and
- No new tenders be advertised.

The Merafong Local Municipality duly obliged to this directive

Challenges

SCM is still experiencing challenges in these areas:

- Shortage of personnel to enable the effective execution of the procurement mandate.
- Financial constraints affecting the development of local SMME's, payment periods in excess of the stipulated 30 days.

T 3.28.2

Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2020/21		2021/22			2022/23	2023/24	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	(viii)	(ix)	(x)
Service Indicators (i)	(ii)								
Good governance and public participation									
Ethical administration and good governance	Number of ethics management activities implemented in accordance with plan reported as a percentage	100%	100%	100%	100%	100%	100%	100%	100%
Effective Risk Management through performance management and accountability	Percentage implementation (100) of enterprise risk management plan	100%	100%	100%	100%	100%	100%	100%	100%
Effective and Efficient Supply Chain Management	Compliance to Supply Chain Management Processes	100%	100%	100%	100%	100%	100%	100%	100%

T 3.28.3

Chapter 3

LEGAL

2021/22		2021/22			
Job level	Employee No	Post No	Employees No	Vacancies	Vacancies %
0 – 3	1	2	1	1	50%
4 – 6	3	7	4	2	29%
7 – 9	6	7	5	3	43%
10 – 12	5	6	4	2	33%
13 – 15	1	1	1	0	0
16 – 18	3	4	4	0	0
19 – 20					
Total	19	27	19	8	30%

T 3.28.4

RISK MANAGEMENT

2020/21			2021/22		
Job Level	Employees	Posts	Employees	Vacancies(Full time equivalent)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0
4-6	0	3	0	3	100 %
7-9	0	1	0	1	100 %
Total	1	5	1	4	80%

T 3.28.4

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

A detailed Annual Performance Report is included in this Annual Report Pages 381-455.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The Organisational Development Performance is reported on, based on the strategic objectives and core/support functions of the organisation. Organisational Development is linked to the IDP objectives in conjunction with the Vision and Mission Statement of the municipality.

Specific Organisational Development Performance that can be reported include:

Organisational Structure & Staff Establishment

The organisation was last reviewed in 2014 and the municipality is not complying with the Regulations. Merafong City Local Municipality, in terms of the Municipal Systems Act, Act 32 of 2000, is in the process of reviewing the organisational structure aligning it to the new Municipal Staff Regulations No 890. This is done with the support and assistance from CoGTA. Employee validation and institutional red flags have been finalised and the administration is addressing the challenges raised in the report. Monthly report is submitted to Gauteng CoGTA to monitor progress on the implementation of the reports.

Policy Review and Development

Merafong, as an evolving and developmental Local Government Institution, regularly reviews its policies, processes and procedures to ensure all processes followed, implemented and executed are open, transparent and aligned to legislative requirements, not to unfairly discriminate against employees. The municipality is in the process of reviewing policies and aligning the to the latest Municipal Staff Regulations No. 890 and the CoGTA `s Human Resources Policy Manual.

Labour Relations

Sound labour relations is encouraged and promoted in all matters relating to employees. Awareness campaigns on the employee code of conduct form part of induction sessions for new staff. The induction also makes employees aware of legislation and policies applicable within the workplace. Quarterly and special Local Labour Forum meetings are held to ensure that matters of mutual interest between labour and management are effectively deliberated and joint resolutions achieved. Not all labour forum meetings were conducted, due to the induction of newly elected councillors after the 1st November 2021 local government elections.

Occupational Health & Safety

The municipality has established an Occupational Health and Safety (OHS) structure in line with the OHS Act. Legal appointments in terms of OHS have been made, and health and safety structures meetings take place regularly although given challenges posed by Covid 19 regulations as far as gatherings are concerned.

Although health and safety is a joint effort between management and employees, management continues to capacitate/train health and safety structures and use various mechanisms to create health and safety awareness among employees.

Chapter 4

Like all other organisations, service delivery and staff wellness in Merafong City Local Municipality was negatively affected by the COVID19 pandemic and the municipality ensured compliance with regulations to minimize the spread of the pandemic by introducing the necessary protocols.

Employment Equity

In compliance with the Employment Equity Act, Act 55 of 1998, as amended, Merafong submitted annual report on the 15 January 2022. The municipality could not achieve its numerical targets to fill senior management positions and lower levels due to financial constraints.

Some appointments are aligned to Employment Equity provisions. It should be noted that internal promotions of staff, where the appointment is within the same occupational level, are open for all candidates to apply as it would not impact on the representativeness within the occupational level. All other vacancies whether internal or external are adherent to Equity provisions, in instances where there is not a specific equity target other designated groups are given preference.

In most internal appointments/promotions within the General, Semi-Skilled and Skilled occupational levels, where there are no equity targets from the internal pool, designated groups are given preference, this does result in over- representation of certain designated groups and is reported to the Section 80 Corporate and Shared Services on a quarterly basis.

The Merafong City Council resolved on a strategic planning session, that organisational development needs to be finalised urgently.

It was further determined that the development and alignment of the structure could not be done in house because of a lack of a capacity. In this sense capacity is not defined as a lack of expertise on the complement of the council, but rather a lack of competent employees to perform this duty that is not a normal activity and is time consuming. Each employee is performing duties and responsibilities in terms of a proper job description that is linked to the SDBIP. Removing employees from their normal activities in order to develop ad hoc tasks such as the comprehensive design of an organisational structure, would create capacity gap related to the normal functions that these officials perform. In other words it is not that council employees cannot do it but the skilled staff will neglect normal service delivery related activities to performs such duties.

COGTA is assisting with the developing and aligning an organisational structure for Merafong City. It was however resolved that further extensive consultation with all stakeholders must be completed before the final product is submitted to council. This will include related policies and workshops with the Local Labour Forum and the council and its committees.

The COGTA will use the prescribed TASK job evaluation system to evaluate all the positions on the complement. Currently there are 270 job titles identified that needs to be evaluate. The job evaluations form part of the brief to the consultants. Council however approved a Job Evaluation Policy. Therefore, after the completion of the organisational structure and implementation thereof, the job evaluation committee described in the policy will ensure continuations of the evaluation process for years to come. The evaluation of all jobs is an essential ingredient to implement the long outstanding wage curve. It is anticipated that the wage curve will also be finalised in this process.

T 4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Municipal Employees					
Description	Year	2021/2022			
	2020/2021	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water (Waste Water Sanitation)	61	168	61	107	36%
Electricity	60	120	60	60	50%
Waste Management	104	251	104	147	41%
Housing	10	23	10	13	43%
Waste Water (Stormwater Drainage)	6	12	6	6	50%
Roads	66	117	66	51	56%
Planning	8	15	8	7	53%
Local Economic Development	3	8	3	5	38%
Planning (Strategic & Regulatory)	3	7	3	4	43%
Community & Social Services	5	14	5	9	36%
Security and Safety	99	107	99	8	93%
Sport and Recreation	3	12	3	10	25%
Corporate Policy Offices and Other	0	0	0	0	#DIV/0!
Totals	428	854	428	427	50%
					T 4.1.1

Chapter 4

Vacancy Rate: 2021/22			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	100,00
CFO	1	1	100,00
Other S57 Managers (excluding Finance Posts)	14	5	35,71
Other S57 Managers (Finance posts)	4	1	25,00
Police officers	12	3	25,00
Fire fighters	20	3	15,00
Senior management: Levels 13-15 (excluding Finance Posts)	93	36	38,71
Senior management: Levels 13-15 (Finance posts)	11	8	72,73
Highly skilled supervision: levels 9-12 (excluding Finance posts)	134	104	77,61
Highly skilled supervision: levels 9-12 (Finance posts)	10	4	40,00
Total	300	166	55,33

T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2021/22			
2020/21	6	40	667%
2019/20	4	16	400%

** Divide the numbr of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T 4.1.3

Chapter 4

COMMENT ON VACANCIES AND TURNOVER:

All vacancies are advertised in the press, internet and official notice boards according to policies in this regard. Vacant position is. Appointments on an acting basis were made where there were vacancies occurred. Internal staff can apply for promotional positions if they meet the requirements in qualifications, skills, and experience.

Internal promotions were done where our internal candidates were found to be meeting the requirements for the posts. The Employment Equity Plan is always taken into account when making appointments. The turnaround time for the filling of vacant posts varies depending on the scarcity of skills in the labour market, qualifications and experience required.

The reason for turnover is mainly due to resignations, retirement, death, and dismissals. We have merge the activities of the OHS and Employee Assistance Programme to ensure the effectiveness of the staff wellness the year. There is also a long service recognition system in place which is implemented in terms of the conditions of service and internal policies.

However, due to other institutions offering more benefits than we can afford, it is not always possible to retain scarce and skilled employees.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality had 1252 permanent employees on its complement on 30 June 2022. Where else the municipality have appointed employees on a fixed term basis with granted funded positions and are hosting intern training them to obtain the necessary qualifications. The total workforce was therefore have increased with the interns and funded positions that are filled

The Municipality performed well in polity development during the past year. The pace was however not as good as it should be. One of the constraints in policy development is the fact that a policy is developed, referred to LLF (Local Labour Forum) who workshop the policy and thereafter it is referred to the portfolio committee. From the portfolio committee it is on its way to council. Out of the above it's clear that policy formulation from initiation up to adoption and implementation takes too long. Bear in mind that human capital related policies and collective agreements have a life span of normally not longer than three years.

Chapter 4

An Employment Equity Plan has been developed and implemented and is annually reviewed. Annual reports on the implementation of the plan are sent to the Department of Labour as required by law. A variety of policies were developed and implemented as indicated in Section 4.2 on policies

A critical long outstanding policy is the cascading of performance appraisals to lower levels. Currently only employees appointed in terms of section 57 of the Municipal Systems Act, is evaluated and awarded performance bonuses. This is an unbearable situation, since managers and employees reporting to managers are excluded of an additional rewarding system for good performance.

Council still experiences skilled shortages, but position is advertised and being filled. Mainly artisans are hard to get and the absence of a retention policy that couple monetary value to create competitiveness is doing no good in assisting with the staff shortage. Council competes directly with the private sector in the area. Some of the better benefits provided by the private sector is housing, better training, promotion possibilities and participation in a production bonus system.

T 4.2.0

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.	Affirmative Action	YES	100	In the EE Plan
2.	Attraction and Retention	No	20	Being developed
3.	Code of Conduct for employees	YES	100	Part of conditions of Services
4.	Delegations, Authorisation & Responsibility	YES	80	
5.	Disciplinary Code and Procedures	YES	100	Part of conditions of Services
6.	Essential Services	YES	100	Part of conditions of Services
7.	Employee Assistance / Wellness	YES	100	
8.	Employment Equity	YES	100	In the EE Plan
9.	Exit Management	YES	80	Employee Practice
10.	Grievance Procedures	YES	100	Part of conditions of Services
11.	HIV/Aids	YES	50	To be developed
12.	Human Resource and Development	YES	100	Developed
13.	Information Technology	YES	100	Developed
14.	Job Evaluation	YES	100	Developed
15.	Leave	YES	100	Developed
16.	Occupational Health and Safety	YES	100	Part of conditions of Services
17.	Official Housing	YES	80	in Process
18.	Official Journeys	YES	80	in Process
19.	Official transport to attend Funerals	YES	100	Bereavance Policy
20.	Official Working Hours and Overtime	YES	100	20/03/2013
21.	Organisational Rights	YES	100	Part of conditions of Services
22.	Payroll Deductions	YES	100	Part of conditions of Services
23.	Performance Management and Development	No	50	Part of conditions of Services

Chapter 4

24.	Recruitment, Selection and Appointments	YES	100	Part of conditions of Services
25.	Remuneration Scales and Allowances	YES	100	Part of conditions of Services
26.	Resettlement	YES	60	24/11/2014
27.	Sexual Harassment	YES	100	Part of conditions of Services
28.	Skills Development	YES	100	29/10/2009
29.	Smoking	YES	60	7/12/2010
30.	Special Skills	YES	60	20/03/2013
31.	Work Organisation	YES	80	Part of conditions of Services
32.	Uniforms and Protective Clothing	YES	100	29/05/2019
33.	Cellphone Allowance	YES	100	30/09/2014
34.	Fleet Management	YES	100	30/09/2014
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Leave and recruitment policy were reviewed September 2021 and recommended by Local Labour Forum for submission to Council still waiting for adoption by Council.

T 4.2.1.1

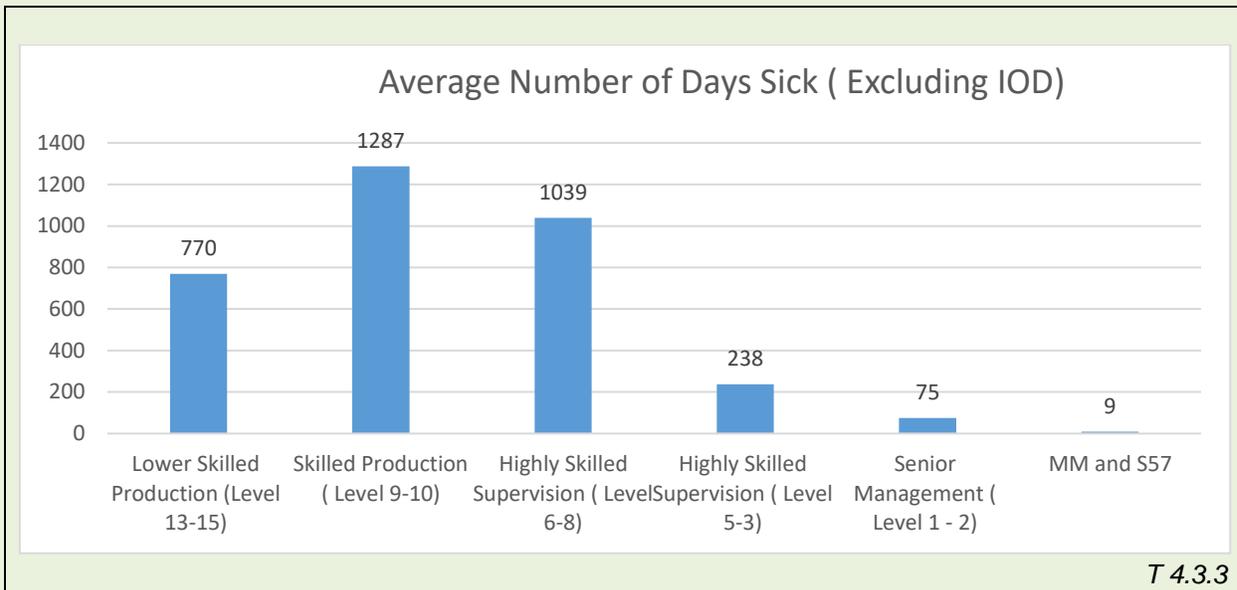
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost	
	Days	No.	%	Days	R'000	
Required basic medical attention only	34	4	12%	7	300676	
Temporary total disablement	102	3	3%	20	117510	
Permanent disablement	0	0		0		
Fatal	0	0		0		
Total	136	7	5%	27	418186	
						T 4.3.1

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
MM and S57	120		6	6	20	
Management (level 1-2)	241		11	14	17	
Highly skilled supervision (levels 3-5)	541		39	59	9	
Highly skilled supervision (levels 6-8)	1632		132	171	10	
Skilled Production (level 9-12)	1971		175	281	7	
Production(Level 13-15)	1678		173	371	5	
Total	6183		536	902	6,85	0
						<i>T 4.3.2</i>

Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

After an injury on duty has taken place the matter is reported to the Occupational Health and Safety officer whereby the officer will investigate the incident in order for him to take control measures that the incident does not repeat itself.

There Occupational and Health Officer will report the matter to the Office Risk Management. Injuries are monitored by the employees own doctor.

Special sick leave is taken in the case of injury on duty. An Occupational Health and Safety (OHS) Policy is in place and displayed at all workplaces. All departments are required to follow this policy. Regular OHS inspections and safety audits are carried out during the year to identify any new health and safety risks. Departments were advised in terms of handling OHS matters. Training was done on a regular basis (e.g. first aid and safety representative).

Accidents and injuries on duty were investigated in terms of relevant legislation. Sick leave was monitored by HODs, and proper record was kept of all leave and sick leave taken. Where necessary, officials may be sent to medical practitioners appointed by Council for second opinions in cases of extended sick leave.

T 4.3.4

Chapter 4

Number and Period of Suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
Clerk	Gross insubordination Abusive language Bringing the name of employer in disrepute Rude, abusive, insolence, aggressive and provocative and disruptive manner	18 May 2021	Hearing was held on 02 September 2021 and preliminary points were raised. The matter must be set down for further hearing.	Pending
Manager Human Capital	Fraud	August 2021	Matter is set down for 28 and 29 August 2022	Pending
General worker	Assault	04 March 2022	Disciplinary hearing was set down for the 17 May 2022 and postponed to 14 June 2022, on which date the complainant advised that she no longer wishes to proceed with the case. The charges were withdrawn on the 15 June 2022.	15 June 2022
Manager: Electrical	Breach of policy Gross negligence in performance of duties Abuse of power and/or misuse of authority	11 February 2022	Disciplinary hearing set down on the 13 May 2022, 22 June 2022 and 01 August 2022. On the 01 August 2022, preliminary points were raised and responded to. We await a ruling on the 26 th August 2022	Pending

T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
MANAGER	Irregular appointment of a service provider without following SCM processes Value R218 722.40	Disciplinary process instituted	Case ongoing
MANAGER	Fraud Value R26 000	Disciplinary process instituted	Case ongoing

T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Chapter 4

Two cases of financial misconduct occurred in the current financial year, and these are:

- Irregular appointment of a service provider without following SCM processes:

An employee was suspended from work pending the finalisation of investigation and eventually disciplinary hearing. The matter is partly heard following the resignation of the employer representative, (prosecutor from the employ of the municipality).

-Fraud

Independent chairperson of the hearing was appointed from SALGA and the employer representative was appointed from a sister municipality and the matter was partly heard and postponed by mutual agreement.

T 4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2021/22 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No

T 4.4.1

Chapter 4

COMMENT ON PERFORMANCE REWARDS:

Performance management system is applied to Municipal Manager and Section 56 Executive Directors who report to the Municipal Manager. Assessments were done and bonuses paid to all Managers who were assessed for the 2021/2022 Financial Year.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The challenges that the municipality is facing concerning capacity development are as follow:

Funding

Funding for training remains a problem. The municipality is depending on Discretionary Grants to develop capacity of workforce, LGSETA decide how many and which Programme. In most cases only 2% gets approved.

Resources

Lack of capacity it's a major problem in our municipality. It takes a lot of time before the vacant positions can be filled or they don't even get filled at all for a long time.

Tools of Trade is also a major problem. The laptops and desk tops we are using are outdated, not matching the recent technology and they are starting to crush.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June 2021/22											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2020/21	Actual: End of 2021/22	2020/21 Target	Actual: End of 2020/21	Actual: End of 2021/22	2021/22 Target	Actual: End of 2021/22	Actual: End of 2020/21	2021/22 Target	Actual: End of 2020/21	Actual: End of 2021/22
MM and s57	Female		5							0	1			1
	Male		5							1	2		1	2
Councillors, senior officials and managers	Female		2							3	3		3	3
	Male		3							4	4		4	4
Technicians and associate professionals*	Female		4							2	2		2	2
	Male		8							8	9		8	9
Professionals	Female		8							6	6		6	6
	Male		6							2	2		2	2
Sub total	Female		19							11	12		11	12
	Male		22							15	17		15	17
Total		0	41	0	0	0	0	0	0	52	58	0	52	58

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

T 4.5.1

Chapter 4

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>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	2	2
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	1	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	3	0	3	3	3	3
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

T 4.5.2

Chapter 4

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 2022/2023							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM	Female	1								
	Male	0								
Legislators, Executive Directors and managers	Female	8								
	Male	10								
Professionals (Levels 3-7)	Female	44								
	Male	35								
Technicians and associate professionals (Levels 8-11)	Female	143								
	Male	202	118750	58523					118750	58523
Clerks (Levels 12-14)	Female	8								
	Male	26								
Service and sales workers	Female	0								
	Male	0								
Plant and machine operators and assemblers	Female	0								
	Male	0								
Elementary occupations (level 15)	Female	81								
	Male	161								
Sub total	Female	285								
	Male	434	118750	58523					118750	58523
Total		719	118750	58523	0	0	0	0	118750	58523
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

Chapter 4

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

It came recently to our attention that none of Merafong Municipality Officials are complying with Financial Competency Regulation.

Officials that need to comply with Financial Competency Regulation mostly has done 28 Unit Standards of which others are not relevant to their designations.

The assessment on unit standard has been done already by National Treasury for each Officials that need to comply.

Training will be planned to accumulate the outstanding trainings on the training plan of 2022/2023.

More funding needs to be allocated to ensure that officials that needs to be trained on more unit standard of MFMP are trained to enable them to comply with the regulations.

Funding is a big challenge to address all training needs, The Municipal Fund Grants (MFG) can be utilised, but it will not be enough to cover the cost of training for all the officials need to comply.

T 4.5.4

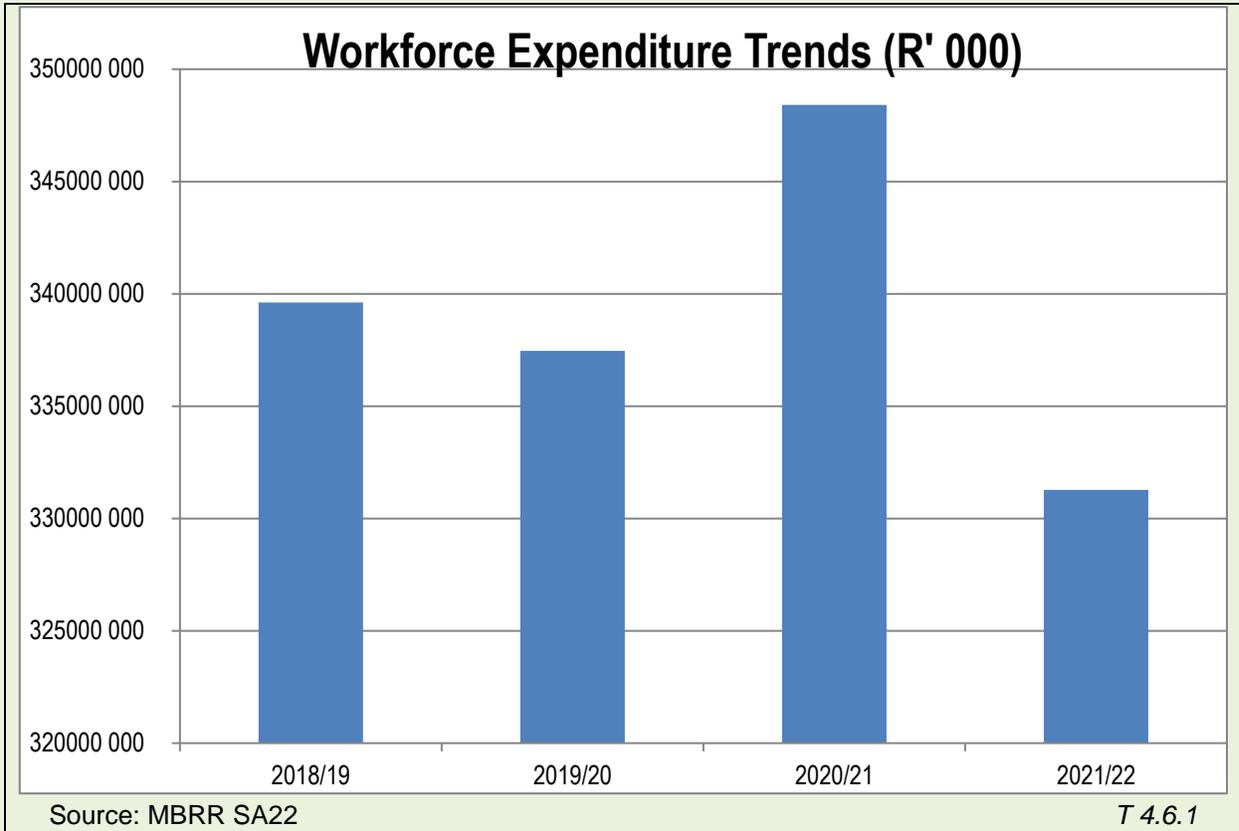
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

WORKFORCE EXPENDITURE

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4



COMMENT ON WORKFORCE EXPENDITURE:

In financial year 2021/22 the work force expenditure decreased from financial year 2020/21 due to number of factors and amongst them is high vacancy rate.

T 4.6.1.1

Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded			
Beneficiaries	Gender	Total	
Lower skilled (Levels 13 - 15)	Female	NO UPGRADING IMPLEMENTED	
	Male		
Skilled (Levels 9-12)	Female		
	Male		
Highly skilled production (Levels 6-8)	Female		
	Male		
Highly skilled supervision (Levels 3-5)	Female		
	Male		
Senior management (Levels 1-2)	Female		
	Male		
MM and S 57	Female		
	Male		
Total			0

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
		Job evaluation is not yet finalised		

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
NONE				

T 4.6.4

Chapter 4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

In terms of the policy of Council, no occupied post can be upgraded; therefore, no employees had their salaries increased due to the positions upgraded.

- The job evaluation process has not been completed yet, and employees are paid in terms of the Industrial Council determination. As soon as the job evaluation process has been finalised, the results thereof will be considered for implementation.

- No employees are appointed to posts not approved, and no employees are appointed to unfunded positions.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

The disclosure of financial interest is done annually for Section 56 and Councillors and all Officials. Detailed information contained in Appendix “J” there are currently disclosures that are pending..

T 4.6.6

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

A detailed set of Financial Statement of the municipality is included in this Annual Report on pages 300 to 380.

.T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

INTRODUCTION

FINANCIAL PERFORMANCE

This chapter comprises of three components and highlights specific accomplishments:

Component A: STATEMENTS OF FINANCIAL PERFORMANCE

The purpose of the Statement of Financial Performance is to give an account of the results of Merafong City operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure).

A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities.

The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11 Withdrawal reports, submitted to Council.

There are three main categories:

Chapter 5

Net cash resulting from operating activities- this section shows the results of the operations of the City's cash items. It includes the rendering of municipal services, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Reconciliation of Table A1 Budget Summary

Description	2021/22										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands	1	2	3	4	5	6	7	8	9	10	11
Financial Performance											
Property rates	597 058	(29 575)	567 483			567 483	567 483		-	100%	95%
Service charges	814 859	(1 998)	812 861			812 861	812 861		-	100%	100%
Investment revenue	7 000	(1 954)	5 046			5 046	5 046		-	100%	72%
Transfers recognised - operational	257 009	(1 195)	255 814			255 814	455 651		(199 837)	178%	177%
Other own revenue	256 485	(1 989)	254 496			254 496	235 446		19 050	93%	92%
Total Revenue (excluding capital transfers and contributions)	1 932 411	(36 711)	1 895 700	-	-	1 895 700	2 076 487	-	(180 787)		
Employee costs	390 665	(23 282)	367 383			367 383	367 383		-	100%	94%
Remuneration of councillors	23 409	(1 127)	22 282			22 282	22 282		-	100%	95%
Debt impairment	482 371	338 424	820 796			820 796	828 101		(7 305)	101%	172%
Depreciation & asset impairment	108 467	6 397	114 864			114 864	114 277		587	99%	105%
Finance charges	36 853	44 810	81 663			81 663	81 663		-	100%	222%
Materials and bulk purchases	394 924	189 055	583 979			583 979	583 979		-	100%	148%
Transfers and grants	1 540	(1 219)	321			321	321		-	100%	21%
Other expenditure	461 646	(221 580)	240 066			240 066	314 084		(74 018)	131%	68%
Total Expenditure	1 899 876	331 478	2 231 354	-	-	2 231 354	2 312 090	-	(80 737)		
Surplus/(Deficit)	32 534	(368 188)	(335 654)	-	-	(335 654)	(235 604)	-	(100 051)	-	-
Transfers recognised - capital	(147 752)	25 273	(122 479)			(122 479)	(122 479)		-	100%	83%
Contributions recognised - capital & contributed assets			-			-	-		-		
Surplus/(Deficit) after capital transfers & contributions	(115 218)	(342 915)	(458 133)	-	-	(458 133)	(358 083)	-	(100 051)	-	-
Share of surplus/ (deficit) of associate			-			-	-		-		
Surplus/(Deficit) for the year	(115 218)	(342 915)	(458 133)	-	-	(458 133)	(358 083)	-	(100 051)	-	-
Capital expenditure & funds sources											
Capital expenditure											
Transfers recognised - capital	164 349	18 137	182 486			182 486					0%
Public contributions & donations						-					
Borrowing						-					
Internally generated funds						-					
Total sources of capital funds	164 349	18 137	182 486	-	-	182 486	-	-	-	-	0%
Cash flows											
Net cash from (used) operating	3 490 116	51 151	3 541 267			3 541 267	309 714		3 231 553	9%	9%
Net cash from (used) investing						-			-		
Net cash from (used) financing	8 855	-	8 855			8 855	73		8 782	1%	1%
Cash/cash equivalents at the year end	3 498 971	51 151	3 550 122	-	-	3 550 122	309 787	-	3 240 335	9%	9%

T 5.1.1

Chapter 5

Financial Performance of Operational Services							R '000
Description	2020/21	2021/22		2021/22 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	53 617	319 035	424 002	297 138	-7,37%	-42,70%	
Waste Water (Sanitation)	(85 307)	3 085	38 532	2 395	-28,81%	-1508,85%	
Electricity	167 435	451 083	477 335	436 835	-3,26%	-9,27%	
Waste Management	145 885	43 830	82 404	46 152	5,03%	-78,55%	
Housing	4 390	6 196	5 933	5 880	-5,37%	-0,90%	
Component A: sub-total	286 021	823 229	1 028 206	788 400	-4,42%	-30,42%	
Waste Water (Stormwater Drainage)	628	20 980	12 152	1 525	-1275,74%	-696,85%	
Roads	9 980	106 648	97 264	38 233	-178,94%	-154,40%	
Transport	25 172	-	-	-			
Component B: sub-total	35 780	127 628	109 416	39 758	-221,01%	-175,20%	
Planning/Economic Development	6 639	7 838	7 305	7 253	-8,07%	-0,72%	
Local Economic Development	1 368	-	-				
Component B: sub-total	8 007	7 838	7 305	7 253			
Planning (Strategic & Regulatory)							
Local Economic Development							
Component C: sub-total		-	-	-			
Community & Social Services	6 724	31 519	27 474	25 697	-22,66%	-6,92%	
Environmental Protection		-	-				
Health		-	-				
Security and Safety	53 144	44 240	43 993	42 089	-5,11%	-4,52%	
Sport and Recreation	1 198	25 077	22 127	21 916	-14,42%	-0,96%	
Corporate Policy Offices and Other	(77 737)	-	-				
Component D: sub-total	(16 670)	100 836	93 594	89 702	(0)	(0)	
Total Expenditure	313 137	1 059 531	1 238 521	925 113	-14,53%	-33,88%	
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	

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

Actual revenue for the year was 10% above the adjustment budget. The excess in actual revenue is because of the increase in Transfers recognized- operational against what was budgeted. Expenditure for the year under review was 4% above the adjusted budget. The year closed with a deficit of R358m.

T5.1.3

5.2 GRANTS

R' 000						
Description	2020/21	2021/22		2021/22 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	314 909	374 913	412 278	340 714		
Equitable share	194 266	254 611	277 526	221 512	-13,00%	-20,18%
Municipal Systems Improvement Department of Water Affairs	49 036	40 000	55 000	50 499	26,25%	-8,18%
Levy replacement						
Other transfers/grants [insert description]						
EPWP	1 019					
Municipal Infrastructure Grant (MIG)	44 875	66 533	66 533	52 934	-20,44%	-20,44%
Integrated National Electrification Prog. (INEP)	25 048	11 219	13 219	13 219	17,83%	0,00%
Financial Management Grant	665	2 550		2 550	-0,01%	
Provincial Government:	26 629	30 000	40 994	13 394		
Health subsidy						
Housing	26 629	30 000	40 994	13 394	-55,35%	-67,33%
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]						
EPWP	722	500	-	468	-6,46%	
Performance Management Grant		-	-	-		
Library Grant	15 277	11 681	-	12 801	9,59%	
District Municipality:	2 257	2 727	-	2 965		
HIV and AIDS	2 257	2 727		2 965		
Other grant providers:	-					
[insert description]						

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes

T5.2.1

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality budgeted to receive R30 million in financial year 2021/22 and spent R13 million from National Government. While budgeted to receive R2.7 million and actual spent was R2.9 million with Library grant being overspent.

*Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.*

T 5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2019/20	Actual Grant 2020/21	2021/22 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any
Parastatals						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
Foreign Governments/Development Aid Agencies						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
Private Sector / Organisations						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
Provide a comprehensive response to this schedule						T 5.2.3

Chapter 5

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

There were no other additional grants received as the municipality did not receive any other grant than Division of Revenue Act (Dora)

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is crucial for the sustainability of the municipality as it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. The condition of the assets is still such that a good level of services is rendered, but this is not a sustainable trend considering low maintenance levels. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next few years. The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset value.

The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate as well as the revenue base. The Asset Management Unit consists of 4 officials, as per the approved organogram. With the growth in assets over the years, the department needs further capacity building including Asset management system that is in compliance with mSCOA. The three largest projects for the 2021/2022-financial year are discussed below.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2021/22				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2018/19	2019/20	2020/21	2021/22
Capital Implications				
Future Purpose of Asset				
Describe Key Issues	NONE			
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type	NONE			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2018/19	2019/20	2020/21	2021/22
Capital Implications				
Future Purpose of Asset				
Describe Key Issues	NONE			
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type	NONE			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2018/19	2019/20	2020/21	2021/22
Capital Implications				
Future Purpose of Asset				
Describe Key Issues	NONE			
Policies in Place to Manage Asset				
				T 5.3.2

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Asset Management is done in line with the requirements of GRAP 17 and best practices as per National Treasury Asset Management Guidelines. Various assets were impaired, as required by GRAP, based on the asset condition assessments performed. The increase in maintenance spending in future years should lead to reduced asset impairments in the coming years.

T 5.3.3

Repair and Maintenance Expenditure: 2021/22

R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	17 803	24 812	24 812	-39%
T 5.3.4				

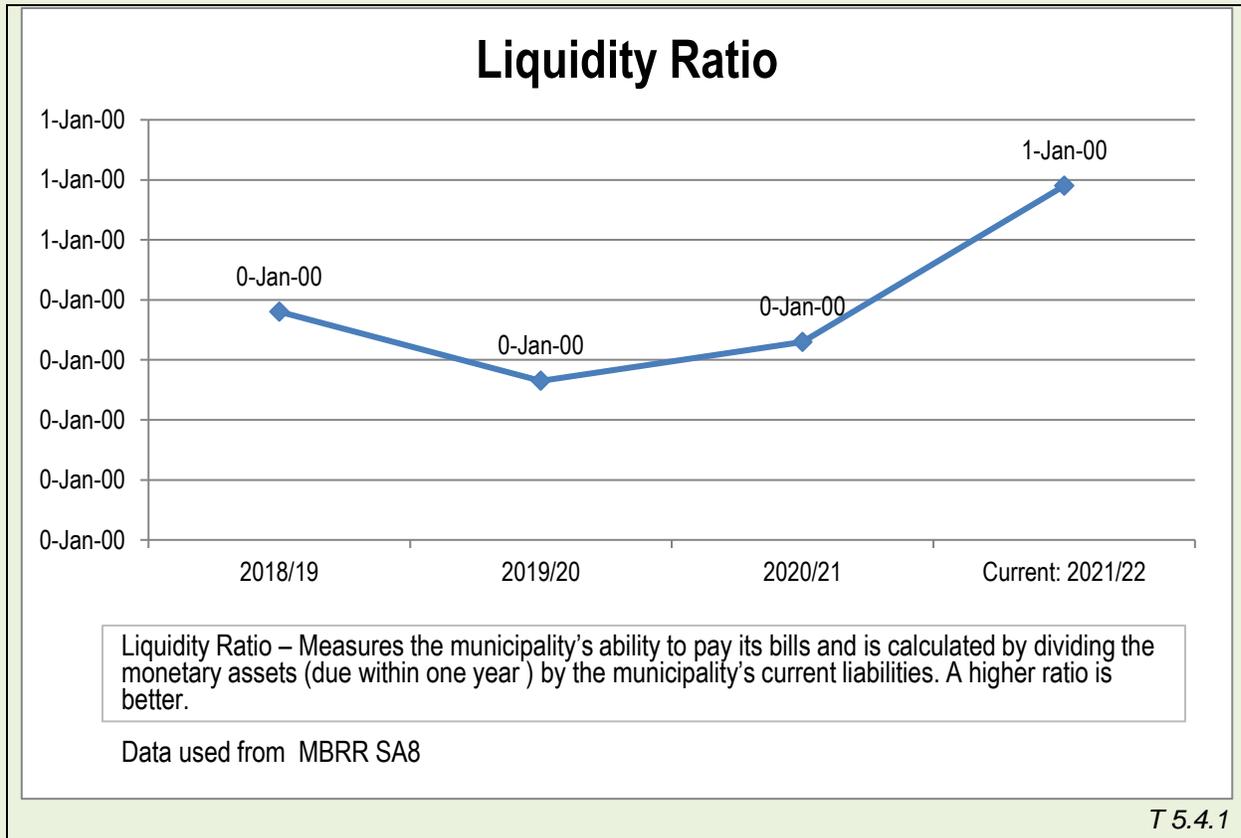
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget of Merafong is lower than the National Treasury norm of 8% of the asset value. This is being influenced by cash flow challenges faced by the municipality. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate, as well as the revenue base.

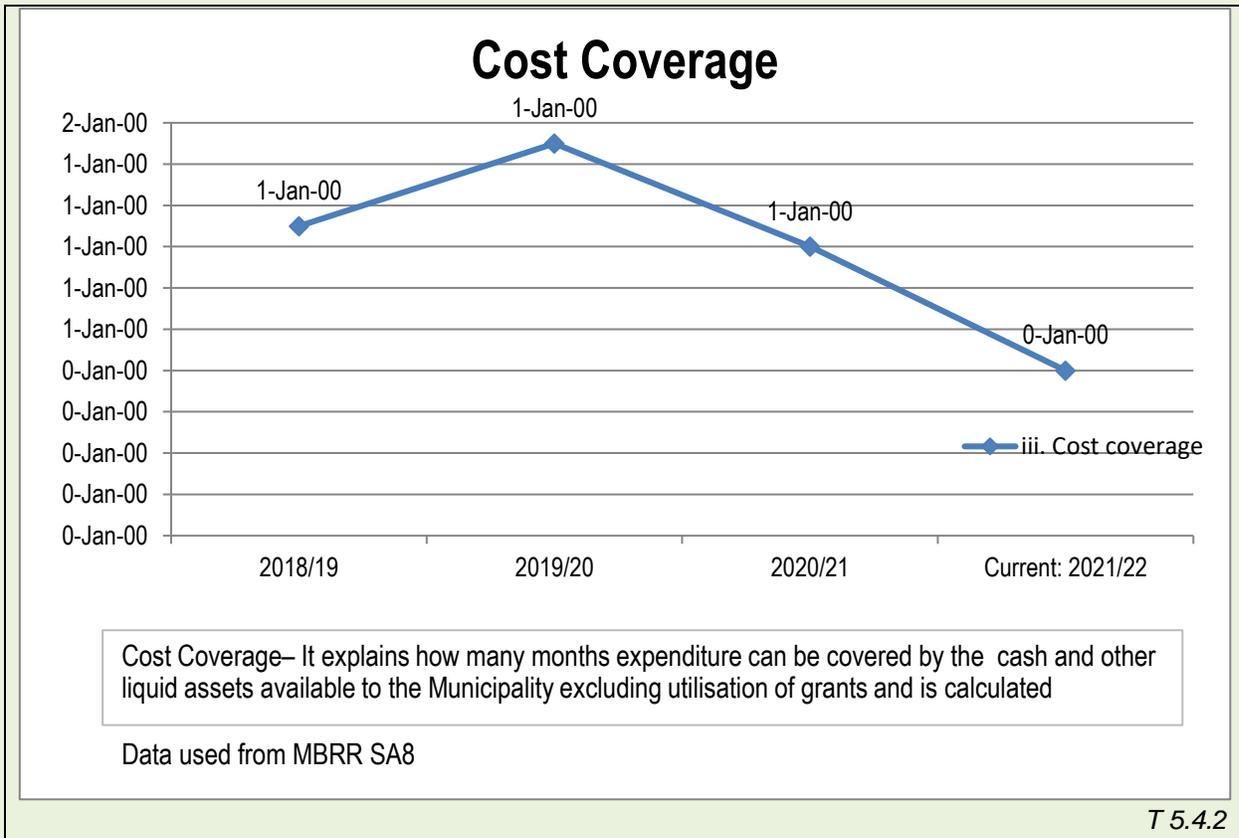
T 5.3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

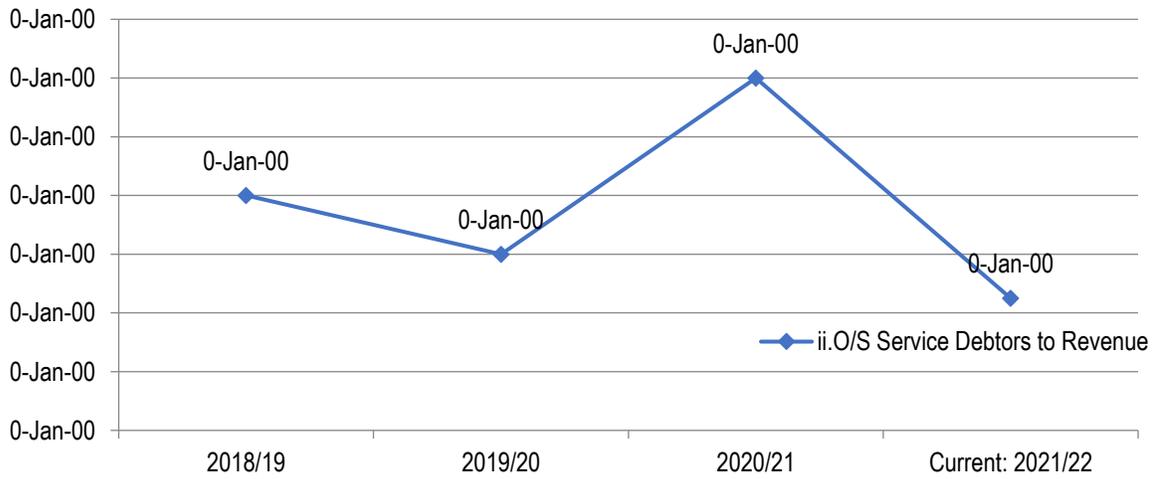


Chapter 5



Chapter 5

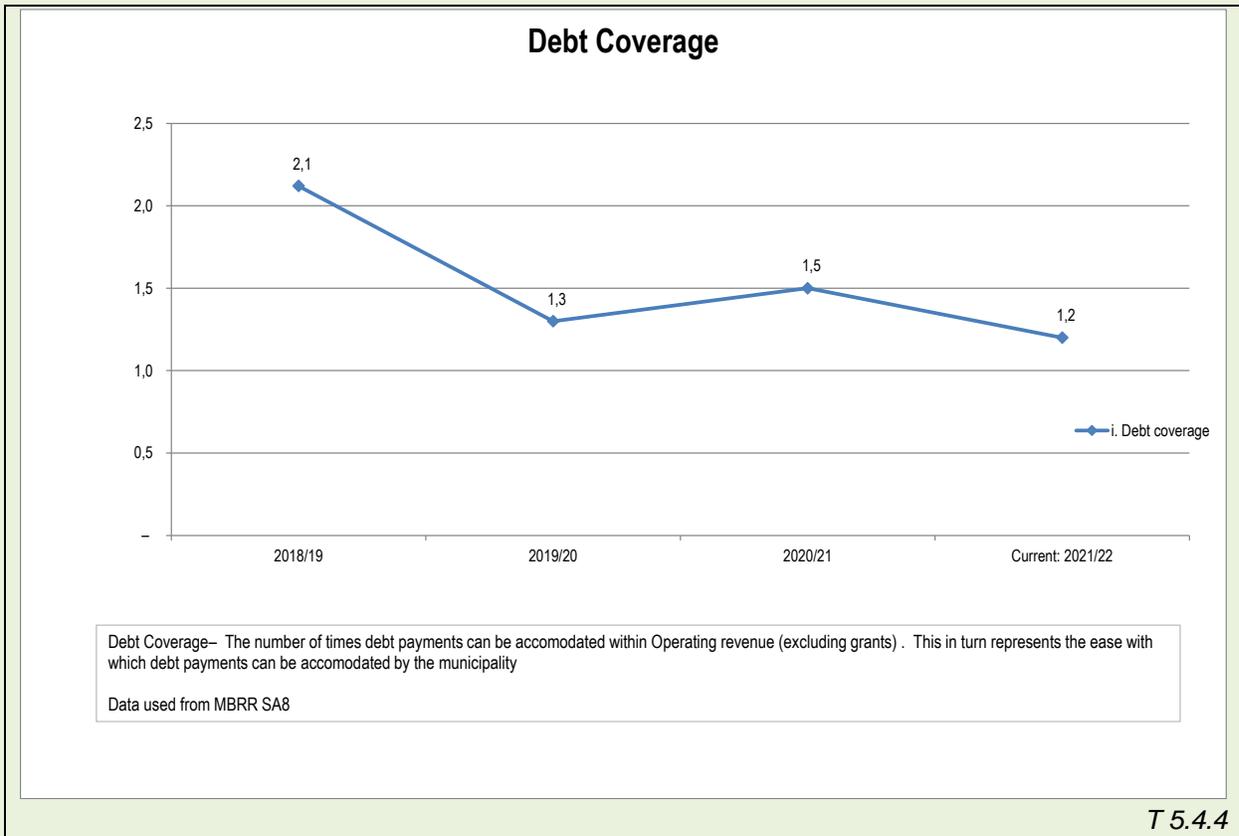
Total Outstanding Service Debtors



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

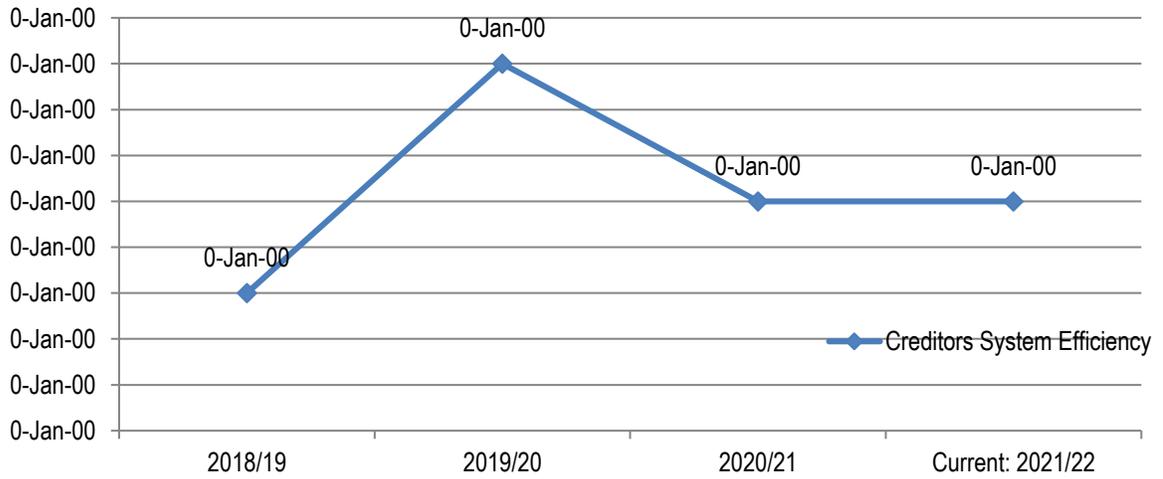
T 5.4.3

Chapter 5



Chapter 5

Creditors System Efficiency

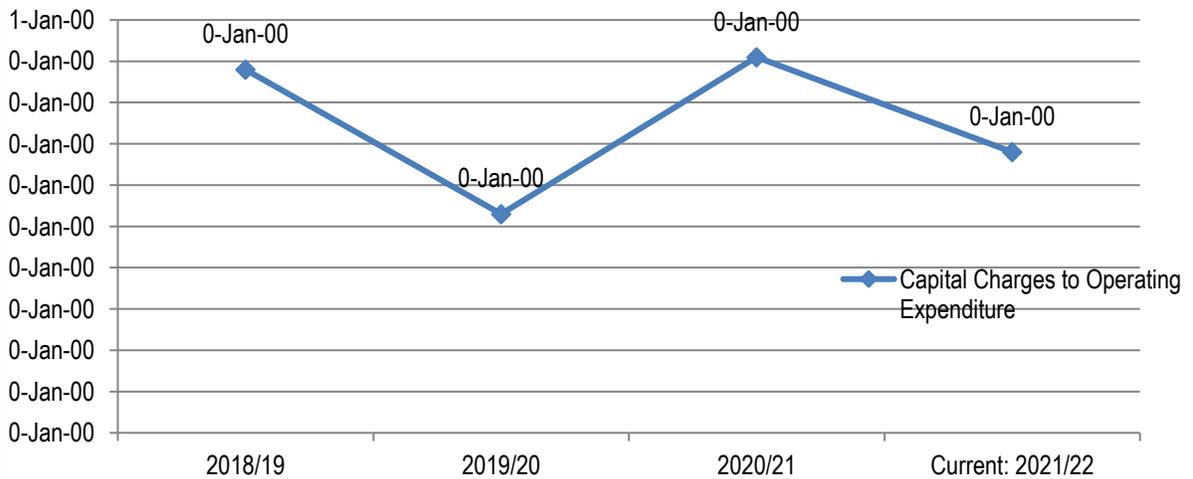


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure

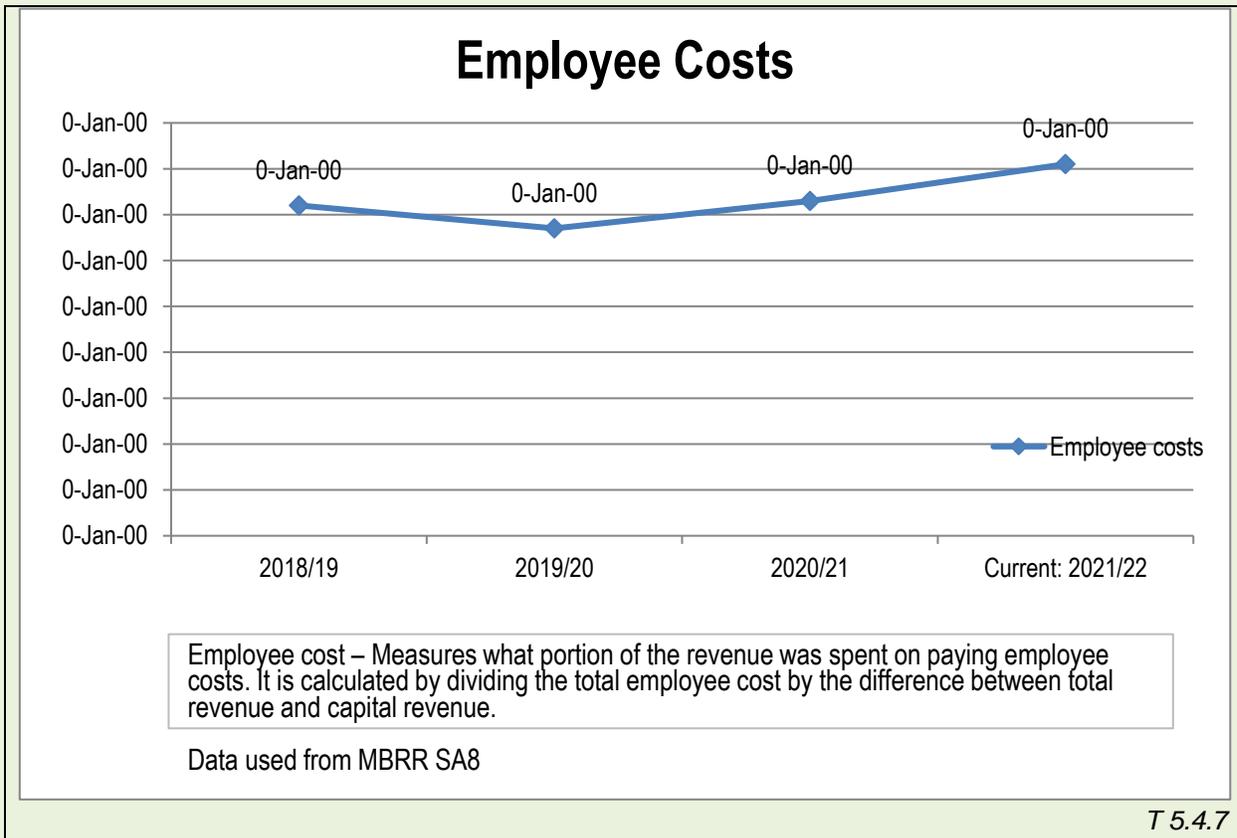


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

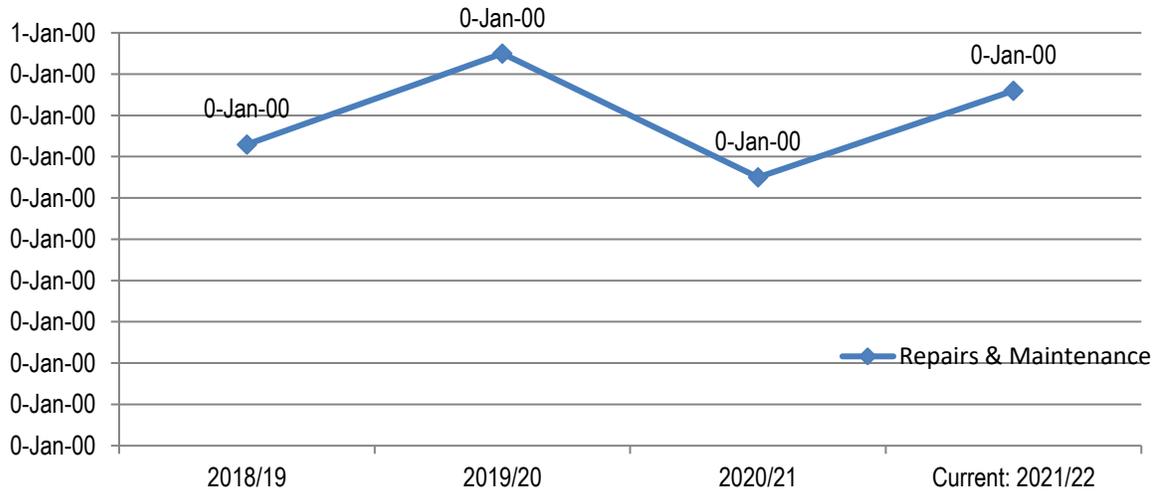
Chapter 5

T 5.4.6



Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Merafong is not within the broad norms and standards.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

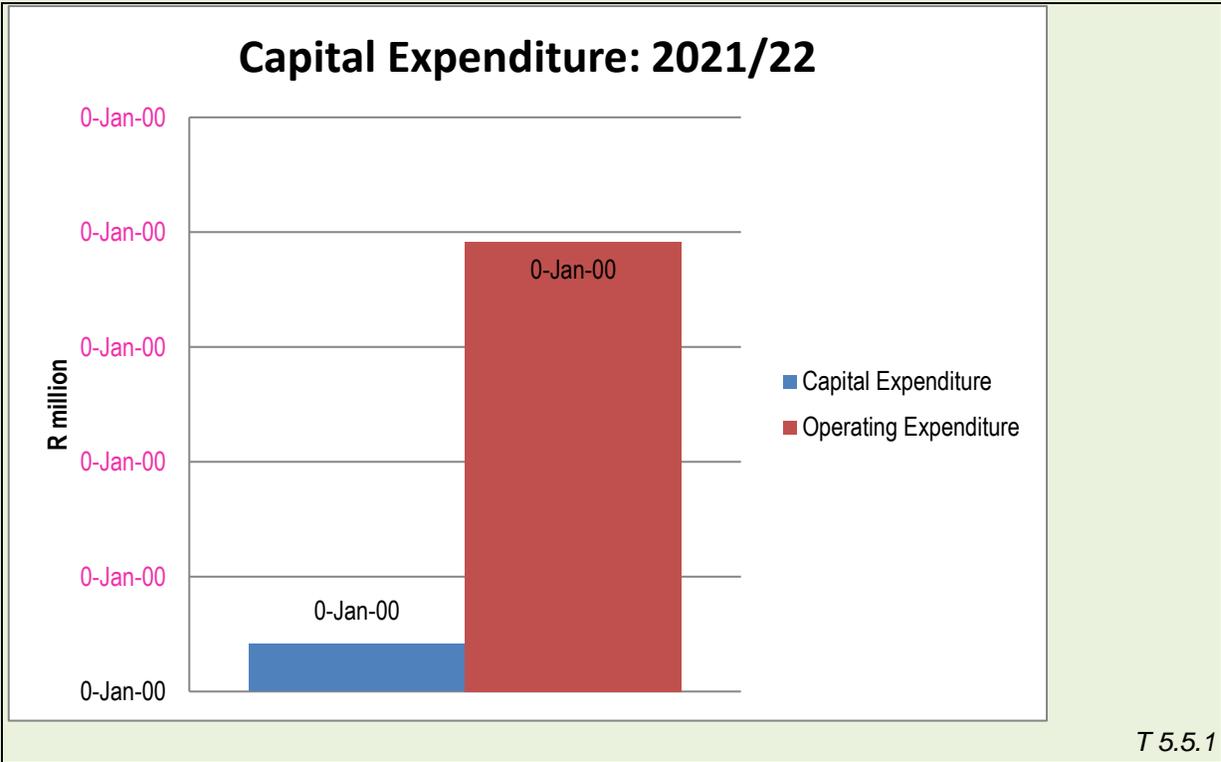
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Appendices M (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2020/21 - 2021/22							R' 000
Details	2020/21	2021/22					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	5511	6500	6500	6131	0,00%	-5,68%	
Public contributions and donations	421	320	350	322	9,38%	0,63%	
Grants and subsidies	3856	4000	4000	4050	0,00%	1,25%	
Other	4565	5100	5100	5131	0,00%	0,61%	
Total	14353	15920	15950	15634	9,38%	-3,19%	
<i>Percentage of finance</i>							
External loans	38,4%	40,8%	40,8%	39,2%	0,0%	177,7%	
Public contributions and donations	2,9%	2,0%	2,2%	2,1%	100,0%	-19,6%	
Grants and subsidies	26,9%	25,1%	25,1%	25,9%	0,0%	-39,1%	
Other	31,8%	32,0%	32,0%	32,8%	0,0%	-19,0%	
Capital expenditure							
Water and sanitation	4256	4400	4430	4410	0,68%	0,23%	
Electricity	2453	2510	2528	2525	0,72%	0,60%	
Housing	2685	2700	2712	2712	0,44%	0,44%	
Roads and storm water	1486	1500	1525	1518	1,67%	1,20%	
Other	3473	3480	3501	3485	0,60%	0,14%	
Total	14353	14590	14696	14650	4,11%	2,61%	
<i>Percentage of expenditure</i>							
Water and sanitation	29,7%	30,2%	30,1%	30,1%	16,6%	8,7%	
Electricity	17,1%	17,2%	17,2%	17,2%	17,4%	22,9%	
Housing	18,7%	18,5%	18,5%	18,5%	10,8%	17,0%	
Roads and storm water	10,4%	10,3%	10,4%	10,4%	40,5%	45,9%	
Other	24,2%	23,9%	23,8%	23,8%	14,7%	5,5%	

T 5.6.1

COMMENT ON SOURCES OF FUNDING:

Merafong City is highly dependent on government grants for the implementation of capital programmes. The capital budget was R150 million and actual capital expenditure was R133 million and the viable proportion of total expenditure is 12.2% more than 10%.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	2021/22			Variance: 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
Replacement of Khutsong Reservoir	40 000	55 000	49 672	-24%	-38%
Khutsong North Water & Sewer Reticulation SKOPAS	16 666	15 783	15 582	7%	5%
Fochville Electr Supply (Phase 4)	11 219	13 219	13 219	-18%	-18%
Street Light Merafong Phase 2(Ph 5)	7 000	6 629	7 851	-12%	5%
Khutsong North Water & Sewer Reticulation	5 390	7 972	6 704	-24%	-48%
* Projects with the highest capital expenditure in Year 2021/2022					
Replacement of Khutsong Reservoir					
Objective of Project	struction of new reinforced concrete reservoir with relevant structural members for storage purp				
Delays	In registering a servitude were the mini-sub will be installed				
Future Challenges	None				
Anticipated citizen benefits	Khutsong North Residents				
Khutsong North Water & Sewer Reticulation SKOPAS					
Objective of Project	Address the sewer spillages around Skopas area that is causing sinkhole				
Delays	Hard rock				
Future Challenges	None				
Anticipated citizen benefits	Khutsong North Residents				
Fochville Electr Supply (Phase 4)					
Objective of Project	Eskom must install 1 x 20MVA, 132kV/6.6 kV transformer. Kokosi and Fochville must be split so that Fochville will feed from the existing 10MVA and 8MVA transformers and Kokosi from the new 20MVA transformer. The load will then split to 10MVA for Fochville and 6MVA for Kokosi.				
Delays	Covid 19 remained a challenge during the installation phase which caused delays				
Future Challenges	Availability of funding. Acommodation of SMME's during the construction stage				
Anticipated citizen benefits	Electricity supply to Kokosi Ext 6, Kokosi Ext 7 and Kokosi Ext 8-21 for a total of 8638 stands				
Street Light Merafong Phase 2(Ph 5)					
Objective of Project	To reduce street darkness during the night around Merafong townships				
Delays	To plants poles on road reserve in areas where pole are midblocks				
Future Challenges	None				
Anticipated citizen benefits	Merafong citizens in townships				
Khutsong North Water & Sewer Reticulation					
Objective of Project	Address the sewer spillages and collapsed water & sewer pipelines around Khutsong North are				
Delays	SMME's , labour recruitment and contractor having financial challenges				
Future Challenges	None				
Anticipated citizen benefits	Khutsong North Residents				

T 5.7.1

Chapter 5

COMMENT ON CAPITAL PROJECTS:

The above projects were prioritised in terms of the challenges experienced in the delivery of services to the community. The projects were identified as being the largest, based on the size of the actual expenditure, of the projects.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

REFUSE

Refuse removal service in informal settlement is only been done in Mphahlwa village using 6m³.

Kokosi Ext 6 and Khutsong Ext 5 have the shortage of 240l bins and the distribution is still outstanding.

Refuse removal strategy in informal settlement was developed and approved but not been implemented due to the municipal financial status.

ROADS AND STORMWATER DRAINAGE

It is the mandate of the municipality to provide basic services to the community. The municipality has in previous years implemented roads projects which have reduced the backlog of unsurfaced roads drastically in the townships of Kokosi and Greenspark respectively. That has assisted in installation of stormwater that never existed as well. We are currently left with Khutsong township which is worse off in terms of unsurfaced roads, however the MIG funding is providing for implementation on each financial year although it is not at the desired pace due to the challenge at hand.

Although no bulk funding has been availed so far, business plans have been submitted to request funding from various grant providers. The backlog relates to both roads and stormwater infrastructure. This has got a serious impact in Khutsong township since it is a necessity in a dolomitic area to avoid any ponding of stormwater, that can be achieved effectively on a surfaced road. Through the consultation with other spheres of government, the municipality still hopes to find a better alternative that could assist in addressing the matter.

T 5.8.1

Chapter 5

Service Backlogs as at 30 June 2022		
#Wards		
**Service level below minimum standard		
Wards Affected	% Households	
Water		
<i>Formal Households</i>	1,2,5,8,13,14,15,21, 24,27	36%
<i>Informal Households</i>	1,2,3,4,5,8,11,13,14,15,21,22,23, 24,27,28	57%
Sanitation		
<i>Formal Households</i>	8,14,21	14%
<i>Informal Households</i>	1,2,3,4,5,8,9,10,13,15,21,22,23, 24,27,28	57%
Electricity		
<i>Formal Households</i>	8,14,21	14%
<i>Informal Households</i>	1,2,5,13,14,15,21,22,23,24,2,28	43%
Waste management		
<i>Formal Households</i>	1,4,7,8,9,11,13,14,20,21,25,26, 27	46%
<i>Informal Households</i>	1,2,3,4,5,8,9,10,13,14,15,21,22, 23,24,27,28	61%
Housing	8,9,12,15,19,21	21%
<p><i>% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.</i></p>		

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Council has a Cash Management policy. Cash management is a key focus of Council. The municipality has adopted revenue enhancement strategy. Finance department is management cash flow management of daily basis to improve working capital. The municipality has separate call account for investment of capital project grants.

T 5.9

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2020/21	Current: 2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	1 891 671	2 231	2 310	167
Ratepayers and other	1 386 740	1 429	1 436	116
Government - operating	252 673	238	259	–
Government - capital	104 878	316	360	31
Interest	147 381	248	255	19
Dividends				
Payments	(1 101 050)	(1 259)	(1 231)	(174)
Suppliers and employees	(1 044 752)	(1 221)	(1 161)	(135)
Finance charges	(54 003)	(37)	(70)	(37)
Transfers and Grants	(2 295)	(2)	(1)	(2)
NET CASH FROM/(USED) OPERATING ACTIVITIES	790 621	972	1 078	(7)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	5 172	3	–	0
Payments				
Repayment of borrowing	–	(5)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	5 172	(2)	–	0
NET INCREASE/ (DECREASE) IN CASH HELD	795 793	970	1 078	(7)
Cash/cash equivalents at the year begin:				–
Cash/cash equivalents at the year end:	795 793	970	1 078	(7)

Source: MBRR A7

T 5.9.1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

The cash derived from operations was not sufficient to cover the operations of the municipality as well as the minimal contributions towards acquisitions of assets, which were mainly movable assets for operational purpose.

The cash and cash equivalents were mainly made up of unspent conditional grants, which means that the municipality did not fund its operations from conditional grants.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

An amount of R50 Million was invested with VBS Mutual bank. Council received notice on the 11 March 2018 that the bank was placed under curatorship by the South African Reserve Bank. The curatorship detailed that all deposits and interest payments have been suspended. These funds were grant funding earmarked for the execution of capital projects.

These projects were completed in 2017/2018 and had to be funded out of council's own revenue. A claim was submitted to the curator during 2018/2019 financial year. At the date of finalisation of the financial statements, the municipality is not able to speculate on the prospects of the successful recovery of the investment.

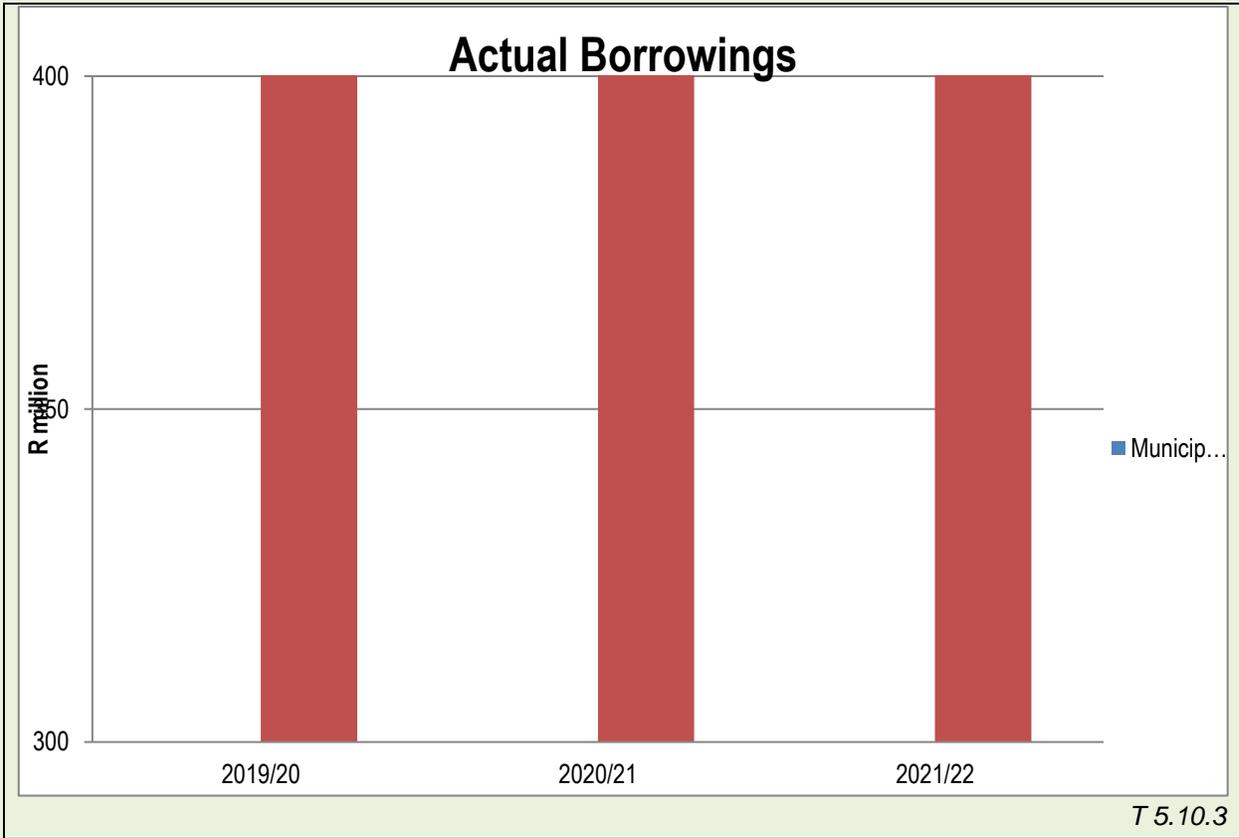
On the 4th of February 2022, an amount of R3 529 563.33 was received in the main bank account of the municipality. The capital amount and impairment were decreased respectively.

T 5.10.1

Chapter 5

Actual Borrowings: 2021-2022			
R			
Instrument	2019/20	2020/21	2021/22
Municipality			
Long-Term Loans (annuity/reducing balance)	50 603 294,00	43 509 478,00	35 748 373,99
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	153 881,00	84 686,00	15 491,00
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	50 757 175,00	43 594 164,00	35 763 865
Municipal Entities			
	N/A	N/A	N/A
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	-	-	0
			T 5.10.2

Chapter 5



Chapter 5

R' 000			
Investment* type	2019/20	2020/21	2021/22
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government	N/A	N/A	N/A
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	0	0	0
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	0	0
			<i>T 5.10.4</i>

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

The municipality has only call account (short term investment). These investments are for period of less than 3 months and as such are included in the cash and cash equivalence line item on the statement of financial position.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

For the year under review, the municipality did not enter into any Public Private Partnership agreements.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Council adopted a supply Chain Policy as prescribed in the MFMA. Bid Committees are functioning. No Councillors are members of the bid committees.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

A detailed AG Report is part of this Annual Report from Page P456-468.

T 6.0.1

Chapter 6

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2020/2021

6.1 AUDITOR GENERAL REPORTS YEAR 2020/2021 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: 2020/2021	
Audit Report Status	Adverse opinion
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	Due to the cash flow situation of the municipality it is not possible to pay creditors within the 30 days period. Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.
Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. All the irregular expenditure was caused by contravention of regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with regulation 32 and regulation 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain management regulations, respectively.	Management will ensure that Supply Chain Management Regulations are adhered to in order to prevent the occurrence of irregular expenditure.
Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers which incurred penalties and interest.	Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.
<p>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</p>	

T 6.1.1

Chapter 6

Auditor-General Report on Service Delivery Performance: 2020/2021	
Audit Report Status:	Adverse opinion
Non-Compliance Issues	Remedial Action Taken
The source information, evidence and method of calculation for measuring the planned indicators was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the 7 predetermined indicator definitions. As a result, limitations were placed to audit the reliability of the achievements of indicators.	Smart indicators will be implemented to address the finding on planned outcomes to actual outcomes.
	T 6.1.2

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/2022 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2021/2022

Auditor-General Report on Financial Performance: 2021/2022	
Audit Report Status	The office of the Auditor-General issued a disclaimer of opinion for the year under review. Both financial performance and predetermined objectives were audited. The final report was issued on 30 November 2022. Details of the report are discussed in the table below:
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	Due to the cash flow situation of the municipality it is not possible to pay creditors within the 30 days period. Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.
Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. All the irregular expenditure was caused by contravention of regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with regulation 32 and regulation 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain management regulations, respectively.	Management will ensure that Supply Chain Management Regulations are adhered to in order to prevent the occurrence of irregular expenditure.
Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers which incurred penalties and interest.	Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.
<p>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</p>	
T 6.2.1	

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2021/22

The AG Report is attached as Annexure C of this Annual Report.

T 6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2021/2022

Due to the cash flow situation of the municipality, it is not possible to pay creditors within the 30 days period. Daily monitoring of the available funds will be done by the CFO office. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA. Management will ensure that Supply Chain Management Regulations are adhered to in order to prevent the occurrence of irregular expenditure.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....
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d acco

Dated

25-01-23

T 6.2.5

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d acco

25-01-23

GLOSSARY

GLOSSARY

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

GLOSSARY

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 "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.

GLOSSARY

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> <ul style="list-style-type: none"><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><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/P T			%	%
N BEST	FT	EXECUTIVE MAYOR	ANC	100%	0%
MR CHALATSI	PT	HUMAN SETTLEMENT & LAND DEVELOPMENT	EFF	60%	30%
M CILIZA	PT	SPORT, RECREATION, ARTS & CULTURE	AIC	50%	20%
		MPAC MEMBER			
WA FIHLA	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	DA	90%	10%
		CORPORATE & SHARED SERVICES			
		MPAC MEMBER			
NW GCWALANGOBUTHI	PT	PUBLIC SAFETY & TRANSPORT	UDM	60%	20%
		MPAC MEMBER			
CY KGAKATSE	PT	WATER, ELECTRICITY & GAS,	DA	40%	10%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		HEALTH & SOCIAL DEVELOPMENT			
SMHA KHAN	PT	FINANCE	EFF	80%	10%
L LEGABE	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	EFF	80%	0%
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		MPAC MEMBER			
N LETLABIKA	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	80%	20%

APPENDICES

		LED, TOURISM & COMMUNITY DEVELOPMENT			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		SPORT, RECREATION, ARTS & CULTURE			
RG LUBBE	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	VFP	80%	20%
		CORPORATE & SHARED SERVICES			
		FINANCE			
T MALATJIE	PT	MPAC MEMBER	IND	80%	10%
LI MANGALISO	PT	WATER, ELECTRICITY & GAS	ANC	90%	0%
		PUBLIC SAFETY & TRANSPORT			
		FINANCE			
		ROADS, STORMWATER & PUBLIC WORKS			
		MPAC MEMBER			
L MARITZ	PT	PUBLIC SAFETY & TRANSPORT	DA	60%	20%
		SPORT, RECREATION, ARTS & CULTURE			
TR MASIU	PT	WATER, ELECTRICITY & GAS	ANC	100%	0%
		CORPORATE & SHARED SERVICES			
		SPORT, RECREATION, ARTS & CULTURE			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		FINANCE			
J MATABANE	PT	PUBLIC SAFETY & TRANSPORT	EFF	90%	0%
GE MBALISO	FT	MMC: LED, TOURISM & COMMUNITY DEVELOPMENT	ANC	100%	0%
SB MBECHENI	PT	HEALTH & SOCIAL DEVELOPMENT	EFF	90%	0%
N MCETYWA	FT	MMC: PUBLIC SAFETY & TRANSPORT	ANC	80%	20%
LA MGANU	FT	MMC: WATER, ELECTRICITY & GAS	ANC	60%	40%

APPENDICES

DL MIYILIBE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	90%	0%
		CORPORATE & SHARED SERVICES			
		SPORT, RECREATION, ARTS & CULTURE			
		ROADS, STORMWATER & PUBLIC WORKS			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
TM MNQANDI	PT	PUBLIC SAFETY & TRANSPORT	ANC	100%	0%
		WATER, ELECTRICITY & GAS			
		FINANCE			
		HEALTH & SOCIAL DEVELOPMENT			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		MPAC MEMBER			
T MOKUKE	FT	CHIEF WHIP	ANC	70%	10%
TD MOLATLHEGI	PT	WATER, ELECTRICITY & GAS	ANC	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORT, RECREATION, ARTS & CULTURE			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
ATR MOTSUMI	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	100%	0%
		SPORT, RECREATION, ARTS & CULTURE			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
M MOYENI	FT	MMC: FINANCE	ANC	90%	10%
TE MPHITHIKEZI	FT	SPEAKER OF COUNCIL	ANC	90%	0%
LM MPUPU	PT	FINANCE	ANC	100%	0%
		ROADS, STORMWATER & PUBLIC WORKS			
		SPORT, RECREATION, ARTS & CULTURE			

APPENDICES

		INTEGRATED ENVIRONMENTAL MANAGEMENT			
ET MTEMBU	PT	CORPORATE & SHARED SERVICES	EFF	80%	0%
Z MTETO	PT	HEALTH & SOCIAL DEVELOPMENT	DA	60%	10%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
KL NABISO	PT	SPORT, RECREATION, ARTS & CULTURE	EFF	70%	0%
M NAKI	PT	ROADS, STORMWATER & PUBLIC WORKS	ANC	90%	10%
		HEALTH & SOCIAL DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		CORPORATE & SHARED SERVICES			
M NGQELE	PT	FINANCE	ANC	80%	20%
		ROADS, STORMWATER & PUBLIC WORKS			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
DC NIEUWENHUYZEN	PT	HUMAN SETTLEMENT & LAND DEVELOPMENT	DA	60%	30%
		SPORT, RECREATION, ARTS & CULTURE			
		WATER, ELECTRICITY & GAS			
MB NKABINDE	PT	ROADS, STORMWATER & PUBLIC WORKS	ANC	90%	10%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			

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		WATER, ELECTRICITY & GAS			
VB NKWANYANA	FT	MMC: SPORT, RECREATION, ARTS & CULTURE	IFP	80%	20%
M NTABENI	PT	ROADS, STORMWATER & PUBLIC WORKS	MAC	80%	20%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORT, RECREATION, ARTS & CULTURE			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		WATER, ELECTRICITY & GAS			
MA NTILANE	PT	FINANCE	MAC	80%	0%
		HEALTH & SOCIAL DEVELOPMENT			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		CORPORATE & SHARED SERVICES			
		MPAC MEMBER			
PEB O'RILEY	PT	HEALTH & SOCIAL DEVELOPMENT	VFP	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORT, RECREATION, ARTS & CULTURE			
		MPAC MEMBER			
AM PHENDUKA	FT	MPAC CHAIRPERSON	ANC	100%	0%
NC PITLELE	PT	FINANCE	ANC	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		WATER, ELECTRICITY & GAS			
CMD REBELO	PT	FINANCE	DA	100%	0%
		PUBLIC SAFETY & TRANSPORT			
		WATER, ELECTRICITY & GAS			
PN SEFAKO	FT	MMC: HUMAN SETTLEMENT & LAND DEVELOPMENT	ANC	90%	10%
DM SEGAKWENG	FT	MMC: INTEGRATED ENVIRONMENTAL MANAGEMENT	ANC	100%	0%

APPENDICES

GM SELLO	FT	MMC: CORPORATE & SHARED SERVICES	ANC	90%	0%
ET SOYIPHA	PT	WATER, ELECTRICITY & GAS	EFF	90%	10%
CS STEENKAMP	PT	FINANCE	DA	70%	10%
		ROADS, STORMWATER & PUBLIC WORKS			
		CORPORATE & SHARED SERVICES			
DV TABANE	FT	MMC: ROADS, STORMWATER & PUBLIC WORKS	ANC	100%	0%
SI TLHARIPE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	90%	0%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		WATER, ELECTRICITY & GAS			
		MPAC MEMBER			
E TIBANE	FT	MMC: HEALTH & SOCIAL DEVELOPMENT	ANC	90%	10%
SJ TLHAPI	PT	ROADS, STORMWATER & PUBLIC WORKS	DA	70%	10%
		HEALTH & SOCIAL DEVELOPMENT			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
VM TYELINGANE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	80%	10%
		SPORT, RECREATION, ARTS & CULTURE			
		PUBLIC SAFETY & TRANSPORT			
		INTEGRATED ENVIRONMENTAL MANAGEMENT			
		WATER, ELECTRICITY & GAS			
B VAN DER BERG	PT	PUBLIC SAFETY & TRANSPORT	VFP	80%	10%
DF VAN DER HOFF	PT	ROADS, STORMWATER & PUBLIC WORKS	VFP	100%	0%

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		INTEGRATED ENVIRONMENTAL MANAGEMENT			
NE WANA	PT	ROADS, STORMWATER & PUBLIC WORKS	EFF	80%	0%
JDW ZWART	PT	FINANCE	DA	70%	20%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					<i>T A</i>

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Mayoral Committee	Advice the Executive Mayor
Section 80 Committees	Consider reports of departments and submit recommendations to the Executive Mayor
Audit Committee 1. Mr L Konar CA(SA) (Chairperson) 2. Mr L Mangquku CA(SA) 3. Mr M Maseko 4. Mr L Ravhuhali CA(SA) 5. Mr B Ahmed CA(SA)	Section 166(2) of the MFMA regulates the functions of the Audit Committee, its powers, composition and frequency of meetings, as it seeks to provide minimum requirements to be complied with. The Audit Committee is an independent advisory body to the municipal council, the political office-bearers, the accounting officer and the management and staff of the municipality, or board of directors, the accounting officer and the management staff of the municipal entity. It is primarily responsible for oversight over the organization's governance, legislative compliance, control and risk management processes.
Performance Audit Committee 1. Mr. M Mongalo (Chairperson) 2. Mr S Khoza 3. Ms O Senokoane 4. Mr P Fourie CA(SA) 5. Mr A Mangokwana	Regulation 14(2) (a) of the Municipal Planning and Performance Management Regulations, 2001 requires that each Municipality must annually appoint and budget for the Performance Audit Committee. Regulation 14(4) (a) of the Municipal Planning and Performance Management Regulations, 2001 states functions and responsibilities of the Performance Audit Committee. The primary objective of the Performance Audit Committee is to exercise oversight over the West Rand municipalities' performance and performance management processes.
MPAC Committee – Section 79 Committee	Oversight role on the activities of Council as well as an oversight role on the Annual Report

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

DEPARTMENT/SECTION	DETAILS OF MANAGER
CORPORATE SUPPORT AND SHARED SERVICES	
Employment Equity	Vacant Mr. J Rabotapi (Acting)
Industrial Relations	Mr. SB Mazibuko (now Acting Executive Director Corporate and Shared Services)
Information Communications and Technology	Mr S Segone
Human Capital	Ms N Mbilini
Legal and Secretariat	Vacant Mr C Cannon(Acting)
Corporate Marketing and Communications	Vacant Ms B Mkhontwana(Acting)
FINANCE	
Budget and Treasury and Expenditure:	Mr. S Ngobese
Revenue and Credit Control:	Vacant Mr J Segakweng (Acting)
Supply Chain Management	Ms J Magongwa(now Acting CFO) Mr. S Ndolela (Acting)
OFFICE OF THE MM	
Internal Audit	Ms V Manthata
Risk Management	Ms E Segakweng-Diale
Programme Management Office	Ms E Ngamashe
Integrated Development and Planning	Vacant Ms E Segakweng-Diale (Acting)
COMMUNITY SERVICES	
Social Development	Ms BI Seatlholo
Waste Management	Vacant Mr M Mavhutha (Acting)
Public Safety	Mr P Olivier (Acting)
SRACH & Lis	Vacant
ECONOMIC DEVELOPMENT AND PLANNING	

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Housing and Administration	Mr L Jofile
Spatial Planning	Ms J Smith
Local Economic Development	Vacant
INFRASTRUCTURE DEVELOPMENT	
Electrical Services	Mr E Shange
Water and Sanitation Services	Mr G Dirker
Civil Engineering	Ms N Moyo
Project Management Unit	Mr D Venter

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	No	Yes
Building regulations	Yes	Yes
Child care facilities	Yes	Yes
Electricity and gas reticulation	Yes	Yes
Firefighting services	No	Yes
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	Yes
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Yes
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	Yes
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlors and crematoria	Yes	Yes
Cleansing	Yes	Yes
Control of public nuisances	Yes	Yes
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	Yes
Licensing of dogs	No	Yes
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	No	Yes

APPENDICES

Municipal abattoirs	No	No
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	No	Yes
Pounds	Yes	Yes
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>TD</i>

APPENDIX E – WARD REPORTING

July 2021 to October 2021

Wards	Name of ward councillor and committee member 2020/2021	Committee establish	Number of committee meeting held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during the year
1	Cllr G.M. Sello MOTAU TSHABO KITTAH MOTSUMI TOKO ALFRED LEFIFI KGOSIETSILE MUNYAI MASELLO LETTIE BADUKANYE ITHUMELENG BEN QOSHE NOLUTHANDO MOLELEKI SKEINKY JOHANNAH NTSANE MADINEO ALBERTINA FOSE JULIA ABRAMMOTONE	YES		None	None
2	Cllr T.M. Mnqandi MDEMKA ABRAHAM SIBANDA LEBO MBELE MADIKGANG MGQUBA DALIWONGA NGOKUHLWA NTSIKELELO MOSOCHE NKAKI SAKATIMARIA	YES		None	None

APPENDICES

	BILA NOMAZIZI MASILO MOTLALEPULE KHALA NOMATHAMSANQA				
3	Cllr S.Links MANHISSE NOSIZWE VERONICA MPHEGO MAPHONTLO ABRAM WHITE MAPHE ELIZABETH RAKGOMO RAMOTSWEDI DANIEL PHEHLANI MAKI GLADYS DIANE KEAGILE MARIA TAMLE NOKOMDELI SINA BOBI MALIXOLE ANDERSON MOSIA MATHIBI EXENIA TSHABALALA TSHIMANE ROBERT	YES		None	None
4	Cllr B.Mafika NOTA ANGNES NCEDISWA NOYONOMABONGO ROSE HLONGWANE NOSITHILE CATHRINE PONDO BUYISWA SIGAGAYI MAZOLANI NONQWENCA NCUMISA RAMMONI DITEKO FRANS MPASI JEANET NTSOAKI KHUMISI MAHLOA AMELA SIGONYELA ZANELE	YES		None	None
5	Cllr N.Mcetywa BOOI WANDILE GOSHOBENONTSIKELELO SPAMLANONTSIKELELO GUNUZA KHANYISA KGOROYABOCO OTLADIRANG NANA NOSISA MATETA NTSWAKI MANTSHINGANE NOXOLO LEDUBA NTHABELENG TOBAYO NOSIPHO	YES		None	None
6	Cllr N.A. Tsotetsi NKALA SIBUSISO ABEDNICO NGWANE BULELANI JOEL RALEKUKU TSELENG THERESIA ADAMSPIKI WILLIAM MPONGO REFILWE MARCIA MOKOKOANA LEFU EDWIN	YES		None	None

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	KHALIPHA TALITA MATHIKGE PETRUS SANGXU SYLVIA MOATEELIZABETH				
7	Cllr M.P.Nkutha BAAS OUPA RAMANTSI APRIL NGQAQU THAMSANQA FIKENI MILEKA MAGWAZA NOBUHLE MBENGO NTOMBI NKABINDE PAUL NXIBA NOKUTHULA BAAS ABIAS MASHABELA ABEL	YES		None	None
8	Cllr M.B.Nkabinde MAHAMBA THEMBA ABRAM MPHITHI MOWONGA PETRUS MHLANGA NOSIPHO AGATHA ZIQOTYANA NOCAWE TOBATوبا MPOLOOKENG SELINA FOTENG TEBOGO KENNETH KGOBENOMVALI MOTI COLIATH NOMAKHOSAZANA CHRISTINA MANTLONI SITATA MHLANGANYEZWA MADIKIZELA YONELA	YES		None	None
9	Cllr M.A.Malibe PITLELE NGAKA MAKGABUTLANE TEBOGO TSEMATSI MAPITSO MOGAGABE ANDRIES MAKHUTLE NKADIMO NGCUKA SANDISIWE PHIRI ALETA MAHABE PAGISO NHACUMAGUE ISSAIA PETRUS MONTSHO MOSELE MARRIAM	YES		None	None
10	Cllr M.N.Matshe DLAMINI SIPHO MUSA MOLOANTOA RAMORWALLA NICHOLARS MASILELA DIMAKATSO CONSTANCE	YES		None	None

APPENDICES

	MOHANOE MASABATHA STELLA MOKGOKOLUSI MOJELE MARIA MASAULESEGO PHILADELPHIA SKOSANA PASEKA RODNEY MOGALE TSHIDISO MOYA AARON				
11	Cllr W.M.Mbaba SEKALELI LEHLOHONOLO JACOB OLIFANT KEITUMETSE VALENCIA NJENA DUMISANI VINCENT TIMBELA NOMATHEMBA MARGARET TSHEKELA MNCEDISE ELIJAH MAKHOSONKEAGATHA LIRONTSO COSA ZUKHANYE NOTUMATA LETLABIKA NTHABELENG SIYENGU PRESTER DIALE GOMOLEMO	YES	1	1	None
12	Cllr T.Mokuke WILLEMSE MATTHEUS DIKOLOMELA FRANS DANIELS ITUMELENG SKOSANA MASERITHI SETHOLE MADINESE SUZAN NCEBENI MONWAPELE NCANATHANDILE FAKU NDUMISO MDINGI CELIWE SPELE KEDIBONE SELINAH	YES		None	None
13	Cllr F.Sontshwayo MALULEKE GEZANI THOMAS MATOLA BONGIWE MOLO MASIVUYE SAIA BENJAMIN JIBA KHULULEKILE LUCAS SEABELO MPHONGA ANNA NOTSHAYA NOBUNTU DIKE NTOMBIZODWA NTLONTI NTOMBETHEMBA MAGQABI MFANUFIKILE	YES		None	None
14	Cllr A.Venter	YES		None	None

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	DLOTHI NTSWAKELENG TSOLOANE LOMILE MAYEZA ATHENKOSI NTHOROANE PHIWE MAYEZA NOKWANDA MASIZA PAMELA TSOLOANE LEBITSOANE KGOTLENG KENTSE ZULU ZODWA MATLALA SIMON				
15	Cllr L.A.Mganu MBANGWA SIPHOKAZI MAGILIWE NOSIPHIWE NTONTELA NONFUNDISO TSHONA FRANCINA SIXOLO PHAKAMA DUMAXAKE NTOMBENTLE MAY SIYOYO NDAMASE MXOLISI MOSEBETSANE NTHUSENG TSHETLHANA MOOKETSANE	YES		None	None
16	Cllr D.C.Nieuwenhuyzen QOLO NOMVULA HUTANG JOYCE MHLONGO GUGU DLAMINI MOROESI WANA NONTOZIFANI SONQI NOMAEFESE LEKHOOA KEKELETSO TSHOLO MARTHA NOGAGA SIVIWE MOSADI JERMINAH	YES		None	None
17	Cllr L. Isherwood NTSHULANE PEARL MATOMELA HAZEL BOTLHOLO ALFRED KGATITSOE MMADITAU NTILANE POPI MOILOA MARIA STUURMAN APHIWE LETSIE MOTSHABI SHUPING ZIPHORA NTSOABELE ABUSISIWE	YES		None	None
18	Cllr E. Lekopa	YES		None	None

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	MOKOENA MOHANOE SIMON MOLETSANE NKASA ISHMAEL SIBIYA MAUREEN LUNGILE MOKOMA CLEMENT KHULANYA NHLAPO VERONICA SEIKAENG LEOTO MAMOKHO PHAMPILIA SEREKEGO MAGUDI ALINA MANGE MANDLENKOSI PAUL CAN MAMSIE KALU FUNYANWA				
19	Cllr V.M. Tyelingane MAKHOWA ZAMILE MPANZA LUNGANI MAXHWILI NOWANDILE NKONJANE KUNGEKA PHOHLO MAMPHO FANI BONGIWE SONYABASHE SIZWE PONI CHAKUVA RONOTI MAXWELL	YES		None	None
20	Cllr M. Ngqele NKONENOMUSA CHABAGAE MARIA TITI ZIYANDA VOVO NOMSA MAKHOHLISO SIPHO NONINA NOKWEZI RATSHEFOLA DAVID NOPOTE JONGILE MKHENTSU ZANELE	YES	1	1	None
21	Cllr J.D.W. Zwart VISAGIE DIRK BOFELO THABO MOERANE TSIETSI TSHABALALA MOETI PHEETA SEISO MOKHACHNE PATRICK WILLIMS REBECCA MAGAGANE VICTOR LOUW AGNES	YES		None	None

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	RAMONANA LETTIA				
22	Cllr M.Skosana PHUTHI DILAHLOANE LESEMELA SELLO SOLOSHE SIMON NCHOE MORWESI CHABANGU DIPUO MOOTSI DITLHARE MQOTHA VUYISILE MANANGA NOBAKHELE MOLEFE SIPHO DLAMINI HENDRICK	YES		None	None
23	Cllr L. Mpupu MJULEKA NONKQUBELA SKEYI NOMTHANAZO MANJINGOLO XOLILE MKHWANAZI STANLEY MOHLOBOLI SIMON NTLOYA MTUTUZELI MXOLI BUKIWE ANGEL NDUDEMBONELI MBAZANA ZOYISILE NOGQALA ZUZIWE LOUISA	YES	1	1	None
24	Cllr N.P. Salane LEEPILE ANDRIES SOMANE WILSON SEERI THABEA MOLAUDI OSEYENG PHALATSE LOMI ONNICA HOAYANE AGNES PHAJANE KOMA MATHEWS MOKOENA PUSELETSO MOGAWANE GOSIAME	YES		None	None
25	Cllr M.D. Dhamini NGXAKA SOLSINAH NOMZI MBITHA NTOMBIZODWA MARTHA MATHAMELA FRANK TSANI BILLY CECILIA MAY BONGIWE	YES		None	None

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	MAGEZA NELISWA RAKOMANE MOEDER KGALENG MARTHA TSHWANA REBECCA ZANANI SIMO KLEINBOOI MOGOLE GEORGINA KELEBOGILE				
26	Cllr B.A.Mpeke MATIWANE THEMBI PHENDUKA LINDIWE QAYI MOLEKO MPEKE BERNADETTA JONGA LIZZY MOTSUMI FRANS MONDI NOMAPHELO MOSINKI JOHN PHAMODI ANNA	YES		None	None
27	Cllr M.Naki MATSHIPHA NONTSHUMAYELO MTSHALI HONJISWA NGWANDI THEMBIKHAYA CINGO BABALWA NYAMANI SHEPSTONE BONGANI MARIXINGANA ANDISIWE LANDU PRINCESS	YES		None	None
28	Cllr C.N.D, Rebelo QUIRK LARRY TEMPLETON JOHN FANIE PHUTHUMA MQGALISO RAYMOND MOLAPO ESTHER NTSIMANE MARIA TYATYAZA NOXOLO MARWANQANA NOZUKO NQGASA JANE	YES		None	None

APPENDICES

November 2021 to date After the Local Government Elections

Wards	Name of ward councillor and committee member 2021/2022	Committee establish	Number of committee meeting held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during the year
1	Cllr A.T.R. Motsumi 1. Deon Boqwana 2. Tebogo Legoete 3. Sydney Mashapa 4. Sello Magwaza 5. Johannes Kula 6. Mavis Manyedi 7. Lerato Mashapa 8. Rebecca Phatswane 9. Maria Mankwe 10. Johannes Leping	YES	2	2	1
2	Cllr T.M. Mnqandi 1. Elsie Lefifi 2. Lebohamg Mohapi 3. Kgomotso Senatla 4. Lucas Mkentshane 5. Gloria Mbabaza 6. Zodwa Vas 7. Mapule Nazo 8. Maria Mosoche 9. Sophie Gwala 10. Portia Nkopane	YES	2	2	1
3	Cllr E. Tibane 1. Sikhenjane Sabata Andries 2. Linah Selemela 3. Bridget Nghanabo 4. Nellie Moloko 5. Nompumelelo Hlwili 6. Nomalizo Ngesi 7. Gogo Maria Molefe	YES	3	5	1

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	8.Lieketseng Angelina Masetle 9.Lisebo Emily Nthibane 10.Patrick Mothupa Khoza				
4	Cllr T.Malatjie 1.Thabo Bathebeng 2.Ntsoaki Patricia Rabanye 3.Zwelinzima Cebisa 4.Helen Ntuli 5.Ntabeleng Makoko 6.Vuiswa Mtshengu 7.Thandiwe Ntsheyang 8.Nthabiseng Masiza 9.Mavis Makeleni 10.Mustafa Mbambalala	YES	1	None	1
5	Cllr N.Mcetywa 1.Nontsikelelo Spamla 2.Dumisani Jwajwa 3.Khalipha Nosipho Tobayo 4.Tabisa Zembe 5.Nosidima Ndude 6.Nontsikelelo Goshobe 7.Zanele Kanyiwe 8.Nthabeleng Leduba 9.Nosisa Malawu 10.Nosisa Macetshane	YES	2	11	1
6	Cllr L.I.Mangaliso 1.Lindiwe Dlamini 2.Sinah Monama 3.Moeketsi Moses Msiya 4.Precious Busakwe 5.Talita Khalipha 6.Esak Meno 7.Pual Stephane Nwane 8.Noluvuyo Patricia Mgqubeni 9.Daniel Kula 10.CN Ndabankulu	YES	None	None	1
7	Cllr D.M.Segakweng	YES	2	6	1

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	<ol style="list-style-type: none"> 1.Princess Mogale 2.Boitumelo Medupe 3.Mosetlha Ramantsi 4.Oupa Joseph Baas 5.Kelebogile Kgatitsoe 6.Itumeleng Kekana 7.Thulani Makhoba 8.Sibusiso Nkomane 9.Nobuhle Magwaza 10.Mathapelo Maseko 				
8	<p>Cllr M.B.Nkabinde</p> <ol style="list-style-type: none"> 1.Ndleleni Mabitsa 2.Yonela Madikizela 3.Nomakhosazana Goliath 4.Nocawe Ziqutyana 5.Golden Tsotetsi 6.Mmeminyama Phiri 7.Thabo Foteng 8.Nosipho Mhlanga 9.Elias Tabane 10.Mbalentle Bhaca 	YES	None	None	1
9	<p>Cllr N.C.Pitlele</p> <ol style="list-style-type: none"> 1.Aletta Silli Meletse 2.Seabelo Andrew Motlhaoleng 3.Thabang Elisas Rabuthu 4.Elliot Myeni 5.Miriam M Montsho 6.Pule Mokhahlane 7.Hans Mabote 8.Alinah Motlalepula Seete 9.Khensani S Mathebula 10.Aaron Moya 	YES	2	7	1
10	<p>Cllr T.Masiu</p> <ol style="list-style-type: none"> 1.Mathapelo Matabane 2.Tebogo Rabele 3.Mponeng Marubyane 4.Monosi Legoete 5.Boitumelo Moremi 6.Princess Mlotshwa 7.Dlamini Sipho Musa 8.Thandiwe Faxazi 	YES	None	None	1

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	9.Gabriel Lewamotse 10.Dikeledi Rebecca Digwamaje				
11	Cllr N.Letlabika 1.Obakeng Modibane 2.Prester Delibangu Siyengu 3.Sampson Tembisile Mazwi 4.Akhona Gxulu 5.Zukhanye Cosa 6.Richard Sintu 7.Ncumisa Tungela 8.Nonzukiso Mazwi 9.Nolubabalo Sivungu 10.Mthandazelwa Gamthi	YES	None	None	1
12	Cllr T.Mokuke 1.Mahao Ntori 2.Frans Dikolomela 3.Given Ncana 4.Nomsa Agnes Nake 5.Elizabeth Ncebeni 6.Suzan Sethole 7.Martha Tekana 8.Gloria Mathapelo Bokale 9.Belinda Itumeleng Daniel 10.Thabo Telile	YES	none	None	1
13	Cllr E.T.Mthembu 1.Zukisiwa Ndamase 2.Nontobeko Mbina 3.Phillia Madibi 4.Xoliswa Slyvia Chola 5.Benjamin Saisa 6.Gezeni Thomas maluleka 7.Nontobeko Khetshane 8.Fundisile Senteni 9.Yolanda Balintulo 10.Sinovuyo Lutshetu	YES	None	None	1
14	Cllr L.Maritz	YES	None	None	1

APPENDICES

	<ol style="list-style-type: none"> 1.Cwa Nieuwoudt 2.Lebitsoana Tsoloane 3.Ben Michau 4.Ntsoakeleng Dloti 5.Jacob Petronella Van Der Berg 6.Engela van der merve 7.Simon Matlala 8.Michele Rademan 9Heidi Houtingh 				
15	<p>Cllr L.A.Mganu</p> <ol style="list-style-type: none"> 1.Zimasa Sicwebu 2.Yoleka Mbuli 3.Sikelelwa Mthyida 4.Micheal Mxolisi Ndamase 5.Siyoyo May 6.Ntombentle Manqokomelana 7.Ntuseng Mosebetsane 8.Tlotliso Mpiti 9.Amanda Sotyingwa 10.Zandiswa Langa 	YES	None	None	1
16	<p>Cllr D.C.Nieuwenhuyzen</p> <ol style="list-style-type: none"> 1.Florence Dlamini 2.Precious Mhlongo 3.Hlalele Thapelo 4.Agnes Phakoago 5.Siviwe Nogaga 6.Annah N Wana 7.Kekeletso Lekhooa 8.Hilda Mohutsiwa 9.Martha Tsholo 10.Jacobus Esterhuizen 	YES	None	None	1
17	<p>Cllr C.S.Steenekamp</p> <ol style="list-style-type: none"> 1.Alfred Botlholo 2.Nomfundo Matomela 3.Aphiwe Stuurman 4.Fannie Makhotha 5.Moelo Molotsi 6.Joseph Mkgatsi 7.Motsabi Aletta Letsie 8.Abusiswa Ntsoabole 9.Reginah Matsepe 	YES	None	None	1

APPENDICES

	10.Nicelle Fischer				
18	Cllr S.I.Tlharipe 1.Patricia van Rooyen 2.Blantina Mphahlele 3.Phamphillia Leoto 4.David Mokoto 5.Veronica Nhlapo 6.David Maile 7.Victoria Mtimkulu 8.Thembi Zungu 9.Inganathi Ramncwana 10.Magoduga Serekego	YES	None	None	1
19	Cllr V.M.Tyelingane 1.Liziwe Mzuku 2.Xolani Ranana 3.Aphelele Sixhanti 4.Bongile Zozoyama 5.Lungani Mpanza 6.Mampho Phohlo 7.Nomasomi Lucy Mphwayo 8.Chakuua Poni 9.Sthembile Mhlongo 10.Mponakae Seleke	YES	None	None	1
20	Cllr M.Ngqele 1.Ziyanda Titi 2.Luyanda Pito 3.Thuthubudu Maria Chabagae 4.Babalwa Ntutu 5.Zanele Mkhetsu 6.Lunga Zituta 7.Nomthandazo Denti 8.Nomvula Mzomba 9.Phumla Kama 10.Nonkanyiso Melba Jobo	YES	2	1	1
21	Cllr J.D.W. Zwart 1.ZONDER BERNI VERMAAS 2.ELVIS GROENEWALD 3.JAQUE VAN WYK 4.RICHARD DEAN PHEIFFER 5.MANDU PRICILLA WILLEMSE	YES	None	None	None

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	6.MATHAPELO FOURIE 7.JABULANI PHILEMON LEBOKO 8.BETTIE ZWELIBANZI 9.ABRAHAM JACKSON ISAAKS 10.EPHRAIM MOERANE				
22	Cllr A.M.Phenduka 1.Buti Isaac Ndlovu 2.Abel Thabo Letloenyane 3.Dora Masesi Mootsi 4.John Moeletsi Phajane 5.Elsie N. Ndayi 6.Lindela Okolo 7.Nonhlupheko Peggy Obos 8.Fezeka Qekelana 9.Matlhomola Menyatso 10.Sipho Johannes Molefe	YES	None	None	1
23	Cllr L. Mpupu 1.Xoliswa Ngxabani 2.Phumlani Mgidi 3.Nomalungisa Mvimbi 4.Faniswa Tshemese 5.Nomthandazo Ntutha 6.Iris Sebakwe 7.Bukiwe Pito 8.Philiswa Mzoliswa 9.Seeshe Mhloboli 10.Siyabonga Zondo	YES	2	1	1
24	Cllr T.D. Molathegi 1.Isaac Pappie Tlholoe 2.Gosalamang Ruth Mogale 3.Mosiua Daniel Diale 4.Lucas M Motaung 5.Mandla Goloza Mnqwazi 6.Mary Motlalepule Misapitso 7.Siphiwe James Banda 8.Thobile Kani 9.Konopi Majoro 10.Thandi Alice Jonqo	YES	None	None	1

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25	Cllr D.L.Myilibe 1.Ntobekhaya Ndzilane 2.Mthuthuzeli William Vimba 3.Sisina Gundane 4.Jacob Rabotapi 5.Pontsho Moetse 6.Motlalepule C.Molefe 7.Alpheus Moloko 8.Saulina Deliwe Ngwanya 9.Asanda Robert Koti 10.Esther Pato	YES	None	None	1
26	Cllr G.E.Mbaliso 1.Lindiwe Lizzy Phenduka 2.Loyiso Shabalala 3.Palesa Rose Setona 4.Nonhlanhla Goodness khumalo 5.Ntebogeng Emily Mokoena 6.Nomvula Thiko 7.Thomas Mphumela 8.Noyozanele Molefane 9.Matshepang Mpeke 10.Tshepiso Phopoye	YES	None	None	1
27	Cllr M.Naki 1.Mbulelo Bungapeli 2.Orapeleng Medichane 3.Kabelo Seribe 4.Princess Landu 5.Anelisa Bhota 6.Nozandisa Khohli 7.Moipone Mokone 8.Babalwa Somdaka 9.Honjiswa Mtshali 10.Nomawethu Sitshongaye	YES	None	None	1
28	Cllr C.N.D Rebelo 1.Tseliso Leballo 2.Constance Zungu 3.Raymond Mgqaliso 4.Chuene Jane Ngqasa	YES	None	None	1

APPENDICES

5. Phuthuma Axole Fanie 6. Molwanta Abraham Segau 7. Anna Mafulane Mkonza 8. John Templeton 9. Maria Ntsiamane				
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APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 2021/2022 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
3	Replacement of Khutsong Reservoir	05/10/2016		154 743
6-10	SKOPAS	04/12/2020		15 915
24	Fochville Electr Supply (Phase 4)	29/11/2021	30/06/2022	13 219
1,12	Street Light Merafong Phase 2(Ph 5)	20/07/2021	30/06/2022	9 589
6-10	Khutsong North Water & Sewer Reticulation Stage 1	24/7/2019		12 703
1,12	Khutsong South Ext 5 Outfall Sewer	02/10/2022		995
1,12	Khutsong South Installation of Alternative Bulk water	02/10/2022		4 807
				<i>T.F.1</i>

APPENDICES

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

WARDS	PERIOD	NUMBERS OF MEETINGS	MEETING HELD YES/NO
1	July – Nov 2021	4	YES
2	July – Nov 2021	4	YES
3	July – Nov 2021	4	YES
4	July – Nov 2021	4	YES
5	July – Nov 2021	4	YES
6	July – Nov 2021	4	YES
7	July – Nov 2021	4	YES
8	July – Nov 2021	4	YES
9	July – Nov 2021	4	YES
10	July – Nov 2021	4	YES
11	July – Nov 2021	4	YES
12	July – Nov 2021	4	YES
13	July – Nov 2021	4	YES
14	July – Nov 2021	4	YES
15	July – Nov 2021	4	YES
16	July – Nov 2021	4	YES
17	July – Nov 2021	4	YES
18	July – Nov 2021	4	YES
19	July – Nov 2021	4	YES
20	July – Nov 2021	4	YES
21	July – Nov 2021	4	YES
22	July – Nov 2021	4	YES
23	July – Nov 2021	4	YES
24	July – Nov 2021	4	YES
25	July – Nov 2021	4	YES
26	July – Nov 2021	4	YES
27	July – Nov 2021	4	YES
28	July – Nov 2021	4	YES

APPENDICES

NB: The end of office for Ward Committees from 2016 – 2021 ended in November 2021 as stated in the Local Government; Municipal Structures Acts section 73 (2) (b) members of a ward committee are for a term that corresponds with the term referred to in section 24 of this Act. All the Ward Committees for this term has come to an end as per the Local Government : Municipal Structures Act, No.1177 of 1998 and Regulations.

The Merafong City wrote to the Gauteng Cogta MEC Hon.L.I.Maile on the 10 March 2022 application for extension of ward committee elections 2022 the delay in establishment of ward committees in Merafong City local Municipality. The processes was not concluded within the legislative timeframe of 120 days (1st March 2022) after Local Government elections. The office requested the extension until 31 April 2022 to finalise all the processes .The office established the ward committees in May 2022.

APPENDICES

WARDS	MONTHS	NUMBERS OF MEETINGS	MEETING HELD YES/NO
1	May – June 2022	2	YES
2	May – June 2022	2	YES
3	May – June 2022	2	YES
4	May – June 2022	2	YES
5	May – June 2022	2	YES
6	May – June 2022	2	YES
7	May – June 2022	2	YES
8	May – June 2022	2	YES
9	May – June 2022	2	YES
10	May – June 2022	2	YES
11	May – June 2022	2	YES
12	May – June 2022	2	YES
13	May – June 2022	2	YES
14	May – June 2022	2	YES
15	May – June 2022	2	YES
16	May – June 2022	2	YES
17	May – June 2022	2	YES
18	May – June 2022	2	YES
19	May – June 2022	2	YES
20	May – June 2022	2	YES
21	May – June 2022	2	YES
22	May – June 2022	2	YES
23	May – June 2022	2	YES
24	May – June 2022	2	YES
25	May – June 2022	2	YES
26	May – June 2022	2	YES
27	May – June 2022	2	YES
28	May – June 2022	2	YES

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APPENDIX G1 – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2021/2022

DATE OF MEETINGS	NO# OF RESOLUTIONS	STATUS	
		COMPLETED	INCOMPLETE
22/12/2021 08/06/2022 14/07/2022	During the 2021/2022 financial year, the Audit Committee took thirty five (35) resolutions.	Twenty Seven (27)	Eight (8)

APPENDICES

APPENDIX G2 – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE AUDIT COMMITTEE YEAR 2021/2022

DATE OF MEETINGS	NO# OF RESOLUTIONS	STATUS	
		COMPLETED	INCOMPLETE
20/12/2021 12/05/2022 06/07/2022	During the 2020/2021 financial year, the Performance Audit Committee took thirty seven (37) resolutions.	Twenty Two (22)	Fourteen (14)

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have long term contracts and Public Private Partnerships

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

NO.	Project Description	Appointed Consultant	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 – Excellent	Appointed Contractor	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent
1.	Roads and Storm Khutsong Roads and Stormwater (Phase 4)	Maragela Consulting Engineers (Pty) Ltd	4	Giya Dlozi Projects (Pty) Ltd JV Dinah and Joyce Business Enterprise CC	4
2.	Roads and Storm Khutsong Roads and Stormwater (Phase 5)	SCIP Engineering Group	4	-	-
3.	Roads and Storm Khutsong Roads and Stormwater (Phase 6)	LSO Consulting Engineers (Pty) Ltd	4	-	-
4.	Kokosi Roads and Stormwater (Phase 4)	Lekwa Consulting Engineers (Pty) Ltd	1	Mohaumolutsi Civil Works (Pty) Ltd	2
5.	Kokosi Roads and Stormwater (Phase 5)	Kabe Consulting Engineers (Pty) Ltd	4	Giyadlozi Tact Projects JV	3
6.	Kokosi Roads and Stormwater (Phase 6)	Dikgabo Consulting Engineers	3	-	-
7.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 4)	Dikgabo Consulting Engineers	4	Mohaumolutsi Civil Works (Pty) Ltd	3
8.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 5)	SCIP Engineering Group	4	DKPB, Meyaphuti JV	4

Contents

NO.	Project Description	Appointed Consultant	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent	Appointed Contractor	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent
9.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 6)	Morad Consulting Engineers (Pty) Ltd	4	-	-
10.	Upgrading of Access Road to Carletonville Site	Tlou Consulting (Pty) Ltd	4	Mopani Civils (Pty) Ltd	4
11.	Khutsong South Substation 11Kv Khutsong south to Elijah Barayi MV Line	Consultant appointed on a turnkey assignment withdrew from the appointment			
12.	Street Lights Merafong Phase 2 (Phase 5)	LSO Consulting Engineers (Pty) Ltd	5	Turnkey (Nsibandos)	5
13.	Fochville Electrical Bulk Supply (Phase 4)	Lyon & Partners (Pty) Ltd	4	ESKOM	-
14.	Replacement of Khutsong Reservoir	Morad Consulting Engineers (Pty) Ltd	4	Turnkey (Quantibuilt)	5
15.	Project Implementation: Sludge Dying Beds - Khutsong WWTW	SCIP Consulting Engineers	4	-	-
16.	Khutsong North Water & Sewer Reticulation (Stage 1)	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey(Mamol eboge Investment)	3
17.	Khutsong North Water & Sewer Reticulation (Stage 2)	Morad Consulting Engineers (Pty) (Ltd)	4	Turnkey (TTTB Construction)	3
18.	Khutsong North Water & Sewer Reticulation (Stage 3)	-	-	-	-
19.	Khutsong South Ext 5 & 6 Internal Roads & Stormwater	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey	-

Contents

NO.	Project Description	Appointed Consultant	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent	Appointed Contractor	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent
20.	Khutsong South Installation of Alternative Bulk water Supply	Tlou Consulting (Pty) Ltd	4	-	-
21.	Project Implementation: Khutsong South installation of bulk of Bulk electricity	The finalisation of the appointment of consultant not concluded as in end of the financial year			
22.	Khutsong South Ext. 5 Outfall Sewer	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey	-
23.	Kokosi Ext 6 East Outfall Sewer	lifa Africa Engineers (Pty) Ltd	3	Turnkey - Vusaken	1
24.	Kokosi Ext 6/7 Completion of Sewer Network/ Fochville Reservoir	SCIP Engineering Group	3	Turnkey	2
25.	Greenspark Outfall Sewer	Mhiduve (Pty) Ltd	-	Turnkey – Lichenry Construction	-
26.	Development of New Kokosi Cemetery	Kabe Consulting Engineers (Pty) Ltd	4	-	-
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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interest

Period 1 July to 30 June of 2023

Position	Name	Description of Financial interests* (Nil) / Or details
(Executive) Mayor		
Members of MayCo		
Councillor		
1.	Nozuko Best	Nil
2.	Mgijima Ciliza	Declaration pending
3.	Welile Aaron	Nil
4.	Ndidi Gcalangobuthi	Nil
5.	Charnaine Yvonne Kgakatse	Omphile Matse (50% Partner)
		Modimo Omphile Royal Trading (50%)
6.	Sarah Mmami Haja Ahmed Khan	Nil
7.	Leroy Legabe	Declaration pending
8.	Nthabeleng Letlabika	Nil
9.	Rudolf Gideon Lubbe	Nil
10.	Lebogang Israel Mangaliso	Chesaphoka Security Company
11.	Lindy Maritz	Nil
12.	Thabo Raymond Masiu	Mazenkeng Enterprise (100% owned)
		Mazenkeng Tavern
13.	Josephine Matabane	Nil
14.	Gwebalwswi Endrew Mbaliso	Nil
15.	Seganeleng Betty Mbecheni	Nil
16.	Nasiwe Mcetywa	Nil
17.	Luvo Aaron Mganu	Amampondo Emveli Construction (not active)
		Taxi Industry (Part Time)
18.	Daniel Lucky Miyilibe	Nil
19.	Terrence Mvuleni Mngandi	Bitcoin at Mining City and Altcoins
20.	Thabo Mokuke	Nil
21.	Tumelo Daniel Molatlhegi	Nil
22.	Alfred Toko Richard Motsumi	Declaration pending
23.	Mcebisi Moyeni	Nil
24.	Thulani Elvis Mphithikezi	Nil
25.	Lungile Mongezi Mpupu	L.J.M.M Pty (50% shares)
		Scholar Transport Business
26.	Elias Thulani Mthembu	Nil
27.	Zinzi Mteto	Nil
28.	Khayalakhe Lucky Nabiso	Nil
29.	Mthuthuzeli Naki	Nil

Contents

30.	Mlungisi Ngqele	Declaration pending
31.	Devin Charles Nieuwenhuyzen	Nil
32.	Mzwandile Bennet Nkabende	Nkabende Associates Holdings (100%) 2021 Legacy (50%)
33.	Vusumuzi Bhekithemba Nkwanyana	Nil
34.	Mphindei Joseph Ntabeni	Nil
35.	Moeketsi Absalom Ntilane	Nil
36.	Pieter Ernest Beyers O'Riley	Nil
37.	Andronica Motlalepule Phenduka	Nil
38.	Ngaka Cedrick Pittele	Nil
39.	Carlos Manuel Dias Rebelo	Blockbusters Carletonville (100%)
40.	Princess Ntomboxolo Sefako	Nil
41.	Dipuo Mirriam Segakweng	Nil
42.	Godfrey Mogomotsi Sello	Declaration pending
43.	Errol Thabile Soyipha	Nil
44.	Carl Sebastian Steenekamp	Nil
45.	Disebo Violet Tabane	Nil
46.	Serebolo Isaac Thlaripe	Nil
47.	Ernest Tibane	Nil
48.	Sello Jacob Tlhapi	Nil
49.	Lomile Tsoloane	Nil
50.	Vusumuzi Magicpower Tyelingane	Nil
51.	Barend Van Der Berg	Nil
52.	Dirk Francois Van Der Hoff	Nil
53.	Nzima Erick Wana	Nil
54.	Johan David Willem Zwart	Nil
55.	Alfred Fanyama Motloug	Senatla Trading Enterprise II (Member)

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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 20/21	Current: Year 21/22			Year 21/22 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Manager	160 080	1 887	1 152	160	1 726	574
Finance	790 315 019	487 291	722 563	790 315	(303 024)	(1 025 587)
Economic Development and Planning	2 092 730	97 239	6 888	2 093	95 146	88 257
Infrastructure Development	930 741 887	745 792	927 022	930 742	(184 950)	(1 111 972)
Community Services	167 559 191	120 597	147 656	167 559	(46 962)	(194 618)
Chief Operating Officer	0	1 000	-	-	1 000	1 000
Shared Sercives	726 889	433	1 243	727	(294)	(1 537)
Total Revenue by Vote	1 891 596	1 454 238	1 806 524	1 891 596	(437 358)	(2 243 882)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. 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 2020/2021	Year 2021/22			Year 2021/22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	541 111	597 058	581 357	541 111	-10%	-7%	
Property rates - penalties & collection charges							
Service Charges - electricity revenue							
Service Charges - water revenue	260 653	267 162	300 663	267 718	0%	-12%	
Service Charges - sanitation revenue	66 761	72 011	68 336	64 966	-11%	-5%	
Service Charges - refuse revenue	76 979	85 238	81 106	73 480	-16%	-10%	
Service Charges - other							
Rentals of facilities and equipment	1 548	1 648	1 790	1 635	-1%	-9%	
Interest earned - external investments	4 848	7 000	5 000	4 487	-56%	-11%	
Interest earned - outstanding debtors	142 532	241 008	250 000	169 541	-42%	-47%	
Dividends received							
Fines	47 436	3 598	3 380	4 361	17%	22%	
Licences and permits	14 767	-	10 801	1	100%	-804884%	
Agency services							
Transfers recognised - operational	252 673	257 009	277 526	221 514	-16%	-25%	
Other revenue	28 039	11 877	11 950	16 612	29%	28%	
Gains on disposal of PPE							
Environmental Protection							
Total Revenue (excluding capital transfers and contributions)	1 437 349	1 543 609	1 591 909	1 365 427	-13,05%	-16,59%	

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Expanded Public Works Programme Integrated Grant	3 000	3 000	3 450	450	450	
Local Government Financial Management Grant	5 100	5 100	0	-5 100	-5 100	
Municipal Water Infrastructure Grant	3 501	13 693	0	-3 501	-13 693	
Equitable Share	229 858	229 859	221 510	-8 348	-8 349	
Capacity Building	19000	19000	0	-19 000	-19 000	
Integrated National Electrification Programme Grant	22438	26438	6112	-16 326	-20 326	
Total	282 897,00	297 090,00	231 072,00	-51 825,00	-66 018,00	
<i>* 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.</i>						T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The conditional grants received are spent in line with Division of Revenue guidelines

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Contents

Capital Expenditure - New Assets Programme*							
Description	R '000						
	2020/21	2021/22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	-
Infrastructure: Road transport - Total	-	-	-	-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-	-	-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-	-	-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community - Total	-	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Table continued next page							
Table continued from previous page							
Capital Expenditure - New Assets Programme*							
							R '000
Description	2020/21	2021/22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Heritage assets - Total	-	-	-	-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-	-	-	-	-	-
Housing development							
Other							
Other assets	-	-	-	-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
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	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							
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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Contents

R '000							
Description	Year 2020/2021	Year 2021/2022			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							

Table continued next page

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Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	2020/21	2021/22			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
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	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2021/2022

Contents

Capital Programme by Project: Year 2021/2022					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Replacement of Khutsong Reservoir	55000	55000	49672	-11%	-11%
Covid-19 Phase 2(Schedule 6B)	10192	10192	1756	-480%	-480%
Khutsong South Installation of Alternative Bulk water Supply	6000	6000	4807	-25%	-25%
Sanitation/Sewerage					
Sludge Drying Beds - Kokosi & Khutsong WWTW	2500	2500	2500	0%	0%
Khutsong North Water & Sewer Reticulation Stage 1	7972	7972	6704	-19%	-19%
Khutsong North Water & Sewer Reticulation Stage 2 - Skopas	15783	15783	15581	-1%	-1%
Khutsong North Water & Sewer Reticulation Stage 3	568	568	0	#DIV/0!	#DIV/0!
Khutsong South Ext. 5 Outfall Sewer	10000	10000	995	-905%	-905%
Kokosi Ext 6/7 Completion of Sewer Network/ Fochville Reservoir	4000	4000	2399	-67%	-67%
Greenspark Outfall Sewer	6411	6411	1441	-345%	-345%
Kokosi Ext 7 East Outfall Sewer	4583	4583	4522	-1%	-1%
Electricity					
Street Light Merafong Phase 2 (Phase 5)	6629	6629	7851	16%	16%
Fochville Electr Bulk Supply (Phase 4)	13219	13219	13219	0%	0%
Khutsong South Installation of Bulk Electricity	5000	5000	244	-1949%	-1949%
Housing					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
Refuse removal					
Upgrading of Access Road to Carletonville Landfill Site	3387	3387	1894	-79%	-79%
Stormwater					
Khutsong Roads and Stormwater (Phase 4)	4117	4117	3900	-6%	-6%
Khutsong Roads and Stormwater (Phase 5)	5426	5426	1005	-440%	-440%
Khutsong Roads and Stormwater (Phase 6)	1178	1178	1178	0%	0%
Kokosi Roads and Stormwater (Phase 4)	3235	3235	662	-389%	-389%

Contents

Kokosi Roads and Stormwater (Phase 5)	4735	4735	5140	8%	8%
Kokosi Roads and Stormwater (Phase 6)	644	644	577	-12%	-12%
Wedela Ext 3 Roads and Stormwater (Ph 4)	1800	1800	927	-94%	-94%
Wedela Ext 3 Roads and Stormwater (Ph 5)	5165	5165	5261	2%	2%
Wedela Ext 3 Roads and Stormwater (Ph 6)	1500	1500	1566	4%	4%
Khutsong South Ext 5 & 6 Internal Roads & Stormwater	5000	5000	851	-488%	-488%
Economic development					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
Sports, Arts & Culture					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
Environment					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
Health					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
Safety and Security					
"Project A"	0	0	0	#DIV/0!	#DIV/0!
"Project B"	0	0	0	#DIV/0!	#DIV/0!
ICT and Other					
Development of New Kokosi Cemetery	1893	1893	1893	0%	0%
					T N

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2021/22

Capital Programme by Project by Ward: Year 2021/2022		
Capital Project	Ward(s) affected	Works completed (Yes/No)
R' 000		
Water		
Khutsong North Water & Sewer Reticulation (Stage 1)	6-10	No
Khutsong North Water & Sewer Reticulation (Stage 2) - Skopas	7	No
Khutsong North Water & Sewer Reticulation Stage 3	6-10	No
Replacement of Khutsong Reservoir	3	No
Khutsong South Installation of Alternative Bulk Water Supply	1,12	No
Covid- 19 Phase 11 (Schedule 6B)	Municipal Wide	No
Sanitation/Sewerage		
Sludge Drying Beds - Khutsong WWTW	3	No
Khutsong South Ext 5 Outfall Sewer	1,12	No
Kokosi Ext 6/7 Completion of Sewer Network/Fochville Reservoir	20,21	No
Kokosi Ext 7 East Outfall Sewer	20,21	No
Greenspark Outfall Sewer	21,24	No
Electricity		
Fochville Electr Bulk Supply	24	Yes
Street Light Merafong Phase 2 (Phase 5)	1,12	Yes
Khutsong South Installation of Bulk Electricity	1,12	No
Housing		
Khut Ext 5/6 - 500 Top Structures	1,12	No
Refuse removal		
Roads & Stormwater		
Khutsong Roads and Stormwater (Phase 4)	7	Yes
Khutsong Roads and Stormwater (Phase 5)	7	No
Khutsong Roads and Stormwater (Phase 6)	1,2	No
Kokosi Roads and Stormwater (Phase 4)	24	No
Kokosi Roads and Stormwater (Phase 5)	24	No
Kokosi Roads and Stormwater (Phase 6)	22,26	No
Wedela Ext 3 Roads and Stormwater (Phase 4)	23	Yes
Wedela Ext 3 Roads and Stormwater (Phase 5)	23	Yes
Wedela Ext 3 Roads and Stormwater (Phase 6)	23	No

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Upgrading of Access Road to Carletonville Landfill Site	13	Yes
Khutsong South Ext 5/6 Internal Roads & Stormwater	1,12	No
Economic development		
Sports, Arts & Culture		
Cemeteries and Crematories		
Development of New Kokosi Cemetery	20	No
Environment		
Health		
Safety and Security		
ICT and Other		
		TO

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
NONE				
Clinics (NAMES, LOCATIONS)				
NONE				
				TP

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	68% out of 28 wards	Lack of access to proper health care facilities.
Housing:	57% out of 28 wards	Lack of access to formal houses.
Public Safety:	79% out of 28 wards	Lack of access to Police/Satellite Stations and Police visibility.
Reservoirs	75% out of 28 wards	Inadequate supply of water to formal and Informal areas.
Schools (Primary and High):	36% Primary Schools	Lack of access to schools.
	46% High Schools	
Sports Fields:	68% out of 28 wards	Lack of access to sports/recreation facilities.
Disability Centres	100% of all wards	Lack of access to Disability Centres.
		T Q

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

Declaration of Loans and Grants made by the municipality: Year 2021/2022				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
The municipality did not make any loans or grants to any institution				
* Loans/Grants - whether in cash or in kind				T R

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ANNEXURE A ANNUAL FINANCIAL STATEMENTS



MERAFONG CITY LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

MERAFONG CITY LOCAL MUNICIPALITY

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

Contents	Page
General Information	3
Approval of Annual Financial Statements	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes In Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9
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Notes to the Financial Statements	20 - 68

ABBREVIATIONS

AGSA	Auditor-General of South Africa
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act (Act No 56 of 2003)
MIG	Municipal Infrastructure Grant
NLDTF	National Lottery Distribution Trust Fund
SALGBC	South African Local Government Bargaining Council
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WCA	Workmen's Compensation Act
WRDM	West Rand District Municipality

MERAFONG CITY LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

General Information

NATURE OF BUSINESS

Merafong City Local Municipality is a local municipality performing the functions as set out in the Constitution (Act No 105 of 1996).

LEGAL FORM

The municipality is a category C grade 4 local authority in terms of item 4 of the Government Notice R1227 of 18 December 2007 published in terms of the Remuneration of Public Office Bearers Act, 1998.

LEGISLATION GOVERNING THE MUNICIPALITY'S OPERATIONS

Municipal Finance Management Act (Act no.56 of 2003)

MEMBERS OF COUNCIL

Executive Mayor

N. Best

Speaker

T.E. Mphithikezi

Chief Whip

T. Mokuke

Members of Mayoral Committee

MMC Roads Stormwater and Public Works:

DV. Tabane

MMC Health and Social Development:

E. Tibane

MMC Corporate and Shared Services:

G.M. Sello

MMC Integrated Environmental Management:

D.M. Segakweng

MMC Local Economic, Tourism and Rural Development:

G.E. Mbaliso

MMC Finance:

M. Moyeni

MMC Public Safety and Transport:

N. Mcetywa

MMC Electricity Gas and Water:

L.A. Mganu

MMC Human Settlement and Land Development:

P.N. Sefako

MMC Sports, Recreation, Arts and Culture:

V.B. Nkwanyana

Acting Municipal Manager

SL. Mdletshe

Acting Chief Financial Officer

J. Magongwa

REGISTERED OFFICE

Halite Street
Carletonville
2500

POSTAL ADDRESS

PO BOX 3
Carletonville
2500

PRINCIPLE BANKERS

First National Bank
Nedbank

AUDITORS

Auditor-General of South Africa

CONTACT INFORMATION

Telephone number: 018 788 9500
Fax number: 018 786 1105
Website address: www.merafong.gov.za

MERAFONG CITY LOCAL MUNICIPALITY

Approval of Annual Financial Statements

I am responsible for the preparation of these Annual Financial Statements year ended 30 June 2022, which are set out on pages 1 to 115 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and as required by the Municipal Finance Management Act.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

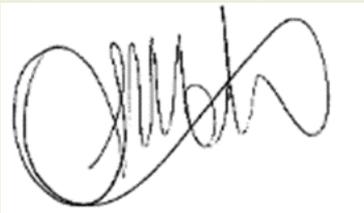
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

The Auditor-General is responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister for Cooperative Governance and Traditional Affairs' determination in accordance with this Act.

The Annual Financial Statements were prepared on the going concern basis and the municipality has _____
neither the intention nor the need to liquidate or curtail materially the scale of the municipality. _____

I have reviewed the Municipality's cash flow forecast for the year to 2022 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.



SL Mdletshe
Acting Municipal Manager

31 August 2022

Date

**MERAFONG CITY LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

Note	Actual 2022 R	2021 Restated R
ASSETS		
Current Assets	531 510 276	387 717 694
Inventories	2. 706 074	672 413
Receivables from Exchange Transactions	3. 206 142 636	174 152 066
Statutory Receivables from Exchange Transactions	4. 96 153 276	69 729 749
Receivables from Non-exchange Transactions	5. 1 098 386	-
Statutory Receivables from Non-Exchange Transactions	6. 103 734 880	80 833 522
Cash and Cash Equivalents	8. 123 675 024	62 329 944
Non-Current Assets	3 684 223 698	3 099 331 836
Property, Plant and Equipment	9. 3 363 541 632	2 778 649 770
Intangible Assets	10. 296 494	296 494
Investment Property	11. 320 218 730	320 218 730
Heritage Assets	12. 166 842	166 842
Investments	13. -	-
Total Assets	<u>4 215 733 974</u>	<u>3 487 049 529</u>
LIABILITIES		
Current Liabilities	1 414 123 148	1 071 179 755
Consumer Deposits	13. 22 844 540	23 411 543
Payables from Exchange Transactions	14. 1 284 522 731	957 973 839
Payables from Non-exchange Transactions	15. -	-
Unspent Conditional Grants and Receipts	16. 47 947 736	25 987 713
VAT Payable	20. -	-
Lease Payables	17. -	84 686
Borrowings	18. 8 569 764	7 789 616
Employee Benefit Liabilities	19. 8 077 000	7 951 000
Provisions	20. 42 161 376	47 981 358
Non-Current Liabilities	166 905 521	171 214 863
Borrowings	18. 27 101 050	35 719 863
Employee Benefit Liabilities	19. 135 977 000	135 495 000
Provisions	20. 3 827 472	-
Total Liabilities	<u>1 581 028 670</u>	<u>1 242 394 617</u>
Total Assets and Liabilities	<u>2 634 705 304</u>	<u>2 244 654 912</u>
NET ASSETS	2 634 705 304	2 244 654 912
Reserves	18. 5 094 833	5 094 833
Accumulated Surplus / (Deficit)	19. 2 629 610 472	2 239 560 079
Total Net Assets	<u>2 634 705 304</u>	<u>2 244 654 912</u>

MERAFONG CITY LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

2022	Actual		2021
	Restated	Note	
R			R
REVENUE			
Revenue from Non-exchange Transactions		1 068 807 758	1 046 512 251
Property Rates	21.	567 482 865	541 111 352
Fines, Penalties and Forfeits	22.	26 649 519	44 769 088
Licences and Permits	23.	-	-
Transfers and Subsidies	24.	455 651 451	434 909 558
Surcharges and Taxes	25.	19 023 923	25 722 253
Revenue from Exchange Transactions		1 026 702 936	920 720 729
Income from Agency fees	23.	15 826 601	14 767 481
Service Charges	26.	812 861 462	753 764 273
Sales of Goods and Rendering of Services	27.	2 431 268	2 002 294
Rental from Fixed Assets	28.	1 772 119	1 548 368
Interest, Dividends and Rent on Land Earned	29.	192 999 144	147 380 699
Operational Revenue	30.	812 341	1 257 614
Gains on Disposal of Property, Plant and Equipment	43.	-	-
Total Revenue		2 095 510 693	1 967 232 980
EXPENDITURE			
		2 259 728 390	2 184 505 556
Employee Related Costs	31.	367 383 190	349 940 300
Remuneration of Councillors	32.	22 282 397	22 589 904
Depreciation and Amortisation	33.	114 277 458	99 731 862
Impairment Losses	34.	828 101 282	981 271 898
Interest, Dividends and Rent on Land	35.	81 662 572	54 003 016
Bulk Purchases	36.	387 355 248	360 014 217
Contracted Services	37.	86 339 688	63 862 491
Inventory Consumed	38.	196 622 938	178 851 439
Transfers and Subsidies Paid	39.	321 051	2 295 069
Operating Leases	40.	29 488 581	27 500 493
Operational Costs	41.	54 407 863	42 587 899
Loss on Disposal of Property, Plant and Equipment	43.	91 486 124	1 856 968
Total Expenditure		2 259 728 390	2 184 505 556
OPERATING DEFICIT FOR THE YEAR		(164 217 696)	(217 272 576)
OTHER EXPENDITURE INCURRED		(2 259 728 390)	
Losses on Other Operations	42.	(52 361 722)	(60 320 608)
TOTAL OTHER EXPENDITURE INCURRED		(52 361 722)	(60 320 608)
DEFICIT FOR THE YEAR		(216 579 418)	(277 593 185)

MERAFONG CITY LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R	R
2021			
Balance at 30 June 2020 Correction of Error (Note 45) Restated Balance	5 094 833 -	2 552 705 748 (35 552 483)	2 557 800 580 (35 552 483)
	5 094 833	2 517 153 265	2 522 248 097
Surplus / (Deficit) as per prior 2020/21 AFS Correction of Error (Note 45)	-	(330 160 601) 52 567 416	(330 160 601) 52 567 416
Restated Surplus / (Deficit) for the year Correction of Error (Note 45)	-	(277 593 185) 606 629 811	(277 593 185) 606 629 811
Restated Balance	5 094 833	2 846 189 890	2 851 284 723
Surplus / (Deficit) for the year	-	(216 579 418)	(216 579 418)
Balance at 30 June 2022	5 094 833	2 629 610 472	2 634 705 304

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Note	Actual 2022 R	2021 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		126 721 413	(454 745 801)
Transfers and Subsidies		477 611 474	456 957 296
Service Charges		(231 243 916)	(1 605 285 932)
External Interest and Dividends Received		5 046 100	4 848 321
Other Receipts		71 104 645	2 270 652
Payments			
Employee Related Costs		(348 755 097)	(203 320 099)
Remuneration of Councillors		(22 282 398)	(22 589 904)
External Interest and Dividends Paid		(77 656 917)	(49 812 114)
Suppliers Paid		(344 491 120)	122 559 663
Other Payments		2 433 761 810	(1 054 696 104)
VAT Paid		(26 423 527)	(68 360 478)
NET CASH FLOWS FROM OPERATING ACTIVITIES	46.	<u>2 063 392 468</u>	<u>(2 872 174 500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(6 319 081 683)	(366 361 284)
Proceeds on Disposal of Investment Property		(90 313 381)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(6 410 567 807)</u>	<u>(368 218 252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) / Proceeds from Finance Leases		(84 686)	84 686
(Repayment of) / Proceeds from Borrowings		(7 838 664)	50 344 175
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(7 923 350)</u>	<u>50 428 861</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>61 345 080</u>	<u>(19 412 083)</u>
Cash and Cash Equivalents at Beginning of Financial Year	8.	62 329 944	81 742 027
Cash and Cash Equivalents at End of Financial Year	8.	123 675 024	62 329 944

MERA FONG CITY LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

30 June 2022

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance
	R	R	R	R	R
FINANCIAL PERFORMANCE					
Property Rates	597 058	567 483	567 483	567 483	(0)
Service Charges	814 859	812 861	812 861	812 861	0
Rental of Facilities and Equipment	1 648	1 772	1 772	1 772	0
Interest Earned - External Investments	7 000	5 046	5 046	5 046	0
Interest Earned - Outstanding Debtors	241 008	187 953	187 953	187 953	0
Fines, Penalties and Forfeits	3 598	29 317	29 317	26 650	(2 667)
Agency Services	-	15 827	15 827	15 827	(0)
Transfers and Subsidies	257 009	255 814	255 814	455 651	199 837
Other Revenue	11 877	21 397	21 397	3 244	(18 153)
Total Revenue	1 934 057	1 908 271	1 908 271	2 095 511	187 240
Expenditure					
Employee Related Costs	390 665	367 383	367 383	367 383	0
Remuneration of Councillors	23 409	22 282	22 282	22 282	0
Debt Impairment	482 371	820 796	820 796	828 101	7 305
Depreciation and Asset Impairment	113 934	114 864	114 864	114 277	(587)
Finance Charges	36 853	81 663	81 663	81 663	(0)
Bulk Purchases	389 046	387 355	387 355	387 355	0
Other Materials	5 878	196 623	196 623	196 623	(0)
Contracted Services	101 191	86 242	86 242	86 340	98
Transfers and Subsidies	1 540	321	321	321	0
Other Expenditure	298 094	153 823	153 823	227 744	73 921
Total Expenditure	1 901 341	2 299 357	2 299 357	2 312 090	12 733
Surplus / (Deficit)	32 716	(391 086)	(391 086)	(216 579)	174 507
Transfers and Subsidies - Capital	(147 752)	(122 479)	(122 479)	-	122 479
Surplus/(Deficit for the Year)	(115 036)	(513 565)	(513 565)	(216 579)	296 986

MERAFONG CITY LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).rd in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

These annual financial statements are presented in South African Rand.

1.1 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1.1.1 Trade receivables (Consumer debtors) - Impairment

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.1.2 Non-monetary assets - Impairment

carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of the depreciated replacement cost or future cash flows for investment property. Replacement costs and future cash flows are significantly affected by a number of factors including uncontrollable ageing, together with economic factors such as inflation.

1.1.3 Revenue from service charges

- Estimation of Meter Readings:
Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.
- Estimation of unused Prepaid Metered Services:
Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to reporting date are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average monthly consumption of consumers. he reporting date, an accrual is made based on the average monthly consumption of consumers.

1.1.4 Revenue from traffic fines

- Revenue for Traffic Fines:

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.1.1 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.1.6 Provisions

1.1.2

Provisions are raised and determined based on the best estimate on the information available and require judgment to determine the existence of the obligations at reporting date based on assessment of the event that created the obligation.

1.1.7 Property, plant and equipment, Investment property and Intangible assets - Useful lives reassessment

The municipality depreciates/amortizes its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets become available for use. The useful lives and residual values of the assets are based on industry knowledge and are reviewed annually or when an indicator is present.

1.1.8 Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit liabilities. These valuations are subject to significant actuarial assumptions and estimates disclosed in the related note.

Investment property

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is

calculated on a straight-line basis over the useful life of the property, which is as follows:

Item
Property - land
Property - buildings
Useful life
indefinite

All items of investment property are considered to be cash generating. The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The discount rate used to determine the present value of future cash flows is the prime overdraft interest rate that reflects current market assessments of the time value of money.

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount

that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

1.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation is calculated on a straight-line basis over the useful life of the property, plant and equipment, which is as follows:

Infrastructure

Roads and Storm water	5 - 80 Years
Electricity	15 - 50 Years
Water	15 - 50 Years
Sewerage	10 - 80 Years

Other

Buildings	5 - 100 Years
Other vehicles	5 - 8 Years
Office equipment	3 - 12 Years
Furniture and fittings	7 - 30 Years
Plant and equipment	7 - 29 Years
Computer equipment	5 - 8 Years
Library Material	5 - 15 Years
Other assets	5 - 30 Years
Land	Indefinite

All items of property plant and equipment are considered to be non-cash generating. The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the recoverable service amount, determined using the Depreciated Replacement Cost method, it is written down immediately to its recoverable service amount and an impairment loss is charged to the Statement of Financial Performance.

Gains or losses arising from the retirement or disposal of property, plant and equipment are the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.3 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairments.

Amortisation is calculated on a straight-line basis over the useful life of the intangible assets, which is as follows:

Intangible asset
3 - 12 years
Computer software

All items of intangible assets are considered to be non-cash generating. The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of the asset is greater than the recoverable service amount, determined using the Depreciated Replacement Cost method, it is written down immediately to its recoverable service amount and an impairment loss is charged to the Statement of Financial Performance.

Gains or losses arising from the retirement or disposal of intangible assets are the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.4 Heritage assets

Heritage assets are carried at its cost less any accumulated impairment losses.

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the heritage asset.

Gains or losses arising from the retirement or disposal of heritage assets is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.5 Financial instruments

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables (including long-term receivables)	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Investments	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long-term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

The municipality measures all financial assets and financial liabilities after initial recognition at amortised cost. All financial assets measured at amortised cost are subject to an impairment review.

For financial assets and financial liabilities measured at amortised cost a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised. The amount of the gain or loss is determined as the difference between the financial asset or financial liabilities carrying amount and the consideration received or settlement respectively.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For purposes of the cash flow statement, cash and cash equivalents comprise the cash on hand, bank accounts and call deposits.

1.6 Statutory receivables

The municipality measures statutory receivables using the cost method.

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

1.7 Leases

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories are carried at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventory is assigned using the weighted average cost formula. The same cost formula is used for all inventory having a similar nature and use to the municipality.

1.9 Employee benefits

Short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (provision) after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The municipality measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The expected cost of bonus, incentive and performance related payments is measured at the best estimate of the amount to settle the obligation.

Post-employment benefits

The municipality classifies its multi-employer plan as a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms). The municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- plus any liability that may arise as a result of a minimum funding requirement

The municipality determines the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost; and
- the effect of any curtailments or settlements

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Long-service awards

The municipality uses the Projected Unit Credit Method to determine the present value of its long-service awards obligation and the related current service cost and, where applicable, past service cost.

1.10 Provisions

Provisions are measured at the best estimate of the amount to settle the present value of the obligation.

Landfill rehabilitation

The Landfill Rehabilitation Provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

The value of the Provision is based on the expected future cost to rehabilitate the various sites discounted back to the reporting date at the cost of capital.

The landfill asset is measured using the cost model as per the policy on property, plant and equipment.

1.11 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Revenue from service charges are recognised when the services are rendered.

Revenue from rental of facilities are recognised over the period of the rental. Revenue

from sale of goods are recognised when the sale is concluded.

Interest is recognised, in surplus or deficit, using the effective interest rate method. Revenue from

licenses and permits are recognised when the license or permit is issued.

1.12 Revenue from non-exchange transactions

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Government grants and subsidies

- **Unconditional Grants**

Equitable share allocations are recognised in revenue at the start of the financial year.

- **Conditional Grants**

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

Services Received In-kind – non-exchange revenue

when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Property Rates

Property rates are measured at the transaction amount.

Fines

Fines are measured at the transaction amount.

Surcharges

Surcharges are measured at the transaction amount.

Public contributions and donations

Public contributions and donations are measured at the amount of the fair value of the asset received reduced by any obligations arising from the use of the asset by the municipality.

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Accounting by principals and agents

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.15 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 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 VAT

VAT is payable on the receipts basis. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero- rated in terms of section 11, exempted in terms of section 12 of the Vat Act or is out of scope for VAT purposes. VAT is paid over to SARS only once payment is received from debtors and claimed from SARS once payment is made to a creditor.

1.19 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.20 Segment information

The amount of each segment item reported is the per measure reported to management. Management applies the measurement requirements per GRAP for the respective segment items and thus aligned to the municipality's financial statements measurement basis.

Adjustments and eliminations made in preparing an entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit where relevant. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities are reported for that segment.

Amounts allocated to reported segment surplus or deficit, assets or liabilities, are allocated on total segment expenses or total segment assets or liabilities basis. Revenues are segment specific and are not allocated.

The municipality is organised and operates in functional segments as disclosed in the notes. All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

MERAFONG CITY LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

1. GENERAL INFORMATION

Merafong Local Municipality is a local municipality in the Gauteng region. The municipal area includes the town of Carletonville and Fochville. The address of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

2. INVENTORIES

Water	706 074	672 413
Total Inventories	<u><u>706 074</u></u>	<u><u>672 413</u></u>

The prior year amount for Inventories has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the restatement.

Water is held for distribution and measured at the lower of Cost and Net Realisable Value. No write down of Inventory to Net Realisable Value was required.

The cost of Inventories recognised as an expense is R196 622 938 (2021: R178 851 439)

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2022			
Service Debtors:	2 705 989 033	2 502 441 609	203 547 423
Electricity	139 875 930	113 783 791	26 092 139
Refuse	286 808 494	255 342 590	31 465 904
Sewerage	222 929 366	207 294 631	15 634 735
Other Service Charges	1 074 126 525	1 003 779 094	70 347 431
Water	940 784 494	901 986 722	38 797 772
Property Rental Debtors	2 505 509	-	2 505 509
Prepayments and Advances	52 572	-	52 572
Control, Clearing and Interface Accounts	37 131	-	37 131
Total Receivables from Exchange Transactions	<u><u>2 502 441 609</u></u>	<u><u>2 092 708 584</u></u>	<u><u>245 206 142 636</u></u>

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2021			
Service Debtors:	2 302 974 366	2 131 152 596	171 821 770
Electricity	115 217 072	88 425 577	26 791 494
Refuse	251 489 161	219 510 911	31 978 250
Sewerage	187 039 329	170 657 978	16 381 350
Merchandising, Jobbing and Contracts	28 851 957	26 356 115	2 495 843
Other Service Charges	899 888 720	846 367 390	53 521 329
Water	820 488 127	779 834 625	40 653 503
Other Service Charges	2 249 634	-	2 249 634
Water	52 582	-	52 582
Other Receivables	52 582	-	52 582
Prepayments and Advances	28 081	-	28 081
Recoveries from Staff			
Control, Clearing and Interface Accounts	2 131 152 596	-	174 152 066
Total Receivables from Exchange Transactions	<u><u>2 305 304 663</u></u>	<u><u>-</u></u>	<u><u>174 152 066</u></u>

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R **2021**
R

The municipality receives applications that it processes. Deposits are required to be paid for all electricity and water accounts opened. There are no consumers who represent more than 5% of the total balance of Receivables.

At 30 June 2022, the municipality is owed R0 (30 June 2021: R0) by National and Provincial Government.

3.1 Summary of Receivables from Exchange Transactions by Customer Classification

	Household R	Industrial/ Commercial R	National and Provincial Government R	Other R
As at 30 June 2022				
<u>Current:</u>				
0 - 30 days	49 779 680	82 557 611	3 115 394	13 047
<u>Past Due:</u>				
31 - 60 Days	42 784 481	57 285 650	1 915 088	2 686
61 - 90 Days	38 887 755	51 523 391	1 572 352	0
+ 90 Days	1 712 800 474	2 090 825 255	13 559 042	(50 540)
Sub-total	1 844 252 390	2 282 191 907	20 161 876	(34 807)
Less: Provision for Impairment	1 451 664 993	1 586 623 388	13 559 042	14 190
Total Trade Receivables by Customer Classification				
	Household R	Industrial/ Commercial R	National and Provincial Government R	Other R
As at 30 June 2021				
0 - 30 days				
<u>Past Due:</u>				
31 - 60 Days				
61 - 90 Days	21 158 730	64 708 629	4 029 428	-
+ 90 Days				-
Sub-total	20 862 230	38 279 007	1 185 174	-
Less: Provision for Impairment	20 769 397	37 512 798	687 655	-
Total Trade Receivables by Customer Classification	825 009 323	986 580 125	19 615 447	-
	887 799 680	1 127 080 559	25 517 704	-
	(1 360 804 825)	(743 924 381)	(64 103)	-
	<u>(473 005 145)</u>	<u>383 156 178</u>	<u>25 453 601</u>	<u>-</u>

3.2 Reconciliation of the Provision for Impairment

Balance at beginning of year	2 502 441 609	2 246 311 044
Service Debtors and Other Debtors	2 502 441 609	2 131 152 596
Impairment Losses recognised	-	(972 640 110)
Impairment Losses reversed	-	81 357 720
Amounts written off as uncollectable	-	-
Balance at end of year	<u>2 502 441 609</u>	<u>1 355 028 654</u>

Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
4. STATUTORY RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Gross Balances R	Provision for Impairment R
		Net Balances R
As at 30 June 2022		
VAT Receivable	96 153 276	-
Total Statutory Receivables from Exchange Transactions	96 153 276	-
	Gross Balances R	Provision for Impairment R
		Net Balances R
As at 30 June 2021		
VAT Receivable	69 729 749	-
Total Statutory Receivables from Exchange Transactions	69 729 749	-

VAT is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, VAT is claimable on the payment basis.

VAT Receivable is not impaired nor is it discounted as the amount is expected to be receivable within 60

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2022			
Over Payment of Contractors	1 098 386	-	1 098 386
Total Receivables from Non-exchange Transactions	1 098 386	-	1 098 386
	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2021			
Over Payment of Contractors	-	-	-
Total Receivables from Non-exchange Transactions	-	-	-

6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2022			
Property Rates	1 436 618 604	1 368 756 387	67 862 217
Fines	87 423 649	51 550 986	35 872 663
Total Statutory Receivables from Non-Exchange Transactions	1 524 042 253	1 420 307 373	103 734 880

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2021		
995 857 186 Property Rates	924 164 584	71 692 569
91 409 539 Fines	82 268 586	9 140 953
Total Statutory Receivables from Non-Exchange Transactio	1 087 266 692	80 833 522

Property Rates is a tax levied by a municipality to a property owner used to fund services delivered. Property Rates are calculated by multiplying the market value of the property with a rate determined by the Municipal Council. The levying of this revenue stream is governed by the Municipal Property Rates

Traffic Fines arise from fines issued by the municipality's traffic officials. These fines are issued according to the National Road Traffic Act 93 of 1996. The fines issued are divided into Radar Fines and

7. VAT RECEIVABLE

Vat Receivable	96 153 276	69 729 749
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8. CASH AND CASH EQUIVALENTS

Current Investment	108 474 817	45 278 348
Bank Accounts	15 184 425	17 035 815
Cash on Hand	15 782	15 782

Total Bank, Cash and Cash Equivalents	123 675 024	62 329 944
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8.1 Short term investments

Call Deposits	108 474 817	45 278 348
VBS Bank	46 892 770	51 005 929
Impairment on VBS bank	(46 892 770)	(51 005 929)

Total Current Investment Deposits	108 474 817	45 278 348
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VBS Mutual Bank

An amount of R50 million was invested with VBS Mutual Bank. The municipality received a notice on the 11th March 2018 that the bank was placed under curatorship by the South African Reserve Bank. The curatorship detailed that all deposits and interest payments have been suspended. At its meeting held on the 28 March 2018, the Council resolved to request the MEC: Finance of Gauteng to institute a forensic investigation regarding the investment of Municipal funds with VBS Bank. The report known as the Deloitte report was received and Council resolved at a meeting held on 01 March 2019 to implement the recommendations of the report. The municipality is implementing the recommendations in the Deloitte report to the fullest extent. VBS Mutual bank was placed under liquidation on the 13 November 2018. The municipality submitted a claim to the liquidator on the amount invested with VBS Mutual bank. The case is handed to South African Crime Directorate.

On the 4th February 2022 an amount of R3 529 563.33 was received in the main bank account of the municipality. The capital amount and impairment was decreased respectively.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R **2021**
R

8.2 Bank Accounts

The Municipality has the following bank accounts:

Account description	Bank Statement Balances		Cash Book Balances	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
NEDBANK MAIN ACCOUNT-1454087331	17 235 277	681 326	3 164 987	(7 591 166)
NEDBANK TRAFFIC FINES-1454087358	-	-	(2 550)	-
NEDBANK SPECIAL DEPOSIT-037492501323	13 133 484	10 700 757	13 133 484	30 700 757
FIRST NATIONAL BANK-62796852624	3 083 670	2 142 576	(1 359 495)	7 088 303
FIRST NATIONAL BANK TRAFFIC ACCOUNT-62796855446	-	10 332	(2 000)	363 349
FIRST NATIONAL BANK CALL ACCOUNT-62797400737	108 474 817	67 468 526	108 474 817	39 670 827
FNB FLEET DEPOSIT	250 000	250 000	250 000	250 000
ABSA	-	-	-	32 341
	142 177 248	81 253 517	123 659 242	70 514 411

8.2 Cash on hand

Cash Floats	15 782	15 782
Total Cash on hand	15 782	15 782

9. PROPERTY, PLANT AND EQUIPMENT 30 June 2 022

Reconciliation of Carrying Value

Description	Buildings	Infra-structure	Other	Total
	R		R	R
Carrying values at 01 July 2021	188 023 289	2 555 780 568	34 845 913	2 778 649 770
Cost	366 036 593	4 760 483 182	74 040 591	5 200 560 366
Completed Assets Accumulated	366 036 593	4 760 483 182	74 040 591	5 200 560 366
Impairment Losses Accumulated	- (178 013 304)	- (2 204 702 614)	- (39 194 678)	- (2 421 910 596)
Depreciation				
Acquisition of Assets				
Cost	-	5 983 025 523	-	5 983 025 523
Depreciation	-	(2 633 434 859)	-	(2 633 434 859)
Carrying value of Disposals:	-	-	-	-
- Cost	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-
Accumulated Depreciation	-	-	-	-
Impairment Losses	-	(54 687 743)	-	(54 687 743)
Carrying values at 30 June 2022	188 023 289	5 850 683 489	34 845 913	6 073 552 690
Cost	366 036 593	10 743 508 705	74 040 591	11 183 585 889
- Completed Assets	366 036 593	10 743 508 705	74 040 591	11 183 585 889
- Under Construction	-	-	-	-
Accumulated Impairment Losses	-	(54 687 743)	-	(54 687 743)
Accumulated Depreciation	(178 013 304)	(4 838 137 473)	(39 194 678)	(5 055 345 455)

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. PROPERTY, PLANT AND EQUIPMENT (Continued) 30 June 2021

Reconciliation of Carrying Value

Description	Buildings	Infra- structure	Other	Total
	R		R	R
Carrying values at 01 July 2020	182 206 351	2 498 905 347	42 048 463	2 723 160 161
Cost	379 016 920	4 616 922 753	74 122 506	5 070 062 179
- Completed Assets	379 016 920	4 616 922 753	74 122 506	5 070 062 179
Accumulated Impairment Losses	-(170 722 798)	-(2 118 017 406)	-(32 074 043)	-(2 320 814 247)
Accumulated Depreciation				
- Cost	(170 722 798)	(2 118 017 406)	(32 074 043)	(2 320 814 247)
Acquisition of Assets				
- Cost	13 107 444	143 560 429	2 902 114	159 569 987
- Capital Under Construction	-	-	-	-
Depreciation	(7 290 506)	(86 685 208)	(8 261 120)	(102 236 834)
Carrying value of Disposals:	-	-	(1 843 544)	(1 843 544)
- Cost	-	-	(2 984 029)	(2 984 029)
- Accumulated Impairment Losses	-	-	1	1
- Accumulated Depreciation	-	-	140 485	140 485
Carrying values at 30 June 2021	188 023 289	2 555 780 568	34 845 913	2 778 649 770
Cost	366 036 593	4 760 483 182	74 040 591	5 200 560 366
- Completed Assets	366 036 593	4 760 483 182	74 040 591	5 200 560 366
Accumulated Impairment Losses	-(178 013 304)	-(2 204 702 614)	-(39 194 678)	-(2 421 910 596)
Accumulated Depreciation				

2022
R

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2021
R

11. INVESTMENT PROPERTY

At Cost less Accumulated Depreciation = - = **320 218 730**

The movement in Investment Property is reconciled as follows:

Carrying values at 1 July	-	320 218 730
Cost	-	320 218 730
Accumulated Depreciation	-	-
Carrying values at 30 June	-	320 218 730
Cost	-	320 218 730

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

Rental Revenue earned from Investment Property	1 479 934	531 909
Direct Operating Expenses - incurred to generate rental revenue	229 022	22 255

MERAFONG CITY LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

12. HERITAGE ASSETS 30

June 2022

Reconciliation of Carrying Value

Description	Works of Art, Antiques and Collections	Total
	R	R
Carrying values at 01 July 2021	166 842	166 842
Cost	184 866	184 866
Acquisitions	-	-
Carrying values at 30 June 2022	166 842	166 842
Cost	184 866	184 866

12. HERITAGE ASSETS (Continued) 30

June 2021

Reconciliation of Carrying Value

Description	Works of Art, Antiques and Collections	Total
	R	R
Carrying values at 01 July 2020	189 048	189 048
Cost	201 366	201 366
Accumulated Impairment Losses	(12 318)	(12 318)
Acquisitions	- (8 781)	- (8 781)
Impairment Losses	(13 425)	(13 425)
Carrying value of Disposals:		
- Cost	(16 500)	(16 500)
- Accumulated Impairment Losses	3 075	3 075
Carrying values at 30 June 2021	166 842	166 842
Cost	184 866	184 866
Accumulated Impairment Losses	(18 024)	(18 024)

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

		2021 R
13. CONSUMER DEPOSITS		
Electricity	21 453 199	22 139 796
Water	-	-
Other	1 391 341	1 271 747
Total Consumer Deposits	22 844 540	23 411 543
14. PAYABLES FROM EXCHANGE TRANSACTIONS		
Other Payables	3 818 845	3 267 744
Retentions	28 499 274	32 845 775
Salary Related Payables	(961 000)	-
Trade Creditors	1 251 009 616	919 704 325
Advance Payments	2 155 996	2 155 996
Total Payables from Exchange Transactions	1 284 522 731	957 973 839
Control, Clearing and Interface Accounts: Salary Clearing and Control	58 663	828 017
Long Service Award	(5 479 000)	(1 387 000)
Pension and Retirement Contributions	-	122 909 524
Total Payables from Exchange Transactions allocated to Employee Related Costs	(5 420 338)	122 350 541
Payables and Accruals	331 305 291	693 074 460
Retentions	(4 346 501)	32 845 775
Total Payables from Exchange Transactions allocated to Suppliers Paid	326 958 790	725 920 234
15. PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Transfers and Subsidies	-	-
Total Payables from Non-exchange Transactions	-	-
The prior year amount for Payables from Non-exchange Transactions has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the restatement.		
16. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Departmental Agencies and Accounts	47 951 516	-
National Government	(3 780)	25 987 713
Private Enterprises	-	-
Total Unspent Conditional Grants and Receipts	47 947 736	25 987 713
17. LEASE PAYABLES		
Current Lease Payables	-	84 686
Total Lease Payables	-	84 686
17.1 Finance Lease Payables		
Finance Lease Liability	-	84 686
Operating Lease Liability	-	-
Total Non-current Lease Payables	-	84 686
Less: Current Portion transferred to Current Lease Payables:-	-	(84 686)
Finance Lease Liability	-	(84 686)
Operating Lease Liability	-	-

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

17.1.1 Summary of Arrangements

The lease terms average from two to five years and the effective borrowing rate for photocopier machines, is as determined by the Standard Interest Rate to be levied on debt owing to the state. Obligations under finance leases are secured by the lessor's title to the leased asset.

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2022 R	2021 R	2022 R	2021 R
Amounts payable under borrowings:				
Within one year	-	84 686	-	84 686
	-	84 686	-	84 686
Present Value of Minimum Lease Obligations	<u>-</u>	<u>84 686</u>	<u>-</u>	<u>84 686</u>
Less: Amounts due for settlement within 12 months (Current Portion)			-	(84 686)
Borrowings due for settlement after 12 months (Non-current Portion)			<u>-</u>	<u>-</u>
			0.00	0.00

The municipality has finance lease agreements for the following significant classes of assets:
- Office Equipment

18. BORROWINGS

Long-Term Borrowings

Development Bank of South Africa
Nedbank

	35 670 814	43 509 478
	15 035 743	17 310 511
	20 635 071	26 198 967

Less: Current Portion transferred to Current Borrowings:-
Borrowings

	8 569 764	7 789 616
	8 569 764	7 789 616

Non-Current Portion of Borrowings

	<u>27 101 050</u>	<u>35 719 863</u>
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18.1 Summary of Arrangements

Development Bank of South Africa

The fixed term loan is over a period of 20 years was taken up with the Development Bank of Southern Africa to consolidate previous loans with a new rescheduled loan amounted to R14,994,881. In terms of the service level agreement, as amended, the loan will be repaid in monthly instalments at a interest rate of 5%. The calculation of the instalments is based on the actual number of days and shall be payable in arrears semi annually (September and March).

Nedbank

The fixed term loan is over a period of 10 years was taken up with the Nedbank to consolidate previous

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
19. EMPLOYEE BENEFIT LIABILITIES		
Employee Benefit Liabilities	144 054 000	143 446 000
Post-retirement Health Care Benefits Liability	114 157 000	113 131 000
Long Service Awards Liability	29 897 000	30 315 000
Less: Current Portion of Employee Benefit Liabilities		
Post-retirement Health Care Benefits Liability	8 077 000	7 951 000
Long Service Awards Liability		
Post-retirement Health Care Benefits Liability	110 598 000	109 698 000
Long Service Awards Liability	25 379 000	25 797 000
Non-Current Portion of Employee Benefit Liabilities	135 977 000	135 495 000
19.1 Post-retirement Health Care Benefits Liability		
Opening Balance	113 131 000	103 009 000
Interest Cost	11 324 000	10 689 000
Current Service Cost	4 357 000	3 817 000
Actual Employer Benefit Payments	(3 725 984)	(3 486 920)
Actuarial Loss/ (Gain) recognised in the year	(10 887 016)	(897 080)
Balance at end of Year	114 199 000	113 131 000
Transfer to Current Provisions	3 601 000	3 433 000
Total Post-retirement Health Care Benefits Liability	110 598 000	109 698 000
The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.		
Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.		
Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income.		
Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependants receive a 70% subsidy.		
The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.		
The members of the Post-employment Health Care Benefit Plan are made up as follows:		
In-service Members (Employees)	567	551
In-service Non-members (Employees)	181	161
Continuation Members (Retirees, widowers and orphans)	65	65
Total Members	813	777

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
The liability in respect of past service has been estimated as follows:		
In-service Members	75 584 000	74 344 000
In-service Non-members	4 108 000	3 868 000
Continuation Members	34 507 000	34 919 000
Total Liability	114 199 000	113 131 000

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Samwumed

The Current-service Cost for the year ending 30 June 2022 is estimated to be R4 357 000, whereas the cost for the ensuing year is estimated to be R4 574 000 (30 June 2021: R3 817 000 and R4 357 000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	10.16%	10.16%
Health Care Cost Inflation Rate	6.89%	6.89%
Net Effective Discount Rate	3.06%	3.06%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

General:

It is assumed that the municipality's health care arrangements and subsidy policy would remain as

Continuation of Membership:

It has been assumed that 75% of in-service members will remain on the Municipality's health care

Family Profile:

It has been assumed that female spouses will be five years younger than their male counterparts.

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.82% per annum has been used. The corresponding index-linked yield at this term is 4.10%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2022.

19.2 Long Service Awards Liability

Opening Balance	30 315 000	46 093 000
Increases	3 139 292	(10 802 110)
Current service cost	2 167 000	3 189 000
Interest cost	2 417 000	3 036 000
Benefits vesting	(4 518 292)	(4 975 890)
Actuarial (gain)/loss	(1 444 708)	(3 886 110)
Change in LSA earnings definition (see Section 3)	-	(13 141 000)
Balance at end of Year	28 936 000	30 315 000
Transfer to Current Provisions	3 557 000	4 518 000
Total Long Service Awards Liability	25 379 000	25 797 000

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

The Municipality offers employees Long Service Awards for every five years of service completed, from ten years of service to 45 years of service, inclusive.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 748 (2021: 712) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2022 is estimated to be R2 417 000, whereas the cost for the ensuing year is estimated to be 2 060 000 (30 June 2021: R3 189 000 and R2 417 000

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	10.67%	8.60%
Cost Inflation Rate	7.31%	5.60%
Net Effective Discount Rate	3.13%	2.84%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

General:

It is assumed that the Municipality's long service arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits would remain unchanged, with the exception of inflationary adjustments.

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 10.67% per annum has been used. This yield was obtained by calculating the duration of the liability and then taking the yield from the yield curve at that duration using an iterative process. The corresponding liability-weighted index-linked yield is 3.64%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2022. The duration of the total liability was estimated to be 7.50 years.

20. PROVISIONS

Current Provisions	42 161 376	47 981 358
Non-current Provisions	3 827 472	-
Total Provisions	<u>45 988 848</u>	<u>47 981 358</u>

20.1 Current Provisions

Current Portion of Non-Current Provisions:	42 161 376	47 981 358
Bonus	6 578 596	5 502 105
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	7 961 896	14 049 729
Leave	26 989 939	27 798 580
Section 56 Salary Adjustments	630 945	630 945
Total Provisions	<u>42 161 376</u>	<u>47 981 358</u>

Bonus Provision: Staff bonuses accrued to employees according to the standard contract of employment. Provision is made for the full cost of accrued bonuses at reporting date. This provision will be realised when bonuses are paid during November of the next year.

Decommissioning, Restoration and Similar Liabilities: Landfill Sites

Landfill sites decommissioning is estimated by means of a valuation performed by a professional valuator to determine the future cost of dismantling the landfill site. The cost is then reduced to take into account the time value of money at the weighted average borrowing rate of the municipality which has been determined as 12.75%.

Leave Provision: Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
20.2 Non-current Provisions		
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	3 827 472	-
Total Non-current Provisions	3 827 472	-
Decommissioning of Landfill Sites:		
Opening Balance	1 083 914	-
Increases (Passage of Time/Discounted Rate)	2 743 557	-
	3 827 472	-

20.3 Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse site, the Municipality will incur licencing and rehabilitation costs of R11 259 699 (2021: R13 520 060) to restore the site at the end of its useful live. Provision has been made for the net present value of the future cost, using the average bond yield interest rate.

The municipality has an obligation to rehabilitate its land-fill sites in terms of its licence stipulations. The net present value of the rehabilitation cost of land-fill sites has been determined as at 30 June 2022 by a technical specialist, Rofhiwa Khaukanani Pr Eng CAMA CSAM CEM, the Director for Infratec (Pty) Ltd. The provision is the best estimate of the net present value of future rehabilitation costs of the land-fill sites to restore the sites at the end of their useful lives. The payment dates of the total closure and rehabilitation are uncertain, but are currently expected to be between 2022 and 2052.

As measured in the topographical survey, the available airspace has been exhausted. It was recommended that the Municipality applies for a height extension in order to increase the operational lifetime of the landfill site.

It was assumed that a closure licence will be issued in 2022 and rehabilitation will commence by 2027. The first post-closure year was assumed to be 2028.

Major assumptions concerning future events

The cost estimate for construction works to be performed for the closure and rehabilitation of an existing disposal site include the following assumptions made by the technical specialist:

- (a) The consolidation of "old" waste in the cell and filling of voids with builders rubble or other waste permissible for disposal at the site.
- (b) Doming the entire site in such a way to prevent the formation of pools due to rain, to ensure free surface runoff of rain water.
- (c) Capping the site in accordance with the capping design requirements as stipulated in the Minimum Requirements for Closure for the various classes of disposal sites; and
- (d) Rehabilitating the site in accordance with the end-use plan e.g. grassing, sport field etc.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
21. PROPERTY RATES		
	Actual Levies	
Property Rates Levies	567 482 865	541 111 352
Business and Commercial Properties		
Farm Properties		
Mining Properties	100 450 006	97 759 322
Public Benefit Organisations		
Public Service Infrastructure Properties		
Residential Properties	4 630 767	4 223 302
Total Property Rates	567 482 865	541 111 352

The prior year amount for Property Rates has been adjusted. Refer to Note 45.1 on "Correction of Error" for details of the restatement.

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2019. A request for extension of the valid period for the valuation roll has been submitted to the MEC for local government.

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions.

22. FINES AND PENALTIES

Traffic Fines:	25 509 536	44 282 578
Service Provider	25 509 536	44 282 578
Other Fines:	756 040	46 870
Building	757 500	40 000
Overdue Books Fine	(1 460)	6 870
Penalties	383 943	439 640
Tender Withdrawal	383 943	439 640
Total Fines and Penalties	26 649 519	44 769 088

The prior year amount for Fines, Penalties and Forfeits has been adjusted. Refer to Note 45.1 on "Correction of Error" for details of the restatement.

23. AGENCY FEES

	Exchange Transactions 2022 R	Exchange Transactions 2021 R	Non-Exchange Transactions 2022 R	Non-Exchange Transactions 2021 R
Road and Transport:				
Motor Vehicle Licence	15 825 892	14 766 872	-	-
709 Trading		609	-	-
Total Licences and Permits	15 826 601	14 767 481	-	-

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
24. TRANSFERS AND SUBSIDIES		
Capital Grants	170 933 862	153 332 590
Operational Grants	<u>284 717 588</u>	<u>281 576 968</u>
Total Transfers and Subsidies Received	<u><u>455 651 451</u></u>	<u><u>434 909 558</u></u>
24.1 Summary of Grants:		
24.1.1 Capital Grants		
National Governments	170 933 862	153 332 590
Total Capital Grants Received	<u><u>170 933 862</u></u>	<u><u>153 332 590</u></u>
24.1.2 Operational Grants		
District Municipalities	5 222 680	2 495 320
National Governments	19 000 847	9 672 664
National Revenue Fund	229 857 328	252 667 486
Private Enterprises	1 237 731	143 187
Provincial Government	29 399 001	16 598 311
Total Operational Grants Received	<u><u>284 717 588</u></u>	<u><u>281 576 968</u></u>
24.2 Detailed Summaries		
Equitable Share	229 859 000	221 510 000
MIG Grant	110 279 433	51 106 444
Water Services Infrastructure Grants (WSIG)	51 229 996	58 020 781
Provincial Disaster Fund	-	-
Human Settlement Grant	7 035 682	10 921 045
West Rand District Municipality	2 727 361	2 495 320
Department of Mineral Resources and Energy	17 919 000	24 772 911
Department of Sports, arts, culture and recreation	12 999 814	-
EPWP	467 712	1 817 425
Financial Management Grant (FMG)	2 549 807	1 817 425
Department of Water and Sanitation: Mining Town	16 678 387	59 248 698
Municipal Disaster Grant (Covid)	1 810 714	3 056 322
Other grants and donations	1 094 544	143 187
Sector Education and Training Authority (SETA)	-	-
GRAP 17 Conditional Grant	1 000 000	-
Total Receipts for Government Grants and Subsidies	<u><u>455 651 451</u></u>	<u><u>434 909 558</u></u>
The above Grants and Subsidies received were utilised as follows:		
270 427 951 Operational Expenditure		255 612 591
185 223 409 Capital Expenditure		179 296 967
Total Receipts for Government Grants and Subsidies	<u><u>455 651 451</u></u>	<u><u>434 909 558</u></u>
24.2.1 Equitable Share		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	229 859 000	221 510 000
Conditions Met: Operational - Transferred to Revenue	(229 859 000)	(221 510 000)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	<u><u>-</u></u>	<u><u>-</u></u>

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
24.2.2 MIG Grant		
Unspent Balance at the Beginning of the Year	6 820 566	44 406 925
Current Year Receipts	118 707 893	57 927 010
Conditions Met: Operational - Transferred to Revenue	-	-
Conditions Met: Capital - Transferred to Revenue	(110 279 433)	(51 106 444)
Adjustments / Refunded to National Revenue Fund	(5 476 597)	(44 406 925)
Unspent Balance at the End of the Year	<u>9 772 428</u>	<u>6 820 566</u>

The Municipal Infrastructure Grant (MIG) was allocated for the construction, sewer and water purification

All current year allocations were fully spent during the year and allocated to revenue under votes.

24.2.3 Water Services Infrastructure Grants (WSIG)		
Unspent Balance at the Beginning of the Year	554 219	46 780 192
Current Year Receipts	55 000 000	58 575 000
Conditions Met: Operational - Transferred to Revenue	-	-
Conditions Met: Capital - Transferred to Revenue	(51 229 996)	(58 020 781)
Adjustments / Refunded to National Revenue Fund	-	(46 780 192)
Unspent Balance at the End of the Year	<u>4 324 222</u>	<u>554 219</u>

Grant has been received from the government as indicated above. A total of R4324222.49999999 (2021:

24.2.4 Provincial Disaster Fund		
Unspent Balance at the Beginning of the Year	4 219	4 219
Current Year Receipts	-	-
Conditions Met: Operational - Transferred to Revenue	-	-
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	<u>4 219</u>	<u>4 219</u>

Grant has been received from the government as indicated above. A total of R4219 (2021: R4219) funds have been withheld.

24.2.5 Human Settlement Grant		
Unspent Balance at the Beginning of the Year	(453 124)	6 570 925
Current Year Receipts	-	8 247 116
Conditions Met: Operational - Transferred to Revenue	(7 035 682)	(10 921 045)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	7 035 682	(4 350 120)
Unspent Balance at the End of the Year	<u>(453 124)</u>	<u>(453 124)</u>

Grant has been received from the government as indicated above. A total of R-453124.329999979 (2021:

24.2.6 West Rand District Municipality		
Unspent Balance at the Beginning of the Year	755 232	612 648
Current Year Receipts	1 972 129	2 637 903
Conditions Met: Operational - Transferred to Revenue	(2 727 361)	(2 495 320)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	<u>0</u>	<u>755 232</u>

No funds have been withheld.

24.2.7 Department of Mineral Resources and Energy		
Unspent Balance at the Beginning of the Year	89	3 184 549
Current Year Receipts	17 919 000	24 773 000
Conditions Met: Operational - Transferred to Revenue	(17 919 000)	(24 772 911)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	(3 184 549)	(3 184 549)
Unspent Balance at the End of the Year	<u>(3 184 460)</u>	<u>89</u>

Grant has been received from the government as indicated above. A total of R-3184459.54 (2021: R89.4500000006519) funds have been withheld.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
24.2.8 Department of Sports, arts, culture and recreation		
Unspent Balance at the Beginning of the Year	6 479 924	6 584 819
Current Year Receipts	11 680 515	17 200 000
Conditions Met: Operational - Transferred to Revenue	(12 999 814)	-
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	(17 304 896)
Unspent Balance at the End of the Year	<u>5 160 625</u>	<u>6 479 924</u>

Grant has been received from the government as indicated above. A total of R5160624.95 (2021:

24.2.9 EPWP		
Unspent Balance at the Beginning of the Year	(152 135)	454 229
Current Year Receipts	500 000	1 500 000
Conditions Met: Operational - Transferred to Revenue	(467 712)	(1 817 425)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	(288 938)
Unspent Balance at the End of the Year	<u>(119 847)</u>	<u>(152 135)</u>

The Expanded Public Works Programme (EPWP) grant is received to incentivise municipalities to expand

24.2.10 Financial Management Grant (FMG)		
Unspent Balance at the Beginning of the Year	682 575	3 607
Current Year Receipts	2 550 000	2 500 000
Conditions Met: Operational - Transferred to Revenue	(2 549 807)	(1 817 425)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	(686 182)	(3 607)
Unspent Balance at the End of the Year	<u>(3 415)</u>	<u>682 575</u>

The Financial Management Grant is paid by National Treasury to municipalities to assist the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

24.2.11 Department of Water and Sanitation: Mining Town		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	36 023 226	35 000 000
Conditions Met: Operational - Transferred to Revenue	-	-
Conditions Met: Capital - Transferred to Revenue	(16 678 387)	(59 248 698)
Adjustments / Refunded to National Revenue Fund	-	24 248 698
Unspent Balance at the End of the Year	<u>19 344 839</u>	<u>-</u>

Grant has been received from the government as indicated above. A total of R19344838.6 (2021: R0)

24.2.12 Municipal Disaster Grant (Covid)		
Unspent Balance at the Beginning of the Year	-	596 000
Current Year Receipts	1 810 714	2 460 322
Conditions Met: Operational - Transferred to Revenue	(1 810 714)	(3 056 322)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	<u>-</u>	<u>-</u>

No funds have been withheld.

24.2.13 Other grants and donations		
Unspent Balance at the Beginning of the Year	11 296 149	7 679 237
Current Year Receipts	2 361 606	3 760 100
Conditions Met: Operational - Transferred to Revenue	(1 094 544)	(143 187)
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	<u>12 563 211</u>	<u>11 296 149</u>

Grant has been received from the government as indicated above. A total of R12563211.18 (2021:

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
24.2.14 Sector Education and Training Authority (SETA)		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	542 818	-
Conditions Met: Operational - Transferred to Revenue	-	-
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	542 818	-

The Purpose of the Discretionary Grants is to assist the SETA to achieve its objectives in relation to the

24.2.15 GRAP 17 Conditional Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1 000 000	-
Conditions Met: Operational - Transferred to Revenue	(1 000 000)	-
Conditions Met: Capital - Transferred to Revenue	-	-
Adjustments / Refunded to National Revenue Fund	-	-
Unspent Balance at the End of the Year	-	-

No funds have been withheld.

25. TAXES

Taxes	19 023 923	25 722 253
Total Surcharges and Taxes	19 023 923	25 722 253

The prior year amount for Surcharges and Taxes has been adjusted. Refer to Note 45.1 on "Correction of Error" for details of the restatement.

26. SERVICE CHARGES

Sale of Electricity;	287 704 526	260 652 554
- Service Charges	288 954 101	261 756 483
- Revenue Foregone	(1 249 575)	(1 103 929)
Sale of Water:	374 791 681	349 371 180
- Service Charges	376 365 579	350 480 979
- Revenue Foregone	(1 573 898)	(1 109 799)
Refuse Removal:	79 993 004	76 979 177
- Service Charges	81 127 799	77 989 837
- Revenue Foregone	(1 134 795)	(1 010 660)
Sewerage and Sanitation Charges:	70 372 251	66 761 361
- Service Charges	71 732 414	67 906 181
- Revenue Foregone	(1 360 163)	(1 144 820)
Total Service Charges	812 861 462	753 764 273
- Service Charges	818 179 893	758 133 480
- Revenue Foregone	(5 318 431)	(4 369 207)

The prior year amount for Service Charges has been adjusted. Refer to Note 45.1 on "Correction of Error" for details of the restatement.

27. SALES OF GOODS AND RENDERING OF SERVICES

Advertisements	84 835	103 616
Building Plan Clause Levy	766 363	707 971
Cemetery and Burial	441 552	468 782
Clearance Certificates	143 220	112 408
Development Charges	20 671	73 098
Entrance Fees	108 876	26 139
Photocopies and Faxes	106 967	80 854
Sale of Goods	271 592	200 220
Scrap, Waste & Other Goods	258 712	65 163
Town Planning and Servitudes	228 480	164 044
Total Sales of Goods and Rendering of Services	2 431 268	2 002 294

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
28. RENTAL FROM FIXED ASSETS		
Straight-lined Operating Lease Revenue		
Other Fixed Assets:	1 255 788	1 133 277
Property Plant and Equipment	1 255 788	1 133 277
Sub-lease Rental Income from Other Fixed Assets	484 195	418 177
Property Plant and Equipment	484 195	418 177
Ad-hoc Rental Income from Other Fixed Assets:		
Property Plant and Equipment	32 137	(3 087)
Total Rental of Facilities and Equipment	1 772 119	1 548 368
Total Rental of Facilities and Equipment allocated to Other Receipts	1 772 119	1 548 368
Rental income generated are at market related premiums. All rental income recognised is therefore market related.		
29. INTEREST INCOME		
External Investments:		
Bank Account	5 046 100	4 848 321
	5 046 100	4 848 321
Total Interest Received		
Interest - Bank Account	5 046 100	4 848 321
Interest - Variable Rate Instruments	5 046 100	4 848 321
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	187 953 044	142 532 378
Service Charges	(59 769)	(7 630 122)
Outstanding debtors	188 012 813	150 162 486
	187 953 044	142 532 378
Total Exchange Interest, Dividends and Rent on Land Earned Total Interest,	192 999 144	147 380 699
Dividends and Rent on Land Earned	192 999 144	147 380 699
30. OPERATIONAL REVENUE		
Administrative Handling Fees	183 626	158 032
Breakages and Losses Recovered	603	238
Commission	378 878	330 165
Incidental Cash Surpluses	3 567	10 457
Insurance Refund	232 879	386 853
Request for Information	12 788	13 629
Skills Development Levy Refund	-	358 240
Total Operational Revenue	812 341	1 257 614

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
31. EMPLOYEE RELATED COSTS		
Salaries, Wages and Service Related Benefits:		
Basic	205 850 213	202 460 630
Long Service Awards	4 540 181	2 877 318
Bonusses	15 478 097	15 398 555
Leave Payments	8 445 008	9 439 685
Overtime	31 313 680	27 264 904
	24 350 374	17 729 499
Allowances:		
Travel, motor car, accommodation, subsistence and other allowances	8 489 608	1 445 876
Cellular and Telephone	1 726 014	1 863 636
Housing Benefits	4 555 644	4 450 890
Tools Allowance	9 579 108	9 969 096
	64 110 876	62 985 284
Social Contributions:		
Bargaining Council	118 139	208 400
WCA	2 129 795	2 183 126
Medical	31 104 064	31 062 380
Pension	29 300 845	28 078 072
Unemployment Insurance	1 458 033	1 453 306
	13 294 760	11 784 425
Post-retirement Benefits:		
Current Service Cost	589 016	330 080
Interest Cost	14 134 943	9 791 920
Actuarial Gains and Losses	-	-
Past Service Cost	922 093	3 449 315
Long Term Service Awards	(2 351 292)	(1 786 890)
	367 383 190	349 940 300

31.1 Key Management Personnel:

Municipal Manager - S.L. Mdletshe

Annual remuneration	1 922 537	146 767
Travel, motor car, accommodation, subsistence and other allowances	253 031	27 669
Council contributions to UIF, pension and medical aid funds	226 144	44 717
Total	2 401 712	219 153

The post was vacant for the period 01 December 2012 to 30 April 2013, for which period an Acting

Chief Financial Officer - R.J. Magongwa

Annual remuneration	840 131	-
Travel, motor car, accommodation, subsistence and other allowances	313 196	-
Council contributions to UIF, pension and medical aid funds	213 269	-
Total	1 366 596	-

Chief Operating Officer - Vacant 2022

Annual remuneration	-	182 732
Travel, motor car, accommodation, subsistence and other allowances	-	57 653
Council contributions to UIF, pension and medical aid funds	-	42 735
Total	-	283 120

The post was vacant for the period 01 December 2012 to 30 April 2013, for which period an Acting

Executive Director: Infrastructure Development - N. Moyo

Annual remuneration	788 295	1 365 733
Travel, motor car, accommodation, subsistence and other allowances	253 593	407 661
Performance & other bonuses	60 915	151 071
Council contributions to UIF, pension and medical aid funds	227 121	114 755
Total	1 329 924	2 039 220

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
Executive Director: Corporate Services - S.B. Mazibuko		
Annual remuneration	785 407	1 252 830
Travel, motor car, accommodation, subsistence and other allowances	386 681	296 008
Performance & other bonuses	63 047	151 071
Council contributions to UIF, pension and medical aid funds	240 674	411 338
Total	<u>1 475 809</u>	<u>2 111 247</u>
Executive Director: Community Services - S.E. Mantjane		
Annual remuneration	1 020 017	2 013 794
Travel, motor car, accommodation, subsistence and other allowances	149 362	306 191
Performance & other bonuses	-	203 204
Council contributions to UIF, pension and medical aid funds	281 956	557 430
Total	<u>1 451 335</u>	<u>3 080 619</u>
Executive Director: Economic Development & Planning - J.H. Smith		
Annual remuneration	768 006	1 624 461
Travel, motor car, accommodation, subsistence and other allowances	215 836	464 565
Performance & other bonuses	63 047	151 071
Council contributions to UIF, pension and medical aid funds	240 760	44 955
Total	<u>1 287 649</u>	<u>2 285 052</u>
 32. REMUNERATION OF COUNCILLORS		
Executive Mayor	828 425	903 870
Speaker	731 974	731 974
Executive Committee Members	7 107 628	9 781 961
Total for All Other Councillors	13 614 370	11 172 099
Total Councillors' Remuneration	<u>22 282 397</u>	<u>22 589 904</u>
Remuneration of Councillors:		
In-kind Benefits		
The Executive Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor, Speaker and Chief Whip has the use of a Council owned vehicle for official duties.		
The Executive Mayor has full-time VIP protection personnel. The Speaker		
has full-time VIP protection personnel.		
 33. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	114 117 771	99 391 852
Depreciation: Investment Property	-	1
Depreciation: Biological Assets	-	-
Depreciation: Heritage Assets	8 252	8 781
Amortisation: Intangible Assets	151 435	331 228
Total Depreciation and Amortisation	<u>114 277 458</u>	<u>99 731 862</u>
 34. IMPAIRMENT LOSSES		
Impairment Losses on Fixed Assets	-	40 386 269
Impairment Losses on Financial Assets	828 101 282	940 885 629
Total Impairment Losses	<u>828 101 282</u>	<u>981 271 898</u>

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
35. INTEREST COST		
Interest cost:		
Bank Overdraft	81 662 572	54 003 016
Borrowings		
Interest costs non-current Provisions	2 293	4 252
Long Service Awards		871
Overdue Accounts	3 487 960	
Total Interest cost	<u>81 662 572</u>	<u>54 003 016</u>
36. BULK PURCHASES		
Electricity	387 618 623	359 482 566
Water	(263 375)	531 651
Total Bulk Purchases	<u>387 355 248</u>	<u>360 014 217</u>
37. CONTRACTED SERVICES		
Outsourced Services	38 327 541	29 355 046
Consultants and Professional Services	16 737 562	20 626 993
Contractors	31 274 584	13 880 453
Total Contracted Services	<u>86 339 688</u>	<u>63 862 491</u>
37.1 Outsourced Services		
Administrative and Support Staff	387 144	800
Burial Services	983 645	1 036 590
Business and Advisory	7 439 786	4 133 075
Catering Services	16 499	23 924
Illegal Dumping	785 590	890 640
Litter Picking and Street Cleaning	4 359 698	2 966 633
Meter Management	3 792 473	3 195 841
Security Services	18 391 241	14 702 698
Traffic Fines Management	2 167 715	2 399 844
Transport Services	3 750	5 000
	<u>38 327 541</u>	<u>29 355 046</u>
37.2 Consultants and Professional Services		
Business and Advisory	9 486 206	13 711 964
Infrastructure and Planning	-	-
Laboratory Services	-	-
Legal Cost	7 251 356	6 915 028
	<u>16 737 562</u>	<u>20 626 993</u>
37.3 Contractors		
Artists and Performers	13 848 450	2 852 596
Electrical	99 170	75 050
Employee Wellness	2 061 845	2 127 862
Maintenance of Buildings and Facilities	5 406 706	3 421 414
Maintenance of Equipment	4 045 403	333 482
Maintenance of Computer Software	1 860 715	2 070 772
Prepaid Electricity Vendors	-	-
Preservation/Restoration/Dismantling/Cleaning Services	3 842 156	2 945 850
Sewerage Services	9 900	-
Sports and Recreation	100 240	53 427
Traffic and Street Lights		
	<u>31 274 584</u>	<u>13 880 453</u>

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
38. INVENTORY CONSUMED		
Consumables	64 982	321 114
Materials and Supplies	563 431	999 114
Water	195 994 525	177 531 211
Total Inventory Consumed	196 622 938	178 851 439
39. TRANSFERS AND SUBSIDIES PAID		
Operational Grants		
Monetary Allocations	321 051	2 295 069
Total Transfers and Subsidies Paid	321 051	2 295 069
The prior year amount for Transfers and Subsidies Paid has been adjusted. Refer to Note 45.2 on "Correction of Error" for details of the restatement.		
Local Municipalities	-	2 000 000
Non-profit Institutions	321 051	295 069
Total Operational Grants Paid	321 051	2 295 069
40. OPERATING LEASES		
Computer Equipment	11 037	212 973
Furniture and Office Equipment	2 938 345	2 750 015
Infrastructure	516 516	1 467 700
Machinery and Equipment	155 247	237 975
Transport Assets	25 867 435	22 831 830
Total Operating Leases	29 488 581	27 500 493

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	R
41. OPERATIONAL COSTS		
Achievements and Awards	-	-
Advertising, Publicity and Marketing	657 889	648 107
Assets less than the Capitalisation Threshold	149	-
Atmospheric Emission Licence	275 193	243 578
Bank Charges, Facility and Card Fees	2 633 560	1 261 413
Bursaries (Employees)	329 717	171 711
Cleaning Services	188 632	234 782
Communication	1 690 765	1 856 348
Contribution to Provisions	-	(582 181)
Courier and Delivery Services	157 570	191 220
Deeds	72 179	75 573
Entertainment	8 092	1 074
External Computer Service	11 012 235	4 467 274
Fines and Penalties	27 158	-
Hire Charges	2 151 826	1 620 699
Honoraria (Voluntarily Workers)	-	-
Indigent Relief	126 950	-
Insurance Underwriting	4 132 830	3 699 038
Learnerships and Internships	84	24 000
Levies Paid - Water Resource Management Charges	1 552 080	1 496 685
Licences	224 003	184 497
Municipal Services	1 448	1 426 409
Printing, Publications and Books	365 849	383 583
Professional Bodies, Membership and Subscription	7 890 860	4 212 250
Registration Fees	1 950	-
Remuneration to Ward Committees	140 855	256 996
Resettlement Cost	24 238	-
Signage	90 860	-
System Access and Information Fees	326 094	1 083 303
Toll Gate Fees	188 781	145 616
Travel and Subsistence	22 117	47 359
Wet Fuel	17 298 191	15 477 896
Workmen's Compensation Fund	2 815 708	3 960 668
Total Operational Costs	<u>54 407 863</u>	<u>42 587 899</u>
Total for Other Payments	<u>(2 433 761 810)</u>	<u>1 054 696 104</u>
	<u>22 117</u>	<u>47 359</u>
41.1 Material Losses	<u>2 696 871</u>	<u>3 374 774</u>
Distribution Losses:		
Electricity Losses	992 529	1 264 774
Water Losses	1 704 341	2 110 000

The amounts disclosed above for **Electricity and Water Losses** are in respect of costs incurred in the general management of the municipality and not directly attributable to a specific service or class of expense (See Note 53.9).

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	R
42. GAINS AND LOSSES ON OTHER OPERATIONS		
Gains on Other Operations		
Fair Value Gains on Interest Rate Swaps	-	-
Total Gains on Other Operations	<u>-</u>	<u>-</u>
Water Losses	52 361 722	60 320 608
Net Gains and Losses on Other Operations	<u>(52 361 722)</u>	<u>(60 320 608)</u>
43. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS		
Investment Property	(90 313 381)	-
Property, Plant and Equipment	(1 172 743)	(1 856 968)
Total Gains / (Losses) on Disposal of Capital Assets	<u>(91 486 124)</u>	<u>(1 856 968)</u>

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R 2021
R

44. RECLASSIFICATION OF ANNUAL FINANCIAL STATEMENTS

44.1 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balance published as at 30 June 2020		2 552 705748
Correction of Error:-		
Adjustment for Impairment of Receivables	-	
Adjustment for Capital Assets as per Revised Asset Register	(35 552 483)	
Adjustment for Inventories as per Working Papers	-	
Adjustment for Exchange Receivables as per Working Papers	-	
Adjustment for Statutory Non-exchange Receivables as per Working Papers	-	
Adjustment for VAT Receivables as per Working Papers	-	
Adjustment for Cash and Cash Equivalents as per Working Papers	-	
Adjustment for Exchange Payables as per Working Papers	-	
Adjustment for Rounding Errors	-	
	-	(35 552 483)
Restated Balance as at 30 June 2020		2 517 153265
Transactions incurred for the Year 2020/21		(236 288083)
Correction of Error:-		
Adjusted as per Working Papers	-	(41 305102)
Restated Balances as at 30 June 2021		2 239 560079

44.2 Reclassification of Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2020/21 Audited	Change in Accounting Policy	Correction of Error	Restated Amount 2020/21
Property Rates	541 111 352	-	(0)	541 111 352
Fines, Penalties and Forfeits	47 436 316	-	(2 667 228)	44 769 088
Licences and Permits - Non-exchange	-	-	-	-
Transfers and Subsidies	418 518 104	-	16 391 454	434 909 558
Surcharges and Taxes	24 852 194	-	870 059	25 722 253
Interest, Dividends & Rent on Land Non-Exchange	-	-	-	-
Licences and Permits - Exchange	14 767 481	-	0	14 767 481
Service Charges	756 328 780	-	(2 564 507)	753 764 273
Sales of Goods and Rendering of Services	-	-	2 002 294	2 002 294
Property rates - Penalties imposed	7 581 738	-	(7 581 738)	-
Public Contributions and Donations	150 822	-	(150 822)	-
Rental from Fixed Assets	518 707	-	1 029 661	1 548 368
Interest, Dividends & Rent on Land Exchange	147 380 699	-	0	147 380 699
Operational Revenue	2 866 417	-	(1 608 803)	1 257 614
Gains on Disposal of PPE	89 213	-	(89 213)	-
	1 961 601 823	-	5 631 157	1 967 232 980

44.3 Reclassification of Expenditure

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

44.3 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2020/21 Audited	Change in Accounting Policy	Correction of Error	Restated Amount 2020/21
Employee Related Costs	355 691 923	-	(5 751 623)	349 940 300
Remuneration of Councillors	22 589 904	-	4 686 091	22 589 904
Depreciation and Amortisation	95 045 771	-	7 305 764	99 731 862
Impairment Losses	973 966 134	-	(158 997)	981 271 898
Interest, Dividends and Rent on Land	54 162 013	-	(50 823 718)	54 003 016
Bulk Purchases	410 837 935	-	(24 012 784)	360 014 217
Contracted Services	87 875 275	-	178 851 439	63 862 491
Inventory Consumed	-	-	2 295 069	178 851 439
Transfers and Subsidies Paid	-	-	27 500 493	2 295 069
Operating Leases	-	-	(249 005 570)	27 500 493
Operational Costs	291 593 469	-	1 856 968	42 587 899
Loss on Disposal of PPE	-	-	60 320 608	1 856 968
Losses on Other Operations	-	-	-	60 320 608
	2 291 762 424	-	(46 936 259)	2 244 826 165
				(277 593 185.08)

44.4 Reclassification of Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2020/21 Audited	Change in Accounting Policy	Correction of Error	Restated Amount 2020/21
Current Assets	1 011 528			672 413
Inventories	240 214 260	-	(339 115)	174 152 066
Receivables from Exchange Transactions	9 140 953	-	(66 062 194)	69 729 749
Statutory Receivables from Exchange Transactions	-	-	60 588 796	-
Receivables from Non-exchange Transactions	-	- 80 833 522	-	80 833 522
Statutory Receivables from Non-exchange Transactions	-	- (77 592 113)	-	-
Construction Contracts and Receivables	77 592 113	(8 200 249)	-	-
VAT Receivable	70 530 193	-	-	62 329 944
Cash and Cash Equivalents	-	-	(1)	-
Non-Current Assets	2 778 649 771	-	0	2 778 649 770
Property, Plant and Equipment	296 494	-	(0)	296 494
Intangible Assets	320 218 730	-	-	320 218 730
Investment Property	166 842	-	-	166 842
Heritage Assets	(23 411 543)	-	0	-
Current Liabilities	(1 001 179 626)	-	43 205 787	(23 411 543)
Consumer Deposits	(27 163 036)	-	1 175 323	(957 973 839)
Payables from Exchange Transactions	(84 686)	-	-	(25 987 713)
Unspent Conditional Grants and Receipts	(7 761 105)	-	(28 511)	(84 686)
Lease Payables	(3 433 000)	-	(4 518 000)	(7 789 616)
Borrowings	(85 709 980)	-	37 728 622	(7 951 000)
Employee Benefit Liabilities	-	-	-	(47 981 358)
Provisions	(35 748 373)	-	28 510	-
Non-Current Liabilities	(109 698 000)	-	(25 797 000)	(35 719 863)
Borrowings	(112 014 559)	-	112 014 559	(135 495 000)
Employee Benefit Liabilities	-	-	-	-
Provisions	-	-	-	-
Net Assets	-	-	(5 094 833)	-
Reserves	-	-	(147 943 103)	-
Accumulated Surplus / (Deficit)	-	-	-	-

-
(2 091 616 976)

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(5 094 833)
(2 239 560 079)

44.3 Reclassification of Expenditure

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
45. CORRECTION OF ERROR		
45.1 Reclassification of Revenue		
Corrections were made on disclosures of the previous financial year. These disclosures are limited to re-classification of line items within the different categories of the financial statements. Details of the corrections are described below:		
45.1 Reclassification of Revenue		
Prior year amounts of items in Revenue included in the Statement of Financial Performance have been restated as indicated below: Correction of Errors:-		
Adjust as per Working Papers	-	16 391 454
	(2 667 228)	-
Restated Balance now reported	<u><u>541 111 352</u></u>	<u><u>434 909 558</u></u>

Fines, Penalties and Forfeits:

The **prior year amounts** for Fines, Penalties & Forfeits and Receivables from Exchange Transactions have been restated to correctly disclose the revenue for Traffic Fines in terms of the prescriptions of IGRAP 1, previously not accrued for.

Transfers and Subsidies:

The **prior year amounts** for Transfers & Subsidies and Property, Plant & Equipment have been restated to correctly disclose the revenue.

Furthermore, the **prior year amounts** for Transfers & Subsidies and Public Contributions & Donations have been restated to correctly disclose the revenue for library books donated from Public, previously recognised from Government.

		Interest, Dividends & Rent on Land Non- Exchange	Licences and Permits - Exchange	Service Charges
Surcharges and Taxes				
Balance previously reported	24 852 194	-	14 767 481	756 328 780
Correction of Errors:-				
870 059 Adjusted Changes as per Working Papers		-	-	(2 564 507)
Restated Balance now reported	<u><u>25 722 253</u></u>	<u><u>-</u></u>	<u><u>14 767 481</u></u>	<u><u>753 764 273</u></u>

Service Charges:

The **prior year amounts** for Service Charges have been restated to correctly disclose the revenue for Service Charges, restated in terms of prior year audit findings as per working papers prepared.

		Public Contributions and Donations	Rental from Fixed Assets	Interest, Dividends & Rent on Land Exchange
Property rates - Penalties imposed				
Balance previously reported	7 581 738	150 822	518 707	147 380 699
Correction of Errors:-				
Adjusted as per Working Papers	-	-	-	-
Restated Balance now reported	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1 548 368</u></u>	<u><u>147 380 699</u></u>

Rental from Fixed Assets:

The **prior year amounts** for Rental from Fixed Assets have been restated to correctly disclose the revenue for Rentals.

		Intercompany/Parent- subsidiary Transactions	Gains on Disposal of PPE	Gains on Other Operations
Operational Revenue				
Balance previously reported	2 866 417	-	89 213	
Correction of Errors:-				
	-1 608 803	(89 213)		
Restated Balance now reported	<u><u>1 257 614</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	

Other Income:

The **prior year amounts** for Other Income have been restated to correctly disclose as per the SCOA Chart.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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45.2 Reclassification of Expenditure

Prior year amounts of items in **Expenditure** included in the Statement of Financial Performance have been restated as indicated below:

Employee Related Costs		Remuneration of Councillors	Depreciation and Amortisation
Balance previously reported	355 691 923	22 589 904	95 045 771
Correction of Errors:- (19 738 685) Adjusted as per Revised Asset Register		-	4 686 091
Restated Balance now reported	<u><u>335 953 255</u></u> (13 987 045.07)	<u><u>22 589 904</u></u>	<u><u>99 731 862</u></u>

Employee related cost

The **prior year amounts** for Employee related cost have been restated to correctly disclose the employee cost for the prior year.

Depreciation and Amortisation:

The **prior year amounts** for Depreciation & Amortisation and Property, Plant & Equipment have been restated to correctly disclose depreciation for assets as per Asset Register, recomputed in terms of Audit Findings made in the Prior Year.

Impairment Losses		Interest, Dividends and Rent on Land	Bulk Purchases	Contracted Services
Balance previously reported	973 966 134	54 162 013	410 837 935	87 875 275
Correction of Errors:- 7 305 764 Adjustments made as per Working Papers		(158 997)	(50 823 718)	(24 012 784)
Restated Balance now reported	<u><u>981 271 898</u></u>	<u><u>54 003 016</u></u>	<u><u>360 014 217</u></u>	<u><u>63 862 491</u></u>

Impairment Losses:

The **prior year amounts** for Impairment Losses, Receivables from Exchange Transactions and Statutory Receivables from Non-exchange Transactions have been restated to correctly disclose the impairment of Receivables, previously incorrectly calculated in terms of the prescriptions of GRAP 104.

Contracted Services:

The **prior year amounts** for Contracted Services have been restated to correctly disclose the expenditure for Contracted Services, the prior year have been restated as a result of caseware mapping issues.

Inventory Consumed Transfers and Subsidies Paid	Operating Leases	Operational Costs
--	------------------	-------------------

Balance previously reported	-	-	-	291 593 469
Correction of Errors:- Adjusted as per the working paper	178 851 439	2 295 069	2022 R 27 500 493	- (248 888 130)
Restated Balance now reported	178 851 439	2 295 069	27 500 493	42 587 899

Inventory Consumed:

The **prior year amounts** for Inventory Consumed have been reclassified from General Expences Water to inventory consumed

Transfers and Subsidies Paid:

The **prior year amounts** for Transfers & Subsidies Paid have been restated to correctly disclose the expenditure for Grants and Subsidies Paid.

Operating leases

The **prior year amounts** for Operating leases have been restated to correctly disclose the expenditure.

Operational Costs:

The **prior year amounts** for Operational Costs have been restated to correctly disclose the expenditure for Operational Costs. See workign papers.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Loss on Disposal of PPE			Losses on Other Operations
Balance previously reported	-	-	
Correction of Errors:- Adjusted as per working paper		1 856 968	(60 320 608)
Restated Balance now reported		1 856 968	(60 320 608)

Loss on Disposal of Property, Plant and Equipment:

The **prior year amounts** for Loss on Disposal of PPE and Property, Plant & Equipment have been restated to correctly disclose disposal of assets. Previously incorrectly mapped to depreciation.

Losses on Other Operations:

The **prior year amounts** for Losses on Other Operations previously mapped to inventory consumed in Caseware

45.3 Reclassification of Statement of Financial Position

Opening Balances and Prior Year Amounts of items in the Statement of Financial Position have been restated as indicated below:

The **prior year amounts** of indicated items in the Statement of Financial Position have been reclassified in terms of the mSCOA Item GUID's allocated to these items to agree to the data strings submitted to National Treasury. The net effect of these reclassifications is zero.

	Inventories	Receivables from Exchange Transactions	Statutory Receivables from Exchange Transactions
Balances published per AFS as at 30 June 2021	1 011 528	240 214 260	9 140 953
Correction of Errors:- Adjusted as per Working Papers	-	339 115 -	66 062 194
			60 588 796

Inventories:

The **opening balances** of Inventories have been restated to correctly disclose the value of Inventories, restated as a result of recalculations performed as per working papers prepared.

Receivables from Non-exchange Transactions

Statutory Receivables from Non-exchange Transactions
VAT Receivable

	2022 R	
- Balances published per AFS as at 30 June 2021	-	77 592 113
Correction of Errors:-		
Adjusted as per Working Papers	-	(77 592 113)
Balances now published per AFS as at 30 June 2021	80 833 522	-
	Cash and Cash Equivalents	Lease Receivables
	Long-term Receivables	
Balances published per AFS as at 30 June 2021	70 530 193	-
Correction of Errors:-		
Adjusted as per Working Papers	(8 200 249)	-
Balances now published per AFS as at 30 June 2021	62 329 944	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Cash and Cash Equivalents:

The **opening balances** of Cash and Cash Equivalents have been restated to correctly disclose the value of Cash, restated as per working papers prepared.

	Intangible Assets	Investment Property
Property, Plant and Equipment		
Balances published per AFS as at 30 June 2021	2 778 649 771	296 494
Correction of Errors:- Adjusted as per the FAR	-	-
Balances now published per AFS as at 30 June 2021	<u><u>2 778 649 771</u></u>	<u><u>296 494</u></u>

	Long-term Receivables
Property, Plant and Equipment:	
Heritage Assets	
Balances published per AFS as at 30 June 2021	166 842
Adjusted as per the registers	22 206
Balances now published per AFS as at 30 June 2021	<u><u>189 048</u></u>

	Consumer Deposits	Payables from Exchange Transactions	Payables from Non-exchange Transactions
Balances now published per AFS as at 30 June 2020	-	-	-
Balances published per AFS as at 30 June 2021	(23 411 543)	(1 001 179 626)	-
Correction of Errors:- Adjusted as per Working Papers	-	43 205 787	-
Balances now published per AFS as at 30 June 2021	<u><u>(23 411 543)</u></u>	<u><u>(957 973 839)</u></u>	<u><u>-</u></u>

Payables from Exchange Transactions:

The **opening balances** of Payables from Exchange Transactions have been restated to correctly disclose the value of Payables, restated as per working papers prepared.

	VAT Payable	Lease Payables
Unspent Conditional Grants and Receipts		
Balances now published per AFS as at 30 June 2020	-	-
(27 163 036.00) Balances published per AFS as at 30 June 2021	-	(84 686.00)
Correction of Errors:- Adjusted as per the working paper	-	-
Balances now published per AFS as at 30 June 2021	<u><u>(27 163 036)</u></u>	<u><u>(84 686)</u></u>

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	R	R
46. CASH GENERATED BY OPERATIONS		
Surplus / (Deficit) for the Year	(216 579 418)	(277 593 185)
Adjustment for Non-cash Transactions included in Surplus / (Deficit):		
Transfers and Subsidies Received	-	-
Employee Related Costs	28 583 055	27 756 580
Depreciation and Amortisation	114 277 458	99 731 862
Impairment Losses	-	-
Interest, Dividends and Rent on Land	4 005 655	4 190 903
Contracted Services	-	-
Operational Costs	-	(582 181)
Gains on Other Operations	-	-
Adjustment for Cash Transactions not included in Surplus / (Deficit):		
Statutory Exchange Receivables: Bad Debts Written-off	-	-
Expenditure from Current Employee Benefit Liabilities	-	-
Expenditure from Non-current Employee Benefit Liabilities	(3 725 984)	(3 486 920)
Expenditure from Current Provisions	(808 641)	-
Adjustment for Non-cash Transactions included in Working Capital:		
Decrease/(Increase) in Impairment of Exchange Receivables	Refer Note 3.2 (1 147 412 955)	(785 139 918)
Decrease/(Increase) in Impairment of Statutory Non-exchange Receivables	Refer Note 6.2 (413 874 203)	(1 006 433 170)
Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:		
Gains / (Losses) on Disposal of Capital Assets	Refer Note 48.1 91 486 124	1 856 968
Minor Variance on Impairment	-	(891 282 390)
Minor Variance on Depreciation	2 519 157 401	(99 400 665)
Minor Variance on Other Non-cash Transactions	(1 178 097)	10 050 979
Operating Surplus before Working Capital Changes	1 026 292 115	(2 860 010 529)
Decrease/(Increase) in Inventories	(33 661)	(579 243)
Decrease/(Increase) in Receivables from Exchange Transactions	(31 990 570)	18 692 237
Decrease/(Increase) in Statutory Receivables from Exchange Transactions	(26 423 527)	(68 360 478)
Decrease/(Increase) in Receivables from Non-exchange Transactions	(1 098 386)	-
Decrease/(Increase) in Statutory Receivables from Non-exchange Transactions	(22 901 358)	(80 833 522)
Increase/(Decrease) in Consumer Deposits	(567 003)	20 992 357
Increase/(Decrease) in Payables from Exchange Transactions	326 548 892	848 581 269
Increase/(Decrease) in Unspent Conditional Grants and Receipts	21 960 024	22 047 738
Increase/(Decrease) in Operating Lease Payables	-	-
Cash Generated by / (Utilised in) Operations	1 291 786 525	(2 100 568 558)

47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

47.1 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful Expenditure:

Opening Balance	94 373 432	48 254 267
- As previously stated	94 373 432	48 254 267
- Correction of error	-	-
Fruitless and Wasteful Expenditure	74 166 664	46 119 165
- Current Year	74 166 664	46 119 165
- Prior Year	-	-
Expenditure investigated and approved by Council	-	-
- Current Year	-	-
- Prior Year	-	-
Fruitless and Wasteful Expenditure awaiting condonement	168 540 096	94 373 432

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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The fruitless expenditure is due to interest charged on overdue accounts of the below entities, the interest is

The Fruitless and Wasteful Expenditure are as follows:

- Eskom
- Office of the Auditor General
- Rand Water
- Telkom
- SARS (Interest/ Penalties)
- Municipal Councilors Pension Fund
- Compensation Commission
- Nashua
- Quill

47.2 Irregular Expenditure

Reconciliation of Irregular Expenditure:

Opening Balance:	142 940 126	109 046 487
- As previously stated	142 940 126	109 046 487
- Correction of error	-	-
Irregular Expenditure Current Year:	49 127 148	33 893 639
- Current Year	49 127 148	33 893 639
- Prior Year	-	-
Condoned/Written-off by Council:	-	-
- Current Year	-	-
- Prior Year	-	-
Irregular Expenditure awaiting condonation	192 067 274	142 940 126

Details of the irregular expenditure reported in the current/prior year includes the following:

Irregular expenditure identified during the year

Good and services above 200 000 were obtained without going through procurement processes	32 961 289	30 274 349
Good and services above 30 000 were obtained without going through procurement processes	34 573	95 180

Deviations

Emergency	14 413 116	3 524 110
Single supplier	1 300 000	-
Exceptional case	418 171	-
	16 131 287	3 524 110

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of the MFMA. No steps have been taken at this stage to recover any monies.

48. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

48.1 MUNICIPAL FINANCE MANAGEMENT ACT

48.1.1 Contributions to Organised Local Government - SALGA

Opening Balance	9 237 235	9 237 235
Council Subscriptions	7 890 860	4 212 250
Amount Paid - current year	(7 890 860)	(4 212 250)

Balance Unpaid (included in Creditors)

9 237 235 **9 237 235**

The balance unpaid represents the municipal subscriptions for the prior financial year and is payable in the following financial year

48.1.2 Pension and Medical Aid Deductions

Opening Balance	-	-
Current Year Contributions	63 296 527	67 236 662
Amount Paid - current year	(63 296 527)	(67 236 662)

Balance Unpaid (included in Creditors)

- -

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The prior year's amounts have been restated due to recalculations done on documentation submitted.

48.1.3 Audit Fees

Opening Balance	2 636 411	7 451 929
Current year Audit Fees	-	4 621 160
Amount Paid - current year	-	(9 436 678)

Balance Unpaid (included in Creditors)

2 636 411 2 636 411

The prior year's amounts have been restated due to recalculations done on documentation submitted.

48.1.4 PAYE, Skills Development Levy and UIF

Opening Balance	-	-
Current year Payroll Deductions	56 873 610	53 269 533
Amount Paid - current year	(56 873 610)	(53 269 533)

Balance Unpaid (included in Creditors)

- -

48.1.5 VAT

The net of VAT input receivables and VAT output payables are shown in Note 7. All VAT returns have not been submitted by the due date throughout the year, resulting in penalties and fines being charged by SARS against the municipality."

48.1.6 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2022

Month	Sole Supplier	Emergency	Impossible	Impractical	Total Amount
July	44 058	-	-	6 068	50 126
August	51 487	-	-	112 938	164 425
September	120 170	2 955	-	38 985	162 111
October	130 651	4 700	-	37 044	172 394
November	66 247	-	-	37 044	103 291
December	413 550	-	-	37 044	450 594
January	125 978	-	-	37 044	163 022
February	67 640	-	-	37 044	104 684
March	107 910	-	-	40 411	148 321
April	628 263	-	-	2 714	630 977
May	2 350	-	-	12 692	15 042
June	756 924	-	-	139 781	896 704
	2 515 228	7 655	-	538 809	3 061 691

30 June 2021

Month	Sole Supplier	Emergency	Impossible	Impractical	Total Amount
July	44 058	-	-	6 068	50 126
August	51 487	-	-	112 938	164 425
September	120 170	2 955	-	38 985	162 111
October	130 651	4 700	-	37 044	172 394
November	66 247	-	-	37 044	103 291
December	413 550	-	-	37 044	450 594
January	125 978	-	-	37 044	163 022
February	67 640	-	-	37 044	104 684
March	107 910	-	-	40 411	148 321
April	628 263	-	-	2 714	630 977
May	2 350	-	-	12 692	15 042
June	756 924	-	-	139 781	896 704
	2 515 228	7 655	-	538 809	3 061 691

48.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B- BBEE Compliance Performance Information.

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49. COMMITMENTS FOR EXPENDITURE		
49.1 Capital Commitments		
- Approved and Contracted for:-	-	-
Other	-	-
- Approved but Not Yet Contracted for:-	-	-
Other	-	-
Total Capital Commitments	<u>-</u>	<u>-</u>
This expenditure will be financed from:		
Own Resources	-	-
	<u>-</u>	<u>-</u>

The Capital Commitments are VAT inclusive.

50. FINANCIAL INSTRUMENTS

50.1 Classification

FINANCIAL ASSETS:

Financial Assets of the municipality are classified as follows:

Financial Assets at Amortised Cost:

Receivables from Exchange Transactions	Electricity	26 092 139	26 791 494
Receivables from Exchange Transactions	Refuse	31 465 904	31 978 250
Receivables from Exchange Transactions	Sewerage	15 634 735	16 381 350
Receivables from Exchange Transactions	Merchandising, Jobbing and Contracts	21 209 442	2 495 843
Receivables from Exchange Transactions	Other Service Charges	70 347 431	53 521 329
Receivables from Exchange Transactions	Water	38 797 772	40 653 503
Receivables from Exchange Transactions	Property Rental Debtors	2 505 509	2 249 634
Receivables from Exchange Transactions	Control, Clearing and Interface Accounts	37 131	28 081
Receivables from Non-exchange Transactions	Over Payment of Contractors	1 098 386	-
Cash and Cash Equivalents	Call Deposits	108 474 817	45 278 348
Cash and Cash Equivalents	Bank Balances	15 184 425	17 035 815
Cash and Cash Equivalents	Cash on hand	15 782	15 782
		<u>377 756 244</u>	<u>287 435 357</u>

FINANCIAL LIABILITIES:

Financial Liabilities of the municipality are classified as follows:

Financial Liabilities at Amortised Cost:

Finance Lease Obligations		-	84 686
Borrowings		27 101 050	35 719 863
Consumer Deposits	Electricity	21 453 199	22 139 796
Consumer Deposits	Other Deposits	1 391 341	1 271 747
Payables from Exchange Transactions	Other Payables	3 818 845	3 267 744
Payables from Exchange Transactions	Retentions	28 499 274	32 845 775
Payables from Exchange Transactions	Salary Related Payables	(961 000)	-
Payables from Exchange Transactions	Trade Creditors	1 251 009 616	919 704 325
Total Financial Liabilities		<u>1 323 742 560</u>	<u>1 007 329 005</u>

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50.2 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2021.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in Note 20., and Cash and Cash Equivalents as disclosed in Note 19.

50.3 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The CFO monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by management on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Further quantitative disclosures are included throughout these Annual Financial Statements.

50.4 Significant Risks

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Interest Rate Risk.

Risks and exposures are disclosed as follows:

58.4.1 Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set. The utilisation of credit limits is regularly monitored. Sales to customers are settled in cash or using major credit cards.

Financial assets' maximum exposure to credit risk at year end were as follows:

Financial instrument	
First National Bank	83 728 880
Trade and other receivables	-
VBS Mutual Bank	50 422 333
	<u><u>134 151 213</u></u>

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50.5 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of

Credit quality of Financial Assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables from Exchange Transactions

Counterparties without external credit rating:-

High	1 999 476 890	1 651 289 730
Medium	709 107 355	654 014 933
Low	-	-
	<u>2 708 584 245</u>	<u>2 305 304 663</u>

Total Receivables from Exchange Transactions

2 708 584 245 **2 305 304 663**

Receivables from Non-exchange Transactions

High	1 098 386	-
Medium	-	-
Low	-	-

Total Receivables from Non-exchange Transactions

1 098 386 **-**

Credit quality Groupings:

High - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.

Medium - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding

Low - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However,

None of the financial assets that are fully performing, have been renegotiated in the last year.

50.5.1 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with First National Bank, Development Bank of South Africa and Nedbank. No investments with a tenure exceeding twelve months are made.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

50.6 Liquidity Risk Management

The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market. The municipality's risk to liquidity is a result of the funds necessary to cover future commitments. The municipality manages liquidity risk through an on-going review of future commitments and available funds. Cash flow forecasts are prepared to ensure adequate utilisation and optimisation of funds.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

50. FINANCIAL INSTRUMENTS (Continued)

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay.

Description	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	R	R	R	R		R
30 June 2022						
Fixed Interest Rate Instruments	(8 569 764)	(8 569 764)	-	-	-	-
- Current Portion of Long-term Liabilities	(8 569 764)	(8 569 764)	-	-	-	-
	-					
	(8 569 764)	(8 569 764)	-	-	-	-
30 June 2021						
Fixed Interest Rate Instruments	(7 620 244)	(7 620 244)	-	-	-	-
- Non-current Finance Lease Obligations	84 686	84 686	-	-	-	-
- Current Finance Lease Obligations	84 686	84 686	-	-	-	-
- Current Portion of Long-term Liabilities	(7 789 616)	(7 789 616)	-	-	-	-
	-					
Financial Guarantee Contracts	-	-	-	-	-	-
	(7 620 244)	(7 620 244)	-	-	-	-

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2021
R

51. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

51.1 Interest of Related Parties

The following Councillors and/or Management of the municipality and/or close family members of Councillors / Management have relationships with businesses as indicated below:

Description of Related Party	Name of Related Party	Relationship	Designation
T.K. Foteng		Ward member	Director of Leshoboro Services (Pty) Ltd
S. Ndolela		SCM	Uncle of Director of Cville Electrical Contractors
M.P. Mbokazi		Traffic	Half brother of Director of Giya Dlozi Trading and Projects

51.2 Rent received from Related Parties

During the year the Municipality received rental income from the following related parties that are related to the Municipality as indicated:

Related party:	2022	2021
Nqaba VP	21 611	-
Sereo B	18 893	-
Tholwana MS	18 893	-
Mapasa Y	24 037	-
Mbilini NA	45 138	-
Mahube N	24 037	-
Fali MP	11 766	-
Kotoi MD	26 485	-
Levuno MJ	15 431	-
Shata MJ	13 624	-
Mthembu PQ	18 745	-
Jongilanga PC	4 536	-
Voyi NEM	19 324	-
Zitha NP	24 037	-
Mqikwana X	18 893	-
Moleoa NA	16 838	-
Letshekha CL	21 389	-
Yawathe C	18 893	-
Makokoe IN	13 242	-
Kruger T	13 242	-
Molale TD	18 893	-

No amounts outstanding identified in the current year. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

51.3 Loans granted to Related Parties

In terms of the MFMA, the Municipality may not grant loans to its Councillors, Management, Staff and Public. No loans were granted to Councillors, Management, Staff and Public by the municipality.

51.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 31 and 32 to the Annual Financial Statements.

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2022
R

2021
R

51.5 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	Purchases for the Year	Purchases for the Year
Leshoboro Services (Pty) Ltd	T.K. Foteng	Ward member	Director	118 350	-
Cville Electrical Contractors	S. Ndolela	SCM	Uncle of Director	63 537	-
Giya Dlozi Trading and Projects	M.P. Mbokazi	Traffic	Half brother of Directo	7 920 703	-
Total Purchases				8 102 590	-

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

52. CONTINGENT ASSETS

The municipality was not engaged in any transaction or event during the year under review involving Contingent Assets.

53. CONTINGENT LIABILITIES

The entity is involved in the following pending claims. All the claims are being contested based on legal advice. The certainty and the timing of the outflow of these liabilities are uncertain. The amounts disclosed below are possible outflow amounts:

Probable legal costs to be incurred for various matters handled by various attorneys	4 400 000	-
Labour cases and employee related matters	2 006 110	2 500 000
Claims by individuals due to property damages in various incidents	310 000 000	312 000 000
Claims by individuals due to various incidents	2 000 000	693 279
	318 406 110	315 193 279

54. IN-KIND DONATIONS AND ASSISTANCE

These contributions and donations were used for social upliftment. Other than the unspent amount, the conditions of these wereThese contributions

Reconciliation of unspent public contributions and donations

Balance unspent at the beginning of the year	850 995	7 679 237
Current year receipts	2 361 606	3 762 107
Conditions met - transferred to revenue		(2 911 112)
Social responsibility Write-off		(7 679 237)
Balance unspent at the end of the year	3 212 601	850 995

55. ANALYSIS OF AGENCY ACCOUNTING

The entity is a party to a principal-agent arrangement(s).

1. Details of the Arrangement(s) is/are as follows:

The Municipality undertakes to handle Motor vehicle license issuing on behalf of the Department of Transport and Province and collects a commission of 22% plus VAT.

2. Resources held on behalf of the Principal(s), but recognised in the entity's own Financial Statements:

The Resources regarding the Licensing Department, remain there own and do not form part of the municipality's Financial Statements.

3. Revenue Recognised:

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is RYY (2019: RXX).

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2021
R

56. GOING CONCERN ASSESSMENT

Management draws attention to the fact that, as at 30 June 2022, several factors exist that might influence the ability of the municipality to continue as a going concern.

Even though the above uncertainties exist regarding the Municipality's ability to continue as a going concern, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities and commitments will occur in the ordinary course of business.

The ability of the Municipality to continue as a going concern is dependent on a number of factors, most significant of these being the ability to procure funding for the ongoing operations of the Municipality.

Management also considered the following matters in relation to the Going Concern position of the Municipality:

- Strict daily cash management processes are embedded in the Municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes is complemented by regular reporting, highlighting the actual cash position.
- The cost containment circular issued by National Treasury has been adopted by Council and is currently implemented in the Municipality.
- Business plans / proposals have been compiled by management to obtain funds from external parties to increase our revenue resources in order to fund the operations and to render municipal support services on a shared services basis to the local municipalities in the district.
- The Municipality will continue to receive funding from government, as is evident from the Equitable Share allocations as published in the Division of Revenue Act, and the Medium Term Revenue and Expenditure Framework (MTREF) for the 2022/23, 2023/24 and 2024/25 financial years are funded and approved by the Council.

Taking the aforementioned into account, management is of the opinion that the Municipality will be able to continue as a going concern in the foreseeable future.

Reportable Segments for the year ended 30 June 2022

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

57. SEGMENT REPORTING

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating res segments for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allo transactional level. Costs relating to the governance and administration of the municipality are not allocated to these functional segments.

The four key Segments comprise of:

- Community services
- Economic development and planning
- Infrastructure development
- Shared services

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such ser fees charged for the services rendered. Other includes the Financc, Municipal Manager, and other votes.

Information about geographical areas:

The municipality's operations are in the Gauteng Province and are only evaluated at a municipal wide level. Information per town / ward is not available and the cost to develop

Reportable Segments for the year ended 30 June 2022

57.1 Segment Analysis of Financial Performance Year Ended

30 June 2022

Description	Community services	Economic development and planning	Infrastructure development	Shared services	Other	Not allocated	Total for Municipality
	R	R	R	R	R		R
REVENUE							
External Revenue from non-exchange transactio	91 742 534	757 500	309 317 265	4 867 036	662 127 168		1 068 811 504
External Revenue from exchange transactions	96 702 539	2 285 406	732 679 573	447 398	1 589 330		833 704 245
Interest revenue					192 999 145		192 999 145
Total Revenue	188 445 073	3 042 906	1 041 996 838	5 314 434	856 715 642	-	2 095 514 894
EXPENDITURE							
Total segment expense	238 387 113	105 985 496	969 850 794	122 336 630	683 136 741		2 119 696 775
Depreciation and amortisation							-
Interest expense	1 588 655			2 417 000	77 656 917		81 662 572
Total Expenditure	239 975 768	105 985 496	969 850 794	124 753 630	760 793 658	-	2 201 359 347
Surplus/(Deficit) for the Year	(51 530 694)	(102 942 590)	72 146 044	(119 439 196)	95 921 984	-	(105 844 453)
Assets							
Segment assets	14 064 424	325 701 510	3 277 082 667	(9 152 649)	594 607 911		4 202 303 864
Total assets as per Statement of financial Posi	14 064 424	325 701 510	3 277 082 667	(9 152 649)	594 607 911	-	4 202 303 864
Liabilities							
Segment liabilities	(11 259 699)			(143 360 850)	(2 335 208 942)		(2 489 829 491)
Total liabilities as per Statement of financial P	(11 259 699)	-	-	(143 360 850)	(2 335 208 942)	-	(2 489 829 491)

MERAFONG CITY LOCAL MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Year Ended 30 June 2021

Description	Community services	Economic development and planning	Infrastructure development	Shared services	Other	Not allocated	Total for Municipality
	R	R	R	R	R		R
REVENUE							
External Revenue from non-exchange transactio	49 996 607	40 000	149 091 670	-	641 874 266	-	841 002 543
External Revenue from exchange transactions	92 491 516	2 052 730	676 848 968	726 889	1 060 054	-	773 180 157
Interest revenue	-	-	-	-	147 380 699	-	147 380 699
Total Revenue	142 488 123	2 092 730	825 940 638	726 889	790 315 019	-	1 761 563 399
EXPENDITURE							
Total segment expense	224 998 828	16 071 150	916 734 706	94 745 079	759 546 301		2 012 096 064
Depreciation and amortisation	5 276 690	197 556	93 848 075	1 460 715	927 999		101 711 035
Interest expense	1 154 903	-	-	3 036 000	50 372 036		54 562 939
Total Expenditure	231 430 421	16 268 706	1 010 582 781	99 241 794	810 846 336	-	2 168 370 038
Surplus/(Deficit) for the Year	(88 942 298)	(14 175 976)	(184 642 143)	(98 514 905)	(20 531 317)	-	(406 806 639)
Assets							
Segment assets	20 960 379	759 099	3 075 827 241	4 168 925	5 071 578	53 264 617	3 160 051 839
Total assets as per Statement of financial Posi	20 960 379	759 099	3 075 827 241	4 168 925	5 071 578	53 264 617	3 160 051 839
Liabilities							
Segment liabilities	-	-	-	(60 972 876)	(4 518 000)	(1 966 538 346)	(2 032 029 222)
Total liabilities as per Statement of financial P	-	-	-	(60 972 876)	(4 518 000)	(1 966 538 346)	(2 032 029 222)

Year Ended 30 June 2021

70. Distribution losses

During the year under review, Merafong City Local Municipality had unaccounted water of 23.28% (2021: 32.36%) respectively. The total Rand value of these losses were During the year under review, Merafong City Local Municipality had an unaccounted Electricity of 45.37% (2021: 29.68%) respectively. The total Rand value of these losses

ME RAFONG CITY LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Approval of Annual Financial Statements

I am responsible for the preparation of these Annual Financial Statements year ended 30 June

2022, which

are set out on pages 1 to 115 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and as required by the Municipal Finance Management Act.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

The Auditor-General is responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister for Cooperative Governance and Traditional Affairs' determination in accordance with this Act.

The Annual Financial Statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

I have reviewed the Municipality's cash flow forecast for the year to 2022 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.



***Audited Annual Performance
Report Service Delivery and
Budget Implementation Plan
2021 / 2022***

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Acronym	Detail
MCLM	Merafong City Local Municipality
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
PMS	Performance Management System
PMO	Programme Management Office
PAC	Performance Audit Committee
MSA	Municipal System Act
MFMA	Municipal Finance Management Act
EXCO	Executive Committee
OPCA	Operation Clean Audit
COGTA	Cooperative Governance and Traditional Leadership
NDP	National Development Plan
KPI	Key Performance Indicator
KMs	Kilometres
N/A	Not Applicable
OPEX	Operational Expenditure
CAPEX	Capital Expenditure

1. INTRODUCTION

The Annual Performance Report (APR) is submitted in terms of the provisions of Section 46(1) and (2) of the Municipal Systems Act (MSA), Act 32 of 2000, read with the Municipal Finance Management Act, Circular 11: Annual Report Guidelines, 2005.

The Annual Performance Report is informed by the Service Delivery Budget and Implementation Plan (SDBIP) as revised by Council during the 2021/2022 adjustment budget process. The report reflects the performance of the Municipality as measured against the performance indicators and targets of the Integrated Development Plan (IDP) and SDBIP for 2021/2022 financial year.

The Municipality achieved an overall performance of **50%** on the implementation of its Service Delivery and Budget Implementation Plan for the year under review compared to 49.14% in the previous financial year. This indicates that the Municipality was not fully effective in its implementation of the SDBIP due to the reasons indicated under each indicator.

Table 1: Regional outcomes aligned to Key Performance Areas/Goals

STRATEGIC KEY PERFORMANCE AREA	REGIONAL OUTCOMES
Goal 1 : Basic Service Delivery	Outcome 1 : Basic Service Delivery Improvement Outcome 8 : Sustainable Environment Outcome 9 : Build Spatially Integrated Communities
Goal 2 : Local Economic Development and Social Development	Outcome 5 : Safe Communities Outcome 6 : Educated Communities Outcome 7 : Healthy Communities Outcome 10 : Social Cohesive Communities Outcome 11 : Reduced Unemployment Outcome 12 : Economic Development
Goal 3 : Transformation and Organisational Development	Outcome 3 : Skilled, Capacitated, Competent and Motivated workforce Outcome 14 : Institutional Planning and Transformation
Goal 4 : Municipal Financial Viability and Management	Outcome 13 : Robust Financial Administration
Goal 5 : Good Governance and Public Participation	Outcome 2 : Accountable Municipal Administration Outcome 4 : Ethical Administration and Good Governance

2. LEGISLATIVE REQUIREMENTS

The Annual Report has been compiled in accordance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, (Act 32 of 2000); which stipulates as follows:

- 1 A municipality must prepare for each financial year a performance report reflecting-
- a) the performance of the municipality and each external service provider during that financial year;
 - b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year, and
 - c) measures are taken to improve performance.

The report was further submitted in terms of the provisions of the Municipality's Performance Management Framework which was adopted in accordance with the provisions of Regulations 8 of the Local Government: Municipal Planning and Performance Management Regulations, 2001. The Municipality's Performance Management Framework describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players, in accordance with the provisions of Regulation 7 (1) of Regulations.

3. PERFORMANCE MANAGEMENT OVERVIEW AND PROCESSES

To improve performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

- The Integrated Development Plan (IDP) was developed for 2021 – 2026 to give way to the 2021/22 SDBIP;
- The 2021/22 Budget, as informed by the IDP priorities, informed the Service Delivery and Implementation Plan(SDBIP).

4. THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by a Municipal Scorecard comprising the SDBIP. The SDBIP is a management and implementation tool that sets in-year performance information such as quarterly service delivery and monthly budget targets. It links each service delivery output to the budget, thus providing credible management information and a detailed plan on how the municipality will provide services. The plan converts the IDP and Budget into measurable targets and objectives. It also allocates responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that: The IDP and budget must be aligned; the budget must address the strategic priorities; the SDBIP should indicate what the municipality is going to do during the next 12 months; and the SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. This report complies with the above prescripts.

5. PERFORMANCE AND SUPPORTING INFORMATION

Performance is measured based on the actual performance and evidence provided for the specific indicator. The evidence is manually submitted to the PMO as the first level of assurance, after which a report is sanctioned by management as a second level of assurance. The report submitted to internal audit as a third level of assurance, after which their report was submitted to the Performance Audit Committee, which reports to Council.

6. PERFORMANCE AUDIT COMMITTEE (PAC)

The current Performance Audit Committee was appointed in the 2021 /2022 financial year for a period of three (3) years and comprised of five (5) members. The following are the members of the committee.

- Mr Percy Mongalo -Chairperson
- Mr Piet Fourie CA (SA)
- Ms Oreratile Senokoane
- Mr Andries Mangokwana
- Mr Paul Khoza

The previous Committee was appointed in January 2017 and their term of office ended in December 2021 and comprised of the following:

- Mr Percy Mongalo - Chairperson
- Mr Piet Fourie CA (SA)
- Mr Bashir Ahmed
- Mr Andries Mangokwana
- Dr Roger Govender

During the year under review the Performance Audit Committees performed in terms of the approved charter. Four meetings were held in line with the approved schedule of meetings.

Table 2: The table hereunder indicates the member's attendance at meetings:

DATE OF PAC MEETING	MEMBERS IN ATTENDANCE
20 December 2021	<ul style="list-style-type: none">➤ Mr Percy Mongalo - Chairperson➤ Mr Piet Fourie CA (SA)➤ Mr Bashir Ahmed CA (SA)➤ Mr Andries Mangokwana➤ Dr Roger Govender

12 May 2022	<ul style="list-style-type: none"> ➤ Mr Percy Mongalo - Chairperson ➤ Mr Piet Fourie CA (SA) ➤ Ms Oeratile Senokoane ➤ Mr Andries Mangokwana ➤ Mr Paul Khoza
06 July 2022	<ul style="list-style-type: none"> ➤ Mr Percy Mongalo - Chairperson ➤ Mr Piet Fourie CA (SA) ➤ Ms Oeratile Senokoane ➤ Mr Andries Mangokwana ➤ Mr Paul Khoza
18 August 2022	<ul style="list-style-type: none"> ➤ Mr Percy Mongalo - Chairperson ➤ Mr Piet Fourie CA (SA) ➤ Ms Oeratile Senokoane ➤ Mr Andries Mangokwana ➤ Mr Paul Khoza

The PAC chairperson has successfully represented the committee at the Audit Committee meetings to table performance audit committee reports.

Performance Audit Committee activities

During the year under review the PAC has reviewed and made recommendations on the following:

Performance Audit Committee Charter

- The original and revised Service Delivery and Budget Implementation Plans
- Quarterly financial and non-financial performance reports (in-year monitoring)
- Mid-term Performance Report
- Operation Clean Audit (OPCA) Action Plan progress
- Performance of the external service providers

Performance Assessment methodology

Targets are fully achieved when the full extent of the targeted actual performance reported is met as a set or exceeded or when the targeted milestone reported as actual is realised fully as defined.

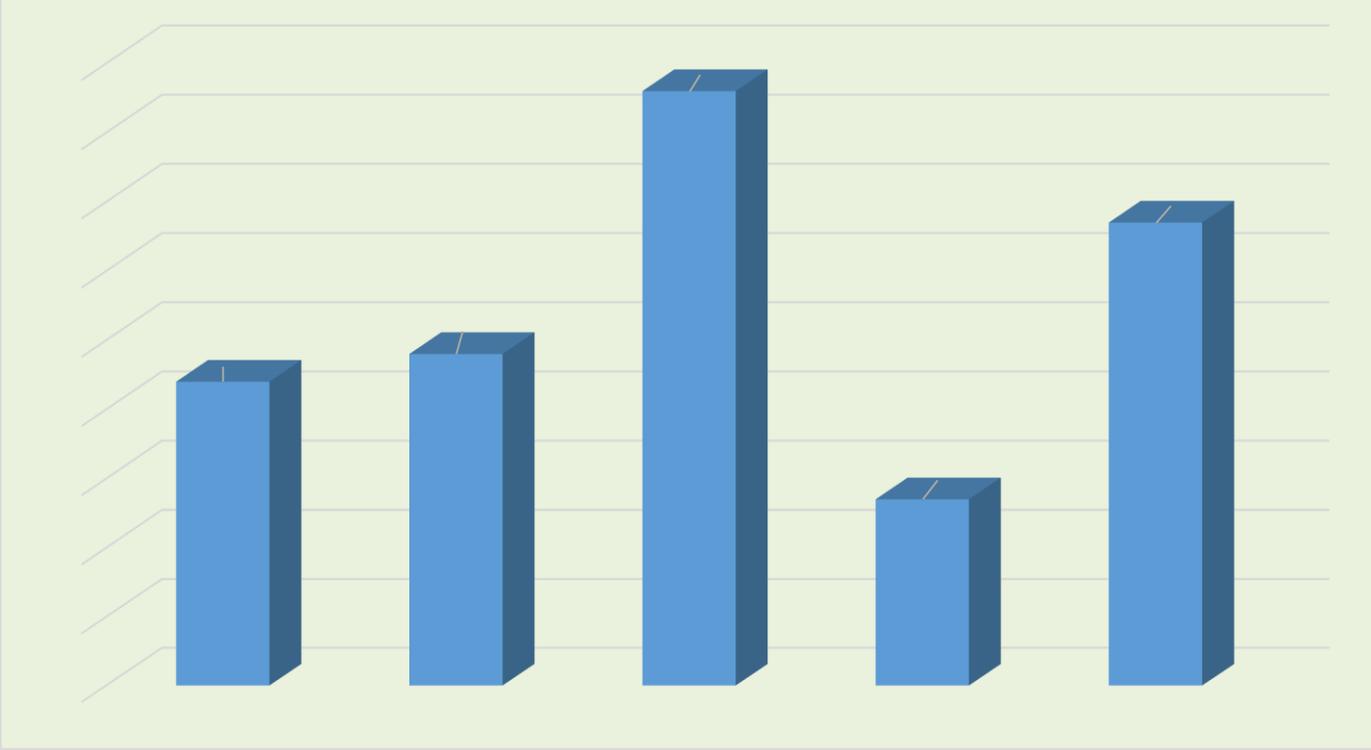
Targets are not achieved, when the actual performance reported is lower than the target set, irrespective of the margin or when the targeted milestone has not been realised fully as articulated when targets were set. This applies to cases where no performance is recorded at all against the set target and where there is partial delivery against the set target.

The table below reflects the total number of achieved and not achieved targets as planned.

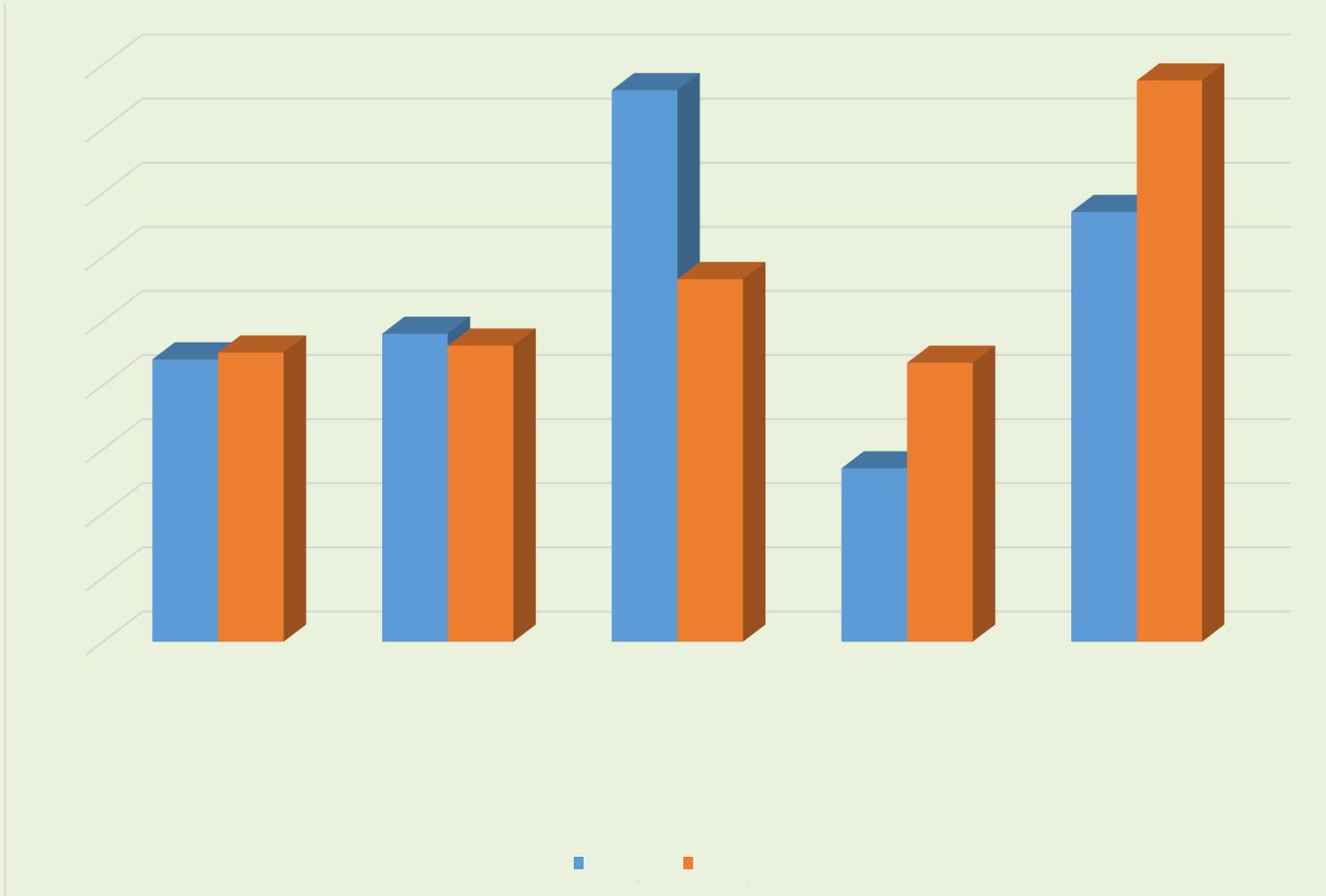
Table 3

GOALS & OUTCOMES	TOTAL NUMBER OF TARGETS	NUMBER OF TARGETS ACHIEVED	PERCENTAGE ACHIEVED	NUMBER OF TARGETS NOT ACHIEVED	PERCENTAGE NOT ACHIEVED
Goal 1 : Basic Service Delivery	73	32	44%	41	56%
Outcome 1: Basic Service Delivery Improvement	55	19	35%	36	66%
Outcome 8 : Sustainable Environment	4	2	50%	2	50%
Outcome 9: Build Spatial Integrated Communities	14	11	79%	3	21%
Goal 2: Local Economic and Social Development	25	12	48%	13	52%
Outcomes 5: Safe Communities	6	3	50%	3	50%
Outcome 6 : Educated Communities	3	2	67%	1	33%
Outcome 7: Healthy Communities	4	3	75%	1	23%
Outcome 10: Social Cohesive Communities	6	1	17%	5	83%
Outcome 11: Reduced Unemployment	3	1	33%	2	67%
Outcome 12: Economic Development	3	2	67%	1	33%
Goal 3: Transformation & Organisational Development	21	18	86%	3	14%
Outcome 3: Skilled, Capacitated, Competent and Motivated Workforce	11	8	73%	3	27%
Outcome 14: Institutional Planning & Transformation	10	10	100%	-	-
Goal 4: Municipal Financial Viability & Management	22	6	27%	16	73%
Outcome 13: Robust Financial Administration	22	6	27%	16	73%
Goal 5: Good Governance & Public Participation	12	8	67%	4	33%
Outcome 2: Accountable Municipal Administration	6	3	50%	3	50%
Outcome 4: Ethical Administration & Good Governance	6	5	83%	1	17%
Total	153	76	50%	77	50%

GRAPH 1: Annual Organisational Performance Per Goal 50%



Graph 2: COMPARISON OF ANNUAL ORGANISATIONAL PERFORMANCE PER GOAL – 2021 / 2022 AND 2020 /2021



□

TABLE 4: QUARTERLY TREND ANALYSIS ANNUAL PERFORMANCE 2021 / 2022

Departments	1 st Quarter 2021/2022	2 nd Quarter 2021/2022	3 rd Quarter 2021/2022	4 th Quarter 2021/2022	Annual Performance
1. GOAL 1	53%	54%	49%	48%	44%
2. GOAL 2	68%	47%	75%	76%	48%
3. GOAL 3	80%	93%	90%	89%	86%
4. GOAL 4	24%	25%	28%	53%	27%
5. GOAL 5	89%	80%	90%	90%	67%
PERFORMANCE ACHIEVED PER GOAL	59%	58%	58%	61%	50%

□

8. NON – FINANCIAL PERFORMANCE ANALYSIS

The performance of the respective goals aligned with the 14 West Rand district outcomes is detailed below.

Out of the 153 planned organisational targets, 76 were achieved, while 77 were not achieved. The performance of the respective goals is discussed below.

8.1 Goal 1: Basic Service Delivery

This goal comprises of 73 targets from outcomes 1, 8 and 9. The overall organizational performance achieved on this goal is **44%** for the year under review compared to 45.07% in the 2020/2021 financial year. Thirty-two (32) of the 73 targets were achieved as planned, and 41 targets were not achieved.

Service delivery challenges experienced that impacted negatively on the performance achieved compared to planned were attributed to the shortage of fleet and poor maintenance. There is also a marginal non-performance on both the water and electricity losses which is attributed to materials and vacant positions of senior engineers in both electricity and water departments. The meter normalisation project embarked upon by the electrical department has not resulted in a positive impact. The non-functionality of Wedela and Welverdiend plants contributed negatively to achieving the planned targets. At the end of the financial year, the plants were still under construction.

MITIGATING MEASURES

Disconnection notices were issued for accounts which were 60+ days in arrear in order to engage clients and disconnect supply for clients with accounts in arrears. The lack of service delivery also impacted negatively on the payment levels and the latest contributing factor to this is the non-removal of refuse which resulted in customers claiming credits for a refuse charge on their municipal bill.

A list of Identified businesses in township areas was developed to prioritize disconnections. A plan to disconnect businesses in Khutsong South was disrupted by the community who were throwing stones at the officials and posing a risk to both the officials and municipal vehicles; as a result, the program had to be suspended. Limited access to meters is a contributing factor to non-successful disconnections. Some infrastructure changes need to be made for this to be resolved. Illegal reconnections subsequent to disconnection pose a real problem in successfully implementing credit control. Part of the revenue intervention plans was the establishment of the task team which includes

□ infrastructure and community services departments to enforce and implement credit control actions in the low paying areas.

8.2 Goal 2: Local Economic and Social Development

This goal comprises of **25** targets from outcomes 5,6,7,10,11 and 12. The performance achieved on this goal is **48%** for the year under review compared to 46.15% in the 2020/2021 financial year. (Twelve) 12 of the 25 targets were achieved as planned, and 13 were not achieved.

The main challenges that negatively impacted the performance of the following outcomes were mainly due to the cash-flow situation of the Municipality and non-implementation of planned activities.

Outcome 6: Educated Communities. Achieved 67%

The following activities, ECDC programmes, awareness campaigns, and Library programmes could not be fully implemented due to human resources capacity challenges.

Outcome 10: Healthy and united Social cohesive communities. Achieved 17%. Sports events, Arts and Culture activities could not be implemented due to municipal cash flow challenges.

Outcome 11: Reduced Unemployment. Achieved 33%

Strategic Investment could not be facilitated due to municipal cash-flow challenges.

8.3 Goal 3: Transformation and Organizational Development

This goal comprises of 21 targets from outcomes 3 and 14. The performance achieved on this goal is **86%** for the year under review compared to 56.52% in the 2020/21 financial year. (Eighteen)18 of the 21 targets were achieved as planned, and 3 were not.

The main challenges that negatively impacted the performance were on Local Labour Forum meetings that could not take place due to non-attendance by some members.

MITIGATING MEASURES

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LLF Composition is made up of unions, councillors and officials. If councillors due to their commitments as councillors, are unable to attend the LLF, no meeting of LLF will be held, and this might affect the target to be achieved.

8.4 Goal 4: Municipal Financial Viability and Management

This goal comprises of 22 targets from outcome 13. The performance achieved on this goal is **27%** compared to 60.86% in the 2020/21 financial year. (Six) 6 of the 22 targets achieved targets as planned and 16 were not achieved.

The main reasons for not achieving the planned targets can be attributed to poor collection rate as a result of non payment for services. The inability to pay creditors within 30 days as legislated has also contributed to the non achievement of targets.

The Municipality could not maintain the unqualified audit opinion for the 2020/2021 financial year due to the misstatements of creditors, poor management of assets (unbundling of assets, inclusion of WIP in the asset register).

The suspension of the 60/40 arrear principle did not yield any satisfactory results as implemented from August 2021. The payment made by the mining houses on the disputed property rates in terms of SV6 is still ongoing. In terms of the agreement, 50% of the levied amount will be paid into Merafong account and 50% to the attorney's trust account.

The Municipality still services the 370 water tankers supplied by the DWS as part of Covid 19 relief.

Credit Control Actions

Disconnection notices were issued for accounts that are 60+ days in arrears in order to engage clients and disconnect supply for accounts in arrears. Non purchasing prepaid consumers totalling 17344 impacted negatively on credit control as this indicates tampering with municipal infrastructure in many areas as this contributes greatly to electricity losses. The meter normalization project embarked upon by the Electrical Section has not resulted in a positive impact due to community resistance.

8.5 Goal 5: Good Governance and Public Participation

This goal comprises of 12 targets from outcome 2 and 4. The performance achieved on this goal is **67%** compared to 87.5% in the 2020/21 financial year.

□
(Eight) 8 of the 12 targets were fully achieved as planned and 4 target were not achieved.

Some targets that were set for ward committees support program, meetings held by ward councillors and issues raised by ward committees were affected by Covid-19 pandemic and Local Government Elections that were held in November 2021. The Internal Audit plan could also not be implemented fully because of Contract management activity which could not be audited due to capacity constraints at SCM.

9. FINANCIAL PERFORMANCE ANALYSIS

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

9.1 REVENUE AND EXPENDITURE

Annual operating revenue amounted to **R1 857 091 029** against the budgeted revenue of **R1 968 686 133**. Actual receipts as reflected in the cash flow statement for 2021/22 amounted to **R 123 675 024**. The Municipality spend an amount of **R189 437 784 on** capital projects, which is 74.71% of the planned budget and 74.71% of the total budget.

□

Table 5: SUMMARY: - Income and Expenditure – 2021/2022

<u>DESCRIPTION</u>	<u>ANNUAL BUDGET</u>	<u>ANNUAL ACTUALS</u>	<u>%- TOTAL BUDGET</u>
Operating Revenue	R1 968 686 133	R1 857 091 029	94%
Operating Expenditure	R1 404 779 287	R1 241 525 918	88.38%
Capital Expenditure	R189 437 784	R141 539 441	74.71%

10. EVALUATION OF SERVICE PROVIDERS

In compliance with section 46 (1a) of the Municipal Systems Act, the following table reflects the performance of external service providers utilized for the financial year under review in the implementation of projects as approved in the IDP.

NO.	Project Description	Appointed Consultant	Average Score 1-5 - Poor - Average - Good - Very Good - Excellent	Appointed Contractor	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent
1.	Roads and Storm Khutsong Roads and Stormwater (Phase 4)	Maragela Consulting Engineers (Pty) Ltd	4	Giya Dlozi Projects (Pty) Ltd JV Dinah and Joyce Business Enterprise CC	4
2.	Roads and Storm Khutsong Roads and Stormwater (Phase 5)	SCIP Engineering Group	4	-	-
3.	Roads and Storm Khutsong Roads and Stormwater (Phase 6)	LSO Consulting Engineers (Pty) Ltd	4	-	-
4.	Kokosi Roads and Stormwater (Phase 4)	Lekwa Consulting Engineers (Pty) Ltd	1	Mohaumolutsi Civil Works (Pty) Ltd	2
5.	Kokosi Roads and Stormwater (Phase 5)	Kabe Consulting Engineers (Pty) Ltd	4	Giyadlozi Tact Projects JV	3
6.	Kokosi Roads and Stormwater (Phase 6)	Dikgabo Consulting Engineers	3	-	-

□

7.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 4)	Dikgabo Consulting Engineers	4	Mohaumolutsi Civil Works (Pty) Ltd	3
8.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 5)	SCIP Engineering Group	4	DKPB, Meyaphuti JV	4
9.	Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 6)	Morad Consulting Engineers (Pty) Ltd	4	-	-
10.	Upgrading of Access Road to Carletonville Site	Tlou Consulting (Pty) Ltd	4	Mopani Civils (Pty) Ltd	4
11.	Khutsong South Substation 11Kv Khutsong south to Elijah Barayi MV Line	Consultant appointed on a turnkey assignment and he wrote a letter of withdrawal from the turnkey to the municipality			
12.	Street Lights Merafong Phase 2 (Phase 5)	LSO Consulting Engineers (Pty) Ltd	5	Turnkey (Nsibandos)	5
13.	Fochville Electrical Bulk Supply (Phase 4)	Lyon & Partners (Pty) Ltd	4	ESKOM	-
14.	Replacement of Khutsong Reservoir	Morad Consulting Engineers (Pty) Ltd	4	Turnkey (Quantibuilt)	5
15.	Project Implementation: Sludge Dying Beds - Khutsong WWTW	SCIP Consulting Engineers	4	-	-
NO.	Project Description	Appointed Consultant	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent	Appointed Contractor	Average Score 1-5 1 - Poor 2 - Average 3 - Good 4 - Very Good 5 - Excellent
16.	Khutsong North Water & Sewer Reticulation (Stage 1)	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey(Mamoleboge Investment)	3
17.	Khutsong North Water & Sewer Reticulation (Stage 2)	Morad Consulting Engineers (Pty) (Ltd)	4	Turnkey (TTTB Construction)	3
18.	Khutsong North Water & Sewer Reticulation (Stage 3)	-	-	-	-
19.	Khutsong South Ext 5 & 6 Internal Roads & Stormwater	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey	-
20.	Khutsong South Installation of Alternative Bulk water Supply	Tlou Consulting (Pty) Ltd	4	-	-
21.	Project Implementation: Khutsong South installation of bulk of Bulk electricity	The finalisation of the appointment of consultant not concluded as in end of the financial year			
22.	Khutsong South Ext. 5 Outfall Sewer	Pro-Plan Consulting Engineers (Pty) Ltd	4	Turnkey	-

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23.	Kokosi Ext 6 East Outfall Sewer	lifa Africa Engineers (Pty) Ltd	3	Turnkey - Vusaken	1
24.	Kokosi Ext 6/7 Completion of Sewer Network/ Fochville Reservoir	SCIP Engineering Group	3	Turnkey	2
25.	Greenspark Outfall Sewer	Mhiduve (Pty) Ltd	-	Turnkey – Lichenry Construction	-
26.	Development of New Kokosi Cemetery	Kabe Consulting Engineers (Pty) Ltd	4	-	-

Khutsong Roads and Storm water (Phase 4): Maragela consulting Engineers were appointed for this project and was rated 4 because designs were delivered in accordance with the agreed milestones. Giya Dlozi Projects (Pty) Ltd JV Dinah and Joyce Business Enterprise CC were appointment on the 04-12-2020 as the contractor appointed for this project. The contractor was rated 4 because of attending issues and identifying risk urgently. Contractor attended snag list and addressed the issues of stormwater. Practical Completion achieved 10-01-2022 and sectional completion was achieved on the 18/02/2022. Remaining stormwater section planned to be completed by 31/05/2022.

Khutsong Roads and Storm water (Phase 5) : SCIP Consulting Engineers were appointed for this project and was rated 4 because designs were delivered in accordance to the agreed milestones. Consultant has finalized the scope and designs and Contractor not yet appointed. The tender was advertised and the briefing held on 05-11-2021 and BSC meeting held on the 27/01/2022. Awaiting for the BAC report.

Khutsong Roads and Storm water (Phase 6) : LSO Consulting (Pty) Ltd was appointed for this project and rated 4 because designs were delivered in accordance to the agreed milestones. Consultant was appointed 20-07-2021. Project initiation concluded on 10-08-2021. Scope of work confirmed, planning & design completed and received 24/01/2022. Draft Tender documents received and submitted SCM and end-user department for review.

Kokosi Roads and Storm water (Phase 4):

Construction in progress at 65%. The contractor appointed 6 subcontractors for various disciplines. Progress on project is behind schedule due to stoppages by the community and SMME's. Dispute resolved and contractor resumed construction on 26-07-21. Project rolled over from 2020/21 FY. Rollover request submitted to NT. Construction suspended due to assault on site manager. Incident report reviewed and Consultant requested to issue an instruction to proceed with construction. Project delayed and disrupted by community. Consultant submitted an intention to terminate the contract on 22 September 2021. Contract was terminated on 14 December 2022

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Kokosi Roads and Stormwater (Phase 5):

Project rolled over from 2020/21 FY. Rollover request submitted to NT. Site Handover meeting conducted on 06-05-2021. Contract commenced 24 May 2021. Request for recruitment of labour submitted on 26 May 2021. Labour Identified on 8 June 2021. Contractor was instructed to occupy site on 23 June 2021. Contractor failed to provide performance guarantee and could therefore not commence with construction. Guarantee only received on 23 July with launching of project scheduled for 4 August but locals refused to proceed without political representation, with status quo still prevailing. Labour recruited and inducted. Seven subcontractors have been appointed for various disciplines. Site Establishment and breaking of pavement is complete, clearance and preparation of stormwater is in progress. Construction Progress 36%.

Kokosi Roads and Stormwater (Phase 6):

New Project 2021/2022. Consultant appointed on 20-07-2021. Letter of acceptance received on 28-07-2021. Project initiation scheduled for 6-08-2021. Project initiation concluded on 6-08-2021. On 30 September 2021 a site visit was conducted in Kokosi to establish the scope of work. A preliminary Design Report was prepared and accepted on 10 June 2022 by the owner department.

Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 4):

Dikgabo Consulting Engineers were appointed for this project and was rated 4 because of late submission of monthly and quarterly report. Mohaumolutsi Civil Works (Pty) Ltd is the contractor appointed for this project and rated 4 because of attending issues and identifying risk urgently on site. Project was Completed on the 15-09-2021.

Wedela Ext 3 Roads and Stormwater (Phase 5):

SCIP Consulting Engineers were appointed for this project and was rated 5 because designs were delivered in accordance to the agreed milestones. DKPB Meyaphuti JV was appointed on 19-03-2021 as the contractor for this project and rated 5 because of attending issues and identifying risk urgently on site. Practical Completion Certificate issued on the 12-11-2021 and completion was achieved on the 26/11/2021

Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 6):

Morad Consulting Engineers were appointed for this project and was rated 4 because designs were delivered in accordance to the agreed milestones. Consultant appointed on 20-07-2021. Project initiation concluded on 5-08-2021. Planning and Detail design completed. Draft Tender documents received and submitted SCM and end-user department for review.

Upgrading of Access Road to Carletonville Site:

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Challenges encountered with the commercial availability of G4/G3 gravel material. VO approved for G2 materials. Delivery delays of diesel and cement for subbase stabilization due to unrest/looting. Project 8 days behind program. Practical completion achieved and handed over to owner department 20 -09-2021

Street Lights Merafong Phase 2 (Phase 5):

LSO Consulting (Pty) Ltd was appointed for this project they were rated 5 because designs were delivered in accordance to the agreed milestones. Consultant appointed on 20-072021. The contractor was rated 5. Project initiation concluded on 10-082021, Site hand over meeting held on the 26/10/2021 . Work Progress currently at 45%.Consultant and End-user department currently finalising scope of works for areas where remaining lights will be installed.

Fochville Electricity Bulk Supply (Phase 4)

New Project 2021/2022. Consultant appointed on 20-07-2021. Letter of acceptance awaited. Project initiation concluded on 6-08-2021. Scope of work to be confirmed. Site visit conducted on 30 September 2021. Change of scope was approved by DMRE on 22 November 2022. Work to be executed by Eskom.

Replacement of Khutsong Reservoir:

Morad Consulting Engineers were appointed for this project and was rated 4 due to their aadministration of the project and submission of report. The contractor was rated 5 and Construction progress at 94% for all activities on site in terms of replacement contractor's construction program.

Sludge Dying Beds - Khutsong WWTW:

SCIP Consulting Engineers were appointed for this project and was rated 4 because designs were delivered in accordance to the agreed milestones. CMS Water Engineering Cc is the contractor appointed for this project. The contractor was rated 3 and construction progress is at 98%. Approved BP funding insufficient to cover total project cost. DWS to supported additional BP funding and appraisal meeting was held on 09/11/2021. Supplementary

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Khutsong North Water & Sewer Reticulation (Stage 1):

Proplan consulting Engineers (Turnkey) rated 4 and the investigations and designs were completed and their turn-key sub-contractor is Mamalebogo Investment. The contractor was rated 3 and Construction progress at 55% due to the extended scope of works. Construction of sewer pipeline in progress. SMME's has agreed with term of contract prior to resume with works and the contractor started to work on the 14 March 2022. SMME's has agreed with term of contract prior to resume with works and the contractor started to work on the 14 March 2022.

Khutsong North Water & Sewer Reticulation (Stage 2):

Morad Consulting Engineers were appointed for this project and was rated 4 because designs were delivered in accordance to the agreed milestones. The contractor was rated 3 and construction progress at 48%. Alternative routing of sewer pipeline being investigated and finalised to avoid immediate relocation of residents. Site establishment completed and busy with exposing of existing services and excavation of sewer trenches has commenced. Pipe laying has commenced. Contractor to acceleration works to ensure that project get completed by end June 2022.

Khutsong North Water & Sewer Reticulation (Stage 3):

Appointment of Consultant to start with planning post the scope finalization by Merafong owner department.

Upgrading of Access Road to Carletonville Site:

Challenges encountered with the commercial availability of G4/G3 gravel material. VO approved for G2 materials. Delivery delays of diesel and cement for subbase stabilization due to unrest/looting. Project 8 days behind program. Practical completion achieved and handed over to owner department 20 -09-2021.

Khutsong South Ext 5 & 6 Internal Roads & Stormwater:

Proplan consulting Engineers (Turnkey) rated 4 and consultant appointed on 20-07-2021. Project initiation concluded on 6-08-2021. Confirmation of scope of work determined and busy with planning & design. Amendment of assignment for Consultant services to turn-key basis dated 10/02/2022. Consultant busy with the process of procuring a turn-key subcontractor.

Khutsong South Installation of Alternative Bulk Water Supply:

Tlou Consulting (Pty) Ltd rated 4 and consultant appointed 20-07-2021. Project initiation concluded on 6-08-2021. Necessity for EIA (Basic Assessment) to be confirmed. Amendment of Assignment for Consultant services to Turn-key basis dated 10/02/2022.

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Khutsong South Ext. 5 Outfall Sewer:

Proplan consulting Engineers (Turnkey) rated 4 and consultant appointed 20-07-2021. Project initiation concluded on 6-08-2021. Necessity for EIA (Basic Assessment) to be confirmed. Consultant is busy with detailed design report. Amendment of assignment for Consultant services to turn-key basis dated 10/02/2022. Consultant finalising the Tender document for the Turn-key sub-contractor.

Kokosi Ext 6/7 Completion of Sewer Network/Fochville Reservoir:

New Project 2021/2022. Consultant appointed on 20-07-2021. Project initiation concluded on 6-08-2021. Site Survey completed and the assessment of the current status of the pipelines is in process. Construction commenced on 1 June 2022. Work packages has been developed for SMME's to be utilized on the project

Greenspark Outfall Sewer:

Project suspended pending settling of Contractor's claim as per Adjudication award.

Development of New Kokosi Cemetery:

New Project 2021/2022. Consultant appointed on 20-07-2021. Acceptance letter received 28-07-2021. Project initiation meeting scheduled for 5-082021. The consultant submitted an inception report on 30 September 2021. An environmental services consultant was appointed on 4 October 2021. The public participation, Draft Environmental Plan and basic assessment report is complete.

National and Provincial Alignment : District Outcome 1 : Basic Service Delivery Improvement																
NDP		NDP Chapter 4: Economic Infrastructure														
National Outcomes		9. A responsive, accountable, effective and efficient local government system; 6. An efficient, competitive and responsive economic infrastructure network														
Back to Basics Goals		1. Put People & Their Concerns First : Listen and Communicate 2. Deliver municipal services to correct quality and standard														
Provincial 10 Pillars		2. Decisive spatial transformation 3. Accelerating social transformation 4. Transformation of the State and governance 7. Modernisation of human settlements and urban development 8. Modernisation of public transport and other infrastructure 10. Taking a lead in Africa's new industrial revolution.														
COGTA KPA's		KPA 2: Basic Service Delivery														
Mun Strategic Goal		Provision of Basic Service Delivery (Goal 1)														
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM				ANNUAL ACTUALS					
Outcome 1.0: Basic Service Delivery Improvement																
		Basic Service Delivery Improvement	Number (1) Development of the Integrated Infrastructure Maintenance Plan	Indicator measures the development of the Integrated Infrastructure Maintenance plan	Signed Infrastructure Integrated Maintenance Plan by ED	Target	Number	1	1	1	100%	Annual Target Achieved	n/a	n/a	Executive Director Infrastructure	MMC Roads, Storm water & Public
						Capital	N/A									
						Opex										
Output 1.1: Maintain Good Quality Reliable Roads																
	OUTPUT F-OP-1.1	Maintain Good Quality Reliable Roads	Percentage (100) implementation of roads maintenance plan	Indicator measures the implementation of roads maintenance plan	Approved maintenance plan, signed works order and monthly progress reports	Target	%	146.68	100	111.22%	111.22%	Annual Target Over Achieved	Back logs were addressed during Q2	n/a	Executive Director Infrastructure	MMC Roads, Storm water & Public
						Capital										
						Opex	Opex		Opex							
Sub Output Road Maintenance																
	Sub Output F-A-1.1.1.1	Road Maintenance	m ² of tarred roads maintained	Indicator measures tarred roads in square meters maintained in accordance to tarred roads maintenance plan, reported on percentage	Approved maintenance plan, signed works order and monthly progress reports and listing	Target	m ²	1667.3	2109.26 m ²	1759.26	83.41%	Annual Target Not Achieved	Lack of materials impacted negatively on the achievement of the planned targets	Backlogs to be addressed in the new financial year pending availability of materials		
						Capital										

ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Storm Khutsong Roads and Stormwater (Phase 4)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Khutsong Roads and Stormwater (Phase 4)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water in Khutsong Roads and Stormwater (Phase 4)	Consultant preliminary design report and Consultant Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
					Capital	Capex	-	R4 117 222	R3 900 075.24	94.73%					
					Opex										
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Construction of Roads and Storm Khutsong Roads and Stormwater (Phase 5)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Khutsong Roads and Stormwater (Phase 5)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water in Khutsong Roads and Stormwater (Phase 5)	Consultant preliminary design report and Consultant Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	Amendment of assignment for consultant services to turn-key basis dated 11/05/2022	n/a		
					Capital	Capex		R4 421 473.50	R 5 426 286	18.52%					
					Opex										

ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Storm Khutsong Roads and Stormwater (Phase 6)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Khutsong Roads and Stormwater (Phase 6)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Khutsong Roads and Stormwater (Phase 6)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	Amendment of assignment for consultant services to turn-key basis dated 11/05/2022	n/a			
					Capital			-	R 1 178 063	R 1 178 057.07	100%					
					Opex											
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Storm Kokosi Roads and Stormwater (Phase 4)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Kokosi Roads and Stormwater (Phase 4)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Kokosi Roads and Stormwater (Phase 4)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	65	65%	Annual Target Not Achieved	Dispute on termination in process	Project to be rolled over to the new financial year			
					Capital	Capex			-	R3 235 296	R66 365.53					20.47%
					Opex											
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Storm Kokosi Roads and Stormwater (Phase 5)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Kokosi Roads and Stormwater (Phase 5)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Kokosi Roads and Stormwater (Phase 5)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	36.1	36.1%	Annual Target Not Achieved	Contractors cash flow challenges	Project to be rolled over to the new financial year			
					Capital	Capex			-	R4 734 979	R5 139 784.84					108.55%
					Opex											
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Storm Kokosi Roads and Stormwater (Phase 6)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Kokosi Roads and Stormwater (Phase 6)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Kokosi Roads and Stormwater (Phase 6)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	0	0%	Annual Target Not Achieved	Delayed approval from owner department	Project to be rolled over to the new financial year			
					Capital	Capex			-	R 643 957	R576 617 46					89.54%
					Opex											

	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Construction of Roads and Stormwater (Phase 4)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Wedela Ext 3 Roads and Stormwater (Phase 4)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Wedela Ext 3 Roads and Stormwater (Phase 4)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved				
						Capital	Capex	-	R1 800 000	R927 075 .95	51.50%		n/a	n/a		
						Opex										

ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Construction of Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 5)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Wedela Ext 3 Roads and Stormwater (Phase 5)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Wedela Ext 3 Roads and Stormwater (Phase5)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
					Capital	Capex	-	R5 165 000	R5 260 789	101.85%					
					Opex										
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Construction of Roads and Storm Wedela Ext 3 Roads and Stormwater (Phase 6)	Percentage (100) progress towards project implementation of the Construction of Roads and Storm water in Wedela Ext 3 Roads and Stormwater (Phase 6)	Indicator measures progress towards project implementation of the Construction of Roads and Storm water Wedela Ext 3 Roads and Stormwater (Phase 6)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	Amendment of assignment for Consultant services to turn-key basis dated 31/05/2022	n/a		
					Capital	Capex	-	R1 500 000	R1 566 222.74	104.41%					
					Opex										
ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Construction of Upgrading of Access Road to Carletonville Site	Percentage (100) progress towards project implementation of the Construction of Roads and Storm Upgrading of Access Road to Carletonville Site	Indicator measures progress towards project implementation of the Construction of Upgrading of Access Road to Carletonville Site)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
					Capital	Capex	-	R3 386 596	R3 386 595.82	100%					
					Opex										
Output 1.2: Enhance the Effectiveness and Efficiency of the Indigent Programme															
OUTPUT F-OP-1.2	Provision of Free Basic Services to Indigents	Number of indigent (1000) indigent applications forms processed and finalised	To ensure the Effectiveness and Efficiency of the Indigent Programme	Approved Monthly Report, and indigent register of approved applications	Target	#	100	1000	789	78.90%	Annual Target Not Achieved	Verification forms that are not submitted on time impacted on negatively on the achievement of the planned targets	Verifiers to make constant follow-ups on the issued verification forms		
					Capital										
					Opex	Opex	Opex								

						Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a		
		Indigent verification process	Number (1) development of indigent verification process plan	Indicator measures the development of the Indigent verification Process Plan reported as a percentage in the performance reports	Approved Indigent verification process plan	Capital										
						Opex	Opex									

Output 1.3: Provision of Reliable Electrical Supply

	OUTPUT F-OP-1.3	Provision of electricity infrastructure	Percentage of (90) households in NERSA licensed area with Access to Basic level of Electricity services(NI)	Measures percentage of households with access to basic level of electricity in NERSA licensed area of the Municipality	IDP status quo analysis and Stats SA, Signed monthly electrification ports, BIQ listing	Target	%	90	90	90	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex	Opex	Opex								
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: of Fochville Bulk Supply (Phase 4)	Percentage (100) progress towards project implementation of Fochville Bulk Supply (Phase 4)	Indicator measures progress towards project implementation of Fochville Bulk Supply (Phase 4)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital	Capex	-	R13 219 000	R13 218 999.99	100%					
						Opex										
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Street Lights Merafong Phase 2 (Phase 5)	Percentage (100) progress towards project implementation of Street Lights Merafong Phase 2 (Phase 5)	Indicator measures progress towards project implementation of Street Lights Merafong Phase 2 (Phase 5)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital	Capex	-	R6 628 970	R7 850 536.93	118.43%					
						Opex										
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Khutsong South Substation 11Kv Khutsong south to Elijah Barayi MV Line	Percentage (100) progress towards project implementation of Khutsong South Substation 11Kv Khutsong south to Elijah Barayi MV Line	Indicator measures progress towards project implementation of Khutsong south to Elijah Barayi MV Line	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	-	-	-	Project not implemented due to ultant withdrawal in implementing the project	Funding utilised for the Fochville substation	Project to be rolled over to the new financial year		
						Capital	Capex	-	R11 219 000	-	-					
						Opex	-	-	-	-	-					

Output 1.3.1. Effective maintenance of Electricity Infrastructure

	Output FA	Provision of		Measures number of		Target	%	75.28	100	75.71		Annual					M M/C: Elec trici
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1.3.1	Reliable Electrical	Percentage (100) Implementation of the Electricity Maintenance Plan	activities implemented in accordance with the Electricity Maintenance Plan, reported as percentage	Approved maintenance plan, signed works order and monthly progress reports, listing	Target	%					75.71%	Target Not Achieved	Target not achieved due not lack resources	Effective implementation of credit control		
					Capital											
					Opex	Opex										
ACTIVITY F-A-1.3.1.1 (1)	Effective Maintenance of Electricity Infrastructure	Percentage (100) Street Lights maintained	Indicator measures number of streetlights maintained per identified streets in accordance to the maintenance plan, reported in percentage	Approved maintenance plan, signed works order and monthly progress reports, listing	Target	%	52.77	100	66.66		66.66%	Annual Target Not Achieved	Target not achieved due not lack resources	Effective implementation of credit control		
					Capital											
					Opex	Opex										

Output 1.3.2: Unaccounted of Electricity Losses

OUTPUT F-SO-1.3.2 (1)	Unaccounted Electricity Losses	Percentage unaccounted electricity losses (35)	Indicator measures the percentage of unaccounted electricity measured as a percentage of bulk purchases vs sales	Monthly electricity reports on purchase and losses, Section 71 report	Target	%	45.05	35	60.53		57.82%	Annual Target Not Achieved	Loss strategy identifies was not implemented due to budget constraints	Load control system to be upgraded		
					Capital											
					Opex	Opex										
SUB OUTPUT F-SO-1.3.2 (2)	Effective maintenance of Electricity Infrastructure	Number of Illegal connections and by-passing of prepaid meters corrected, planned vs implemented	Indicator measure number of illegal connections corrected and conducted in accordance with electrical turnaround plan, reported in percentage	maintenance plan, signed works order and monthly progress reports, listing	Target	#	477	1500	1241		82.75%	Annual Target Not Achieved	Number of bypass meters and illegal connections increased during Q3	Corrections of faulty meters and disconnections were planned but could not be implemented due to community resistance		
					Capital											
					Opex	Opex										

Output 1.4: Provision of Quality and Reliable Sanitation and Waste Management Services

OUTPUT F-OP-1.4 (1)	Provision of Basic Sanitation Services	Percentage (100) households with access to basic level of sanitation(NI)	Measures the percentage of households with access to basic level of sanitation	IDP and Stats SA, Signed monthly reports, BIQ listing	Target	%	100	100	95		95%	Annual Target Not Achieved	Not all households could be provided with water due to the capacity constraints	Indicator to be well defined in the new financial year		
					Capital											
					Opex	Opex										
OUTPUT	Sewer				Target	%	60.99	100	114		114%	Annual		n/a		

	F-OP-1.4 (2)	Infrastructure and Maintenance	Percentage (100) sewer maintenance plan implemented	Indicator measures number of activities implemented in accordance with the Sewer Infrastructure and Maintenance plan, reported in percentage	maintenance plan, signed works order and monthly progress reports, listing	Capital						Target Over Achieved	Target over achieved due to more blockages reported were prioritised				
Sub Output 1.4.1: Sewer Infrastructure and Maintenance																	
	SUB OUTPUT F-SO-1.4.1 (1)	Waste Water Treatment Works Maintenance	Percentage (100) Waste Water Treatment Works Maintenance Plan implemented	Indicator measures number of activities implemented in accordance with the Waste Water Treatment Works Maintenance plan, reported in percentage	maintenance plan, signed works order and monthly progress reports, listing	Target	%	35.48	100	41.43	41.43%	Annual Target Not Achieved	Target not Achieved due to shortage of personnel	Implementation of the organisational structure			
						Capital											
						Opex	Opex										
Activity 1.4.1.1 Sewer Infrastructure Maintenance																	
	SUB OUTPUT F-SO-1.4.1.1 (2)	Waste Water Treatment Works Maintenance	Percentage of reported sewer blockages/spillages fixed within 24 hours	Indicator measures percentage of reported sewer blockages/spillages fixed within 24 hours	maintenance plan, signed works order and monthly progress reports, listing and call and contact centre report	Target	%	87.38	100	83.93	83.93%	Annual Target Not Achieved	Target not Achieved due to shortage of fleet and material	Appointment of fleet was not finalised by end of the financial year			
						Capital											
						Opex	Opex										
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Replacement of Khutsong Reservoir	Percentage (100) progress towards project implementation of the Replacement of Khutsong Reservoir	Indicator measures progress towards project implementation of the Replacement of Khutsong Reservoir	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	98	98%	Annual Target Not Achieved	Multiyear project	Project to be finalised in the new financial year			
						Capital	Capex	-	R55 000 000	R49 671 995.88	90.31%						
						Opex											
	ACTIVITY F-A-1.1.2.1 (1)	Project implementation: Sludge Dying Beds - Khutsong WWTW	Percentage (100) progress towards project implementation of Sludge Dying Beds Khutsong WWTW	Indicator measures progress towards project implementation of Sludge Dying Beds Khutsong WWTW	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	98%	98%	Annual Target Not Achieved	Contractor to finalise outstanding works.	Project to be finalised in the new financial year			
						Capital	Capex	-	R2 500 000	R2 500 000	100%						

						Opex												
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Khutsong North Water & Sewer Reticulation (Stage 1)	Percentage (100) progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage 1)	Indicator measures progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage 1)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	75	75%	Annual Target not Achieved	Target not achieved due to the extended scope of works.	Project to be rolled over to the new financial year				
					Capital	Capex	-	R7 971 779	R6 704 017.43	84.10%								
					Opex													
	ACTIVITY F-A-1.1.2.1 (1)	Project implementation: Khutsong North Water & Sewer Reticulation (Stage 2)	Percentage (100) progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage2)	Indicator measures progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage2)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	98	98%	Annual Target not Achieved	Contractor encountered a hard rock, were horizontal drilling will be required.	Project to be rolled over to the new financial year				
					Capital	Capex	-	R15 782 915	R15 581 158.74	98.72%								
					Opex													
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation on: Khutsong North Water & Sewer Reticulation (Stage 3)	Percentage (100) progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage 3)	Indicator measures progress towards project implementation of Khutsong North Water & Sewer Reticulation (Stage 3)	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100		0	0%	Annual Target not Achieved	Delay in appointing consultant and finalization of scope of works by end-user department	Appointment of Consultant to start with planning post the scope finalization by Merafong owner department.				
					Capital	Capex	-	R568 197	R0	0%								
					Opex													

Output 1.5: Integrated Waste Management (Solid Waste)

	OUTPUT F-OP-1.5	Integrated Waste Management	Percentage (100) implementation of the Integrated Waste Management Plan	Measures the implementation of the Integrated Waste Management Plan against the plan vs actual	maintenance plan, signed works order and monthly progress reports, listing	Target	%	61.13	100	59.59	59.59%	Annual Target not Achieved	Annual target could not be achieved due to mechanical breakdown of illegal dumping equipment's	Outsourcing of illegal dumping equipment to address backlogs		
						Capital										
						Opex	Opex									
Activity 1.5.1.1 Coordination of Waste Management Services																
	Activity F-SO-1.5.1.1(1)	Coordination of removal of illegal dumping	Percentage (100) removal of illegal dumping planned vs actual	Indicator measures removal of illegal dumping planned vs actual	Signed Monthly schedule, Monthly reports	Target	%	33.33	100	22.22	22.22%	Annual Target not Achieved	Annual target could not be achieved due to mechanical breakdown of illegal dumping equipment's	Outsourcing of illegal dumping equipment to address backlogs		
						Capital										
						Opex	Opex									
Sub Output 1.6.1 Waste Management																
	Sub Output F-A1.6.1 (1)	Compliance with Landfill sites licensing requirements	Percentage (80) compliance with landfill license requirements	Indicator measures percentage compliance to the landfill license requirements in accordance to GDARD	Monthly landfill site activities plan, report and GDARD report	Target	%	80	80	80	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex	Opex									
	Sub Output F-A-1.6.1 (2)	Households with Access to Basic Solid Waste Collection in the Formal Areas	Percentage (100) formal households with access to basic level of solid waste collection	Indicator measures number of formal households with access to basic level of weekly solid waste removal, reporting in percentage	IDP and Stats SA, Signed monthly reports, BIQ listing	Target	%	90.24	100	96.69	96.69%	Annual Target not achieved	Mechanical breakdown of waste collection compactor trucks impacted negatively on the achievement of the planned targets	Backlogs to be addressed in the new financial year		
						Capital										
						Opex	Opex									
	Sub Output F-A1.6.1 (3)	Households with Access to Basic Solid Waste	Percentage (100) of informal household with access to basic	Indicator measures percentage of informal household with access to basic level of Solid	Signed Monthly report, Informal Settlement Report, photos and	Target	%	100	100	88.9	88.9%	Annual Target Not Achieved	Mechanical breakdown of skip loader	Backlogs to be addressed in the new financial year		
						Capital										

		Collection in the Informal Areas	level of Solid Waste Collection in Mphahlwa village	Waste removal in the Mphahlwa area	Waste Removal Schedules per area	Opex	Opex											
	Sub Output F-A-1.6.1 (4)	Solid Waste Recycling	Percentage (28) recycled waste vs total waste	Indicator measures the percentage of recycled waste vs total waste in salvaging of domestic waste recyclables from the main waste stream	Signed monthly reports	Target	%	12.12	28	21.78	77.79%	Annual Target not Achieved	Merafong Recycling Project from Fochville and Sakzo Pty Ltd from Khutsong are no longer submitting their stats without any reason	Requested relevant stakeholders to assist with their statistics				
						Capital												
						Opex	Opex											
	Sub Output F-A-1.6.1 (5)	Extension of Waste Collection Services to newly developed households in the formal areas	Extension of services to number (640) of household without refuse removal services	Indicator measures number of service points extended to reduce the backlog of removal in formal areas	IDP and Stats SA, Signed monthly reports, BIQ listing	Target	#	0	640	0	0%	Annual Target not Achieved	Road conditions not accessible by refuse trucks, Ponding water leaks and cross low hanging electric wires render area not accessible by waste truck.	Requested relevant department to assist by repairing roads, water leaks and electric wires.				
						Capital												
						Opex												
Output 1.7: Provision of Quality and Reliable Water Supply																		
	OUTPUT F-OP-1.7 (1)	Provision of access basic level of water services	Percentage (100) Household with access to basic level of water services(NI)	Measures the percentage access of households to basic level of water services	IDP and Stats SA, Signed monthly reports, BIQ listing	Target	%	95	100	95	95%	Annual Target Achieved	Not all households could be provided with water due to the capacity constraints	Indicator to be well defined in the new financial year				
						Capital												
						Opex	Opex											

						Target	%	86.21	100	85.90	85.90%	Annual Target not Achieved	Annual target could not be achieved due late appointment of the service provider to perform other tests	Service provider was appointed during Q4	Manager: Water and	MMC: Roads, Storm Water & Public Works
					Capital											
					Opex											
	OUTPUT F-OP-1.7 (2)	Provision of Quality and Reliable Water Supply	Percentage (100) compliance to Water Quality Standards	Measures the percentage compliance to the Water Quality Standards	Rand Water Monthly Reports											

Sub Output 1.7.1: Water Services Infrastructure and Maintenance																	
	SUB OUTPUT F-SO-1.7.1	Maintain Efficient Water Infrastructures	Percentage (100) of Water Services Maintenance plan implemented	Indicator measures percentage of activities implemented in accordance with the Water Services maintenance plan, reported in percentage	maintenance plan, signed works order and monthly progress reports, listing	Target	%	22.53	100	83	83%	Annual Target not Achieved	Shortage of fleet, material and personnel impacted negatively on the achievement of the set target	Filling of vacancies and implementation of the organisational structure			
						Capital											
						Opex											
Activity 1.7.1.1: Water and Sanitation Activities																	
	ACTIVITY F-A-1.7.1.1 (1)	War on leaks programme maintenance	Percentage (100) of water pipe burst repaired within 24 hrs of being reported	Indicator measures number of water pipe bursts repaired within 24 hours of being reported, reported as a percentage	Call Centre Reports, Approved maintenance plan, monthly supervisor schedule, signed works order, register and monthly progress reports, listing	Target	%	15.40	100	98.59	98.59%	Annual Target Not Achieved	Annual target not achieved due to a number of pipe burst in Khutsong caused by the dolomitic condition	Filling of vacancies and implementation of the organisational structure			
						Capital											
						Opex	Opex										
MINING TOWNS ALLOCATIONS																	
	ACTIVITY F-A-1.1.2.1 (1)	Project Implementation: Khutsong South Ext 5 and 6 constructions of internal Roads	Percentage (100) progress towards project implementation of Khutsong South Ext 5 and 6 construction of internal Roads	Indicator measures progress towards project implementation of Khutsong South Ext 5 and 6 construction of internal Roads	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	0	0%	Annual Target not Achieved.	Amendment of assignment for Consultant services to turnkey basis dated 10/02/2022	Project to be rolled over to the new financial year			
						Capital	Capex	-	R5 000 000	R850 652.73	17.01%						
						Opex											
	ACTIVITY F-A-1.1.2.1 (1)	Project implementation: Khutsong alternative Bulk Water Supply	Percentage (100) progress towards project implementation of the Khutsong alternative Bulk Water Supply	Indicator measures progress towards project implementation of the Khutsong alternative Bulk Water Supply	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	0	0%	Annual Target not Achieved	Amendment of Assignment for Consultant services to Turn-key basis dated 10/02/2022. Launching of project was delayed by MBC and procurement of Subcontractor.	Project was launched by 08/06/2022 and contractor has submitted a cession for procurement of materials.			
						Capital	Capex	-	R6 000 000	R4 807 227.09	80.12%						
						Opex											

	ACTIVITY F-A- 1.1.2.1 (1)	Project implementation: Khutsong South installation of bulk electricity	Percentage (100) progress towards project implementation of Khutsong South installation of Bulk electricity	Indicator measures progress towards project implementation of Khutsong South installation of bulk electricity	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital	Capex	-	R5 000 000	R244 379.20	4.89%					
						Opex										
	ACTIVITY F-A- 1.1.2.1 (1)	Project implementation: Khutsong Ext 5 installation of outfall Sewer	Percentage (100) progress towards project implementation of : Khutsong Ext 5 installation of outfall Sewer	Indicator measures progress towards project implementation of Khutsong Ext 5 installation of outfall Sewer	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	0	0%	Annual Target not Achieved	Amendment of assignment for Consultant services to turnkey basis dated 10/02/2022.	Project to be implemented in the new financial year		
						Capital	Capex	-	R10 000 000	R994 824.61						
						Opex										
						Target	%									

ACTIVITY F-A- 1.1.2.1 (1)	Project Implementation: Kokosi EXT6 Completion of sewer networks and installation of water meters	Percentage (100) progress towards project implementation of : Kokosi EXT6 Completion of sewer networks and installation of water meters	Indicator measures progress towards project implementation of Kokosi EXT6 Completion of sewer networks and installation of water meters	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	25	25%	Annual Target not Achieved	Delayed Project Launch	Project to be implemented in the new financial year	
					Capital				R4 000 000	R2 399 02 6.50				59.98%
					Opex									
ACTIVITY F-A- 1.1.2.1 (1)	Project Implementation: Kokosi EXT 7 Completion of sewer networks and installation of water meters	Percentage (100) progress towards project implementation of: Kokosi EXT 7 Completion of sewer networks and installation of water meters	Indicator measures progress towards project implementation of Kokosi EXT 7 Completion of sewer networks and installation of water meters	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	100	100	100%	Annual Target Achieved	Supply equipment. Local SMME tasks delayed progress. Theft on site	New Supplier sourced. Security provider changed	
					Capital				R682 975	0				0
					Opex									
ACTIVITY F-A- 1.1.2.1 (1)	Project Implementation: Greenspark Completion of sewer networks and installation of water meters	Percentage (100) progress towards project implementation of: Greenspark Completion of sewer networks and installation of water meters	Indicator measures progress towards project implementation of Greenspark Completion of sewer networks and installation of water meters	Consultant Preliminary Design Report & Consultants Monthly progress reports	Target	%	100	82	83	83%	Annual Target Not Achieved	Contract terminated	Project to be implemented in the new financial year	
					Capital				R6 411 101	R2 976 60 2.39				46.43%
					Opex									
Sub Output 1.7.2: Effective Water Management														
SUB OUTPUT F-SO- 1.7.2	Curbing of Water Losses	Percentage unaccounted water losses (25))	Indicator measures water losses measured as percentage of bulk purchases vs sales	Section 71 and 52 reports	Target	%	32.36	25	35.95	35.95%	Annual Target Not Achieved	Several main water burst during February that was caused by water pressure	Replacement of infrastructure in Khutsong North: MIG funds	
					Capital									
					Opex									
Activity 1.7.2.1: Installation of Water restriction devices to manage consumption														
ACTIVITY F-A- 1.7.2.1	Installation of Water restriction devices to manage consumption	Number (1250) of water restriction devices installed through the RWF Unaccounted for	Measures the number of water restriction devices installed vs planned through the RWF Unaccounted for	maintenance plan, signed works order and monthly progress reports, listing	Target	Number	0		0	0%	Annual Target Not Achieved	Due to lack of personnel restrictions were not installed in all	Appointment of Panel of Plumbing contractors will assist on installations	
					Capital				1250					

National and Provincial Alignment : District Outcome 2 ; Accountable Municipal Administration

NDP	NDP Chapter 14: Fighting Corruption
National Outcomes	9. A responsive, accountable, effective and efficient local government developmental system;
Provincial 10 Pillars	4. Transformation of the State and governance
Back to Basics Goals	3. Good Governance & Sound Administration 4. Sound Financial Management & Accounting 5. Building Institution & Administrative Capabilities
COGTA KPA's	Good Governance and Public Participation KPA 4
Mun Strategic Goal	To Provide Good Governance and Public Participation (Goal 5)

	PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM											
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Outcome 2.0: Implement initiatives to ensure accountable Municipal Administration within Merafong City

Register Administration	Imbizo's to F-O-2.0	Indicator initiatives ensure Public OUTCOME accordance to Municipal conducted programmes	measures Number (2) of conducted in accountable Attendance Imbizo's	Conduct number of Signed item and Participation public participation	Target	#	-	2	2	100%	Annual Target Achieved	n/a	n/a			
					Capital											
					Opex	Opex										
conducted																

Output 2.1: Maintain Active Citizenry

Operational Plan	of mayoral F-OP-	Indicator Percentage Quarterly special Implement on accordance OUTPUT programmes to 2.1 Maintain implemented Citizenry reported in percentage	measures (100) reports implemented programmes the special Active mayoral registers and	number of programmes in to implemented, Attendance programmes	Target	%	100	100	100	100%	Annual Target Achieved	N/A	N/A			
					Capital											
					Opex											

Sub Output 2.1.1: Implement programmes to promote Sustainable Governance for Local Communities															
	SUB OUTPUT F-SO-2.1.1	Implement programmes to promote Sustainable Governance for Local Communities	Percentage (100) of ward committee support programmes	Indicator measures number of ward committee support programmes implemented in accordance with the plan, reported in percentage	Operational plan, Attendance Registers, Invitations and Signed Item	Target	%	-	100	0	0%	Annual Target Not Achieved	Support programmes for the ward committees could not be implemented due municipal cash flow challenges	Program to be developed and implemented in the new financial year	
						Capital									
						Opex		Opex							
Activity 2.1.1.1: Improved Stakeholder Relations through Public Participation															
	ACTIVITY F-A-2.1.1.1 (1)	Implement programmes to promote Sustainable Governance for Local Communities	Percentage (100) of Ward committee issues received vs reported to relevant departments	Indicator measures number of ward committee issues received vs referred to relevant departments, reported in percentage	Ward Committee Complaints Registers	Target	%	-	100	0	0%	Annual Target Not Achieved	Ward committee issues could not be implemented due municipal cash flow challenges	Program to be developed and implemented in the new financial year	
						Capital									
						Opex									
	ACTIVITY F-A-2.1.1.1 (2)	Improved Stakeholder Relations in Merafong City Local Cooperative Governance	Number (112) of community meetings held by ward councillors	Indicator measures number of community meetings held by ward councillors	Year planner, Attendance Registers and Notices	Target	#	-	112	32	28.57%	Annual Target Not Achieved	Meetings could not take place due to non adherence to approved calendar of meetings	Council Speaker requested to intervene	
						Capital									
						Opex									
Output 2.2: Implement programmes to strengthen Council Accountability															
	OUTPUT F-OP-2.2	Promote Legislative Compliance & Good Governance	Number (20) of compliance reports required in terms of legislation submitted timeously	This indicator measures number of legislated reports submitted: In terms of MFMA Section 53 (1) Section 71 (12), Section 52 (4), Section 54 (1), Section 72 (1), Section 129 (1), Section 127 (1)	Council Resolution and signed item	Target	#	4	20	20	100%	Annual Target Achieved	n/a	n/a	
						Capital									
						Opex									
OUTCOME 2 PERFORMANCE : 50%															

National and Provincial Alignment : District Outcome 3 : Skilled, Capacitated, Competent and Motivated workforce																			
NDP	Chapter 13: Building a capable developmental state																		
National Outcomes	5. A skilled and capable workforce to support an inclusive growth path;																		
Back to Basics Goals	3. Good Governance & Sound Administration																		
Provincial 10 Pillars	4. Transformation of the State and governance																		
COGTA KPA's	KPA 1 : Institutional Transformation & Organisational Development																		
Strategic Goal	Ensure a Skilled, Capacitated, Competent and Motivated West Rand Workforce																		
Mun. Strategic Goal	Provision of Institutional Development and Transformation (Goal 3)																		
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM												
Outcome 3.0: Ensure a Skilled, Capacitated, Competent and Motivated Workforce																			
	OUTCOME F-O-3.0	Ensure a and Maintain a HR Plan	Percentage (100) implementation of HRD plan	To measure the percentage implementation of HRD plan	Implementati on Quarterly reports	Target	%	62.49	100	100	100%	Annual Target Achieved	n/a	n/a					
						Capital													
						Opex													
Output 3.1.: Develop, Implement and Maintain a Robust Talent Pipeline																			
	OUTPUT F-OP-3.1(1)	Ensure Skilled, Capacitated, Competent and Motivated Workforce Develop, Implement	Percentage (100) implementation of the organisational training plan	Indicator measures number of training interventions implemented vs. planned, measured as percentage	Signed training plan, training report & attendance registers	Target	%	83.33	100	100	100%	Annual Target Achieved	n/a	n/a					
						Capital													
						Opex													
Sub Output 3.1.1: Lean Organisational Structure aligned to the strategy																			

	SUB OUTPUT F-SO-3.1.1	Lean Organisational Structure aligned to the strategy	Percentage (100) implementation of the organisational structure implementation plan	Indicator measures number of activities implemented in accordance to organisational structure implementation plan, reported in percentage	Monthly reports on implementation of organisational structure	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex			Opex							
Activity 3.1.1.1: Alignment of the structure to the strategy																
						Target	%	66.66	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital										
	ACTIVITY F-A-3.1.1.1	Alignment of the structure to the strategy/number of vacant budgeted positions filled	Percentage (100) prioritised funded positions on the structure filled	Measures the percentage of budgeted prioritised position filled	Signed item of prioritised positions to be filled, Monthly reports	Opex										
Sub Output 3.1.2: Improved Labour Relations Management																
	SUB OUTPUT F-SO-3.1.2	Improved Labour Relations Management	Number (11) Local Labour Forum (LLF) meetings held	Measures the number of meetings conducted vs scheduled in annual calendar	Attendance Register and Notice of the Local Labour Forum Meeting held and minutes	Target	#	8	11	8	72.73%	Annual Target Not Achieved	Not all meetings could be held due to member not forming quorum	Items that were not discussed in the previous meeting to be differed to the next meeting		
						Capital										
						Opex										
Activity 3.1.2.1: Management of labour matters																
	ACTIVITY F-A-3.1.2.1	Reduce referred labour matters	Percentage of referred labour relations disputes/cases resolved	Indicator measures the reduction of labour matters in SALBC and Labour court in accordance with plan	Register on outstanding matters, Implementation on plan on 21 matters	Target	%	66.66	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex										
Output 3.1.3: Employee Safety and Wellness																
	OUTPUT				Quarterly	Target	#	3	4	4	100%	Annual	n/a	n/a		

	F-SO-3.1.3	Employee Safety and Wellness	Number (4) of reports on OHS Compliance audits conducted	To measure the compliance of the Municipality to OHSA	OHS Compliance Audit Report	Capital						Target Achieved					
						Opex	Opex										
	OUTPUT F-SO-3.1.3	Employee Safety and Wellness	Number (1) development of OHS policy	To measure the compliance of the Municipality to OHSA	Council resolution	Target	#	1	1	0	0%	Annual Target Not Achieved	Annual target could not be achieved due to pending council processes	Process to be finalised and submit policy to council for approval in the new financial year			
						Capital											
						Opex											
Activity 3.1.3.1: Employee wellness																	
	ACTIVITY F-A-3.1.3.1	Employee Wellness program	Percentage (100) implementation of employees wellness program	Indicator measures number of activities implemented in accordance to EAP implementation plan, reported in percentage	Signed operational plan, monthly progress reports & attendance registers	Target	%	0	100	83.33	83.33%	Annual Target Not Achieved	Planned activities could not be implemented due to shortage of personnel	Implementation of the organisational structure			
						Capital											
						Opex											
Sub Output 3.1.4: Employment Equity Compliance																	
	SUB OUTPUT F-SO-3.1.4	Employment Equity Compliance	Development and approval of an Employment Equity Plan	Measure the development and approval of an Employment Equity Plan	Approved Employment Equity Plan	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a			
						Capital											
						Opex											
	SUB OUTPUT F-SO-3.1.5	Employment Equity Compliance	# of people from Employment Equity target group employed in three(3) highest level of management with plan(NI)	Indicator measures number of people from EE target group employed in three highest level of management, reported in percentage in accordance with equity plan	Approved Employment Equity Plan	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a			
						Capital											
						Opex											
OUTCOME 3 PERFORMANCE :73%																	

National and Provincial Alignment : District Outcome 4 : Ethical Administration and Good Governance																					
NDP	Chapter 14: Fighting Corruption																				
National Outcomes	9. A responsive, accountable, effective and efficient local government system																				
Back to Basics Goals	3. Good Governance & Sound Administration																				
Provincial 10 Pillars	4. Transformation of the State and Governance																				
Mun. Strategic Goal	Provision of Good Governance and Public Participation (Goal 5)																				
Strategic Goal	Sustainable Governance for Local Communities																				
COGTA KPA's	KPA 4 : Good Governance and Public Participation																				
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM														
Outcome 4.0: Ethical Administration and Good Governance																					
	OUTCOME F-O-4.0	Ethical Administration and Good Governance	Number of ethics management activities implemented in accordance with plan, reported as percentage	This indicator measures the implementation of the ethics management plan incorporated in the risk management plan	An approved ethics management plan	Target	#	2	10	10	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex	Opex														
Output 4.1: Corruption Free Municipal Environment																					
	OUTUT F-OP-4.1	Corruption Free Municipal Environment	Percentage (100) of alleged (reported) cases of corruption investigated	Measures the percentage of cases reported on fraud hotline investigated	Quarterly Fraud Hotline Report	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex	Opex														
Sub Output 4.1.1: Anti-Corruption Programmes																					
	SUB OUTPUT	Anti-Corruption Programmes	Number (4) of quarterly reports on	The indicator measures the	Quarterly Reports	Target	#	4	4	4	100%	Annual Target	n/a	n/a							

	F-SO-4.1.1.1		status of investigations for complaints received	number of investigation reports on complaints received		Capital						Achieved				
						Opex										

Output 4.2: Sound Good Governance

	OUTPUT F-OP-4.2	Good Governance	Percentage (100) Internal audit plan implemented	Indicator measures number of activities implemented in accordance with Internal audit plan, reported in percentage	Approved reports by EXCO	Target	%	52	100	96.66	96.66%	Annual Target Not Achieved	Contract management activity could not be audited due to capacity constraints at SCM	Incomplete audits will be rolled over to the new financial year. SCM appointed an acting contract manager				
						Capital												
						Opex	Opex											

Sub Output 4.2.1: Effective Risk Management through improved performance management and accountability

	SUB OUTPUT F-SO-4.2.1 (1)	Effective Risk Management within Municipality	Percentage (100) enterprise risk management plan implemented	Indicator measures number of activities implemented in accordance with enterprise risk management plan, reported in percentage	Quarterly Reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a				
						Capital												
						Opex	Opex											
	SUB OUTPUT F-SO-4.2.1 (2)	Improve performance management and accountability	Percentage (100) evaluation of performance of service providers / Capex Projects	Indicator measures the performance of service providers on Capex Projects	Evaluated Payments certificates	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a				
						Capital												
						Opex												

OUTCOME 4 PERFORMANCE : 83%

National and Provincial Alignment : District Outcome 5 : Safe Communities	
NDP	NDP Chapter 12: Building Safer Communities
National Outcomes	11. Create a better South Africa, contribute to a better and a safer South Africa in a better world

Back to Basics Goals		1. Putting people and their concerns first, Deliver municipal services to correct quality and standard																					
Provincial 10 Pillars		6. Modernisation of the public service and state																					
Strategic Goal		Public Safety																					
COGTA KPA's		KPA 2: Basic service delivery																					
Mun. Strategic Goal		Provision of Local Economic Development and Social Development (Goal 2)																					
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM																
Outcome 5.0: Ensure safer communities within West Rand Region																							
	OUTCOME F-O-5.0	Ensure safer communities within Merafong City	Number (1) development of the Merafong City Safety Plan	Indicator measure the development of the Merafong City Safety Plan reported as a percentage in the performance reports	Approved Merafong Safety Plan	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a									
						Capital																	
						Opex																	
Output 5.1: To ensure that People of Merafong City are and feel safe																							
	OUTPUT F-OP-5.1	To ensure that People of the Merafong City are and feel safe	Percentage (100) implementation of a monthly Public Safety services plan to ensure that there is 24 hour services within the Merafong Municipal area	The indicator measures the implementation of a Monthly Public Safety Services plan, measured in percentage	Monthly Reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a									
						Capital																	
						Opex																	
	OUTPUT F-OP-5.2	To ensure that People of the Merafong City are and feel safe	Implementation of CCTV Biometrics internal security	Indicator measure the implementation of the CCTV	Monthly Reports	Target	%	100	100	66.66	66.66%	Annual Target Not Achieved	Shortage of personnel and equipment faulty. No	Implementation of the organisational structure and									
						Capital																	

Strategic Goal		Health & Social Development: Long and healthy life for all socially integrated communities													
COGTA KPA's		KPA 2: Basic service delivery													
Mun. Strategic Goal		Provision of Local Economic Development and Social Development Services (Goal 2)													
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM								
Outcome 6: To improve Basic Education in the West Rand Region															
	OUTCOME F-O-6.0	To improve Basic Education in the West Rand Region	Number (3) of ECDC awareness campaigns conducted	This indicator would ensure that ECDC campaigns are conducted	Report on awareness ECDC Attendance Registers	Target	#	2	3	3	100%	Annual Target Achieved	n/a	n/a	
						Capital									
						Opex									
						Capital									
Output 6.2: Library Programmes															
	OUTPUT F-OP-6.2	Calendar of Events for Library	Number of (1) of library services (calendar) of events developed	Measures the number of approved Calendar of Events	Approved Library Calendar of Events	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a	
						Capital									
						Opex									
Sub Output 6.2.1: Status of Community Based Learning and Teaching Campaigns from a regional perspective															
	SUB OUTPUT F-SO-6.2.1	Promote Library Programmes	Percentage (100) implementation of the Library Programmes as per approved calendar of events	Measures the Indicator measures the implementation of the Library Programmes as per approved calendar of events	Monthly Reports	Target	%	83.33	100	94.44	94.44%	Annual Target Not Achieved	Budget availability offset amount that the Province took back	Budget provision to be made in the new financial year	
						Capital									
						Opex									
OUTCOME 6 PERFORMANCE : 67%															

National and Provincial Alignment : District Outcome 7 : Healthy Communities														
NDP	Chapter 10: Promoting health													
National Outcomes	2. A long and healthy life for all South Africans													
Back to Basics Goals	1. Put people and their concerns first - listen & communicate													
Provincial 10 Pillars	3. Accelerating social transformation 4. Modernisation of the public service and the state													
Strategic Goal	2. Health and Social Development													
COGTA KPA's	KPA 2: Basic service delivery													
Mun. Strategic Goal	Provision of Local Economic Development and Social Development Services (Goal 2)													
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM							
Outcome 7.0: Healthy Communities														
	OUTCOME F-O-7.0	Healthy communities	Number (1) of Healthy Communities plan approved	Measures the development of the Integrated Healthy Communities Plan	Approve Integrated Healthy Communities Plan	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a
						Capital								
						Opex								
Output 7.1: Improve healthy lifestyles														
	OUTPUT F-OP-7.1	Calendar of Events on Healthy and Social Development	Percentage (100) Implementation of Healthy and Social Development calendar of events	Measures the implementation of the Healthy and Social Development Calendar of events	Signed Monthly Reports and attendance registers	Target	%	50	100	93.33	93.33%	Annual Target Not Achieved	Activities could not be implemented due to covid 19	Dependent upon the relaxation of the Disatser Management Regulations
						Capital								
						Opex								
Sub Output 7.1.1: Strengthen Health Programmes : HIV, TB, and Dread Diseases														

	SUB OUTPUT F-SO-7.1.1	Strengthen Health Programmes : HIV, TB, and Dread Diseases	Percentage (100) implementation of HIV & AIDS Community based program as per grant funding	Measures the percentage implementation of HIV & AIDS Community based program as per grant funding	Quarterly Reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex										
Activity 7.1.1.1: Status on support provided to indigent burial																
	ACTIVITY F-A-7.1.1.1	Support to Families with Indigent Burials	Percentage (100) of Indigent burials assistance to families	Measures the assistance to indigent families vs applications received	Requisitions, Invoice, Quotations and Letters of request	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex										
OUTCOME 7 PERFORMANCE 75%																

National and Provincial Alignment : District Outcome 8 : Sustainable Environment																			
NDP	NDP Chapter 5: Ensuring environmental sustainability and transition to a low-carbon economy																		
National Outcomes	10. Environmental Assets and Natural Resources that are well protected and continually enhanced																		
Back to Basics Goals	2. Deliver municipal services to the right (correct) quality & standards																		
Provincial 10 Pillars	2. Decisive Spatial Transformation 5. Modernisation of the Economy																		
Strategic Goal	Health and Social Development																		
COGTA KPA's	KPA 4: Good Governance and Public Participation																		
Mun. Strategic Goal	Provision of Basic Service Delivery (Goal 1)																		
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM												
Output 8.2: Compliance to Environmental Legislations																			
	OUTPUT F-OP-8.2	Ensure compliance to Environmental Legislations	Percentage (100) of environmental Audits conducted vs planned	Measures the percentage of environmental Audits conducted vs planned	Environmental Audit report	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a					
						Capital													
						Opex													
Sub Output 8.2.1: Ensure compliance to Air Quality and Environmental Legislations																			
	SUB OUTPUT 8.2.1	Ensure compliance to Sustainable Environmental Legislations	Percentage (100) of noncompliance detected vs noncompliance notices issued within 7 days of identification	Indicator measures number of noncompliance detected vs noncompliance notices issued within 7 days of identification, reported in percentage	Environmental contravention register, inspection report, Statutory notices	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a					
						Capital													
						Opex													

National and Provincial Alignment : District Outcome 9 : Build Spatially Integrated Communities

NDP	NDP Chapter 8: Transforming human settlement and the national space economy														
National Outcomes	9. A responsive, accountable, effective and efficient local government developmental system														
Back to Basics Goals	2. Deliver Municipal Services to Right Quality & Standard														
Provincial 10 Pillars	7. Modernisation of human settlements and urban development														
Strategic Goal	Regional planning and economic goal														
COGTA KPA's	KPA 3: Local economic development														
Mun. Strategic Goal	Provision of Basic Service Delivery (Goal 1)														

		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM										
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Outcome 9.0: Build Spatially Integrated Communities

OUTCOME F-O-9.0	Build Spatially Integrated Communities	Number (1) of Spatial Development Framework reviewed	Guiding document on all spatial planning and human settlements initiatives	SDF Document	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a			
					Capital											
					Opex											

Sub Output 9.1.1: Provision of State Owned Land and Properties for Development

SUB OUTPUT F-SO-9.1.1 (1)	Provision of Municipal Owned Land and Properties for Development	Number (2) of strategic municipal owned land parcels alienated in terms of the Municipal 5 year land Alienation Plan for year 3	Indicator measures the number of strategic municipal owned land parcels alienated in terms of the Municipal 5 year land Alienation Plan for year 3, reported as a percentage in the performance reports	Signed Lease Agreements	Target	%	1	2	0	0%	Target not Achieved	Process of alienation still at tender stage	To be finalised in the new financial year			
					Capital											
					Opex											
SUB OUTPUT F-SO-9.1.1 (2)	Management of Municipal owned investment properties	Percentage (90) occupation rate of community rental units.	Indicator measures occupation rate community rental units at Eureka Park, Khutsong Hostels, Teachers quarters and Social Homes reported in percentage	Monthly Occupation Reports	Target	%	90	90	90	100%	Annual Target Achieved	n/a	n/a			
					Capital											
					Opex											

Sub Output 9.1.2: Implementation of SPLUMA, Bylaws, 2016

		Implementation of the principle of administrative justice As per the SPLUMA, 2013	Percentage (100) of completed applications submitted vs application processes within 60 days	Indicator measures the number of completed land use development application submitted vs processed in terms of delegation within 60 days	Processed application, record of decision Application Register by the ED	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex	Opex														
		Implementation of SPLUMA Regulatory Framework	Percentage (100) statutory notices issued within 7 days in term of illegal land uses detected	Indicator measures number of statutory notices issued within 7 days, reported as a percentage in the performance reports	Progress Report on statutory notices, illegal land use register and inspection report	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex	Opex														
		Implementation of SPLUMA Regulatory Framework	Percentage (100) statutory notices issued within 14 days in term of illegal buildings detected	Indicator measures number of statutory notices issued within 14 days on illegal buildings, reported as a percentage in the performance reports	Progress Report on statutory notices, illegal buildings identified and inspection register	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex															

Sub Output 9.1.3: Building Controls

	SUB OUTPUT F-SO-9.1.3 (1)	Building plans processed in accordance with legislative timeframes	Percentage (100) building inspections conducted vs applied for within 30 days	Indicator measures number of building inspections conducted vs building inspections applied for within 30 days , reported as a percentage in the performance reports	Building application form, inspection report	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex															
	SUB OUTPUT F-SO-9.1.3 (2)	Approved Building Plans	Percentage (100) building plans processed (<500m2) within 30 days	Indicator measures number of building plans processed (<500m2) within 30 days, reported as a percentage in the performance reports	Building plans application Register	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex															
	SUB OUTPUT F-SO-9.1.3 (3)	Approved Building Plans	Percentage (100) building plans processed (>500m2) within 60 days	Indicator measures number of building plans processed (>500m2) within 60 days, reported as a percentage in the performance reports	Building plans application Register, letters to applicant	Target	%	100	100	100	100%	Target Achieved	n/a	n/a							
						Capital															
						Opex															

Output 9.2: Administration of Housing Applications

OUTPUT F-OP-9.2	Provision of Housing: Reduction in the housing backlog	Turnaround time (7 Days) in processing new housing applications	Indicator measures the turnaround time in processing new applications for subsidised housing captured on the waiting list within 7 days, reported as a percentage in the performance reports	Application forms and housing waiting list	Target	%	7 days	7 days	7 days	100%	Annual Target Achieved	n/a	n/a		
					Capital										
					Opex										
Sub Output 9.2.1: Coordination of Human settlements Projects with the objective of reducing backlog															
SUB OUTPUT F-SO- 9.2.1	Coordination of Human settlements Projects	Number (7) of Human Settlements Projects coordinated	Indicator measures number of Human Settlements Projects coordinated within Merafong (Khutsong South Ext 5 & 6, Kokosi Ext 6, Fochville Reservoir, Greenspark outfall sewer, Khutsong Ext 5, Electricity & Kokosi outfall linkage (7 projects), reported as a percentage in the performance reports	Quarterly Projects Progress Report signed by consulting engineer	Opex	#	7	7	7	100%	Annual Target Achieved	n/a	n/a		
					Capital										
					Opex										
Activity 9.2.1.2: Issuing of Title Deed															
ACTIVITY F- A- 9.2.1.2 (2)	Reduction of the number of title deed in the possession of the Municipality	Number (300) of title deeds issued to beneficiaries	Indicator measures number of title deeds title, issued to beneficiaries, ,reported as a percentage in the performance reports	Signed acceptance notes	Target	%	0	300	0	0%	Annual Target not Achieved	Beneficiaries not collecting title deeds as arranged	Councillors intervention requested in the issuing of title deeds		
					Capital										
					Opex										

Activity 9.2.1.3: Revitalisation of distressed mining towns (informal settlement upgrading)

ACTIVITY F-A-9.2.1.3 (2)	Revitalisation of distressed mining towns (informal settlement management)	Number (1) updated Informal Settlements database updated	Indicator measures the updating of the Informal Settlements Database updated, reported as a percentage in the performance reports	Informal settlement registered	Target	#	0	1	0	0%	Annual Target not Achieved	Planned target could not be achieved due to shortage of personnel	Implementation of the organisational structure		
					Capital										
					Opex										

Activity 9.2.1.4: Updating of revised regional Sustainable human settlements plan

ACTIVITY F-A-9.2.1.4	Addressing housing backlog	Number (1) of housing plan reviewed	Indicator measures the housing plan been reviewed as approved by Council as a high level sector plan of the IDP by 31 May 2021, reported as a percentage in the performance reports	Revised housing plan submitted to council by 31 May	Target	%	1	1	1	100%	Annual Target Achieved	n/a	n/a		
					Capital										
					Opex										

OUTCOME 9 PERFORMANCE : 79%

National and Provincial Alignment : District Outcome 10 : Social Cohesive Communities																			
NDP		Chapter 10: Promoting health																	
National Outcomes		2. A long and healthy life for all South Africans																	
Back to Basics Goals		1. Put people and their concerns first - listen & communicate																	
Provincial 10 Pillars		3. Accelerating social transformation 4. Modernisation of the public service and the state																	
Strategic Goals		Health & Social Development: Long and healthy life for all socially integrated communities																	
Mun. Strategic Goal		Provision of Local Economic Development (Goal 2)																	
COGTA KPA's		KPA 2: Basic Service Delivery																	
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM												
Outcome 10.0: Healthy and united social cohesive communities																			
	OUTCOME F-O-10.0	Healthy and united social cohesive communities	Number (1) of Calendar of events for Sports Recreation, Arts, Culture and Heritage	Indicator measures Number (1) of Calendar of events for Sports Recreation, Arts, Culture and Heritage Social Developed	Approved Calendar of Events	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a					
						Capital													
						Opex													
Output 10.1: Establish a Socially Cohesive West Rand Community																			
	OUTPUT F-OP-10.1	Calendar of events for Sports Recreation, Arts, Culture and Heritage	Percentage implementation (100) of Calendar of events for Sports Recreation, Arts, Culture and Heritage implemented	Indicator measures the implementation of Calendar of events for Sports Recreation, Arts, Culture and Heritage	Signed Monthly Reports	Target	%	5	100	75	75%	Annual Target not achieved	Planned activities could not be implemented as planned due to Municipal cash flow challenges	Operational planning to be adjusted in the new financial year as per allocated budget					
						Capital													
						Opex													

Sub Output 10.1.1: Implement Social Cohesion Initiatives / Programmes

OUTPUT F-A-10.1.1 (1)	Maintenance of Merafong Sports Facilities	Percentage (100) Implementation of Sports Facilities Maintenance Plan	Indicator measures number Sports Facilities maintained in accordance with the Maintenance Plan	Signed Approved Maintenance plan Monthly Reports by MM	Target	%	77.66	100	50	50%	Annual Target not achieved	Planned activities could not be implemented as planned due to Municipal cash flow challenges	Operational planning to be adjusted in the new financial year as per allocated budget
					Capital								
					Opex								
SUB OUTPUT F-SO-10.1.2	Implement Sports and recreation Programmes	Percentage (100) of Sports and recreation programmes implemented	Measures the implementation of Sports and recreation Programmes implemented	Monthly Reports, Attendance registers	Target	%	0	100	50	50%	Annual Target not achieved	Planned activities could not be implemented as planned due to Municipal cash flow challenges	Operational planning to be adjusted in the new financial year as per allocated budget
					Capital								
					Opex								

Activity 10.1.1.1: Social Cohesion promoted through unity in diversity events

ACTIVITY F-A-10.1.1.1	Promote Arts, Culture and Heritage Programmes	Percentage (100) of Arts and Culture Services provided vs implemented	Indicator measures number of activities implemented in accordance with Arts and Culture Services plan, reported in percentage	Signed Monthly reports and Attendance Registers	Target	%	5	100	70	70%	Target not achieved	Planned activities could not be implemented as planned due to Municipal cash flow challenges	Operational planning to be adjusted in the new financial year as per allocated budget
					Capital								
					Opex								

Activity 10.1.1.2: Provide status on construction and upgrade of social infrastructure

ACTIVITY F-A-10.1.1.2 (2)	Maintenance of community Facilities	Percentage (100) Implementation of Community Facilities Maintenance Plan	Indicator measures number of activities executed in Community Facilities in accordance with the Maintenance Plan	Signed Approved Maintenance plan Monthly Reports by MM	Target	%	68.32	100	48.61	48.61%	Target not achieved	Planned activities could not be implemented as planned due to Municipal cash flow challenges	Operational planning to be adjusted in the new financial year as per allocated budget
					Capital								
					Opex								

OUTCOME 10 PERFORMANCE : 17%

National and Provincial Alignment : District Outcome 11 : Reduced Unemployment														
NDP		Chapter 3: Economy and Employment												
National Outcomes		4. Decent employment through inclusive economic growth												
Back to Basics Goals		1. Put People & Their Concerns First : Listen and Communicate												
Provincial 10 Pillars		3. Accelerating social transformation 4. Transformation of the State and governance												
Strategic Goal		Regional planning and economic goal												
Mun. Strategic Goal		Provision of Local Economic Development (Goal 2)												
COGTA KPA's		KPA 3: Local Economic Development												
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM							
Outcome 11.0: Strategic Investment Attraction														
	OUTCO ME F-O-11.0	Number (1) of Strategic Investment Opportunities Facilitated	Indicator measures Strategic Investment Opportunities Facilitated, reported as a percentage in the performance reports	Signed MoU & Signed Council Resolution by MM	Council Resolution	Target	#	0	1	0	0%	Annual Target Not Achieved	Strategic Investment could not be facilitated due to Covid -19 pandemic	Indicator to be finalised in the new financial year
						Capital								
						Opex								
Sub Output 11.1: Job Creation through LED Initiatives														
	SUB OUTPUT F-SO-11.1 (1)	Job Creation through LED Initiatives	Number (2628) of jobs created and sustained through LED initiatives	Indicator measures the number of jobs created through LED initiatives, reported as a percentage in the performance reports	Monthly reports	Target	#	4482	2628	2750	104.64%	Annual Target Over Achieved	More jobs were created during Q3	n/a
						Capital								
						Opex								
	SUB					Target	#	192	487	0	0%	Annual		

	OUTPUT F-SO- 11.1 (2)	Reduce unemployment	Number of jobs created through EPWP Programmes and Capital Project implementation	Indicator measures the number of jobs created through EPWP and capital projects initiatives conducted, reported as a percentage in the performance reports	Approved business plan Employment Contracts: Timesheets & Attendance Register	Capital						Target not achieved	EPWP jobs could not be created during the financial year due to non implementation of projects	Consultants were appointed on a turn-key basis		
						Opex										

OUTCOME 11 PERFORMANCE : 33%

National and Provincial Alignment : District Outcome 12 : Economic Development																		
NDP		Chapter 3: Economy and Employment																
National Outcomes		4. Decent employment through inclusive Economic growth																
Back to Basics Goals		2. Deliver Municipal Services to Right Quality & Standard																
Provincial 10 Pillars		1. Radical Economic transformation 3. Accelerating social transformation																
Strategic Goal		Regional planning and economic goal																
Mun. Strategic Goal		Provision of Local Economic Development (Goal 2)																
COGTA KPA's		KPA 1: Local Economic Development																
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM											
Outcome 12.0: Economic Development																		
	Review and ME F-O-	Indicator of the Development Growth and Resolution 12.0 reported as a Strategy 2014 Strategy 2014 percentage in the performance reports	measures the Number(1) of Strategy Growth and Development	number of Growth OUTCOMerafong Council 2014 reviewed, Development	Merafong	Target	#	0	1	0	0%	Annual Target not achieved	Indicator to be Funding challenges owing impacted negatively to Municipal on the achievement of the planned target	removed the financial challenges				
						Capital												
						Opex												
Output 12.1: Promote Regional Economic Development and Growth Small Medium Macro Enterprise (SMME) Support																		
	OUTPUT F-OP-12.1 (1)	Promotion and development of SMMEs	Percentage (100) business licenses applications and trading permits processed within 30 days	Indicator measures number of business licenses applications processed within 30 days, reported as a percentage in the performance reports	business licenses and street trading applications register	Target	Days	30 Days	30 Days	30 Days	30 Days	100%	Annual Target Achieved	n/a	n/a			
						Capital												
						Opex												

	OUTPUT F-OP- 12.1 (2)	Implementation of LED Plan	Number (3) of SMME workshops facilitated	Indicator measures the number of SMME workshops facilitated, reported as a percentage in the performance reports	Quarterly reports	Target	#	3	3	3	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex										

OUTCOME 12 PERFORMANCE : 67%

National and Provincial Alignment : District Outcome 13 : Robust Financial Administration														
NDP		Chapter 14: Fighting Corruption												
National Outcomes		9. A responsive, accountable, effective and efficient local government system;												
Back to Basics Goals		3. Good Governance & Sound Administration												
Provincial 10 Pillars		4. Transformation of the State and governance												
Strategic Goal		5. Business Excellence within the WRDM												
Mun. Strategic Goal		Provision of Financial Viability and Management (Goal 4)												
COGTA KPA's		KPA 1 : Institutional Transformation & Organisational Development												
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM							
Outcome 13.0: Robust Financial Administration														
OUTCO ME F-O-13.0	Robust Financial Administration	Percentage (100) implementation of the Financial Turnaround Plan -Priority plan implemented- Credit control	Indicator measures the implementation of the credit control in Financial Turnaround Plan- Priority Plan	Monthly reports	Target	%	100	100	84.43	84.43%	Annual Target Not Achieved	Credit control could not be fully implemented at the beginning of the financial year due to community resistance	Credit control intensified by disconnecting and total removing on illegal disconnection	
					Capital									
					Opex									
	Resolved of prior year Audit findings	Percentage (100) of prior year Audit findings resolved (OPCA)	Indicator measures number of audit queries received vs cleared, reported as a percentage in the performance reports	OPCA Action plan and reports	Target	%	13.46	100	47	47%	Annual Target Not Achieved	Payments of creditors not done within the stipulated 30 days impacted negatively on the performance of the set target	Implementation of financial turnaround plan by doing robust disconnection to non paying customers	
					Capital									
					Opex									
OUTCO ME	Robust Financial Administration	Number (1) of Annual Financial	The indicator measures	AFS	Target	#	1	1	1	100%	Annual Target	n/a		
					Capital									

	F-O-13.0		Statements 2020/2021 submitted by due date, end August 2021	Annual Financial Statements submitted for 2020/21								Achieved				n/a		
	OUTCOME F-O-13.0	Robust Financial Administration	Ratio debt coverage (norm 45%)	(Overdraft + Current Finance Lease Obligation + Noncurrent Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Section 71 & Section 52 Monthly Reports	Target	%	1.2.2	11.4	4.3	37.72%	Annual Target Not Achieved	Municipal Operating revenue very low	Normalisation of electrical meters in place				
						Capital												
						Opex												
	OUTCOME F-O-13.0	Robust Financial Administration	Ratio outstanding service debtors to revenue (norm 8.3%)	Total outstanding service debtors/annual revenue received for services	Section 71 & Section 52 Monthly Reports	Target	%	25.5	30	38.91	77.10%	Annual Target Not Achieved	Low collection and of culture nonpayment	Normalisation of electrical meters in place				
						Capital												
						Opex	Opex											
	OUTCOME F-O-13.0	Robust Financial Administration	Cash vs Cost coverage ratio achieved (norm 1:2:1)	Indicator measures Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants), reported as a percentage in the performance report	Section 71 & Section 52 Monthly Reports	Target	%	1.0.4.1	1:2:1	1.01	83.47%	Annual Target Not Achieved	Low collection and of culture nonpayment	Normalisation of electrical meters in place				
						Capital												
						Opex												
	OUTCOME F-O-13.0	Robust Financial Administration	Collection Rate (Norm 95%)	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Section 71 & Section 52 Monthly Reports	Target	%	52.80	60	53.26	88.77%	Annual Target Not Achieved	Low collection and of culture nonpayment	Normalisation of electrical meters in place				
						Capital												
						Opex												

Output 13.1: Clean Audit : Financial Performance																
	OUTPUT F-OP-13.1 (1)	Sound Financial Management	Unqualified Audit Opinion maintained	Indicator measures the audit outcome from the Auditor General's report.	2020/21 Auditor General Report MFCLM	Target	#	1	0	0	0%	Annual Target Not Achieved	The municipality obtained a adverse opinion due to the unbudundle assests	Appointed a service provider to unbundle assests		
						Capital										
						Opex										

Sub Output 13.1.1: Financial Controls and Reporting																
	SUB OUTPUT F-SO-13.1.1	Management Financial Controls and Reporting	Number (16) of budget performance reports on financial operations submitted	Indicator measures the Quarterly budget performance report in terms of Section 71 & 72 and Section 52 Reports , reported as a percentage in the performance reports	Report: Section 71 monthly, Section 72 midterm and Section 52 and quarterly reports	Target	#	16	16	16	100%	Annual Target Achieved	n/a	n/a		
						Capital										
						Opex										

Output 13.2: Revenue levied v/s collected																
	OUTPUT F-OP-13.2	Revenue collected v/s targeted	Percentage (100) of revenue collected from payment of traffic fines issued vs the monthly target (R500 000 monthly target)	Indicator measures percentage on amount of revenue collected from [payment of traffic fines issued against the monthly target of (R500 000)	Signed Monthly reports	Target	%	66	100	74.78	74.78%	Annual Target Not Achieved	Low collection nad fleet breakdown impacted negatively on the achievement of the planned target	Normalisation of electrical meters in place		
						Capital										
						Opex										
	SUB OUTPUT 13.2.1	Implementation of Debt Collection	Percentage collection of debtors outstanding for more than 90 days	Indicator measures 5% on debt collected	Debt collection reports	Target	%	8.20	100	65.73	65.73%	Annual Target Not Achieved	Culture of non payment in some township areas impacted on the achievement of the planned target	Normalisation of electrical meters in place		
						Capital										
						Opex										

Sub Output 13.2.1: Implementation of cost containment measures																	
	SUB OUTPUT F-SO-13.2.1	Cost Efficiencies	Percentage achieved on a rate below 30% of labour cost to total expenditure	Indicator measures % rate below 30% of labour cost to total expenditure.	Section 71/52 Report	Target	%	26.78	30	26.6	88.67%	Annual Target Achieved	n/a	n/a			
						Capital											
						Opex											
Sub Output 13.2.2: Bad Debts Written Off																	
	SUB OUTPUT F-SO-13.2.2	Bad Debts Written off	Percentage (100) achieved in bad debt written off vs provision of bad debt	Indicator measures percentage bad debt written off vs provision of bad debt.	Council Resolution	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a			
						Capital											
						Opex											
Sub Output 13.2.3: Ensure Efficient Expenditure Management																	
	SUB OUTPUT F-SO-13.2.5	Timeous payments to creditors	Achieved average number (30) of days for creditors payments made	Indicator measures average number of days achieved for creditors payments made	Section 71/52 reports	Target	#r	120	30	130	23%	Annual Target Not Achieved	Payments to creditors could not be made within 30 days due to Municipal cash flow challenges	Creditors to be paid as and when cash is available			
						Capital											
						Opex											
Output 13.3: Ensure Efficient Budget Management																	
	OUTPUT F-OP-13.3 (1)	Ensure Efficient Budget Management within	Percentage (90) achieved on Operational Budget Spent (OPEX) (100%)	This indicator measure 100% achieved on operational budget spent	Section 71/52 Report	Target	%	94.31	90	59.64	66.27%	Target Not Achieved	Spending is based on the collected revenue	Increase the level of revenue collection credit control measures			
						Capital											
						Opex	Opex										
Sub Output 13.3.1: Ensure Efficient Capital Expenditure Management																	
	SUB OUTPUT F-SO-13.3.1	Ensure Efficient Capital Expenditure Management	Percentage (100) of capital budget spent on capital projects(NI)	Indicator measure the percentage capital budget actually spent on capital projects identified in the	Section 71/52 Report	Target	%	82.88	100	63.94	63.94%	Target Not Achieved	Target was not achieved due to delays in procurement process , Covid -19	Political intervention sought to address community issues			
						Capital											

	SUB OUTPUT F-SO-1.2.1	Provision of Free Basic Services to Indigents	Percentage (100) of registered indigent provided with free basic services (NI)	Measure the percentage of registered indigents supplied with free basic services	Monthly BIQ Finance Report from CFO	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex															

Sub Output 13.4.1: Contract Management

	SUB OUTPUT M-SO-13.4.1	Contract Management	Percentage (100) contract management system implemented	Indicator measures percentage of contract management system implemented	Contract register submitted quarterly	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a							
						Capital															
						Opex															

OUTCOME 13 PERFORMANCE : 27%

National and Provincial Alignment : District Outcome 14															
NDP	Chapter 13: Building a capable developmental state														
National Outcomes	9. A responsive, accountable, effective and efficient local government system;														
Back to Basics Goals	3. Good Governance & Sound Administration														
Provincial 10 Pillars	1. Radical economic transformation 2. Decisive spatial transformation 3. Accelerating social transformation														
Mun. Strategic Goal	Provision of Institutional Transformation and Organisational Development (3)														
COGTA KPA's	KPA 1 : Institutional Transformation & Organisational Development														
		PLANNING STATEMENT	INDICATOR	TECHNICAL INDICATOR DESCRIPTION	EVIDENCE	TYPE	UOM								
Outcome 14.0: Institutional Planning and Transformation															
	OUTCOME F-O-14.0	Percentage (100) of Financial policy reviewed	Indicator measures percentage implementation of financial policies reviewed annually	Process plan and Monthly reports	Process plan and Monthly reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a	
						Capital									
						Opex									
Output 14.1: Clean Audit: Number Financial Performance															
	OUTPUT M-OP-14.1	Quarterly Performance Report	Number (2) of Organisational Performance Reports submitted to council	Indicator measures the monitoring and evaluation of performance on the SDBIP on a quarterly basis	Quarterly Performance Reports and Council Resolutions	Target	Number	6	2	2	100%	Annual Target Achieved	n/a	n/a	
						Capital									
						Opex									
Sub Output 14.1.1: Robust Regional Integrated Planning and Performance Management															
	SUB OUTPUT M-SO-14.1.1	Implementation of IDP Process Plan	Percentage (100) IDP process plan implemented and approved by	Indicator measures number of activities implemented in accordance with the	Report on activities implemented as per process plan	Target	%	72.22	100	100	100%	Annual Target Achieved	n/a	n/a	

			Council	IDP process plan, reported in percentage		Capital											
						Opex											
Sub Output 14.1.2: Effective and Efficient IGR Model																	
	SUB OUTPUT M-SO-14.1.2	Effective and Efficient IGR Model	Percentage (100) implementation of an effective and efficient IGR Plan	This indicator measures number of activities implemented in accordance with IGR plan, reported in percentage	IGR Quarterly Reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a			
						Capital											
						Opex											

	SUB OUTPUT M-SO-14.1.3	Effective and Efficient IGR Model	Number (1) IGR plan revised	This indicator measures the revised IGR plan	Approved IGR plan	Target	#	1	1	1	100%	Annual Target Achieved	n/a	n/a		
Output 14.2: Efficient Corporate Support Services																
	OUTPUT M-SO-14.2	Service delivery improvement through effective customer care	Percentage (100) of calls received vs reported to relevant departments	Indicator measure number of calls received vs reported to relevant departments, reported in percentage	Monthly reports, Register	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
	OUTPUT M-SO-14.2		Percentage (100) of feedback given to complainants within 7 day	Indicator measures number of feedback given back to complainants within 7 days, reported in percentage	Monthly reports, Register	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
Sub Output 14.2.1: ICT Services																
	SUB OUTPUT M-SO-14.2.1	ICT Services	Percentage (100) information Communication Technology Master System plan implemented	Indicator measure percentage information Communication Technology Master plan implemented vs planned	Monthly Reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
Sub Output 14.2.2: Corporate Communication and Branding																
	SUB OUTPUT F-SO-14.2.2	Implementation of the Communication Plan	Percentage (100) communication plan implemented	Indicators measure number of activities implemented in accordance with communication plan, reported in percentage	Monthly reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
Sub Output 14.2.3: Fleet Management																
	SUB OUTPUT M-SO-14.2.3	Ensure the sustainability of Fleet through efficient Fleet Management	Percentage (100) implementation of fleet management system	This indicator measure percentage in accordance with fleet management system	Monthly reports	Target	%	100	100	100	100%	Annual Target Achieved	n/a	n/a		
OUTCOME 14 PERFORMANCE : 100%																
ORGANISATIONAL PERFORMANCE : 50%																

Overall Organisational Performance for each outcome

Strategic Outcome	Annual Target	# targets fully achieved	# targets not achieved	% targets fully achieved	Average outcome performance
Outcome 1	55	19	36	35%	78%
Outcome 2	6	3	3	50%	55%
Outcome 3	11	8	3	73%	87%
Outcome 4	6	5	1	83%	99%
Outcome 5	6	3	3	50%	73%
Outcome 6	3	2	1	67%	98%
Outcome 7	4	3	1	75%	94%
Outcome 8	4	2	2	50%	80%
Outcome 9	14	11	3	79%	79%
Outcome 10	6	1	5	17%	66%
Outcome 11	3	1	2	33%	35%
Outcome 12	3	2	1	67%	67%
Outcome 13	22	6	16	27%	69%
Outcome 14	10	10	-	100%	100%
Total	153	76	77	50%	77%

The above table indicate the overall organizational performance for each outcome. The **77%** performance captured on the average outcome performance is the inclusion of total performance of all targets for the 14 outcomes, irrespective of targets fully achieved or not fully achieved as planned. It is therefore not the overall organisational performance as the report is based on a two (2) point scale.

CONCLUSION

Despite various challenges and historical events which led to the decline in provision of services to the Community, Merafong Municipality under trying circumstances did its best with limited resources and capacity to serve the people within its jurisdiction. The 2021/22 financial year was focusing on fully implementation of the approved Financial Turnaround plan, by implementing credit control to non-paying areas. Many of the challenges which were impending on service delivery and implementation of plans will be the main focus of management in improving organisational performance. Theft and vandalism of infrastructure are still high on the agenda of the Municipality, the lack of bylaws and enforcement existing bylaws are still some factors which could be addressed fully in the 2022/23 financial year however these will be put top of the agenda. Project Management and monitoring and evaluation backed by poor cause delays in finalising all procurement processes are still result of the red areas in the organisational annual performance repor.

The Annual Performance Report, Annexure A, to the Annual Report (AR) consist of combination of information contained in the Annual Financial Statement (AFS), Service Delivery and Budget Implementation Plan (SDBIP) and also the Annual Report.

It is therefore recommended that these reports are all read together, as on supplement the other.



Signed

MR. LESEDI MERE
ACTING MUNICIPAL MANAGER
DATE: 24 November 2022

ANNEXURE C: AUDITOR GENERAL'S REPORT

Report of the auditor-general to the Gauteng Provincial Legislature and the council of the Merafong City Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

I was engaged to audit the financial statements of the Merafong City Local Municipality set out on pages ... to ..., which comprise, the statement of financial position as at 30 June 2022, the statement of financial performance, the statement of changes in net assets, cash flow statement and statement of comparison of budget and actual for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Property plant and equipment

I was unable to obtain sufficient appropriate audit evidence for property plant and equipment due to the poor status of the accounting records. The fixed asset register did not agree to the accounting records. I could not confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment stated at R3 363 541 632 in the financial statements.

Work-in-progress amounting to R209 034 079 included in note 4 of the previous year's financial statements was incorrectly classified as work-in-progress, while it was available for use in terms of GRAP 17, *Property, plant and equipment*. This resulted in the overstatement of work-in-progress and understatement of completed assets by R209 034 079. I was unable to quantify the misstatement of the depreciation amount as the municipality did not determine useful lives for these completed assets. In addition, this misstatement had a material impact on the surplus for the year and on the accumulated surplus.

During 2021, Work-in-progress amounting to R209 034 079 included in note 4 of the previous year's financial statements was incorrectly classified as work-in-progress, while it was available for use in terms of GRAP 17, *Property, plant and equipment*. This resulted in the overstatement of work-in-progress and understatement of completed assets by R209 034 079. I was unable to quantify the misstatement of the depreciation amount as the municipality did not determine useful lives for these completed assets. My audit opinion on the financial statements for the period ended 2021

was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the goods and services for the current period.

The municipality did not disclose the work-in-progress in note 9 to the financial statements as required by GRAP 17, *Property, plant and equipment*. The work-in-progress should be disclosed in total and for each of the following categories: cumulative expenditure recognised in the carrying value of property, carrying value of property, plant and equipment, carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period and reasons for halting the construction or development of the asset and indicate whether any impairment losses have been recognised in relation to these assets. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Investment Property

I was unable to obtain sufficient appropriate audit evidence for investment property due to the poor status of the accounting records. The asset register did not agree to the accounting records. I could not confirm the investment property by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment stated at R320 218 730 in the financial statements.

The municipality did not properly disclose investment properties in note 11 of the financial statements, as required by GRAP 16, *Investment property*. The current year opening balance, movement and closing balance of the properties together with the reconciliation of the closing balance was not disclosed. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Impairment losses on fixed assets

I was unable to obtain sufficient appropriate audit evidence for the impairment losses on fixed assets due to the poor status of accounting records. The municipality did not provide information relating to their calculation. I could not confirm the impairment losses on fixed assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the impairment losses on fixed assets stated at R0 (2020: R40 386 269) in note 34 to the financial statements.

Depreciation and amortisation

Due to the issues as described above under property, plant and equipment, I was unable to obtain sufficient appropriate audit evidence for depreciation and amortisation. I could not confirm the depreciation and amortisation by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the depreciation and amortisation stated at R114 277 458 (2020: R99 731 862) in note 33 to the financial statements.

Gains / losses on disposal of capital assets – Investment property

I was not able to obtain sufficient appropriate audit evidence for gains / losses on disposal of capital assets – Investment property due to the poor status of accounting records. The municipality could

not provide schedules and supporting document to support the amount recorded for gains / losses on disposal of capital assets – Investment property. I could not confirm the for gains / losses on disposal of capital assets – Investment property by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the gains / losses on disposal of capital assets – Investment property stated at R90 313 381 in note 43 to the financial statements.

Statutory receivables from exchange transactions

The municipality did not classify VAT payable as payables from non-exchange transactions in accordance with GRAP 1 – *Presentation of financial statements*. The municipality is owing VAT to SARS at reporting date but they have disclosed a receivable from SARS. Consequently, the statutory receivables from exchange transactions are overstated by R96 153 276 and the payables from exchange transactions are understated by R96 153 276.

Trade creditors

I was unable to obtain sufficient appropriate audit evidence for trade creditors due to a lack of proper record keeping and reconciliation of control accounts by the municipality. I was unable to confirm these trade creditors by alternative means. Consequently, I was unable to determine whether any adjustments to trade creditors stated at R1 251 009 616 in note 14 to the financial statements were necessary.

During 2021, the municipality did not recognise all trade payables that meet the definition of a liability in accordance with GRAP 1, *Presentation of financial statements*. As the municipality did not maintain adequate records of outstanding payables for goods and services received but not yet paid at year-end, it resulted in the material understatement of trade creditors by R24 332 409 as disclosed in note 14 of the financial statements I was unable to obtain sufficient appropriate audit evidence for trader creditors due to the status of accounting records. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the trade creditors for the current period.

Receivables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to the poor status of the accounting records. I could not confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the receivables from exchange transactions amount stated at R206 142 636 to the financial statements.

Contracted Services – outsourced services

I was unable to obtain sufficient appropriate audit evidence for Contracted Services – outsourced services due to the poor status of the accounting records. I could not confirm the contracted services by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to Contracted Services – outsourced services stated at R38 327 541 in note 37 to the financial statements.

Contracted Services – contractors

I was unable to obtain sufficient appropriate audit evidence for Contracted Services – contractors due to the poor status of the accounting records. I could not confirm the contracted services by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to Contracted Services – contractors stated at R31 274 584 in note 37 to the financial statements.

Operational cost

I was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a cumulative effect on total operational cost:

- External computer services of R11 012 235 as included in the disclosed balance of R54 407 863
- Other items excluding external computer service and wet fuel of R43 395 628 as included in the disclosed balance of R54 407 863

I was unable to confirm total operational cost by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to total operational cost stated at R54 407 863 in note 41 of the financial statements.

Impairment losses on financial assets

I was unable to obtain sufficient appropriate audit evidence for the impairment losses on financial assets due to the poor status of accounting records. The municipality did not provide information relating to their calculation. I could not confirm the impairment losses on financial assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the impairment losses on financial assets stated at R828 101 282 (2020: R940 885 629) in note 34 to the financial statements.

Operating Leases

I was unable to obtain sufficient appropriate audit evidence for operating leases due to the poor status of the accounting records. I could not confirm the operating leases by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to operating leases stated at R29 488 581 in the financial statements.

Reclassification of annual financial statements

I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for the items stated in note 44: Reclassification of annual financial statements. I was unable to confirm the reclassifications by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the line items' corresponding figures.

Correction of error

I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for the items stated in note 45: Correction of error. I was unable to confirm the corrections by

alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the line items' corresponding figures.

Distribution Losses

The municipality did not disclose accurate balances for distribution losses in note 70 as required by the Municipal Finance Management Act 56 of 2003 (MFMA). The municipality has distribution losses amounting to R235 225 268 and R88 867 for electricity and water respectively, however, no amount has been disclosed in the annual financial statement. Consequently, distribution losses under note 70 are understated by R88 867 and R235 225 268 for water and electricity, respectively.

Commitments

The municipality did not properly disclose commitments in note 49 to the financial statements, as required by GRAP 1– *Presentation of financial statements*". The current year's opening balance, movement and closing balance together with the prior year's comparative amounts are not disclosed in the notes to the AFS. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Net cash flows from operating activities

The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2 – *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors for the current and prior year in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities in the financial statements were necessary.

Net cash flows from investing activities

The municipality did not correctly prepare and disclose the net cash flows from investing activities as required by GRAP 2 – *Cash flow statements*. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors for the current and prior year in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to net cash flow from investing activities in the financial statements were necessary.

Statement of comparison of budget and actual amounts

The municipality did not correctly prepare and disclose the statement of comparison of budget and actual amounts as required by GRAP 24 – *Presentation of budget information in financial statements*. The cash flow statement portion of the statement of comparison of budget and actual amounts and its accompanying note did not agree with the amounts in the cash flow statement. I was unable to determine the full extent of the errors in the statement of comparison of budget and actual amounts, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to the statement of comparison of budget and actual amounts in the financial statements were necessary.

Material uncertainty relating to going concern

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

I draw attention to note 56 to the financial statements, which indicate several conditions exist that might influence the municipality's ability to continue as a going concern. As stated in note 56, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matter

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

Uncertainty relating to the future outcome of exceptional litigation

With reference to note 53 to the financial statements, the municipality is the defendant in several claims. 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

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

Unaudited disclosure notes

In terms of section 125(2) (e) of the MFMA, the 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

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 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.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Auditor-general’s responsibilities for the audit of the financial statements

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor’s report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor’s report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants’ International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

Introduction and scope

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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic goal presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.

I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic goal presented in the municipality’s annual performance report for the year ended 30 June 2022:

Strategic Goal	Pages in the annual performance report
Strategic Goal 1: Basic Service Delivery	xx-xx

The material findings on the usefulness and reliability of the performance information selected Strategic Goal are as follows:

Strategic Goal 1: Basic Service Delivery

Various Indicators

The source information, evidence and method of calculation for measuring the planned indicators was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work, and I was unable to audit the reliability of the achievements of indicators listed below reported against the relevant targets as illustrated in the table below in the annual performance report

No.	Indicator	Planned Target	Reported Achievement
1	Percentage (100) progress towards project implementation of the replacement of the Khutsong reservoir	100%	98%
2	Percentage (100) progress towards project implementation of the Construction of Sludge Dying Beds – Khutsong WWTW in accordance with project implementation plan	100%	98%
3	Percentage (100) progress towards project implementation of the Construction of Khutsong North Water and sewer reticulation (stage 1)	100%	75%
4	Percentage (100) progress towards project implementation of the Construction of Khutsong North Water and sewer reticulation (stage 2)	100%	98%
5	Percentage (100) progress towards project implementation of the Construction of Khutsong North Water and sewer reticulation (stage 3)	100%	75%
6	Percentage (100) progress towards project implementation of the Khutsong Alternative Bulk Water Supply.	100%	0%
7	Percentage (100) progress towards project implementation of the Khutsong Ext 5 installation of Outfall Sewer	100%	0%
8	Percentage (100) progress towards project implementation of: Kokosi ext 6 Completion of sewer networks and installation of water meters	100%	5%
9	Percentage (100) progress towards project implementation of: Kokosi ext 7 Completion of sewer networks and installation of water meters	100%	82%
10	Percentage (100) progress towards project implementation of: Greenspark	82%	82%

	Completion of sewer networks and installation of water meters		
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Other matters

I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of material findings on the usefulness and reliability of the reported performance information in paragraphs 38 to 39 of this report.

Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Strategic Goal 1: Basic Service Delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislation are as follows:

Annual Financial Statements

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.

Expenditure Management

Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1) (d) of the MFMA. All the irregular expenditure was caused by contravention of SCM regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with SCM regulations 32 and 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain management regulations, respectively.

Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.

Assets Management

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

Procurement and Contract Management

Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements, as supporting documents could not be provided for audit.

Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

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.

Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1) (a) (i) and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.

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).

Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.

Some of the contracts were awarded to bidders based on preference points that were not calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations. This non-compliance was identified in the procurement processes for the Panel.

Sufficient appropriate audit evidence could not be obtained that contract and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by the 2017 Preferential Procurement Regulations 5(1) and 5(3).

Sufficient appropriate audit evidence could not be obtained that the commodity designated for local content and production, were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(5). Similar limitation was also reported in the prior year.

The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA. Similar non-compliance was also reported in the prior year.

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.

Consequence Management

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

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.

Human resource management

Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.MFMA.

Internal control deficiencies

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 disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

The accounting officer did not exercise oversight responsibility over annual financial statements and performance report as well as on compliance with applicable legislation, resulting in material misstatements identified during the audit. Action plans that were developed were not monitored regularly to ensure effective implementation.

The review processes of financial statements and compliance with legislation by senior management were inadequate due to insufficient monitoring controls which resulted in material misstatements identified on the financial statements and non-compliance with applicable legislation.

Material irregularities

In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities identified during the audit

Eskom SOC Ltd invoices not settled within 30 days

The municipality did not make payments to Eskom Holdings SOC Ltd within 30 days between 2018-19 and 2019-20 financial years resulting in non-compliance with section 65(2)(e) of the MFMA.

The non-compliance has resulted in a material financial loss amounting to R43 664 309,63. The amount is disclosed in note 47 as a comparative to the 2020-21 annual financial statements. The material financial loss can not be recovered from any party as the investigation conducted concluded that the municipality could not make the payments to Eskom SOC Ltd due to poor cash flow.

The accounting officer was notified of the material irregularity on 15 December 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter.

The accounting officer has taken the following actions to address the material irregularity:

- appointed debt collectors in June 2022 to improve revenue collection for the municipality. Revenue collection has improved since the appointment of debt collectors.
- re-opened pay points in April 2022 that were previously closed at Kokosi, Khutshong and Blybank
- entered into a payment agreement with Eskom SOC Ltd for 72 months effective October 2020 until September 2026.

I will follow-up on the progress of implementation of the planned actions during my next audit.

Prohibited investment into Venda Building Society Mutual Bank (VBS)

The municipality invested R50 000 000 in June 2017 into the VBS mutual bank which is registered in terms Mutual Banks Act, 1993 (Act No. 124 of 1993).

In terms of regulation 6 of the municipal investment regulations, a municipality may only invest deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) (Bank Act). The local municipality did not comply with municipal investment regulations, as VBS mutual bank is not registered in terms of the Banks Act.

The non-compliance is likely to result in a material financial loss of R48 969 206,32 for the municipality if the amount invested is not recovered in full from the estate of VBS mutual bank. The amount is disclosed in note 8 to the financial statements.

The accounting officer was notified of the material irregularity on 15 December 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter.

The following actions have been taken by the accounting officer to address the material irregularity:

- a claim was lodged by the municipality and approved by the VBS mutual bank liquidator in order to recover the financial loss on 13 November 2018.
- an amount of R3 529 563,33 was received in 4 February 2022 from the VBS mutual bank liquidators through the first distribution account.
- the banking and investment policy of the municipality was reviewed to ensure that the municipality only invests in the regulated banks of South and approved by the Council on 1 July 2021.

- employees found responsible for the investment per the outcome of the investigation were found guilty after a disciplinary hearing held in 12 March 2019 and subsequently resigned in 31 December 2020. A criminal case was opened against the implicated officials in February 2020 as they were no longer in the employment of the municipality.

I will follow up on the progress of the claim lodged and criminal case during my next audit.

Other reports

I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

There are investigations relating financial misconduct in progress that are being conducted by an independent consultant. These investigations were initiated based on allegations of possible fraud and theft during the 2017-18 financial year. These investigations were still in progress at the reporting date.

Johannesburg

30 November 2022

