BELA – BELA LOCAL MUNICIPALITY



DRAFT 2023 – 2024 ANNUAL REPORT

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CHAPTER 1

COMPONET A: MAYOR'S FOREWORD

On behalf of the Bela-Bela Local Municipality, I present herewith the 2023/2024 Draft Annual Report. This report seeks to outline the collective efforts of our dedicated team and the progress made in the Municipality's performance over the previous financial year.

As a Municipality, we are fully committed to the achievement of our constitutional objectives, which are *inter alia*, to provide a democratic and accountable government for our local communities. Our mandate is not foreign to the broader mandate attributed to Local Government by Chapter 7 of the South African Constitution, Act 108 of 1996.

The purpose of this report is therefore to provide a comprehensive overview of the Bela-Bela Local Municipality's activities over the 2023/2024 financial year. It also sets out all that has been done with regards to financial management, daily operations, capital projects, service delivery, social and environmental work etc, as well as the plans to achieve our objectives as set out in the Integrated Development Plan and other relevant documents.

To this effect, we are guided by Section 121 (1) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA), which stipulates that every Municipality and Municipal entity must for each financial year prepare an annual report in accordance with its guidelines.

This Draft Annual Report is therefore based on the public scrutiny guided by the Principles of Batho Pele, Openness, Transparency and Accountability. These principles have been established to hold both the Political Leadership and Administration accountable on the Municipal performance in as far as service delivery is concerned.

I wish to record that the Municipality has been subjected to the annual audit process by the Auditor-General of South Africa. I am proud to announce that we have once again managed to maintain the previous status of "qualified", which is a clear indication that we are indeed headed in the right direction. It is worth noting that the audit paragraphs have reduced significantly from 19 paragraphs which affected the audit opinion in the 2022- 2023 financial year, to 2 paragraphs in relation to the audit opinion in the 2023-2024 financial year. In addition, the performance management was upgraded from unqualified to clean audit in the 2023-2024 financial year.

It is at this point very important to record that the high level of unemployment, both national and locally continues to have a negative impact on the Municipality's revenue collection initiatives. This is simply due to the inability of ratepayers to service their debts. As a result, the Municipality has had to once again put in place incentives to ease the burden on the ratepayers, whilst still maintaining its collection capacity.

The low revenue collection has a direct impact on the Municipality's ability to provide services to the residents timeously and efficiently as planned. However, the Municipality remains committed to render services to the best of its abilities, even during difficult and/or uncertain times.

As we have previously stated, service delivery is very dynamic and mostly influenced by the needs of the community for sustainable livelihood. It requires collective efforts by all stakeholders, including the Municipality, ratepayers, and structures of Civil Society to all execute their responsibilities.

This Annual Report is a summary of the collective efforts of our dedicated municipal staff, members of our community, our partners as well as the residents and ratepayers of the Bela-Bela Local Municipality.

As a community, we have had to work together to overcome the various challenges faced in the previous year. We have also joined each other in unity for celebratory moments.

I am encouraged to work together with you all in the coming year, as we continue to build a lasting legacy which will benefit future generations. Let us therefore embrace all future opportunities as we forge ahead, inspired by our ability to unite and build a better life for all our residents.

In conclusion, I would like to express my sincere gratitude to the entire staff compliment of the Municipality for the hard work and dedication towards our quest to render service delivery successfully to our communities.

Cllr Gloria Modiegi Seleka
Mayor

COMPONENT B: EXECUTIVE SUMMARY

EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER

I am pleased to present the 2023/2024 Draft Annual Report to the community, rate payers of Bela-Bela in particular and South Africans in general. This report highlights our key achievements, challenges, and strategic initiatives over the past year. It reflects our commitment to transparency, accountability, and continuous improvement in delivering quality services to our community. We have made significant progress in various areas, and this report provides a comprehensive overview of our efforts and future plans.

Bela-Bela Local Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Act. It is also established in terms of Chapter 2 of the Local Government: Municipal Structures Act, No. 117 of 1998.

It is located in the Southern part of Limpopo Province and falls within the Waterberg District Municipality. It derives its mandate and objectives directly from the Constitution of the Republic of South Africa.

Management has diligently worked to embed the principles of good governance and dedication within our municipality. As part of our roadmap to enhance the lives of Bela-Bela residents, we have aligned our efforts with Outcome 9, which emphasizes "A Responsive, Accountable, Effective Local Government." Additionally, we have adhered to Section 152 (1) of the Constitution, which clearly outlines the objectives of Local Government, and Section 152 (2), which mandates that a Municipality must strive, within its financial and administrative capacity, to achieve these objectives.

The Constitution requires us to prioritize the delivery of basic services. It is widely accepted that basic needs and basic services refer to the same set of functions/services being water, electricity, sanitation and refuse removal.

Section 121(3) of the Municipal Finance Management Act 2003, read together with section 46 of the Municipal Systems Act 2000, prescribes the minimum contents of an annual report of a Municipality. In preparation of this 2023/2024 Draft Annual Report, we have considered these legislative requirements. We have considered more the importance of the credibility, reliability, usefulness and relevance of the Annual Financial Statement and Performance information as contained herein.

Hereunder is the 2023/2024 Draft Annual Report of Bela-Bela Local Municipality that captures at large the authoritative record of activities and our performance and achievements against the set strategic objectives.

We are humbled and pleased that we have maintained a ***"Qualified Audit Opinion"*** from Auditor General of South Africa (AGSA). There is an improvement in the 2023/2024 audit opinion as compared to the previous 2022/2023 audit opinion in that the number of qualification paragraphs and audit findings have been reduced from 21 to 2 and from 64 to 44 respectively. Albeit not the audit opinion we were looking for, we are however satisfied that we are on the right path and trajectory towards transcending our impediments and achieving our planned target of an Unqualified opinion. This reduction in findings and qualification paragraphs highlights our progress in strengthening our financial and administrative capacities. And further, these audit outcomes underscore our commitment to good governance and our proactive approach to enhancing the lives of the people of Bela-Bela.

The Municipality has made a commendable and steady progress in fulfilling its constitutional obligations of delivering basic services in a sustainable manner to its communities and affirming its vision "**To be the prime agricultural hub and eco-tourism destination of choice"** under very difficult economic circumstances.

The Draft Annual Report presents us with an opportunity to reflect on our achievements and failures since the last reporting period, and to provide a detailed account of our performance as a Municipality against our strategic plans and resources that were at our disposal for the period under review. The Integrated Development Plan (IDP), Budgets, Service Delivery and Budget Implementation Plans (SDBIP), Performance Plans and Agreements of Section 54A & 57 Managers, remains the key service delivery planning tools which we have to utilize in an effort to deliver sustainable services to our communities.

The Municipality was able to prepare and submit the four (4) quarterly performance reports to council as required in terms of Section 52 (d) of the Local Government: MFMA, 2003 (Act 56 of 2003) and the mid-year budget and performance assessment report to the Mayor, National Treasury and Provincial Treasury as required in terms of Section 72 of the Local Government MFMA, 2003 (Act 56 of 2003).

The total number of applicable KPIs in the Annual Performance Report that were considered for performance rating for targets achievements was 58. A total of 52 KPIs were achieved out of 58 applicable indicators which were due for reporting by end of the financial year. The overall performance of the institution is sitting at 90%.

The Municipality did not have a full complement of Senior Managers. Two positions of Senior Manager Corporate Services and Social & Community Services were vacant as at the end of the financial year under review. However, what is pleasing is that the municipality was able to appoint three Senior Managers permanent during this period in line with amended Local Government: Municipal Systems Act, No. 32 of 2000 in an attempt to provide long-term stability and continuity in leadership, which can lead to more consistent and sustained progress in municipal projects and initiatives.

The Municipality was allocated and received conditional grants to a total amount of **R 91 448 160. 19** and made a provision of **R 3 500 000. 00** from internal funds to implement basic service delivery projects. From a grand total of **R 94 948 160. 19,** a total amount of **R 93 423 918. 15** has been spent by end of June 2024 which translate to **98%** expenditure. However, from a total amount of **R 91 448 160. 19** of conditional grants allocated, the municipality spent **R 91 430 774. 90** which translates to **99.98%**, an increase of **7,98%** expenditure as compared to the previous financial year.

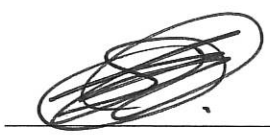
We do concede that our basic services infrastructure is old and decapacitated and makes it difficult to deliver services to our community in a sustainable and uninterrupted manner. Further the maintenance of infrastructure has not been to a level it should be mainly due to cash flow challenges. We are further confronted with illegal connections of both electricity and water that increases our electricity and water losses that puts a tremendous drain and burden on our cash flow management which makes more difficult to maintain and repair the very same old infrastructure.

As we plan forward, with the assistance of our approved infrastructure master plans, as well as management plans to reduce non-revenue water and electricity we need to undertake critical maintenance of our infrastructure, further increase and prioritise investment in infrastructure development over other expenditure items and ensure that construction of projects is undertaken with the necessary urgency. This will improve access to basic services and increase the overall efficiency and competitiveness of the economy.

There is still so much to be done to improve the lives of our people for the better. We have a firm believe that we are still on course to go back to basics, and build an accountable, responsive and caring government.

We wish to express our profound gratitude to our political leadership under the tutelage of the Honorable Mayor Cllr G.M Seleka. We further give appreciation to all our employees, from Senior Management down to General Workers for their unwavering support and commitment to their work. We remain resolute and steadfast that the journey to build a resilient municipality is still on track.

Sincerely Yours



TG. RAMAGAGA
MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1. INTRODUCTION TO BACKGROUND DATA

Bela-Bela Local Municipality is performing the Powers and Functions on Table 1 below, as assigned through the1996 Constitution of the Republic of South Africa and the Local Government Municipal Structures Act No 117 of 1998 and Regulations. Refer to the table below:

Table 1:

Function	Y/N	Is this a Shared Service (Y/N)	Department
Air Pollution	Y	N	Social and Community Services
Building Regulation	Y	N	Planning and Economic Development
Electricity Reticulation	Y	N	Technical Services
Fire Fighting	Y	Y	Social and Community Services
Local Tourism	Y	Y	Planning and Economic Development
Municipal Airports	Y	N	Social and Community Services
Municipal Planning	Y	Y	Planning and Economic Development
Stormwater Management Systems in Built-Up Areas	Y	N	Technical Services
Trading Regulation	Y	N	Planning and Economic Development
Potable Water	Y	N	Technical Services
Billboards and Display of Advertisement in Public Places	Y	N	Planning and Economic Development
Cemeteries and Crematoria	Y	N	Social and Community Services
Cleansing	Y	N	Social and Community Services
Control of Public Nuisance	Y	N	Social and Community Services
Facilities for the accommodation, Care and Burial of Animals	Y	N	Social and Community Services
Fencing and Fences	Y	N	Technical Services
Local Sports Facilities	Y	N	Social and Community Services
Municipal Parks and Recreation	Y	N	Social and Community Services
Municipal Roads	Y	N	Technical Services
Noise Pollution	Y	Y	Social and Community Services
Public Places	Y	N	Social and Community Services

Refuse Removal, Refuse Dumps and Solid Waste Disposal	Y	N	Social and Community Services
Street Trading	Y	N	Planning and Economic Development
Street Lighting	Y	N	Social and Community Services
Traffic and Parking	Y	N	Technical Services

Whilst the Administration of the Municipality is tasked with the responsibility of ensuring optimal performance of all the Powers and Functions assigned to the Municipality as per the determination prescripts of the Law, Council through its Structures regularly performs an Oversight to all the respective Departments to ensure Legislative compliance to that effect and impacts aimed at improving the livelihoods of the communities therein. Accordingly, the Approved Municipal Organizational Structure. However, the Departments of Technical Services and Social & Community Services are the primary Service Delivery oriented Departments with most employees.

1.1 POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

The total size of Bela-Bela's population is currently estimated at 64 309 individuals which have decreased as per census 2022 compared to 76 296 Community Survey 2016. Based on Census 2022 Community estimates households is approximately 22 449 households compared to 21 354 of community Survey of 2016. This figure consider Rapotokwane Village which was incorporated into the Bela-Bela Local Municipality from Dr J.S. Moroka Local Municipality (Mpumalanga Province) in 2000. The table below illustrates the estimated population projection/s.

Table 2: below illustrate the estimated population trend's pattern population dynamics and growth trends

DEMOGRAPHIC INDICATORS	CENSUS 2011	COMMUNITY SURVEY 2016	CENSUS 2022
Person indicator	66 500	76 296	64 309
Households' indicator	18 068	21 354	22 449

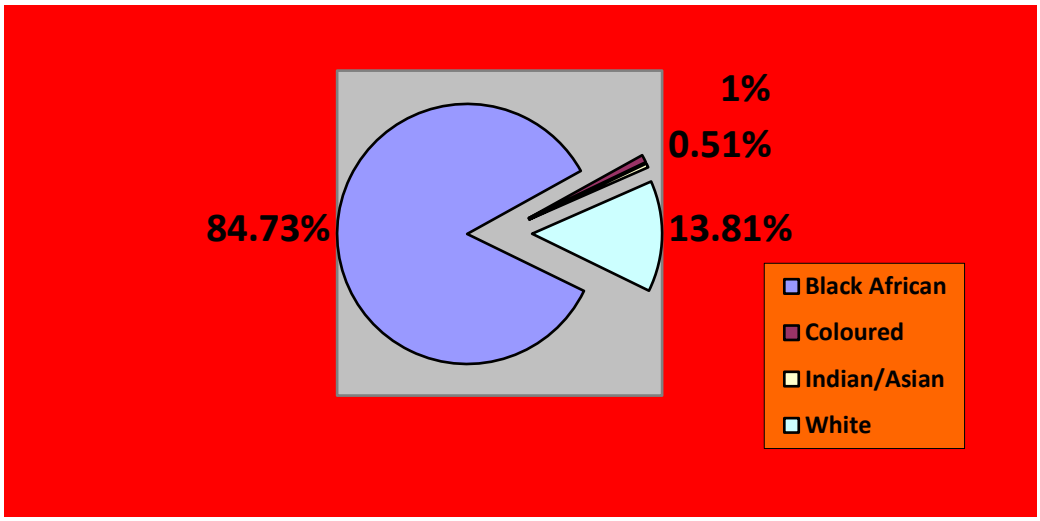
•**33.2%** Youth Pop. (15 – 34 yrs) Implies that Government Capital Expenditure and Investments should focus on Skills Development, Social Facilities and Creating an enabling environment for Job Creation. **49%** of the population constitute of women it Implies that the Developmental
Agendas should target women empowerment.
25% of the population have completed grade 12 • Feasibility for Educational Facilities, FET and ABET should be examined as an Instrument
for uplifting the skills and level of Education for the labour market

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1.2 POPULATION GROUPS, AGE GROUP AND GENDER

The population of Bela-Bela Local Municipality in terms of groupings is categorized as per Graph 2 below. Black Africans are in the Majority followed by Whites. It is therefore imperative to take caution that whilst the development priorities within the Municipality seeks to address the plight of Black Africans who majority of which is still characteristics of the previous dispensation in the Country, such should not be at the detriment of the other minority groupings therein.

Graph: 2 Population Groups



Source: StatsSA: Community Survey, 2016

All the residents of Bela-Bela Local Municipality irrespective of their Colour or ethnicity should be encouraged to partake in the developmental agenda of the Municipality from within their respective localities and interest groupings.

The age composition or structure determines the kinds of economic activities which are currently existing and may need to be explored in the future within the locality. Different age groups have different economic needs and different spending patterns. According to Community Survey, 2016, the composition of the population of the Municipality is Young (0 –14) 33%, Working age (15-64) 62% and Elderly 65+ 5.3%

1.3 POPULATION BY AGE GROUP AND NATIONALITY

Table 3: Population by Age Group and Nationality

Age	Black African	Coloured	Indian or Asian	White	Grand Total
0 – 4	9 003	72	-	396	9 471
5 – 9	7 638	63	-	566	8 267
10 - 14	6 670	93	29	612	7 403
15 - 19	5 551	50	22	281	5 904
20 - 24	5 863	77	24	638	6 602
25 - 29	6 086	30	90	800	7 007
30 - 34	5 233	28	58	604	5 922
35 - 39	4 178	139	19	444	4 780
40 - 44	3 490	18	16	573	4 097

Age	Black African	Coloured	Indian or Asian	White	Grand Total
45 - 49	3 324	71	34	539	3 967
50 - 54	2 639	45	25	910	3 619
55 - 59	2 076	35	23	886	3 020
60 - 64	1 276	-	12	915	2 203
65 - 69	760	-	-	711	1 471
70 - 74	471	11	12	649	1 143
75 - 79	193	-	-	565	757
80 - 84	84	-	22	336	442
85 +	109	-	-	111	220
Grand Total	64 642	733	386	10 535	76 296

Source: StatsSA: Community Survey, 2016

This trend in age composition obliges the government departments and the Municipality to ensure that a large percentage of the budget is allocated to Social Development Facilities and services delivery to meet the needs of a youthful population and ensuring that people falling within this age acquire relevant skills and grow up to become responsible adults. The creation of more job opportunities should also be one of the key aspects of the developmental agenda by the Municipality in partnership with the sector departments such as the Department of Education, Health, Public Works, Roads, and Transport etc.
The goal of the Local Economic Development Unit is to facilitate economic development, job creation and poverty eradication within Bela-Bela Local Municipality which is part of Waterberg District Municipality. This will be achieved by reducing the number of unemployed people, especially the youth, women, and people with disabilities. Secondly, by ensuring that there is economic development in the Municipality and in the identified sectors. Furthermore, there is a reduction in the number of people living below the poverty line. Section 153 of the Constitution stipulates the following developmental duties of all Municipalities:
A Municipality must structure and manage its administration, budgeting, and planning processes to give priority to the needs of the community, and to promote social and economic development. A Municipality must participate in national and provincial developmental programmes.

1.4 POPULATION GENDER PROFILE

Regarding Table 4 below, the gender composition within Bela-Bela indicates a slight imbalance between the males and females. The Census 2011 revealed that approximately 51% (28 304) of the population within Bela-Bela comprises females while 49% (27 546) comprises males. Nevertheless, that confirmed with the national trends that a higher proportion of women are found in the rural areas than men. This in many instances, especially amongst the African communities is attributed to the fact that men are generally attracted to places such as the bigger cities (i.e. Johannesburg etc.) that presents employment opportunities sometimes regardless of the nature of work involved. However, the 2016 Community Survey illustrate an opposite picture and revealed that 49% (37 335) of the population within Bela Bela comprises of female and 51% (38 961) of the population comprises of male.

Table 4 : Gender Composition

Total Population (2011)			Total Population (2016)		
Male	Female	Total	Male	Female	Total
33 754	32 746	66 500	38 961	37 335	76 296

Source: StatsSA: Community Survey, 2016

1.5 HISTORICAL ECONOMIC GROWTH

For the period 2023 and 2013, the GVA in the agriculture sector had the highest average annual growth rate in Bela- Bela at 3.37%. The industry with the second highest average annual growth rate is the mining sector averaging at 1.52% per year. The trade sector had an average annual growth rate of -3.30%, while the construction sector had the lowest average annual growth of -5.05%. Overall a positive growth existed for all the industries in 2023 with an annual growth rate of 0.17% since 2022.

Gross value added (GVA) by broad economic sector - Bela-Bela Local Municipality, 2013, 2018 and 2023 [R millions, 2010 constant prices]

Current prices]

	Bela-Bela	Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
2013	4.0	51.0	281.7	3,868.6	*7.8%*	*1.42%*	*0.10%*
2014	4.2	52.9	299.0	4,133.9	*8.0%*	*1.41%*	*0.10%*
2015	4.5	54.5	319.8	4,420.8	*8.2%*	*1.40%*	*0.10%*
2016	4.9	58.2	351.9	4,759.6	*8.4%*	*1.39%*	*0.10%*
2017	5.1	61.1	371.3	5,078.2	*8.4%*	*1.38%*	*0.10%*
2018	5.4	64.7	396.2	5,363.2	*8.4%*	*1.37%*	*0.10%*
2019	5.7	68.5	418.7	5,625.2	*8.3%*	*1.36%*	*0.10%*
2020	5.7	69.6	425.0	5,562.8	*8.2%*	*1.35%*	*0.10%*
2021	6.6	82.5	489.0	6,220.2	*8.0%*	*1.35%*	*0.11%*
2022	6.8	85.2	513.0	6,655.5	*7.9%*	*1.32%*	*0.10%*
2023	6.8	84.9	526.9	7,024.0	*8.0%*	*1.29%*	*0.10%*

Source: South Africa Regional eXplorer v2510. Data compiled on 2 Sep 2024.
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With a GDP of R 6.81 billion in 2023 (up from R 4 billion in 2013), the Bela-Bela Local Municipality contributed 8.03% to the Waterberg District Municipality GDP of R 84.9 billion in 2023 increasing in the share of the Waterberg from 7.84% in 2013. The Bela-Bela Local Municipality contributes 1.29% to the GDP of Limpopo Province and 0.10% the GDP of South Africa which had a total GDP of R 7.02 trillion in 2023 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.11% in 2021.

1.6 GROSS VALUE ADDED BY REGION (GVA-R)

The Bela-Bela Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Bela-Bela Local Municipality.

Table 6: Gross value added (GVA) by broad economic sector - Bela-Bela Local Municipality, 2023 [R billions, current prices]

	Bela-Bela	Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
Agriculture	0.3	2.5	14.9	183.8	*10.5%*	*1.77%*	*0.14%*
Mining	1.9	42.1	108.2	444.2	*4.5%*	*1.76%*	*0.43%*
Manufacturing	0.3	2.3	17.9	910.5	*11.1%*	*1.43%*	*0.03%*
Electricity	0.1	1.2	12.8	219.4	*9.1%*	*0.83%*	*0.05%*
Construction	0.2	1.2	9.5	155.2	*13.7%*	*1.74%*	*0.11%*
Trade	0.8	6.3	64.1	877.7	*13.4%*	*1.32%*	*0.10%*
Transport	0.4	2.7	23.1	495.0	*16.3%*	*1.93%*	*0.09%*
Finance	0.8	6.6	68.7	1,471.8	*11.8%*	*1.14%*	*0.05%*
Community services	1.3	13.7	156.2	1,553.2	*9.8%*	*0.86%*	*0.09%*
Total Industries	**6.1**	**78.6**	**475.4**	**6,310.8**	***7.8%***	***1.28%***	***0.10%***

Source: South Africa Regional eXplorer v2510. Data compiled on 2 Sep 2024.
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1.7 ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Table7. Economically active population (EAP) - Bela-Bela, Waterberg, Limpopo and National Total, 2013- 2023 [number, percentage]

	Bela-Bela	Waterberg	Limpopo	National Total	Bela-Bela as % of district municipality	Bela-Bela as % of province	Bela-Bela as % of national
2013	26,600	229,000	1,310,000	19,300,000	*11.6%*	*2.0%*	*0.14%*
2014	28,000	244,000	1,410,000	20,100,000	*11.5%*	*2.0%*	*0.14%*
2015	29,500	261,000	1,530,000	20,800,000	*11.3%*	*1.9%*	*0.14%*
2016	30,600	273,000	1,630,000	21,500,000	*11.2%*	*1.9%*	*0.14%*
2017	31,500	282,000	1,700,000	22,000,000	*11.2%*	*1.9%*	*0.14%*
2018	31,900	286,000	1,720,000	22,300,000	*11.2%*	*1.9%*	*0.14%*
2019	32,200	290,000	1,750,000	22,700,000	*11.1%*	*1.8%*	*0.14%*
2020	31,000	280,000	1,720,000	22,100,000	*11.1%*	*1.8%*	*0.14%*
2021	31,200	282,000	1,750,000	22,200,000	*11.1%*	*1.8%*	*0.14%*
2022	33,200	301,000	1,890,000	23,100,000	*11.0%*	*1.8%*	*0.14%*
2023	35,200	324,000	2,040,000	24,200,000	*10.9%*	*1.7%*	*0.15%*
Average Annual growth							
2013-2023	***2.84***%	***3.52***%	***4.48***%	***2.29***%			

Source: South Africa Regional eXplorer v2510. Data compiled on 2 Sep 2024.
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Bela-Bela Local Municipality's EAP was 35 200 in 2023, which is 41.72% of its total population of 84 400, and roughly 10.88% of the total EAP of the Waterberg District Municipality. From 2013 to 2023, the average annual increase in the EAP in the Bela-Bela Local Municipality was 2.84%, which is 0.671 percentage points lower than the growth in the EAP of Waterberg's for the same period.

CHAPTER 2: GOVERNANCE

INTRODUCTION TO GOVERNANCE

To promote and ensure accountability and that governance arrangements are in place, Section 121(2) (c) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) supports the requirements of Section 18(1) (d) of the Local Government: Municipal Systems Act, No 32 of 2000 (MSA) that information on matters of governance should be communicated to communities. This should, according to Sections 65(1) (a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of the Annual Report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION TO POLITICAL GOVERNANCE

Bela-Bela Local Municipality is a Category B Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act, No. 117 of 1998 (MSA) and applying a collective Executive Committee System. The Municipality has established Committees in terms of Section 79 of the MSA and they are functional. The Committees meet on monthly basis. The recommendations of the Committees are then forwarded to the Executive Committee chaired by the Mayor.

The Municipality also established an Audit and Performance Committee which comprises of three members. The Committee is functional and established in terms of section 166 of the MFMA. For the audit of performance, the Municipality utilizes the existing Audit Committee for the Performance Audit Committee as per Municipal Performance Regulations. Municipal Public Account Committee (MPAC) is also established and performs the role of the Oversight Committee. This committee further ensures that the Municipality complies with Section 127, 129 and 75 (c) of MFMA and Section 21A of the MSA and Regulations.

Bela-Bela Local Municipality has established section 79 committees as follows:

- Executive Committee
- Rules and Ethics Committee
- Transformation, Governance, Budget & Treasury Sub-Committee and
- Planning and Economic Development Sub - committee
- Infrastructure Sub Committee
- Social and Community Services Sub - Committee
- Municipal Public Account Committee

POLITICAL STRUCTURE

MAYOR - Cllr GM SELEKA



PR Councillor, EC Chairperson and Transformation / Governance Budget & Treasury Sub - Committee member

The Mayor provides general political guidance over the fiscal and financial affairs of the Municipality and performs all duties as prescribed in Section 53 of the Local Government Municipal Finance Management Act No 56 of 2003. Presides at the meetings of the Executive Committee. Performs the duties, including ceremonial functions, and exercises the powers delegated to the Mayor by the Municipal Council or Executive Committee. In terms of Section 49 of the Local Government Municipal Structures Act No. 117 of 1998 and Regulations.

Transformation / Governance/ Budget & Treasury Sub-Committee.

The mayor is a member of the Transformation / Governance/ Budget & Treasury Sub-Committee and provide political leadership to the meetings of the Sub-Committee. Councilors in this Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD, Legal Services, Occupational Health, and Safety matters. The Sub-Committee also plays an oversight role on the performance of Budget & Treasury and Corporate Services Departments.

SPEAKER- Cllr TN ZIKHALI



The Speaker of Council and Chairperson of Rules and Ethics Committee

Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the MSA. Ensures that Council meets at least quarterly and maintain order during meetings. The Speaker is also responsible for ensuring compliance in Council and Council Committees with the Code of Conduct set out in Schedule 7 of the Municipal Structures Act No. 1 of 2021 (MSA). Ensures that Council meetings are conducted in accordance with the Rules and Orders of Council. The Chairperson of Rules and Ethics Committee

Cllr K SEPURU



Ward 8 Councilor, Chief Whip, and member of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr FS HLUNGWANE



Ward 4 Councilor and Chairperson of the Transformation, Governance and Budget & Treasury Sub - Committee

Members of the Transformation, Governance Budget & Treasury Sub- Committee advises the Executive Committee on Financial & Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health & Safety issues, and ICT. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department

Cllr AF VAN DER HEYDE



PR Councilor, EC member and member of Social and Community Sub - Committee.

The Executive Committee (EXCO) is the Principal Committee of the Council in the Municipality. The Committee receives reports from other Committees and Sub-Committees of Council. Members of EXCO identify the needs of the Municipality. They also review and evaluate those needs in order of priority. Recommend to the municipal council the strategies, programs, and services to address priority needs through the Integrated Development Plan (IDP) and estimates of revenue and expenditure, considering any applicable national and provincial development plans; and also recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programs and services to the maximum benefit of the community.

Cllr KS RACHIDUMELA



Ward 7 Councilor and Chairperson of the Planning & Economic Development Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments.

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr MF KOOVER



Ward 9 Councilor and Chairperson of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr MH LEDWADA



Ward 5 Councilor and member of Transformation, Governance and Budget & Treasury and member of Planning and Economic Development Sub - Committees

Members of the Budget & Treasury and Transformation Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health, and Safety issues. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department and Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments. Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr JD CLOETE



Ward 1 Councilor and member of Planning and Economic Development and member of Infrastructure Sub – committees.

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments. Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr JD SENOSHA



PR Councilor and member of Planning and Economic Development Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments. Members

Cllr PV MASHABA



Ward 2 Councilor and Chairperson of Social & Community Services Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provide political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Community and Social Services.

Cllr MJ NGOBENI



Ward 6 Councilor, EC Member and member of Social & Community Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provide political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Community and Social Services.

Cllr MN MPUNWANA



PR Councilor and member of Social & Community Sub - Committee

The Chairperson of the Social & Community Chairperson presides and provide political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Community and Social Services.

Cllr MO TLAKA



PR Councilor and member of Infrastructure Sub - Committee

Members of this Committee are responsible for advising the Executive Committee on issues of on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads, and maintenance. Plays an oversight role on the performance of the Technical Services department

Cllr JM MABUA



Ward 3 Councilor and Chairperson of the Municipal Public Account Committee

The Chairperson of the MPAC convene and presides over the MPAC meetings. The core functions of the MPAC includes amongst others playing an oversight on the performance of the Municipality through interrogating financial and non-financial reports and the report findings to the Council. The Committee further examine the Financial Statements and the Audit Reports of the Municipality. It is this committee that considers and evaluate the content of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee further promote good governance, transparency and accountability on the use of municipal resources. The Committee further recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee. The Committee also performs any other functions assigned to it through a resolution of Council.

Cllr MJ MAKHUBELA



PR Councilor and Municipal Public Account Committee Member

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency, and accountability on the use of municipal resources.

Cllr SD Seale



PR Councilor and Municipal Public Account Committee Member

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency, and accountability on the use of municipal resources.

2.2 POLITICAL DECISION AND COUNCIL SITTINGS

Bela - Bela Local Municipality has established section 79 committees in terms of Local Government: Municipal Structures Act 117and regulations of 1998. In the year under review 45x Section 79 committee meetings were convened as follows:

Table 7:

Month	Sub - committee
July	• SOCOM on the 20th of July 2023 • PED on the 20th of July 2023 • INFRA and TGBT held on the 21st of July 2023 • SOCOM and PED on the 28h of August 2023.
August	• PED on the 28h of August 2023 • SOCOM on the 28h of August 2023 • INFRA held on the 29th of August 2023 • TGBT held on the 30th of August 2023.
September	• PED on the 20th of September 2023 • SOCOM on the 20th of September 2023, • INFRA held on the 21st of September 2023 • TGBT held on the 21st of September 2023.
October	• SOCOM on the 18th of October 2023, • PED on the 18th of October 2023 • PED on the 21st of October 2023. • INFRA on the 19th of October 2023 • TGBT on the 19th of October 2023 • INFRA on the 22nd of October 2023.

November	• SOCOM on the 21st of November 2023 • TGBT on the 22nd of November 2023 • Special TGBT 28th of November 2023
December	N/A
January	• PED on the 22nd of January 2024. • SOCOM on the 22nd of January 2024. • INFRA on the 23rd of January 2024 • TGBT on the 24th of January 2024.
February	• PED on the 22nd of February 2024. • SOCOM on the 22nd of February 2024 • TGBT on the 27th of February 2024. • INFRA on the 27th of February 2024
March	• PED on the 19th of March 2024. • INFRA held virtually on the on the 22nd of March 2024 • TGBT held virtually on the on the 22nd of March 2024
April	• SOCOM on the 17th of April 2024 • PED on the 17th of April 2024. • INFRA on the 18th of April 2024 • TGBT 18th of April 2024.
May	• SOCOM on the 16th of May 2024 • PED on the 20th of May 2024. • INFRA on the 20th of May 2024 • TGBT on the 21st of May 2024.
June	• SOCOM on the 26th of June 2024 • PED on the 24th of June 2024. • INFRA on the 27th of June 2024 • TGBT on the 27th of June 2024

11x Council meetings were convened as follows:

Municipality council meetings are held as per section 18 sub-section 2 of the Municipal Systems Act 117 of 1998. The table below illustrate the council meeting held on the year under review.

Table 8:

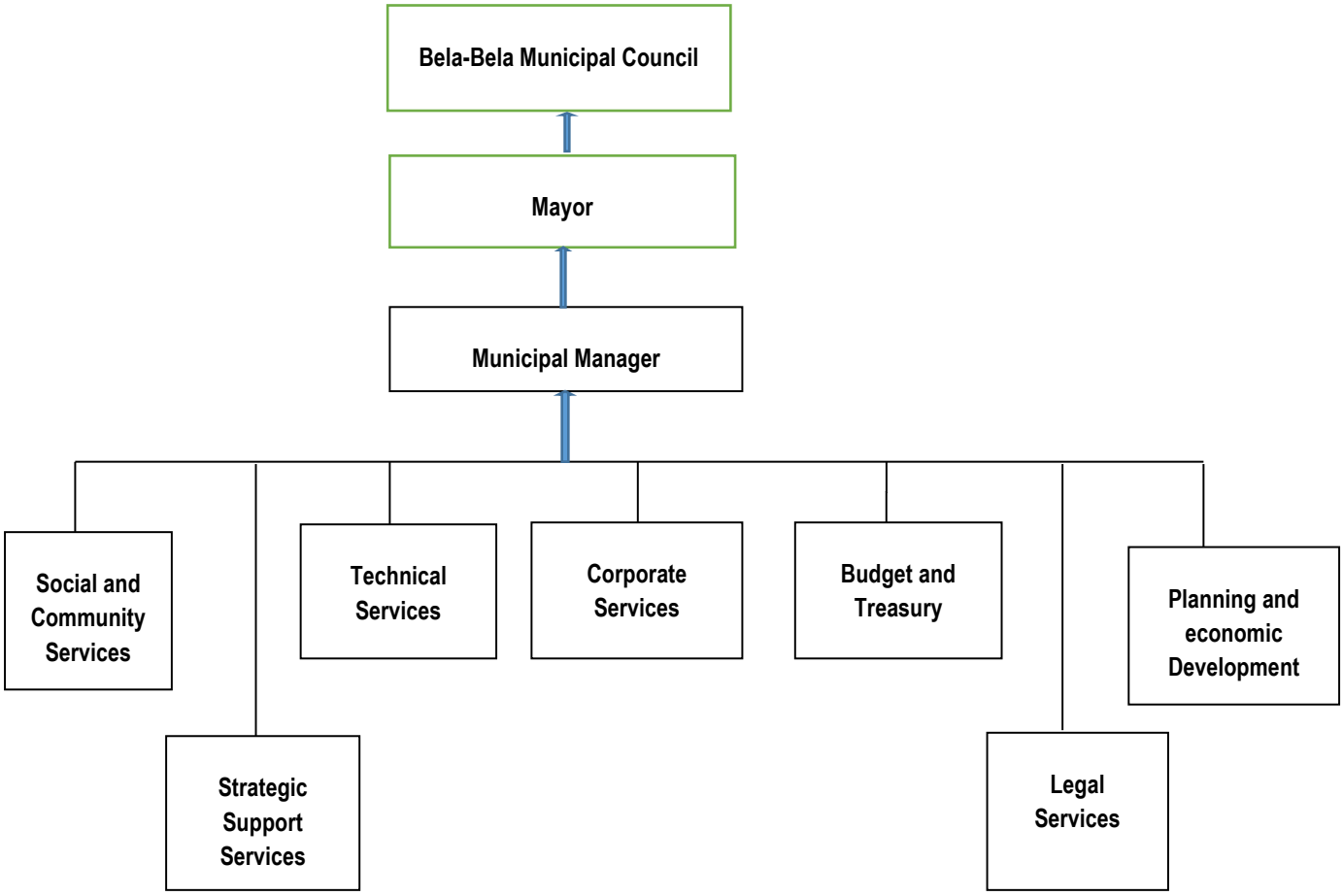
Council meeting	Ordinary	Special
	27th of July 2023 31st of October 2023, 30th of January 2024 27th of March 2024. 30th of April 2024 24th of May 2024	01st of September 2023 03rd of October 2023 7th of December 2023 28th of February 2024 21st of June 2024.
Executive committee Meetings	26th July 2023 1st September 2023 30th October 2023 6th December 2023 29th January 2024 28th February 2024 27th March 2024 24th April 2024	3rd October 2024

2.3. ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Bela - Bela Local Municipality organizational structure makes provision for a Municipal Manager as the Accounting Officer and five Senior Managers who are heading the departments respectively and are directly reporting to the Municipal Manager. In addition, the are two non-sectional Managers who are also reporting directly to the Municipal Manager

Structure:1



TIER 1 TOP Administration Structure Municipal Manager



Mr TG Ramagaga

Function

a) The Municipal Manager -

(i) as head of the administration, is responsible for performing the roles and responsibilities of the Accounting Officer as outlined in Section 55 of the Local Government Municipal Systems Act No 32 of 2000 and Section 61 and 62 the Local Government Municipal Finance Act, No 56 of 2003 for the effective administration of the Municipality.

(ii) is responsible for the execution of Council Resolutions.

(iii) plays a prominent role, together with the Mayor, in building, maintaining, and enhancing a good relationship between the Council,

Councillors and the administration.

(iv) ensures, that after consultation with the Mayor and Speaker, agendas and minutes are in place for each of the Committees and that Committees meet regularly.

(v) receives reports with recommendations from the Managers on all matters that must be handled by either the Municipal Manager, the Mayor, or the Council in terms of the delegation of powers of the Council.

(vi) Compiling and submitting progress performance reports on all the development initiatives, projects, programmes, and activities taking place within Bela-Bela (i.e., Quarterly, Mid - yearly and Annual Reports).

Developing and Implementing policies and procedures to manage and coordinate all approved public participation.

(vii) Managing the development, approval, and implementation of the Integrated Development Plan (IDP).

Monitoring the performance of the Municipality through Performance Management Systems (PMS) requirements.

Compiling and monitoring the implementation of strategic, operational and activity plans to give effect to the IDP.



Chief Financial Officer Mr RM Marutha

The Chief Financial Officer (CFO) is responsible for the Budget and Treasury Office (Finance). Budgeting and Financial Reporting, Expenditure and Revenue collection.

The CFO play an advisory role to the Accounting Officer on the exercise of powers and duties assigned to the Accounting Officer in terms of the MFMA. It is also the CFO who assists the Accounting Officer with the administration of the Municipality bank's accounts and in the preparation and implementation of the Municipality's budget.

Other than advising the Accounting Officer, the CFO also advise the Senior Managers and other Senior Officials in the exercise of powers and duties assigned to them in terms of Section 78 and 79 of the MFMA.

Additionally, the CFO reviews the budget, and account, analyse and draws financial reports, and manages debts, supply chain and other duties as delegated to the CFO and the Accounting Officer.



Senior Manager: Planning & Economic Development Mr NR Siliga

Communication of projects, programmes and activities related to the Planning and Economic Development department, Marketing of Bela-Bela, Co-ordinating investments proposals, Liaison with investors, Promotion of Tourism, Supporting the Local Economic Development projects, Providing incentives for the SMMEs. /Support SMME Development, Ensuring the implementation of the town planning requirements within the development taking place in the Bela- Bela Municipal Area.

Render Land Use, Building and Housing administration.

Render survey and demarcation of site services.

Decision–making in terms of spatial and physical planning.

Develop and advertise by-laws and policies related to Town Planning under the applicable laws.

Acting Senior Manager: Corporate Services



Mrs N Ramolobeng

Render acquisition of staff.
Administer employees' benefits.
Render administration, labour and legal relations.
Render training and development services.
Render organisational development services.
Render record management services.
Render information technology services.
Provide auxiliary services.
Oversee the drafting and updating of by-laws.
Compilation of council agendas.
Provide Legal Services

Acting Senior Manager: Community and Social Services



Mr DT Raborolo

The department is responsible for the maintenance of Parks, Cemeteries and Community Facilities. Renders Protection and Emergency Services. The department also provides Licensing and Registration Services as well as Waste Management and Cleansing Services.

Senior Manager: Technical Services



MS HB Maswanganyi

Technical Services Directorate is responsible for the provision of Water and Sanitation
Construction and maintenance of Roads and Storm-water infrastructure.
The department is also responsible for the provision of Electrical Services in areas where the Municipality is licenced to provide electricity. The department provides project management services through the Project Municipal Unit (PMU).

Manager Strategic Support Services  **Mr TJ Mothapo**	Manage the development, implementation and review of cooperate strategies. Manage the development, implementation and review of policies. Manage the development, implementation and review of institutional Transformation Agenda. Develop and manage the implementation of institutional customer care initiatives to ensure that the municipality responsive and effective in its delivery of services. Lead and manage the staff in the Office of the Municipal Manager. Understand the financial and non-financial implications of plans and municipal strategies and goals, including national and provincial policy statements and changes. Management the development and implementation of institutional and operational plans (Service delivery and Budget Implementation Plans). Management the development and implementation of Municipal Integrated Development Plan (IDP). Management the development and implementation of Institutional Performance System. Communicate the municipality's vision and mission to various stakeholders

2.4 INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Bela-Bela Local Municipality participates in different forums for intergovernmental relations which are Premier Mayor's forum, the Municipal Manager's forum, CFOs Forum and Technical Managers forum The municipal IDP/PMS Divisions also participates in the Provincial and District Municipality's Fora. These prime forums include sector departments operating at the cold face of society and communities. The Presidential hotline is established and deals with queries raised from various stakeholders inclusive of community members.

2.4.1 INTERGOVERNMENTAL RELATIONS

2.4.1 .1 NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, other formal intergovernmental structures are dealing directly with the National Government. The interaction between National Government and the Municipality is done through the Provincial forums which are as follows: The Provincial IDP forum, Premier's Lekgotla, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA).

2.4.1.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Planning forum, Premier's Lekgotla, Premier's Monitoring and Evaluation forum and Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA). Bela-Bela Local Municipality attend Provincial Monitoring and Evaluation forum which ensure the correct reporting and alignment on Performance Management, Back to Basic, Circular 88 and all legislative compliance issues

2.4.1.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

Waterberg District Municipality role is to coordinate, facilitate and provide support to the local municipalities on service delivery and governance-related matters. Bela- Bela Local Municipality participates fully in the Waterberg District forums, such as District Planning Forums, Performance and IDP forums, Back to Basic Forum, the Mayor's forum and the Municipal Managers and the District Development Model forum

2.5 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Bela - Bela Local Municipality play a vital role to account and provide feedback to the community by adherence to the adopted process plan. IDP forums and Mayoral Roadshows are held as per schedule. 9 Ward committee are established municipal wide and are functional. Through ward committee system and scheduled IDP/Budget/PMS Representative forums community can hold Council accountable.

The community participation processes have entrenched a culture of involving communities in decision-making processes including finalising the IDP/Budget/PMS of the Municipality. Through the usage of the local media, Council sittings and established Council Committees (ward committees) communities are continuously informed on municipal governance, management, and other development.

2.6 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Communication is an important element of good governance. It is through communication that the communities and other stakeholders are informed about the activities of the Municipality and thereby getting empowered to participate in the affairs of the Municipality. Section 18 of the MSA stresses the importance of communication between Councils and Communities. It gives guidelines of issues that the Municipality must communicate to its community. It is in this regard that over the years the Municipality has utilized different strategies to encourage community participation as enshrined in Section 152 of the South African Constitution of 1996. This included programmes of mobilising, informing, and educating, engaging, and empowering communities in Municipal affairs.

IDP/Budget/PMS public participation processes and ward committee meetings are the cornerstone sessions that entrenches community participation and accountability to the community on municipal programmes. The IDP/Budget/PMS process plan is approved by Municipal Council with a schedule indication date, time and venue. The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the Municipality. They are further utilized as a platform to agree on community needs which shapes the planning processes.
Further than the IDP/Budget/PMS public participation processes, the Municipality involves the community on targeted consultations at ward level, with interested and affected stakeholders (NGOs, business, etc.) and through the IDP/Budget /PMS Representative Forums.

Other methods used to communicate with the community includes ward Imbizos, other forms such as media and utilization of the Municipal website. Over and above acquisition and confirmation of community needs, the Rep Forum meeting serves as a platform for Bela- Bela Local Municipality to engage the different stakeholders during the different stages of the IDP Process as a built-up towards the approval of the future budgets, reports on performance on current and past financial years activities

2.6.1 WARD COMMITTEES

The Municipality has established nine wards' committees within 9 wards with 10 members each. The key purpose of ward committees is to create formal unbiased communication channels and cooperative partnership between the community and the Municipality in the ward and facilitate public participation in the process of development, review and implementation management of the Integrated Development Planning of the Municipality and municipal processes. 4x Ward Committee reports submitted to the office of the speaker.

2.6.2 IDP / BUDGET AND PMS REP FORUM MEETINGS

Bela – Bela Local Municipality is adhering to the adopted municipal process plan for the year under review. The 2023/2024 IDP/Budget and PMS representative forum were held as follows:

Table 9:

Date	Time	Venue
18 August 2023	10H00	Multi – purpose Centre
08 November 2023	10H00	Multi – purpose Centre
15 March 2024	10H00	Multi – purpose Centre
21 May 2024	10H00	Multi – purpose Centre

2.6.3 STRATEGIC PLANNING SESSION FOR 2023/2024 FY

The Municipality embark on the 2023/2024 Strategic Planning Session which to place form the 14th – 15th March at Warmbaths Forever Resorts. The following stakeholders were invited, CoGHSTA, WDM, OTP, DBSA, DE, DH, LDARD, DRDLR, SAPS, DFFE, Limpopo Tourism Agency, DTCS, RAL, and organized Labour form the municipality. The strategic planning resolutions tabled below as per municipal departments

2023/2024 STRATEGIC PLANNING RESOLUTIONS

Resolutions from the various commissions representing different department of the Bela – Bela Local Municipality are as follows:

Table 10:

1. **OFFICE OF THE MUNICIPAL MANAGER**

No.	Resolution	Time Frame
1	Cascade PMS to all levels of the employees	2023/2024
2	Review and fully implement the Customer Care Policy and Service Standards	2023/2024
3	Appointment of panel of investigators	2023/2024
4	Procurement of Audit and Risk IT System	2023/2024
5	Establishment fraud and corruption hotline	2023/2024

2. AUDIT AND RISK

No.	Resolution	Time Frame
1	Procurement of IT system.	2023/2024
2	Impairment of doubtful receivables	2023/2024
3	Investment properties with R1 value.	2023/2024
4	Payables from exchange transactions	2023/2024
5	Bank Reconciliation, Cash and Cash equivalents	2023/2024

3. CORPORATE SERVICES

No.	Resolution	Time Frame
1	Develop a funded organizational structure and fill critical	31 May 2023/2024
2	Develop a credible Work Skills Plan informed by the skills audit of the employees and Councillors, implement it fully, ring fence the Mandatory Grant, budget 1% of the total employee related costs and continue to apply for the Discretionary Grant.	30 April 2022 (WSP)
3	Professionalize the institution in all aspects.	2023/2024
4	Maintain labour stability.	2023/2024
5	Improved Management of Salus Oord Village.	30 June 2023/2024
6	Replace or refurbish the ICT infrastructure in phases.	2023/2024

4. PLANNING & ECONOMIC DEVELOPMENT

No.	Resolution	Time Frame
1	Prioritize catalytic projects for economic recovery and job creation	2023/2024
2	Infrastructure Development and maintenance to support tourism and other economic programmes	2023/2024
3	Improve access to land for development and agricultural support	2023/2024
4	Improve collaboration and partnerships with stakeholders	2023/2024

5. SOCIAL AND COMMUNITY SERVICES

No.	Resolution	Time Frame
1	Management of Cemeteries through re-classification and numbering through the CSM system.	2023/2024
2	Constructing a waiting area for clients to mitigate weather conditions at the Registration and Licensing Division.	2023/2024
3	Waste Minimization (Beautification of key areas to avoid illegal dumps).	2023/2024
4	Maintenance of Existing Parks, Cemeteries and Recreational Facilities	2023/2024
5	PPE for traffic officers (bullet proof, guns and ammunition).	2023/2024
6	Procure Road marking equipment's.	2024/2025
7	Intensify revenue enhancement programmes through public safety.	2023/2024

2.6.4 MAYORAL ROADSHOW

The Mayor embarked on the 2023/2024 IDP/ Budget Mayoral Show in all the municipal wards. Community members and stakeholders were invited in terms of Section 16; Section 21 (1) (a) (b); and Section 34 (1) (a) of the Local Government: Municipal Systems Act (Act 32 of 2000). The 2023/2024 IDP/ Budget Mayoral Show were held as follows:

Table: 11

Date	Weekday	Time	Venue	Ward
11 April 2023	Tuesday	17h00	Bela - Bela Community Hall	2
12 April 2023	Wednesday	17h00	Thusanang Special School	6
13 April 2023	Thursday	17h00	Spa Park	9
15 April 2023	Saturday	14h00	Bela - Bela High School	5
16 April 2023	Sunday	08h00	Extension 8 ground	4
17 April 2023	Monday	17h00	Laerskool Warmbad	1
18 April 2023	Tuesday	17h00	Sunfa Stadium	3
19 April 2023	Wednesday	17h00	Multi-Purpose Center	7
22 April 2023	Saturday	09h00	Blaauboschkuil Primary School (Masakhane)	9
23 April 2023	Sunday	09h00	Litho Ndzundza Traditional Council	8
	Sunday	13h00	Pienaarsrevier Community Hall	8

2.6.5 SPECIAL FOCUS PROGRAMS

Special focus operational activities are based in the Office of the Mayor.
The municipality has a close relation with special focus formations and its members the following meetings or events and were held as follows:

Tabled 12:

Date	Activity	Venue
24 August 2023	Women's Prayer	Bela- Bela Community Hall
12 September 2023	Active aging campaign	Bela- Bela Community Hall
28 September 2023	Launching of Bela-Bela AIDS Council	Multipurpose hall
09 February 2024	Youth career Exhibition	Multipurpose hall

2.6.6 PUBLIC MEETINGS

Municipal has a clear plan of action regarding public meeting however the municipality especially office of the Mayor is very much effect in responding and assisting other sector department and other institution to run their program within the municipal jurisdiction. Table below illustrate public meetings held in the year under review:

Table: 13

Public Meetings							
Nature and purpose of meeting	Date	Number of Councillors	Number Municipal Administrators	Number of Community	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Annual Mandela Day celebration	18 July 2023	2	14	16	Poverty	Yes	18 July 2023 feedback on Municipal social media platforms
Title Deeds Handover for RDP Houses	22 November 2023	14	22	307	Not having titled deeds for their RDP houses	Yes	22 November 2023 Feedback on municipal social media platforms
Sports Field Handover	05 December 2023	4	13	102	Not having the Sports field	Yes	05 December 2023 Feedback on municipal social media platform
School Re-Opening readiness	17 January 2024	5	6	11	Schools not ready for learning on the first day	Yes	17 January 2024 Feedback on municipal social media platforms
District Matric Awards	26 January 2024	11	19	47	Celebrate the District meritorious achievements of the learners and inspire the next generation of matriculants	Yes	26 January 2024 Feedback on municipal social media platforms
Mayoral Matric Awards	09 February 2024	14	26	106	Celebrate the meritorious achievements of the learners	Yes	09 February 2024

					and inspire the next generation of matriculants		Feedback on municipal social media platforms
Anti-bullying campaign in schools	12 March 2024	6	18	36	Bullying problem in schools	Yes	12 March 2024 Feedback on municipal social media platforms
School Uniform Handover	09 March 2024	5	7	58	Lack of school uniform	Yes	09 March 2024 Feedback on municipal social media platforms
Food Security Production Inputs	18 April 2024	3	3	102	Lack of food Security Production Inputs	Yes	18 April 2024 Feedback on municipal social media platforms
Rural Health Matters	18 April 2024	3	5	34	Lack of Rural Health Services	Yes	18 April 2024 Feedback on municipal social media platforms
Profiling and Educating communities on government work regarding the upgrading of informal settlement	11 April 2024	9	18	112	Lack of education on government work regarding the informal settlement	Yes	11 April 2024 Feedback on municipal social media platforms

Comment on the effectiveness of the public meetings:

The municipality is following chapter 4 of the Municipal Systems Act 32 of 2000 by developing a culture of municipal governance that compliments formal representative by encouraging the local community to participate in the affairs of the municipality. The Municipality is committed to fostering strategic partnerships with public and private sector institutions to implement programs and projects that are services delivery oriented.

Office of the Mayor managed to establish formations such as special focus groups for the youth, the aged, people with disabilities, Church fraternal, traditional health practitioners. A database has been developed to ensure that the Municipality implements activities that respond to stakeholders' needs and thus creating a sustainable relationship with members of the community. Municipality developed Communication Strategy intending to enhance effecting and efficient communication with the community. And Customer Care Policy is in place including Batho Pele Service Standards that are implemented by the Customer Care Unit.

2.6.7 IDP PARTICIPATION AND ALIGNMENT

Table 14:

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

2.6.8 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

- **PUBLIC SATISFACTION LEVELS**

The Municipality did not conduct a Customer Satisfaction Survey during the 2023/2024 financial year; However, a Customer Care Unit is in place and functional, and is effectively gathering service delivery issues and complaints forwarded by community members. The information gathered by the Customer Care Unit is communicated to various departments within the Municipality to be attended to as soon as possible. Issues raised that are not for the Municipality are referred to relevant departments via the Office of the Mayor. Only one community protest took place in the 2023/2024 financial year.

2.7. CORPORATE GOVERNANCE

- **OVERVIEW OF CORPORATE GOVERNANCE**

To ensure accountability and governance arrangements are in place, Section 121 (2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA of 2000: stipulates that information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be

undertaken through the compilation and publication of the Annual Report. The purpose of the annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

2.7.1 RISK MANAGEMENT

Risk management is an integral component of good management and decision-making at all levels. It is about making decisions that contribute to the achievement of the Municipality's objectives.

The purpose of an Enterprise Risk Management (ERM) process is to ensure that all significant risks that the Municipality is exposed to (whether at an executive, cluster, branch, component, or project level) are proactively identified and managed to acceptable levels continuously. The key drivers to embed such a process within the Municipality are:

a) The avoidance of unplanned impacts because of risks that take us by surprise.
b) The need to protect the Municipality's reputation and image.
c) To comply with the requirements of applicable laws and regulations.
d) To ensure that we live the Municipality's values and comply with our code of conduct, and
e) To foster a culture of responsible risk-taking.

Risks are defined as 'uncertain future events that could influence the achievement of objectives. These could include strategic, operational, financial and compliance objectives. Some risks must be taken in pursuing the opportunity, but the organization should be protected against avoidable losses.

In turn, ERM is defined as a 'process that is affected by people at every level of an organization, is applied in strategy setting and across the organization. It is designed to identify events potentially affecting the entity and manages risks within its risk appetite. It further provides management and the Executive Authority with reasonable assurance regarding the achievement of the entity's objectives.

The definition of ERM reflects certain fundamental concepts. It is:

A process, ongoing and flowing through an entity.

Affected by people at every level of the organization.

Applied in strategy setting.

Applied across the business, at every level and unit,

Includes taking an entity level portfolio view of risk.

Designed to identify potential events that, if they occur, will affect the entity and manage risk within its risk appetite.

Able to provide reasonable assurance to an entity's management and oversight structure; and

Geared to the achievement of objectives in one or more separate but overlapping categories.

Benefits of risk management

Some of the benefits of risk management can be summarized as follows:

Ensures that management is focused on strategic objectives

Identifies and manages cross-organizational risks

Provides integrated responses to risks

Ensures rationalization of capital and financial resources

The Municipality has a risk management committee composed of the head of departments and chaired by an external person.

The risk management committee sits every quarter to discuss risks that threaten the municipal objectives. Below are five high risks identified by the Municipality:

The municipality has appointed Risk management Committee members as follows:

Ms RP Mpete - Chairperson (external and independent)
Mr N Siliga - Senior Manager: PED
Mr RM Marutha - CFO
Mr TG Ramagaga - Municipal Manager
Mr DT Raborolo - Acting Senior Manager: SCOM
Mr TJ Mothapo - Manager Strategic Support Services
Ms HB Maswanganyi - Senior Manager: Technical Services
Mr TD Magagane - Chief Risk Officer
Ms N Ramolobeng - Acting Senior Manager: Corporate Services

TOP RISKS

1. High service delivery backlog.
2. Ageing and under capacitated infrastructure
3. Aging ICT infrastructure
4. Litigations against the municipality
5. Community unrest
6. Illegal dumping of waste
7. Fraud and corruption
8. Cashflow constraints
9. Negative audit outcome
10. Lack of land for human settlement near economic activities

On the 2023/2024 financial four Risk Management Committee meetings were planned however five Risk Management Committee meetings were held with one special meeting as follows:

Table 15:

Date	Venue
10 August 2023	Virtual meeting
01 November 2023	Virtual meeting
01 February 2024	Virtual meeting

24 April 2024	Virtual meeting
29 April 2024	Virtual meeting

2.7.2 FRAUD AND ANTI - CORRUPTION STRATEGY

Bela-Bela Local Municipality has priorities fraud risk management as per the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. Fraud prevention policy and plan are in place. The hotline through which service delivery complaints are received and whistleblowers anonymous are reporting is centralized at the District Municipality and as well as at the Office of the Premier. To instill confidence in the anonymous reporting of incidents of fraud and corrupt activities, the hotline is managed independently. Bela- Bela Local Municipality has sound internal controls in place to work as a deterrent and to also prevent the occurrence of fraud. All reported cases are monitored, investigated, and discussed during the Top and Broader Management meeting as well as during the Audit Committee meetings. Internal Audit and Risk Management Committee assist to detect fraudulent and corrupt activities. The municipality has developed Fraud and Anti – Corruption Strategy

2.7.3 FINANCIAL MISCOUNDUCT BOARD

The Municipality has established a financial misconduct board in line with Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The purpose of the board is to investigate any financial misconduct.
Composition of the Board is as follows:

- Ms. A K Mabitsela - Chairperson
- Mr. N Marobane - Member
- Chief Audit Executive – Member
- OPK Moloto (Legal officer) – Member
- Representative from Provincial treasury- Member

Financial Management Board meeting were held as follows:

Table 16:

Date	Venue
24th August 2023	Virtual meeting
07th November 2023	Virtual meeting
14th November 2023	Virtual meeting
19th March 2024	Virtual meeting

2.7.4 ACTION TAKEN TO ADDRESS ISSUES RAISED BY THE AUDITOR GENERAL

AG Action Plan was developed to address the issues raised by the Auditor General. The municipality held weekly meetings in this regard. During the financial year 2023/2024 the Municipality obtained a qualified audit opinion from the office of the Auditor General of South Africa, amongst issues that qualified the Municipality are Property, plant and equipment, Investment property, Value Added Taxation (VAT), Receivables from non-exchange transactions, Payables from exchange transactions, Cash flow statement, Statement of comparison of budget and actual amounts, Segment reporting, and Statement of changes in net assets.
Municipality has since developed an Action Plan, developed a schedule of weekly AFS steering committee meetings and over and above this, the Municipality is currently preparing the interim financial statements with intention to address all issues raised in the audit report.

2.7.5 INTERNAL AUDIT

The Internal Audit is the integral part on the municipality for good governance. The Internal Audit division is the office of the Municipal Manager. It assists in coordination of the Performance and Audit Committee meeting. The Internal Audit Division is responsible to evaluate the adequacy, effectiveness and efficiency of the internal control system and performance management. The Division provides the necessary assurance and advisory services to the organization and reports quarterly to the Performance and Audit Committee. The composition of the Performance and Audit Committee members is as follows:

- Mr SAB Ngobeni - Chairperson
- Ms. A K Mabitsela - Member
- Mrs. T Mathabatha - Member

Performance and Audit Committee meetings on the year under review were held as follows:

Table 17:

Date	Venue
22nd August 2023	Virtual meeting
31st August 2023	Virtual meeting
29th November 2023	Virtual meeting
17th January 2024	Virtual meeting
14th March 2024	Virtual meeting
20th May 2024	Virtual meeting

2.8 REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE ON BELA-BELA LOCAL MUNICIPALITY

We are pleased to present our report for the financial year ended 30 June 2024.

- **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by the National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

- **Audit Committee members and attendance**

The Audit Committee members were appointed on the 29 April 2022. The appointment is with effect from 01 May 2022 for three (3) years.

- **Evaluation of Financial Statements**

The Audit Committee has Reviewed and discussed the Annual Financial Statements. Therefore, the Audit Committee concurs and accepts the conclusions on the Annual Financial Statements and is of the opinion that the annual financial statements be accepted and read together with the report of the Auditor-General.

- **The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Municipality revealed certain weaknesses, which were then raised with the Municipality.
There has been an improvement in the system of internal control of the Municipality and reducing qualification issues of the previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review, there was consistent monitoring of action plans and progress.

- **In-Year Management and Monthly/Quarterly Report**

The Municipality has a monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

- **Performance Management**

The AC reviewed the functionality of the performance management system, and it appears to be functional, however, there is room for improvement so far as the achievement of planned targets is concerned**.**

- **Risk Management**

The AC is of the opinion that Municipality's risk management appears to be effective, and the Municipality did implement a comprehensive risk management strategy and related policies. Compliance with laws and regulations. A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus, there is a room for improvement in so

far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

- **Internal Audit**

The AC is satisfied with the effectiveness of Internal Audit and commends Management and Council for supporting the unit, however, the unit is not adequately capacitated, and the position of additional Internal Auditor should be filled.

- **Performance Management system**

The AC is satisfied that management did implement an effective management system, however, there is room for improvement in so far assessment of external service providers' performance regularly.

- **Conclusion**

The Audit Committee wishes to acknowledge the commitment from the Council, management and staff of the Municipality. The stability in terms of the political and administrative leadership of the Municipality has contributed to these improvements reported above. We would also like to thank the Mayor for her support, Councillors, senior management for their efforts and internal audit for their contribution.

_____

Mr SAB Ngobeni
Chairperson of the Audit Committee
Bela-Bela Local Municipality
30 June 2024

2.8.1 AUDITOR-GENERAL REPORT FOR 2023/2024 FINANCIAL YEAR

The Municipality has complied with the requirements of the Municipal Finance Management Act No. 56 of 2003 by compiling the 2023/2024 Annual Financial Statements and submitted these to the Auditor-General for auditing.

2.8.1.1 2023/2024 AUDITOR-GENERAL ACTION PLAN

The 2023/2024 AGSA Action Plan is in progress.

2.8.2 MUNICIPAL BY-LAWS

Municipal By-Laws are tabled below as follow:

Table 19:

By-Law	Status
Planning and Economic Development	
SPULMA by-law	Adopted in 2017
Informal Trading by-law	Adopted in 2021
Outdoor advertisement by-law	Adopted in 2021
Social and Community Development	
Solid Waste by-law	Adopted in 2023
Animal by-law	Adopted in 2023
Noise abatement and Prevention of nuisance by-law	Adopted in 2023
Budget and Treasury	
Property Rate by-law	Adopted in 2022
Tariffs by-law	Adopted in 20217
Indigenous Support by-law	Adopted in 20217
Credit Control and Debt Collection by-law	Adopted in 20217
Technical Services	
Water supply by-law	Adopted in 2011
Electricity supply by-law	

CHAPTER 3

3.1 FINANCIAL HEALTH OVERVIEW

Municipality average debt collection rate was 83% in the 2023/2024 financial year which is above average in the province. The Municipality's 2023/2024 financial year's total revenue is R 647 million. The highest source of revenue was government grants followed by Service Charges (i.e. income from the sale of water, electricity, waste collection and sanitation) and property rates respectively. The total expenditure of the Municipality for the 2023/2024 financial year was R546 million. The highest expenditure was incurred on employee costs followed by bulk purchases (electricity) and general expenses respectively.

The Municipality's financial performance resulted in a surplus of R100 million. Total receivables from exchange and non-exchange transactions after provision for doubtful debts was R135 million at the end of June 2024. Debt collectors are being utilized to collect long outstanding debts. Trade payables from exchange transactions amounted to R129 million as of 30 June 2024. Major creditors included bulk purchases (Eskom) for electricity distributions and (Magalies) for water respectively. Contracted services are reflected as the second-highest expenditure under trade payables.

Table 20: below illustrate financial performance for the 2023/2024 financial year.

Financial Overview 2023/2024			
Description	**Original Budget**	**Adjustment Budget**	**Actual**
Total Revenue (inclusive of capital transfers and contributions)			
Grants	218 848 000	225 454 160	224 819 967
Taxes and Service charges	347 962 392	346 300 383	316 257 688
Other	73 576 352	75 167 980	105 436 031
Total Revenue	**640 386 744**	**646 922 523**	**646 513 686**
Total Expenditure	**- 542 903 812**	**- 539 658 943**	**- 546 480 686**
Surplus / (Deficit)	**97 482 932**	**107 263 580**	**100 033 000**

3.2 OPERATING RATIOS

Table 21: Below depicts the main operating cost rations in comparison with national treasury norms

Operating cost ratios 2023/2024	
Details	**Value**
Increase in revenue	$\frac{(Period\ Under\ Review's\ Total\ Revenue - \text{Previous Period's Total Revenue})}{\text{Previous Period's Total Revenue}} x\ 100$ $= \frac{646\ 5153\ 646 - 595\ 946\ 689}{595\ 946\ 689} * 100$ =8%

Employee cost	$\frac{Employee\ Related\ Costs}{\text{Total Operating Expenditure}}$ $= \frac{147\ 681\ 591}{546\ 480\ 686} * 100$ =27%
Repairs and maintenance	$\frac{Total\ Repairs\ and\ Maintenance\ expenditure}{Property, Plant\ and\ Equipment\ and\ Investment\ property} x\ 100$ $\frac{9\ 998\ 0923}{(921\ 405\ 205+67\ 457\ 882)} * 100$ =1%
Finance charges and depreciation	$\frac{Finance\ charge\ and\ depreciation}{Total\ operating\ expenditure} x\ 100$ $\frac{(15\ 351\ 366+46\ 487\ 884)}{546\ 480\ 686} * 100$ =11%
Increase/(decrease) in expenditure	$\frac{(Period\ Under\ Review's\ Total\ Expenditure - \text{Previous Period's Total Expenditure})}{\text{Previous Period's Total Expenditure}} x\ 100$ $\frac{546\ 480\ 686-445\ 928\ 525}{445\ 928\ 525} * 100$ = 23%
Interest cover	$\frac{Earnings\ before\ interest\ and\ taxation}{Finance\ charges}$ $= \frac{115\ 384\ 366}{15\ 351\ 366} * 100$ =7.52
Net surplus percentage	$\frac{(\text{Total Operating Revenue} - \text{Total Operating Expenditure})}{\text{Total Operating Revenue}} x\ 100$ $= \frac{(555\ 115\ 187-546\ 480\ 686)}{555\ 115\ 187} * 100$ =2%

- The overall increase in revenue for the 2023/2024 financial year was 8%. This increase is attributable mainly to increase in service charges emanating from increase in tariffs. There were also increases in other income, interest income and grants. Public contributions and donations in-kind of R16.7 million were also received during the financial year. It is noteworthy that property rates, rental income, and commission income (agency services) declined moderately in the current year.

- Employee costs are at 27% of the total operating expenditure and are within the National Treasury norms of between 25% and 40% as stipulated on MFMA Circular No. 71. Repairs and maintenance are at 1%. Acquisition and construction of new infrastructure while gradually replacing the old infrastructure and cash flow limitations resulted in lower repairs and maintenance. Finance charges and depreciation account for 11% of the total operating expenditure.

- Total expenditure for the 2023/2024 financial year decreased by 23% from the 2022/2023 financial year. The increase attributable to significant increases in debt impairment, bulk purchases, depreciation and amortisation.

- The interest cover ratio of 7.52 indicates that the Municipality has more than sufficient earnings to cover interest payments as they fall due and there are no solvency concerns.

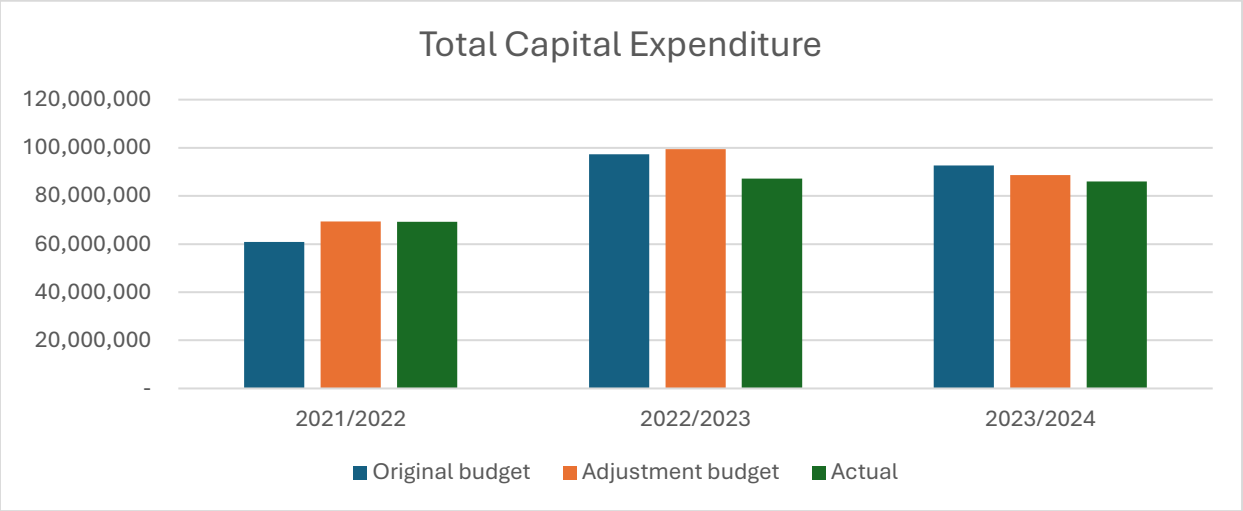
- The net surplus constitutes 2% of the total operating revenue. Capital revenue (capital grants) is excluded, surplus has been arrived at after considering the non-cash Items amounting to R139 million.

3.3 CAPITAL EXPENDITURE

Table 22: below shows the total capital expenditure over three financial years.

Total capital expenditure			
Details	**2021/2022**	**2022/2023**	**2023/2024**
Original budget	60 920 000	97 308 500	92 692 900
Adjustment budget	69 444 000	99 401 528	88 968 313
Actual	69 231 777	87 150 884	86 015 012

GRAPH:4 BELOW ILLUSTRATE CAPITAL EXPENDITURE OVER THE PERIOD OF THREE FINANCIAL YEARS

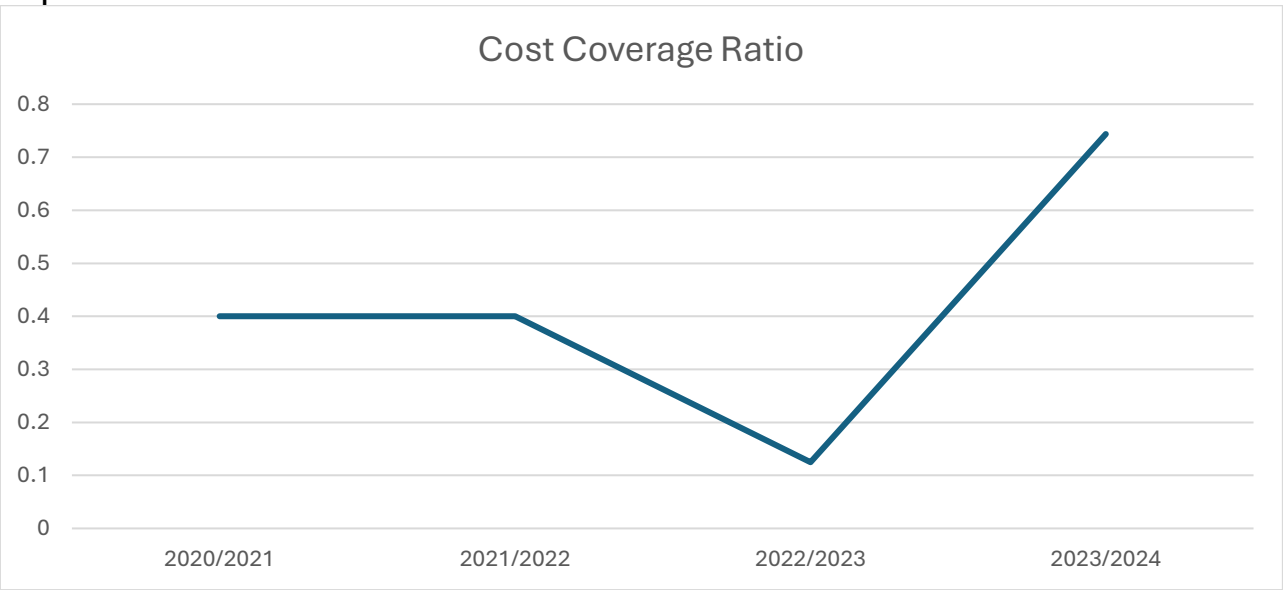


All capital grants were fully spent (100%). The Municipality had spent 97% of the capital budget as of 30 June 2024, the 3% relates to own source capital budget which was not spent.

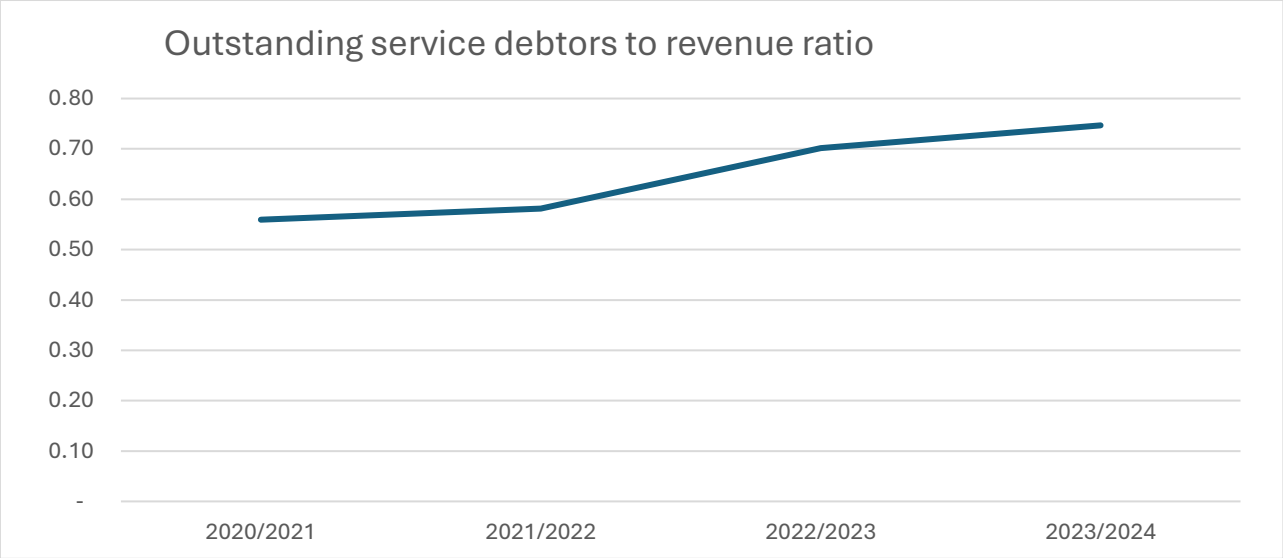
3.4 INTRODUCTION TO FINANCIAL PERFORMANCE

The graphs below depict the financial performance analyzed in terms of the financial ratios.

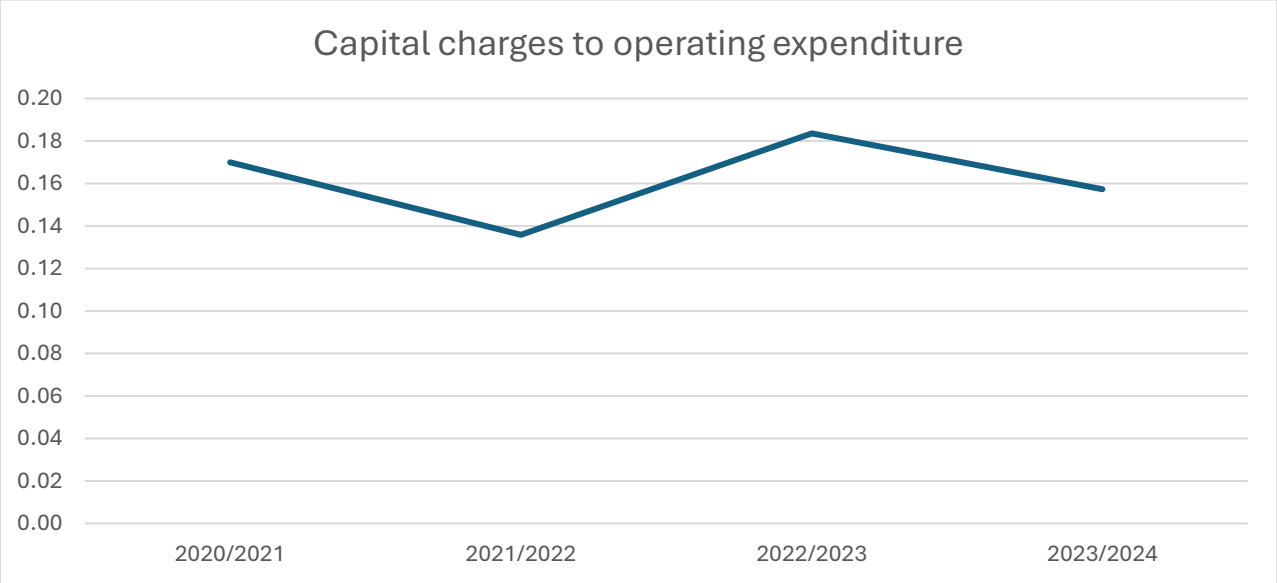
Graph:5 – COST COVERAGE RATIO



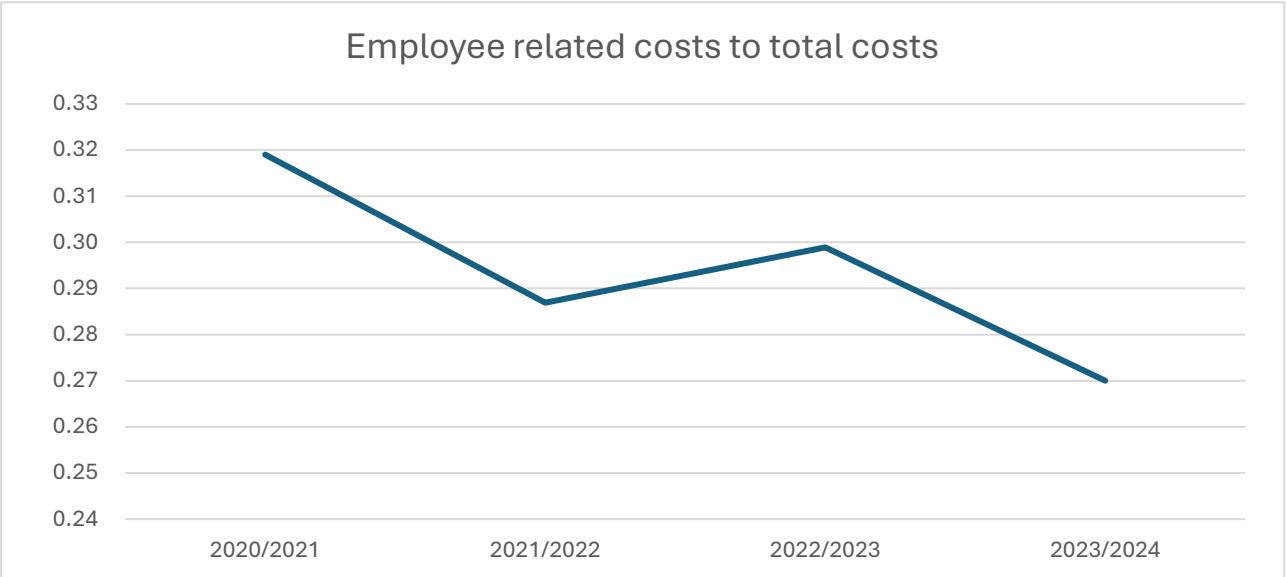
3.5 GRAPH:6 OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO



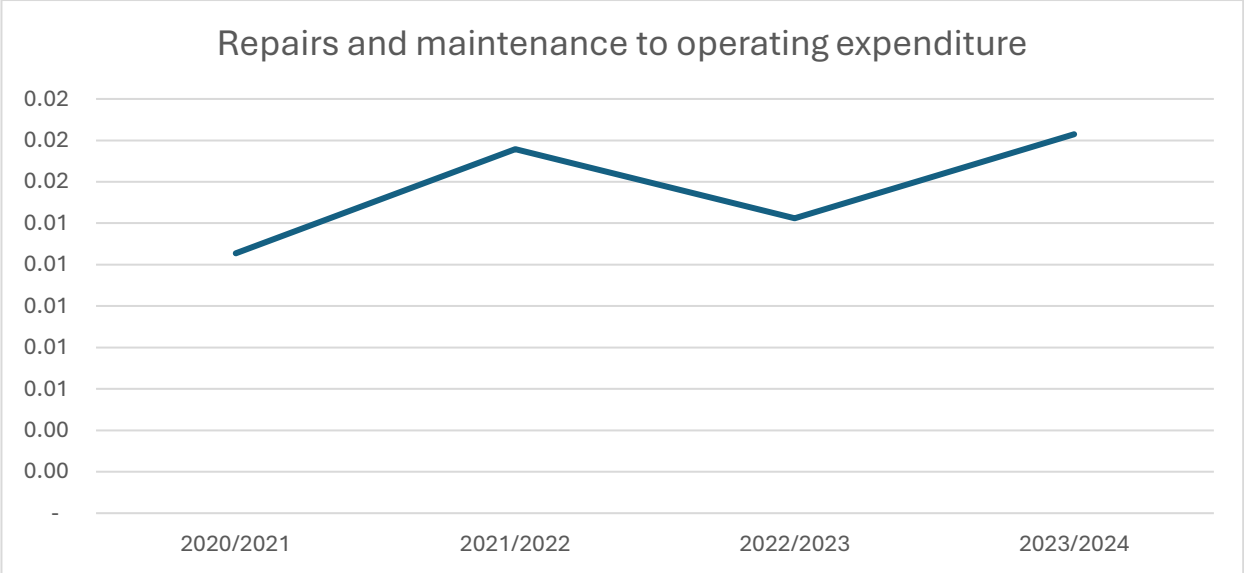
3.6 GRAPH:7 – CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO



3.7 GRAPH: 8 EMPLOYEE COST RATIO



3.8 GRAPH: 9 REPAIRS MAINTENANCE TO OPERATING EXPENDITURE



3.9 STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance

Table 23:

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	220,651,599	189,890,060
Rental of facilities and equipment	20	1,192,390	1,477,412
Agency services	21	4,601,547	4,883,306
Sale of goods and rendering of services	22	1,418,360	1,759,780
Other income	23	8,034,940	3,416,865
Fair value adjustments	25	9,824,181	16,657,156
Interest income	24	15,404,179	10,478,183
Total revenue from exchange transactions		**261,127,196**	**228,562,762**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	95,606,089	108,940,485
Property rates - penalties imposed	26	13,329,795	14,038,449
Licences and Permits (Non-exchange)	27	2,199,648	2,159,542
Availibility charges	28	3,578,310	3,368,707
Transfer revenue			
Government grants & subsidies	29	224,819,967	206,008,449
Fines, Penalties and Forfeits	30	29,108,681	32,868,295
Public contributions and donations	56	16,744,000	-
Total revenue from non-exchange transactions		**385,386,490**	**367,383,927**
Total revenue		**646,513,686**	**595,946,689**
Expenditure			
Loss on disposal of assets	10	(99,413)	(2,474,443)
Employee related costs	31	(147,681,591)	(143,621,165)
Remuneration of councillors	32	(8,810,393)	(7,835,221)
Depreciation and amortisation	34	(46,487,884)	(38,973,174)
Impairment of assets	35	(921,188)	(1,925,478)
Finance costs	36	(15,351,366)	(17,502,000)
Debt Impairment		(76,669,202)	(17,918,721)
Bulk purchases	37	(136,245,642)	(111,941,973)
Contracted services	38	(47,368,607)	(40,271,429)
General Expenses	39	(66,845,400)	(63,464,921)
Total expenditure		**(546,480,686)**	**(445,928,525)**
Surplus for the year		**100,033,000**	**150,018,164**

3.10 COMMENT ON FINANCIAL PERFORMANCE

The pre-audited Financial Statements reflect total revenue of R646 513 686. Revenue from exchange transactions consisted mainly of service charges. Revenue from non-exchange transactions was earned primarily from property rates and government grants.

Total expenditure for the year was R546 480 686. Employee related costs and bulk purchases constituted 27% and 25% of total expenditure respectively. Total expenditure increased by 23%, this is mainly attributable to significant increases in Debt impairment, Bulk purchases, Depreciation and amortization.

3.11 GRANTS

Table 24: Operating grants

Operational Grants		
Grant Name	**2024**	**2023**
Equitable share	129 614 000	117 909 343
Finance Management Grant	1 700 000	1 650 000
Expanded Public Works Program	1 302 000	1 502 000
LGSETA	805 468	248 267
Total	**133 421 468**	**121 309 610**

Operating grant revenue for the year amounted to R 133 421 468. All the operating grants allocated to the Municipality in terms of the Division of Revenue Act for 2023/2024 were received. No operating grants were withheld by National Treasury during the financial year.

3.11 COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

Table 25:

Conditional Grants		
Grant Name	**2024**	**2023**
Local Government Finance Management Grant (FMG)	1 700 000	1 650 000
Expanded Public Works Programme (EPWP)	1 302 000	1 502 000
Integrated National Energy Programme Grant (INEP)	153 463	846 537
Municipal Infrastructure Grant (MIG)	28 257 000	29 130 000
Water Services Infrastructure Grant (WSIG)	62 988 036	54 722 302
Total	**95 205 966**	**88 101 856**

A total of R 95 205 966 was recognised as revenue from conditional grants. Conditional grants include both operational and capital grants. Conditional grants are included in revenue only to the extent that the Municipality has met the conditions of those grants. All conditional grants were received from the National Treasury as per the Division of Revenue Act, except for the SETA grant which is received from the Department of Higher Education and Training.

3.12 COMMENTS ON CAPITAL EXPENDITURE

Capital Expenditure relates mainly to the construction and rehabilitation of municipal assets that will have value lasting over many years. capital expenditure is funded from grants and own generated funds. components deal with capital spending indicating the source of funding and whether the Municipality was able to spend on its planned and approved capital projects.

3.13 SPENDING AGAINST CAPITAL BUDGET (FIGURES IN RAND)

TABLE 26:

Project Name	Funding	Current Budget	Total Expenditure
Bela-Bela: Road paving & Storm water X6- Phase 2 (Ward 7)	MIG	525 217	524 958
Bela-Bela: Upgrade Municipal Landfill (Ward 2)	MIG	10 828 702	10 829 105
Bela-Bela: Road paving & Storm water X6- Phase 3 (Ward 7)	MIG	3 621 710	3 621 710
Bela-Bela: Road paving & Storm water X8- Phase 3 (Ward 4)	MIG	4 474 718	4 474 718
Bela-Bela: Sport Facilities Masakhane	MIG	3 892 391	3 892 391
Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C	WSIG	5 282 472	5 299 903
Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (Ward 4)	WSIG	7 836 184	7 836 183
Upgrading of the Ext 6 Sewer Pump Station (Ward 6)	WSIG	9 419 291	9 407 585
Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (Ward 2&6)	WSIG	13 453 027	13 453 027
Upgrading of the Leseding Sewer Pump Station (Ward 6)	WSIG	10 210 586	10 165 231
Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)	WSIG	404 245	404 143
Upgrading of the Settlers Sewer Pump Station (Ward 2)	WSIG	2 000 844	2 000 843
Upgrading of the Industrial outfall sewer line (Ward 2)	WSIG	950 721	950 720
WCDM: Installation of Bulk Zonal Meters in Bela Bela Town & Township (Ward 1 to Ward 7) and Installation of Counter Meters at all Magalies Draw Points	WSIG	34 830	34 830
Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8)	WSIG	1 551 456	1 557 101
Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)	WSIG	1 926 503	1 917 410
Supply and installation of 8 X diesel operated 3-phase back-up generators	WSIG	1 745 230	1 745 230
Printers	Own source	22 217	25 550

Installation of new telephone system	Own source	147 826	136 942
Ammunition firearms and bulletproof vests-assets	Own source	86 957	-
Procurement of pumps and motors	Own source	869 565	343 947
Procurement of Computer equipment	Own source	690 655	520 351
Procurement of server (Munsoft and others)	Own source	196 693	196 693
Procurement of Transformers and Miniatures	Own source	4 978 261	4 528 767
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	Own source	2 847 826	1 733 168
Procurement of Caseware License	Own source	173 913	124 877
Procurement of Brush-cutters and chain saw	Own source	43 478	40 509
Procurement of tools for Electricity Services Division	Own source	173 913	20 222
Acquisition of Office Furniture	Own source	115 000	95 452
Maintenance of municipal buildings-Capital	Own source	330 435	-
Electrification Bela-Bela X9 (900HH) - Phase 2B (Shortfall)	INEP	133 446	133 446
Total		**88 968 313**	**86 015 012**

3.14 CASH FLOW MANAGEMENT AND INVESTMENTS

Table 26:

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Service charges		211,274,849	194,348,795
Grants		217,428,468	213,235,268
Interest income		2,752,331	1,432,309
Property rates		78,034,799	55,592,175
Other receipts		14,223,123	13,011,681
		523,713,570	477,620,228
Payments			
Employee costs		(157,967,669)	(146,504,340)
Suppliers		(261,136,277)	(241,971,645)
Finance costs		(211,355)	(4,470,751)
		(419,315,301)	(392,946,736)
Net cash flows from operating activities	40	**104,398,269**	**84,673,492**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(88,238,453)	(87,877,133)
Purchase of other intangible assets	11	(552,723)	-
Net cash flows from investing activities		**(88,791,176)**	**(79,194,807)**
Cash flows from financing activities			
Finance lease payments		(1,598,006)	(731,675)
Net increase/(decrease) in cash and cash equivalents		**14,009,087**	**(3,935,316)**
Cash and cash equivalents at the beginning of the year		11,261,243	15,196,558
Cash and cash equivalents at the end of the year	8	**25,270,330**	**11,261,242**

3.15 SUPPLY CHAIN MANAGEMENT

Section 112 of the Municipal Financial Management Act (MFMA) No.56 of 2003 requires municipalities to have a Supply Chain Management Policy which is fair, equitable, transparent, competitive, cost-effective, and complying with the prescribed regulatory framework. As guided by the above-mentioned Act Bela-Bela Local Municipality revised its SCM Policy during the 2023/2024 financial year to comply and implement the provisions of Section 112 of MFMA and considering other development in Supply Chain

Management (SCM) such as the new South African Revenue Services (SARS) phasing out of tax clearance certificates and introduction of compliance PINs, the new Centralized Supplier Database (CSD) and the e-Tender advertisement platform.

3.16 COMMENTS SUPPLY CHAIN MANAGEMENT

With regards to the Supply chain management policy, Municipality amended the policy in the middle of the financial because of the amended regulation in the preferential procurement policy framework act. The process was subjected to public participation since is the budget related policy.

The Municipality is also adhering and complying with Section 26(b) of Local Government Municipal Finance Management Regulations, which allows the Accounting Officer to appoint members of bid committees as and when required.

3.17 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice, 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.

3.18 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Bela-Bela Local Municipality has approved an Indigent support policy where consumers who earn R4 500 and below qualify to receive free/subsidized basic services. These services include 6kl of water, 50KWH of electricity, free weekly waste collection, free sanitation services and 100% subsidy on property rates. An indigent register has been developed and it is being used as a guide of the number of households provided with the above mentioned free basic services. According to the statistics in the register, Bela-Bela local Municipality provides 4 369 houses with free basic services (Indigents) during the 2023/2024 financial year.

Table 28:

SERVICES	NUMBER
FREE BASIC WATER	4 369
FREE BASIC ELECTRICITY	3 761
FREE BASIC SANITATION	4 445
FREE BASIC REFUSE	4 155

CHAPTER 4 - SERVICE DELIVERY PERFORMANCE

4.1. INTRODUCTION TO BASIC SERVICES

This component includes water services; wastewater (sanitation) services; electricity services; and roads and stormwater services.

The total population of BBLM is currently estimated to be approximately **64,309 individuals**, representing a decrease of 11,987 individuals or 8.42% since the Community Survey of 2016. According to Census 2022, there are approximately **22,449 households** in the BBLM area, which marks an 18.9% increase from 2011. Approximately 14 497 households constitute Urban Residential as per the "Spatial Development Framework Bela-Bela 2011", meaning that the difference is either not proclaimed, illegal or rural settlements. The inclusion of Savannah Estates was inevitable although it is on the boundary of the Dr JS Moroka Local Municipality in the Mpumalanga Province, the Demarcation Board has also since confirmed that the Settlement is within the Bela-Bela Local Municipality Boundaries.

The Municipality is both a Water Services Authority and a Water Services Provider as per the Water Services Act 108/ 1997. During the 2023/24 financial year there was improvement on the water supply system, and the Municipality was able to supply water reasonably to the Community of particularly Bela-Bela Town and Township.

Magalies water board is contracted to the municipality to provide purified water at 7.5 Mega-Liters (ML) per day. However, on average 4.5ML/day was received.

The Wastewater Treatment Plants and all Pump Stations are at a high critical risk level, requiring refurbishment and upgrades to effectively handle all Settlements and stormwater infiltration. The Municipality successfully carried out the refurbishment of the Warmbad Wastewater Treatment Plant using WSIG funding from the Department of Water and Sanitation. However, the upgrade of the Plant is awaiting the appointment of a Contractor by the Department of Cooperative Governance and Traditional Affairs (CoGHSTA) to support service delivery for recently formalized Settlements like Ext 8/9/25. Additional projects to refurbish and upgrade Pump Stations are ongoing, with Ext 6 completed in the 2023/24 financial year, and work continuing the Leseding and Settlers Pump Stations.

The Municipality is actively advancing the Water and Sanitation Master Plan, along with the Water Services Development Plan, both developed by the Development Bank of Southern Africa (DBSA) and approved by Council in the 2022/23 financial year. These strategic plans provide a critical framework for effective planning and prioritization of water and sanitation projects, which are essential to ensuring the long-term sustainability and reliability of service delivery across communities.

While the Water Services Infrastructure Grant (WSIG) is being utilized to fund a portion of these efforts, there are notable funding gaps that hinder the rapid resolution of pressing water and sanitation issues. Addressing these gaps is crucial for accelerating the implementation of critical infrastructure upgrades and for meeting the needs of both current residents and the anticipated growth in demand as new settlements are formalized. The Municipality is actively exploring additional funding avenues to bridge these gaps, enhance service delivery, and foster a resilient, sustainable water and sanitation infrastructure.

The Municipality is licenced to provide electricity to Bela-Bela Town, Township, and the Farms. Pienaarsrevier, Radium (Masakhane), Rapotokwane Village, Vingerkraal and Tsakane are serviced by Eskom. In the financial year under review, the Municipality successfully maintained a continuous electricity supply to all consumers, despite resource shortages which necessitated primarily reactive maintenance. The Municipality's electrical infrastructure is ageing and in urgent need of refurbishment to ensure consistent, reliable service. Bulk capacity remains a significant challenge, limiting the Municipality's ability to meet growing demand. To address these issues, the Municipality developed an Electrical Master Plan with support from the Development Bank of Southern Africa (DBSA), which was approved by Council in the 2022/23 financial year. This plan provides a strategic roadmap for modernizing and expanding electrical infrastructure to meet future demands sustainably. Additionally, the Municipality secured funding through the Integrated National Electrification Programme (INEP) for the 2024/25 financial year, following a successful application to the

Department of Mineral Resources and Energy (DMRE). This funding will facilitate progress on the unfinished Bela-Bela Substation project, a critical step toward enhancing bulk supply capacity and improving the reliability of electricity service across the area. The Municipality continues to explore additional funding sources to further strengthen and upgrade its electrical infrastructure.

The Municipality is actively conducting ongoing road visual assessments and regularly updating a status quo report to monitor road infrastructure conditions. Routine road maintenance efforts have been intensified to enhance road quality and ensure better accessibility for all residents. However, the Municipality faces a major challenge with under capacitated and ageing stormwater drainage system, which despite regular maintenance, requires significant upgrades to function effectively under increased demand.

There is an urgent need to develop a comprehensive Roads and Stormwater Master Plan to provide a strategic framework for prioritizing and guiding future investments in road and stormwater infrastructure. Upgrading the stormwater system is particularly critical to prevent flooding, improve resilience during heavy rains, and support the long-term durability of road networks.

The Municipal Infrastructure Grant (MIG) is being utilized to improve road conditions, especially in Township areas. However, the funding allocation is insufficient to address the extensive backlog, which includes both road repair and necessary stormwater upgrades.

4.1.1 INTRODUCTION TO WATER PROVISION

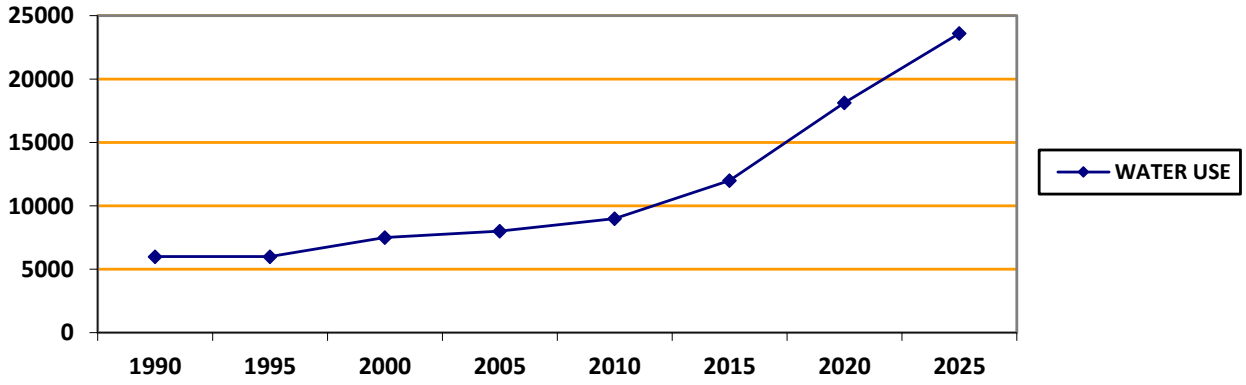
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Bela-Bela is supplied predominantly with water sourced from the Warmbaths and Platrivier dams, whose levels improved due to recent high rainfall.

Bela-Bela Local Municipality recorded water losses of 21.6% in the 2023/2024 financial year. The Water losses were more often discussed as un-accounted for water which is in two aspects i.e. Technical losses (water loss in the system due to infrastructure failure. Non-revenue water (water theft through illegal connections and non - payment by consumers). More stringent measures must be in place to reduce water losses.

The Total Water Demand in the Jurisdiction of Bela- Bela Local Municipality is calculated at 18 138kℓ/day (Including Savannah Estates). (**Source:** Zutari Situational Analysis Report - 2023).

GRAPH: 10 WATER DEMAND



4.1.2 BULK WATER RESOURCES IN BELA-BELA LOCAL MUNICIPALITY

Bulk Water supply for the Bela-Bela area of jurisdiction is sourced as follows:

- Potable water from Magalies Water Board
- Bela- Bela Local Municipality Water Treatment Works
- Boreholes/ Ground Water

Table: 29 AVARAGE BULK WATER SUPPLY

Main Source/ Dam	Bulk Resources	Coverage	WATER SUPPLY					
			Expected Volume (Kl/Month)	Water Demand (Kl/month)	% of Contribution	Actual Delivery (Kl/Month)	% Contribution (Expected Volume)	% Contribution (Demand)
Roodepoort Dam	Magalies Water (Klipdrift Water Treatment Works)	Bela-Bela	180 784	441784	41%	193 664	100%	45.4%
Warmbaths / Platrivier Dams	Bela-Bela Water Treatment Works (WTW)	Bela-Bela Town and Township	225 000		51%	131 270	58.3%	30.8%
Boreholes	Showground, Park, Outpost and Roodepoort	Bela-Bela Town and Township	36 000		8.2%	0	0	0
Roodepoort Dam	Magalies Water (Klipdrift Water Treatment Works)	Pienaarsrivier	40 000	82 300	48.6%	47 279	100%	57.4%
Boreholes	Rapotokwane	Rapotokwane	4 080	4 395	93%	521	12.8%	11.9%
Boreholes and Water Trucks	Tsakane	Tsakane	2 700	2 292	100%	973	36.0%	42.5%
Boreholes	Masakhane/ Radium	Masakhane/ Radium	5 100	6 870	74.2%	836	16.4%	12.2%
Boreholes and Water Trucks	Vingerkraal	Vingerkraal	7 800	1 040	unknown	-	-	-
TOTALS			**501 464**	**538 681**	**93.1%**	**374 543**	**79.1%**	**71.6%**

Note: The expected volume/day is based on the capacity of the Bulk Resources. The expected volume per month = 30days X expected volume/day.
***Note that the % Contribution is rounded off to 1 decimal place

Table above illustrates that there is a deficit against the current demand. These water shortages are experienced mostly in areas supplied from Boreholes; viz Masakhane, Rapotokwane Village, Savannah Estates, Vingerkraal and Tsakane.

4.1.3 COMMENT ON WATER USAGE

For supply in Bela-Bela Town and Township, the Bela- Bela Water Treatment Works constantly provided water without any challenges, with Magalies Water augmenting the Supply as contracted.

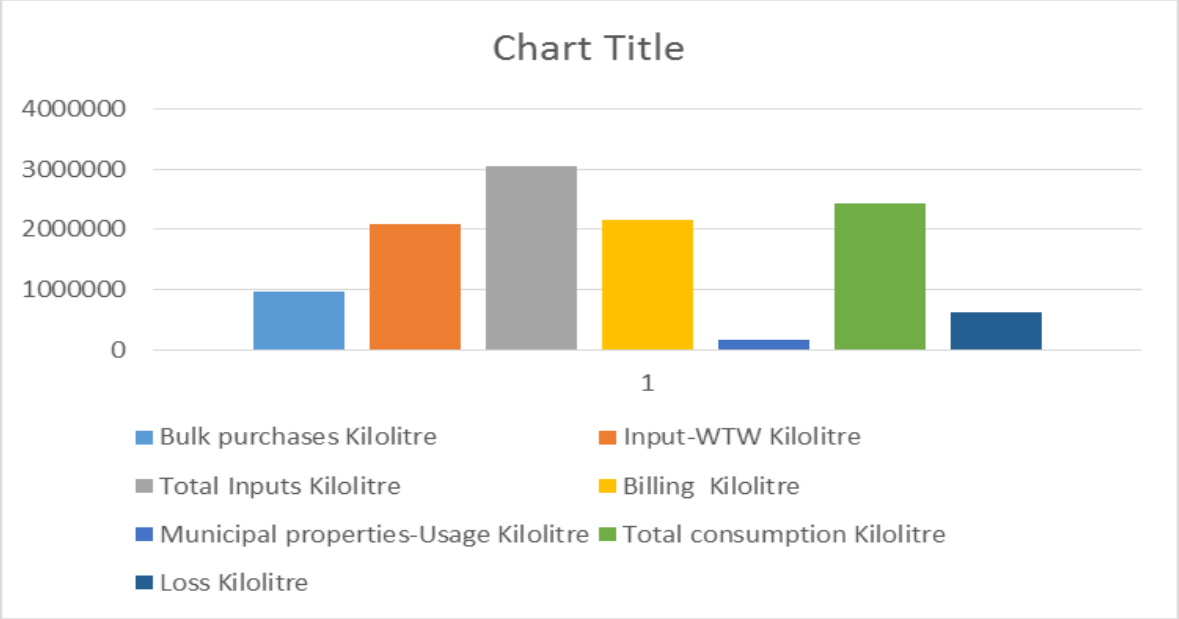
Challenges remained with boreholes in Rapotokwane, Tsakane and Vingerkraal, although repairs were regularly done to ensure functionality.

WATER USE

Table 30:

Bulk Purchases (kl)	Output WTW (kl)	Total Output (kl)	Billing (kl)	Loss (kl)
1 709 432	678 690	2 388 122	1 843 098	545 024

GRAPH: 11 WATER USE



Due to the high-water losses, the following Water Conservation Demand Management actions were prioritized:

- Replacement of Non-functional meters
- Reduce pressure in the reticulation system
- Reduce water losses to minimum acceptable levels
- Education & awareness

- Replacement of ageing infrastructure
- Continuous repair of water pipe bursts/ leakages

4.1.4 RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [WATER]

Table 31:

Census Category	Description	2019		2020		2021		2022		2023	
		Nr	%	Nr	%	Nr	%	Nr	%	Nr	%
	WATER (ABOVE MIN LEVEL)										
Piped (tap) water inside dwelling/ institution	House connections	14 073	78%	14 073	78%	15 777	78%	16 049	78%	16 795	73%
Piped (tap) water inside yard	Yard connections	855	5%	855	5%	309	2%	309	2%	1009	4%
Piped (tap) water on community stand: distance less than 200m from dwelling/ institution	Standpipe connection < 200 m	3 136	17%	3 136	17%	711	4%	711	3%	934	4%
Sub-Total: Minimum Service Level and Above		3 136	17%	3 136	17%	711	4%	711	3%	934	4%
* To include informal settlements											

The wording "within/more 200m from dwellings" be replaced with "standpipes" as it is challenging to measure.

4.1.5 EMPLOYEES WATER AND SANITATION SERVICES

Table 32:

Employees: Water and Sanitation Services - 2022/2023 Financial year				
Job Level	**Number of Employees**	**Number of Posts**	**Vacancies**	**% Vacancy**
0 - 3	1	1	0	0%
4 - 6	2	4	2	50%
7 - 9	3	8	5	65.5%
10 -12	2	2	0	0%
13 -15	46	59	13	22%
Total	**54**	**74**	**20**	**27%**

Vacancies in the Water and Sanitation Division is mostly caused by retirements more than resignations. This leaves the Division with serious skills shortages. The vacancy rate of 47% indicates that there is a serious gap in covering operations and maintenance work.

4.1.6 COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The Blue Drop Audit for the 2023/2024 financial year was done with only the system analysis concluded.

MUNICIPAL BDRR SCORE: 40.1%

Table 33:

Assessment Areas	**Bela-Bela /Magalies Water Supply System**	**Radium Borehole Water System**	**Rapotokwane Borehole Water System**
BULK / WSP		**Magalies Water**	
A: Total Design Capacity (Ml/d)	47	1	1.47
B: % Operational Capacity in terms of design	82.6%	80%	108.8 %
C1a: % Microbiological Compliance	98.8%	100%	0%
C1b: % Microbiological Monitoring Compliance	81.3%	0%	0%
C2a: % Chemical Compliance	98.5%	90.9%	0%
C2b: % Chemical Monitoring Compliance	50%	20.6%	17.7%
D: % Technical Skills	71%	0%	0%
E: % Water Safety Plan Status	73.1%	0%	0%
%BDRR/BDRR max	**38.2%**	**44.7%**	**98.4%**

The Bela Bela/Magalies WSS and Radium borehole falls in the Low-risk category and the Rapotokwane borehole falls in the Critical-risk category.

Criteria B - The Bela Bela/Magalies WSS and Radium borehole are operating within their design capacity (<90%) which makes the water systems to be at Low-risk. However, the Rapotokwane borehole is operating above its design capacity (>90%) which makes it non-compliant, and this must be addressed by the WSA.

Criteria C – The Bela Bela/Magalies WSS indicates excellent compliance for Microbiological compliance (>98%), Microbiological Monitoring compliance (>80%) and Chemical compliance (>98%). However, the WSS achieved adequate score for Chemical Monitoring compliance. The Radium borehole only achieved an excellent Microbiological compliance (>98%), the Microbiological Monitoring compliance is not monitored by the WSA and there is non-compliance with Chemical compliance (<98%) and Chemical Monitoring compliance (<80%) which presents a serious health risk to the end users. The Rapotokwane borehole indicates no monitoring for Microbiological compliance, Microbiological Monitoring compliance and Chemical compliance, and non-compliance with Chemical Monitoring compliance (<80%) which presents a serious health risk to the consumers as quality of water cannot be guaranteed for consumption.

Criteria D – The Bela Bela/Magalies WSS achieved adequate score for compliance with technical skills and Radium borehole and Rapotokwane borehole indicated no presence of technical skills, which indicates that there is insufficient or an absence of the relevant process control staff and maintenance teams.

Criteria E – The Bela Bela/Magalies WSS indicated the presence and implementation of a Water Safety Plan and development of risk-based water quality monitoring programmes as outlined in SANS 241:2015. However, Radium borehole and Rapotokwane borehole indicated the absence of a Water Safety Plan.

The Regulator encourages the WSA and WSP to urgently implement the following recommendations to ensure delivery of safe drinking water for all consumers:

A and B: Installation of calibrated inflow meters to verify operational capacity at Rapotokwane borehole which is operating at 108.84% of its design.

C: Implementation of corrective measures in the event of microbiological and chemical failures to always ensure delivery of safe drinking water. Implementation of monitoring programmes with sufficient samples based on population size as outlined in SANS 241:2015.

D: Appointment of suitably qualified staff (supervisors, process controllers and maintenance teams) aligned to set criteria.

E: Development of Water Safety Plan as per SANS 241:2015 and WHO guidelines including risk assessment of entire supply system, water quality evaluation based on full SANS 241:2015 analysis of raw and final water, development of risk-based monitoring programmes, and implementation of mitigating measures to address all medium and high risk.

The Water supply systems in Rapotokwane and Masakhane have also since been improved through the installation of Package Plants to improve the water quality.

(Source: Blue Drop Progress Report 2023)

4.2 INTRODUCTION TO WASTEWATER (SANITATION) PROVISION

BBLM households predominantly have a water borne sanitation system, except in rural areas such as Tsakane, Vingerkraal, Masakhane and Rapotokwane which use Dry Sanitation.

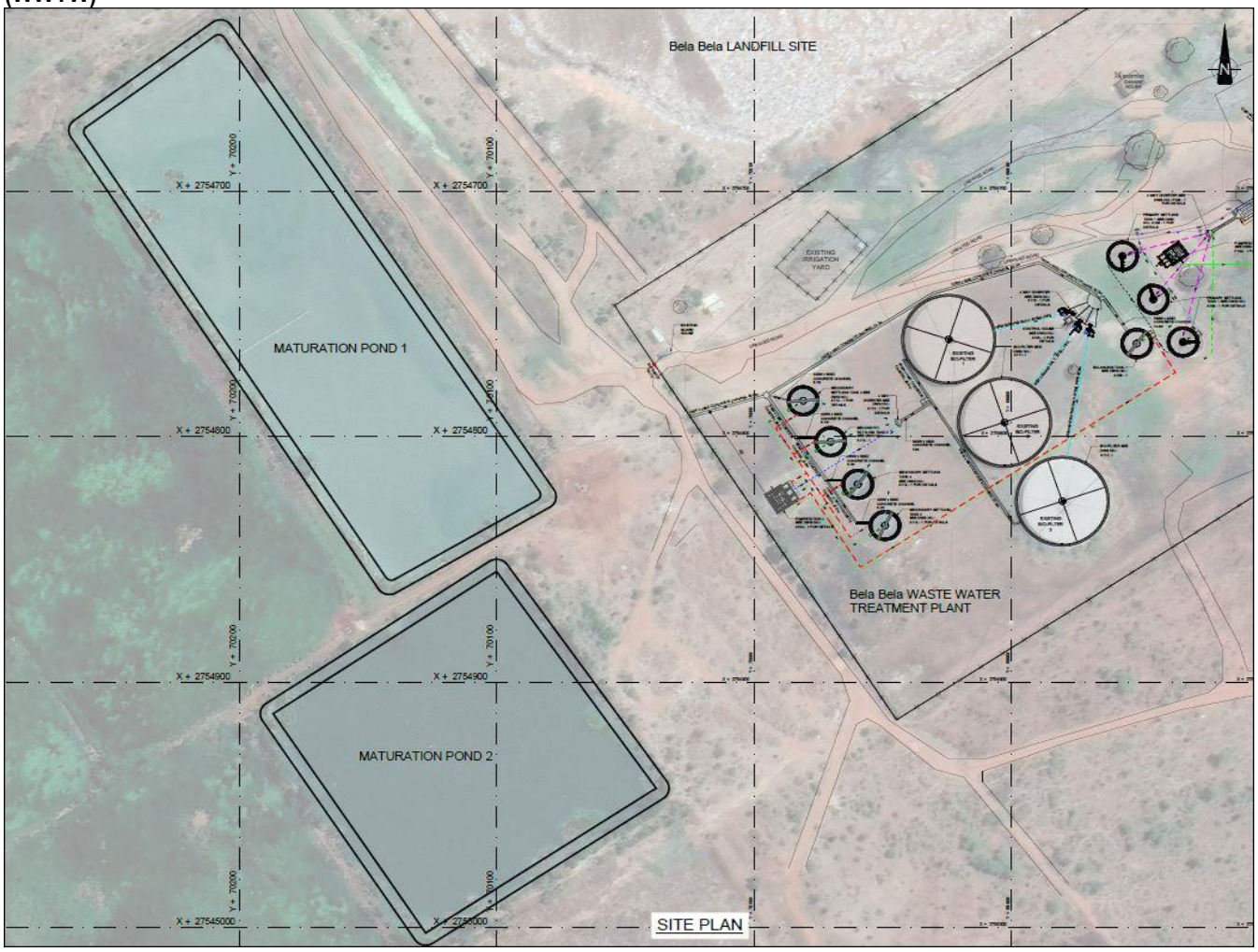
Backlog exists mainly in informal settlements and new extensions within the entire Municipal area and was recorded at 4 120 households (including informal settlements and rural areas) as of end of June 2022. To address this matter, the Municipality is supported by the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) to formalize informal settlements and the realignment of stands in line with township establishment requirements.

The Sanitation Infrastructure comprises of 1 X Biological Activated Sludge Plant in Bela-Bela (Bela-Bela Wastewater Treatment Works), 2 x Oxidation Ponds (Pienaarsrevier and Masakhane), 8 Sewer Pump Stations (Masakhane PS, Pienaarsrevier PS, Settlers PS, Leseding PS, Ext 6 PS, Bospoort 1 PS, Bospoort 2 PS, Aventura PS) and about 1056 Manholes over total length of 175,4km of pipeline.

The main challenges with sanitation services are:

- Ageing Infrastructure.
- Under capacitated Bulk Infrastructure, including Wastewater Treatment Plant (Bela-Bela) and Pump Stations.
- Misuse of sewer network (Flushing of foreign objects).
- Stormwater ingression caused by direct connection of household stormwater drains into the sewer system.

FIGURE: 1 BELOW INDICATE THE LAYOUT OF THE BELA-BELA WASTEWATER TREATMENT WORKS (WWTW)



4.2.1 RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [SANITATION]

Table 34:

Actual service levels	2021		2022		2023		2024	
	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs
Full Flush - connected to a sewage system	14 928	82.60%	15 693	76%	15 965	76%	17 037	73%
Low Flush - connected to a sewage system	855	4.73%	348	2%	348	2%	497	2%
Septic tanks - full flush with septic tank	20	0.01%	9	0%	9	0%	9	0%
VIP - Pit latrine with ventilation	862	5.47%	396	2%	396	2%	580	2%
Chemical toilet	0	0	146	1%	146	1%	146	1%
Pit Latrines without ventilation (Backlog)	1399	7.19%	1 591	8%	1 591	8%	1 743	7.00%
Bucket toilet	0	0	0	0	0	0	0	0
Other <RDP sanitation services	0	0	7	0%	7	0%	128	1%
No services	0	0	2518	12%	2518	12%	3122	13%
Total	**18 064**	**100**	**20 708**	**100%**	**20980**	**100%**	**23278**	**100%**

4.2.2 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The Green Drop assessment report

Table 35:

Water Service Institution	Bela Bela Local Municipality	
Water Service Provider	Bela Bela Local Municipality	
Municipal Green Drop Score		**VROOM Impression (Towards restoring functionality):** 1. Primary settling tank to be unblocked 2. Backup power for primary settling tanks 3. Repairs to Biofilters 4. Install disinfection **VROOM Estimate:** - R15,192,000
Green Drop Score	32%↓	
2013 Green Drop Score	44%	
2011 Green Drop Score	17%	
2009 Green Drop Score	3%	

Key Performance	Area Weight	Pienaarsrivier	Radium	Warmbaths
A. Capacity Management	15%	60.0%	72.5%	62.0%
B. Environmental Management	15%	58.8%	58.8%	47.0%
C. Financial Management	20%	0.0%	0.0%	10.0%
D. Technical Management	20%	0.0%	0.0%	35.8%
E. Effluent & Sludge Compliance	30%	26.3%	7.5%	15.0%
F. Bonus		34.0%	34.0%	39.0%
G. Penalties		-25.0%	-25.0%	0.0%
H. Disqualifiers		None	None	Notice
Green Drop Score (2021)		**25%**	**21%**	**34%**
2013 Green Drop Score		**46% 42% 44%**	**46% 42% 44%**	**46% 42% 44%**
2011 Green Drop Score		**2%**	**21%**	**17%**
2009 Green Drop Score		**0%**	**0%**	**0%**
System Design Capacity	Ml/d	0.2	1	6
Design Capacity Utilisation (%)		NI	NI	75%
Resource Discharged into		Discharge in farm dam, private property	Discharge to maturation ponds	Discharge to maturation
Microbiological Compliance	%	Insufficient data set	Insufficient data set	0%
Chemical Compliance	%	Insufficient data set	Insufficient data set	25%
Physical Compliance	%	Insufficient data set	Insufficient data set	58%
Wastewater Risk Rating (CRR % of CRRmax)		**Pienaarsrivier**	**Radium**	**Warmbaths**
CRR (2011)	%	88.2%	53.0%	60.0%
CRR (2013)	%	88.2%	76.5%	76.0%
CRR (2021)	%	82.4%	88.2%	59.1%

4.3 ELECTRICITY

4.3.1 INTRODUCTION TO ELECTRICITY SERVICES

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

During the 2023/2024 financial year the Municipality did not electrify any households due to lack of funding and lack of bulk capacity pending the completion of the new Bela-Bela Substation project. A backlog of about 390 households and 135 households still exists for Ext 25 (Koppewaai) and Ext 8/9 respectively. This Backlog can only be covered once the Substation project is complete and functional.

There are two electricity providers in the Bela-Bela municipal area, namely the Bela- Bela Local Municipality and Eskom. As per the Billing information, the Municipality provided access to electricity to 10 468 residential properties and 1 524 non-residential properties (Business, Churches, Schools & Hospitals) as at the end of June 2024.

Bela-Bela Local Municipality supplies Bela-Bela Town, Township, Spa Park, Jinnah Park, Feur n Villa, Eu Montagne, Golfbaanpark as well as outer plot areas like Bospoort and Noodhulp / Roodepoort. Whereas Eskom supplies the remaining areas, smaller towns/nodal points and the rural areas of Bela-Bela Local Municipality viz Radium/ Masakhane, Rapotokwane, Settlers, Pienaarsriver and other farm areas

4.3.2 BULK ELECTRICITY SUPPLY

Bela-Bela Local Municipality has one main supply substation namely, Bela-Bela main substation located within town at Industrial Str. Next to the main substation, is the Eskom yard with 2 x 20MVA transformers which supply the substation via 2 x 11kV feeder cables of +/-160 m (each feeder consists of 2x 300mm2 cables). Eskom is only responsible for supply into the main substation (i.e., 2 x 20MVA supply transformers). The reported Notified Maximum Demand was at 17.75 MVA, however it is currently exceeding our rated capacity. Current usage throughout the year varies between 19 MVA and 25 MVA, with the higher peak in the winter months. Therefore, its critical that the new Bela-Bela 135/11KV 2 x MVA Substation project be completed.

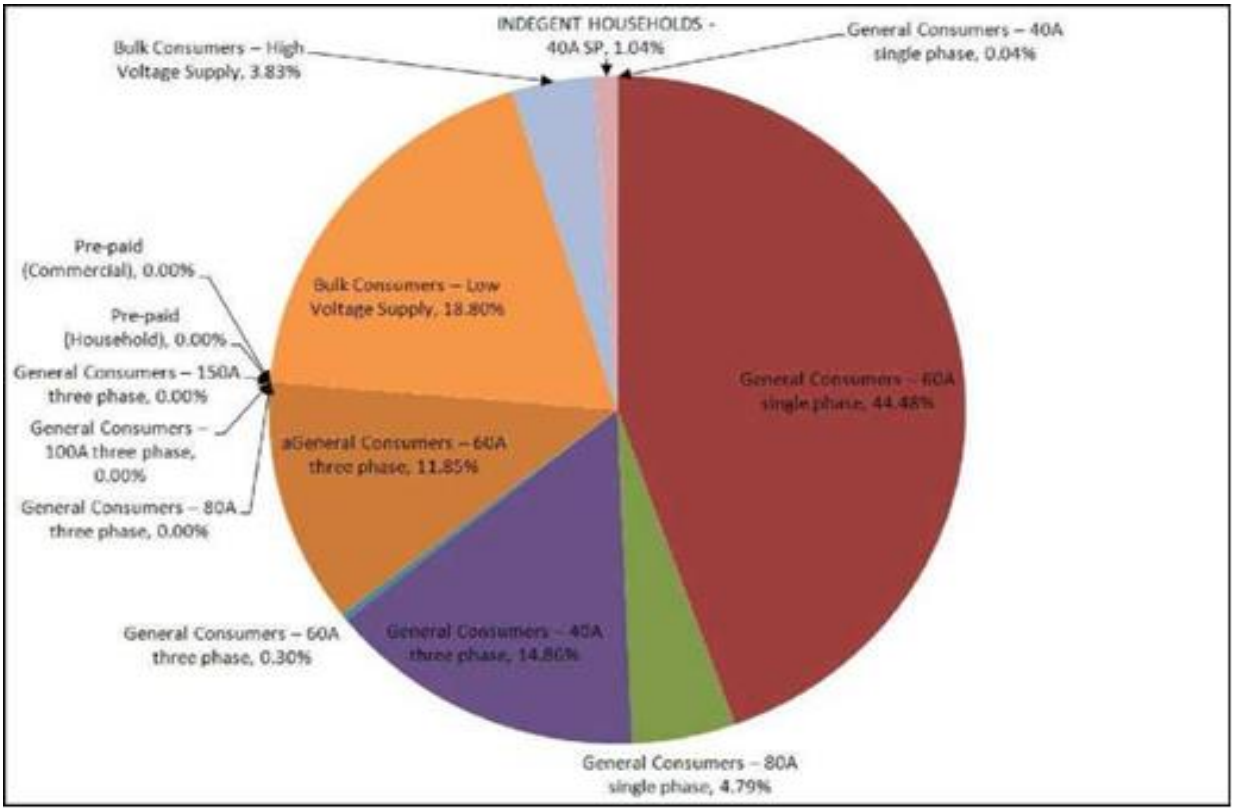
4.3.3 ELECTRICITY SERVICE DELIVERY LEVEL

Table 36:

ELECTRICITY SERVICES DELIVERY LEVEL	
ENERGY ABOVE (Above Minimum Level)	2023/2024 H/H
ELECTRICITY : (AT LEAST MIN.LEVEL)	658
ELECTRICITY – (AT LEAST MIN.SERVICE LEVEL)	1 101
ELECTRICITY –PREPAID (MIN.SERVICE LEVEL)	8 504

MINIMUM SERVICE LEVEL AND ABOVE SUB TOTAL	13 827
BELOW MINIMUM LEVEL	0
OTHER SOURCES	3 364

GRAPH:12 BELOW IS ABREAKDOWN OF CAPACITY ALLOCATION BY COMSUMER CLASS



4.3.4 ELECTRICAL MAINTENANCE

Maintenance of the Electrical Infrastructure was reactively conducted as follows:

- Mini Substation maintenance.
- Switch gear maintenance
- Replacement of faulty Transformer
- Replacement of faulty Meters
- Repair of cable faults

- Replacement of damaged wooden poles
- Repair/ replacement of blown Fuses and tripped circuit breakers
- Repair of streetlights
- Vegetation management

4.3.5 EMPLOYEES – ELECTRICAL SERVICES

Table 37:

Employees: Electricity Services 2023/2024 Financial Year				
Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	1	1	0	0 %
4 - 6	9	13	4	30%
7 - 9	2	2	0	00%
10 - 12	4	4	0	0%
13 - 15	15	18	3	17%
Total	31	38	7	18%

4.3.6 CAPITAL ELECTRICICATION PROGRAMME

Table 38:

Service Objectives	Project Name	2023/2024 Budget
Electrification Bela-Bela X9	Electrification Bela-Bela X9 (900HH) - Phase 2B	R 1 000 000.00

4.3.7 COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Based on the 2023/2024 financial year electrical losses are at 22%, various reasons could be observed which are contributory factors such as technical elements. Therefore, the Municipality should implement several interventions which includes:

- Cost of supply study to an in-depth tariff analysis and review
- Conclusion of supply Contracts with large power users
- Continuous audits on the large power users.

- Continuous of the audits on the streetlights and municipal buildings energy meters.
- Continuation of the audits in the plots around the BBLM.
- Replacement of identified faulty electrical energy meters.
- Some of the emanating challenges reported by the staff are symptomatic to aged cables. These are:
- Inefficient sections of cable that can no longer carry the rated load
- Cables that are prone to faults
- Repeated faulting on the same length of cable

Cable breakdown i.e. cables that will operate for a long time and then instantly fail. With no gradual deterioration experienced.

All of the substation buildings structures require work to address leaks, ventilation, and security. With the exception of the main substation, all substations require major upgrade to MV switchgear panels (with busbars), breakers including protection, control and instrumentation

4.4 ROADS AND STORMWATER SERVICES

4.4.1 INTRODUCTION TO ROADS AND STORMWATER SERVICES

Bela-Bela Local Municipality holds responsibility for the routine maintenance, upgrading, and rehabilitation of roads within its jurisdiction. Currently, many roads are in a severely deteriorated condition, highlighting an urgent need for comprehensive improvements. To better understand and prioritize these needs, the Technical Services Department has conducted a detailed Road Visual Assessment, identifying specific areas and streets requiring intervention.

While routine road maintenance has been maximized to improve accessibility and infrastructure conditions, challenges persist due to limited funding. The available resources fall short of what is needed for the extensive refurbishment and upgrading required across both roads and stormwater systems. In the 2023/2024 financial year, the Municipality was fortunate to receive support from Roads Agency Limpopo (RAL), which assisted with the rehabilitation of several streets in Bela-Bela Town that could not be funded through the Municipal Infrastructure Grant (MIG) due to funding restrictions. This collaboration has been instrumental in addressing critical road conditions in areas where MIG funding is unavailable.

A major ongoing issue is the municipalities under capacitated stormwater infrastructure, which is regularly maintained but remains insufficient to handle current demand. The system urgently requires upgrades to prevent flooding, protect road longevity, and maintain effective drainage during periods of heavy rainfall.

To address these issues, there is an immediate need to develop a Roads and Stormwater Master Plan. This plan would provide a strategic framework for guiding future investments, improving stormwater capacity, and ensuring sustainable infrastructure development. Currently, the Municipal Infrastructure Grant (MIG) supports some road upgrades, particularly in Township areas, but the funding is insufficient to address the substantial backlog. The Municipality is actively seeking additional funding sources to fully address these critical infrastructure needs, improve road safety, and support long-term growth and resilience.

4.4.2 RECORDS OF MUNICIPAL ROADS INFRASTRUCTURE

Table 40:

Settlements	Length of Roads/Street		Total
	Paved	**Unpaved**	
Bela- Bela Town **Bela- Bela Township**	135.20km	99.12km	235.12km
Radium (Masakhane)	1.03km	3.27km	4.3km
Piennarsrivier	5.1km	3.7km	8.8km
Rapotokwane	1.9km	17.1km	19km
Total	**143.23km**	**123.19km**	**267.22km**

4.4.3 RECORDS OF MUNICIPAL STORMWATER INFRASTRUCTURE

Table 41:

DESCRIPTION	DISTANCE/ QTY
Guardrails	15.6 KM
Concrete open channels	15.6 KM
Earth open channels	1.7 KM
Underground pipes	63.7 KM
Catch Inlets (number)	82
Low Level Culverts	27

4.4.4 ROUTINE ROAD AND STORM WATER MAINTENANCE

Routine Maintenance of the Roads and Stormwater Infrastructure was conducted as follows:

- Repair of damaged concrete block paved surfaces
- Patching of potholes.
- Clear roads of debris to ensure safe operating environment (Use of EPWP & CWP Workers).
- Regravelling and blading of unpaved roads.
- Maintenance of stormwater infrastructure on a quarterly basis to avoid damage to property and loss of life. (Cleaning open lined channels, cleaning underground pipelines, catchpits, etc.).

4.4.5 EMPLOYEES ROADS AND STORMWATER

TABLE 42:

Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	0	1	1	100 %
4 - 6	0	2	2	100 %
7 - 9	1	3	2	66%
10 - 12	1	5	4	80%
13 - 15	13	16	3	23%
Totals	**15**	**27**	**12**	**44%**

4.4.6 CAPITAL PROJECTS

Table 43:

Programme	Project Description	Allocated Budget	Annual Milestone	Expenditure by June 2023
Roads and Storm Water	Bela-Bela: Road Paving and Stormwater in Bela Bela X6 - Phase 2 (Ward 7)	7 812 531,12	Completed	7 806 077,30
Roads and Storm Water	Bela-Bela: Road Paving and Stormwater in Bela Bela X6 - Phase 3 (Ward 7)	9 488 814,74	Completed	9 488 814,59
Roads and Storm Water	Bela-Bela: Road Paving and Stormwater in Bela Bela X8 - Phase 3 (Ward 4)	11 690 631,00	Completed	11 690 630,21

Capital Projects are mainly funded from the Municipal Infrastructure Grant (MIG).

4.5 INTRODUCTION TO PLANNING AND ECONOMIC DEVELOPMENT

Purpose Of The Department

To be people centred, investment responsive, efficient and functional department that leads effort to push back frontiers of poverty, underdevelopment and unemployment through implementation of development inclusive policies, strategies and programmes.

Mandate Of The Department

To lead, facilitates and promote economic transformation, inclusive growth and socio-economic development.
To ensure optimal planning, housing delivery and land use management for the municipality.

STRATEGIC OBJECTIVES

The Planning and Economic Development Department's work seeks to achieve the following objectives:

- To create a condusive environment that attracts investments, create jobs and economic competitiveness
- To strive for vibrant, inclusive and sustainable regional economy that prioritises the interest of the its diverse communities through knowledge creation that drives positive change and improved livelihood
- To ensure that the municipality is an agricultural hub and an ecotourism destination of choice as its value proposition
- To ensure that, underdevelopment and unemplyment are reduced through intergated efforts that prioritises action learning, human development, accelerated and shared economic growth.
- To ensure accelerated and shared economic growth through skiils development, enterprise development and investment retention

4.5.1 PLANNING SERVICES

Planning in South Africa operates within the Legal Framework, which strives to ensure that municipalities deliver their developmentally-oriented planning objectives as embraced under Sections 152 and 153 of the Constitution of South Africa. Bela-Bela Local Municipality, through the Planning and Economic Development Department, is the custodian of land development and land use; and this is guided by planning policies including the Spatial Development Framework (SDF) and Land Use Management Scheme (LUMS). Amongst the function of the division are:

a) Ongoing revision, implementation, monitoring, and evaluation of the SDF informed by current realities and policy frameworks
b) Monitor implementation of the LUMS, capture current and future development
c) Development of the Land Use and other By-Laws as well as other policy guidelines to enforce the implementation of the LUMS
d) Coordinated building control activity. (Building plans, and Certificate of Occupancies, implementation of National Building Regulations Act 103 of 1977)
e) Coordinated/administered land development applications (township establishment, rezoning, consent uses, subdivision and consolidation and any developmental application).

4.5.2 ILLUSTRATE APPLICATIONS FOR LAND USE DEVELOPMENT

Table: 44

Applications for Land Use Development									
Detail	**Township Establishment**			**Rezoning**			**Built Environment**		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	2021/22	2022//23	2023/24
Planning Applications Received	1	2	7	7	10	13	119	162	108
Determination made in a year of recipient	0	0	2	2	7	9	114	147	89
Determination made in the following year	0	0	0	0	0	0	0	15	0
Applications withdrawn	0	0	0	0	0	0	0	0	01
Applications outstanding at a year end	0	0	5	5	3	4	05	15	18
Total Applications Received	**1**	**2**	**7**	**7**	**10**	**13**	**119**	**162**	**108**

The table above represent an increase of 5 new township establishment application as opose to 2 during the previous year. This 65% increase in new township applications can be attributed to recovery post the Covid 19 Period.

4.5.3 BUILDING PLANS APPLICATIONS

Table 45:

Building Plans Applications: 2023/2024 Financial Year				
Number of Building Plans received			**Number of Building plans approved**	**Number of Building plans not approved**
99			**91**	**08**
Details of Building Plans Approved and Not Approved and reasons thereafter				
Month	**Building Plans Received**	**Building Plans Approved**	**Building Plans not Approved**	**Reason**
July 2023	08	08	0	N/A
August 2023	08	07	01	• Waiting for owner to apply for building line relaxation and confirm erf measurements with the land surveyor. • Waiting for Architect to rectify or amend plans
September 2023	04	04	0	• N/A
October 2023	07	07	0	• N/A

November 2023	06	06	0	• N/A
December 2023	08	07	01	• Pending correction by Architect
January 2024	08	08	0	• N/A
February 2024	09	08	01	• Waiting for owner to apply for building line relaxation and confirm erf measurements with the land surveyor.
March 2024	06	06	0	• N/A
April 2024	15	13	2	• Pending Correction by Architect. • Waiting for owner to apply for building line relaxation and confirm erf measurements with the land surveyor.
May 2024	06	05	01	• Pending Correction by Architect.
June 2024	14	12	02	• Building plan application withdrawn by client • Waiting for Architect to rectify or amend plans

The table above reflect a 7% drop in the number of building plans received in 2023/2024 financial year as compared to the year under review. The drop is attributed to poor economic growth which was negative. The improvement is expected as the economic sentiment as well as the reduction in interest rates are anticipated going forward. There was however an improvement on building plan approval. During 2023/2024 financial year only 83 building plans were approved against 107 plans submitted. Of the 99 building plans submitted in 2023/2024, a total of 91 building plans were approved against 99 received, which represent 92% approval rate against 78% in 2023/2023 FY. This represents 13% improvement overall.

4.5.4 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION

Table 46:

Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	1	1	0	0 %
4 - 6	2	4	2	50 %
7 - 9	1	1	0	0%
10 - 12	0	0	0	0
13 - 15	0	0	0	0
Totals	4	6	2	33%

4.5.5 COMMENT ON THE PERFORMANCE OF TOWN PLANNING OVERALL

The Municipality has the approved Spatial Development Framework and Land Use Management Scheme, which is currently implemented, however, few challenges were experienced during the implementation. Enforcement of LUMS is one of the challenges that Municipalities face, as a result, illegal land uses is experienced within the Municipal area. To educate communities about the negative impact of the illegal land use that affects municipal planning for the provision of basic services, the Municipality conducted several awareness campaigns regarding compliance with Land Use Management to reduce the illegal land use and ensure proper planning for the provision of basic services.

4.5.6 HUMAN SETTLEMENT

Bela-Bela is accredited level 1 by the Department of Cooperative Governance, Human Settlement and Traditional Affairs to manage and administer beneficiaries within the Municipality. During the financial year, the Municipality was allocated 200 houses which were going to be built at Warmbaths Extension 25, Rapotokwane and Vingerkraal. Of the 200 allocated, 192 houses were completed by the end of the financial year.

Progress with the implementation of Catalytic Human Settlement Land Development Programme

The municipality has 3 catalytic land development projects. Two are informal settlements upgrading implemented in partnership with HDA and COGHSTA and the other is a commercial park mixed use development. The projects are aimed at improved service delivery and economic development and create an enabling environment for social and economic viability.

a) Bela-Bela Ext 25 Informal Settlement Upgrading Project

Progress during the year under review:

- 250 sites have been fully serviced.
- 243 Houses in freehold sites completed.
- Installation of sewer and water reticulation for the 1164 sites is in progress

Total Budget spending

- R79 474 million allocated for reticulation of internal services
- R34 198 million allocated for top structure
- R43 876 million allocated for infrastructure augmentation

b) Vingerkraal Informal Settlement Upgrading Project

Progress during the year under review:

- 1000 sites have been serviced
- 101 Houses in freehold sites completed.
- Construction of the remaining 114 houses and VIP toilets in progress.

Total Budget spending

- R 55 594 000 million allocated for internal services (Water Reticulation, Roads and Stormwater).
- R30 040 230 million allocated for top structure

c) Bela-Bela Commercial Park Project

- It is a half a billion Rand (R500m) project located at the corner of R516 and R101 about 500m from the CBD.
- The focus of the development is mixed use development catering for commercial, light industrial, retail and residential
- Currently undergoing feasibility and town planning processes

Total Budget allocation of R3.5M over the MTREF and the development is to be released to private sector for investment purposes.

Major human settlement challenge identified is the shortage of land for human settlement which resulted in an increasing number of informal settlements. The Municipality continues to engage the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) to assist in purchasing land for the development of human settlement.

4.6 ECONOMIC DEVELOPMENT SERVICES

The Constitution of the Republic of South Africa, 1996: Section 152 states that the objectives of local government among others, is to "promote social and economic development" Section 153 states that one of the developmental duties of municipalities must be to structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community, and to promote the social and economic development of the community. White Paper on Local Government, 1998 indicates that it is the responsibility of the private sector to create jobs, and that government has the role to create an enabling environment.

4.6.1 LOCAL ECONOMIC DEVELOPMENT BY - LAW

The municipality initiated a process of developing By-laws and in this case, Outdoor Advertising Controls By-Law and Informal Trading By-Laws were developed and gazette. By-laws are laws that are adopted by Council of a municipality to regulate the affairs and the services within the jurisdiction of the municipality. The challenge, however, is the enforcement of the by-laws due to lack of capacity and resources. This challenge has led to the proliferation of illegal advertisement as well as informal trading impacting on our ability to attract more investments and tourism into our municipal area.

4.6.2 LOCAL ECONOMIC DEVELOPMENT INITIATIVES

LED initiatives aimed at improving small businesses within the jurisdiction of Bela-Bela as well as interventions were implemented in partnership with various Agencies of government and the private sector. This included training intervention such as Contractor Development Programme which is aimed at equipping local contractors to be able to take advantage of the opportunities presented, particularly in the construction sector. Some of the trained beneficiaries are benefiting through construction programmes throughout the municipality. This includes project such as the SANRAL upgrading of Bela-Bela Local Municipality strategic road network.

4.6.2.1 STAKEHOLDER ENGAGEMENTS

The municipality was also instrumental in the engagement and coordination of the Bela-Bela Local Economic Development Forum (BBLEDF). This is a group of representatives from different local stakeholder formations that are working together and share knowledge for the developments of Bela-Bela. Its objectives are:

- To provide strategic input on the LED Strategies and drive the implementation of LED projects outlined in the IDP
- Improve integrated economic planning
- Co-ordinate access to funding for LED initiatives by creating a multi-sourced funding streams
- Assist the municipality in identifying and capitalizing on local competitive advantage
- Improve access to sustainable investment finance and capitalize on local competitive advantage
- Ensure participation of the historically disadvantaged communities in economic development
- Attract investment for projects that will enhance sustainable economic prosperity
- Serve as a vehicle for channeling resources for socio-economic development in terms of social investment obligation
- Promote knowledge management and share best practices and Foster public private partnerships

The LEDF forum meets on a quarterly basis and below are the meetings held during the year under review.
Table 47:

28th of September 2023.	Multipurpose Community Centre
01st of November 2023	Old Community Hall (10H00) and Pienaarsrivier Hall (14h00) SMMEs sectoral engagements
26th of March 2024	Council Chamber

NB: The fourth quarter Local Economic Development Forum meeting was not convened due to unforeseen circumstances

4.6.2.2 INITIATIVES TO DRIVE TOURISM DEVELOPMENT

Engagement with Tourism Stakeholders: During the year under review, the municipality participated in various engagement with tourism stakeholders such as the Waterberg Tourism Association, Friends of the Bushveld, the Waterberg Development Initiatives to create vibrancy and to supports growth of tourism economy. The national Department of Tourism was also instrumental by providing training to the exco members**.**

Bela-Bela Night Market: The municipality mobilized local SMMEs to participate and showcase their product at the event held on the last Thursday of the month.

Participation in the Provincial Programmes: In the year under review, the municipality also participated in provincial programmes such as the Marula Festival as well as the September Tourism Month organized annually by the Provincial Tourism Agency.

The growth of tourism in the municipality needs urgent intervention in areas such as marketing and branding, Infrastructure and Services, aesthetics, and cleanliness. These areas are crucial in improving tourism experience. Well-maintained roads, utilities, and other essential services like healthcare, fire, and police are crucial for the smooth functioning of a town thereby attracting more tourists.

Skills Development, Business Licenses and Trading Permits.

During the financial year under review, the municipality processed a request for cooperation between Limpopo Economic Development Agency (LEDA) and the municipality in areas of enterprise development, mentorship and support, training, and skills development, etc. The Department also facilitated the issuing of business licenses and trading permits for SMME. Contravention notices were also issued for informal traders who are operating without the relevant documentation. As such the environment of compliance and law enforcement is expected to gradually increase due to Business Support.

4.6.3 SOCIO – ECONOMIC DATA INCLUDING SECTOR CONTRIBUTION

The Municipality does not function in isolation from Limpopo, South Africa, and the rest of the world. It is crucial to have reliable information on its economy for effective planning. This information is required to empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively. This section provides insights into the economic environment of the municipality in terms of the economic activity by sector as depicted by the below tables.

ECONOMIC PERFORMANCE BY SECTOR

Table 49

SECTOR	2012 - %	2014%
Agriculture, forestry and fishing	5	4
Mining and quarrying	4.9	17
Manufacturing	2.1	3
Electricity, gas and water	3.9	2
Construction	6.2	6
Wholesale and retail trade, catering and accommodation	15.9	22
Transport, storage and communication	10.1	11
Finance, insurance, real estate and business services	33.2	16
Community, social and personal services	18.6	20
Total	**100**	**100**

4.6.4 JOB CFREATION THROUGH EXTENDED PUBLIC WORKS PROGRAMME

The expanded public works programme is a national programme that draws a significant number of unemployed people into productive work. The programme is implemented throughout the municipality by recruiting the local community within various wards, with the purpose of developing their skills during the implementation of municipal projects to enable them to apply these skills in future after completion of these projects. The municipality has shown an increase in the creation of the work opportunities compared to previous years and there is better understanding and commitment from departments and project managers to create more employment. The table below depicts number of EPWP projects, and work opportunities created through these projects:

JOB CREATION

A total of 1 231 job opportunities were created during the year under review through government interventions such as expanded public works programme and other national programme that draws a significant number of unemployed people into productive work. The number however represent a significant drop of 28% (482) compared to the 2022/23 financial year. The drop is attributed to reduced grants from the national and provincial government in support of job creation initiatives.

Table 50:

Number of jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP)		
Program	**EPWP Projects**	**Number of jobs created**
Municipal Capital Project	Technical Services Department	**207**
CWP	Community Works Program	**943**
EPWP	EPWP	**81**
Total		**1 231**

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

The structure makes provision for 5 LED Posts and only 2 were filled during the year under review and 2 more advertised for appointments.

Challenges and mitigation factors in implementing LED

Lack of capacity and funding are the main challenges and as a mitigation, the municipality is resorting to partnerships with private and public entities to implement LED programmes.

STAFF COMPLEMENT

Table 51:

Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0 - 3	0	1	0	100%
4 - 6	1	2	1	50 %
7 - 9	1	1	0	0%
10 - 12	0	0	0	0
13 - 15	0	0	0	0
Totals	2	4	1	25%

4.6.6 COMMENTS ON LOCAL ECONOMIC DEVELOPMENT

The Municipality is encountering a grim reality of low standard of living, increasing poverty level, decline in job creation, decreased investor confidence, severe businesses disruption, and intolerable level of socio-economic hardships due to frequent power outages, lack of investment and prolonged low economic growth as well as Covid-19 aftermath experienced in the previous financial years. The department need to work with strategic partners to enhance implementation of its LED strategy. More work needs to be done in areas such as tourism development, marketing, and the branding of the region to live up to the strategic goal (an ecotourism destination of choice). Addressing informal trading and management of outdoor advertising is also necessary to encourage investment and development of tourism in the region.

4.7 COMMUNITY & SOCIAL SERVICES

This component includes: community parks & open spaces, community halls, sports fields, grounds and courts, cemeteries & crematoria and libraries & archives and waste management services

4.7.1 INTRODUCTION COMMUNITY AND SOCIAL SERVICES

Two of the objects of local government as enshrined in Section 152 (1) (c) (d) of the Constitution of the RSA is:

a. To promote social and economic development and

b. To promote a safe and healthy environment.

Section 24 of the Constitution of RSA Chapter 2 (b) i, ii and iii of Bill of Rights mandate municipalities to protect the environment for the benefit of present and future generations, through reasonable measures that prevent pollution and ecological degradation, promote conservation, secure ecologically sustainable development and use of natural resources. In recognition of this Constitutional obligation, National Environmental Management: Protected Areas Act No 57 of 2003 and Biodiversity Act No 10 of 2004 was promulgated to provide for the protection and conservation of ecologically viable areas and biodiversity.

Some of the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 within the Constitution of RSA are as follows:

a. Cemeteries and crematoria

b. Local sports facilities

c. Municipal parks and recreation

d. Bela-Bela Local Municipality within the Social and Community Services department aims to improve the quality of life of its citizens by effectively and efficiently identifying, developing and delivering comprehensive programmes that provide safe, sustainable and aesthetically pleasing recreational parks, municipal buildings, community facilities, streetscape locations, road reserves/verges, sports facilities and cemeteries in accordance with acceptable management practices or standards.

e. Provide the community with a dignified and responsive cemetery and memorialisation service and consistent maintenance in accordance with acceptable management practices or standards.

f. promote effective and sustainable “Greening initiatives.

4.7.2 CEMETERIES AND CREMATORIUM

Bela-Bela local Municipality has Four cemeteries that are consistently maintained.

a) Mokoena cemetery is closed and inactive. However, those who have previously booked conduct burials as and when funerals occur.
b) Masakhane cemetery is used by both communities of Masakhane and Pienaarsrevier.

c) Warmbaths cemetery is actively used by the community members from Bela-Bela Township, Muslim community, Town, Spa Park and Jinnah Park and Pienaarsrevier areas.

d) Luna street cemetery is inactive and currently closed. We confirm that the cemetery is currently maintained and situated next to the Municipal Main Building.

4.7.3 MAINTENANCE ACTIVITIES

Maintenance activities at the cemetery include the following:

a) Clearing of space.
b) Mowing, edging, and blowing grass.
c) Herbicides application and Litter picking.
d) Tree pruning
e) Digging of graves as per bookings

Challenges

1. No land available for development of cemetery in Pienaarsrevier
2. The paupers' burials (burial of unknown persons) requests from Sector Departments.
3. The Municipality is gradually running out of burial space.
4. No information board on the operations of the cemeteries
5. There is no numbering from row markings at cemeteries.
6. Vandalism of community amenities at community halls, parks, and sport facilities.
7. Inadequate fleet and equipment
8. Recording and capturing of cemeteries/burial information is done manually

Recommendations and interventions

1. Make budget provision for paupers' burials.
2. Identify land for cemetery development in town and Pienaarsriver.
3. Deployment of Security personnel at all Municipal community facilities.
4. Installation of high mast lights in all cemeteries which are solar operated.
5. Procurement of direction and information boards of cemeteries and community facilities.
6. Procurement of electronic Cemeteries Management System

WARMBAD CEMETERY



4.7.4 PARKS AND RECREATIONAL FACILITIES

Municipal parks and recreational facilities are used and enjoyed by members of the community and members. The Municipality should emphasise measures to protect and preserve the natural vegetation of parks and recreational facilities to control the use and enjoyment by members of the community.

The Municipality maintained the following parks Lethabile park, Leseding Park, Bulbulia street park, Grobler street park, Miles Street park, Oosthuizen Street park, Wood Packer, Moloto park, Pienaarsrevier park and Town park.

The Municipality had an obligation of taking care of the parks and hereunder are scheduled maintenance activities: Cutting and mowing of grass; Irrigation; Weed control; Litter picking, Pruning of trees; Laying of soil/compost/fertilizers.

LETHLABILE PARK



Challenges

a) Most of our parks are not secured as a result their amenities are vandalised as people have unrestrained access to the parks.
b) Trees and plants are stolen from the parks
c) Water restrictions due to lower reservoir levels because of loadshedding leads to incapacity to irrigate parks and stadium lawns

Recommendations

a) Installation of the security fence with access control gates in all parks.
b) Deploy security personnel at all parks.

Installation of a functioning system to transport greywater to the identified facilities for irrigation purposes

4.7.5 COMMUNITY HALLS

Bela-Bela Municipality rents out the community halls to the community as part of revenue collection. Community halls are booked for various events such as funerals, wedding, church services, political gatherings and any other event that meet the municipal policy concerning bookings. However, the Municipality uses this venue for its meetings and other government stakeholders are allowed to use these public facilities.

The Municipality has and maintains the following 5 Community Halls:

a) Spa Pak Community Hall
b) Jinnah Park Community Hall
c) Bela-Bela Community Hall
d) Multi-Purpose Center
e) Pienaarsrevier Community Hall

Scheduled maintenance activities:

a) Cleaning of the hall
b) Litter picking
c) Cutting of grass outside and the surrounding

BELA - BELA COMMUNITY HALL



4.7.6 SPORTS FIELDS, GROUNDS AND COURTS

The Municipality has and maintains 10 Sports facilities
Bela-Bela high, SUNFA, Ponto, Khabele, Masakhane, Pienaarsrevier, Rapotokwane, Moloto, Leseding and Spa Park)
Concerning the Bela-Bela Sports Fields, it should be noted that six of the ten are just ground sports fields and four with lawn pitches. Furthermore, it should be noted that the Municipality has the responsibility of maintaining the sports fields, however, there is a challenge of insufficient cleaning machinery such as Graders. The Municipality is currently depending on one grader to maintain both Roads and Municipal Sports Fields hence the delays and or non-adherence to the maintenance schedule which also lead to the outsourcing of the function.

Scheduled maintenance activities are:

a) Cutting of lawn.
b) Cutting of grass of surrounding areas.
c) Litter control.
d) Weed control.
e) Line markings with lime.
f) Irrigation.
g) Laying of soil/compost/fertilizers and
h) Grading of sports grounds

BELA-BELA HIGH SCHOOL SPORTS GROUND



4.7.7 COMMUNITY FACILITIES

Table: 53

Bela Bela Municipality Community Facilities							
Service Objectives Service Indicators (i)	**OUTPUT**	**2021/2022**		**2022/2023**		**2023/2024**	
		Target	Actual	Target	Actual	Target	Actual
Community Halls	Cleaning of 5 Com Hall	5	5	5	5	5	5
Maintenance of Parks	Maintenance of 10 Parks	8	8	10	10	10	10
Maintenance of Sports Fields	Maintain 10 sports grounds	13	13	13	13	10	10
Cemeteries	Maintenance of Cemeteries	4	4	4	4	4	4

4.8 INTRODUCTION TO WASTE MANAGEMENT

Section 24 (Chapter 2) of the Constitution indicates that everyone has the right to have an environment that is not harmful to his or her health and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that : prevent pollution and ecological degradation; promote conservation, and Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Based on the Constitution National Environmental Management Act (NEMA) 107 of 1998 came to effect with the objective to:

protect health, wellbeing and the environment by providing reasonable measures for-

Minimizing the consumption of natural resources.

Avoiding and minimising the generation of waste

Reducing, reusing, recycling and recovering waste.

Treating and safely disposing of waste as a last resort.

Preventing pollution and ecological degradation.

Securing ecologically sustainable development while promoting justifiable economic and social development.

Promoting and ensuring the effective delivery of waste services.

Remediating land where contamination presents or may present a significant risk of harm to health or the environment and

Achieving integrated waste management reporting and planning.

To ensure that people are aware of the impact of waste on their health, well- being and the environment.

To provide for compliance with the measures set out.

Generally, it gives effect to section 24 of the constitution to secure an environment that is not harmful to health and well-being.

The Municipality has an approved Integrated Waste Management Plan (IWMP), which has an optimum approach to waste management planning in terms of the resource's allocation, time scheduling achievable targets and allocation of responsibilities.

The overall objective of this IWMP is to reduce the generation of waste and the environmental impact of all forms of waste, thereby ensuring sound socio-economic development, a healthy population and that the quality of environmental resources is no longer adversely affected by uncontrolled and uncoordinated waste management. The internationally accepted waste hierarchy approach for waste avoidance/reduction, reuse, recovery, treatment and disposal is adopted in the strategy.

The Municipality is offering efficient curbside collection programs for recyclables and engaging community participation, recycling programs also contribute to the overall wellbeing of a community. The amount of waste being sent to landfills can both be reduced

The saying that one men's trash is another men's treasure couldn't be true than in the case of recycling, these days there are growing opportunities for communities to earn money by selling their recyclable or their already recycled materials such as papers, plastic bottles and cans. With communities earning money and companies saving money, this is a recycling win-win.

4.8.1 WASTE AND REFUSE REMOVAL ACHIEVES

To comply with the requirements of Section 24 of the 1996 Constitution of Republic of South Africa, (NEMA) 107 of 1998 and Bela Local Municipality approved Integrated Waste Management Plan, which highlighted all the pivotal areas where the Municipality is responsible for Waste Management. During the 2023/2024 financial year, the Municipality collected waste from all formal settlements once per week per household which was at (Bela-Bela Town, Bela-Bela Township, Pienaarsrivier and Masakhane, Jinnah Park and Spa Park). The collection of waste was also done twice per week in business areas. Furthermore, it should be noted that apart from the collection of waste in the formalized areas, the Municipality could not ignore the informal settlements. The collection of waste was further extended to informal settlements through emptying of Mass Refuse Containers placed in different areas of the informal settlements; Zuma, Koppewaai, Tsakane. New Landfill is under construction at ward 2 as the current one is about to reach its lifespan.

KERBSIDE COLLECTION BY COMPACTOR TRUCK



4.8.2 ILLEGAL DUMPING SITES

Municipality has provided the mass refuse bins at hotspot areas identified for illegal dumping. However, community members continue with illegal dumping. The Municipality complies with the provisions of Section 24 of the Constitution of RSA the Municipality cleared different illegal dumping areas daily. Illegal dumping pictures are attached below.



BEFORE – BETWEEN EXT 6 AND EXT 7



AFTER CLEANING – BETWEEN EXT 6 AND EXT 7

4.8.3 ENVIRONMENTAL AWARENESS COMPAIGNS

Environmental education and awareness is a multidisciplinary field that aims to teach people how to manage the environment and live sustainably. It's a way to raise awareness of environmental issues and the actions people can take to improve the environment.

Messages of awareness on waste management and environmental consciousness were distributed through campaigns, Municipal social media networks and Community meetings.

4.8.3.1 WASTE MANAGEMENT AWARENESS COMPAIGNS (KEEPING BELA - BELA CLEAN)

Environmental education and awareness is a multidisciplinary field that aims to teach people how to manage the environment and live sustainably. It's a way to raise awareness of environmental issues and the actions people can take to improve the environment.

Messages of awareness on waste management and environmental consciousness were distributed through campaigns, Municipal social media networks and Community meetings.

Launching of recycling project at Albert Luthuli Primary School

The Municipality partnered with Forever Resort in Launching the recycling project at Albert Luthuli on the 18 July 2024. The learners are encouraged to separate waste at home and bring the recyclable materials to school. The recycled materials will be sold the buy-back centers. Class that collected more recyclables will be rewarded.



The Mayor demonstrates the can bin



The Speaker and the Municipal Managers demonstrate on the plastic bin





Converting of Illegal dumping area

An illegal dumping area at Ext 1 next to Mr. Moselane was converted to a Netball ground. Awareness was aimed at educating and encouraging the community to keep the open spaces clean.



before



during



After

4.8.3.6 CHALLENGES

Environmental impact – illegal dumping can pollute water, damage soil and air quality.
Health risks – illegal dumping can create breeding grounds for pests and diseases that spreads to humans.

4.8.3.7 SOLID WASTE SERVICE DELIVERY

Table 54:

Solid Waste Service Delivery Levels Households				
	Year -3	Year -2	Year -1	**2023/2024**
Description	Actual	Actual	Actual	**Actual**
Solid Waste Removal: (Minimum level)	Weekly	Weekly	Weekly	**Weekly**
Remove at least once a week	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	**6x Formal areas with weekly access to waste removal** **(Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)**
Minimum Service Level and Above sub-total	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	6x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)	**6x Formal areas with weekly access to waste removal** **(Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsrevier.)**
	3 x Areas Jacob Zuma, Tsakane and Koppewaai	3 x Areas Jacob Zuma, Tsakane and Koppewaai	3 x Areas Jacob Zuma, Tsakane and Koppewaai	**3 x Areas**
Minimum Service Level and Above percentage	100%	100%	100%	**100%**

Solid Waste Removal: (Below minimum level)	0	0	0	**0**
Removed less frequently than once a week	0	0	0	**0**
Using communal refuse dump	1	1	1	**1**
Using own refuse dump	1	1	1	**1**
Other rubbish disposal	0	0	0	**0**
No rubbish disposal	0	0	0	**0**
Below Minimum Service Level sub-	0	0	0	**0**
Below Minimum Service Level percentage	**0%**	**0%**	**0%**	**100%**

4.9 SPORTS, ARTS, CULTURES AND LIBRARIES

The Municipality coordinated Sport, Arts and Culture activities in line with the National Sport and Recreation Plan partnership with the Provincial Department of Sport, Arts and Culture and Sport Federations to realize national priorities of building social cohesion and active society. Council approved a Policy on usage of sport and recreation facilities that condones free usage by clubs and federations for practices and competitions and thus contributing immensely in Sport Development. Local athletes from Netball and Basketball clubs participated in their respective National Leagues. Ladies Volleyball team women the National Championships and represented the Country at the SADC championships.

There was also provision for elderly citizens to participate in the Golden Games. Local team was supported to compete at the Waterberg District Competitions. The Municipality also provides facilities to support School Sport Competitions.

The Municipality signed a Memorandum of Agreement with the Provincial Department of Sport, Arts and Culture on joint rendering of library services.

4.10 PUBLIC SAFETY

The following are key responsibilities of Public Safety Division:

I. Traffic law enforcement and ensuring compliance

II. Process traffic fines

III. Traffic speed contravention – appointed service provider

IV. Maintenance of roads markings and traffic signs

V. Disaster Management

The National Road Traffic Law Enforcement Code (NRTLEC) provides standards and targets as a basis for road traffic law enforcement service providers (authorities) to implement government's policies relating to road traffic management and road traffic law enforcement. They apply subject to all legislation in force and the Road Traffic Management Corporation Act1999, (Act No. 20 of 1999), and the National Road Traffic Act1999, (Act No. 21of 1999)

The above standards and legislation are applicable in all three (3) spheres of government, namely national, provincial and local authorities, and must be accordingly adopted and applied by all traffic law enforcement agencies and service providers including the Bela-Bela Local Municipality.

4.11 LECESING AND REGISTRATION

The Municipality through the Licensing and Registration Division renders the following services in line with the National Road Traffic Act 93 of 1996 and Regulations:

I. Registration and licensing of motor vehicles

II. Conduct vehicle roadworthy test through the Vehicle Testing Station

III. Application, examination, and issue leaner drivers' licenses

IV. Application, testing, and issue driving licenses

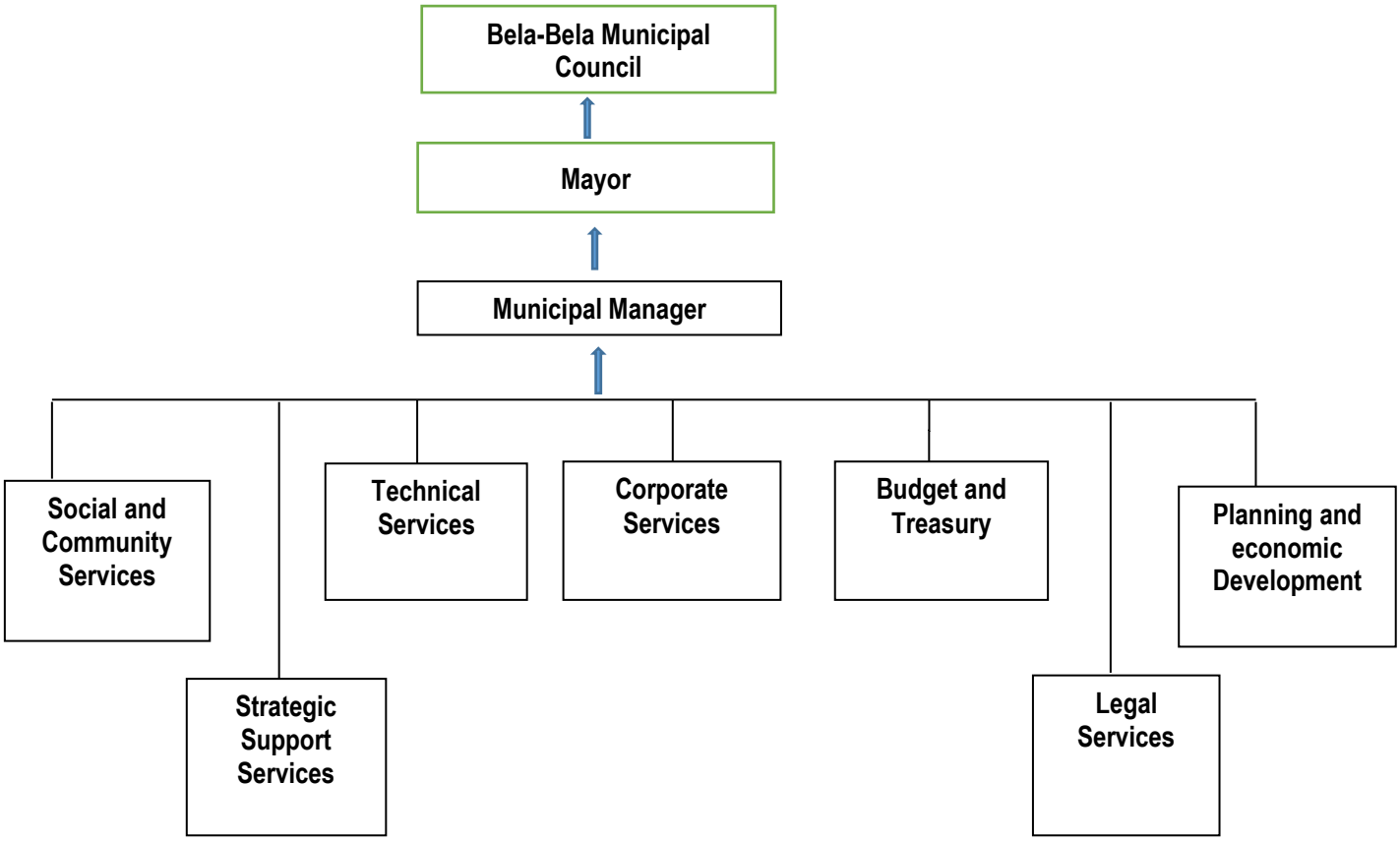
The service is rendered in partnership with the Provincial Department of Transport and Community Safety

CHAPTER 5 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality had a staff complement of 318 as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, five Senior Managers (Head of Departments), and two additional Managers which are the Manager of PMU and the Manager of Strategic Support Services. Furthermore, the organogram also makes provision for 25 Middle Managers (Divisional Heads)

FIGURE:



5.1 INTRODUCTION TO THE MUNICIPAL PERSONNEL

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Section 66 of the MSA, requires the Municipality through the Office of the Municipal Manager within the Policy Framework as determined by the Municipal Council subject to any applicable legislation to develop a staff establishment for the Municipality which subsequently led to the appointment of personnel as per the Council approved organizational structure. It is in light of the above that the Municipality managed to appoint 307 permanent staff members and 30 contract employees during the 2023/2024 financial year. It should further be noted that although most posts were advertised with the intent to reduce the vacancy rate some of the positions could not be filled due to financial constraints. The tables below provide details of employee totals, vacancy rate and staff turnover.

TOTAL NUMBER OF EMPLYEES

Table 55:

Description	2023/2024			
	Approved Posts	Appointed Employees	2023/2024 Variance	2023/2024 Variance
	No.	No.	No.	%
Water and Sanitation	77	51	26	34%
Electricity	43	32	11	25 %
Waste Management	59	45	14	24 %
Housing	4	3	1	25%
Roads and Stormwater Drainage	31	19	12	39 %
Transport/Fleet Management	3	2	1	25%
Town Planning	5	4	1	20 %
Local Economic Development	4	2	2	50%

Planning (Strategic & Regulatory)	2	2	0	0%
Community & Social Services (Strategic & Regulatory)	2	0	2	100%
Protection & Emergency	29	25	4	14 %
Parks, Sport and Recreation	51	38	13	25 %
Corporate, Budget, MM, Audit and Other	132	114	18	13.6 %
Totals	**442**	**337**	**105**	**24%**

5.1.2 VACANCY RATE

Table 56:

VACANCY RATE 2023/2024		
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using full-time equivalents)
	No.	No.
Municipal Manager	1	0
CFO	1	0
Firefighters	Function of WDM	Function of WDM
Other Management: Levels 1-3 (excluding Finance Posts)	27	6
Senior Management: Levels 1-3 (Finance posts)	10	2

Highly Skilled Supervision: Levels 4-6 (excluding Finance posts)	53	15
Highly Skilled Supervision: Levels 4-6 (Finance posts)	17	6
Total	109	29

TURNOVER RATE

Table 57:

Turn-over Rate			
Details	Total appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate%
	No.	No.	
2023/2024	335	20	5.9 %

5.1.4 COMMENT ON VACANCIES AND TURNOVER

COMMENT ON VACANCIES AND TURNOVER

During the 2023/2024 financial year, the Municipality had twenty (20) terminations of services. The terminations were due to the following reasons: six (6) reached retirement age, one (1) Ill-health retirement, three (3) death cases, five (5) resignations and five (5) end-of-employment contracts.

5.1.5 INJURY ON DUTY AND SICK LEAVES

Bela-Bela Local Municipality developed and approved the Occupational Health and Safety Policy as guided by the provisions of the OHS Act No 85 of 1993. The policy is aimed at giving effect to the provisions of the OHS Act which requires the Municipality to ensure that all employees and other people who are in any of the premises of the Municipality are safe and the environment is conducive for employees to perform their duties. Although there are policies in place, it should be noted that no institution is risk-free hence always striving to mitigate and prevent the risks. With all the efforts of avoiding risks, there are some accidents such as injuries occurring while performing official duties. Table 45 below depicts the details of the injuries that occurred during the financial year under review:

5.1.6 NUMBER AND COST OF INJURIES ON DUTY 2023/2024

Table 58:

Number and Cost of Injuries on Duty 2023/2024					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	25	4	6.25%	0.33	14 044.31
Temporary total disablement	0	0	0	0	
Permanent disablement	248	1	100 %	0.40	223 083.44
Fatal	0	0	0	0	0
Total	273	5	106.25%	0.73	237 127.75

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	The proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Senior management (Levels 0-2)	138	10%	11	19	7.27	361 125.70
Highly skilled supervision (Levels 3-5)	155	2%	16	33	4.7	249 163.08
Highly skilled production (levels 6-8)	210	2%	23	52	4.03	646 288.57
Skilled (levels 9-12)	39	9 %	9	50	0.78	21 179.70
Lower skilled(Levels 13-15)	524	16%	45	171	3.06	298 880.61
MM and S56	4	0%	1	4	1	12050.64
Total	1070	39%	105	329	20.84	1 588 688.30
*** - Number of employees in post at the beginning of the year**						
***Average calculated by taking sick leave in column 2 divided by total employees in column 5**						

5.1.7 COMMENT ON INJURY AND SICK LEAVE

For the financial year under review, 273 injury leave days were taken by 5 employees who was injured on duty. Awareness campaigns and employee wellness programmes have been initiated and conducted by the Municipality to alert employees on how to avoid health hazards. Capacity building was also identified as a means of reducing injuries on duty. The table above provides details of injuries on duty and the sick leave days taken during the 2023/2024 financial year.

5.1.8 NUMBER OF DISCIPLINARY / MISCONDUCT CASES AND STATUS

Table 59:

No:	Number of Employees	Nature of the alleged misconduct	Date of suspension	Details of the disciplinary hearing: status of the case	Date finalized
1.	1	Gross Negligence	Not Suspended	In Progress	Not Finalized
2.	1	Deriligation of Duties	Not Suspended	Still in progress	Not Finalized
3.	1	Deriligation of Duties	Not Suspended	Still in progress	Not Finalized
4.	1	Gross Negligence	Not Suspended	Still in progress	Not Finalized
5.	1	Absentism	Not Suspended	Still in progress	Not Finalized
6.	1	Insubordination	28/06/2024	Still in progress	Not Finalized
7.	2	Misconduct	Not Suspended	Still in progress	Not Finalized
8.	1	Insubordination	05 /02/2024	Still in progress	Not Finalized

5.1.9 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The Municipality adheres strictly to the provisions of the Disciplinary Code, the Collective Agreement, and the Labour Relations Act 66 of 1995. The table above depicts only the disciplinary case in place for the year 2023/2024 financial year.

5.2 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 (1) of the Local Government Municipal System Act No: 32 of 2000, requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient, and accountable way. For the Municipality to comply with the above-mentioned act, the Municipality had developed the 2023/2024 Work Skills Plan (WSP) which was submitted to the Local Government Sector Education Training Authority (LGSETA). The Municipality implements its WSP throughout the year to ensure workforce capacity development. Though the Municipality is required to train its employees and councilors, the Municipality has also focused on initiating training of community members through different groups. The table below depicts the details of training programmes offered during the financial year under review.

5.2.1 SKILLS MATRIX

Table 60:

SKILLS MATRIX							
Management level	**Gender**	**Number of skilled employees trained by 30 June 2024**					
		Learnership		**Skills programmes & another short course**		**Other forms of training**	
		Actual 30 June 2024	**Target**	**Actual 30 June 2024**	**Target**	**Actual 30 June 2024**	**Target**
Mayor and Councilors	Female	0	7	3	7	0	0
	Males	0	8	6	10	0	0
MM and S57	Female	0	0	0	1	0	0
	Males	0	2	1	2	0	0
Technicians and Trade workers	Female	0	0	0	3	0	0
	Males	0	0	7	12	0	0

Professionals	Female	0	0	1	11	6	6
	Males	0	0	3	6	10	18
Community and personal service workers	Female	0	0	1	8	20	10
	Males	0	0	3	9	2	15
Clerical and administrative workers	Females	0	0	12	29	0	0
	Males	0	0	7	17	0	0
Machine Operators and Drivers	Females	0	0	1	4	0	0
	Males	0	0	4	23	0	0
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	Females	0	0	2	2	0	0
	Males	0	0	1	8	0	0
Elementary Occupations	Females	0	0	6	45	0	0
	Males	0	0	10	48	0	0
Total Trained as of 30 June 2024	**Females**	**50**					
	Males	**57**					

5.3 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The purpose of Information and Communication Technology (ICT) services is to enhance the accessibility, efficiency, and effectiveness of communication and information management to deliver the outmost services. ICT service delivery is to provide agreed levels of service to users, and to manage the technology that supports the application of administrative procedures implemented by the institution. The objectives of ICT service delivery are to:

- Provide users with appropriate means to access the institution's services, particularly through multichannel online systems.
- Maintain business satisfaction and confidence in ICT through effective and efficient delivery and support of agreed ICT services.
- Minimize the impact of service outages on daily business activities.
- Ensure that access to agreed ICT services is only provided to those authorized to receive those services.

This accountability enables the Bela - Bela Local Municipality to align the Information and Communication Technology with the Municipal strategic objectives and goals as outlined in the Integrated Development on the Municipality.

5.3.1 ICT STEERING COMMITTEE MEETING

In the year under review 2023/2024 Financial Year the Bela-Bela Local Municipality Information Communication Technology division held four ICT Steering committee meetings to ensure effective and efficient management of ICT resources and process for the achievement of the Municipal objectives as stipulated in the section 75 of the Municipal Finance Management Act (MFMA) No 56 of 2003.

The table below depicts ICT Steering Committee meetings during 2023/2024 Financial Year

Table 61:

ICT STEERING COMMITTEE MEETINGS WERE HELD AS FOLLOWS:		
No.	**DATE**	**VENUE**
1.	27th September 2023	Virtual
2.	20th December 2023	Auditorium
3.	18th April 2024	Virtual
4.	24th June 2024	Virtual

The Information Communication and Technology (ICT) Governance Framework guides the organizational accountability and responsibilities concerning the ICT functions and its operations as per the Corporate Governance of ICT Policy Framework

and the Public Service Act. The ICT Division has the responsibility to develop, implement and review ICT policies to comply with the ICT Governance Framework and Standards Procedures and to adapt to the technological changes in the ICT infrastructure.

The lack of an ICT governance framework can result in a fragmented approach to the implementation and adherence to policies and standards and unlocking the value that ICT could contribute to business enablement; hence it is of vital importance to continuously develop and review policies that will give effect to different pieces of legislation guiding the usage of ICT in the Public Sector inclusive of Municipalities. It is in light of the above that Bela-Bela Local Municipality developed and reviewed its ICT Policies. Below are the details of the ICT Policies developed, reviewed and approved by the Municipal Council for implementation during the financial year under review (2023/2024 FY).

- ICT Patch Management Policy
- ICT Management Framework
- ICT Charter
- ICT Continuity Management
- ICT Disaster Recovery Policy
- ICT Usage
- ICT Change Management Policy

5.3.1.1 WEBSITES

Section 21B of the Local Government Municipal Systems Act (MSA) No 32 of 2000 requires Municipalities to establish official Municipal Website depending on its affordability, the Municipality is further expected to place on the Municipal Website information required to be made public in terms of the MSA and the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003

Table 62:

Municipal Website: Content and Currency on Material	
Documents published on the Municipality's Website	Yes/No
Current annual and adjustments budget and all budget-related documents	Yes
All current budget-related policies	Yes
All quarterly reports tabled in Council in terms of Section 52 of the Municipal Finance Management Act no 56 of 2003 during 2023/2024 Financial Year	Yes
The previous Annual Report (2022/2023)	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act no 32 of 2000	Yes

All service delivery agreements 2023/2024	N/A
All long-term borrowing contracts 2023/2024	N/A
All supply chain management contracts above a prescribed value give the value for 2023/2024FY	N/A
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 2023/2024 FY	Y
Contracts agreed in 2023/2024 to which subsection (1) of Section 33 applies, subject to subsection (3) of that section	N/A

5.3.1.2 COMMENT MUNICIPAL WEBSITE CONTENT AND ACESS

In terms of Section 75 of the Municipal Finance Act, No 56 of 2003, the Accounting Officer of a Municipality is expected to place on the municipal website referred to in section 21 of the Local Government Municipal Systems Act No 32 of 2000 information as may be required and prescribed by the above-mentioned Acts. It is in this regard that Bela-Bela Local Municipality established its website which is regularly updated.

5.3.1.3 ICT HUMAN RESOURCE STATISTICS

In terms of Section 67 (1) (a)- (K) of the Local Government Municipal Systems Act (MSA) No 32 of 2000, human resource development must ensure fair, efficient, effective and transparent personnel administration amongst others –

a) The recruitment, selection and appointment of persons as staff members,
b) Service conditions of staff

In terms of the section stated above and Section 66 of the MSA No 32 of 2000, the Municipal Manager established the ICT Division and appointed staff thereof, and further determined the conditions of service. The table below depicts the details of the Human Resource statics for the ICT Division

Below Depicts the details of the Human Resource Statistics for the ICT division

Table 63:

Job Level	Number of employees	Number of posts approved	Number of posts filled	Vacancies
Level 1	0	1	0	1
Level 3	1	1	1	0
Level 4	1	1	1	0
Level 8	0	1	0	1

CHAPTER 6

ANNUAL PERFORMANCE SCORECARD REPORT FOR THE 2022/2023 FINANCIAL YEAR

Bela-Bela Local Municipality established Performance Management Systems (PMS) as guided by Section 38 of the Local Government Municipal Systems Act, No 32 of 2000. As required by the above - mentioned Act the established PMS commensurate with the resources of the Municipality, its circumstances and is also in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan (IDP). Furthermore, the Municipality set appropriate key performance indicators as a yardstick for measuring the 2023/2024 performance. The set indicators also outlined the outcomes and impact concerning the Municipality's developmental priorities and objectives as set out in the Approved 2023/2024 Integrated Development Plan (IDP).

Emanating from 2023/2024 Approved IDP and 2023/2024 budget, the Municipality developed an SDBIP which organizational scorecard providing a strategic direction on how the organization will implement and account for the budget, developmental objectives and priorities approved for the financial year under review. The Municipality also established the process of regular reporting to Council and to communities, whereby Management, Audit Performance Committee, and the Mayor tabled quarterly Service Delivery and Budget Implementation Plan performance reports. The Municipality also complied with the provisions of Section 46 of the Local Government Municipal Systems Act by compiling the 2023/2024 Annual Performance Report which was submitted to the Auditor General as required by Section 45 of the Local Government Municipal Systems Act No 32 of 2000.

AUDITOR - GENERAL REPORT FOR 2023/2024 FINANCIAL YEAR

Bela-Bela Local Municipality complied with the provisions of Section 125 of MFMA and Section 45 of MSA of 2000 by compiling and submitting both the 2023/2024 Annual Performance Report and the 2023/2024 Annual Financial Statements. Both the 2023/2024 Annual Performance Report and 2023/2024 Annual Financial Statements were submitted to the Auditor General for auditing by the Auditing as per regulation

2023/2024 AUDITED ANNUAL FINANCIAL STATEMENT : ANNEXURE A

2023/2024 AUDITED ANNUAL PERFORMANCE REPORT: ANNEXURE B

2023/2024 AUDITOR - GENERAL REPORT : ANNEXURE C

2022/2023 AUDITOR GENERAL ACTION PLAN : ANNEXURE D

STATUTORY ANNUAL REPORT PROCESS

Table 64:

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 feed 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	Finalize 4th quarter Report for the previous financial year	
4	Submit the Draft 2023/2024 Annual Performance Report to Internal Audit and Auditor - General	
5	Audit/Performance committee considers Annual Performance Report of the Municipality	August
6	Municipal submits 2023/2024 Annual Performance Report including consolidated 2023/2024 Annual Financial Statements to Auditor General.	
7	2) Auditor General assesses Draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
8	The Municipality receives the Auditor General findings and began to address the Auditor General's comments	November
9	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
10	Draft Annual Report is made public, and representation is invited	February
11	Oversight Committee (MPAC) assesses Annual Report	February/ March
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	March
13	Council adopts Annual and Oversight report, Publicize both reports and Submitted to the relevant provincial and national sector departments	March
14	Commencement of draft Budget/ IDP finalization for next financial year.	March
15	Tabling of the Draft IDP / Budget and Draft SDBIP for the coming year	March
16	IDP/ Budget Mayoral Roadshow	March / April

17	Tabling of final budget the following year	May
18	The Mayor approves the Service Delivery and Budget Implementation Plan	

6.1 COMMENT ON THE ANNUAL REPORT PROCESS

In terms of Section 127 (2) of the Local Government Municipal Finance Management Act No 56 of 2003, the Mayor of the Municipality must within seven months after the end of the year, the table in the Municipal Council the Annual Report of the Municipality and any Municipal Entity under the Municipality's sole or shared control. To comply with the provisions of the above-mentioned Act, Bela-Bela Local Municipality established a process of compiling the 2023/2024 Annual Report. The process began with the adoption of the National Treasury Circular 11 and 63 which provides guidance on how and when to compile and to submit the Annual Report.

It should be noted that the requirements of the two circulars complement each other hence both applied in the compilation of the 2023/2024 Annual Report of the Municipality.

Over and above, the compilation of the 2023/2024 Annual Report as per the above-mentioned National Treasury Circulars allow the Municipality to provide more and comprehensive information on the activities and decisions made by the Municipality during the financial year under review.

Furthermore, the Municipality adhered to the timeliness on the compilation of the Annual Report to provide more range of information on the challenges, successes and the overall performance of the Municipality. The information assists the new planning cycle for the 2023/2024 Financial Year. The Municipality also compiled the 2023/2024 four quarterly performance reports in line with the Approved 2023/2024 IDP, Approved 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP) and the Approved 2023/2024 Budget, which formed the basis of the 2023/2024 Annual Performance Report which was compiled and submitted to the relevant sector departments on the 31st of August 2024

2023/2024 Audit action plan

Table 65:

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report is 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 a council or a provincial or national executive.
Baseline	The 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 is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Local Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation • Spatial Rational
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 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 measures.
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 on criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and their 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	The detailed plan was 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:	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. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *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* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDIX A COUNCILLORS, COMMIITTEE ALLOCATION AND ATTENDANCE

Section 18 (1) of the Local Government Municipal Structures Act No 117 of 1998 indicates that Municipalities must have Municipal Councils which consists of a few Councillors determined by the MEC for Local Government in the Province. Sub-section 2 of the Act further indicates that a Municipal Council must meet at least quarterly, however, it should be noted that Bela-Bela Local Municipality held Council meetings quarterly as per the Council approved schedule of meetings, furthermore, Special Council meetings were also held as and when necessary. Table 51 below depicts the number of Council and Subcommittee meetings held and the attendance by each Councillor.

COUNCIL MEETINGS AND SUB – COMMITTEE 01 JULY 2023 TO 30 JUNE 2024

Table 66:

NAME OF COUNCILLOR	FULL TIME/ PART-TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETINGS SCHEDULED		NO OF COUNCIL MEETINGS ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETINGS SCHEDULED	NO OF SUBCOMMITTEE MEETINGS ATTENDED	% OF ATTENDANCE
CLLR GM Seleka	Full time	ANC	11	10		91%	11	9	82%
CLLR TN Zikhali	Full time	ANC	11		10	91%	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees
CLLR JM Mabua	Full time	ANC	11		11	100%	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees	Not assigned to attend Subcommittees
CLLR FS Hlungwane	Part time	ANC	11		10	91%	11	10	91%
CLLR PV Mashaba	Part time	ANC	11		9	81%	11	11	100%
CLLR MH Ledwaba	Part time	DA	11		6	55%	11	9	82%
							11	7	63%

CLLR SD Seale	Part time	EFF	11		09	81%	Not assigned to at Subcommittees	Not assigned to attend Subcommittee	Not assigned to attend Subcommittees
CLLR MJ Ngobeni	Part time	ANC	11		8	73%	11	1	9%
CLLR KS Rachidumela	Part time	ANC	11		9	82%	11	11	100%
CLLR K Sepuru	Part time	ANC	11	11		100%	11	7	64%
CLLR MF Koover	Part time	ANC	11		8	73%	11	10	91%
CLLR MD Senosha	Part time	DA	11		10	91%	11	8	73%
CLLR JD Cloete	Part time	DA	11			91%	11	11	100%
							11	9	82%
CLLR MJ Makhubela	Part-time	BRA	11	10		90%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittees
CLLR MO Tlaka	Part time	EFF	11	8		72%	11	9	82%
CLLR MN Van Der Heyde	Part time	DA	11	10		91%	11	11	100%
CLLR MD Senosha	Part time	DA	11	10		91%	11	8	72%
CLLR MN Mpunwana	Part time	VF+	11	10		91%	111	1	100%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Section 79 of the Local Government Municipal Structures Act No 117 of 1998 requires Municipal Councils to establish one or more Section 80

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees established in terms of Section 79 of the Municipal Systems Act No 117 of 1998	**Purpose of Committee**
Social and Community Services Sub-Committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Social and Community Services.
Planning and Economic Development Infrastructure Sub-committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Planning and Technical Services.
Infrastructure Sub-committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Technical Services.
Governance and Transformation/ Budget & Treasury Subcommittee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to the Budget and Treasury and Corporate Services.
Municipal Public Account Committee (MPAC)	Oversight Committee which plays an oversight role over the work of the administration and advice Council as per the legislative requirements.
Audit Performance committee	Oversight Committee established in terms of Section 166 of the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. This Committee advises the Municipal Council, the Political Office Bearers, the Accounting Officer and the Management Staff on matters listed under Section 166 (2)(a-e) of the MFMA.
Risk Management Committees	Oversight Committee which plays an oversight role over the work of the administration and advice Council as per the legislative requirements.
Integrated Development Planning (IDP) Steering Committee	Technical support through IDP Review process
IDP Rep Forum	Stakeholder participatory mechanism during the IDP Review process
Top Management	Strategic management decision-making structure established in terms of Section 77 of the Local Government Municipal Finance Management Act no 56 of 2003. This Committee assists the Accounting Officer in managing and coordinating the financial administration of the Municipality.
Broader Management	Operational management decision-making structure established to assist the Top Management in performing its responsibilities.

Committees necessary for the effective and efficient performance of any of its functions or to exercise its powers. It is in light of the above that Bela-Bela Local Municipal Council during its inaugural sitting in 2021 established various Council Committees to assist the Executive Committee to function effectively and further determined the functions of each Committee and also appointed the Chairpersons for each Committee. Table 52 below depicts the details of the Committees established as well as the purpose of such Committees.

APPENDIX C –THIRD-TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure		
Initials & Surname	Title	Department
Ramolobeng MN	Divisional Manager: Human Resources Management	Corporate Services
Vacant	Divisional Manager: Information Technology	Corporate Services
Seima MA	Divisional Manager: Council Administration and Support	Corporate Services
Mahlare K	Divisional Manager: Human Resources Development	Corporate Services
Vacant	Manager Legal Services	Office of the Municipal Manager
Tshikovhi C	Divisional Manager: Integrated Development & Planning	Office of the Municipal Manager
Vacant	Divisional Manager: Local Economic Development	Planning & Economic Development
Mhlongo V	Divisional Manager: Performance Management System	Office of the Municipal Manager
Manzini M	Divisional Manager: Town Planning	Planning & Economic Development
Vacant (Unfunded)	Divisional Manager Human Settlement	Planning & Economic Development
Vacant	Divisional Manager: Roads & Stormwater	Technical Services
Moloto J	Divisional Manager: Water & Sanitation	Technical Services
Kotsokoane T	Divisional Manager Electrical	Technical Services
Mohlala A	Divisional Manager: Parks and Cemeteries	Social & Community Services
Vacant	Divisional Manager: Protection and Emergency Services	Social & Community Services
Phahlane N	Divisional Manager: Waste & Cleansing	Social & Community Services

Raborolo D	Divisional Manager Sport, Arts & Culture	Social & Community Services
Kabe KC	Chief Audit Executive	Office of the Municipal Manager
Moloto OPK	Divisional Manager: Communications	Office of the Municipal Manager
Mothapo TJ	Manager Strategic Support Services	Office of the Municipal Manager
Titi T	Divisional Manager: Revenue	Budget & Treasury Office
Matwalana LT	Divisional Manager: Licensing	Social & Community Services
Mulaudzi M	Divisional Manager: Expenditure	Budget & Treasury Office
Makgobela K	Divisional Manager: SCM	Budget & Treasury Office
Motshoane LJ	Divisional Manager: Budget and Reporting	Budget & Treasury Office
Vacant (Unfunded)	Specialist Financial Statements	Budget & Treasury Office
Vacant	Divisional Manager Assets, Fleet & Inventory	Budget & Treasury Office



Bela Bela local Municipality
Audited Annual Financial statements
for the year ended June 30, 2024

Bela Bela local Municipality

Audited Annual Financial Statements for the year ended June 30, 2024

General Information

Legal form of entity	Municipality in terms of Section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with Section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Executive committee	
Honorable Mayor	Hon. Cllr G.M. Seleka
Executive committee members	Cllr M.H. Ledwaba (from 21 June 2024)
	Cllr A Van Der Heyde
Speaker	Cllr TN Zikhali
Chief Whip	Cllr K. Sepuru
Councillors	Cllr M.F. Koover
	Cllr K.S. Rachidumela
	Cllr J.M.Mabua
	Cllr M.J. Ngobeni (from 21 June 2024)
	Cllr M.J. Makhubela
	Cllr M.O. Tlaka
	Cllr J.D. Cloete
	Cllr P.V. Mashaba
	Cllr F.S. Hlongwane
	Cllr M.N. Mpunwana
	Cllr M.D. Senosha
	Cllr S.D. Seale
Grading of local authority	Level 3
Accounting Officer	Mr. T.G. Ramagaga
Chief Financial Officer (CFO)	Mr. R.M. Marutha
Registered office	58 Chris Hani Drive Bela Bela 0480
Postal address	Private Bag X1609 Bela Bela 0480
Banker	Absa Limited
Auditors	Auditor-General of South Africa (AGSA) Registered Auditors
Attorneys	Motalane Incorporated Noko Maimela Incorporated Mohale Incorporated Ndobela and Associates incorporated GSM Mohlabi incorporated
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Municipal Finance Management Act No. 56, 2003

Bela Bela local Municipality
Audited Annual Financial Statements for the year ended June 30, 2024

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Abbreviations used:

MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index
INEP	Integrated National Electrification Programme
EEDSM	Energy Efficiency and Demand Side Management
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
mSCOA	Municipal Standard Chart of Accounts
JSE	Johannesburg Stock Exchange
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSCOA	Municipal Standard Chart of Accounts
NRA	Normal Retirement Age
PAYE	Pay as Your Earn
PPE	Property, Plant and Equipment
RSA	Republic of South Africa
SETA	Sector Education and Training Authority
SDL	Skills Development Levy
SARS	South African Revenue Services
SCM	Supply Chain Management
UIF	Unemployment Insurance Fund
WSIG	Water Service Infrastructure Grant

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited 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 audited annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

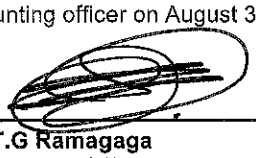
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Bela Bela Local Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

I certify that the salaries, allowances and benefits of councillors as disclosed in Note 32 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The audited annual financial statements which have been prepared on the going concern basis and were approved by the accounting officer on August 31, 2024 and were signed on its behalf by:



Mr. T.G Ramagaga
Accounting Officer

Statement of Financial Position as at June 30, 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	480,908	361,755
Receivables from exchange transactions	4&5	69,303,501	60,565,747
Receivables from non-exchange transactions	5&6	68,438,591	65,111,105
Cash and cash equivalents	8	25,270,330	11,261,243
VAT receivable	7	5,155,579	7,789,978
		168,648,909	**145,089,828**
Non-Current Assets			
Receivables from exchange transactions	4	140,580	140,580
Investment property	9	67,457,882	60,717,194
Property, plant and equipment	10	921,469,381	856,446,494
Intangible assets	11	1,861,787	1,595,900
Heritage assets	12	538,950	538,950
		991,468,580	**919,439,118**
Non-Current Assets		991,468,580	919,439,118
Current Assets		168,648,909	145,089,828
Total Assets		**1,160,117,489**	**1,064,528,946**
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	106,058,870	146,267,193
Consumer deposits	14	7,236,417	6,955,063
Employee benefit obligation	15	3,443,000	2,231,000
Unspent conditional grants and receipts	16	49,663	7,441,162
Provisions	17	5,505,069	269,531
Finance lease obligation	18	4,171,101	1,097,512
Municipal Debt Relief financial liabilities	56	6,982,327	-
		133,446,447	**164,261,461**
Non-Current Liabilities			
Employee benefit obligation	15	58,439,000	51,534,000
Provisions	17	60,859,937	62,789,813
Finance lease obligation	18	4,014,851	705,710
Municipal Debt Relief financial liabilities	56	11,878,479	-
		135,192,267	**115,029,523**
Non-Current Liabilities		135,192,267	115,029,523
Current Liabilities		133,446,447	164,261,461
Total Liabilities		**268,638,714**	**279,290,984**
Assets		1,160,117,489	1,064,528,946
Liabilities		(268,638,714)	(279,290,984)
Net Assets		**891,478,775**	**785,237,962**
Accumulated surplus		891,478,775	785,237,960
Total Net Assets		**891,478,775**	**785,237,962**

* See Note 48

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	220,651,599	189,890,060
Rental of facilities and equipment	20	1,192,390	1,477,412
Agency services	21	4,601,547	4,883,306
Sale of goods and rendering of services	22	1,418,360	1,759,780
Other income	23	4,811,178	3,416,865
Interest income from exchange	24	15,404,179	10,478,183
Fair value adjustments	25	6,803,688	16,657,156
Change in landfill provision income	58	3,020,493	-
Total revenue from exchange transactions		**257,903,434**	**228,562,762**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	95,606,089	108,940,485
Property rates - interest income	26	13,329,795	14,038,449
Licences and Permits (Non-exchange)	27	2,199,648	2,159,542
Availibility charges	28	3,578,310	3,368,707
Debt forgiveness	57	7,718,840	-
Transfer revenue			
Government grants & subsidies	29	224,819,967	206,008,449
Fines, Penalties and Forfeits	30	31,660,575	33,724,643
Public contributions and donations	59	16,744,000	-
Total revenue from non-exchange transactions		**395,657,224**	**368,240,275**
		257,903,434	228,562,762
		395,657,224	368,240,275
Total revenue		**653,560,658**	**596,803,037**
Expenditure			
Loss on disposal of assets	10	(3,006,097)	(1,937,085)
Employee related costs	31	(147,681,591)	(143,621,165)
Remuneration of councillors	32	(8,810,393)	(7,835,221)
Depreciation and amortisation	34	(40,925,725)	(38,973,174)
Impairment of assets	35	(921,188)	(2,736,580)
Finance costs	36	(15,351,366)	(17,502,000)
Debt Impairment	5	(78,440,588)	(38,930,513)
Bulk purchases	37	(136,245,642)	(111,941,973)
Contracted services	38	(49,074,015)	(40,983,531)
General Expenses	39	(66,873,160)	(63,337,206)
Total expenditure		**(547,329,765)**	**(467,798,448)**
Total revenue		653,560,658	596,803,037
Total expenditure		(547,329,765)	(467,798,448)
Surplus for the year		**106,230,893**	**129,004,589**

* See Note 48

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	905,026,060	905,026,060
Adjustments		
Prior year adjustments 48	(248,792,689)	(248,792,689)
Balance at July 1, 2022 as restated*	**656,233,371**	**656,233,371**
Changes in net assets		
Surplus for the year	129,004,589	129,004,589
Total changes	129,004,589	129,004,589
Restated* Balance at July 1, 2023	**785,247,880**	**785,247,880**
Changes in net assets		
Surplus for the year	106,230,893	106,230,893
Total changes	106,230,893	106,230,893
Balance at June 30, 2024	**891,478,775**	**891,478,775**

Note(s)

* See Note 48

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Service charges		177,200,312	196,415,709
Grants		217,428,468	213,235,268
Interest income		2,752,331	1,432,309
Property rates		104,581,049	36,856,359
Other receipts		17,987,547	13,011,681
		519,949,707	460,951,326
Payments			
Employee costs		(156,412,974)	(146,504,340)
Suppliers		(264,178,426)	(226,160,874)
Finance costs		(211,355)	(4,470,751)
		(420,802,755)	(377,135,965)
Total receipts		519,949,707	460,951,326
Total payments		(420,802,755)	(377,135,965)
Net cash flows from operating activities	40	**99,146,952**	**83,815,361**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(82,987,137)	(87,019,002)
Purchase of other intangible assets	11	(552,723)	-
Net cash flows from investing activities		**(83,539,860)**	**(87,019,002)**
Cash flows from financing activities			
Finance lease payments		(1,598,006)	(731,675)
Net increase/(decrease) in cash and cash equivalents		**14,009,086**	**(3,935,316)**
Cash and cash equivalents at the beginning of the year		11,261,243	15,196,558
Cash and cash equivalents at the end of the year	8	**25,270,329**	**11,261,242**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	205,487,773	1,330,521	**206,818,294**	220,651,599	**13,833,305**	55
Rental of facilities and equipment	1,614,106	(136,694)	**1,477,412**	1,192,390	**(285,022)**	55
Agency services	4,676,812	-	**4,676,812**	4,601,547	**(75,265)**	55
Sale of goods and rendering of services	1,791,433	-	**1,791,433**	1,418,360	**(373,073)**	55
Change in landfill provision income	-	-	**-**	3,020,493	**3,020,493**	55
Other income	571,677	1,428,322	**1,999,999**	4,811,178	**2,811,179**	55
Interest income	10,769,683	300,000	**11,069,683**	15,404,179	**4,334,496**	55
Fair value adjustment	-	-	**-**	6,803,688	**6,803,688**	55
Total revenue from exchange transactions	**224,911,484**	**2,922,149**	**227,833,633**	**257,903,434**	**30,069,801**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	142,474,619	(2,992,530)	**139,482,089**	95,606,089	**(43,876,000)**	55
Property rates - penalties imposed	14,186,205	-	**14,186,205**	13,329,795	**(856,410)**	55
Licences and Permits (Non-exchange)	1,973,592	-	**1,973,592**	2,199,648	**226,056**	55
Availibility charges	-	-	**-**	3,578,310	**3,578,310**	55
Debt forgiveness	-	-	**-**	7,718,840	**7,718,840**	55
Transfer revenue						
Government grants & subsidies	218,848,000	6,606,160	**225,454,160**	224,819,967	**(634,193)**	55
Public contributions and donations	-	-	**-**	16,744,000	**16,744,000**	55
Fines, Penalties and Forfeits	37,992,844	-	**37,992,844**	31,660,575	**(6,332,269)**	55
Total revenue from non-exchange transactions	**415,475,260**	**3,613,630**	**419,088,890**	**395,657,224**	**(23,431,666)**	
'Total revenue from exchange transactions'	224,911,484	2,922,149	**227,833,633**	257,903,434	**30,069,801**	55
'Total revenue from non-exchange transactions'	415,475,260	3,613,630	**419,088,890**	395,657,224	**(23,431,666)**	55
Total revenue	**640,386,744**	**6,535,779**	**646,922,523**	**653,560,658**	**6,638,135**	
Expenditure						
Employee related costs	(173,234,474)	(2,879,369)	**(176,113,843)**	(147,681,591)	**28,432,252**	55
Remuneration of councillors	(8,481,115)	(323,873)	**(8,804,988)**	(8,810,393)	**(5,405)**	55
Loss on disposal of assets	-	-	**-**	(3,006,097)	**(3,006,097)**	550
Depreciation and amortisation	(38,000,000)	-	**(38,000,000)**	(40,925,725)	**(2,925,725)**	55
Impairment loss	-	-	**-**	(921,188)	**(921,188)**	55
Finance costs	(15,000,000)	-	**(15,000,000)**	(15,351,366)	**(351,366)**	55
Debt Impairment	-	(14,000,000)	**(14,000,000)**	(78,440,588)	**(64,440,588)**	55
Bad debts written off	(14,000,000)	14,000,000	**-**	-	**-**	55

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Bulk purchases	(147,781,500)	-	**(147,781,500)**	(136,245,642)	**11,535,858**	55
Contracted Services	(49,708,100)	(8,258,056)	**(57,966,156)**	(49,074,015)	**8,892,141**	55
General Expenses	(96,798,623)	14,706,167	**(82,092,456)**	(66,873,160)	**15,219,296**	55
Total expenditure	**(543,003,812)**	**3,244,869**	**(539,758,943)**	**(547,329,765)**	**(7,570,822)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**97,382,932**	**9,780,648**	**107,163,580**	**106,230,893**	**(932,687)**	
Reconciliation						
Actual amount on comparable basis as presented in the budget and actual amount comparative statement						
Total revenue				636,838,482		
Total expenses				(547,329,765)		
Operating surplus				106,230,893		
Total Operating Activities				99,146,953		
Total Investing Activities				(83,539,860)		
Total Financing Activities				(1,598,006)		
Actual amount in the financial statements						
Total revenue				636,838,482		
Total expenses				(547,329,765)		
Operating surplus				106,230,893		
Total Operating Activities				99,146,953		
Total Investing Activities				(83,539,860)		
Total Financing Activities				(1,598,006)		

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	200,000	9,648,166	**9,848,166**	480,908	**(9,367,258)**	55
Receivables from exchange transactions	50,343,017	6,000,000	**56,343,017**	69,303,501	**12,960,484**	55
Receivables from non-exchange transactions	72,057,968	(6,000,000)	**66,057,968**	68,438,591	**2,380,623**	55
VAT receivable	1,007,057	-	**1,007,057**	5,155,579	**4,148,522**	55
Cash and cash equivalents	17,066,906	1,479,575	**18,546,481**	25,270,329	**6,723,848**	55
	140,674,948	**11,127,741**	**151,802,689**	**168,648,908**	**16,846,219**	
Non-Current Assets						
Investment property	134,917,076	330,435	**135,247,511**	67,457,882	**(67,789,629)**	55
Property, plant and equipment	881,040,812	(4,228,936)	**876,811,876**	921,469,381	**44,657,505**	55
Intangible assets	537,516	173,913	**711,429**	1,861,787	**1,150,358**	55
Heritage assets	538,950	-	**538,950**	538,950	**-**	55
Receivables from exchange transactions	224,290	-	**224,290**	140,580	**(83,710)**	55
	1,017,258,644	**(3,724,588)**	**1,013,534,056**	**991,468,580**	**(22,065,476)**	
Non-Current Assets	1,017,258,644	(3,724,588)	**1,013,534,056**	991,468,580	**(22,065,476)**	
Current Assets	140,674,948	11,127,741	**151,802,689**	168,648,908	**16,846,219**	
Total Assets	**1,157,933,592**	**7,403,153**	**1,165,336,745**	**1,160,117,488**	**(5,219,257)**	
Liabilities						
Current Liabilities						
Municipal Debt Relief financial liabilities	-	-	**-**	6,982,327	**6,982,327**	55
Finance lease obligation	-	-	**-**	4,171,101	**4,171,101**	55
Payables from exchange transactions	140,334,345	(2,478,745)	**137,855,600**	106,058,869	**(31,796,731)**	55
Consumer deposits	7,153,245	-	**7,153,245**	7,236,417	**83,172**	
Employee benefit obligation	35,037,796	-	**35,037,796**	3,443,000	**(31,594,796)**	55
Unspent conditional grants and receipts	414,343	101,250	**515,593**	49,663	**(465,930)**	55
Provisions	-	-	**-**	5,505,069	**5,505,069**	55
	182,939,729	**(2,377,495)**	**180,562,234**	**133,446,446**	**(47,115,788)**	
Non-Current Liabilities						
Municipal Debt Relief financial liabilities	-	-	**-**	11,878,479	**11,878,479**	55
Finance lease obligation	-	-	**-**	4,014,851	**4,014,851**	55
Employee benefit obligation	7,753,455	-	**7,753,455**	58,439,000	**50,685,545**	55
Provisions	75,761,151	-	**75,761,151**	60,859,937	**(14,901,214)**	55
	83,514,606	**-**	**83,514,606**	**135,192,267**	**51,677,661**	
	182,939,729	(2,377,495)	**180,562,234**	133,446,446	**(47,115,788)**	
	83,514,606	-	**83,514,606**	135,192,267	**51,677,661**	
	-	-	**-**	-	**-**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Total Liabilities	**266,454,335**	**(2,377,495)**	**264,076,840**	**268,638,713**	**4,561,873**	
Assets	1,157,933,592	7,403,153	**1,165,336,745**	1,160,117,488	**(5,219,257)**	
Liabilities	(266,454,335)	2,377,495	**(264,076,840)**	(268,638,713)	**(4,561,873)**	
Net Assets	**891,479,257**	**9,780,648**	**901,259,905**	**891,478,775**	**(9,781,130)**	
Net Assets						
Accumulated surplus	891,479,257	9,780,648	**901,259,905**	891,478,776	**(9,781,129)**	55

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	123,952,920	(2,992,530)	**120,960,390**	104,581,049	**(16,379,341)**	55
Service charges	179,118,048	1,330,521	**180,448,569**	177,200,312	**(3,248,257)**	55
Grants	219,048,000	15,925,500	**234,973,500**	217,428,468	**(17,545,032)**	55
Interest income	1,600,000	300,000	**1,900,000**	2,752,331	**852,331**	55
Other receipts	69,548,836	1,291,628	**70,840,464**	17,987,547	**(52,852,917)**	55
	593,267,804	**15,855,119**	**609,122,923**	**519,949,707**	**(89,173,216)**	
Payments						
Supplier and Employee costs	(541,485,756)	(14,375,544)	**(555,861,300)**	(420,591,399)	**135,269,901**	55
Finance costs	(15,000,000)	-	**(15,000,000)**	(211,355)	**14,788,645**	55
	(556,485,756)	**(14,375,544)**	**(570,861,300)**	**(420,802,754)**	**150,058,546**	
Total receipts	593,267,804	15,855,119	**609,122,923**	519,949,707	**(89,173,216)**	
Total payments	(556,485,756)	(14,375,544)	**(570,861,300)**	(420,802,754)	**150,058,546**	
Net cash flows from operating activities	**36,782,048**	**1,479,575**	**38,261,623**	**99,146,953**	**60,885,330**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(90,737,904)	-	**(90,737,904)**	(82,987,137)	**7,750,767**	55
Purchase of other intangible assets	-	-	**-**	(552,723)	**(552,723)**	55
Net cash flows from investing activities	**(90,737,904)**	**-**	**(90,737,904)**	**(83,539,860)**	**7,198,044**	
Cash flows from financing activities						
Finance lease payments	-	-	**-**	(1,598,006)	**(1,598,006)**	55
Net increase/(decrease) in cash and cash equivalents	(53,952,592)	1,479,575	**(52,476,281)**	14,009,087	**66,485,368**	
Cash and cash equivalents at the beginning of the year	71,019,498	-	**71,019,498**	11,261,243	**(59,758,255)**	
Cash and cash equivalents at the end of the year	**17,066,906**	**1,479,575**	**18,543,217**	**25,270,330**	**6,727,113**	

Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Significant accounting policies

The significant accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Basis of preparation

The audited 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).

These financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost convention as the basis of measurement, except where indicated otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the Bela Bela Local municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Comparative information

When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

1.6 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality and all values are rounded to the nearest rand.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too 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.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

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.

Water Inventory

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Impairment of Property, Plant and Equipment, Intangible Assets and Heritage Asset

The Municipality classifies all assets held with the primary objective of generating a commercial return as cash generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of Non-cash-generating Assets

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount Is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are recognised when the Municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Legal obligation - arises when the settlement of the obligation can be enforced by law

Constructive obligation - arises where past practices creates a valid expectation on the part of a third party and the entity may have no realistic alternative but to incur the expense.

The amount of a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

The best estimate is normally the amount that the entity would rationally pay to settle the obligation or to transfer it to a third party at reporting date. These estimates are based on judgements by management and these judgements are supported by experience of similar transactions and, in some cases, reports from independent experts. Any events after reporting date should also be considered and included.

If the effect of time value of money is material, the provision should be measured at the present value of the expected future outflows of resources.

The discount rate to be used, to determine the present value, should be pre-tax and should take into consideration the current market assessment of the time value of money as well as risk specifically associated with the liability. The entity should be careful not to adjust the discount rate and the future cash flows for the same risks as this will result in double-counting of risks.

Where discounting is used, the balance of the provision will increase with interest in each period to reflect the passage of time. This is also known as unwinding of the discount. The periodic unwinding of the discount should be treated as a finance cost in surplus or deficit as it occurs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Provisions are used only for expenditures for which the provision was originally recognised.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model

In applying the principles in the standards of GRAP on Provisions, Contingent liabilities and Contingent assets, the municipality recognises the cost of rehabilitation as part of the landfill rehabilitation provision as the recognition criteria of a provision is met.

The municipality applies the Interpretation of the Standards of GRAP on Changes in Existing Decommissioning, Restoration and Similar Liabilities to account for changes in the landfill rehabilitation provision that results from changes in:

- the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation,
- a change in the discount rate, and
- an increase that reflects the passage of time.

In applying the principles in the Standards of GRAP on Changes in Existing Decommissioning, Restoration and Similar Liabilities, if the related asset is measured using the cost model:

- Changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets or Impairment of Cash-generating Assets.

Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
    - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
    - the amount of the obligation cannot be measured with sufficient reliability.

The municipality does not recognise contingent liabilities. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are reviewed continuously to determine if the outflow of resources have become probable. A provision is raised in the financial statements in the period in which the outflow of resources becomes probable.

In measuring a contingent liability relating to a legal claim against the municipality, the municipality does not include an estimate of its own legal costs to be incurred. The reason is that the recognition of a liability or disclosure of a contingent liability is based on past events that give rise to the obligation. In this case, the past event would be the performance of the work by the legal practitioners.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

The municipality own legal costs are considered part of its future conduct and are subject to and within the control of the municipality's future actions. As a result, there is no past event at the reporting date that would give rise to a liability or contingent liability in relation to the entity's estimate of its own legal costs.

Contingent asset

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The municipality does not recognise contingent assets. Contingent assets are disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed on a continuous basis and should an inflow of resources become virtually certain then the related asset should be recognised.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for post-retirement benefits obligations are based on current market conditions. Additional information is disclosed in Note 15.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Recognition and Derecognition of Land

The municipality assesses whether it controls or does not control land by considering the principles contained in IGRAP 18

The municipality is assessed to not control land of which it is the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosure are made in the relevant Notes to the Financial Statements

In order to assess that the municipality does not control the land, the following factors are considered in applying its judgement:

- Another entity acts as the custodian of the land in terms of a binding arragement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land.

- Another entity is required or granted a right to use the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

Significant Accounting Policies

1.7 Significant judgements and sources of estimation uncertainty (continued)

Accounting by principals and agent

Management's judgement is required when determining it has entered into a principal agent arrangement, as set out in note 44. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).

The assessment of whether a municipality is a principal or an agent requires the municipality to evaluate rights and obligations of all parties to each binding arrangement to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Impairment of statutory receivables

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

Significant delays in assets under construction

The municipality regards delays in assets under construction of more than one year as significant.

Material losses

Losses that occur due to normal production are classified as production costs and factored into the municipality's tariffs. They, therefore, do not constitute material losses. If actual production losses exceed the budgeted production losses factored into the tariff, the difference is considered a material loss.

Materail losses are reported on annual financial statement on note and the amount is VAT inclusive.

1.8 Investment property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Initial recognition

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by professional valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

If the Municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the Municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the Municipality measures that investment property using the cost model.

Derecognition/Disposal

Significant Accounting Policies

1.8 Investment property (continued)

Investment properties are derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value [or carrying amount if cost model is used] at the date of change in use. If owner-occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.ing period. The intangible assets's useful life and the amortisation method for intangible assets are reviewed at the end of each reporting report.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	2-30 years
Servitudes	Straight-line	Indefinite

1.10 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations

The Municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regard to land and buildings all graded sites are classified a Heritage Assets. Furthermore, land with a natural significance is not componentised but seen as a single Heritage Asset due to all parts contributing together to make up its significance.

Significant Accounting Policies

1.10 Heritage assets (continued)

Land and buildings that qualify as Heritage assets, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, are recognised as property, plant and equipment, rather than heritage assets.

Initial recognition and measurement

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent Measurement

Subsequent expenditure relating to Heritage Assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding Heritage Assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Derecognition

The carrying amount of an item of Heritage Assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of Heritage Assets.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured 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.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Significant Accounting Policies

1.11 Inventories (continued)

When inventories are consumed, the carrying amounts of those inventories are recognised as an expense. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Significant Accounting Policies

1.12 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 43.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Significant Accounting Policies

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest earned and rentals received

Revenue arising from the use by others of municipality's assets yielding interest and rental or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Income from agency services

Revenue arising from situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of commission or fee payable to the municipality for services performed.

Revenue recognition of unclaimed deposits

Significant Accounting Policies

1.13 Revenue from exchange transactions (continued)

Unclaimed deposits older than three (3) years are recognised as revenue

Service charges

- Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. 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. The municipality council approved consumption estimates based on estimates which is used where the inaccessible meters does not have history that could be substantiated. 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.
- Service charges relating to Sewerage and refuse removal is recognised monthly in arrears by applying the approved tariff. The municipality use the approved tariff for basic charge and based on the size of the property determine the revenue to be recognised..
- In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Rates and Taxes

Taxes satisfy the definition of a non-exchange transaction due to the taxpayer transferring resources (tax paid) to government without receiving approximately equal value directly in exchange.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied. Unless laws or regulations specify otherwise, it is likely that the taxable event for the following is:

- Property (rate) tax – the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Transfers and subsidies

Unconditional grants - The Municipality recognises revenue from unconditional grants upon receipt and/or when resources transferred meet the criteria for recognition as an asset and there is also no present obligation to the Municipality to refund transferred resources to the transferor. Unconditional grants also includes grants with restrictions since restrictions do not include a requirement that the transferred asset, or future economic benefits or service potential be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the Municipality a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained. The Municipality recognises grants with restriction and unconditional grants as revenue upon receipt of the grant and no corresponding liability is recognised. Unconditional grants are measured at their fair value.

Conditional grants - Conditions on transferred assets (hereafter referred to as conditions) require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the Municipality incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition. This is because the Municipality is unable to avoid the outflow of resources as it is required to consume the future economic benefits or service potential embodied in the transferred asset in the delivery of particular goods or services to third parties or else to return to the transferor future economic benefits or service potential. Therefore, when a Municipality initially recognises an asset that is subject to a condition it also recognises a liability. Revenue on such grants is recognised when the qualifying expenditure has been incurred and to the extent that conditions have been complied with.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Gifts and donations, including goods in-kind

Gifts and donations are voluntary transfers of assets that one entity makes to another, normally free from stipulations. Goods in-kind are tangible assets transferred to an entity, without charge, but may be subject to stipulations.

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

As indicated under the section on Recognition of assets, grants, gifts and donations (other than services in-kind) are recognised when the definition of an asset is met and the recognition criteria of an asset are satisfied. The making of a gift or donation and the transfer of legal title is often simultaneous and in these circumstances there is no doubt as to the future economic benefits flowing to the municipality, however the transfer of legal title does not necessarily have to happen before the municipality will have control over the asset.

For grants, gifts and donations received without conditions attached, revenue is recognised when the asset is recognised. For grants, gifts and donations received that have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met, and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

Goods in-kind are recognised as assets when the goods are received or there is a binding agreement to receive the goods. If the goods in-kind have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met, and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

At initial recognition, gifts and donations including goods in-kind are measured at their fair value. Due to the nature of these transactions, the fair values might not be readily available and consequently it may be obtained with reference to market prices or appraisals.

Services in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the municipality 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.

Where services in-kind are not significant to the municipality’s operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality’s operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Service in-kind is recogniseed when it meet asset the recognition criteria. These assets are, however, immediately consumed and a transaction of equal value is also recognised to reflect the consumption of the service.

Revenue is recognised when the asset is recognised.

The following may lead to the municipality not being able to recognise the services in-kind as an asset:

- The municipality has insufficient control over the services provided; or
- The municipality may have control over the service provided but may not be able to measure it reliably.

Significant Accounting Policies

1.15 Property, plant and equipment

Property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components} of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent measurement – cost model. Subsequently all property plant and equipment, excluding land, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the Municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue. Gains or losses are calculated as the difference between the carrying values of assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Site rehabilitation and restoration costs

Significant Accounting Policies

1.15 Property, plant and equipment (continued)

Where the Municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions"'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the Municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As the related asset is measured using the cost model: -

a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

c) if the adjustment results in an addition to the cost of an asset, the group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash generating assets and/or impairment of non-cash-generating assets.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	5-80 years
Machinery and equipment	Straight-line	3-20 years
Furniture and office equipment	Straight-line	3-20 years
Transport assets	Straight-line	3-20 years
Computer equipment	Straight-line	3-20 years
Infrastructure	Straight-line	2-100 years
Community	Straight-line	5-80 years
Recreational facilities	Straight-line	5-100 years
Emergency equipment	Straight-line	2-20 years

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

1.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument. The municipality recognises financial assets using the trade date accounting.

Subsequent measurement – financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Significant Accounting Policies

1.16 Financial instruments (continued)

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision.

Subsequent measurement – financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by the municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Classification

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:

Type of financial asset	Classification in terms of GRAP 104
Cash and cash equivalent	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non exchange transactions (excluding statutory receivables)	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:

Type of financial liability	Classification in terms of GRAP 104
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Finance Lease obligation	Financial liability measured at amortised cost

1.17 Statutory receivables

Identification

Significant Accounting Policies

1.17 Statutory receivables (continued)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

The municipality has the following major categories under the ambit of statutory receivables
- VAT receivables
- Rates debtors
- Traffic fine debtors

Recognition

The municipality recognises statutory receivables as follows:
- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

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.

Significant Accounting Policies

1.17 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Significant Accounting Policies

1.18 Contingent assets and contingent liabilities

Contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The municipality does not recognise contingent liaiblities. Contingent laiblities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

The municipali ty does not recognise contingent assets. Continegnt assets are disclosed where an inflow of economic benefits or servoce potential is probable. Contingencies are disclosed in the notes to the municipality

1.19 Value Added Tax

The municipality is registered with the South Afrcan Revenue Service (SARS) for Value Added Tax on the payment basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The municipality is registered as a category C VAT vendor. VAT receivable or payable is calculated on a monthly basis. VAT receivable is treated as current assets while VAT payable is treated as current liablity.

VAT is accounted for on an accrual basis in the annual financial statements.

1.20 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality’s net investment in the finance lease.

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.

Significant Accounting Policies

1.20 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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.

1.21 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

1.22 Councillor and Employee benefits

Identification

Councillor and Employee benefits

Councillor and Employee benefits are all forms of consideration given by an entity in exchange for service rendered by Councillor and employees.

Other long-term employee benefits are councillor/employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

A constructive obligation is an obligation that derives from an entity’s actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Significant Accounting Policies

1.22 Councillor and Employee benefits (continued)

Short-term employee and councillor benefits

Short-term councillor/employee benefits are councillor/employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the councillor/employees render the related service.

Short-term councillor/employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services: (a) wages, salaries and social security contributions; (b) paid annual leave and paid sick leave; (c) bonus, incentive and performance related payments; and (d) non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees. An entity need not reclassify a short-term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change (such as a change from a non-accumulating benefit to an accumulating benefit) or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short-term employee benefits.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures 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 entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

When an councillor/employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term councillor/employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises 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.

Post-employment benefits: Defined contribution plans

Recognition and measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises 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

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

Significant Accounting Policies

1.22 Councillor and Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial valuation method

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.

Attributing benefit to periods of service

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

Actuarial assumptions: Mortality

The municipality determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Actuarial assumptions: Salaries, benefits and medical costs

The municipality measures its defined benefit obligations on a basis that reflects:

(a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;

(b) any estimated future salary increases that affect the benefits payable;

(c) the effect of any limit on the employer's share of the cost of the future benefits;

(d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and

(e) estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

Significant Accounting Policies

1.22 Councillor and Employee benefits (continued)

(i) those changes were enacted before the end of the reporting period; or

(ii) historical data, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Past service cost and gains and losses on settlement

When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

(a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

(b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

Past service cost

The entity recognises past service cost as an expense at the earlier of the following dates:

(a) when the plan amendment or curtailment occurs; and

(b) when the entity recognises related restructuring costs or termination benefits.

Gains and losses on settlement

The municipality recognises a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

1.23 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.24 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.25 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Significant Accounting Policies

1.25 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

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.

1.26 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality’s approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Expenditure from which unauthorised expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Significant Accounting Policies

1.26 Unauthorised expenditure (continued)

Where a council resolution to recover the unauthorised expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the unauthorised expenditure, the municipality expenses the unauthorised expenditure in surplus/deficit.

1.27 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. 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.

Expenditure from which fruitless and wasteful expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Fruitless and wasteful expenditure is recorded in the register on the date it is first identified and disclosed in the notes to inclusive of VAT as required in section 125 (d) of the MFMA.

Where a council resolution to recover the fruitless and wasteful expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the fruitless and wasteful expenditure, the municipality expenses the fruitless and wasteful expenditure in surplus/deficit.

1.28 Irregular expenditure

Irregular expenditure, in relation to a municipality or municipal entity, means:

- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of MFMA, and which has not been condoned in terms of section 170 of MFMA,
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act,
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, or
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality's by laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

Expenditure from which irregular expenditure arise is either recognised as an expense in the statement of financial performance or capitalized to an asset in the statement of financial position in the year that the expenditure was incurred.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Significant Accounting Policies

1.28 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is recorded in the register on the date it is first identified and disclosed in the notes to inclusive of VAT as required in section 125 (d) of the MFMA.

Where a council resolution to recover the irregular expenditure is adopted, the municipality considers whether the definition and recognition criteria of an asset and/or revenue in accordance with the applicable standards of GRAP have been met and satisfied and recognise the asset or revenue accordingly.

Where a council adopts a council committee recommendation to write-off the irregular expenditure, the municipality expenses the irregular expenditure in surplus/deficit.

1.29 Segment information

A segment is an activity of the municipality:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following Votes are considered significant to the municipality and are accordingly managed separately

- Social and Community Services
- Planning and Economic Development
- Technical Services

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.30 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

Significant Accounting Policies

1.30 Budget information (continued)

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 7/1/2023 to 6/30/2024.

The audited 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.

The Statement of comparative and actual information has been included in the audited annual financial statements as the recommended disclosure when the audited annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

In general, a difference of more or less than 10% is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:

- the approved and final amounts;
- actual amounts and final budget amounts.

1.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity’s financial statements to understand the effect of related party transactions on its audited annual financial statements.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

Significant Accounting Policies

1.32 Events after reporting date (continued)

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.33 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

1.34 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.35 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surplus realised during a specific financial year is credited against the accumulated surplus.

Prior year adjustments, relating to income and expenditure are credited and debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.36 Deviations

In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council.

The Deviations are disclosed on the as note to the annual financial statements and the amount are VAT inclusive.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

Notes to the Audited Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Fact Sheet 1 - Definition of a financial instrument	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 2 - Bank accounts	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 3 - Receivables	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 4 - Payables	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 5 - Concessionary loans payable	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 6 - Concessionary loans receivable	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 7 - Financial guarantee contracts	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 8 - Loan commitments	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 9 - Investments in residual interests	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 10 - Investments and loans receivable	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 12 (1 of 2) - Disclosures Financial Position and Performance	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact Sheet 12 (2 of 2) - Disclosures Nature and Extent of Risks	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact sheet Assessing going concern	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Fact sheet on GRAP 24	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Guideline on The Application of Materiality to Financial Statements 2024	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 107 Mergers	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	To be determined by the Minister of Finance	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	To be determined by the Minister of Finance	Unlikely there will be a material impact

Figures in Rand	2024	2023

3. Inventories

Water	480,908	361,755
Carrying value of inventories carried at fair value less costs to sell	480,908	361,755
Inventories recognised as an expense during the year	26,393,163	22,923,146

Below are the costs related relating to water inventory consumed:

Employee related cost for the year under review R9 463 985 (2023: R9 498 397). Ref note 31

Bulk purchase for the year under review R466 692 (2023: R314 779). Ref note 37

General expense for the year under review R15 744 850 (2023: R12 261 334). Ref note 39

Contracted services for the year under review R717 636 (2023: R848 637). Ref note 38

Inventory pledged as security

No inventory was pledged as security during the year under review.

4. Receivables from exchange transactions

Long term agreements	140,580	140,580
Short Term agreements	134,368	684,799
Agency services	1,229,081	1,406,010
Other receivables from exchange	15,282,864	9,935,180
Consumer debtors - Electricity	12,548,245	7,536,306
Consumer debtors - Water	17,180,815	20,220,021
Consumer debtors - Sewerage	4,443,584	4,196,842
Consumer debtors - Refuse	2,054,461	2,140,870
Consumer debtors - Fees	2,554,504	3,089,757
Consumer debtors - Merchandising and jobbing	13,875,579	11,355,962
	69,444,081	**60,706,327**
Non-current assets	140,580	140,580
Current assets	69,303,501	60,565,747
	69,444,081	**60,706,327**

Statutory receivables included in receivables from exchange transactions above are as follows:

Financial asset receivables included in receivables from exchange transactions above	**69,444,081**	**60,706,327**
Total receivables from exchange transactions	69,444,081	60,706,327

No Trade and other receivables was pledged as security during the year under review

Figures in Rand	2024	2023
5. Consumer debtors disclosure		
Gross balances		
Consumer debtors - Rates	194,777,015	190,437,247
Consumer debtors - Electricity	23,543,481	15,933,740
Consumer debtors - Water	78,447,606	67,046,808
Consumer debtors - Sewerage	45,366,823	36,523,264
Consumer debtors - Refuse	17,417,620	14,406,117
Consumer debtors - Fees	4,872,608	3,267,092
Consumer debtors - Merchandising and jobbing	20,811,801	17,822,490
Consumer debtors - Availibility charge	10,037,229	6,232,034
	395,274,183	**351,668,792**
Less: Allowance for impairment		
Consumer debtors - Rates	(146,556,302)	(138,833,727)
Consumer debtors - Electricity	(10,995,236)	(8,397,434)
Consumer debtors - Water	(61,266,791)	(46,826,787)
Consumer debtors - Sewerage	(40,923,239)	(32,326,422)
Consumer debtors - Refuse	(15,363,159)	(12,265,247)
Consumer debtors - Fees	(2,318,104)	(177,335)
Consumer debtors - Merchandising and jobbing	(6,936,222)	(6,466,528)
Consumer debtors - Availibility charge	(90,181)	-
	(284,449,234)	**(245,293,480)**
Net balance		
Consumer debtors - Rates	48,220,713	51,603,520
Consumer debtors - Electricity	12,548,245	7,536,306
Consumer debtors - Water	17,180,815	20,220,021
Consumer debtors - Sewerage	4,443,584	4,196,842
Consumer debtors - Refuse	2,054,461	2,140,870
Consumer debtors - Fees	2,554,504	3,089,757
Consumer debtors - Merchandising and jobbing	13,875,579	11,355,962
Consumer debtors - Availibility charge	9,947,048	6,232,034
	110,824,949	**106,375,312**
Statutory receivables included in consumer debtors above are as follows:		
Consumer debtors - Rates	48,220,713	51,603,520
Financial asset receivables included in consumer debtors above	62,604,236	54,771,792
Total consumer debtors	110,824,949	106,375,312
Rates		
Current (0 -30 days)	11,239,848	11,645,721
31 - 60 days	5,306,093	6,181,697
61 - 90 days	4,745,238	5,936,351
91 - 120 days	4,568,289	5,820,972
121 - 365 days	33,479,275	36,772,794
> 365 days	135,438,272	124,079,712
Impairment	(146,556,302)	(138,833,727)
	48,220,713	**51,603,520**

Figures in Rand	2024	2023
5. Consumer debtors disclosure (continued)		
Electricity		
Current (0 -30 days)	8,035,969	4,479,441
31 - 60 days	809,373	771,739
61 - 90 days	490,080	469,891
91 - 120 days	388,061	608,280
121 - 365 days	3,059,116	1,629,706
> 365 days	10,760,882	7,974,683
Impairment	(10,995,236)	(8,397,434)
	12,548,245	**7,536,306**
Water		
Current (0 -30 days)	4,930,276	10,386,830
31 - 60 days	2,757,682	2,025,631
61 - 90 days	2,212,865	1,930,321
91 - 120 days	2,182,000	1,864,708
121 - 365 days	13,598,661	8,808,572
> 365 days	52,766,122	42,030,746
Impairment	(61,266,791)	(46,826,787)
	17,180,815	**20,220,021**
Sewerage		
Current (0 -30 days)	2,406,176	2,330,888
31 - 60 days	1,500,410	1,205,026
61 - 90 days	1,329,019	1,007,971
91 - 120 days	1,232,411	947,610
121 - 365 days	7,942,664	6,130,843
> 365 days	30,956,143	24,900,926
Impairment	(40,923,239)	(32,326,422)
	4,443,584	**4,196,842**
Refuse		
Current (0 -30 days)	1,119,683	1,371,044
31 - 60 days	613,388	493,604
61 - 90 days	524,518	392,668
91 - 120 days	471,655	368,015
121 - 365 days	2,999,929	2,347,032
> 365 days	11,688,447	9,433,754
Impairment	(15,363,159)	(12,265,247)
	2,054,461	**2,140,870**
Fees		
Current (0 -30 days)	75,868	7,086
31 - 60 days	1,948	307
61 - 90 days	24,632	46,655
91 - 120 days	597,171	158,578
121 - 365 days	1,606,787	2,904,061
> 365 days	2,566,202	150,405
Impairment	(2,318,104)	(177,335)
	2,554,504	**3,089,757**

Figures in Rand	2024	2023
5. Consumer debtors disclosure (continued)		
Merchandising and jobbing		
Current (0 -30 days)	302,155	24,023
31 - 60 days	220,620	645,365
61 - 90 days	230,000	240,927
91 - 120 days	199,968	963,983
121 - 365 days	1,953,367	1,529,552
> 365 days	17,905,691	14,418,640
Impairment	(6,936,222)	(6,466,528)
	13,875,579	**11,355,962**
Receivables from Traffic fine (Non - consumer debtors)		
Current (0 -30 days)	7,102,300	286,500
31 - 60 days	3,988,902	501,000
61 - 90 days	5,982,202	4,415,220
91 - 120 days	7,648,161	4,638,940
121 - 365 days	6,417,100	21,740,230
> 365 days	65,978,936	37,639,560
Impairment	(86,861,838)	(61,945,899)
	10,255,763	**7,275,551**

Figures in Rand	2024	2023
5. Consumer debtors disclosure (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	15,152,239	20,072,830
31 - 60 days	8,150,617	7,489,475
61 - 90 days	6,879,378	7,288,523
91 - 120 days	7,133,916	7,197,545
121 - 365 days	54,966,181	38,380,720
> 365 days	178,077,220	148,162,738
	270,359,551	228,591,831
Less: Allowance for impairment	(201,184,616)	(170,562,658)
	69,174,935	**58,029,173**
Industrial/ commercial		
Current (0 -30 days)	9,855,530	8,520,567
31 - 60 days	2,252,680	1,841,022
61 - 90 days	1,540,236	1,856,895
91 - 120 days	1,376,193	1,306,214
121 - 365 days	10,695,466	9,347,865
> 365 days	56,824,261	54,499,349
	82,544,366	77,371,912
Less: Allowance for impairment	(53,451,370)	(48,057,039)
	29,092,996	**29,314,873**
National and provincial government		
Current (0 -30 days)	3,353,589	2,246,542
31 - 60 days	1,159,227	1,615,436
61 - 90 days	1,136,735	1,602,423
91 - 120 days	1,130,447	1,481,876
121 - 365 days	8,295,564	6,945,678
> 365 days	27,296,144	25,581,060
	42,371,706	39,473,015
Less: Allowance for impairment	(29,813,248)	(26,673,782)
	12,558,458	**12,799,233**
Total		
Current (0 -30 days)	28,361,359	30,839,941
31 - 60 days	11,562,075	10,918,934
61 - 90 days	9,556,350	10,747,842
91 - 120 days	9,639,557	9,985,635
121 - 365 days	73,957,212	54,674,263
> 365 days	262,197,626	228,270,143
	395,274,179	345,436,758
Less: Allowance for impairment	(284,449,236)	(245,293,481)
	110,824,943	**100,143,277**
Reconciliation of allowance for impairment		
Balance at beginning of the year	307,239,379	247,787,703
Contributions to allowance (expense)	78,440,588	38,930,513
Debt impairment written off against allowance	(17,325,230)	(12,999,855)
Contributions to allowance (VAT)	2,956,337	(714,066)
Correction of error	-	34,235,084
	371,311,074	**307,239,379**

Figures in Rand	2024	2023

6. Receivables from non-exchange transactions

Fines	10,255,763	7,275,551
Other receivables from non-exchange revenue	15,067	-
Property rates	48,220,713	51,603,520
Availibility charges	9,947,048	6,232,034
	68,438,591	**65,111,105**
Non-current assets	-	-
Current assets	68,438,591	65,111,105
	68,438,591	**65,111,105**
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Fines	10,255,763	7,275,551
Consumer debtors - Rates	48,220,713	51,603,520
	58,476,476	**58,879,071**
Financial asset receivables included in receivables from non-exchange transactions above	**9,962,115**	**6,232,034**
Total receivables from non-exchange transactions	68,438,591	65,111,105

Statutory receivables general information

Transaction(s) arising from statute

Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security during the year under review.

7. VAT receivable

VAT	5,155,579	7,789,978

Statutory receivable from SARS R163,966 (2023: R0)

VAT Receivables (Accrual) R 4,991,613 (2023: R7,789,978)

The municipality is on cash basis for VAT.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	23,846,711	7,504,339
Short-term deposits	1,423,619	3,756,904
	25,270,330	**11,261,243**

Cash and cash equivalents pledged as collateral

Limited cession of ABSA fixed deposit account number 206-670-1092. The cession of R500 000 - Guarantee for Raad Van Magalies Water and R300 000 - INCA Infrastructure Finance Corp Limited.	800,000	800,000
Guarantee for Raad Van Magalies Water. Account number 690-020-9994	500,000	500,000

Figures in Rand	2024	2023

8. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2024	June 30, 2023	June 30, 2022
ABSA BANK - Account Type (Primary account)- 133-000-0062	23,654,045	6,029,206	7,780,316	23,846,711	6,287,581	12,369,507
ABSA BANK - Call Account - 407-836-0937	31,506	3,697,332	1,633,225	52,574	3,705,560	513,922
ABSA BANK - Call Account - 929-574-5884	192,615	178,346	168,157	192,615	178,346	168,157
ABSA BANK - Fixed Account - 206-670-1092	1,178,430	1,089,757	1,022,957	1,178,430	1,089,757	1,022,957
Total	**25,056,596**	**10,994,641**	**10,604,655**	**25,270,330**	**11,261,244**	**14,074,543**

9. Investment property

	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Investment property	67,457,882	67,457,882	60,717,194	60,717,194

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	60,717,194	6,740,688	67,457,882

Reconciliation of investment property - 2023

	Opening balance	Correction error	Fair value adjustments	Total
Investment property	279,274,316	(224,255,133)	5,698,011	60,717,194

Fair value of investment properties	6,740,688	5,698,011

Pledged as security

No carrying value of investment properties were pledged as security during the year under review.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

9. Investment property (continued)

Details of valuation

The effective date of the valuations was Sunday, June 30, 2024. Valuations were performed by an independent valuer, Mr P Mabelane. Mr P Mabelane is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The value indicated is established by comparing the subject property with similar properties, called comparable sales. Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value. These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property's value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

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During the financial year, the municipality identified an error in the recognition of investment property. The error resulted in the recognition of assets registered in the name of the Bela Bela Local Municipality where the municipality has lost control. As a result of this, the municipality no longer recognises these properties on its balance sheet, as it has lost control and these properties no longer meet the definition of an asset under GRAP. Specifically, the properties do not provide the municipality with future economic benefits, nor does the municipality have control over them. Total number of derecognised assets is 857, broken down as follows:

- 62 Properties where public service institutions have been constructed such as schools and clinics.
- 684 Properties where RDP houses have been constructed.
- 111 Properties where formal dwellings have been constructed and the municipality is charging for services been provided.

These properties do not form part of the disclosed investment property but have been disclosed in the substance over form register of the municipality for completeness purposes.

Maintenance of investment property

There were no repairs and maintenance incurred during the year under review.

10. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	106,174,102	(24,873,160)	81,300,942	106,174,102	(24,873,160)	81,300,942
Machinery and equipment	3,642,094	(2,797,566)	844,528	3,293,086	(2,506,892)	786,194
Furniture and office equipment	7,406,450	(6,145,563)	1,260,887	7,084,658	(5,671,605)	1,413,053
Transport assets	42,744,127	(25,783,700)	16,960,427	42,744,127	(23,359,129)	19,384,998
Computer equipment	10,864,903	(9,610,449)	1,254,454	9,946,940	(9,233,309)	713,631
Infrastructure	1,330,474,275	(696,113,633)	634,360,642	1,236,398,656	(672,500,225)	563,898,431
Community assets	133,933,894	(66,946,020)	66,987,874	133,933,894	(62,605,339)	71,328,555
Buildings	67,868,477	(49,734,449)	18,134,028	67,868,477	(48,606,911)	19,261,566
Work-in-progress	94,132,941	-	94,132,941	97,193,913	-	97,193,913
Leased assets	8,616,595	(2,383,937)	6,232,658	1,608,823	(443,612)	1,165,211
Total	**1,805,857,858**	**(884,388,477)**	**921,469,381**	**1,706,246,676**	**(849,800,182)**	**856,446,494**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposal cost	Landfill Site Change	Transfers	Disposal (Accumulated depreciation)	Depreciation	Impairment loss	Total
Land	81,300,942	-	-	-	-	-	-	-	81,300,942
Machinery and equipment	786,194	349,007	-	-	-	-	(290,673)	-	844,528
Furniture and office equipment	1,413,053	321,791	-	-	-	-	(473,957)	-	1,260,887
Transport assets	19,384,998	-	-	-	-	-	(2,424,571)	-	16,960,427
Computer equipment	713,631	917,963	-	-	-	-	(377,140)	-	1,254,454
Infrastructure	563,898,431	24,049,513	(9,977,880)	(667,998)	80,671,986	6,971,783	(30,398,754)	(186,439)	634,360,642
Community	71,328,555	-	-	-	-	-	(3,605,932)	(734,749)	66,987,874
Buildings	19,261,566	-	-	-	-	-	(1,127,538)	-	18,134,028
Work-in-progress	97,193,913	77,611,011	-	-	(80,671,986)	-	-	-	94,132,941
Leased Assets	1,165,211	7,007,771	-	-	-	-	(1,940,324)	-	6,232,658
	856,446,494	**110,257,056**	**(9,977,880)**	**(667,998)**	**-**	**6,971,783**	**(40,638,889)**	**(921,188)**	**921,469,381**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Correction of error	Disposal cost	Landfill Site Change	Transfers	Disposal (Accumulated depreciation and impairment)	Depreciation	Impairment loss	Total
Land	86,689,342	-	(5,388,400)	-	-	-	-	-	-	81,300,942
Machinery and equipment	1,093,386	205,491	(3,128)	(504,877)	-	-	504,728	(458,126)	(51,280)	786,194
Furniture and office equipment	1,412,914	577,983	118,465	(499,688)	-	-	491,617	(679,263)	(8,975)	1,413,053
Transport assets	23,659,954	-	353,332	(2,567,555)	-	-	1,741,711	(3,068,573)	(733,871)	19,384,998
Computer equipment	1,403,332	414,335	14,062	(530,797)	-	-	530,797	(1,111,304)	(6,794)	713,631
Infrastructure	547,417,133	2,328,139	(9,597,427)	(8,116,485)	(2,759,830)	57,204,026	6,896,763	(28,138,632)	(1,335,256)	563,898,431
Community	75,600,803	-	121,964	-	-	-	-	(3,795,107)	(599,105)	71,328,555
Buildings	20,508,129	-	551	-	-	-	-	(1,245,815)	(1,299)	19,261,566
Work-in-progress	70,904,885	73,033,596	10,459,458	-	-	(57,204,026)	-	-	-	97,193,913
Leased Assets	-	1,608,823	-	-	-	-	-	(443,612)	-	1,165,211
	828,689,878	**78,168,367**	**(3,921,123)**	**(12,219,402)**	**(2,759,830)**	**-**	**10,165,616**	**(38,940,432)**	**(2,736,580)**	**856,446,494**

Pledged as security

Leased printers	628,695	1,164,849
Leased vehicles	5,604,664	-

No Property Plant Equipment were pledged during the during the year except for municipality's obligation under the finance leases which are secured by the lessors charge over the assets.

Figures in Rand	2024	2023

10. Property, plant and equipment (continued)

Other information

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
MV Substations: Construction of 20 MVA Substation. The none completion of this project was due to the underperformance of the appointed service providers, hence the termination was realised.	45,941,300	45,941,300

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Total
Opening balance	97,193,913	97,193,913
Additions/capital expenditure	77,611,011	77,611,011
Transferred to completed items	(80,671,983)	(80,671,983)
	94,132,941	**94,132,941**

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Total
Opening balance	70,904,855	70,904,855
Additions/capital expenditure	73,033,596	73,033,596
Prior Year Adjustment	10,459,488	10,459,488
Transferred to completed items	(57,204,026)	(57,204,026)
	97,193,913	**97,193,913**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Property, Plant and Equipment	10,746,498	7,401,308

Heritage assets

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

11. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3,059,412	(1,843,289)	1,216,123	2,506,689	(1,556,453)	950,236
Servitudes	645,664	-	645,664	645,664	-	645,664
Total	**3,705,076**	**(1,843,289)**	**1,861,787**	**3,152,353**	**(1,556,453)**	**1,595,900**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	950,236	552,723	(286,836)	1,216,123
Servitudes	645,664	-	-	645,664
	1,595,900	**552,723**	**(286,836)**	**1,861,787**

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software, other	982,978	(32,742)	950,236
Servitudes	645,664	-	645,664
	1,628,642	**(32,742)**	**1,595,900**

Pledged as security

No intangible assets were pledged during the year.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

11. Intangible assets (continued)

Other information

Intangible assets with an indefinite useful life	645,664	645,664

The servitudes recognised in the asset register represent a right of way to land in order to service and maintain municipal infrastructure, such as under ground water networks, and since land is considered to have an indefinite lifespan, the servitude embeds the same lifespan properties.

12. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage assets	538,950	-	538,950	538,950	-	538,950

Reconciliation of heritage assets 2024

	Opening balance	Total
Heritage assets	538,950	538,950

Reconciliation of heritage assets 2023

	Opening balance	Total
Heritage assets	538,950	538,950

Pledged as security

No Heritage assets were pledged during the year.

Expenditure incurred to repair and maintain heritage assets

No expenditure incurred in maintaining heritage assets.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

13. Payables from exchange transactions

Trade payables (current liabilities)	57,287,987	95,144,724
Income received in advanced	17,562,178	17,216,591
Retentions	14,055,971	10,537,822
Accrued leave pay	11,331,386	10,395,110
Accrued bonus	2,908,948	3,226,805
Deposits on sale of land	2,359	-
Unkwown (unallocated) deposits	2,910,041	4,965,946
Accrued payroll expenditure	-	4,780,195
	106,058,870	**146,267,193**

14. Consumer deposits

Electricity	5,343,307	5,318,437
Water	1,474,056	1,241,654
Refuse	2,034	2,034
Sewerage	400,072	383,436
Housing rental	16,948	9,502
	7,236,417	**6,955,063**

The sewerage services were incorrectly reported as regional services levies. This was renamed to align with services provided by the municipality.

15. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Opening balance of the Post-Employment Medical aid benefit	(46,441,000)	(48,638,000)
Movement in the Post - Employment Medical aid benefit	(7,548,000)	2,197,000
Opening balance long service awards	(7,324,000)	(7,305,000)
Movement in Long service awards	(569,000)	(19,000)
	(61,882,000)	**(53,765,000)**
Non-current liabilities	(58,439,000)	(51,534,000)
Current liabilities	(3,443,000)	(2,231,000)
	(61,882,000)	**(53,765,000)**

Changes in the present value of the long service awards are as follows:

Opening balance	(7,324,000)	(7,305,000)
Service cost	(601,000)	(648,000)
Interest expense	(806,000)	(876,000)
Benefits Paid	833,000	358,000
Actuarial Loss/(Gain)	5,000	1,147,000
	(7,893,000)	**(7,324,000)**

Changes in the present value of the post-employment medical aid liabilities are as follows:

Opening balance	(46,441,000)	(48,638,000)
Service cost	(2,412,000)	(3,133,000)
Interest cost	(6,653,000)	(5,861,000)
Benefits Paid	1,459,000	1,378,854
Actuarial Loss/(Gain)	58,000	9,812,146
	(53,989,000)	**(46,441,000)**

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

15. Employee benefit obligations (continued)

Net expense/income recognised in the statement of financial performance are as follows:

- Current service cost - Long Service Awards	601,000	648,000
- Current service cost - Post-employment Medical Aid	2,412,000	3,133,000
- Interest expense - Long Service Awards	806,000	876,000
- Interest expense - Post-employment Medical Aid	6,653,000	5,861,000
- Actuarial gains and losses arising from - Long Service Awards	(5,000)	(1,147,000)
- Actuarial gains and losses arising from - Post-employment Medical Aid	(58,000)	(9,812,146)
- Benefits Paid - Long Service Awards	(833,000)	(358,000)
- Benefits Paid - Post-employment Medical Aid	(1,459,000)	(1,378,854)
	8,117,000	**(2,178,000)**

Calculation of actuarial gains and losses

Actuarial (gains) losses – Post-employment medical aid benefit	(58,000)	(9,812,146)
Actuarial (gains) losses – Long service awards	(5,000)	(1,147,000)
	(63,000)	**(10,959,146)**

15. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Post-employment Medical Aid Liabilities

The expected value of each employee and their spouse's future medical aid subsidies is projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present date of valuation (calculation). We also allowed for mortality, retirements and withdrawals from service as set out below. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. Further it is assumed that the current policy for awarding medical aid subsidies remains unchanged in the future. We assumed that 100% of all active members on medical aid will remain on medical aid once they retire. We also assumed that all active members will remain on the same medical aid option at retirement.

Valuation of Assets - As at the valuation date, the medical aid liability of the Municipality was unfunded, i.e., no dedicated assets have been set aside to meet this liability. We therefore did not consider any assets as part of our valuation.

Valuation Assumptions

- In estimating the liability for post-employment medical aid benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions, as guided by the principles set out in GRAP 25 and in discussion with the actuary.

- APN 301 states that the assumptions should be realistic and mutually compatible. The difference between the assumptions drives the valuation and it is very important to monitor how this difference changes from one valuation to the next. The most relevant actuarial assumptions used in this valuation are discussed below.

- **Financial Variables** - The two most important financial variables used in our valuation are the discount- and medical aid inflation rates. We have assumed the following values for these variables:

Financial Variable	Assumed Value 30-06-2024 (Current Valuation)	Assumed Value at 30-06-2023 (Preceding Valuation)
Discount Rate	Yield Curve	Yield Curve
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Normal Salary Increase Rate	Equal to CPI+1%	Equal to CPI+1%
Net Effective Discount Rate	Yield Curve Based	Yield Curve Based

- Discount Rate - GRAP 25 defines the determination of the Discount rate assumption to be used as follows: *"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.*" We use the nominal and zero curves as at 28 June 2024 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

- The following table compares the average values of the financial variables assumed for the subsequent valuations. This is to be used for comparison purposes only and does not reflect the actual rates used as per the explanation above.

Financial Variable	Assumed Value 30-06-2024 (Current Valuation)	Assumed Value at 30-06-2023 (Preceding Valuation)
Discount Rate	13,69%	14,17%
CPI (Consumer Price Inflation)	8,08%	8,61%
Normal Salary Increase Rate	9,08%	9,61%

Figures in Rand	2024	2023

15. Employee benefit obligations (continued)

Net Effective Discount Rate	4,23%	4,15%

- **Medical Aid Inflation** - The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period. South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out strip general inflation by 1% per annum over the foreseeable future.

- **Normal Retirement Age** - The normal retirement age (NRA) for all active employees was assumed to be 65 years.

- **Average Retirement Age** - The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for ill-health and early retirements.

- **Mortality Rates** - Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS. Previously mortality before retirement was based on the SA 85-90 mortality tables whilst post employment was based on PA (90) rated down one year.

- **Spouses and Dependants** - We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

- **Spouses and Dependants** - We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

Benefit Structure

- **Medical Aid Scheme Arrangements** - The Municipality offers employees and continuation members (pensioners) the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical aid scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical aid scheme.

- **Contribution Rate Structure** - 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. The contribution rate tables used are contained in Appendix of the report.

- **Subsidy Arrangements** - The Municipality has agreed to subsidise the medical aid contributions of retired members in the following way: Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement; All continuation members and their eligible dependants receive a 70% subsidy; Widow(er)s and orphans of eligible in-service members are not entitled to receive this same subsidy on and after the death in-service of an employee; Upon a member's death-in-retirement, the surviving dependants will continue to receive the same 70% subsidy.

On the basis of the information supplied and the actuarial assumptions used, the value of the Municipality's liability for future subsidies of medical aid contributions has been calculated as at the valuation date and is summarised below.

- **Accrued Liability** - The accrued liability is given below and is split between the current employees and continuation members (pensioners).

15. Employee benefit obligations (continued)

- **Interest Cost** - The Interest Cost represents the accrual of interest on the Accrued Liability, allowing for benefit payments, over the corresponding year. This arises because the post-employment medical aid scheme contributions are one year closer to payment. This item should be accounted for in the Statement of profit or loss and other comprehensive income (herein after referred to as the “income statement”) according to GRAP 25.

- **Current Service Cost** - The Current Service Cost reflects the additional liability that is expected to accrue in respect of in service members’ service over the corresponding year. This item should be accounted for in the income statement according to GRAP 25.

Membership Changes - Changes to current (in service) membership as at the valuation dates:

	30-06-2024 Valuation	30-06-2023 Valuation	% Change
Number of active employees	226	227	-0,4%
Subsidy weighted average age	47,8	47,3	1,0%
Subsidy weighted average past service	14,82	14,48	2,3%

Changes to continuation membership (pensioners’ membership) as at the valuation dates:

	30-06-2024 Valuation	30-06-2023 Valuation	% Change
Number of principal members	20	21	-4,8%
Subsidy weighted average age	76,18	77,42	-1,6%
Subsidy weighted average past service	R 6 080	R 4 920	23,6%

The main reasons for the actuarial gain can be attributed to the following factors:

- **Changes in economic variables** – Since the previous valuation, there have been changes in the discount rates and inflation rates, resulting in an increase in the net effective discount rates. This resulted in an overall decrease in the liability of around R 1,063,000.

- **Changes in membership and other experience items** – There were various changes in the membership data between the two valuation dates. There was a decrease in the number of in service members and in the continuation members. However, the average years of past service increased, the martial status of members changed and there were changes in the medical schemes held by members, which resulted in the average subsidy increasing more than expected.The average subsidy increased by 6.9% amongst the in-service members and 23.6% amongst the continuation members. The net effect of this, along with some other smaller factors, resulted in an increase in the liability of around R 1 005 000.

Sensitivity Analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/decrease in the assumed level of mortality;

- 1% increase/decrease in the Medical Aid inflation.

Mortality rate - Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Municipality. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Municipality in the form of subsidies will reduce and vice versa. We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows:

	-20% Mortality rate	Valuation Assumption	+20% Mortality rate
Total Accrued Liability	R 58 303 000	R 53 989 000	R 50 411 000
Interest Cost	R 8 046 000	R 7 442 000	R 6 940 000
Service Cost	R 2 696 000	R 2 491 000	R 2 319 000

15. Employee benefit obligations (continued)

Medical aid inflation - The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. We have tested the effect of a 1% p.a. change in the medical aid inflation assumption. The effect is as follows:

	-1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total Accrued Liability	R 47 399 000	R 53 989 000	R 61 939 000
Interest Cost	R 6 513 000	R 7 442 000	R 8 564 000
Service Cost	R 2 097 000	R 2 491 000	R 2 981 000

Long Service Awards Liabilities

Long service benefits are awarded in the form of a number of leave days awarded once an employee has completed a certain number of years in service. We have converted the awarded leave days to a percentage of annual salary by assuming there are 250 working days per year. The expected value of each employee's long service award is projected to the next interval by allowing for future salary growth. The table below contains a summary of the benefit policy:

Completed Years of Service	Total Long Service Benefit Award (% of Annual Salary)	Formula used to calculate Total Long Service Benefit Award
10	4%	(10/250)*Annual Salary
15	8%	(20/250)*Annual Salary
20, 25, 30, 35, 40, and 45	12%	(30/250)*Annual Salary

The calculated award values are then discounted at the assumed discount interest rate to the date of calculation. We also allowed for mortality, retirements and withdrawals from service as set out in the next section of this report.

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the working life of an employee up to the end of the interval at which the benefit becomes payable. Further it is assumed that the current policy for awarding long service awards remains unchanged in the future.

Valuation of Assets - As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e., no dedicated assets have been set aside to meet this liability. We therefore did not value any assets as part of our valuation.

Valuation Assumptions

- In estimating the liability for long service leave benefits a number of assumptions are required. GRAP 25 places the responsibility on management to set these assumptions, as guided by the principles set out in GRAP 25 and in discussion with the actuary.

- **The assumptions should be realistic and mutually compatible**. The difference between the assumptions drives the valuation and it is very important to monitor how this difference changes from one valuation to the next. The most relevant actuarial assumptions used in this valuation are discussed below.

- **Discount Rate** - GRAP 25 defines the determination of the Discount rate assumption to be used as follows: *"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve*." We use the nominal and zero curves as at 28 June 2024 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

- **Financial Variables** - The two most important financial variables used in our valuation are the discount rate and salary inflation. We have assumed the following values for these variables:

Financial Variable	Assumed Value 30-06-2024 (Current Valuation)	Assumed Value at 30-06-2023 (Preceding Valuation)
Discount Rate	Yield Curve	Yield Curve

15. Employee benefit obligations (continued)

CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Normal Salary Increase Rate	Equal to CPI+1%	Equal to CPI+1%
Net Effective Discount Rate	Yield Curve Based	Yield Curve Based

- The following table compares the average values of the financial variables assumed for the subsequent valuations. This is to be used for comparison purposes only and does not reflect the actual rates used as per the explanation above.

Financial Variable	**Assumed Value 30-06-2024 (Current Valuation)**	**Assumed Value at 30-06-2023 (Preceding Valuation)**
Discount Rate	10,58%	10,82%
CPI (Consumer Price Inflation)	5,46%	5,92%
Normal Salary Increase Rate	6,46%	6,92%
Net Effective Discount Rate	3,87%	3,65%

- **Average Retirement Age** - The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for ill-health and early retirements.

- **Normal Retirement Age** - The normal retirement age (NRA) for all active employees was assumed to be 65 years.

- **Mortality Rates** - Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

- **Interest Cost** - The Interest Cost represents the accrual of interest on the Accrued Defined Benefit Obligation, allowing for benefit payments, over the corresponding year. This arises because the long service benefits are one year closer to payment. This item should be accounted for in the Statement of profit or loss and other comprehensive income (herein after referred to as the “income statement”) according to GRAP 25.

- **Current Service Cost** - The Current Service Cost reflects the additional liability that is expected to accrue in respect of in service members’ service over the corresponding year. This item should be accounted for in the income statement according to GRAP 25.

The main reasons for the actuarial gain can be attributed to the following factors:

- **Changes in economic variables** – We used the nominal and real zero curves as at 28 June 2024 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period. As a result, the interest rates, bond yields and inflation figures changed significantly. This resulted in a higher net effective discount rate and hence an overall decrease in the liability of around R 97 000

- **Membership Changes and other smaller factors** - Over the past year, there have been various changes in membership data, which includes the number of total eligible employees increasingfrom 308 to 310. This, along with so me other smaller factors, resulted in an increase in liability of around R 92 000.

Sensitivity Analysis

the valuation is only an estimate of the cost of providing Long service leave award benefits. The actual cost to the Municipality will be dependent on actual future levels of assumed variables and the demographic profile of the membership.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/decrease in the assumed level of withdrawal rates;

- 1% increase/decrease in the Normal Salary cost inflation

Withdrawal rate

Figures in Rand	2024	2023

15. Employee benefit obligations (continued)

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rate of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

Illustrated below is the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	**Valuation Assumption**	**+20% Withdrawal rate**
Total Accrued Liability	R 8 173 000	R 7 893 000	R 7 631 000
Current Service Cost	R 675 000	R 644 000	R 615 000
Interest Cost	R 856 000	R 825 000	R 796 000

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

We have tested the effect of a 1% p.a. change in the Normal Salary inflation assumption. The effect is as follows:

	-1% Normal salary inflation	**Valuation Assumption**	**+1% Normal salary inflation**
Total Accrued Liability	R 7 477 000	R 7 893 000	R 8 346 000
Current Service Cost	R 604 000	R 644 000	R 689 000
Interest Cost	R 779 000	R 825 000	R 876 000

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Water Services Infrastructure Grant (WISG)	49,662	7,287,698
Integrated National Electrification Programme Grant (INEP)	-	153,464
	49,662	**7,441,162**

Movement during the year

Balance at the beginning of the year	7,441,162	214,343
Additions during the year	217,428,166	213,235,267
Revenue recognition during the year	(224,819,666)	(206,008,448)
	49,662	**7,441,162**

The nature and extent of government grants recognised in the audited annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 29 for reconciliation of grants from National/Provincial Government.

Figures in Rand	2024	2023

17. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Interest charges	Change in landfill closure provision	Total
Rehabilitation of landfil site	62,789,813	-	6,700,678	(3,715,531)	65,774,960
Performance bonus	269,531	320,515	-	-	590,046
	63,059,344	**320,515**	**6,700,678**	**(3,715,531)**	**66,365,006**

Reconciliation of provisions - 2023

	Opening Balance	Correction of error	Additions	Interest charges	Change in landfill closure provision	Total
Rehabilitation of landfil site	75,793,017	(15,852,873)	-	5,609,499	(2,759,830)	62,789,813
Performance bonus	637,823	-	(368,292)	-	-	269,531
	76,430,840	**(15,852,873)**	**(368,292)**	**5,609,499**	**(2,759,830)**	**63,059,344**

Non-current liabilities	60,859,937	62,789,813
Current liabilities	5,505,069	269,531
	66,365,006	**63,059,344**

The provision for the rehabilitation of the landfill site relates to the legal obligation to rehabilitate landfill sites used for waste disposal. The valuation of the landfill site was performed as at 30 June 2024 by Environmental and Sustainibility Solutions CC (ESS).

The basis for this assessment is limited to information that was available at the time of completion of the report. Where information is not available, the worst case as far as the cost determination is concerned, is assumed.

Local of Landfill - The Warmbad landfill is situated on Portion of the farm Het Bad 465 KR, Bela Bela, Bela Bela Local Municipality, approximately 2 km Southeast of Bela Bela.

Permit or license for the Landfill - A permit referenced B33/2/123/3/P184 for the landfill was issued by the national Department of Water Affairs and Forestry on 06 June 1995. The permit has an unlimited period of validity.

Classification of landfill

- Waste types allowed - Household waste, garden waste and construction waste (soil and building rubble) only.
- Size class - The size class of the landfill is specified as Medium
- Climatic water balance - The landfill is classified as B-

Size of the landfill

- The calculation of the present liability must be based on the area that was used in the past as well as the area that is currently being used for disposing of waste, irrespective of the potential final size of the landfill. This is in line with the accounting concept of present obligation.
- The total area of the landfill is 163,510 m2.
- The area of the landfill that has already been used for dumping of waste is estimated at 108,471 m2.

Expected remaining life of the landfill

Figures in Rand	2024	2023

17. Provisions (continued)

- The expected remaining life of the landfill is critically important for determining for how long the landfill can still be used and for planning the replacement of the landfill. The expected remaining life of the landfill is used in the discounting calculations of the provision for closure.

- The current expected remaining life of the landfill is estimated at 1 year. This is based on an assessment by an expert

Determination of closure cost provision

- **General landfill closure costing model** - ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM standardises the determination of landfill closure costs between different landfills and for the same landfill over time. The GLCCM is based on the Minimum Requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph .49 of GRAP 19 or paragraph 36 of IAS 37.

Key assumptions:

- **Unit costs** - Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.

- **Consumer Price Index (CPI)** - The CPI is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last three months amounted to 5.1704%.

- **Discount rate** -GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material. GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality). Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used. The rate most consistent with the remaining life of the landfill published at the end of the quarter that includes the financial year-end date was used. For this landfill the rate associated with the maximum period of 3 years was used, i.e. 5% above CPI.

Key financial assumptions used

Assumption	**2023-2024**	**2022-2023**
CPI	5.1704%	
Discount rate	10.1704%	9.27%
Net effective discount rate	5%	

Discounting of closure costs

- In the previous AFS a landfill closure provision was disclosed for this landfill but a methodology different from the methodology used in the GLCCM was used. Bela Bela Local Municipality has requested that the provision for the previous year be recalculated using this year's information and be restated. The difference between the current year's provision and the provision recalculated for last year is due to unwinding of the provision.

- The landfill closure provision is calculated as the net present value of future cash flows.

- The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year for this landfill.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

17. Provisions (continued)

Summary of discounted landfill closure provision

Description	2023-2024 (R)	2022-2023 (R)
Landfill closure provision	65,774,959	62,789,812 (1)
Interest charge	6,700,678	5,609,498 (2)

Note1: Recalculated based on this year's information, and restated

Note 2 Recalculated based on this year's information, and restated

The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year for this landfill.

Performance bonus

The provision for the performance bonus has been calculated at 14% of the relevant Section 56 Manager's package as per the Department of Provincial and Local Government guidelines on Performance Management and based on the past experience of Section 56 Managers paid out bonuses. In accordance with regulation 32, a performance bonus, based on affordability, may be paid to the employee after:

- the annual report for the financial year under review has been tabled and adopted by municipal council.
- the evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a rewards for outstanding performance.

18. Finance lease obligation

Minimum lease payments due		
- within one year	4,109,034	1,097,512
- in second to fifth year inclusive	5,083,334	2,054,416
	9,192,368	3,151,928
less: future finance charges	(1,006,416)	(1,348,706)
Present value of minimum lease payments	**8,185,952**	**1,803,222**
Present value of minimum lease payments due		
- within one year	4,171,101	1,097,512
- in second to fifth year inclusive	4,014,851	705,710
	8,185,952	**1,803,222**
Non-current liabilities	4,014,851	705,710
Current liabilities	4,171,101	1,097,512
	8,185,952	**1,803,222**

The average lease term was three years and the average effective implicit rate in the leases was 35% (2023: 54%).

Motor vehicle lease - Interest rates are fixed at the contract date. All leases escalate at determined percentage an per annum and no arrangements have been entered into for contingent rent.

Printers lease- Interest rates are fixed at the contract date. All leases escalate at determined percentage an per annum and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

19. Service charges

Sale of electricity	148,368,763	117,902,927
Sale of water	39,528,931	43,437,951
Solid waste	10,596,349	9,523,872
Sewerage and sanitation charges	22,157,556	19,025,310
	220,651,599	**189,890,060**

20. Rental of facilities and equipment

Facilities and equipment		
Rental of facilities	1,192,390	1,477,412

21. Agency services

Vehicle registration	4,601,547	4,883,306

The agency fee is a revenue generated from the department of transport. The municipality earned 20% and 3% commission of the cash collected for undertaking these activities for the provincial department of transport and ARRTO respectively.

22. Sale of goods and rendering of services

Application fees for land usage	169,274	120,462
Cleaning and removal	-	39,005
Occupation certificates	9,848	12,478
Removal of restriction	20,935	19,680
Clearance certificate	211,291	252,288
Building plan approval	437,905	494,879
Cemetery and burial	433,783	439,458
Fire services	1,150	790
Sale of goods	134,174	380,740
	1,418,360	**1,759,780**

23. Other income

Administrative handling fees	132,462	184,917
Collection charges	2,445,792	253,972
Discounts and Early Settlements	-	685,224
Incidental Cash	2,101,481	2,231,347
Printing and duplicates	4,311	5,063
Insurance refunds	-	46,780
Staff and Councillors recoveries	127,132	9,562
	4,811,178	**3,416,865**

24. Interest income from exchange

Interest from the Bank	2,752,331	1,432,309
Interest charged on trade and other receivables	12,651,848	9,045,874
	15,404,179	**10,478,183**

Figures in Rand	2024	2023

25. Fair value adjustments

Fair value adjustment Investment properties	6,740,688	5,698,010
Acturial gain	63,000	10,959,146
	6,803,688	**16,657,156**

26. Property rates revenue

Residential properties	41,770,522	45,498,993
Business, Industrail and Commercial properties	23,070,140	21,059,733
Public benefits activities Properties	372,848	341,725
Agricultural properties	12,022,401	11,142,385
State owned properties	15,678,078	15,166,696
Vacant land properties	2,692,100	15,730,953
	95,606,089	108,940,485
Property rates - interest income	13,329,795	14,038,449
	108,935,884	**122,978,934**

Valuations

Business, Industrail and Commercial properties	1,448,731,000	1,757,834,000
Agricultural properties	4,745,153,000	4,180,117,595
Residential properties	5,469,925,324	5,247,798,018
Municiplal properties	595,552,250	570,516,250
Vacant land	907,240,893	1,239,588,746
Public benefit activities properties	104,778,000	100,648,000
State owned property	288,363,000	284,563,000
	13,559,743,467	**13,381,065,609**

Property rates revenue and valuation of properties have been realligned to ensure coherant comparatives on the the annual financial statements..

Valuations on land and buildings are performed every five (5) years. The general valuation came into effect on 1 July 2022. Valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The rate ranges are as follows:

- Business, Industrail & Commercial properties R 0.0180 (2023: R0.0176)
- Agricultural properties R 0.0035 (2023: R 0.0034)
- State owned properties R 0.0180 (2023: R 0.0176)
- Residential properties R 0.0144 (2023: R 0.0140)
- Vacant land properties R 0.0133 - R 0.0180 (2023: R 0.0130 - R 0.0176)
- Municipal properties R 0.0180 (2023: R 0.0176)
- Public Benefit Activities properties R 0.0035 (2023: R 0.0034)

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

27. Licences and permits (non-exchange)

Trading	3,298	6,179
Road and Transport	2,196,350	2,153,363
	2,199,648	**2,159,542**

28. Availability charges

Availability charges - Electricity	13,342	10,956
Availability charges - Solid waste	1,041,844	1,023,740
Availability charges - Sewerage and sanitation charges	1,869,690	1,729,104
Availability charges - Water	653,434	604,907
	3,578,310	**3,368,707**

Availability Charges classified as non-exchange transactions. There is no direct exchange of approximately equal value, and they are levied/ charged in terms of municipal tariffs policy . The transactions relate to Vacant land, in proclaimed or developed areas and covers all trading services.

Figures in Rand	2024	2023

29. Government grants & subsidies

Operating grants		
Equitable share	129,614,000	117,909,343
Local Government Financial Management Grant (FMG)	1,700,000	1,650,000
Expanded Public Works Programme Integrated Grant (EPWP)	1,302,000	1,502,000
Local Government Sector Education and Training Authority Grant (LGSETAG)	805,468	248,267
	133,421,468	**121,309,610**
Capital grants		
Integrated National Electrification Programme Grant (INEP)	153,463	846,537
Municipal Infrastructure Grant (MIG)	28,257,000	29,130,000
Water Services Infrastructure Grant (WISG)	62,988,036	54,722,302
	91,398,499	**84,698,839**

Conditional and Unconditional

Included in above are the following grants and subsidies earned:

Conditional grants earned	95,205,966	88,101,856
Unconditional grants earned	129,614,000	117,909,343
	224,819,966	**206,011,199**

Equitable Share

The Equitable Share is the unconditional share of the revenue raised nationally and is allocated in terms of S214 of the Constitution (Act 108 of 1996) to the to the municipality by the National Treasury. In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members.In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Local Government Financial Management Grant (FMG)

Current-year receipts	1,700,000	1,650,000
Conditions met - transferred to revenue	(1,700,000)	(1,650,000)
	-	**-**

Conditions still to be met - remain liabilities (see note 16).

The purpose of the FMG Grant is to promote and support municipal financial management reforms and assist municipalities with the implementation of the MFMA.

Water Services Infrastructure Grant (WISG)

Balance unspent at beginning of year	7,287,698	111,827
Current-year receipts	55,750,000	62,010,000
Conditions met - transferred to revenue	(62,988,036)	(54,834,129)
	49,662	**7,287,698**

Conditions still to be met - remain liabilities (see note 16).

The purpose of this grant is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and environment, through effective policies, integrated planning, strategies, knowledge based and procedures.

Expanded Public Works Programme Integrated Grant (EPWP)

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

29. Government grants & subsidies (continued)

Current-year receipts	1,302,000	1,502,000
Conditions met - transferred to revenue	(1,302,000)	(1,502,000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines.

Energy efficiency and Demand Side Management Grant (EEDSMG)

Balance unspent at beginning of year	-	93,460
Disallowed Roll-over	-	(93,460)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The objective of Energy efficiency and Demand Side Management Grant is to assist municipalities in saving cost of procuring energy, increases the resilience and reliability of the electric grid, and provides environmental, community, and health benefits.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	9,056
Current-year receipts	28,257,000	29,130,000
Conditions met - transferred to revenue	(28,257,000)	(29,130,000)
Disallowed roll-over	-	(9,056)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The municipal infrastructure grants complement the equitable share grants for local government; however, it is provided conditionally to municipalities.

The key principles underpinning the design of the MIG are outlined below:

The MIG programme is aimed at providing only basic infrastructure.

Local Government Sector Education and Training Authority Grant (LGSETAG)

Current-year receipts	805,468	625,678
Conditions met - transferred to revenue	(805,468)	(625,678)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The Local Government Sector Education and Training Authority (LGSETA) plays a vital role in promoting and coordinating skills development initiatives in the local government sector. Their focus includes conducting skills planning, developing quality learning programs, monitoring training performance, and communicating career advancement opportunities. With the aim of enhancing efficiency and effectiveness, the LGSETA works towards improving the skills and qualifications within the local government sector.

Integrated National Electrification Programme Grant (INEP)

Balance unspent at beginning of year	153,464	-
Current-year receipts	-	1,000,000
Conditions met - transferred to revenue	(153,464)	(846,536)

Figures in Rand	2024	2023
29. Government grants & subsidies (continued)		
	-	**153,464**

Conditions still to be met - remain liabilities (see note 16).

This grant is used for electrification projects as part of upgrading of informal settlement areas.

30. Fines, Penalties and Forfeits

Building Fines	144,566	729,600
Illegal Connections Fines	115,884	126,748
Municipal Traffic Fines	31,400,125	32,868,295
	31,660,575	**33,724,643**

Figures in Rand	2024	2023

31. Employee related costs

Basic salary	81,051,538	76,675,586
Standby allowance	2,285,693	2,549,410
Bonus	6,120,006	5,582,615
Medical aid - company contributions	7,741,901	7,362,626
Unemployment Insurance Fund	687,468	667,651
Leave pay provision charge	2,262,995	2,573,742
Post employment benefit (continous members)	1,733,994	3,423,000
Overtime payments	12,210,472	11,826,378
Long-service awards	1,101,061	463,180
Acting allowances	3,371,654	3,685,869
Car allowance	10,429,675	10,826,301
Housing benefits and allowances	456,425	432,025
Bargaining Council	43,313	41,571
Cellphone allowance	1,723,490	1,692,673
Pension fund contribution	16,461,906	15,818,538
	147,681,591	**143,621,165**

Remuneration of Municipal Manager - T.G. Ramagaga

Annual Remuneration	1,005,950	575,400
Car Allowance	334,616	224,748
Contributions to UIF, Medical and Pension Funds	180,145	103,575
Cellphone allowance	42,000	35,000
	1,562,711	**938,723**

The Municipal Manager was appointed effectively from the 1st September 2022 on a fixed term basis.

Remuneration of Chief Financial Officer: R.M Marutha

Annual Remuneration	872,319	434,593
Car Allowance	238,978	168,826
Contributions to UIF, Medical and Pension Funds	152,897	94,324
Cellphone allowance	36,000	27,000
Leave pay	-	174,310
	1,300,194	**899,053**

The fixed contract of the Chief Financial Officer ended in March 2023. The incumbant was subsequntly reappointed on a permanent basis effectively from the 1st of July 2023.

Remuneration of Technical Services Senior Manager: H.B. Maswanganyi

Annual Remuneration	482,876	619,991
Car Allowance	147,140	257,792
Contributions to UIF, Medical and Pension Funds	115,308	179,014
Cellphone allowance	21,000	36,000
Leave pay	205,188	23,983
	971,512	**1,116,780**

The fixed contract of the senior manager technical ended in August 2023. The incumbant was subsequntly reappointed on a permanent basis effectively from the 1st of Februrary 2024.

Remuneration of Planning and Economic Development Senior Manager: N.R Siliga

Annual Remuneration	727,793	-
Car Allowance	219,500	-

Figures in Rand	2024	2023
31. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	178,369	-
Cellphone allowance	33,000	-
	1,158,662	**-**

The planning and economic development senior manager was appointed on a permanent basis effectively from the 1st of August 2023.

Remuneration of Manager Strategic Support: T.J. Mothapo

Annual Remuneration	204,240	337,661
Car Allowance	66,105	127,726
Contributions to UIF, Medical and Pension Funds	54,584	97,102
Acting allowance for position of Corporate Services Senior Manager	33,366	67,343
Cellphone allowance	9,000	18,000
Leave pay	24,495	42,460
	391,790	**690,292**

The council appointed Manager Strategic Support Services (Mr TJ Mothapo) to act in capacity of corporate services senior manager from 01 July to 30 September 2023, due to the vacant position.

Remuneration of the Divisional Manager Sports Arts and Culture- D.T. Raborolo

Annual Remuneration	655,432	207,284
Car Allowance	219,096	69,290
Bonuses	54,619	17,274
Housing benefits and allowance	12,797	4,047
Contributions to UIF, Medical and Pension Funds	159,203	74,207
Acting allowance	322,327	95,337
Cellphone allowance	36,476	11,536
Leave pay	-	24,874
	1,459,950	**503,849**

The council appointed divisional manager of sports arts and culture (Mr D.T Raborolo) to act in capacity of senior manager of social and community services effectively from the 1st of March 2023 to date, due to the vacant position.

Remuneration of Intergrated Development and Planning Divisional Manager - L.C. Tshikovhi

Annual Remuneration	54,619	414,568
Car Allowance	19,139	145,264
Bonuses	4,552	34,547
Housing benefits and allowance	1,066	-
Contributions to UIF, Medical and Pension Funds	13,907	78,533
Acting Allowance	44,261	190,675
Cellphone allowance	3,040	23,071
Leave pay	-	24,874
	140,584	**911,532**

The council appointed divisional manager of Intergrated Development and Planning (Mr L.C. Tshikovhi) to act in capacity of Planning and Economic Development Senior Manager effectively from 01 July 2023 to 31 July 2023 due to the vacant position.

Remuneration of the Divisional Manager Human Resource - NM Ramolobeng

Annual Remuneration	436,955	-
Car Allowance	153,108	-
Bonuses	36,413	-
Contributions to UIF, Medical and Pension Funds	155,645	-

Figures in Rand	2024	2023
31. Employee related costs (continued)		
Housing benefits and allowance	8,531	-
Acting allowance for position of Corporate Services Senior Manager	275,503	-
Cellphone allowance	24,317	-
	1,090,472	**-**

The council appointed divisional manager of Human Resource (Mrs N.M Ramolobeng) to act in capacity of Corporate services Senior manager effectively from 01 of November 2023 to 30 June 2024, due to the vacant position

Remuneration of Divisional Manager Electrical Services

Annual Remuneration	273,097	-
Car Allowance	91,290	-
Bonuses	22,758	-
Contributions to UIF, Medical and Pension Funds	85,882	-
Acting allowance	172,189	-
Cellphone allowance	15,198	-
	660,414	**-**

The council appointed divisional manager of electrical services (Mr TJ Kotsokoane) to act in capacity of Technical Services Senior manager from 01st of Septermber to 31 January 2024, due to the vacant position

Remuneration of Corporate Services Senior Manager: J.B. Selapyane

Annual Remuneration	-	475,490
Car Allowance	-	192,944
Other	-	8,718
	-	**677,152**

Remuneration of Planning and Economic Development Senior Manager: T.B. Mnisi

Annual Remuneration	-	224,572
Car Allowance	-	74,537
Contributions to UIF, Medical and Pension Funds	-	38,331
Cellphone allowance	-	12,000
Leave pay	-	171,734
Other	-	4,474
	-	**525,648**

Remuneration of Senior Manager for Social Services: M.A. Serote

Annual Remuneration	-	420,487
Car Allowance	-	155,843
Contributions to UIF, Medical and Pension Funds	-	73,620
Leave pay	-	194,474
Cellphone allowance	-	24,000
Other	-	7,390
	-	**875,814**

Employee related cost - inventory consumed of water

Annual Remuneration	9,463,985	9,498,397

Employee related cost used in consumption of water during the year under review

Figures in Rand	2024	2023

32. Remuneration of councillors

Honorable Mayor	1,003,680	951,429
Speaker	812,869	801,177
Chief Whip	585,865	341,991
Executive Committee Members	1,443,388	1,305,571
Other Councillors	4,964,591	4,435,053
	8,810,393	**7,835,221**

In-kind benefits

The Honorable Mayor, Speaker, Chief whip, Executive Members and MPAC Chairperson are full-time councillors. Each is provided with an office. The Honorable Mayor and the Speaker are provided with the secretarial support at the cost of the Council. The Honorable Mayor is also provided with the vehicle and driver at the cost of the Council.

Figures in Rand	2024	2023

33. Related parties

Relationships	
Members of key management	Refer to note 31
Members of council	Refer to note 32

Remuneration of councilors

Reconciliation of remuneration of Councilors

2024

	Basic salary	Cellphone allowance	Car allowance	Contribution to medical and pension fund	Total
Name					
Honourable Mayor - GM Seleka	808,747	46,353	-	148,580	1,003,680
Speaker - T.N. Zikhali	448,744	46,353	182,394	135,378	812,869
Chief Whip - K. Seporu	417,370	46,353	87,790	34,352	585,865
Executive committee member - M.J Ngobeni	428,823	46,353	170,128	122,231	767,535
Executive committee member - AF Van Der Heyden	414,574	42,653	157,137	61,489	675,853
MPAC Chairperson Councillor - J.M Mabua	453,700	46,353	170,157	86,819	757,029
Section 79 Member - Councillor M.F. Koover	223,580	46,353	92,589	74,554	437,076
Section 79 Member - Councillor - P.V Mashaba	342,419	46,353	-	48,309	437,081
Section 79 Member - Councillor - F.S Hlongwane	223,529	46,353	92,589	74,546	437,017
Section 79 Member - Councilor K.S. Rachidumela	261,908	46,353	92,589	36,232	437,082
Councillor - M.D Senosha	194,854	46,353	72,150	28,233	341,590
Councilor -M.J. Makhubela	240,450	46,353	-	64,701	351,504
Councillor - M.N Mpunwana	244,120	46,353	-	55,785	346,258
Councillor - M.O Tlaka	267,540	46,353	-	37,643	351,536
Councillor - S.D. Seale	212,226	46,353	-	92,958	351,537
Councillor - JD Cloete	267,540	46,353	-	37,643	351,536
Councillor - M.H Ledwaba	218,609	46,353	72,150	28,233	365,345
	5,668,733	**784,301**	**1,189,673**	**1,167,686**	**8,810,393**

2023

	Basic salary	Cellphone allowance	Car allowance	Contribution to medical and pension fund	Total
Name					
Honourable Mayor : G.M Seleka	761,674	47,400	-	142,355	951,429
Speaker: T.N Zikhali	418,969	47,400	198,774	127,949	793,092
Chief Whip: K Sepuru	193,858	47,400	72,676	28,057	341,991
Executive committee member: M.J Ngobeni	405,569	47,400	165,442	115,793	734,204
Executive committee member: J.H.T Mills (Ended - 2023/05/27)	254,879	43,700	79,982	30,089	408,650
Executive committee member: M.N Ras (Ended 2022/08/31)	113,315	10,400	-	14,035	137,750
MPAC Chairperson Councillor: J.M Mabua	336,718	47,400	148,346	68,341	600,805
Section 79 Member - Councillor: K.S Rachidumela	224,165	47,400	107,343	35,056	413,964
Section 79 Member - Councillor - F.S Hlongwane	210,057	47,400	94,867	70,314	422,638

Figures in Rand				2024	2023
33. Related parties (continued)					
Section 79 Member - Councillor - P.V Mashaba	320,361	47,400	-	46,743	414,504
Section 79 Member - Councillor -M.F. Koover	207,357	47,400	92,797	70,318	417,872
Councillor: Moeletsi RZ	6,887	1,200	-	-	8,087
Councillor: M.H Ledwaba	188,923	47,400	69,892	27,317	333,532
Councillor: S.D Seale	201,691	47,400	-	87,317	336,408
Councillor: M.J Makhubela	227,645	47,400	-	61,269	336,314
Councillor - H.J Kruger	148,432	36,300	40,922	21,243	246,897
Councillor -B. Maname	2,724	1,200	-	-	3,924
Councillor - M.O Tlaka	249,633	47,400	-	36,423	333,456
Councillor - JD Cloete	249,633	47,400	-	36,423	333,456
Councillor - M.D Senosha	45,750	11,100	17,538	6,862	81,250
Councillor - S.E. Maluleka	6,456	1,200	-	-	7,656
Councillor - M.N Mpunwana	129,670	22,200	-	25,472	177,342
	4,904,366	**790,900**	**1,088,579**	**1,051,376**	**7,835,221**

34. Depreciation and amortisation

Property, plant and equipment	40,638,889	38,940,432
Intangible assets	286,836	32,742
	40,925,725	**38,973,174**

35. Impairments of assets

Impairments		
Property, plant and equipment	921,188	2,736,580

36. Finance costs

Landfill site	6,700,678	5,609,498
Overdue accounts	211,355	4,470,751
Post Employee benefits	7,459,000	6,737,000
Finance leases	980,333	684,751
	15,351,366	**17,502,000**

37. Bulk purchases

Electricity - Eskom	136,245,642	111,941,973

Electricity used in production of water during the year under review was R466 692 (2023: 314 778)

Figures in Rand			2024	2023

37. Bulk purchases (continued)

Electricity losses

	Number 2024 (KVA)	Number 2023 (KVA)		
Units purchased	76,560,440	72,654,346	156,677,557	142,278,014
Units sold	(59,553,939)	(56,640,790)	(121,151,825)	(111,400,094)
Total loss	**17,006,501**	**16,013,556**	**35,525,732**	**30,877,920**
Comprising of:				
Technical losses	7,656,044	8,734,667	15,993,094	14,035,418
Non-technical losses	9,350,457	7,278,889	19,532,638	16,842,502
Total	**17,006,501**	**16,013,556**	**35,525,732**	**30,877,920**
Percentage Loss:				
Technical losses	10 %	10 %	10 %	10 %
Non-technical losses	12 %	12 %	12 %	12 %
Total	**22 %**	**22 %**	**22 %**	**22 %**

Electricity Losses: Technical losses occur when power dissipates in the transmission lines and transformers due to electrical resistance. Contributing factors to these losses are: system failures, unbalanced loading, overloading, low voltage, load shedding and deteriorating infrastructure. Non-technical losses are due to consumers or personnel actions. Contributing factors are: power theft, meter tampering, meter bypass, illegal connections, unpaid bills, consumer non payment and faulty meters

Water losses

	Number 2024 (KL)	Number 2023 (KL)		
Units purchased	2,435,739	2,494,121	34,879,780	35,727,967
Units sold	(1,843,098)	(1,800,880)	(26,393,163)	(25,797,373)
Total	**592,641**	**693,241**	**8,486,617**	**9,930,594**
Comprising of:				
Technical losses	246,934	247,587	3,536,090	3,546,640
Non-technical losses	345,707	445,654	4,950,527	6,383,953
Total	**592,641**	**693,241**	**8,486,617**	**9,930,593**
Percentage Loss:				
Technical losses	10 %	10 %	10 %	10 %
Non-technical losses	14 %	18 %	14 %	18 %
Total	**24 %**	**28 %**	**24 %**	**28 %**

Water Losses: Technical losses occur when water is lost in the reticulation lines and in treatment plants due to backwash. Contributing factors to these losses are :system failures, unbalanced networks, high pressure, pipe bursts and deteriorating infrastructure. Non-technical losses on water are due to consumers or personnel actions. Contributing factors are: water theft, meter tampering ,meter bypass, illegal connections, no billing, unpaid bills, consumer non-payment and faulty meters and the delay by operators to repair reported leakages.

During the previous year, water losses was incorrectly apportioned to technical and non-technical

Figures in Rand	2024	2023
38. Contracted services		
Outsourced Services		
Business and Advisory	839,824	3,891,281
Lease rentals on operating lease	-	413,764
Connection/Dis-connection	533,789	323,032
Security Services	15,333,663	14,461,689
Traffic Fines Management	548,794	1,889,508
Consultants and Professional Services		
Business and Advisory	7,836,219	3,092,324
Infrastructure and Planning	858,696	2,418,363
Laboratory Services	184,684	-
Legal Cost	10,214,671	6,115,086
Contractors		
Catering Services	131,660	18,900
Electrical	989,407	162,493
Event Promoters	367,012	160,173
Graphic Designers	46,913	-
Repairs and maintenance	10,746,498	7,401,308
Medical Services	26,000	-
Pest Control and Fumigation	31,000	-
Transportation	5,900	-
Sewerage Services	379,285	635,610
Presented previously	-	-
Outsourced Services	17,256,070	20,979,274
Consultants and Professional Services	19,094,270	11,625,773
Contractors	12,723,675	8,378,484
	49,074,015	**40,983,531**

Included in the outsourced service: business and advisory is the water inventory consumed amounting to R404 686 (2023: R138 386)

Included in the contracted service: repairs and maintence is the water inventory consumed amounting to R312 950 (2023: R710 251)

Maintenance of equipment was reclassified to repairs and maintenance line item

Maintenance of assets was reclassified to repairs and maintenance line item

Figures in Rand	2024	2023

39. General expenses

Advertising	336,868	302,820
Auditors remuneration	7,161,712	7,789,404
Bank charges	1,408,344	979,611
Commission paid	3,339,981	2,871,579
Delivery expenses	-	12,735
Hire	1,766,867	1,284,669
Insurance	1,279,799	2,677,706
IT expenses	6,458,327	5,602,194
Skills levy	1,271,724	2,523,235
Fuel and oil	4,506,762	4,492,279
Consumables expenses	25,206,255	26,561,425
Protective clothing	2,595,612	1,507,933
Ward committee members	1,032,000	1,079,160
Telephone and fax	1,274,099	1,413,433
Travel - local	2,484,741	267,185
Tools and kits	474,031	230,808
Utilities - Other	1,924,182	1,644,301
Other expenses	4,351,856	2,096,729
	66,873,160	**63,337,206**

Included in the inventory consumed is water inventory consumed amounting to R15 744 850 (2023: R12 261 334)

Reclassification of ward committee member from other expense

Reclassification of inventory consumed to consumable expense

40. Cash generated from operations

Surplus	106,230,893	129,004,589
Adjustments for:		
Depreciation and amortisation	40,925,725	38,973,174
Loss on disposal of property plant and equipment	3,006,097	1,937,085
Fair value adjustments	(6,803,688)	(16,657,156)
Change in landfill provision income	(3,020,493)	-
Impairment loss	921,188	2,736,580
Debt impairment	78,440,588	38,930,513
Public contributions and donations	(16,744,000)	-
Movement on provision for leave	2,262,995	2,573,743
Movements in Employee Benefit	8,180,000	8,781,146
Finance cost - Landfill site	6,700,678	5,609,498
Movement in bonus provision	320,515	-
Finance cost - Finance leases	980,333	684,751
Discounts and early settlements	-	(685,224)
Debt forgiveness	(7,718,840)	-
Changes in working capital:		
Inventories	(119,153)	(30,392)
Receivables from exchange transactions	(40,170,933)	(39,695,839)
Receivables from non-exchange transactions	(50,334,894)	(84,461,825)
Income received in advance	347,946	-
Unkown (Unallocated) deposit	(2,055,905)	-
Accrued employees cost	(3,225,500)	-
Payables from exchange transactions	(14,500,854)	(24,790,265)
Stautory receivable (VAT)	2,634,399	13,458,788
Unspent conditional grants and receipts	(7,391,499)	7,226,818
Consumer deposits	281,354	219,377
	99,146,952	**83,815,361**

Figures in Rand	2024	2023

41. Service in-kind

Road Agency Limpopo

A formal agreement was entered into between Bela Bela Local Municipality and Road Agency Limpopo to refurbish streets within the boundries around Bela Bela.

Road Agency Limpopo will, on behalf of the Bela-Bela Local Municipality, which falls within the Waterberg District Municipality, implement construction and/or maintenance and/or rehabilitation of road infrastructure projects relating to deteriorated and hazardous roads falling within the ambit of the municipality, as may be identified to from time to time between the parties.

The following streets were refurbished in the current financial year at no costs to the municipality and resulting in a service in kind:

Luna Street

Grobler Ave

Van der Merwe Street

Pretoria Street

Mentz Street

Moffat Street

Sutter RD

Reitz Street

The infrastructure refurbished, meet the definition of an asset and satisfy the criteria for recognition and as a result the transaction meet the definition of a service in kind.

The service in kind was recognised as non exchange revenue and the corresponding recognition of infrastructure asses the at fair value of the improvements done.

Services in-kind that are significant to the entities operations and/or service delivery objectives		
Roads infrastructure	16,744,000	-
Public contributions and donations recognised under revenue from non-exchange transactions		
	16,744,000	**-**

42. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	39,402,860	39,312,284
Total capital commitments		
Already contracted for but not provided for	39,402,860	39,312,284

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, exiting cash resources, funds internally generated, grants from National Treasury.

This committed register is regularly maintained.

Figures in Rand		2024	2023
43. Contingencies			
Litigants	**Bried description**		
Nakevi Abel Makgatho - DAMAGES CLAIM Case Number - 258/2020	The Plaintiff issued summons in the local magistrate court claiming payment in the sum of R52 683.50. He alleges that he collided with a pothole that was situated at or near R101 Business Park, Potgieter Road. Matter is defended on the basis of lack of Jurisdiction. The road in question belongs to SANRAL and a Special Plea has been raised and filed to this effect. Matter was set for Trial on 16 and 17 November 2022. Matter removed from the roll by the Plaintiff and the Municipality's Attorneys have requested reasons and wasted costs for the removal. The municipality have received a notice of withdrawal of action from the plaintiff dated 21 February 2024	**R0**	**R52,639**
Masale Marium Morudu-CONTEMPT OF COURT Case Number - 1743/2014	The Applicant brought an application in the Polokwane High Court on 19 January 2021 to declare *inter alia*, that the Municipality had failed to comply with the court order of 9 December 2014 under Case Number: 1743/2014. The order referred to the failure by the Municipality to register and transfer portion 16 and 17 of Erf 2689 Bela-Bela into the Applicant's name as per the signed agreement of sale. There are no reasons advanced or canvassed as to why the Municipality has to date failed to comply with the order. Our attorneys upon receiving instructions attempted to negotiate with the applicant's attorneys with a view of resolving the matter amicably, however all the Municipality's attempts were in vain. The matter will now be opposed by the Municipality, whilst simultaneously ensuring that there is compliance with the Court Order. We record that the process of transfer and registration of the property is currently underway. The Municipality's attorneys have also been requested to oppose the matter and to interrogate/study the contract which led to the dispute in the first place to prevent a further repetition in the future. The matter has been set down for trial on 17 October 2024 in the Polokwane High Court. There is no monetary cost implication to the municipality.	**R0**	**R0**
Maximum Profit Recovery (Pty) Ltd- REVIEW APPLICATION & DECLARATION ON INVALIDITY Case Number - 8965/2022	The Municipality was served with an urgent Application by the sheriff on 22 August 2022 for the High Court in Polokwane to review a decision by the Municipality to award tender 9/3/1/334 for a duration of 36 months and to declare the decision constitutionally invalid and set aside The Municipality's position is that there was no irregular or unlawfulness in handling the tender. Therefore, our attorneys have filed opposing papers and in return served with a replying affidavit from the opponents. The parties drafted Heads of Argument and the matter is set down to be heard in Polokwane High Court on 22 November 2022 at 10:00. On the 11 April 2023 the Polokwane High Court granted an order against the Municipality. We received court fees analysis documents with legal settlement.	**R0**	**R250,000**

Figures in Rand		2024	2023
43. Contingencies (continued)			
George Aschendorf PATRIMONIAL LOSS Case number - 384/2022	George Aschendorf served the Municipality with a letter of demand for payment of the sum of R15 894.00 resulting from damage to his household appliances. Aschendorf alleges negligence on the part of the Municipality for failing to properly maintain the electricity infrastructure with the result that there was a power surge that damaged the appliances. The Municipality denies liability A letter denying liability was sent to Aschendorf's attorneys. The letter further explained that the fault was caused by a failed piercing clamp which was subsequently replaced. Notice of Exception by the Municipality served and filed on 10 November 2022 in the local Magistrate Court. On the 05 July 2023 the court dismissed the case with cost in Municipal favour.	**R0**	**R15,894**
Ludgijo Holdings (Pty) Ltd) and another DAMAGES CLAIM Case number - 11013/2022	The Plaintiffs are suing for damages from an alleged wrongful disqualification and irregular appointment of other contractors/ suppliers to the disadvantage of their company. The Municipality's attorneys have entered a notice of intention to defend and will arrange for consultations with the Municipal officials in order to prepare and to subsequently file pleadings. In addition, the Plaintiffs' claim has prescribed and was not launched in compliance with the provisions of Section 3 of the Institution of Legal Proceedings Against Certain Organs of State's Act, No 40 of 2002. Further to the above, the Municipality has filed an exception to the plea as it is vague and embarrassing. We are awaiting the Plaintiff's response.	**R9,481,670**	**R9,481,670**
BAROKA FUNERALS SERVICES (PTY) LTD – DAMAGES CLAIM Case number 47/2023	The Plaintiff issued civil claim against the Municipality alleging that damage amounting to R54 138.25 occurred to the Plaintiff's vehicle due to the Plaintiff's vehicle colliding with a large pothole that was situated in the road that falls under the Municipalities area of jurisdiction and maintenance. The Municipality is defending the matter based on lack of jurisdiction. A Special Plea has been raised and filed on the 29 March 2023 by the Municipality. The Plaintiff served their discovery affidavit on 14 June 2023. The municipality is waiting for the court to allocate a trial date.	**R54,138**	**R54,138**

Figures in Rand		2024	2023
43. Contingencies (continued)			
HOSEA THIPE DLAMINI – DAMAGES CLAIM Case number - 54/2023	The Plaintiff issued summons against the Municipality alleging that Plaintiff suffered damages in the sum of R48 284.75 when his vehicle was involved in a collision with the Municipality's vehicle on 31 July 2022. The Plaintiff is claiming vicarious liability against the Municipality. The Municipality filed a Special Plea of misjoinder on 29 March 2023 in that the wrong parties to the proceeding were cited (this is based on the discrepancy between the letter of demand and summons). A pre-trial date has been set for 21 July 2023. The municiplaity received a notice of withdrawal of action dated 31 August 2023.	**R0**	**R48,285**
MOTALANE MATHOPA ERENS // BBLM – REVIEW APPLICATION Case number - J222/23	The Municipality received a Labour Court Review Application from Mr E Motalane alleging constructive dismissal by the Municipality. The matter is opposed by the Municipality on the basis that Mr E Motalane resigned voluntarily. We have served and file a Notice to Oppose and Responding affidavits. Parties held a pre-trial conference and currently waiting for the trial date. On the 23 February 2024 the applicant application was dismissed. Matter finalised.	**R0**	**R250,000**
CHOEU FARMING//BBLM – DAMAGES CLAIM Case number - 4115/2023	The Plaintiff issued summons against the Municipality for payment of R1,9 Million Rands in the Polokwane High Court for damages caused by fire. The Plaintiff alleges that the fire was caused by the Municipality's employees. The Municipality is defending the matter and a notice of intention to defend was filed on the 15 June 2023. The process of serving and filing of pleadings is in motion whereafter, a trial date will be allocated.. The municipality filed its discovery affidavit.	**R1,900,000**	**R1,900,000**

Figures in Rand		2024	2023
43. Contingencies (continued)			
BBLM//DIKALA PLANT HIRE Case number - 031630/2023	The Municipality issued an application to set aside the warrant of execution under Case Number: 95187/2015 in terms of which the Sheriff was directed to attach and take into execution the sum of R 82 795 796,84 plus interest at the rate of 9% from 18 July 2019 until date of final payment. Further prayers by the Municipality included the setting aside of the Notice of Attachment in Execution dated 09 November 2022, of movable and immovable properties of the Applicant pursuant to the warrant of execution under Case Number 95187/2015, in favour of the First Respondent. The Application was issued on the Department of Justice's case online system and a Case Number: 31630/2023 was allocated. The matter was also allocated a trial date of 14 September 2023 for hearing. On 24 May 2023, a notice to oppose was received by our attorneys from Dikala's legal representatives. On 14 June 2023, our attorneys received an undertaking in a form of a letter from Dikala's legal representatives confirming that they will not proceed with any further attachments pending the finalization of the review application. In addition, Dikala's attorneys indicated that they were of the view that it would be in both parties' interest to settle the matter. The municiplaity received a settlement offer of R 324,412,00 (three hundred and twenty-four thousand four hundred and twelve rands). The Municipality is proceeding with the application to set aside the warrant of execution. The matter has been set down for hearing in the Pretoria High Court for the 18 November 2024 at 09H00.	**R59,795,796**	**R59,795,796**
EARLE//BELA-BELA LOCAL MUNICIPALITY	The Plaintiff instituted legal action in the Bela-Bela Magistrate Court as he alleges that he was involved in an accident after he hit a pothole near Settlers/Bela-Bela offramp and is now claiming damages against the Municipality alongside RAF, SANRAL and MEC of Community Safety. The Plaintiff claims damages of R140 000.00 from all Defendants, jointly and severally, one paying for the other to be absolved. The application to compel discovery was finalized on the 25th of March 2024. The matter is yet to be enrolled for hearing. The matter is dismissed on the 02 August 2024.	**R140,000**	**R0**
ZUTARI SOUTH AFRICA (PTY)LTD (FORMERLY KNOWN AS AURECON SOUTH AFRICA PTY(LTD) - DAMAGES CLAIM Case Number - 4930/202 // BELA BELA LOCAL MUNICIPALITY	The Plaintiff claims an amount of R509 126.01 which is in relation to the appointment of the Plaintiff to render certain professional consultancy engineering services on the project known as Bela-Bela Pave Bus Route Rapotokwane (MIG/LP/2126/R, ST/16/18). To claim refund, the Municipal paid as security for a burrowed pit utilized for the same project from the Department of Minerals and Energy (DME) Proceedings stayed to pursue possible settlement. The Plaintiff has made an undertaking to courier the signed bank confirmation letter with will in turn be delivered to the municipality's for further processing.	**R509,126**	**R509 126**

Figures in Rand		2024	2023

43. Contingencies (continued)

LEBELO//MAKWAKWA-EVICTION	This is an eviction matter in the Magistrate Court of Bela-Bela and relates to a dispute over the ownership (s) of Erfs (1185 & 1186). The Municipality made an error in allocating the stands by swopping the properties during the transfer process. Initially, the matter was set down for 10 June 2020, but postponed *sine dies* (indefinitely) pending the outcome of the High Court's decision in the same matter. The matter was launched in the Polokwane High Court, subsequent to an application for an interdict against the Bela-Bela Municipality to halt the Rectification process over Erf (1185 & 1186). The matter was heard on 12 June 2022 for the revival of the rule nisi order which was granted. The matter was set down for Part B of the Application, which is the main interdict, for 6 March 2023. On 6 March 2023, the matter was removed from the roll and re-enrolled for hearing on 26 February 2024. On the 26 February 2024 the matter was removed from the roll after argument and re-enrolled for 20 March 2025. There is no monetary cost implication to the municipality.	**R0**	**R0**
PAUL AND PARTNERS	On the 09 February 2024 the Pretoria High Court granted a default order against the Municipality for payment of R631 801. On the 04 March 2024 the Municipality became aware of the default order and immediately instituted a rescission application. We are in a process of settlement negotiations; however, we have filed pleadings for the rescission of judgment. Should we not succeed in settling the matter we will proceed to rescind the judgment.	**R631,801**	**R0**

Figures in Rand	2024	2023

44. Accounting by principals and agents

Description of Principle and Agent Arrangement

-Detailed description of Principle and Agent Arrangement

The municipality is a party to a principal-agent arrangement.

1. The municipality is the agent to the provincial department of transport (Principal of an the municipality)

a) The provincial government, through the respective provincial department of transport, is mandated to collect motor vehicle licenses on an annual basis. The provincial department of transport determines the fee that is payable annually by motor vehicle owners, which varies depending on the type of motor vehicle owned.

b) To make the payment of the motor vehicle licenses easier, the provincial department entered into a contractual arrangement with the Bela-Bela local municipality to undertake this activity on their behalf.in terms of the arrangement:

- The provincial department of transport issues the motor vehicle license renewal form to the respective owners of the motor vehicle, indicating the amount due for the year.
- The municipality provides facilities for owners of motor vehicles to pay their licenses.
- The provincial department of transport provides the municipality with access to its IT systems so that they can capture the amounts received and issue the motor vehicles licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fee due.
- The municipality collect the fees due from motor vehicles owners and simultaneously issue the new licenses on behalf of the provincial government.
- The municipalities is required to pay over any revenue (cash) collected to the provincial department in respect of motor vehicles licenses.
- The municipalities is entitled to retain 20% of the cash collected for undertaking this activity of the provincial department of Transport.
- No significant risks exist other than risks associated with cash management. The application controls designed withing the IT system are adequate to correctly account for such revenues.

2. The municipality is the principal to the Landis+Gyr (Agent of the municipality)

a) The Service which Landis+Gyr shall provide for the Client shall be the granting of remote access to the System ,to the Client or Managing Agent, to obtain Tokens for Consumers; and to Consumers, to purchase Tokens for themselves.

b) Landis+Gyr shall keep full and proper accounts and records showing clearly all transactions in relation to the Services, which accounts and records shall be separate from those relating to other clients of Landis+Gyr.

c) Landis+Gyr shall provide to the Client such number of Reports as the Client may from time to time require, up to a maximum of four Reports per month at no additional charge to the Client, and any further Reports per month at a fair and reasonable charge payable by the Client, on the value of Tokens issued by or for Consumers

d) Landis+Gyr shall remit to the Client, by the fifth Business Day in each month, all Token payments received by Landis+Gyr during the preceding month, less such amount as Landis+Gyr is permitted to deduct in accordance with clause 13 .

e) The Landis+Gyr are entitled to retain 4% of the cash collected for undertaking this activity of the municipality.

f) The Landis+Gyr therefore permits the Municipality to utilise its software for undertaking this activity, to issue Tokens for Consumers after purchase and access to reports (monitoring and evaluation) through the SUPRIMA system.

g) No significant risks exist other than risks associated with cash management.

Figures in Rand	2024	2023

44. Accounting by principals and agents (continued)

Additional information

Reconciliation of the statement of financial performance

Reconciliation of the statement of financial performance: Municipality acting as the Agent - Provincial department of transport		
Agency services: Revenue commission/agency recognized as compensation for the transactions carried out on behalf of the Principal	4,601,547	4,883,306
Reconciliation of the statement of financial performance : Municipality acting as the principal - Landis+Gyr		
Expense recognised as compensation for the transactions carried out on behalf of the Principal	3,339,981	3,787,775

There are no receivables held on behalf of the principal (i.e. municipality)

The commission expense of Landis+Gyr was reported under general expense.

Resources (including assets and liabilities) of the entity under the custodianship of the agent

Fee paid

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	-	1,513,869
Current year subscription / fee	1,886,527	-
Amount paid - current year	(1,886,527)	(1,513,869)
	-	**-**

Skills Development Levy (SDL)

Opening balance as previously reported	97,222	98,568
Add: current period	1,271,724	1,225,973
Less: Amounts paid	(1,368,946)	(1,227,319)
	-	**97,222**

Audit fees

Opening balance	170,817	4,538,566
Current year subscription / fee	8,235,969	9,160,265
Amount paid - current year	(6,755,340)	(12,778,932)
Interest written-off	(1,648,643)	(749,082)
	2,803	**170,817**

Pay As You Earn (PAYE) and Unemployment Insurance Fund (UIF)

Opening balance	1,684,215	1,710,227
Current year subscription / fee	23,359,501	22,270,348
Amount paid - current year	(25,043,716)	(22,296,360)
	-	**1,684,215**

Figures in Rand	2024	2023

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Opening balance	3,052,436	-
Current year subscription / fee	36,691,106	36,832,112
Amount paid - current year	(39,743,542)	(33,779,676)
	-	**3,052,436**

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2024:

June 30, 2024	Outstanding less than 90 days (excluding current account)	Outstanding more than 90 days	Total
Senosha MD	427	-	427

June 30, 2023	Outstanding less than 90 days (excluding current account)	Outstanding more than 90 days	Total
Senosha MD	809	86	895
Tlaka MO	-	307	307
Mpunwana MN	3,278	3,637	6,915
	4,087	**4,030**	**8,117**

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Deviation below is in relation to emergency procurement as stipulated in section 36 of the Municipal Supply Chain Management Regulations - Emergency request to procure services and materials to restore power at Noodhulp/Roodepoort. Supply, delivery and installation of 2-3MVA 11Kv/22Kv step up transformer

Incident		
Emergency procurement	1,369,248	-

46. Financial instruments disclosure

Categories of financial instruments

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	69,444,081	69,444,081
Other receivables from non-exchange transactions	9,962,115	9,962,115
Cash and cash equivalents	25,270,330	25,270,330
	104,676,526	**104,676,526**

Financial liabilities

	At amortised cost	Total
Municipal Debt Relief financial liabilities	18,860,806	18,860,806
Trade and other payables from exchange transactions	106,058,870	106,058,870
Consumer deposits	7,236,417	7,236,417
Finance lease obligation	8,185,952	8,185,952
	140,342,045	**140,342,045**

2023

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	60,706,327	60,706,327
Other receivables from non-exchange transactions	6,232,034	6,232,034
Cash and cash equivalents	11,261,243	11,261,243
	78,199,604	**78,199,604**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	146,267,193	146,267,193
Consumer deposits	6,955,063	6,955,063
Finance lease obligation	1,803,222	1,803,222
	155,025,478	**155,025,478**

47. Going concern

We draw attention to the fact that at June 30, 2024, the municipality had an accumulated surplus of R 891,478,775 and that the municipality's total assets exceed its liabilities by R 891,478,775.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

There are factors that cast doubt on the municipality’s ability to continue as a going concern, however the municipality has measures in place to address these factors.

Risk areas	Future plans to mitigate risks identified

47. Going concern (continued)

- The municipality is currently encountering a low collection rate
- The municipality developed budget funding and revenue enhancement plans to address municipal cash flow challenges.
- The municipality has pending litigations which upon success of the applicants may have a negative impact on the financial status of the municipalities.
- The municipality developed budget funding and revenue enhancement plans to address municipal cash flow challenges.
- The municipality entered into payment arrangements with key suppliers to suppress interest.
- The municipality intensified credit control measures to recover long outstanding amounts from consumers.
- The period for assessment is in line with medium term expenditure framework budget.
- There is alignment of procurement plan and cash flow projections to reduce payment rate ratio.
- During budgeting the strategy is to eliminate non-core expenditures.
- The municipality developed budget funding and revenue enhancement plans to address municipal cash flow challenges.
- Recruitment in the current financial year will be focused on critical post in Revenue and service delivery division.
- Favorable cost coverage ratio will assist in reducing current liabilities.
- Favorable cost coverage ratio will assist in reducing current liabilities.
- Going forward conditional grants to be ring fenced.

48. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions	4&5	21,010,488	(278,527)	20,731,961
Receivables from non-exchange transactions	5&6	62,844,092	(34,280,163)	28,563,929
VAT receivable	7	112,490,009	4,075,868	116,565,877
Investment property	9	279,274,316	(224,255,133)	55,019,183
Property, plant and equipment	10	828,689,877	(3,921,691)	824,768,186
Payables from exchange transaction (short-term)	13	(171,057,458)	(5,985,916)	(177,043,374)
Provisions	17	(75,793,017)	15,852,873	(59,940,144)
Accumulated surplus	48	(905,026,060)	248,792,689	(656,233,371)
		152,432,247	**-**	**152,432,247**

Figures in Rand	2024	2023

48. Prior-year adjustments (continued)

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	4&5	60,970,438	(444,295)	39,604	60,565,747
Receivables from non-exchange transactions	5&6	103,629,804	(38,479,095)	(39,604)	65,111,105
VAT Receivable	7	139,718,129	4,075,868	(136,004,020)	7,789,977
VAT Payable	7	(136,004,020)	-	136,004,020	-
Investment property	9	277,399,825	(216,682,631)	-	60,717,194
Property, plant and equipment	10	874,532,339	(18,085,845)	-	856,446,494
Payables from exchange transactions	13	(140,358,209)	(5,908,984)	-	(146,267,193)
Provisions	17	(104,706,003)	41,916,190	-	(62,789,813)
Unspent conditional grants and receipts	16	(7,438,411)	(2,750)	-	(7,441,161)
Finance lease obligation	18	-	(1,803,222)	-	(1,803,222)
Accumulated surplus	48	(1,020,652,726)	235,456,415	-	(785,196,311)
		47,091,166	**41,651**	**-**	**47,132,817**

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Service charges	19	190,055,828	(165,768)	-	189,890,060
Other income	23	4,405,957	(989,092)	-	3,416,865
Fair valaue adjustment	25	(1,874,491)	7,572,502	10,959,146	16,657,157
Acturial gains	25	10,959,146	-	(10,959,146)	-
Availibility charges	28	-	3,368,707	-	3,368,707
Government grants & subsidies	29	206,011,199	(2,750)	-	206,008,449
Fines, Penalties and Forfeits	30	35,781,697	(2,057,054)	-	33,724,643
Loss on disposal of assets	10	2,474,443	-	(537,358)	1,937,085
Employee related costs	31	(144,106,241)	437,677	47,399	(143,621,165)
Remuneration of councillors	32	(7,787,822)	-	(47,399)	(7,835,221)
Depreciation and amortisation	34	(45,398,952)	6,425,778	-	(38,973,174)
Finance costs	36	(21,335,505)	3,833,505	-	(17,502,000)
Debt impairment	10	(33,419,928)	(5,510,585)	-	(38,930,513)
Contracted services	38	(41,176,424)	466,375	(273,744)	(40,983,793)
General Expenses	39	(63,196,615)	(268,306)	-	(63,464,921)
Impairment of assets	35	1,925,478	-	811,102	2,736,580
Surplus for the year		**93,317,770**	**13,110,989**	**-**	**106,428,759**

Cash flow statement

Figures in Rand	2024	2023

48. Prior-year adjustments (continued)

2023

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Service charges		316,271,995	(119,856,286)	196,415,709
Property rates		-	36,856,359	36,856,359
Interest received - investment		10,478,183	(9,045,874)	1,432,309
Other receipts		47,230,501	(34,218,820)	13,011,681
Employee related costs		(152,446,221)	5,607,723	(146,838,498)
Suppliers		(290,231,089)	64,070,215	(226,160,874)
Finance Cost		(21,335,505)	16,864,754	(4,470,751)
		(90,032,136)	**(39,721,929)**	**(129,754,065)**
Cash flow from investing activities				
Purchase of property, plant and equipment		(125,271,581)	38,252,579	(87,019,002)
Purchase of intangible assets		(9,836,802)	9,836,802	-
Receivables from transactions - non current		83,710	(83,710)	-
		(135,024,673)	**48,005,671**	**(87,019,002)**
Cash flow from financing activities				
Finance lease payments		-	(731,675)	(731,675)

Errors and reclassfication narration

Statement of financial position

Receivables from exchange transactions

In the prior year consumer debtors were incorrectly billed. The correction resulted in a:

Decrease in Receivables from exchange transactions	(R444 295)
Decrease in Service charges	R165 768
Decrease in accumulated surplus	R278 527

In the prior year exchange debtors were incorrectly classified. The correction resulted in a:

Decrease in Receivables from exchange transactions	R39 604
Increase in Receivables from non-exchange transactions	(R39 604)

Receivables from non-exchange transactions

In the prior the methodology for calculating traffic fine impairment was incorrectly applied. The correction resulted in a:

Decrease in Receivables from non-exchange transaction	(R40 810 906)
Decrease in Debt impairment	R5 510 585
Decrease in accumulated surplus	R35 300 321

Figures in Rand	2024	2023

48. Prior-year adjustments (continued)

In the prior the availiblity charges were not incorrectly captured. The correction resulted in a:

Increase in Receivables from non-exchange transaction	R6 232 034
Increase in Revenue from non-exchange transaction	(R3 368 707)
Decrease in VAT receivables	(R815 525)
Increase in Accumulated surplus	(R2 047 802)

Property, plant and equipment

In the prior year various errors were noted on property, plant and equipment which were incorrect classification of assets, incorrect valuation of land and landfil asset, and incorrect impairment of work-in-progress. The correction resulted in:

Decrease in Property plant and equipment	(R18 085 845)
Decrease in depreciation	(R6 425 778)
Increase in Repairs and Maintenance	R654 261
Decrease in accumulated surplus	R3 921 123
Decrease in landfil provision	R21 545 062
Increase in finance lease obligation	(R1 608 823)

Investment Properties

In the prior year properties not under the control of the municipality were incorrectly recorded under investment properties. The correction resulted in a:

Decrease in Investment Property	(R216 682 631)
Increase in Fair Value adjustment	(R7 572 501)
Decrease in accumulated surplus	R224 255 132

Provisions

In the prior year the Landfill site provision was incorrectly calculated. The correction resulted in a:

Decrease in Provisions	R41 916190
Decrease in Finance cost	(R4 518 256)
Decrease in Property, Plant and Equipment	(R21 545 062)
Increase in accumulated surplus	(R15 852 872)

Finance lease obligation

In the prior year the finance lease was incorrectly classified as an operating lease. The correction resulted in a:

Increase in Finance lease obligation	(R1 803 222)
Increase in Finance cost	R684 751
Increase in Property plant and equipment	R1 608 823

Unspent conditional grants and receipts

In the prior year the conditional grants met and recognised was understated. The correction resulted in a:

Decrease in Unspent conditional grant	(R2 750)
Increase in Government grant and subsidies	R2 750

Figures in Rand	2024	2023

48. Prior-year adjustments (continued)

VAT receivables
In the prior year the VAT was incorrectly recorded. The correction resulted in a:
Decrease in VAT receivables by
Decrease in Accumulated surplus

In the prior year the VAT was incorrectly classified by sperating VAT receivables and payables . The correction resulted in a
Decrease in VAT payables by (R136 004 020)
Decrease in VAT receivables by R136 004 020

Payables from exchange transactions
In the prior year the payables was overstated due to retention not retention not supported. The correction resulted in a:
Decrease in Trade payables by (R9 632 996)
Decrease in Accumulated surplus VAT receivables by R9 632 996

In the prior year the payables was overstated due to the accrual leave not corrected recorded. The correction resulted in a:
Decrease in Trade payables by (R437 674)
Decrease in Accumulated surplus VAT receivables by R437 674

In the prior year the payables was overstated due to the payment received in advanced incorrected reported. The correction resulted in a:
Decrease in Trade payables by (990 230)
Decrease in Other income R990 230

In the prior year the payables was overstated due to the deposit on sale of land which was incorrected reported. The correction resulted in a:
Decrease in Trade payables by (R417 559)
Decrease in Accumulated surplus R417 559

In the prior year the payables was incorrectly classified within the same various payables category of the trade payables. The correction resulted in a:
Increase in Other Trade payables by R8 927 200
Decrease in Other deposits (R8 640 854)
Decrease in accrued payroll expenditure (R286 346)

In the prior year the payables was understated due to the other trade payables was incorrected reported due to ommission of previous invoices. The correction resulted in a:
Decrease in Trade payables by (R17 387 443)
Decrease in Accumulated surplus R17 387 443

Statement of financial performance

Other income - Ref. to narration provided on trade payables

Availability charges - Ref. to narration provided on receivable from non-exchnage

Fines, Penalties and Forfeits

In the prior traffic fine tickets were recorded not in accordance with IGRAP 1.

Decrease in Fines, Penalties and Forfeits (R2 057 054)
Increase in Receivables from non-exchange R2 057 054

Employee related cost

In the prior year the remuneration of the councillor was incorrectly included as an employee related cost. The correction resulted in a:

Figures in Rand	2024	2023

48. Prior-year adjustments (continued)

Decrease in employee related cost	R47 399
Increase in remuneration cost	(R47 399)

In the prior year the leave provision was incorrectly calculated. The correct calculation resulted in a:

Decrease in employee related cost	R437 674
Increase in leave provision	(R437 674)

Depreciation and amortisation - Ref. to narration provided on Property, plant and equipment.

Impairment of assets - Ref. to narration on loss on disposal of assets.

Debt Impairment - Ref. to narration provided on receivables from non-exchange.

Contracted services - Ref. to narration provided on Property, plant and equipment and general expenses.

Loss on disposal of assets
In prior year loss on disposal was incorrectly classified and also loss on the damaged assets were classified as repairs and maintenance. The correction resulted in a:

Decrease in repairs and maintenance	(R273 744)
Increase in impairment loss of assets	R811 102
Decrease in loss on disposal of assets	(R537 358)

General Expenses

In the prior year printer consumables expenses were incorrectly recorded in the operating lease account. The correction resulted in a:

Decrease in contracted services	(R184 133)
Increase in general expense	R184 133

Cashflow statement

Cashflow statement

In the prior year cashflow statement was incorrectly calculated. The correction resulted in a:

Decrease in Net cash flows from operating activities	(R39 387 770)
Decrease in Net cash flows from investing activities	R48 005 671
Increase in Net cash flows from financing activities	R731 675

49. Events after the reporting date

No events known by management that warrant a disclosure of an event after reporting date.

Figures in Rand	2024	2023

50. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments 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 by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial instruments exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Cash and cash equivalents	25,270,330	11,261,243
Trade and other receivables from exchange transactions	69,444,081	60,706,327
Other receivables from non-exchange transactions	9,962,115	6,232,034
Trade and other payables from exchange transactions	(106,058,870)	(146,267,193)
Consumer deposits	(7,236,417)	(6,955,063)
Finance lease obligation	(8,185,952)	(1,803,222)

Market risk

Interest rate risk

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023

51. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: Planning and Economic Services, Social and Community Services and Technical Services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The reportable segments identified are those functional segments reported in the Government Municipal Vote (Departmental) format per the Monthly Section 71 management reports. The information that will be reported is aligned to the monthly section 71 reports which are reviewed by the executive management. The Municipal Vote (Departmental) format allows for universal comparability of segments. The main factors considered in selecting the segments were the level of comparability with other preparers and a level of aggregation that does not detract from presenting the separate revenue or service delivery components.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates Limpopo Province in Waterberg District. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the municipality were sufficiently similar to warrant aggregation.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The Municipality uses the Municipal Vote (Departmental) as segment reporting levels. The assets and liabilities are not reviewed at all on a segregated basis.

Types of goods and/or services by segment

The following Municipal Vote (Departmental) are considered significant to the municipality and are accordingly managed separately because the general economic benefits and/or service potential:

Planning and Economic Services	Building control, trading/business licensing, issuing, human settlement and housing
Social and Community Services	Social and Community Services, Law enforcement management services, Driver and motor vehicle licensing, refuse/solid waste removal, sports and recreation, cemetery and burial services
Technical Services	Water, sanitation, electricity and road infrastructure

51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Planning and Economic Services	Social and Community Services	Technical Services	Total
Revenue				
Service charges	-	10,596,348	210,055,250	220,651,598
Rental of facilities and equipment	-	62,323	-	62,323
Agency services	-	4,601,547	-	4,601,547
Sale of goods and rendering of services	637,963	434,932	-	1,072,895
Interest income	-	1,315,854	9,410,152	10,726,006
Public donation	-	-	16,744,000	16,744,000
Fair value adjustment	6,740,688	-	-	6,740,688
Change in landfill provision income	-	3,020,493	-	3,020,493
Licences and Permits (Non-exchange)	-	2,199,648	-	2,199,648
Availibility charges	-	1,041,844	2,536,465	3,578,309
Government grants & subsidies	-	1,302,000	91,958,209	93,260,209
Fines, Penalties and Forfeits	144,566	31,400,124	115,647	31,660,337
Total segment revenue	**7,523,217**	**55,975,113**	**330,819,723**	**394,318,053**
Total segment revenue				**394,318,053**
Expenditure				
Employee related costs	6,847,653	25,863,950	57,509,008	90,220,611
Depreciation and amortisation	3,610,864	5,360,966	31,565,367	40,537,197
Impairment of assets	-	734,749	186,438	921,187
Finance costs	-	6,700,678	-	6,700,678
Debt Impairment	-	28,929,202	39,171,362	68,100,564
Bulk purchases	-	-	136,245,642	136,245,642
Loss on disposal of assets	-	-	3,006,097	3,006,097
General Expenses	103,821	4,133,603	33,112,653	37,350,077
Total segment expenditure	**10,562,338**	**71,723,148**	**300,796,567**	**383,082,053**

Notes to the Audited Annual Financial Statements

Figures in Rand

	Planning and Economic Services	Social and Community Services	Technical Services	Total
51. Segment information (continued)				
Total segmental surplus/(deficit)	**(3,039,121)**	**(15,748,035)**	**30,023,156**	**11,236,000**
Assets				
Inventories	-	-	480,908	480,908
Receivables from exchange transactions (short term)	-	2,054,462	37,505,926	39,560,388
Receivables from non-exchange transactions	-	13,289,367	6,913,443	20,202,810
Investment property	67,457,882	-	-	67,457,882
Property, plant and equipment	81,300,942	120,705,648	710,714,790	912,721,380
Receivables from exchange transactions (long term)	-	-	140,580	140,580
Total segment assets	**148,758,824**	**136,049,477**	**755,755,647**	**1,040,563,948**
Liabilities				
Consumer deposits	-	2,034	7,217,426	7,219,460
Unspent conditional grants and receipts	-	-	49,662	49,662
Provisions (short term)	-	4,915,023	-	4,915,023
Provisions (Long term)	-	60,859,937	-	60,859,937
Total segment liabilities	**-**	**65,776,994**	**7,267,088**	**73,044,082**
Total segment net assets	**148,758,824**	**70,272,483**	**748,488,559**	**967,519,866**

The mandate of the municipality is to provide basic services to the community over which it governs. To properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

- Technical Services

- Social and Community Services

- Planning and Economic Development

51. Segment information (continued)

The following Municipal Vote (Departmental) not are considered reportable segments because they are administrative and/or supporting departments as a result they do not generate economic benefits and/or service potential, and they are unallocated:

- Municipal Manager

- Internal Audit

- Budget and Treasury

- Mayor and Council

- Corporate Services

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

2023

	Planning and Economic Services	Social and Community Services	Technical Services	Total
Revenue				
Service charge	-	9,523,872	180,366,187	189,890,059
Rental of facilities and equipment	-	96,691	-	96,691
Agency services	-	4,883,306	-	4,883,306
Sale of goods and rendering of services	647,499	479,252	-	1,126,751

Notes to the Audited Annual Financial Statements

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51. Segment information (continued)

Other income	-	685,224	-	685,224
Interest income from exchange	-	989,000	6,812,832	7,801,832
Fair value adjustment	5,698,010	-	-	5,698,010
Licences and permits (non-exchange)	-	2,159,542	-	2,159,542
Availibility charges	-	1,023,740	2,344,967	3,368,707
Government grants and subsidies	-	1,502,000	84,698,839	86,200,839
Fines, Penalities and forfeits	729,600	32,868,296	126,748	33,724,644
Total segment revenue	**7,075,109**	**54,210,923**	**274,349,573**	**335,635,605**
Total segment revenue				**335,635,605**
Expenditure				
Employee related costs	4,292,983	37,231,503	49,683,418	91,207,904
Depreciation and amortisation	3,699,654	5,052,034	30,071,685	38,823,373
Impairment of assets	-	486,409	2,234,536	2,720,945
Finance costs	-	5,609,498	-	5,609,498
Debt Impairment	-	3,504,317	12,465,113	15,969,430
Bulk purchases	-	-	111,941,973	111,941,973
Contracted services	-	-	26,000	26,000
Loss on disposal of assets	-	-	1,927,430	1,927,430
General Expenses	167,891	1,937,732	30,284,706	32,390,329
Total segment expenditure	**8,160,528**	**53,821,493**	**238,634,861**	**300,616,882**
Total segmental surplus/(deficit)	**(1,085,419)**	**389,430**	**35,714,712**	**35,018,723**
Assets				
Inventories	-	-	361,755	361,755
Receivables from exchange transactions (short term)	-	2,140,869	35,821,706	37,962,575
Receivables from non-exchange transactions	-	9,184,543	4,323,043	13,507,586
Investment property	60,717,194	-	-	60,717,194
Property, plant and equipment	81,300,942	111,019,871	660,833,785	853,154,598
Receivables from exchange transactions (Long-term)	-	-	140,580	140,580
Total segment assets	**142,018,136**	**122,345,283**	**701,480,869**	**965,844,288**
Liabilities				

	Planning and Economic Services	Social and Community Services	Technical Services	Total
51. Segment information (continued)				
Consumer deposits	-	2,034	6,943,527	6,945,561
Unspent conditional grants and receipts	-	-	7,441,161	7,441,161
Provisions (Long term)	-	62,789,813	-	62,789,813
Total segment liabilities	**-**	**62,791,847**	**14,384,688**	**77,176,535**
Total segment net assets	**142,018,136**	**59,553,436**	**687,096,181**	**888,667,753**

Figures in Rand	2024	2023

52. Fruitless and wasteful expenditure

Opening balance as previously reported	4,470,743	12,141,816
Add: Fruitless and wasteful expenditure identified - current	211,355	4,470,743
Less: Amount written off - current period	(844,278)	-
Add: Amount written off - current period (Reversal**)	738,675	-
Less: Amount written off - prior period	(4,470,743)	(12,141,816)
Closing balance	**105,752**	**4,470,743**

Fruitless and wasteful expenditure is presented inclusive of VAT

The Fruitless and wasteful expenditure amounting to R 5 315 021 (2023: R 12 141 816) was referred to MPAC for investigation during the year under review

After MPAC investigations, council adopted the MPAC recommendation to write-off an amount of R 5 315 021 (2023: R 12 141 816) from the total fruitless and wasteful expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

The current year fruitless and wasteful expenditure consisted of interest on late payments invoices.

**The current year fruitless and wasteful expenditure was written-off by council on the 31st of March 2024 and subsequantly waived by the creditors.

The fruitless and wasteful expenditure was as a result of interest charged on late payments to suppliers, was then referred to MPAC by council for investigation. The fruitless and wasteful expenditure was certified as irrecoverable and written off by council in terms of MFMA Section 32(2)(b) and as guided by MFMA Circular 68.

Figures in Rand		2024	2023

52. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings		
Legislation contravened	Interest Charges due to late payment - Contravention of MFMA section 65(2)(e)	211,355	4,470,743

Figures in Rand	2024	2023

53. Irregular expenditure

Opening balance as previously reported	66,421,187	123,366,567
Add: Irregular expenditure - current	28,748,752	34,565,590
Add: Irregular expenditure - prior period	412,315	32,891,220
Less: Amount written off - current	(12,828,633)	-
Less: Amount written off - prior period	(66,781,857)	(124,402,190)
Closing balance	**15,971,764**	**66,421,187**

Irregular Expenditure is presented inclusive of VAT.

Incidents/cases identified/reported in the current year include those listed below:

Contract extended without following proper procedures	-	148,336
PPPFA Regulations, 2017 Local Content Production not included on the bid document and tender advert	302,490	15,343,275
Payments made exceeds contract or tendered price or purchase order value.	-	291,617
The functionality was not created in manner that it could be quantified.	1,909,006	3,210,877
Non Compliance with PPPFA MBD 6.2 - does not have Annexure C and E. No local content evaluation on BEC and BAC reports	16,980,395	34,565,590
Non Compliance with Supply Chain Management Regulations which includes amongst others awards made to suppliers without submission of MBD 4, CSD and tender splitting.	-	13,897,115
Reasons for deviation not justifiable	109,825	-
Non-Compliant with CIDB	912,814	-
Winning bidder's funtionality score incorrectly calculated	8,946,537	-
	29,161,067	**67,456,810**

Irregular Expenditure is presented inclusive of VAT.

Details of the Irregular Expenditure contain incidents/cases identified and referred to MPAC by council for investigation.

The irregular expenditure was as a result of non compliance with SCM legislation and other applicable laws, was then referred to MPAC by council for investigation. The irregular expenditure was certified as irrecoverable and written off by council in terms of MFMA Section 32(2)(b) and as guided by MFMA Circular 68.

Amount written-off

After the municipal public accounts committee investigations, council adopted the municipal public accounts committee recommendation to write-off an amount of 66,781,857 (2023: 124 402 190) from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

Figures in Rand	2024	2023

54. Unauthorised expenditure

Opening balance as previously reported	35,270,541	168,310,673
Add: Unauthorised expenditure - current	58,368,129	35,089,192
Less: Amount written - prior period	(35,270,541)	(168,129,324)
Closing balance	**58,368,129**	**35,270,541**

Amount written off

After the municipal public accounts committee investigations, council adopted the municipal public accounts committee recommendation to write-off an amount of R35 270 541 (2023: R168 129 324) from the total unathorised expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

Unauthorised expenditure: Budget overspending – per municipal department:

Chief Financial Officer	7,386,582	28,795,165
Internal Audit	109,354	6,050,300
Social and Community Services	28,463,214	243,727
Technical Services	22,341,616	-
Corporate services	67,363	-
	58,368,129	**35,089,192**

55. Budget differences

Material differences between budget and actual amounts

Statement of Financial Performance

Rental of facilities and equipment - The 19% negative variance of revenue from rental is based on the demand for use of the municipal facilities such as community halls etc. Fewer than anticipated bookings were received for the year.

Sale of goods and rendering of services - The 21% negative variance of revenue is dependent on the demand of the service by consumers for the year. Fewer than anticipated demand were transacted.

Other income - The 141% positive variance for other income includes administration handling fees, collection charges, staff and other councillors recoveries e.t.c which are dependent on consumption level which is unpredictable and difficult to estimate during budget preparation.

Interest income - The positive variance of 39% results from an increased receivable balance that is attributable to lower debtors collection.

Change in landfill provision income- 100% positive variance. There was no allocation for this item in the budget as this was not anticipated during budget preparation.

Debt forgiveness- There is no provision for this debt forgiveness income in the budget,hence the 100% positice variance.

Fair value adjustment- 100% positive variance. The fair value adjustment income was not anticipated/forecasted when the budget was prep101ared, hence no budget allocation was made.

Fines, penalties and forfeits- 17% negative variance. The previous service provider's contract ended during the year and there was a delay in finalizing the setup of the new provider's traffic fines system. As a result, fewer tickets were issued during the year than anticipated in the budget.

Property rates - The 31% variance is less than anticipated property rates revenue due to Section 78 and Supplementary Valuation Roll outcomes .

Licences and Permits (Non-exchange) - The 11% positive variance of revenue is dependent on the demand of the service by consumers for the year. Fewer than anticipated demand transacted.

Figures in Rand	2024	2023

55. Budget differences (continued)

Availability charges - 100% positive variance was due to seperate disclosure of the availability charges that was not being billed previously.

Public contributions and Donations - Variance of 100% resulted from the donation received from RAL for the maintenance roads owned by the municipality.

Employee related costs - 16% negative variance was due vacancy posts which were expected to be filled but not filled.

Debt Impairment - 460% positive variance was due to the increase in the volume of transactions.

Contracted services - 15% negative variance was due puting certain procurement on hold due to cost containment.

Impairment of assets - 100% positive variance. There was no budget provision for impairment loss as it was not anticipated during budget preparation. The impairment assessment was performed at year-end.

Loss on disposal of assets-100% positive variance. The loss was not anticipated during budget preparation, hence no budget allocation was made for it.

General Expenses -19% negative variance was due putting certain procurement on hold due to cost containment.

Statement of Financial Position

Current Assets

Inventories - A 95% negative variance was due to less the fact that the municipality anticipated that there would be a high water volume storage during the under review.

Receivables from exchange transactions - A 23% positive variance was due to a slight decline in collection during the year under review as compared to what was anticipated for collection.

VAT receivable-a positive variance of 412% was due to higher input than output VAT transactions.

Cash and cash equivalents - A 36% positive variance was due to the strict adherance to the cashflow management as well as cost containtment management.

Investment property - A 50% negative variance was due to the correction of error of investment property. The municipality budgetted for investment properties that do not GRAP 16 investment property defintion. This was noted subsequently to the approval of the adjustment budget.

Intangible assets - A 162% positive variance was due to procurement of intangible assets. This was due to the incorrect allocation when budget of assets.

Receivables from exchange transactions - 37% negative variance was due to increase collection rate due.

Current Liabilities

Employee benefit obligation - A 90% negative variance was due actual employee beenfit obligation being more than what was forseen during the budget.

Unspent conditional grants and receipts- A 90% negative variance was due improvement on the planning and execution of projects that are funded by conditional grants.

Finance lease obligation - A 100% negative variance was due to incorrect accounting of lease transactions that were previously accounted for as operational leases instead of finance lease. The misstatement was addressed after budget adjustment

Figures in Rand	2024	2023

55. Budget differences (continued)

Provisions - A 100 % negative due to due to incorrect accounting of landfill provision in the previous finanical year. The previous audited transactions were used as a basis to budget for current year landfill provision.

Payables from exchange trasnactions - a 23% positive variance was due to the incorrect accounting treatment of Municipal Debt Relief financial liabilities. The misstatement will be addressed in the budget adjustment by correctly accouting for Municipal Debt Relief financial liabilities from payables from exchange transactions.

Non-Current Liabilities

Employee benefit Obligation - A 654% negative variance was due actual employee benefit obligation being more than what was forseen during the budget.

Provisions - 20% variance negative due to due to incorrect accounting of landfill provision in the previous finanical year. The previous audited transactions were used as a basis to budget for current year landfill provision.

Municipal Debt Relief financial liabilities - A 100% negative variance was due incorrect accounting of lease transactions that were previously accounted for as operational leases instead of finance lease. The misstatement was addressed after budget adjustment.

Finance Lease Obligation - A 100% negative variance was due incorrect accounting of lease transactions that were previously accounted for as operational leases instead of finance lease. The misstatement was addressed after budget adjustment.

Payables from exchange trasnactions (Non-current liabilities) - a 100% negative variance was due to the incorrect accounting treatment of debt relief fund at the budgeting period. However, this was correctly disclosed by splitting as current and non-current liaiblities on the actuals.

Cashflow Statement

Cash flows from investing activities

Property rates - 14% negative variance. Less than anticipated property rates revenue was earned during the year due to Section 78 and Supplementary Valuation Roll outcomes.

Interest income - 45% negative variance. The municipality derives interest from positive bank accounts balances, more interest than anticipated was earned in the current year.

Other receipts - 75% negative variance. Other receipts are derived from goods and services that are demand based, the demand in the current year was lower than anticipated.

Suppliers and Employee costs - 24% negative variance. This was because of vacancy posts which were expected to be filled but not filled; and certain procurement was put on hold due to cost containment.

Finance costs - 99% variance. This is due to effective cash flow management and as a result creditors were paid within the prescribed period, hence remote interest was incurred.

Net cash flows from investing activities

Purchase of other intangible assets - 100% variance. This is due to the reclassification of intangible assets from operational expenditure, there was no budget allocation for the acquisition of intangible assets.

Cash flows from financing activities

Finance lease payments - 100% variance. This is as a result of reclassification of actual transactions from operational lease to finance lease. This transpired at year-end after adjustments budget, resulting to the lease transactions being treated as finance lease while it was an operational lease in the budget.

Differences between budget and actual amounts basis of preparation and presentation

Figures in Rand	2024	2023

55. Budget differences (continued)

The annual financial statements and the budget are prepared on the same basis of accounting (accrual basis) therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amount. The financial statements and budget are prepared for the period from 1 July 2023 to 30 June 2024. A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts

56. Municipal Debt Relief financial liabilities

At amortised cost		
Municipal Debt Relief financial liabilities	18,860,806	-

Bela-Bela Local Muncipality received an approval of municipal debt relief with effect from first of November 2023 in line with MFMA circular 124 for consecutive period of 36 months. The amount approved by national treasury was R31 million. Prior to the approval of the debt relief but post application of the debt relief, the municiplaity had already paid R7 million in line with the previous payment arrangment. This therefore resulted into the debt balance of R23 million that is subject to the debt relief program.

In terms of the Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124, Paragraph 2.2.1, Eskom will permanently suppress interest on the Municipal Relief Debt charged from 01 April 2023 up to and including the effective date. Eskom will do so within three months of the effective date. The effect of R4.4 million was due to the permanet write-off in line with modification of the contract as per GRAP 104 and MFMA Circular No. 124.

Non-current liabilities		
At amortised cost	11,878,479	-
Current liabilities		
At amortised cost	6,982,327	-

57. Debt forgiveness

Interest charges waived by creditors	3,223,762	-
Municipal Debt Relief	4,495,078	-
	7,718,840	**-**

Refer to note 56 for detailed description on the Municipal Debt Relief financial liability

58. Change in landfill provision

Landfill provision	3,020,493	-

59. Public contributions and donations

Road improvements by Road Agency Limpopo	16,744,000	-

ANNUAL PERFORMANCE REPORT

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2024



BELA-BELA LOCAL MUNICIPALITY

31 AUGUST 2024

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ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APR	Annual Performance Report
AR	Annual Report
BBLM	Bela-Bela Local Municipality
CoGHSTA	Cooperative Governance , Human Settlement and Traditional Affairs
CoGTA	Cooperative Governance and Traditional Affairs
FMB	Financial Misconduct Board
HRD	Human Resource Development
HRM	Human Resource Management
IDP	Integrated Development Plan
KPA	Key Performance Area
KPI	Key Performance Indicators
LGSETA	Local Government Sector Education Training Authority
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act No 56 of 2003
MPAC	Municipal Public Accounts Committee
MSA	Municipal System Act No 32 of 2000
NKPA	National Key Performance Areas
PMS	Performance Management System
S.M.A.R.T	Specific, Measurable, Attainable, Realistic and Timely
SDBIP	Service Delivery and Budget Implementation Plan
UoM	Unit of Measurement
WSP	Workplace Skill Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
ICT	Information and Communication Technology
PED	Planning and Economic Development
LED	Local Economic Development
SDF	Spatial Development Framework
LUMS	Land Use Management Scheme
SPLUMA	Spatial Planning and Land Use Management Act No16 of 2013
FY	Financial Year
MVA	Mega Voltage Amps
MIG	Municipal Infrastructure Grant
INEP	Integrated National Electrification Programme
WSIG	Water Services Infrastructure Grant
EEDSM	Energy Efficiency Demand Side Management

1.0 INTRODUCTION

The Annual Performance Report (APR) is hereby prepared for Bela-Bela Local Municipality in terms of Section 46 (1) and (2) of the Local Government: Municipal Systems Act (MSA) No. 32 of 2000, Section 121 (2)(b) and (3)(c) of the Local Government: Municipal Financial Management Act (MFMA) No. 56 of 2003 as well as MFMA Circular 11 on annual reporting.

This report covers the performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as revised in conjunction with the Budget Adjustment during February 2024, in relation to the objectives and targets as summarized in the Municipality's Integrated Development and Plan (IDP).

The report further reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2023/2024 IDP, 2023/2024 Annual Budget and SDBIP.

Furthermore, this report takes into account the National Government's Strategic key Performance Areas for local government, which are (1) Basic Service Delivery and Infrastructure Development; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (5) Good Governance and Public Participation, and (6) Spatial Rationale as added.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA). Each KPA has several Municipal Programmes which are linked to the IDP of the Bela-Bela Local Municipality to focus on priority development initiatives in a more coherent and organised manner.

The report further contains, *inter alia*, the list of service providers and their performance on grant-funded service delivery capital projects and the performance of other external service providers.

2.0 LEGISLATIVE REQUIREMENT

This APR has been prepared in compliance with the requirements of section 46 (1) of the Local Government: MSA as amended; which stipulates as follows:

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 taken to improve performance.*

Further to the above, this APR should form part of the 2023/2024 Annual Report in terms of section 121(3)(c) of the Local Government: MFMA which stipulates as follows:

(3) The annual report of a municipality must include-

- *a) ----------;*
- *b) ----------;*
- *c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act*

3.0 PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

Performance management in the municipality is managed through the Council approved Performance Management System Framework which clearly defines the process and reporting cycles of the performance information. The reporting cycles in the SDBIP are monitored quarterly and early warning indicators are picked up which are therefore discussed and corrective measures effected, this is referenced on revised indicators of the SDBIP. The APR contains both performance information from the Original (Initial) SDBIP as well as the revised performance information from the revised SDBIP.

Targets indicated as "*withdrawn*" are the ones that will not be applicable for reporting hereunder.

3.1 Summary of indicators and their classifications

Table 01: Summary of KPIs per KPA

No.	KPAs	No. of original KPIs	No. of KPIs withdrawn	No. of new KPIs	No. of applicable KPIs
1	Basic Service Delivery and Infrastructure Development	**21**	**4**	**3**	**20**
2	Local Economic Development	**3**	**1**	**-**	**2**
3	Municipal Transformation and Institutional Development	**3**	**-**	**-**	**3**
4	Municipal Financial Viability and Management	**12**	**-**	**-**	**12**
5	Good Governance and Public Participation	**21**	**1**	**-**	**20**
6	Spatial Rationale	**4**	**3**	**-**	**1**
Total		**64**	**9**	**3**	**58**
Total No. of applicable KPIs		**58**			

There are five legislated KPAs and one which was later added after the enacting of the Spatial Planning and Land Use Act. The KPA is called *"Spatial Rationale"*. Given the importance of the KPA, the Municipality has included indicators that relate to this KPA which its implementation mandate is under the Planning and Economic Development Department. There is a total of **67 KPIs** which are inclusive of capital projects, **3 KPIs** were added during the revision of the SDBIP and **9** of them are **KPIs** that are not applicable for reporting and are termed as *"withdrawn"* and were not considered for performance rating in terms of targets achievements. The total number of applicable KPIs for reporting stands at **58** and these were **KPIs** considered for performance rating for targets achieved.

3.2 List of withdrawn indicators

Table 02: Withdrawn indicators

KPI Code	Key Performance Indicator (KPI)	Department	Reasons for Withdrawal
KPI 15	Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (ward 4)	Technical Services	The MIG allocation was reduced by National Treasury as per Government Gazette: **Vol. 704 of 16 February 2024 No. 50134.** Therefore the KPI was deferred to the 2024/2025 financial year.
KPI 16	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (ward 3)	Technical Services	The MIG allocation was reduced by National Treasury as per Government Gazette: **Vol. 704 of 16 February 2024 No. 50134.** Therefore the KPI was deferred to the 2024/2025 financial year.
KPI 17	Construction of Road Paving and Stormwater in Rapotokwane -Phase 1 (ward 8)	Technical Services	The MIG allocation was reduced by National Treasury as per Government Gazette: **Vol. 704 of 16 February 2024 No. 50134.** Therefore the KPI was deferred to the 2024/2025 financial year.
KPI 23	Development of new Cemetery – Pienaarsrivier (Ward 8)	Social and Community Services	The MIG allocation was reduced by National Treasury, therefore the KPI was deferred to the 2024/2025 financial year.
KPI 45	Number of Performance Audit Committee meetings held by 30 June 2024	Office of the Municpal Manager	Realigned with KPI no.43
KPI 51	Number of feasibility study completed by 30 June 2024	Planning and Economic Development	Budgetary Constraints
KPI 52	Number of Council Owned properties rezoned and subdivided by 30 June 2024	Planning and Economic Development	Budgetary Constraints
KPI 53	Number of Council owned properties registered at SGs by 30 June 2024	Planning and Economic Development	Budgetary Constraints
KPI 53	Number of registered servitudes in-favour of public by 30 June 2024	Planning and Economic Development	Budgetary Constraints

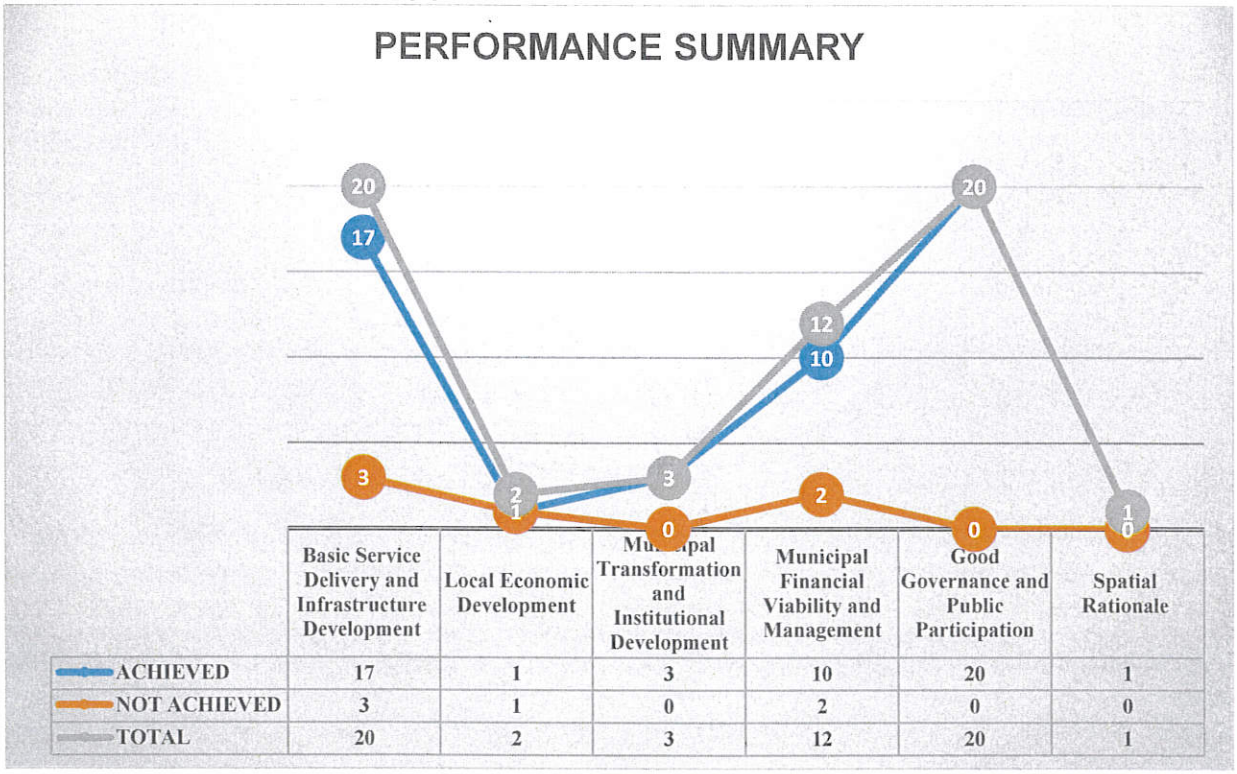
3.3 Overview of the performance summary

Table 03: Summary of performance rating per KPAs in terms of targets achievements.

No.	KPAs	Achieved	Not Achieved	Withdrawn
1	Basic Service Delivery and Infrastructure Development	17	3	4
2	Local Economic Development	1	1	1
3	Municipal Transformation and Institutional Development	3	-	-
4	Municipal Financial Viability and Management	10	2	-
5	Good Governance and Public Participation	20	-	1
6	Spatial Rationale	1	-	3
	Totals	52	6	9
		67		

A total of 52 KPIs were achieved out of 58 applicable indicators which are due for reporting by end of the financial year. A total of 6 were not achieved of which reasons and corrective measures are indicated on the report. The overall performance of the institution is at 52 achieved out of 58 which translates to 90% percentage of achievement.

Graph 01: Performance summary per KPA



	Basic Service Delivery and Infrastructure Development	Local Economic Development	Municipal Transformation and Institutional Development	Municipal Financial Viability and Management	Good Governance and Public Participation	Spatial Rationale
ACHIEVED	17	1	3	10	20	1
NOT ACHIEVED	3	1	0	2	0	0
TOTAL	20	2	3	12	20	1

The graph above represents performance indicators per KPA in the Municipality. The information on the graph is directly derived from the reported information of actual work achieved as reported by end of the financial year (30 June 2024).

4.0 PERFORMANCE COMPARISON OF THE 2023/2024 FINANCIAL YEAR AND THE PRIOR-YEAR 2022/2023 FINANCIAL YEAR.

Section 46 (1) (b) of the Local Government: MSA requires the Annual Performance Report to include a comparison of set targets of the reported year with the previous years' performance. This section summarises the performance trend of the two financial years. The rating is based on indicators that were achieved and a total of indicators not achieved for both financial years. The table below presents a summary of performance trends based on the two financial years.

Table 04: Performance comparison in terms of the number of KPIs

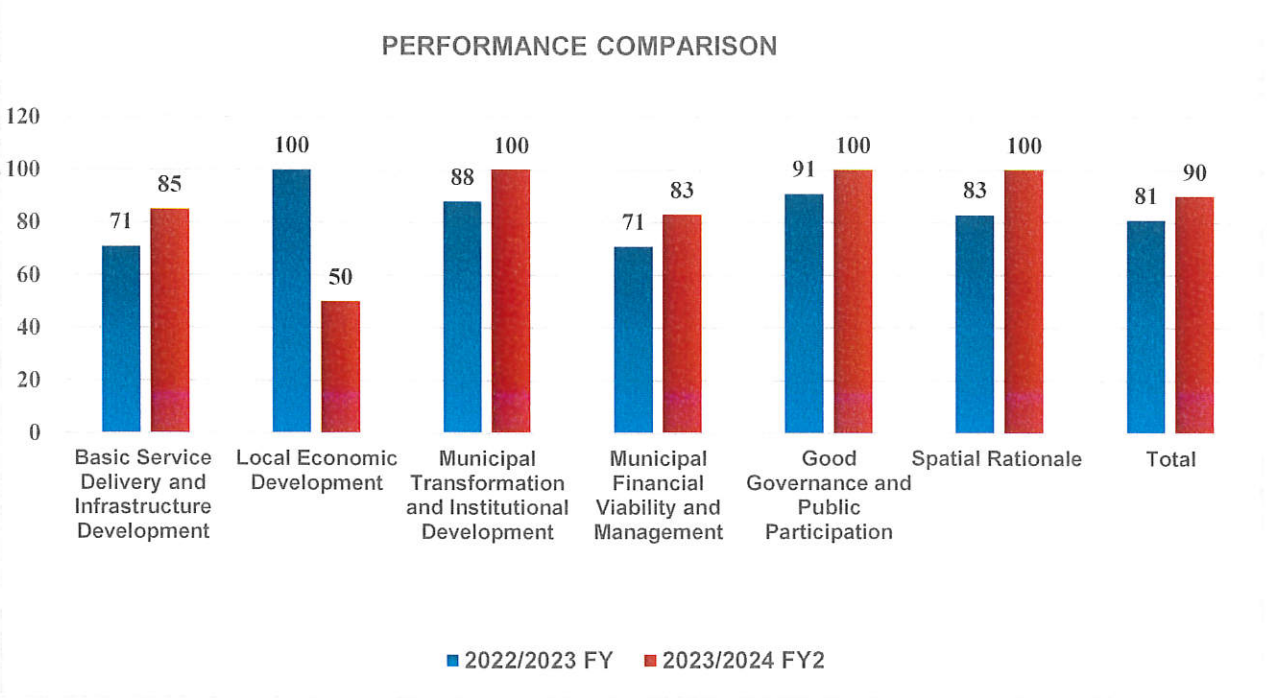
No.	KPAs	2022/2023 FY		2023/2024 FY	
		Achieved	Not Achieved	Achieved	Not Achieved
1	Basic Service Delivery and Infrastructure Development	17	7	17	3
2	Local Economic Development	3	0	1	1
3	Municipal Transformation and Institutional Development	7	1	3	-
4	Municipal Financial Viability and Management	10	4	10	2
5	Good Governance and Public Participation	21	2	20	-
6	Spatial Rationale	5	1	1	-
	Totals	63	15	52	6
		78		58	

The table above presents the comparison of the overall performance of the institution based on the applicable indicators and targets. In the 2023/2024 financial year, the Municipality has achieved a total of 52 targets compared to 63 achieved targets for 2022/2023. However, the total number of indicators applicable for the 2022/2023 financial year was 78 which is more compared to 58 for the 2023/2024 financial year. The numbers can be translated as follows: In the 2022/2023 financial year, the Municipality achieved 81 percent of the overall achievements as compared to 90 percent for the 2023/2024 financial year.

Table 05: Performance comparison in terms of percentages

No.	KPAs	2022/2023 FY		2023/2024 FY	
		Achieved	Not Achieved	Achieved	Not Achieved
1	Basic Service Delivery and Infrastructure Development	71%	29%	85%	15%
2	Local Economic Development	100%	0%	50%	50%
3	Municipal Transformation and Institutional Development	88%	12%	100%	0%
4	Municipal Financial Viability and Management	71%	29%	83%	17%
5	Good Governance and Public Participation	91%	9%	100%	0%
6	Spatial Rationale	83%	17%	100%	0%
	Totals	**81%**	**19%**	**90%**	**10%**

Graph 02: Performance comparison (% for KPIs achieved) between 2022/2023 and 2023/2024 financial years



Rating based on performance

The overall rating of the performance of the Municipality is based on the overall work performed. If there has been an overachievement on the planned annual targets, the overall work performed is recognised and if there has been underachievement on the planned annual targets, the overall work performed is also recognised. Each indicator is rated individually and scored based on the work performed. The rating system is applied on all targets i.e achieved and not achieved on all applicable indicators. The total percentage of all indicators is added and divided by the total number of applicable indicators and multiplied by 100 to derive a percentage rating.

Table 06: Overall performance (%) for KPAs based on the performance of each KPI

No.	KPAs	No. of KPIs	Cumulative percentage of KPIs	Average %
1	Basic Service Delivery and Basic Infrastructure	20	2026	101%
2	Local Economic Development	2	315	158%
3	Municipal Institutional Transformation and Development	3	302	101%
4	Municipal Financial Viability and Management	12	1225	102%
5	Good Governance and Public Participation	20	2208	110%
6	Spatial Rationale	1	100	100%
	Totals	**58**	**6176**	**106%**

Based on the formula presented above for recognition of the overall work performed, the calculated overall institutional performance is 106 percent.

5.0 SUMMARY OF ALLOCATED BUDGET AND EXPENDITURE PERFORMANCE ON CAPITAL PROJECTS AS OF 30 JUNE 2024

Table 07: Summary of Budget allocation and Expenditure by end of June 2024

Grant	Initial Total Allocation	Adjusted Allocation	Actual Expenditure by 30 June 2024	Actual Balance by 30 June 2024	Expenditure %
MIG	R 30 282 000.00	R 28 257 000.00	R 28 257 164.87	-R 164.87	100%
WSIG	R 55 750 000.00	R 55 750 000.00	R 55 736 415.98	R 13 584.02	99.98%
WSIG Roll-Over	-	R 7 287 697.04	R 7 283 731.09	R 3 967.95	99.95%
INEP Roll-Over	-	R 153 463.15	R 153 462.96	R 0.19	100%
Own Source	R 5 000 000.00	R 3 500 000.00	R 1 993 143.25	R 1 659 059.25	57%
TOTAL	**R 91 032 000.00**	**R 94 948 160.19**	**R 93 423 918.15**	**R 1 676 446.54**	**98%**

The Municipality was allocated and received conditional grants to a total amount of R 91 448 160.19 and made a provision of R 3 500 000.00 from internal funds to implement basic service delivery projects. From a grand total of R 94 948 160.19, a total amount of R 93 423 918.15 has been spent as at the end of June 2024 which translates to 98% expenditure. However, from a total amount of R 91 448 160.19 of conditional grants allocated, the municipality spent R 91 430 774.90 which translates to 99.98%.

6.0 VALIDATION OF PERFORMANCE INFORMATION

The performance reports (In year and annual) are submitted to internal audit for verification and validation of reported information. The comments and or outcomes from the internal audit are reflected on the Internal Audit reports on performance which are then submitted to the Audit Committee. After internal audit comments, the report, therefore, becomes final. Which is therefore taken through the Council process for approval.

7.0 DETAILED ANNUAL PERFORMANCE INFORMATION

Appendix A on the following page details the performance information as reported and verified by Internal Audit Unit within the Bela-Bela Local Municipality as of 30 June 2024.

APPENDIX A: DETAILED PERFORAMNCE INFORMATION

Achieved	Not Achieved	Withdrawn

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
PRIORITY AREA: BASIC SERVICE DELIVERY																	
PRIORITY AREA: SANITATION SERVICES																	
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	43% of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 project.	**ACHIEVED** 43% (Appointment of the Contractor)	Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 by 30 June 2024	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4) by 30 June 2024	%	KPI 1	The procurement process for appointing the Contractor for the refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4) project was concluded in the previous 2022/23 financial year.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4).		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	71% of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C project.	**ACHIEVED** 71% (Construction Stage at 51 - 60%)	Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the refurbishment and automation of the Bela-Bela Wastewater Treatment Works - Phase 1C by 30 June 2024	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the refurbishment and automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2) by 30 June 2024	%	KPI 2	Construction work for the refurbishment and automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2) commenced in the previous 2022/23 financial year and projected was at 76% as per the PPII **(Appendix D)** by financial year end.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2)		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report and Completion Certificate **Q3:** N/A **Q4:** N/A	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	43% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Ext 6 Sewer Pump Station project.	**NOT ACHIEVED** 33% (Tender Evaluation completed)	Upgrading of the Ext 6 Sewer Pump Station (ward 6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the upgrading of the Ext 6 Sewer Pump Station by 30 June 2024.	Percentage of the work completed as measured according to the PPII (Appendix D) for the upgrading of the Ext 6 Sewer Pump Station (ward 6) by 30 June 2024	%	KPI 3	The procurement process for appointing the Contractor for the upgrading of the Ext 6 Sewer Pump Station project (ward 6) was concluded in the previous 2022/23 financial year.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Ext 6 Sewer Pump Station (ward 6),		**NOT ACHIEVED** 95% (Practical Completion of the Works)	Delays due to changes in the design of the mechanical baskets, and subsequent delays in delivery thereof.	The project will be completed in the 1st quarter of the 2024/25FY	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress	Technical Services	**95%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
															report and Completion Certificate		
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	43% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW project.	**ACHIEVED** 43% (Appointment of the Contractor)	Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (ward 2&6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (ward 2&6) by 30 June 2024	%	KPI 4	The procurement process for appointing the Contractor for the upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW project (ward 2&6) was concluded in the previous 2022/23 financial year.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (ward 2&6).		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly Progress Report **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	29% of the work completed as measured according to the PPII **(Appendix D)** for the upgrading of the Leseding Sewer Pump Station project	**NOT ACHIEVED** 19% (Detailed Design Report and Drawings approved)	Upgrading of the Leseding Sewer Pump Station (ward 6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (ward 6) by 30 June 2024.	%	KPI 5	The Designs for the upgrading of the Leseding Sewer Pump Station project (ward 6) were completed in the previous 2022/23 financial year. The project has a multi-year budget.	71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (ward 6).		**ACHIEVED** 71% (Construction Stage at 51 - 60%)	None	None	**Q1:** Tender advertisement **Q2:** Contractor's appointment letter **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
															progress report		
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	19% of the work completed as measured according to the PPII **(Appendix D)** for the upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW project.	**ACHIEVED** 19% (Detailed Design Report and Drawings approved)	Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6) by 30 June 2024.	%	KPI 6	The Designs for the upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW project were completed in the previous 2022/23 financial year. The project has a multi-year budget.	71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	29% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	**ACHIEVED** 29% (Tender Advertised)	None	None	**Q1:** Tender advertisement **Q2:** Contractor's appointment letter **Q3:**N/A **Q4:** Tender Advertisement	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Upgrading of the Settlers Sewer Pump Station (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (ward 2) by 30 June 2024.	%	KPI 7	The Settlers Sewer Pump Station is under capacitated. The Consulting Engineers are already appointed.	43% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (ward 2)	19% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (ward 2)	**ACHIEVED** 29% (Tender Advertised)	The Detailed designs were completed earlier than anticipated and thefore the tender was advertised earlier to enable the commencement of construction timeously in the new financial year .	None	**Q1:** Approved Scoping report **Q2:** Detailed Design Report and approval letter. **Q3** Approved Preliminary Designs Report **Q4:** Detailed Design	Technical Services	**152%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
															Report and approval letter		
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Upgrading of the Industrial outfall sewer line (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line by (ward 2) 30 June 2024.	%	KPI 8	The Industrial outfall sewer is under capacitated. The Consulting Engineers are already appointed.	43% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line (ward 2).	19% of the work completed as measured according to the PPII (Appendix D) for the Upgrading of the Industrial outfall sewer line (ward 2).	**ACHIEVED** 19% (Detailed Design Report and Drawings approved)	None	None	**Q1:** Approved Scoping report **Q2:** Detailed Design Report and approval letter. **Q3:** Approved Preliminary Designs Report **Q4:** Detailed Design Report and approval letter.	Technical Services	**100%**
PRIORITY AREA: WATER SERVICES																	
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of the work completed as measured according to the PPII **(Appendix D)** for the replacement of the steel elevated water tank in Pienaarsrevier project.	**NOT ACHIEVED** 62% (Construction Stage at 31 - 40%)	Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8)	Percentage of the work completed as measured according to the PPII (Appendix D) for the Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8) by 30 June 2024.		%	KPI 9	***Project rolled over from the previous 2022/23 financial year***	100% of the work completed as measured according to the PPII (Appendix D) for the Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8).		**NOT ACHIEVED** 95% (Practical Completion of the Works)	Delays due to on-going tests on watertightness of the steel elevated water tank.	The project is already practically completed, and completion will be finalised in the 1st quarter of the 2024/25FY.	**Q1:** N/A **Q2:** N/A **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report and Completion Certificate	Technical Services	**95%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of the work completed as measured according to the PPII **(Appendix D)** for the replacement of the steel elevated water tank in Rapotokwane project.	**NOT ACHIEVED** 76% (Construction Stage at 61 - 70%)	Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)	Percentage of the work completed as measured according to the PPII (Appendix D) for the Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8) by 30 June 2024.		%	KPI 10	***Project rolled over from the previous 2022/23 financial year***	100% of the work completed as measured according to the PPII (Appendix D) for the Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8).		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** N/A **Q2:** N/A **Q3:** Construction Quarterly progress report and Completion Certificate **Q4:**N/A	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of the work completed as measured according to the PPII **(Appendix D)** for the supply and installation of 8 X diesel operated 3-phase back-up generators at the Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station,	**NOT ACHIEVED** 81% (Construction Stage at 71 - 80%)	Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station	Percentage of the work completed as measured according to the PPII (Appendix D) for the Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station,		%	KPI 11	***Project rolled over from the previous 2022/23 financial year***	100% of the work completed as measured according to the PPII (Appendix D) for the Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station,		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** N/A **Q2:** N/A **Q3:** Construction Quarterly progress report and Completion Certificate **Q4:** N/A	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
		Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station, and Bospoort Pump Station project.		(Ward 1, 2, 6, 9).	Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station (Ward 1, 2, 6, 9) by 30 June 2024.					Settlers Pump Station, Ext 6 Pump Station, and Bospoort Pump Station (Ward 1, 2, 6, 9)							
PRIORITY AREA: ROADS AND STORM WATER																	
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of the work completed as measured according to the PPII **(Appendix D)** for the construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2	**NOT ACHIEVED** 81% (Construction stage at 71-80%)	Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (ward 7)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (ward 7) by 30 June 2024.	%	KPI 12	Construction work for the Road Paving and Stormwater in Bela-Bela X6 - Phase 2 project commenced in the previous 2022/23 financial year and projected was at 81% as per the PPII **(Appendix D)** by financial year end.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (ward 7)		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report and Completion Certificate **Q3:** N/A **Q4:** N/A	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	76% of the work completed as measured according to the PPII **(Appendix D)** for the construction of road paving and stormwater in Bela-Bela X6 - Phase 3 project	**ACHIEVED** 76% (Construction Stage at 61 - 70%)	Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (ward 7)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (ward 7) by 30 June 2024.	%	KPI 13	Construction work for the Road Paving and Stormwater in Bela-Bela X6 - Phase 3 project commenced in the previous 2022/23 financial year and projected was at 67% as per the PPII **(Appendix D)** by financial year end.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (ward 7)		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report and Completion Certificate **Q3:** N/A **Q4:** N/A	Technical Services	**100%**
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	76% of the work completed as measured according to the PPII **(Appendix D)** for the construction of road paving and stormwater in Bela-Bela X8 - Phase 3 project	**ACHIEVED** 76% (Construction Stage at 61 - 70%)	Construction of Road Paving and Stormwater in Bela-Bela X8 - Phase 3 (ward 4)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X8 - Phase 3 by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X8 - Phase 3 (ward 4) by 30 June 2024.	%	KPI 14	Construction work for the Road Paving and Stormwater in Bela-Bela X8 - Phase 3 project commenced in the previous 2022/23 financial year and projected was at 76% as per the PPII **(Appendix D)** by financial year end.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X8 - Phase 3 (ward 4)		**ACHIEVED** 100% (Completion of the Works)	None	None	**Q1:** Construction Quarterly progress report **Q2:** Construction Quarterly progress report and Completion Certificate **Q3:** N/A **Q4:** N/A	Technical Services	**100%**
Basic Service Delivery and	Resource Management of	N/A	N/A	Construction of Road Paving and Bulk	Percentage of the work completed as	Withdrawn	%	KPI 15	The condition of roads in Bela-Bela 8X	43% of the work completed as	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Technical Services	**N/A**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Infrastructure Development	Infrastructure and Services			stormwater in Bela-Bela X8 - Phase 4 (ward 4)	measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (ward 4) by 30 June 2024.				are in a bad condition and there is a lack of sufficient stormwater drainage. The Consulting Engineers are already appointed.	measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4 (ward 4).							
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (ward 3)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (ward 3) by 30 June 2024	Withdrawn	%	KPI 16	The condition of roads in Bela-Bela X5 are in a bad condition and there is a lack of sufficient stormwater drainage. The Consulting Engineers are already appointed.	43% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 1 (ward 3).	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Technical Services	**N/A**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (ward 8)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (ward 8) by 30 June 2024	Withdrawn	%	KPI 17	The condition of roads in Rapotokwane are in a bad condition and there is a lack of sufficient stormwater drainage. The Consulting Engineers are already appointed.	43% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of Road Paving and Stormwater in Rapotokwane - Phase 1 (ward 8)	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Technical Services	**N/A**
PRIORITY AREA: ELECTRICITY																	
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	19% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	**NOT ACHIEVED** 10% (Scoping Report completed and approved)	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2) by 30 June 2024.	%	KPI 18	The Substation project is incomplete from the 2019/20 financial year, and subsequently both contracts of the Consultant and Contractor have been terminated. A new Service Provider has been	43% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	19% of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	**NOT ACHIEVED** 10% (Scoping Report completed and approved)	Delays from Eskom side to issue a budget quote (5 June 2024), and subsequently scheduling a clarification meeting. Detailed Designs could not be concluded without the budget quote.	Follow-up e-mail correspondences regularly sent to Eskom to secure a clarification meeting. Nevertheless, It is anticipated that designs for phase 1 of the project will be completed in the 1st quarter of the new	**Q1:** Approved Preliminary Design Report **Q2:** Detailed Design Report and approval letter. **Q3:** N/A **Q4:** Detailed Design Report and approval letter.	Technical Services	**53%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
									appointed to complete a Technical Assessment, a new Business Plan to request INEP funding and other activities to ensure full completion of the project. The project is at Preliminary Design stage pending final budget quote expected from Eskom by the end of June 2023.					2024/25 financial year.			
PRIORITY AREA: WASTE MANAGEMENT																	
Basic Service Delivery and Infrastructure	Resource Management of Infrastructure and Services	29% of the work completed as measured according to the PPII **(Appendix D)** for the construction of the Bela-Bela Municipal landfill site - Phase 1.	**ACHIEVED** 29% (Tender Advertised)	Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela Municipal landfill site - Phase 1 by 30 June 2024.	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2) by 30 June 2024.	%	KPI 19	The Designs for the project were completed in the previous 2022/23 financial year. The project has a multi-year budget.	81% of the work completed as measured according to the PPII **(Appendix D)** for the construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	71% of the work completed as measured according to the PPII (Appendix D) for the construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	**ACHIEVED** 71% (Construction Stage at 51 - 60%)	None	None	**Q1:** Contractor's appointment letter **Q2:** Construction Quarterly progress report **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly	Technical Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
															progress report		
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	6 x Areas Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver.	**ACHIEVED** 6 x Areas (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver)	Waste Management and Cleansing	Number of areas with weekly access to solid waste removal by 30 June 2024	Number of Formal areas with weekly access to solid waste removal by 30 June 2024	#	KPI 20	6 x Formal areas with weekly access to waste removal Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver.	6 x Formal areas with weekly access to waste removal Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver.		**ACHIEVED** 6 x Formal areas with weekly access to waste removal (Bela-Bela Township, Bela-Bela Town, Jinnah Park, Spa Park, Masakhane and Pienaarsriver)	None	None	Collection Schedule	Social and Community Services	**100%**
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	3 x Areas Jacob Zuma, Tsakane and Koppewaai	**ACHIEVED** 3 x Areas (Jacob Zuma, Tsakane and Koppewaai)	Waste Management and Cleansing	Number of informal settlements with weekly access to solid waste removal by 30 June 2024		#	KPI 21	3 x Informal Settlements with weekly access to solid waste removal (Jacob Zuma, Tsakane and Koppewaai)	3 x Informal Settlements with weekly access to solid waste removal (Jacob Zuma, Tsakane and Koppewaai)		**ACHIEVED** 3 x Informal areas with weekly access to waste removal (Jacob Zuma, Tsakane and Koppewaai)	None	None	Collection Schedule	Social and Community Services	**100%**
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	5x Landfill Site Audit Reports	**ACHIEVED** 5x Landfill Site Audit Reports were conducted on 13th of September 2022, 10th of November 2022, 28th of February 2023, 23rd of	Waste Management and Cleansing	Number of Landfill Site permit Audit reports conducted by 30 June 2024		#	KPI 22	5x Landfill Site Audit Reports	5x Landfill Site Audit Reports		**ACHIEVED** 5x Landfill Site Audit Reports 14 September 2023 07 December 2023 26 March 2024 10 May 2024 and 25 June 2024	None	None	Audit Reports on Landfill site	Social and Community Services	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			March 2023 &14th of June 2023														
PRIORITY AREA: SPORT, ARTS, CULTURE, RECREATIONAL AND CEMETERIES																	
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	N/A	N/A	Development of new Cemetery – Pienaarsrivier (Ward 8)	Percentage of the work completed as measured according to the PPII **(Appendix D)** for the Development of a new Cemetery – Pienaarsrevier (Ward 8) by 30 June 2024	Withdrawn	%	KPI 23	There is no Cemetery at Pienaarsrivier, and the process to acquire suitable land to develop a new one is underway.	19% of the work completed as measured according to the PPII **(Appendix D)** for the Development of new Cemetery – Pienaarsrivier (Ward 8)	Withdrawn	**Withdrawn**	**Withdrawn**	Withdrawn	Withdrawn	Social and Community Services	**N/A**
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	N/A	N/A	Development of sports facility in Masakhane (Ward 9)	Percentage of the work completed as measured according to the PPII (Appendix D) for the Development and Construction of a sports facility in Masakhane by 30 June 2024	Percentage of the work completed as measured according to the PPII (Appendix D) for the Development and Construction of a sports facility in Masakhane (Ward 9) by 30 June 2024	%	KPI 24	Lack of sports facilities in Masakhane.	100% of the work completed as measured according to the PPII **(Appendix D)** for the Development and Construction of a sports facility in Masakhane (Ward 9)	62% of the work completed as measured according to the PPII **(Appendix D)** for the Development and Construction of a sports facility in Masakhane (Ward 9)	**ACHIEVED** 81% (Construction Stage at 71 - 80%)	The Contractor accelerated the construction works and carried the financial costs on the variance of the budget.	None	**Q1:** Tender advertisement **Q2:** Contractor's appointment letter **Q3:** Construction Quarterly progress report **Q4:** Construction Quarterly progress report	Technical Services	**131%**
PRIORITY AREA: INSTITUTIONAL DEVELOPMENT & TRANSFORMATION																	
Good Governance	To Improve Administrative and	4x Council meetings to be convened	**ACHIEVED**	Council Administration	Number of Council meetings		#	KPI 25	8x Council meetings were convened and	6x Ordinary Council		**ACHIEVED**	5x Special Council	None	Notice of Council meetings	Corporate Services	**183%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
and Public Participation	Governance Capacity		12x Council meetings were convened as follows: 4x Ordinary Council meetings held on the 29th of July 2022, 28th of October 2022, 30th of January 2023 and on the 26th of April 2023. 8x Special Council meetings held on the 5th July 2022 16th of August 2022, 02nd of December 2022. 17th and 28th of February 2023, 30th of March 2023, 30th of May 2023, and 27th of June 2023		convened by 30 June 2024				successfully held.	meetings to be convened		11x Council meetings convened and as follows: 1x Ordinary Council meeting held on the 27th of July 2023 1st of September 2023. 3rd of October 2023 (special), Ordinary Council meeting held on the 31st of October 2023, 7th of December 2023 (special). 30th of January 2024 and 27th of March 2024. 28th of February 2024. Ordinary meetings held on the 30th of April, 24th of May 2024, 1x Special Meeting held on the 21st of June 2024	Meetings convened.				
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	44x Section 79 Committee meetings to be convened	**ACHIEVED** 44x Section 79 Committee meetings were	Council Administration	Number of Section 79 Committee meetings		#	KPI 26	44 X Section 79 Committee meetings convened.	44 X Section 79 Committee meetings convened.		**ACHIEVED** 45x Section 79 committee	1x Section 79 committee special meeting convened	None	Notice of Section 79 committee meetings	Corporate Service	**102%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			convened as follows: SOCOM, and PED on the 19th of July 2022. INFRA and TGBT on the 20th of July 2022. SOCOM, and PED on the 22nd of August 2022. INFRA, and TGBT on the 24th of August 2022. SOCOM, and PED on the 19th of September 2022. INFRA, and TGBT on the 20th of September 2022 SOCOM 19th of October 2022. PED 17th of October 2022. INFRA on the 18th of October 2022. TGBT on the		convened by 30 June 2024							meetings held as follows: SOCOM and PED on the 20th of July 2023. INFRA and TGBT held on the 21st of July 2023. SOCOM and PED on the 28th of August 2023. INFRA held on the 29th of August 2023 TGBT held on the 30th of August 2023. SOCOM and PED on the 20th of September 2023. INFRA held on the 21st of September 2023 TGBT held on the 21st of September 2023. SOCOM meetings were held on the 18th of October 2023, and 21st of November 2023. PED were meetings held on the 18th of October 2023, and 21st of October 2023. INFRA meetings were held on the					

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			18th of October 2022. SOCOM and the PED on the 21st of November 2022. INFRA on the 22nd of November 2022. TGBT on the 07th of December 2022. PED & SOCOM 17th,18th INFRA of January 2023, PED & SOCOM 20th of February 2023, INFRA 21st of February 2023, and TGBT 29th of March 2023, PED on the 17th of April 2023, SOCOM, INFRA, TGBT 18th of April 2023, SOCOM and PED on the 20th of May 2023 INFRA and TGBT on the									19th of October 2023, and the 22nd of October 2023. TGBT meetings were held on the 19th of October 2023, 22nd of November 2023, and the 28th of November 2023 (special) SOCOM and PED on the 22nd of January 2024. INFRA on the 23rd of January 2024 TGBT on the 24th of January 2024. SOCOM and PED on the 22nd of February 2024. INFRA and TGBT on the 27th of February 2024. However, the TGBT meeting did not take place.SOCOM and PED on the 19th of March 2024. INFRA and TGBT were convened and held virtually on the on the 22nd of March 2024					

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			21st of May 2023, SOCOM and PED on the 20th of June 2023, INFRA and TGBT on the 21st of June 2023									SOCOM Subcommittee, and PED Subcommittee successfully convened for the 17th of April 2024. INFRA Subcommittee and, TGBT Subcommittee convened for the 18th of April 2024. SOCOM Subcommittee convened for the 16th of May 2024, PED Subcommittee successfully convened for the 20th of May 2024. INFRA Subcommittee successfully convened for the 20th of May 2024, TGBT Subcommittee successfully convened for the 21st of May 2024. SOCOM Subcommittee successfully convened for the 26th of June 2024, PED successfully convened for the					

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
												24th of June 2024. INFRA Subcommittee successfully convened for the 27th of June 2024, TGBT Subcommittee successfully convened for the 27th of June 2024					
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x Employment Equity Report	**ACHIEVED** 1x Final Employment Equity Report submitted to the Department of Labour on the 15th of January 2023	Human Resources	Number of Employment Equity Report compiled and submitted to Department of Labour by 31 January 2024		#	KPI 27	1x Employment Equity Report	1x Employment Equity Report		**ACHIEVED** 1x Employment Equity Report	None	None	Acknowledgement letter from Department of Labour	Corporate Service	**100%**
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x 2022/2023 WSP to be Developed and submitted to LGSETA	**ACHIEVED** 1x 2022/2023 WSP Developed and submitted to LGSETA on the 27th of April 2023	Human Resources & Development (Training)	Number of WSP reviewed and submitted to LGSETA by 30 April 2024		#	KPI 28	1x 2022/2023 WSP Developed and submitted	1x 2023/2024 WSP to be Developed and submitted		**ACHIEVED** 1x 2023/2024 WSP Developed and submitted	None	None	Acknowledgement letter from LGSETA	Corporate Service	**100%**
PRIORITY AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																	
PRIORITY AREA: INTEGRATED DEVELOPMENT PLANNING																	
Good Governance	To Plan for the Future	1x 2023/2024 IDP/Budget/PMS Process	**ACHIEVED**	Integrated Development Planning	Number of IDP/Budget/PMS Process		#	KPI 29	2023/2024 IDP/Budget/P	1x 2024/2025 IDP/Budget/PMS process		**ACHIEVED**	None	None	Council Approved 2024/2025	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
and Public Participation		Plan to be approved	1x 2023/2024 IDP/Budget/PMS Process Plan was approved by Council on the 27th of July 2023 as per Council Resolution Number: ***MC33/07/2023***		Plan approved by Council by 31 August 2023				MS Process Plan Approved	plan to be approved		1x 2024/2025 IDP/Budget/PMS process plan reviewed and approved by Council with Resolution Number **MC33/07/2023**			Process Plan and Council Resolution		
Good Governance and Public Participation	To Plan for the Future	4x IDP Representative Forums	**ACHIEVED** 4x IDP Representative Forum held as follows: 26th of August 2022, 29th of November 2022, 24th of March 2023 and 22nd of May 2023	Integrated Development Planning	Number of IDP Representative Forums held by 30 June 2024		#	KPI 30	4x IDP Representative Forums held	4x IDP Representative Forums to be held		**ACHIEVED** 4x IDP Representative Forums held on : 18 August 2023 08 November 2023 15 March 2024 21 May 2024	None	None	Signed attendance register, agenda, presentation & minutes	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To Plan for the Future	1x 2023/2024 IDP to be reviewed and approved	**ACHIEVED** 1x 2023/2024 IDP reviewed and approved. On the 30th of May 2023 as per Council Resolution Number ***SMC196/05/2023***	Integrated Development Planning	Number of 2024/2025 IDP reviewed and approved by Council by 31 May 2024		#	KPI 31	1x 2023/2024 IDP reviewed and approved	1x 2024/2025 IDP to be reviewed and approved		**ACHIEVED** 1x 2024/2025 IDP reviewed and approved on 24 May 2024 with Council resolution no: **MC156/05/2024**	None	None	Council approved IDP and the Council Resolution	Office of the Municipal Manager	**100%**
PRIORITY AREA: PERFORMANCE MANAGEMENT SYSTEM																	

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	Clean Governance	1x 2023/2024 SDBIP to be Approved within 28 days after budget approval	**ACHIEVED** 1x 2023/2024 Approved SDBIP within 28 days after budget approval on the 12th of June 2023 by the Mayor	Performance Management	Number of SDBIP approved by the Mayor within 28 days after the approval of the budget by 30 June 2024		#	KPI 32	1x Approved 2023/2024 SDBIP Approved	1x 2024/2025 SDBIP to be Approved within 28 days after budget approval		**ACHIEVED** 1x 2024/2025 Approved SDBIP within 28 days after budget approval	None	None	2024/2025 Approved SDBIP and Letter of Acknowledgement from Mayor's office	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	1x 2021/2022 Annual Report to be compiled and approved	**ACHIEVED** 2021/2022 Annual Report was compiled and approved by Council on the 30th of March 2023 as per Council Resolution Number SMC ***156/03/2023***	Corporate Governance	Number of Annual reports compiled and tabled to Council for approval by 31 March 2024		#	KPI 33	2021/2022 Annual Report compiled d and approved by council	1x 2022/2023 Annual Report to be compiled and approved		**ACHIEVED** 1x 2022/2023 Annual Report compiled and approved by Council on 27 March 2024. Council resolution Number: **MC 126/03.2024**	None	None	Council Approved 2022/2023 Annual Report with Council Resolution	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	1x 2021/2022 Oversight Report to be compiled and approved	**ACHIEVED** 1x 2021/2022 Oversight Report compiled and approved by Council on the 30th of March 2023 as per Council Resolution Number ***SMC156/03/2023***	Corporate Governance	Number of Oversight reports compiled and tabled to Council for approval by 31 March 2024		#	KPI 34	2021/2022 Oversight Report compiled d and approved	1x 2022/2023 Oversight Report to be compiled and approved		**ACHIEVED** 1x 2022/2023 Oversight Report compiled and approved by Council on 27 March 2024. Council resolution Number: **MC 126/03.2024**	None	None	Council Approved Oversight Report with Council Resolution	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	Clean Governance	4x Quarterly performance reports	**ACHIEVED** 4x Quarterly performance reports were submitted to Council for approval as per Council Resolution Numbers: ***MC97/10/2022 MC139/01/2023 MC184/04/2023 MC32/07/2023***	Performance Management System	Number of MFMA Section 52d reports compiled and submitted to Council for approval by 30 June 2024		#	KPI 35	4x Quarterly performance reports	4x Quarterly performance reports		**ACHIEVED** 4x Quarterly performance reports were submitted to Council for approval as per Council Resolution Numbers: **MC 76/10/2023 MC 111/01/2024 MC 152/04/2024 MC 31/07/2024**	None	None	4x set of Quarterly performance reports and council resolutions	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	Clean Governance	1x 2022/2023 MFMA Section 72 Report compiled and submitted to the Mayor, National Treasury and Limpopo Provincial Treasury by 25 January 2022	**ACHIEVED** 1x 2022/2023 Section 72 MFMA Report was compiled and approved by the Mayor on the 25th of Janaury 2023 and noted by Council on the 30th of January 2023 as per the Council Resolution Number: ***MC138/01/2023***	Corporate Governance	Number of MFMA Section 72 Mid-Year report compiled and submitted to the Mayor for approval by the 25th of January 2024 and submitted to Council for noting by the 31st of January 2024		#	KPI 36	1x 2022/2023 Section 72 MFMA Report to be compiled and approved	1x 2023/2024 Section 72 MFMA Report to be compiled and approved		**ACHIEVED** 1x 2023/2024 Section 72 MFMA Report was compiled and approved by the Mayor on the 25th of Janaury 2024 and noted by Council on the 30th of January 2024 as per the Council Resolution Number: ***MC/01/2024***	None	None	Approval correspondence of the 2023/2024 Section 72 Mid-Year Report form the Mayor and Council Resolution	Office of the Municipal Manager	**100%**
Good Governance	Clean Governance	6x Signed Performance	**ACHIEVED**	Performance Management System	Number of Performance Agreements		#	KPI 37	6x Signed Performance	6x Signed Performance		**ACHIEVED**	None	None	Signed Performance Agreements	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
and Public Participation		Agreements signed	6x Signed Performance Agreements to be signed		signed by 30 July 2023				Agreements signed	Agreements to be signed		6x Signed Performance Agreements to be signed					
PRIORITY AREA: COMMUNICATION																	
Good Governance and Public Participation	To improve administrative and governance capacity	4x Ward Committees reports	**ACHIEVED** 4x Ward Committees reports submitted to the Office of the Speaker	Corporate Governance	Number of Ward Committees reports submitted to the Office of the Speaker by 30 June 2024		#	KPI 38	4x Ward Committees reports	4 x Ward Committees report to be submitted to the Office of the Speaker		**ACHIEVED** 4x Ward Committees reports submitted to the Office of the Speaker	None	None	4x Ward Committee Reports	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	1x 2023/2024 Communication Strategy to be reviewed and approved	**ACHIEVED** 1x 2023/2024 Communication Strategy reviewed and approved by council on the 27th of June 2023 as per Council Resolution Number ***SMC 208/06/2023***	Corporate Governance	Number of Communication Strategy reviewed and approved by Council by 30 June 2024		#	KPI 39	1x 2023/2024 Communication Strategy to be reviewed and approved	1x 2024/2025 Communication Strategy to be reviewed and approved		**ACHIEVED** 1x 2024/2025 Communication Strategy reviewed and approved by council on the 29th of July 2024 as per Council Resolution Number ***MC27/0672024***	None	None	Approved Communication Strategy with Council Resolution	Office of the Municipal Manager	**100%**
PRIORITY AREA: RISK AND INTERNAL AUDITOR																	
Good Governance and Public Participation	To improve administrative and governance capacity	1x Audit and Performance Committee Charter to be reviewed	**ACHIEVED** 1 x Audit and Performance Committee Charter reviewed by	Corporate Governance	Number of Audit and Performance Committee Charter reviewed by 30		#	KPI 40	1x Audit and Performance Committee Charter Reviewed and approved by council	1x Audit and Performance Committee Charter to be reviewed and approved by council		**ACHIEVED** 1x Audit and Performance Committee Charter reviewed by the Committee	None	None	Copy of Audit And Performance Committee Charter, Minutes and	Office of the Municipal Manager	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			Audit Committee on the 24th of June 2022 and submitted to Council for approval on the 29th of July 2022 as per Council Resolution Number: ***MC05/07/2022***		September 2023							on 30 June 2023 and submitted to Council for approval on the 27th of July 2023. Council resolution no: **MC40/07/2023**			Council Resolution		
Good Governance and Public Participation	To improve administrative and governance capacity	1x Internal Audit Charter Reviewed	**ACHIEVED** 1x Internal Auditor Charter approved by Audit Committee on the 30th of June 2023.	Corporate Governance	Number of Internal Audit Charter reviewed by 30 June 2024		#	KPI 41	1x Internal Audit Charter Reviewed	1x Internal Audit Charter to be reviewed		**ACHIEVED** 1x Internal Auditor Charter approved by Audit Committee on the 30th of June 2024.	None	None	Copy of Internal Audit Charter and minutes	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	1x Internal Audit Strategic 3 Year rolling Plan to be approved	**ACHIEVED** 1x Internal Audit Strategic 3 Year rolling Plan was approved by the Audit Committee on the 30th of June 2023	Corporate Governance	1x Approved Internal Audit strategic 3 year rolling plan by 30 June 2024		#	KPI 42	1x Approved Internal Audit strategic 3 year rolling plan	1x Internal Audit strategic 3 year rolling plan to be approved		**ACHIEVED** 1x Internal audit 3 years strategic rolling plan approved by Audit Committee on the 28th of June 2024.	None	None	Internal Audit strategic 3 year rolling plan and minutes of Audit Committee	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	4x Audit Committee Meetings to be held	**ACHIEVED** 8x Audit Committee held on the 26th of August 2022, 30th of	Corporate Governance	Number of Audit Committee meetings held by 30 June 2024	Number of Performance and Audit Committee meetings held by 30 June 2024	#	KPI 43	4x Audit Committee Meetings held	4x Audit Committee meetings to be held	4x Performance and Audit Committee meetings to be held	**ACHIEVED** 6x Performance and Audit Committee meetings held on the	2x Special Performance and Audit Committee meetings	None	Signed Attendance Registers and Minutes	Office of the Municipal Manager	**150%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			August 2022, 30th of November 2022, 20th of December 2022, 10th of March 2023, 24th of April 2023; 23rd of May 2023 and 30th of June 2023.									22nd August 2023 31st August 2023 29th November 2023 17th January 2024 14th March 2024 20th May 2024					
Good Governance and Public Participation	To improve administrative and governance capacity	4x Audit Committee Reports	**NOT ACHIEVED** 2x Audit Committee Reports were tabled to Council on the 29th of July 2021 and 29th July 2022 as per the Council Resolution numbers MC 50/07/2022 and MC37/07/2021	Corporate Governance	Number of Audit Committee, Reports tabled to Council by 30 June 2024	Number of Performance and Audit Committee Reports tabled to Council by 30 June 2024	#	KPI 44	4x Audit Committee Reports to be tabled to Council	4x Audit Committee Reports tabled to Council	4x Performance and Audit Committee Report to be tabled to Council	**ACHIEVED** 4x Performance and Audit Committee Report tabled to Council on the 31st October 2023 27th March 2024 29th July 2024 **MC80/10/2023 MC125/03/2024 MC33/07/2024**	Second and Third Quarter Performance Audit Committee Reports where both tabled to council on the 27th March 2024	None	Performance and Audit Committee Reports with Council Resolutions	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	2x Performance Audit Committee meetings to be	**ACHIEVED** 2x Performance Audit Committee meetings were held as follows: 30th of	Corporate Governance	Number of Performance Audit Committee meetings held by 30 June 2024	Withdrawn	#	KPI 45	2x Performance Audit Committee meetings held	2x Performance Audit Committee meetings to be held	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Office of the Municipal Manager	**N/A**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			August 2021 and 30th of June 2022														
Good Governance and Public Participation	To improve administrative and governance capacity	1x 2022/2023 Strategic Risk Register reviewed	**ACHIEVED** 1x 2022/2023 Strategic Risk Register reviewed on the 13th of May 2023	Corporate Governance	Number of Strategic Risk Management Registers Reviewed by 30 June 2024		#	KPI 46	1x 2022/2023 Strategic Risk Register reviewed	1x 2023/2024 Strategic Risk Register to be reviewed		**ACHIEVED** 1x 2023/2024 Strategic Risk Register reviewed on the 01st of May 2024	None	None	2023/2024 Reviewed Strategic Register, Signed Attendance Registers	Office of the Municipal Manager	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	4x Risk Management Meetings	**NOT ACHIEVED** 3x Risk Management meetings held as follows:30th of September 2022,31st of March 2023 and 09th of June 2023	Corporate Governance	Number of Risk Management meetings held by 30 June 2024		#	KPI 47	4x Risk Management meetings held	4x Risk Management Meetings to be held		**ACHIEVED** 5x Risk Management Meeting held on 10 August 2023, 01 November 2023, 01 Februaty 2024, 24 April 2024 29 April 2024	1x Special Risk Management Meeting held.	None	Signed Attendance Registers and minutes	Office of the Municipal Manager	**125%**
Good Governance and Public Participation	To improve administrative and governance capacity	4x MPAC Meetings	**ACHIEVED** 11x MPAC meetings held on the 19th of July 2022, 26th of October 2022, 19th of January 2023, 9th , 14th , & 23rd of February 2023, 02nd ,06th ,29th of March 2023, 25th of April	Council Administration	Number of MPAC meetings held by 30 June 2024		#	KPI 48	4x MPAC meetings held	4x MPAC meetings to be held		**ACHIEVED** 6x MPAC meetings held on 25 July 2023, 06 February 2024, 06 March 2024, 19 March 2024, 25 Mrch 2024 02 May 2024	2x Special MPAC Meetings held.	None	Signed Attendance Registers and Reports	Office of the Municipal Manager	**150%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
			2023 and 08th of June 2023..														
PRIORITY AREA: LOCAL ECONOMIC DEVELOPMENT																	
Local Economic Development	Promote and Encourage Sustainable Economic Environment	4x LED Representative Forums held	**ACHIEVED** 5x LED Forums facilitated on the 21st of September 2022 29th of September 2022 30th of November 2022 03rd of May 2023 and 29th of June 2023	Stakeholder Management and Participation	Number of LED Forums meetings facilitated by 30 June 2024		#	KPI 49	4x LED Representative Forums held	4x LED Representative Forums meetings to be facilitated		**NOT ACHIEVED** 3x LED Representative Forums meetings held on the 28th September 2023 01st November 2023 26th March 2024	Non-attendance of scheduled meetings by LED Forum representative	1. Reconstitution of LEDF . 2. Review of the TOR of the forum. Replacement of exco members who resigned or relocated affecting the functionality of LEDF	Attendance Register, Agenda	Planning & Economic Development	75%
Local Economic Development	Promote and Encourage Sustainable Economic Environment	200 Jobs created	**ACHIEVED** 298x Jobs Opportunities created through Municipality's LED initiatives including capital projects (EPWP, CWP))	Job Creation	Number of jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP) by 30 June 2024		#	KPI 50	172	120x Jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP)		**ACHIEVED** 288x jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP	The over achiemvement is due to consistent reporting and monitoring of implentation of EPWP Projects	None	Report of number of Jobs created	Planning & Economic Development	240%

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	SMME Development	Number of feasibility study completed by 30 June 2024	Withdrawn	#	KPI 51	0	1x Warmbaths Feasibility Study to be completed	Withdrawn	**Withdrawn**	**Withdrawn**	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
PRIORITY AREA: SPATIAL RATIONAL																	
Spatial Planning and Rationale	Liveable and Integrated Communities	5	**ACHIEVED** 5	Land Use Management	Number of Council Owned properties rezoned and subdivided by 30 June 2024	Withdrawn	#	KPI 52	5	13x Council Owned properties to be rezoned and subdivided in Bela-Bela Ext 9	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
Spatial Planning and Rationale	Liveable and Integrated Communities	40	**ACHIEVED** 40	Land Use Management	Number of Council owned properties registered at SGs by 30 June 2024	Withdrawn	#	KPI 53	40	100x Council owned properties in Bela-Bela Ext 9 registered at SGs	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
Spatial Planning and Rationale	Liveable and Integrated Communities	2	**ACHIEVED** 2	Servitude Registrations	Number of registered servitudes in-favour of public by 30 June 2024	Withdrawn	#	KPI 54	2	4 x registered servitudes in-favor of BBLM in Bela-Bela Ext 9	Withdrawn	**Withdrawn**	Withdrawn	Withdrawn	Withdrawn	Planning & Economic Development	**N/A**
Spatial Planning and Rationale	Liveable and Integrated Communities	N/A	N/A	Spatial Planning	Number of Bela-Bela Commercial Park to be approved 30 June 2024		#	KPI 55	0	1x Bela-Bela Commercial Park to be approved		**ACHIEVED** 1x Bela-Bela Commercial Park Township Application submitted and approved by the MPT	None	None	Township Application Submission to the Municipality	Planning & Economic Development	**100%**
PRIORITY AREA: FINANCIAL VIABILITY																	
Municipal Financial	To improve financial viability	1x 2021/2022 AFS to be compiled and	**ACHIEVED**	Budget and Reporting	Number of Annual Financial		#	KPI 56	1x 2021/2022 AFS to be compiled and	1x 2022/2023 AFS to be compiled and		**ACHIEVED**	None	None	2022/2023 AFS and Proof of	Budget & Treasury	**100%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Viability and Management		submitted to the Auditor General	1x 2021/2022 AFS compiled and submitted to the Auditor General on the 31st of August 2022		Statements compiled and submitted to the Auditor General by 31 August 2023				submitted to the Auditor General	submitted to the Auditor General		1x 2022/2023 AFS to be compiled and submitted to the Auditor General 31st of August 2023			Submissions to the Auditor General		
Municipal Financial Viability and Management	To improve financial viability	1x 2021/2022 AG Action Plan developed and submitted to Council	**ACHIEVED** 1x 2021/2022 AG Action Plan developed and submitted to Council on the 30th of May 2023 as per Council Resolution Number: ***SMC202/05/2023***	Budget and Reporting	Number of AG Action Plan for 2022/23 developed and submitted to Council by 31 January 2023		#	KPI 57	1x 2021/2022 AG Action Plan developed and submitted to Council	1x 2022/2023 AG Action Plan developed and submitted to Council		**ACHIEVED** 1x 2022/2023 AG Action Plan developed and submitted to Council with Resolution No. ***MC107/01/2024***	None	None	2022/2023 AG Action Plan with Council Resolution	Budget & Treasury	**100%**
Good Governance and Public Participation	To improve administrative and governance capacity	Obtain Unqualified Audit Report for 2021/2022	**NOT ACHIEVED** Obtained Qualified Audit Report for 2021/2022	Budget and Reporting	Obtain Unqualified Audit Report by 30 November 2023		#	KPI 58	Obtain Unqualified Audit Report for 2021/2022	Obtain Unqualified Audit Report for 2022/2023		**NOT ACHIEVED** Obtained Qualified Audit Report for 2022/2023	-legacy balances not properly supported.	-Develop Audit Action Plan -legacy imbalances accounts to be investigated and written off.	Auditor General's Report	Budget & Treasury	**75%**
Municipal Financial Viability and Management	To improve financial viability	100% of AG queries to be resolved for 2021/2022	**NOT ACHIEVED** 75% of AG action plan resolved.	Budget and Reporting	Percentage of AG queries resolved as per the Action Plan by 30 June 2024		%	KPI 59	75% of AG queries resolved for 2021/2022	90% of AG queries to be resolved		**NOT ACHIEVED** 81% of AG queries resolved	The perior period errors on the AFS not adequately supported.	-Proper audit file with adequate supporting documents to be prepared to support prior period errors disclosure note.	Progress Report on the implementation of the Action Plan for 2022/2023	Budget & Treasury	**90%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	To improve financial viability	1x 2023/2024 Annual Budget approved by Council	**ACHIEVED** 1x 2023/2024 Annual Budget approved by Council on the 30th of May 2023 as per Council Resolution Number ***SMC196/05/2023***	Budget and Reporting	Number of 2024/2025 Annual Budget approved by Council on the 31st May 2024		#	KPI 60	1x 2023/2024 Annual Budget to be approved by Council	1x 2024/2025 Final Annual Budget to be approved by Council		**ACHIEVED** 1x 2024/2025 Final Annual Budget approved by Council on 24 May 2024 with Council Resolution No. **MC156/05/2024**	None	None	Council Approved 2024/2025 Annual Budget with Council Resolutions	Budget & Treasury	**100%**
Municipal Financial Viability and Management	Improve Financial Viability	12x Monthly Section 71 Reports for 2020/21 FY	**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2022/23 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month.	Budget and Reporting	Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month.		#	KPI 61	12x Monthly MFMA Section 71 Reports for 2022/2023 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2023/24 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month.		**ACHIEVED** 12x Monthly MFMA Section 71 Reports for 2023/24 FY submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	None	None	Section 71 Reports, Council Resolutions and proof of Submission to the Provincial and National Treasury	Budget & Treasury	**100%**
Municipal Financial Viability and Management	Improve Financial Viability	1 month norm	**ACHIEVED** 1 month norm	Budget and Reporting	Cash/cost coverage ratio of 1 - 3 months by 30 June 2024		#	KPI 62	**ACHIEVED** 1 month norm	1 month norm		**ACHIEVED** 1:11 month norm	None	None	Monthly Report and Bank Statements	Budget & Treasury	**102%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	Improve Financial Viability	100%	**NOT ACHIEVED** 92% capital expenditure on projects	Expenditure Management	Percentage payment on budgeted capital projects identified for 2023/2024 financial year i.t.o. IDP by 30 June 2024		%	KPI 63	92%	100%		**ACHIEVED** 100%	None	None	Report	Budget & Treasury	**100%**
Municipal Financial Viability and Management	To improve financial viability	1x quarterly assets verification for 2022/2023 FY to be conducted	**ACHIEVED** 1x quarterly assets verification for 2022/2023 FY conducted.	Assets Management	Number of quarterly asset verification reports conducted - movables (sampling) compiled by 30 June 2024		#	KPI 64	4x quarterly assets verification for 2022/2023 FY conducted	1x quarterly assets verification for 2023/2024 FY to be conducted		**ACHIEVED** 1x quarterly assets verification for 2023/2024 FY conducted.	None	None	1x Set of Quarterly asset verification report	Budget & Treasury	**100%**
Municipal Financial Viability and Management	To improve financial viability	1x 2022/2023 Indigent register to be developed and verified	**ACHIEVED** 1x 2022/2023 Indigent register developed and verified.	Revenue Management	Percentage of Registered Indigents with access to Free Basic Services by 30 June 2024		#	KPI 65	1x 2022/2023 Indigent register to be developed and verified	100% of Registered Indigents with access to Free Basic Services		**ACHIEVED** 100% of Registered Indigents with access to Free Basic Services	None	None	Approved Indigent register for 2023/2024	Budget & Treasury	**100%**
Municipal Financial Viability and Management	Improve Financial Viability	95%	**NOT ACHIEVED** 72%	Revenue Management	Percentage Maintenance of 85% debtors' collection rate (Consumer cash collected / Consumer billing) by 30 June 2024		%	KPI 66	72%	85%		**ACHIEVED** 92%	None	None	Monthly Report	Budget & Treasury	**108%**

Key Performance Area	Strategic Objectives	2022/2023 Annual Target	2022/2023 Annual Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2022/ 2023	Annual Targets 2023/2024	Revised Annual Target	Annual Actual Performance 2023/2024	Reasons for Variation	Corrective Action/ Measure to improve performance	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	Financial Stability	16x Budget related policies reviewed and approved	**ACHIEVED** 16x Budget related policies were reviewed and approved by Council on the 30th of May as per Council Resolution Number ***SMC196/05/2023***	Budget and Reporting	Number of Budget related policies reviewed and approved by 30 June 2024		#	KPI 67	16x Budget related policies reviewed and approved	16x Budget related policies to be reviewed and approved		**ACHIEVED** 19x Budget related policies reviewed and approved by council with Resolution No: **MC156/05/2024**	3 x by-laws added as part of budget related policies: Property rates by-law Indigents support by-law Credit control and debt collection by-law	None	Council Approved Policies with Council Resolution	Budget & Treasury	**150%**

8.0 LIST OF SERVICE PROVIDERS AND THEIR PERFORMANCE ON GRANT FUNDED SERVICE DELIVERY CAPITAL PROJECTS

Section 46 (1) (a) is presented as part of the requirement of Local Government: Municipal Systems Act No. 32 of 2000 as amended; which requires the Annual Performance Report to include information on Performance of each external service provider during that financial year.

The rating for service providers is based on the current (as of June 2024) appointed service providers and terminated service providers. The rating of service providers should not be confused with the overall project performance rating.

8.1 Performance Rating of Service Providers on Grant Funded Service Delivery Capital Projects

RATING SCALE (1-5)

5: Outstanding performance

4: Performance significantly above expectations

3: Fully effective

2: Performance not fully effective

1: Unacceptable performance

Zero rated: Not achieved due to unforeseen circumstances beyond the control of the Service Provider

APPENDIX B: EXTERNAL SERVICE PROVIDERS AND THEIR RATINGS

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
Municipal Infrastructure Grant													
1.		Construction of Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (ward 7)	R 610 155.94	R604 000.00	100% of the work completed as measured according to the PPII **(Appendix D)** for the Constructio n of Constructio n of Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (ward 7)	R603 702.12	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and Completion	Technical Services	**Consultant:** AES Consulting **Contractor:** Tloukgolo Pioneers (Pty) Ltd	**Consultant:** 3 **Contractor:** 2
2.		Construction of Road Paving and Stormwater in Bela-Bela X8 - Phase 3 (ward 4)	R5 145 926.06	R5 145 926.06	100% of the work completed as measured according to the PPII **(Appendix D)** for the Constructio n of Road Paving and Stormwater	R5 145 925,27	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and Completion	Technical Services	**Consultant:** JTMI Consulting Engineers (Pty) Ltd **Contractor:** LUZUKO Trading Enterprise (Pty) Ltd	**Consultant:** 3 **Contractor:** 2

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
					in Bela-Bela X8 - Phase 3 (ward 4)								
3.		Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (ward 7)	R4 164 966.95	R4 164 966.95	100% of the work completed as measured according to the PPII **(Appendix D)** Construction of Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (ward 7)	R4 164 966.80	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and Completion	Technical Services	**Consultant:** T2-Tech **Contractor:** LEBP Construction and Projects (Pty) Ltd	**Consultant:** 3 **Contractor:** 2
4.		Development of sports facility in Masakhane (Ward 9)	R4 800 000.00	R4 476 250.00	work completed as measured according to the PPII **(Appendix D)** for the Development and Construction of a sports facility in Masakhane (Ward 9)	R 4 476 250.00	62% (Construction Stage at 31 - 40%)	None	None	Construction Quarterly progress report	Technical Services	**Consultant:** T2 Tech Consulting **Contractor:** Pheta Trading	**Consultant:** 4 **Contractor:** 4

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
5.		Construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2)	R14 046 851.05	R12 453 006.99	29% of the work completed as measured according to the PPII **(Appendix D)** for the construction of the Bela-Bela Municipal landfill site - Phase 1 (ward 2).	R12 453 470.69	**ACHIEVED** 71% (Construction Stage at 51 - 60%)	None	None	Construction Quarterly progress report	Technical Services	**Consultant:** Marungane Projects **Contractor:** Ditlou Enhanced JV	**Consultant:** 3 **Contractor:** 3
Water Service Infrastructure Grant													
6.		Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4)	R11 781 563.48	R9 011 610.66	100% of the work completed as measured according to the PPII (Appendix D) for the Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (ward 4)	R9 011 610.66	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** Batatise Consulting Engineers **Contractor:** RM Mashaba Projects	**Consultant:** 3 **Contractor:** 3

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
7.		Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2)	R7 906 114.00	6 074 839.57	100% of the work completed as measured according to the PPII **(Appendix D)** for the Refurbishment and Automation of the Bela-Bela Wastewater Treatment Works - Phase 1C (ward 2)	6 094 888.36	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** 2MC Consulting Engineers **Contractor:** Mafundzwani Construction JV Ponontle	**Consultant:** 3 **Contractor:** 2
8.		Upgrading of the Ext 6 Sewer Pump Station (ward 6)	R13 425 922.90	R10 832 184.51	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Ext 6 Sewer Pump Station (ward 6)	R10 818 722.77	**NOT ACHIEVED** 95% (Practical Completion of the Works)			Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** Zakumi Consulting Engineers **Contractor:** Toro Ya Bakwena Civil Engineers	**Consultant: 3** **Contractor: 3**

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Departm ent	Service Provider's Name	Rating
9.		Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (ward 2&6)	R13 613 271.03	R15 470 981.04	100% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (ward 2&6)	R15 470 981.04	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** Zonk Engineering Consultant **Contractor:** MM Star	**Consultant:** 4 **Contractor:** 4
10.		Upgrading of the Leseding Sewer Pump Station (ward 6)	R4 395 140.00	R10 501 199.02	71% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Leseding Sewer Pump Station (ward 6)	R10 449 039.95	**ACHIEVED** 71% (Construction Stage at 51 - 60%)	None	None	Construction Quarterly progress report	Technical Services	**Consultant:** ROMH **Contractor:** Cmon Construction	**Consultant:** 3 **Contractor:** 3

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
11.		Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	R 892 518.88	464 1764.59	29% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (ward 2&6)	464 764.59	**ACHIEVED** 29% (Tender Advertised)	None	None	Tender Advertisement	Technical Services	**Consultant:** Marungane Projects **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A
12.		Upgrading of the Settlers Sewer Pump Station (ward 2)	R1 000 000.00	R2 300 969.86	19% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Settlers Sewer Pump Station (ward 2)	R2 300 969.86	**ACHIEVED** 29% (Tender Advertised)	The Detailed designs were completed earlier than anticipated and thefore the tender was advertised earlier to enable the commencement of construction timeously in the new financial year .	None	Detailed Design Report and letter	Technical Services	**Consultant:** ROHM **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
13.		Upgrading of the Industrial outfall sewer line (ward 2)	R1 000 000.00	R1 093 328.47	19% of the work completed as measured according to the PPII **(Appendix D)** for the Upgrading of the Industrial outfall sewer line (ward 2).	R1 093 328.47`	**ACHIEVED** 19% (Detailed Design Report and Drawings approved)	None	None	Detailed Design Report and letter	Technical Services	**Consultant:** Phamela Engineering Services **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A
14.		Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8)	R1 790 655.85	1 790 655.85	100% of the work completed as measured according to the PPII **(Appendix D)** for the Replacement of the 2ML steel elevated water tank in Pienaarsriver (Ward 8)	1 790 655.85	**NOT ACHIEVED** 95% (Practical Completion of the Works)			Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** Best thought Trading and Projects **Contractor:** LEBP Construction and Projects	**Consultant:** 3 **Contractor:** 2
15.		Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)	2 205 021.19	2 205 021.19	100% of the work completed as measured according to the PPII	2 205 021.19	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** Orbitals Trading and Projects **Contractor:**	**Consultant:** 3 **Contractor:** 3

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
					(Appendix D) for the Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)							Bateline Investments	
16.		Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station (Ward 1, 2, 6, 9).	2 007 014.48	2 007 014.48	100% of the work completed as measured according to the PPII **(Appendix D)** for the Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water	2 007 014.48	**ACHIEVED** 100% (Completion of the Works)	None	None	Construction Quarterly progress report and . Completion Certificate	Technical Services	**Consultant:** HDM Engineering **Contractor:** Kingki Electrical Contractor	**Consultant:** 3 **Contractor:** 2

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2024	Actual Performance By 30 June 2024	Reasons for Variations if any/ Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
					Pump Station, Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station (Ward 1, 2, 6, 9). project.								
Own Source													
17.	Electricity	Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station (ward 2)	R 5 000 000.00	3 652 202.50	19% (Detailed Design Report and Drawings approved)	1 993 143,25	**NOT ACHIEVED** 10% (Scoping Report completed and approved)	Project is still on Preliminary Stage, which cannot be concluded pending a budget quote from Eskom.	The PDR can only be concluded once Eskom has provided the budget quote, regular follow-ups were done with no success.	Designs Approval Letter	Technical Services	**Consultant:** Volt Consulting **Contractor:** N/A	**Consultant:** 3 **Contractor:** N/A

APPENDIX C: CONTRACT REGISTER

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
OFFICE OF THE MUNICIPAL MANAGER								
CORPORATE SERVICES								
1.	Mun Comp System	Mun Admin System	As per pricing schedule	18 Oct 2000	N/A	N/A	30 June 2024	3
2.	Callsave	Voip and Diginet Lines	As per pricing schedule	28 May 2014	N/A	N/A	30 June 2024	3
3.	SITA	Website Hosting and Maintenance Services	R86 662.07 p/a	01 July 2023	Organ of State	3 years	30 Jun 2026	2
4.	SITA	Internet Services	R41 608.10 p/a	01 Apr 2023	Organ of State	5 years	31 Mar 2028	2
5.	Dido Digital Document Pty Ltd	Leasing, Maintenance and Servicing of	R3 505 344,68	01 Sep 2022	9/3/1/338	3 years	31 Aug 2025	3

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
		Photocopiers to Bela Bela Local Municipality						
6.	TELKOM / Business Connexion PTY LTD	Dedicated Internet Services Via Provider Access Agreement	Various Rates per Service Type	17 Mar 2022	Organ of State	3 years	16 Mar 2025	3
7.	Noko Maimela Incorporated	Provision of Legal Services	As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3
8.	Ndobela and Associates Inc.	Provision of Legal Services	As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3
9.	GSM Mohlabi Inc.	Provision of Legal Services	As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3
10.	Motalane Inc.	Provision of Legal Services	As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3
11.	Mohale Inc.	Provision of Legal Services	As and when required	1 May 2022	9/3/1/330	3 years	30 Apr 2025	3
12.	Mahube Training Development	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	As and when required	23 Jun 2023	9/3/1/362	3 years	22 Jun 2026	3
13.	Excellent Mind Institute	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	As and when required	26 June 2023	9/3/1/362	3 years	22 Jun 2026	Panel – No work allocation for 2023/24
14.	Dinaledi Management Services	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	As and when required	23 June 2023	9/3/1/362	3 years	22 Jun 2026	3
15.	Ponontle Consulting	Procurement of a Panel of Five (5) Accredited	As and when required	23 June 2023	9/3/1/362	3 years	22 Jun 2026	3

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
		Skills Development Providers for a Period of Thirty-Six (36) Months						
16.	Summat Training Institute	Procurement of a Panel of Five (5) Accredited Skills Development Providers for a Period of Thirty-Six (36) Months	As and when required	23 June 2023	9/3/1/362	3 years	22 Jun 2026	Panel – No work allocation for 2023/24
17.	Tshuki Trading Enterprise	Supply and Delivery of Personal Protective Clothing	As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	3
18.	Mas In Trading and Projects	Supply and Delivery of Personal Protective Clothing	As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	3
19.	Reagetswe Trading 423 CC	Supply and Delivery of Personal Protective Clothing	As and when required	1 Sep 2022	9/3/1/341	3 years	31 Aug 2025	3
20.	Innovation Government Software Solutions	Provision of Automated Performance Management System	R4 761 000	1 Jul 2022	9/3/1/325	3 years	30 Jun 2025	3
21.	Managed Integrity Evaluation	Procurement of a Panel of Three (3) Service Providers to Offer Vetting Services for a Period of Thirty-Six (36) Months:	As and when required	10 June 2023	9/3/1/363	3 years	09 June 2026	3
22.	Nexus Forensic Services	Procurement of a Panel of Three (3) Service Providers to Offer Vetting Services for a Period of Thirty-Six (36) Months:	As and when required	08 January 2024	9/3/1/363	3 years	9 June 2026	Panel – No work allocation for 2023/24
23.	Redefine IT Solution PTY LTD	Maintenace of Cloud-Hosted Voip Telephone System for a Period of Thirty-Six Months	R1 065 546.30 Inc VAT	01 June 2024	9/3/1/377	3 years	01 July 2026	3

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
BUDGET AND TREASURY								
24.	Absa Bank	Banking Services	Per Absa Applicable rates	01 Nov 2022	9/3/1/329	5 years	30 Oct 2027	3
25.	Munsoft	Intergrated financial System	R2 898 818 p/a Excl Vat	01 Jul 2022	RT25-2016	3 Years	30 Jun 2025	3
26.	Kunene Makopo Risk Solutions	Provision of Short-Term Insurance	R 901 328.14 Inc VAT p/a	01 Oct 2020	9/3/1/282	3 Years	30 Sep 2023	3
27.	Kunene Makopo Risk Solutions	Provision of Short-Term Insurance	R1 025 011.73 Inc VAT p/a	01 Oct 2023	9/3/1/367	3 Years	30 Sep 2026	3
28.	Mod Hope Propertis	Compilation of the Valuation Roll	R1 380 000.00 p/a	01 Jul 2021	9/23/1/288	5 Years	30 Jun 2026	3
29.	Sempro Consulting PTY LTD	Indigent Management System	As per pricing schedule	01 Sep 2020	9/3/1/287	3 Years	31 Aug 2023	3
30.	Sizwe Ntsaluba Godobo Grant Thornton Advisory Services	Compilation of Moveable and Immovable Asset Register	As and when required	01 Apr 2021	9/3/1/289	3 years	31 Mar 2024	3
31.	Akhile Management and Consulting	Compilation of Moveable and Immovable Asset Register	As and when required	01 Apr 2021	9/3/1/289	3 years	31 Mar 2024	3
32.	Infratec Consulting	Compilation of Moveable and Immovable Asset Register	As and when required	01 April 2021	9/3/1/289	3 years	31 Mar 2024	No work allocation for 2023/24

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
33.	Ducharme Asset Management and Accounting Services	Accounting Support Services	As an when required	01 Jul 2021	9/3/1/317	3 years	30 Jun 2024	No work allocation for 2023/24
34.	NMP Trading Projects	Supply and delivery of forty-two fleet vehicles on a full maintenance lease	As an when required	28 Jul 2023	9/3/1/364	3 years	28 Jul 2026	2
35.	Badiredi Travel	Provision of Travel agency services for a period of thirty-six (36) months	As an when required	14 Feb 2024	9/3/1/370	3 years	13 Feb 2027	3
36.	Basadzi Personnel and Media	Provision of advertising Agency Services for a Period of Thirty-six (36) Months	As an when required	14 Feb 2024	9/3/1/369	3 years	13 Feb 2027	3
37.	Cathu Consulting Inc	Provision of panel five (5) Professional service providers to assist with accounting services and technical support for a period of Thirty-Six(36) Months	As an when required	10 June 2024	9/3/1/386	3 years	09 June 2027	No work allocation for 2023/24
38.	Isibani Chartered Accountants and Auditors	Provision of panel five(5) Professional service providers to assist with accounting services and technical support for a period of Thirty-Six(36) Months	As an when required	10 June 2024	9/3/1/386	3 years	09 June 2027	No work allocation for 2023/24
39.	FBN Consulting	Provision of panel five(5) Professional service providers to assist with accounting services and technical support for a	As an when required	10 June 2024	9/3/1/386	3 years	09 June 2027	No work allocation for 2023/24

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
		period of Thirty-Six(36) Months						
40.	TJ Rasimeni Chartered Accountants(PTY) LTD	Provision of panel five(5) Professional service providers to assist with accounting services and technical support for a period of Thirty-Six(36) Months	As an when required	10 June 2024	9/3/1/386	3 years	09 June 2027	No work allocation for 2023/24
41.	CORPMD Consulting	Provision of panel five(5) Professional service providers to assist with accounting services and technical support for a period of Thirty-Six(36) Months	As an when required	10 June 2024	9/3/1/386	3 years	09 June 2027	No work allocation for 2023/24
42.	SEMPRO Consulting	Provision of indigent management services for a period of Thirty-Six (36) months	As and when required	05 June 2024	9/3/1/375	3 years	04 June 2027	3
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT								
43.	uAfrika Projects	Town Planning	R 600 000.00	08 July 2022	9/3/1/339	3 years	08 February 2023	3
44.	Elmon Consulting	Town Planning	R 2 500 000.00	21 July 2022	9/3/1/339	3 years	30 May 2024	3

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
45.	DAK Geomatics and Engineering Services PTY LTD	Surveying	R 90 000.00	15 February 2023	9/3/1/339	3 years	30 June 2025	4
46.	Ngoti Development Consultants PTY LTD	Town Planning	As and when required	26 August 2022	9/3/1/339	3 years	26 January 2023	3
47.	Root-X Auctioneers PTY LTD	Auctioneering	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	No work allocation for 2023/24
48.	Liberty Town Planners	Town Planning	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
49.	Urban-Econ Development Economics	Economics	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
50.	Urban-Econ Development Economics	Tourism	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
51.	GPS Architects	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
52.	Hearty Consulting and Engineering	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
53.	Akisa Architects	Architecture	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
54.	VST Consulting Engineering PTY LTD	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
55.	Kabe Consulting Engineering	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
56.	Mayisani and Assorciates Engineering Solutions	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
57.	Navi Professional Consulting PTY LTD	Project Management	As and when required	27 May 2022	9/3/1/339	3 years	30 Jun 2025	Panel – No work allocation for 2023/24
SOCIAL & COMMUNITY SERVICES								
58.	Mascon Trading CC	Operations, Maintenance and management of the Bela-Bela landfill site	R313 720 p.m	01 Dec 2020	9/3/1/361	3 Years	30 Nov 2023 Extended to 15 April 2024	3
59.	Syntell PTY LTD	Provision of Traffic law Enforcement Equipment, Back System and Related Services	As per payment schedule	01 Sep 2023	9/3/1/304	3 Years	31 Aug 2026	4
60.	Elphash Trading Enterprise	Provision of Security Services	R1 251 215.38 pm	01 Apr 2021	9/3/1/382	3 Years	31 Mar 2024 Extended to 30 May 2024	3
61.	Vanchery Security PTY LTD	Provision of security services for a period of 36 months (36)	R1 382 078.96 per Month	01 June 2024	9/3/1/382	3 years	30 May 2027	4
62.	Ditlou Suppliers and services	Provision for a service provider for Operation, Management and Maintenance of Landfill site	R1 086 750.00 per month	30 April 2024	9/3/1/375	3 years	30 April 2027	4
TECHNICAL SERVICES								
63.	Mncobela Trading Enterprise (Pty) Ltd	Water Purification Chemicals (Panel of two	As and when required	01 September 2022	9/3/1/335	3 years	31 August 2025	3

NO	NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	RATING
		(2) duration of three (3) years).						
64.	Orathon Trading (Pty) Ltd	Water Purification Chemicals (Panel of two (2) duration of three (3) years).	As and when required	01 September 2022	9/3/1/335	3 years	31 August 2025	4
65.	Lesapho Construction and Supply	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	As and when required	01 September 2022	9/3/1/336	3 years	31 August 2025	4
66.	Dzungeni and Sons	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	As and when required	01 September 2022	9/3/1/336	3 years	31 August 2025	4
67.	Pent Projects and Services	Supply and delivery of Electrical Materials (Panel of three (3) duration of three (3) years).	As and when required	01 September 2022	9/3/1/336	3 years	31 August 2025	4

APPENDIX D: PROJECT PERFOMANCE INDICATOR IMPLEMENTATION (PPII)

Item No.	Performance Description	% completed
1	Appointment of Consulting Engineers	5%
2	Scoping Report completed and approved	10%
3	Preliminary Designs completed and approved	14%
4	Detailed Design Report and Drawings approved	19%
5	Draft Tender Document (Bid Specifications) approved	24%
6	Tender Advertised	29%
7	Tender Evaluation completed	33%
8	Tender Adjudication completed	38%
9	Appointment of Contractor	43%
	Construction Stage (Completed as per scope of works and monthly reports)	
10	0-10% complete	48%
11	11-20% complete	52%
12	21-30% complete	57%
13	31-40% complete	62%
14	41-50% complete	67%
15	51-60% complete	71%
16	61-70% complete	76%
17	71-80% complete	81%
18	81-90% complete	86%
19	91-99% complete	90%
20	Practical Completion of the Works (Snag List)	95%
21	Completion of the Works	100%
22	Defects Liability Period (Retention) Stage	
23	Final Completion	

9.0 ANALYSIS OF AND LESSONS OF THE OVERALL PERFORMANCE

Section 46 (1) (c) of the Local Government: MSA as amended requires that the Municipality's Annual Performance Report include information on corrective action or measures taken to improve performance. Under Appendix A of the report the table includes a column on reasons for poor and under achievements as well as measures taken or corrective actions to improve performance. The Municipality confirms that such indicators and their programmes or projects have found their expression in the new SDBIP for the financial year 2024/2025. In addition to this, the Municipality has considered all other necessary technical and strategic inputs stemming from various in year monitoring platforms into the new SDBIP. The reason and corrective measures provided in the report will also be used as a reference for improving performance planning and management within the Municipality moving forward.

10. CONCLUSION

Notwithstanding challenges experienced during the year under review, Bela-Bela Local Municipality strived to serve its constituent Community with distinction during the 2023/2024 financial year. This report demonstrates the commitment of the Municipality to ensure that the local community have access to their basic needs, as enshrined in the 1996 Constitution of the Republic of South. Investment in capital and social infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Bela-Bela Local Municipality to adapt to the ever-changing socio-economic needs of the local community. The Municipality has already put in place corrective actions in response to the unachieved targets for implementation in the 2024/2025 IDP Review; Budget and SDBIP respectively, and will duly report to Council through its Governance Structures on the progress made to address those targets.

We wish to extend our gratitude to the Municipal Council, Executive Committee, Portfolio Committees, the Management Team as well as to all the employees of the Bela-Bela Local Municipality who diligently and competently assisted to ensure that our Municipality is well on its way to becoming "A Place of Excellence" in all its Service Delivery and Governance processes.

Our Governance approach is that of continuous learning from our experiences and those of other well-performing Municipalities across the country, as we embark on our journey of Good Corporate Governance, characterised by improved quality of livelihoods in all the neighbourhoods therein.

.....

Mr . TG RAMAGAGA
MUNICIPAL MANAGER

30/08/2024

.....

DATE

Report of the auditor-general to the Limpopo Provincial Legislature and the council on the Bela-Bela Local Municipality

Report on the audit of the financial statements

Qualified Opinion

1. I have audited the financial statements of the Bela-Bela Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Bela-Bela Local Municipality as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Financial Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

Basis for qualified opinion

Investment property

3. The municipality did not have adequate systems in place to maintain records of investment property in accordance with GRAP 16, *Investment property*. I identified assets belonging to the municipality that was not included in the underlying accounting records and financial statements. I was unable to confirm the value of investment property by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property stated at R67 457 882 (2023: R60 717 194) in note 9 to the financial statements.

Property, plant and equipment

4. Land recognised by the municipality through a correction of an error during the financial period was not recognized in accordance with GRAP 17, *Property, plant and equipment*. Upon initial recognition, the municipality did not determine the fair value of the land as required by the accounting standards. I was unable to determine the full extent of the value of land stated at R81 300 942 (2023: R81 300 942) in note 10 to the financial statements as it was impracticable to do so. Additionally, as the assets were recognized as a prior period misstatement, note 48 to the financial statements is also misstated as a result of this.

Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

6. 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 other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

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

9. I draw attention to note 47 to the financial statements, which indicates that the municipality is struggling to pay its creditors within 30 days as per the MFMA, debtors collection rate is low and that it adopted a budget that was not fully funded as at 30 June 2024. As stated in note 47, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material Electricity losses

11. As disclosed in note 37 to the financial statements, material electricity losses of R35 525 732 were incurred which represent 22% of the total electricity purchased. Technical losses amounted to R15 993 094 due to system failures, unbalanced loading, overloading, low voltage, load shedding and deteriorating infrastructure. Non-technical losses amounted to R19 532 638 and were due to power theft, meter tampering, meter bypass, illegal connections, unpaid bills, consumer non-payment and faulty meters.

Material losses impairment

12. As disclosed in note 42 to the financial statements, material losses were incurred as a result of a write off of irrecoverable trade debtors.

Restatement of corresponding figures

13. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Litigations and claims

14. With reference to note 43 to the financial statements, the municipality is the defendant in various lawsuits. The municipality is opposing these 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 matters

15. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

16. The supplementary schedule set out on pages xx to xx does not form part of the financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon

Unaudited disclosure notes

17. 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

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

19. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements[1]

20. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xxx forms part of our auditor's report.

Report on the annual performance report

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report the accounting officer is responsible for the preparation of the annual performance report.

23. I selected the following material performance indicator related to basic service delivery presented in the annual performance report for the year ended 30 June 2024. I selected the indicator that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic Service Delivery	[XX]	The key performance area aims to ensure that all households in formal and informal settlements in the municipal area have access to basic services, all registered indigents have access to free basic services and maintenance and upgrading of infrastructure.

24. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Municipality's planning and delivery on its mandate and objectives.

25. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the Municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable

- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

26. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

27. I did not identify any material findings on the reported performance information for the selected KPA - basic service delivery.

Other matters

28. I draw attention to the matter below.

Achievement of planned targets

29. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

Report on compliance with legislation

30. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is

31. responsible for the Municipality's compliance with legislation.

32. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

33. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Municipality's clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual report

35. 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.

36. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

37. The oversight report adopted by the municipality on the 2022-23 annual report was not made public as required by section 129(3) of the MFMA.

Procurement and contract management

38. A tender which failed to achieve the minimum qualifying score for the legislative requirement for functionality were not disqualified in accordance with 2017 preferential procurement regulation 5(6). This non-compliance was identified in the procurement processes for the upgrading of extension 6 sewer pump station (ward 6).

39. Construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) in accordance with section 18(1) of the CIDB Act 38 of 2000 and CIDB regulations 17 and 25(7A). This non-compliance was identified in the procurement processes for the Supply, delivery and installation of fencing of municipal building at electrical substation and Supply, delivery and installation of wooden blinds.

Expenditure management

40. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance supply chain management laws and regulations.

41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payment of service providers.

42. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The disclosed unauthorised expenditure was caused by overspending on three votes of the municipality.

Other information in the annual report

43. The accounting officer is responsible for the other information included in the annual report which include the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the annual performance report that have been specifically reported on in this auditor's report.

44. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

45. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

46. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

47. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.

48. The accounting officer did not implement sound internal controls for the preparation of the financial statements. The accounting officer did not exercise due care in preparing the financial statements. The financial statements contained numerous errors that were not detected and corrected prior to the submission of the financial statements for audit.

49. Lack of proper reviews of the valuation reports and the asset register to ensure that assets are properly valued.

50. Lack of reviews to monitor compliance with applicable laws and regulations to ensure that controls and processes are in place to process and evaluate the submitted bids appropriately.

51. Lack of oversight to ensure that prior to appointment of construction awards, the supplier status is verified, and all the invitations for engineering and construction work includes the requirement of the CIDB as per CIDB regulations and CIDB standards for uniformity.

Material irregularities

52. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on the status of material irregularities as previously reported in the auditor's report

Material irregularities identified during the audit

Ineffective management of the landfill site likely to cause harm to the general public

53. Section 28(1) of National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) states that "Every person who causes, has caused or may cause significant pollution or degradation to the environment must take reasonable steps to prevent such pollution or degradation for occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot be avoided or stopped to, minimise and rectify the pollution or degrading of the environment."

54. Section 16(1) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEMWA) states the following requirements regarding the general duty of a holder of waste in respect of waste management:

- avoid the generation of waste and where such generation cannot be avoided to minimise the toxicity and amounts of waste that are generated
- reduce, re-use, recycle and recover waste

- where waste must be disposed of, ensure that the waste is treated and disposed of in an environmentally sound manner
- manage the waste in such a manner that it does not endanger health or the environment or cause a nuisance through noise, odour or visual impacts
- prevent any employee or any person under his or her supervision from contravening this Act; and
- prevent the waste from being used for an unauthorised purpose.

55. Section 19(1) of the National Water Act, 1998 (Act 36 of 1998) states that "An owner of land, a person in control of land or a person who occupies or uses the land on which - (a) any activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring."

56. Bela-Bela Local Municipality's Warmbaths landfill site located on part of portion of the farm Het Bad 465KR located in Bela-Bela with landfill authorisation permit number B33/2/123/3 P184/P185 (class GMB) is operated in contravention of the National Environmental Management Act, 1998 (Act 107 of 1998) read with the National Environmental Management: Waste Act, 2008 (Act 59 of 2008), National Water Act, 1998 (Act 36 of 1998) and permit B33/2/123/3 P184/ P185. We observed the following issues on the landfill site contrary to the operating conditions stipulated in the landfill site's authorisation permit:

    - Inadequate access controls. Some portions of the fence are damaged
    - The landfill site did not have a fully functional storm water control system or passive gas control system
    - No gas monitoring was performed. A fire was observed on the landfill site on more than one occasion. Management attributes the fires to methane gas emitted by the landfill site
    - The landfill site does not have a weighbridge
    - Surface water monitoring was not performed
    - Disposal of unpermitted waste
    - Presence of waste reclaimers contrary to the conditions of the permit.

57. Furthermore, mismanagement of the landfill site as a result of lack of monitoring of surface water may cause water pollution on water used by the communities and the farms that are located next to the landfill site.

58. The non-adherence to the conditions of the authorisation permit including the management of harmful gases emitted by the landfill site is likely to cause substantial harm to the environment and negatively impact the health of citizens of Bela-Bela.

59. The accounting officer was notified of the material irregularity (MI) on 09 April 2024 and invited to make a written submission on the actions taken and that will be taken to address the MI. The accounting officer responded on 17 May 2024 and the following actions have been taken to address the MI: An external audit was conducted on 14 March 2024 (report dated 10 May 2024) by a management expert to monitor compliance with legislation and the authorisation permit. Findings are consistent with those in the MI notification and management's response i.e. the landfill site was not designed hence absence of amenities such as gas monitoring, storm water drainage, no weighbridge etc. The audit also noted presence of waste reclaimers on site contrary to the requirements of the permit. The report is accompanied by an Airspace determination report

dated 26 April 2024 which shows that the landfill site is about to reach maximum capacity. In terms of the report no hazardous waste (unpermitted waste) was identified on site at the time of the audit.

- The landfill was never designed into a proper landfill site at the time therefore closure will address the potential environmental harm the site poses. The site is nearing the end of its useful life and construction of a new site is already underway. It is vital for management to honour its commitment to properly rehabilitate the site in accordance with legislation.
- The municipality secured MIG funding for construction of a new landfill site which complies with legislation governing waste management. The accounting officer is in the process of constructing a new landfill site built and provision was made for the shortcomings identified on the old site. A Construction of a new landfill site was appointed on 2 October 2023 at a cost of R23 681 772.97 for the construction of a new landfill site for Bela Bela Local Municipality. The project is a multi-year project budgeted over 2 financial years i.e. 2023-24 and 2024-25. The site was to be completed by 19 August 2024, the contractor applied for extension of two months. It is unlikely that it will be completed in the time allowed for the extension.

- A preliminary design report is in place that guides the way forward. Management's planned action include an appointment of a service provider by 30 September 2024 to kick start the closure process. It should be noted that there several administrative processes (legislative) that need to be undertaken prior to the actual closure.
- The municipality appointed a service provider to conduct an external landfill site audit in March 2024 to determine remaining airspace, landfill closure (including cost), rehabilitation and end-use with an intention to prepare for the closure and rehabilitation of the landfill site to remedy any negative environmental impact the current landfill is posing.
- It is expected that the new contract will improve operations on the site especially because of lessons gained from the audit which were factored in the SLA. This will help minimise possible environmental harm while the closure process unfolds, and the new landfill site is commissioned.
- The gaps at the landfill site fence have been repaired to improve access control. Vehicles are searched at the gate and details of the driver and the vehicles are recorded prior to disposal of waste. This is done to avoid non-permitted waste disposal.
- Spotters are on site on a daily basis to monitor type of waste disposed. In unpermitted waste is spotted disposed from vehicles, a fine is imposed immediately.
- To ensure that own waste collection trucks don't bring unpermitted waste to the landfill site (current site), general workers check (Figure B) the type of waste in the bins prior to loading into the truck. An infringement notice (including a fine) is issued should unpermitted waste be found in the waste collection bin. Summary of notices issued provided including an example of an infringement notice.
- All vehicles entering the site are searched to ensure that they don't bring any unpermitted waste. Vehicle details and drivers details are captured in access control register
- No individual was identified as responsible for the MI. The current landfill site was not designed and has been in existence for many years. No steps were taken against any employee.

- Management has appointed a Divisional Manager for waste management (1 September 2023), holds a Btech in Environmental Health) with a view of improving operations and maintenance of the landfill site and to ensure compliance with permit/license conditions.
- The landfill site is subject to weekly monitoring by the Divisional Manager: Waste Management and Cleansing. The monitoring covers various aspects of the landfill such as access control, daily compaction, covering waste etc.
- A service provider was appointed on 30 April 2024 to operate the existing landfill site for a period of 36 months to which will assist to address most of the concerns raised during the audit including gas and water monitoring and storm water management.
- The service provider responsible for operating the landfill site uses spotters to identify and remove unpermitted waste that may have passed the gate from being compacted. They control waste disposal at the working area ensuring that one vehicle at a time dispose waste and immediately check for unpermitted was that might have been stacked in other piles. These duties are conducted in the presence of the vehicle drivers.
- Water monitoring and gas monitoring will be conducted in the first quarter of 2024-25 by the new service provider appointed to operate the landfill site for the 36 months for the period 2024 - 2027.
- The municipality plans to appoint an Environmental Assessment Practitioner to apply for the licensing, designs, basic assessment report, end use plan by 30 September 2024.

60. The accounting officer is taking appropriate action to address the Material Irregularity. The nature of the Material Irregularity is such that ample time is required from the commencement of the closure process till its finality. The landfill was never designed into a proper landfill site at the time therefore closure will address the potential environmental harm the site poses. The site is nearing the end of its useful life and construction of a new site is already underway.

61. I will continue monitoring the actions taken by the accounting officer to ensure that the implementations the actions in progress and planned actions appropriately during my next audit.

Waste Water Treatment Works:

62. Section 28(1) of National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) states that "Every person who causes, has caused or may cause significant pollution or degradation to the environment must take reasonable steps to prevent such pollution or degradation for occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot be avoided or stopped to, minimise and rectify the pollution or degrading of the environment."

63. Section 19(1) of the National Water Act, 1998 (Act 36 of 1998) (NWA) states that "An owner of land, a person in control of land or a person who occupies or uses the land on which - (a) any activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring."

64. The Warmbaths Waste Water Treatment Works (WWTW) is in a concerning state. The system is operated without authorisation by the Department of Water and Sanitation (DWS) as required by the National Water Act, 1998 (Act 36 of 1998). In terms of the green drop 2022 report, the

facility attained a score of 34% (medium risk) against a certification score of at least 90%. The score was not far from the dysfunctional category (below 31%). The score represented more than a 10% decline as compared to the previous assessment. Major contributors included non-compliant effluent discharged by the system and lack of maintenance. Non-compliant effluent remained an issue during our audit for 2022-23. On our visit to the waste water treatment plant on 26 October 2023, we noted that the area around the maturation ponds was not fenced which could potentially harm people who come into contact with the facility. The facility is nearby Bela-Bela town and township. The maturation ponds are located not far from a major storm water channel that passes through the town of Bela-Bela. Any overflows on the facility (especially during heavy rains) are likely to reach the storm water channel (crossing R101), thus affect the areas along the route of the channel including the Pienaar's river.

Our visit during October 2023 included a visit to the pump stations that form part of the WWTW network. We made the following observations on the 26th of October 2023 at Leseding pump station and Settlers road pump station:

- **Leseding pump station** - Inadequate access control, there was an opening on the fence.
- The area around the station was untidy, there was a lot of solid waste such as tissues, plastics etc. There was no proper bin to dispose the solid waste.
- There was evidence of a significant blockage leading to overflowing of wastewater. The overflow was evident around the site.
- There were scores of cattle grazing and consuming the wastewater.
- On one of the visits (10 October 2023), a dead cow was observed. On this day there was a major blockage, the pump station was full to the rafters and overflowing.
- The pump station is in a residential area and is easily accessible by people and livestock.
- The facility is located adjacent to a storm water channel.
- Water was also observed in the channel.

Settlers pump station

- The area around the station was untidy, an open trench with refuse (foreign objects removed from the station).
- Evidence of a significant blockage leading to overflowing of wastewater.
- An overflow (wet area) was evident on the side with cattle tracks. The overflow was also evident on the road nearby residences adjacent to the station.
- The pump station is located in a residential area, and it is adjacent an industrial area.

65. Failure by the municipality to ensure that its WWTWs are conducted in accordance with applicable legislations (NEMA and NWA) threatens the environment and the wellbeing of the people of Bela-Bela and their livestock. The adverse impact of untreated/raw effluent or non-compliant effluent include contamination of ground and surface water resources causing irreversible damage to the ecosystem and humans (health and quality of life). This also applies to humans and animals coming into contact with the waste. The major economic drivers of the economy of Bela-Bela include tourism and agriculture. Bela-Bela town and township are surrounded by farmland. These sectors are reliant on water resources, especially ground water for farms. Runoff of storm water is likely to deposit non-compliant waste water into these sectors and disrupt the economy of the area. Runoff of storm water (through storm water channels during heavy rains) along the Leseding and Settlers road pump stations is likely to contaminate surface water such as the Pieannar's river with non-compliant effluent. Attractiveness of the town including that of being a tourist destination) is likely to be affected as well.

66. The extent of the harm could, however, not be determined with absolute certainty. The non-compliance is therefore likely to result in substantial harm to the general public if appropriate actions are not taken to address the cause of the pollution and prevent continued pollution of the water resources and/or minimise or rectify the impact of such pollution on the wider community and environment dependent on the affected water resources.

67. The accounting officer was notified of the material irregularity (MI) on 09 April 2024 and invited to make a written submission on the actions taken and that will be taken to address the MI. The accounting officer responded on 17 May 2024 and the following actions have been taken to address the MI:

- The municipality applied for a water use license and a decision by the department is still pending. The response from the department is overdue.
- A previous contractor is responsible for operating the plant (Warmbaths WWTW) using municipal personnel stationed at the plant. Primary task is to demonstrate the functionality of the equipment, ensuring that the on-site personnel gain a basic understanding of plant operations. The focus is on immediate operational support and knowledge transfer to mitigate the shortage of personnel and prevent potential damage and operational disruptions at the WWTW. The intervention is for a period of 3 months ending 19 July 2024. The intervention is done to improve the quality of the effluent. The support will serve as an interim measure till the recruitment process for controllers is finalised. Handover date was subsequently revised to 13 September 2024 to allow handover to the new Class V Operator who commenced employment on 2 September 2024.
- The primary driver of the non-compliant effluent is attributable to the persistent malfunctioning of the Primary Settlement Tanks, which was a significant issue in the past. These tanks were unable to perform crucial desludging process effectively. As a result, this failure severely disrupted the biological treatment phase. Consequently, partially treated sewage frequently bypassed the treatment plant, leading to non-compliant effluent being released into the ponds. The primary settlement tanks are now fully functional and an improvement in the quality of the treated effluent is expected to be realised overtime as treatment continues through the sewer ponds.
- Fencing of the WWTWs maturation ponds is planned for 2025-26.
- The Leseding pump station is being upgraded with completion targeted for 30 November 2024. The project aims to reduce environmental risks and improve efficiency by increasing capacity and by automating the screening and pump systems to ensure that there are no solid waste build up, and that sewage is not exposed to the community. This will significantly improve the quality of life in the surrounding areas and mitigate the associated environmental and health risks. Progress is currently at 56%. A skip bin has been allocated to dispose of the debris/foreign objects retrieved from the sump and the pumps.
- The municipality appointed an Electro Mechanic Fitting and Turning in November 2023 which has led to an improvement in the turnaround time for troubleshooting on stuck pipes. Primary functions include the servicing, maintenance, overhaul machine components and repair mechanical plant and equipment. Job log sheet provided.
- Upgrade of the Settlers Road pump station is scheduled for the 2024-25 financial year. As per the technical report, site assessments and inspections were done on 17 May 2023. The objective of the project is to upgrade the capacity of the pump station to match the incoming sewage inflow rate and stormwater ingress so that spillages which may lead to pollution are avoided. The tender was advertised and closed on 14 June 2024. A skip bin has been allocated to dispose of the debris/foreign objects retrieved from the sump and pumps

- The municipality is performing regular repair and maintenance of sewer pipelines and Unblocking sewer blockages timeously supported by the maintenance log sheet.
- Investing in infrastructure upgrades to enhance the efficiency and reliability of the wastewater treatment processes through WSIG – R55.75m (2023-24) and R33.9m (2024-25)
- Appointment of term contractors (3 contractors) for the repair and maintenance of Pumps of Motors for short circuiting SCM process and for prompt replacements in case of complete breakdowns of pumps and motors. Appointment letter is dated 15 February 2024. The contract also include the supply, delivery and installation of new pumps, electrical motors and panels.
- Notices have been issued to owners of livestock that constantly roam town and may possibly access the sewer facilities, particularly unfenced maturation ponds. Two notices (with acknowledgement of receipt) dated May 2024 provided. In terms of the notices Section 3(a) of the Animal Keeping By-Law Gazette 3416, no person may keep any livestock, other than poultry in any area defined by the Municipality as unsuitable livestock. Either a fine of R20 000 or imprisonment or both is applicable. Residences given till 7 June 2024 to remove the livestock
- A green drop action plan is in place. The action plan is a work in progress. The action plan was uploaded on DWS's IRIS system, and it is updated as an when the municipality uploads new information. DWS does not provide an assessment of the adequacy and correctness of the plan. DWS met with the municipality in April 2024 to prepare for the next green drop evaluation.

68. I will continue monitoring the actions taken by the accounting officer to ensure that the implementations the actions in progress and planned actions appropriately during my next audit.

69. I will follow up on the implementation in the following year.

Status of previously reported material irregularities

Traffic fines

70. In terms of section 64(2)(f) of the MFMA, the accounting officer must take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed.

71. The municipality entered into a service level agreement (SLA) with a service provider for the provision of traffic law enforcement equipment, back-office systems and related services for a period of 36 months which commenced on 5 December 2019. The service primarily included the provision of mobile cameras (speed cameras), provision of images of the offending vehicles and storage of the images. The service included the provision of a fully integrated "end to end" system for the prosecutions of speed offences and other offences.

72. There were several instances whereby traffic fines issued subsequently expired. Traffic fines expired because no adjudication/approval by the responsible person, no summonses were issue since 2020, and traffic fines were withdrawn by the system due to system errors.

73. Based on the SLA between the service provider and the municipality (schedule 1 and schedule 2) of the SLA, both parties did not fully perform their expected duties which led to the fines expiring. As per schedule 1 paragraph 3 (K) of the agreement, the service provider was responsible for providing facilities and systems for peace officers of the municipality to adjudicate every image and be able to identify the peace officer responsible for adjudication. Furthermore, schedule 1 paragraph 6(a) also state that the service provider shall be responsible for issuing summons. However, these duties were not consistently carried out by either party. This resulted in a non-compliance with section 64(2)(f) of the MFMA as the municipality failed to ensure that internal controls over collection of revenue from traffic fines operated effectively throughout the year. This resulted in a material financial loss of R5 167 700 as the traffic fines expired and were subsequently written off.

74. The accounting officer was notified of the material irregularity (MI) on 31 March 2023 and the following actions have been taken to address the MI:

    - The accounting officer appointed a firm of attorneys on 10 April 2023 to investigate circumstances that led to the material irregularity in the 2021-22 financial year and to recover the loss of traffic revenue to the sum of R5 167 700. In addition, loss of traffic revenue for the 2022-23 financial year should be investigated to determine if the MI still exists, to recover such losses and to investigate if there were any transgressions by officials of the municipality.

75. The outcome of the investigation was shared with through a letter dated 8 August 2023 and the outcome included the following:

    - The investigation could not identify any employee of the municipality as being responsible for the material irregularity.

    - Traffic fines revenue loss for 2021-22 amounted to R2 865 800 and not R5 167 700 as initially reported.

    - An additional loss of R4 483 000 was identified for 2022-23

    - The non-compliance was as a result of the service provider's failure to ensure adherence to the agreement.

    - The service provider's contract came to end in November 2022. No further losses were incurred.

76. A letter of demand dated 27 September 2023 was issued by the municipality through its attorneys to the service provider. The letter demands a payment of R7 348 800 for the breach of contract that resulted in the loss of traffic revenue within 30 days of the date of the letter, failing which summons will be issued.

77. In a letter dated 28 November 2023, attorneys handling the matter informed the accounting officer, that in consultation with officials of the municipality that were responsible for implementation of the agreement with service provider, are in the process of drafting summons

and it is anticipated that it will be served on the service provider during the week of 4 December 2023.

78. The municipality received an update from its attorneys on 6 March 2024. The update states that out of excessive caution and given the highly technical nature of the envisaged claim, the risk and amount involved, it was considered prudent to engage the services of Senior Council. Authorisation to approach senior council was granted in January 2024, however the senior council was out of the country at that time. The consultation took place in February 2024 and the senior council was leaning towards a non-litigious resolution of the matter. The approach is expected to eliminate risk and adverse legal cost implications. A memorandum was expected to be presented to the municipality in March 2024 on the non-litigious route.

79. The AO received a legal advice on 17 July 2024 and the municipality acted on the advice of its appointed attorneys and abandoned the litigation route and the summons were not issued.

    - Data of all outstanding fines was requested from previous service provider and was handed over to the new service provider in an attempt to recover the outstanding fines. The new service provider was appointed for a period of 36 months till 31 August 2026. Services rendered are to a larger extent similar to those previously rendered by previous service provider and recovery of a substantial amount from the offenders is likely.

    - Based on the correspondence between the municipality and new service provider, the service provider will only be able to collect fines dating two years back. Fines older than two years will not be pursued per the NPA directive (18 months).

80. The Municipality made strides to strengthen internal controls to ensure that the MI does not recur:

    - The service provider produces daily payments report that are accessed by the Acting Senior Manager Social and Community Service, The CFO and Manager Revenue Management. This helps with performance monitoring of the Contract.

    - Per clause 7.3 of the new SLA "The Parties agree that they will hold quarterly as well as monthly meetings for monitoring and evaluation, which may be virtual. Special meetings may also be convened in case of urgent matters that requires immediate engagement.

    - The new contract is performance based; the service provider only gets paid based on actual collection. This is expected to encourage improved collection of traffic fines. The new service provider is entitled to 32% of fines collected.

I received your written submission on 12 August 2024. I considered the representations made and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity. Therefore, I will not pursue this matter any further.

Ineffective use of consultants

81. Section 62(1)(b) of the Municipal Finance Management Act 56 of 2003 (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

82. The municipality appointed three financial reporting consultants to prepare the 2020-21 annual financial statements and for assets management. The consultants were appointed for the preparation of annual financial statements and assets management.

83. The municipality failed to keep full and proper records needed to produce credible and GRAP compliant financial statements. This resulted in the municipality not being able to provide the appointed financial reporting consultants with complete, accurate and reliable information as required by section 62(1)(b) of the MFMA to enable them to compile GRAP compliant financial statements. This failure of the municipality to furnish the financial reporting consultants with the necessary records resulted in the municipality obtaining a disclaimed audit opinion on the 2020-21 financial statements.

84. The non-compliance is likely to have resulted in a material financial loss of R1 362 817 for the municipality as the equivalent value of the amounts paid to the consultants could not be obtained as a significant part of the work done by the consultants related to those items where the municipality failed to keep full and proper records.

85. The accounting officer was notified of the material irregularity (MI) on 3 April 2023 and the following actions have been taken to address the MI:

    - The accounting officer intended to appoint a firm of attorneys from the municipality's panel of legal experts by 12 May 2023 to investigate whether there was any employment contractual breach by any of the official(s) and whether there are any contractual breaches committed by service providers. Attorneys were expected to table their report by 16 June 2023. The attorneys were appointed on 23 May 2023.

86. The outcome of the investigation was shared with me through a letter dated 8 August 2023 and the outcome included the following:

    - Consultants faced challenges due to insufficient records and information provided by the municipality.

    - The covid-19 pandemic compounded difficulties in record-keeping and management.

    - Resignation of archives clerk with immediate effect on 30 April 2021 also played a role in ensuring provision of financial records.

    - An improved audit outcome for 2021-22 indicates progress in addressing issues raised. Progression from a disclaimer opinion to a qualified opinion.

    - Contractual breach by the consultants could not be established due to the challenges they faced.

    - Negligence on the part of the accounting officer, chief financial officer and senior management could not be established due to the impact of the sudden onset of Covid-19 pandemic combined with the effect of the sudden resignation of the archives clerk.

    - There was no recommendation for financial loss recovery as neither the consultants nor employees of the municipality were found to have neglected their duties. The loss is not ongoing as the municipality is preparing the AFS internally

- It was recommended that the posts of archives clerk and creditors accountant be permanently filled as a matter of urgency. The positions are budgeted for in the 2023-24 financial year. Accountant Creditors and VAT were appointed on the 1st of September 2024. An Acting Archives Clerk was appointed to ensure safekeeping of documents, with recruitment for a permanent position underway

- It was further recommended that delegations of the municipality be reviewed and updated to delegate and assign all key financial functions within the budget and treasury office in order to ensure full compliance with sections 79 and 82 of the MFMA.

87. The accounting officers implemented the following to address and mitigate the recurrence of the MI:

    - Implementation of cloud storage (G-Drive) for safekeeping of financial documents.

    - The Acting Archives Clerk has demonstrated skills in filing municipal documents.

    - Annual Financial Statements (AFS) and Annual Performance Reports (APR) are now compiled internally, using available internal skills and capacity.

    - This has resulted in a reduction of payments to service providers.

    - The municipality has improved its audit opinion utilizing internal capacity without assistance from external service providers.

I received your written submission on 12 August 2024. I considered the representations made and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity. Therefore, I will not pursue this matter any

Auditor-General

Polokwane

30 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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

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

Explanatory information and examples

General

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 are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

	Financial Year: 2023/2024		
		Total	**46**

No	Line Item	Matter Affecting	Finding
1	Property, plant and equipment	Audit Report	COMAF 39 of 2024 - Property, plant and equipment- Land fair value adjustments not supported.
2	Investment property	Audit Report	COMAF 17 of 2024- Completeness of Investment property assets
3	Cash flow statement	Management Report	COMAF 44 of 2024- Cash flow statement
4	Human Resource	Management Report	COMAF 21 of 2024- No divisional manager and high vacancy in the Information Technology division
5	Internal Control Deficiencies	Management Report	COMAF 01 of 2024 - High level review of financial statements

6	Internal Control Deficiencies	Management Report	COMAF 02 of 2024 - **Internal control deficiencies** 1. MFMA - Using the work of internal auditors and compliance testing. 2. Revenue from exchange business process 3. Inventory and Capital assets: Business process. 4. Understanding the entity and its environment. 5. Understanding the entity and its environment. 6. Understanding the entity and its environment. 7. Business process documentation Business cycle: Use of consultants
7	BTO	Management Report	COMAF 07 of 2024 - Segment reporting
8	Water	Management Report	COMAF 42 of 2024- Wastewater Treatment Works (WWTW)
9	Property, plant and equipment	Management Report	COMAF 14- Property, plant and equipment – Infrastructure assets improved not appropriately assessed for derecognition or change in useful lives

10	Property, plant and equipment	Management Report	COMAF 11 of 2024- Property, plant and equipment – Work-in-progress accounted for twice
11	Inventories	Management Report	COMAF 10 of 2024- Capital assets recognised as operating expenditure- prior year
12	Property, plant and equipment	Management Report	COMAF 41 of 2024- Property, plant and equipment- Assets replaced not removed from the asset register.
13	Property, plant and equipment	Management Report	COMAF 12 of 2024- Impairments of assets- prior year- difference between the asset register and disclosure notes
14	Property, plant and equipment	Management Report	COMAF 13 of 2024- Property, plant and equipment- Difference between the fixed asset register and annual financial statements
15	Investment property	Management Report	COMAF 15 of 2024-Investment property assets incorrectly classified
16	Investment property	Management Report	COMAF 23 of 2024- Investment Property Journal posted not valid
17	Housing arrangements	Management Report	COMAF 34 of 2024- Discrepancies between Title deeds vs Valuation report vs FAR

18	Finance lease obligation	Management Report	COMAF 09 of 2024: Discrepancy in the implicit interest rate for finance lease obligations
19	General expenses	Management Report	COMAF 06 of 2024 - Difference between TB, underlying records and AFS (Prior period error)
20	Contracted services	Management Report	COMAF 24 of 2024 - Contracted services: Business Advisory
21	Expenditure	Management Report	COMAF 36 of 2024-Expenditure (30 days requirement)
22	Expenditure	Management Report	COMAF 36 of 2024- Expenditure (Control deficiencies)
23	Expenditure	Management Report	COMAF 36 of 2024 - Expenditure (Difference in GL/TB and AFS - Lead)
24	SCM	Management Report	COMAF 19 of 2024 - SCM Inconsistencies in dates
25	SCM	Management Report	COMAF 30 of 2024- Non-compliance with CIDB act
26	SCM	Management Report	COMAF 16 of 2024- Deviation reasons not justifiable

27	SCM	Management Report	COMAF 38 of 2024- SCM-Winning bidders submitted false declaration
28	SCM	Management Report	COMAF 31 of 2024-Procurement is not economical
29	SCM	Management Report	COMAF 33 of 2024 - Winning bidders' functionality score incorrectly calculated
30	SCM	Management Report	COMAF 35 of 2024 -Winning bidder didn't meet the administrative requirement as per bid invitation
31	SCM	Management Report	COMAF 26 of 2024- Non-compliance with SCM Regulation 38 - Inconsistencies of dates noted of the bid documents and receiving tender register
32	Expenditure	Management Report	COMAF 20 of 2024-Retentions - Opening balance not adequately supported (Limitation of scope)
33	Receivables from non-exchange transactions	Management Report	COMAF 05 of 2024- Receivables from non-exchange transactions (difference between TB and Notes to AFS)
34	Rev from non-exch transactions: Fines	Management Report	COMAF 08 of 2024-Impairment for traffic fines is incorrectly calculated

35	Receivables from non-exchange transactions	Management Report	COMAF 28 of 2024-Receivables non-Exchange transaction: Difference between Traffic fines and supporting schedule
36	Receivables from non-exchange transactions	Management Report	COMAF 29 of 2024-Prior year audit finding: Stagnated fines: Difference between Traffic fines Note to AFS and supporting schedule for reasons
37	Employee-related costs	Management Report	COMAF 22 of 2024 - Related Parties Disclosure
38	Rev from exch transactions: Interest revenue	Management Report	COMAF 03 of 2024- Debt forgiveness incorrectly classified
39	Rev from non-exch transactions: Fines	Management Report	COMAF 37 of 2024- Traffic fines not accounted for in the annual financial statements
40	Rev from exch transactions: Service charges	Management Report	COMAF 27 of 2024 - Revenue Exchange (Service Charges)
41	Rev from non-exch transactions: Other	Management Report	COMAF 18 of 2024- Eskom debt relief was not accounted for as debt forgiveness in accordance with GRAP 23

42	Revenue	Management Report	COMAF 43 of 2024 - Revenue Exchange-Indigent subsidies awarded without full completion of documentations for assessment
43	Commitments	Management Report	COMAF 32 of 2024- Overstatement in commitment
44	Statement of comparison of budget and actual amounts	Management Report	COMAF 25 of 2024- Statement of comparison of budget and actual amounts
45	Rev from exch transactions: Other income	Management Report	COMAF 04 of 2024 - Difference noted between Trial balance and AFS-Provision for Impairment
46	Property, plant and equipment	Management Report	COMAF 40 of 2024- Assets from completed projects not properly unbundled

RECURRING FINDING (15)	✓
FINDING RESOLVED	30
IN PROGRESS	0
NOT RESOLVED	15
PARTLY RESOLVED	1

Actions	**Progress to date**
Not Resolved	In progress
Not Resolved	In progress
Resolved	Resolved
Not Resolved	In progress
Resolved during audit	Resolved during audit

In progress	In progress
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved	Resolved

Resolved	Resolved
Not Resolved	In progress
Resolved during audit	Resolved during audit
Resolved	Resolved
Resolved	Resolved
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved during audit	Resolved during audit

Resolved	Resolved
Resolved	Resolved
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved during audit	Resolved during audit
Not Resolved	In progress
Not Resolved	In progress
Not Resolved	In progress
Not Resolved	In progress

Resolved	Resolved
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved during audit	Resolved during audit
Resolved during audit	Resolved during audit
Resolved during audit	Resolved during audit

Resolved during audit	Resolved during audit
Resolved during audit	Resolved during audit
Resolved during audit	Resolved during audit
Resolved	Resolved
Resolved during audit	Resolved during audit
Not Resolved	In progress
Resolved during audit	Resolved during audit

Not Resolved	In progress
Resolved	Resolved
Resolved	Resolved
Resolved	Resolved
Resolved during audit	Resolved during audit

100%			
65%			
0%			
33%			
2%			

Implementation date	Recurring Finding	Responsible Person	IA Review Comments
31-Mar-25	No	DM: Assets Accountant Assets	Awaiting Implementation
31-Mar-25	Yes	DM: Assets Accountant Assets	Awaiting Implementation
Resolved	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved
31-Mar-25	No	Acting SM: Corporate Services Acting DM: IT	Awaiting Implementation
Resolved during audit	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved

31-Mar-25	Yes	1. Senior IA 2. SM: PED 3. DM: Assets 4. Chief Risk Officer 5. Acting SM: Corporate Services 6. Manager:SSS 7. Acting DM: BTO	In progress
Resolved during audit	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved
31-Mar-25	Yes	SM: Technical Services	Awaiting Implementation
31-Mar-25	No	DM: Assets Accountant Assets	Confirmed as resolved

31-Mar-25	Yes	DM: Assets Accountant Assets	Confirmed as resolved
31-Mar-25	Yes	DM: Assets Accountant Assets	Awaiting Implementation
Resolved during audit	No	DM: Assets Accountant Assets	Confirmed as resolved
31-Mar-25	No	DM: Assets Accountant Assets	Confirmed as resolved
31-Mar-25	No	DM: Assets Accountant Assets	Confirmed as resolved
Resolved during audit	No	DM: Assets Accountant Assets	Confirmed as resolved
31-Mar-25	No	DM: Assets Accountant Assets	Awaiting Implementation
Resolved during audit	No	SM: PED DM: Revenue DM: Assets Accountant Assets	Confirmed as resolved

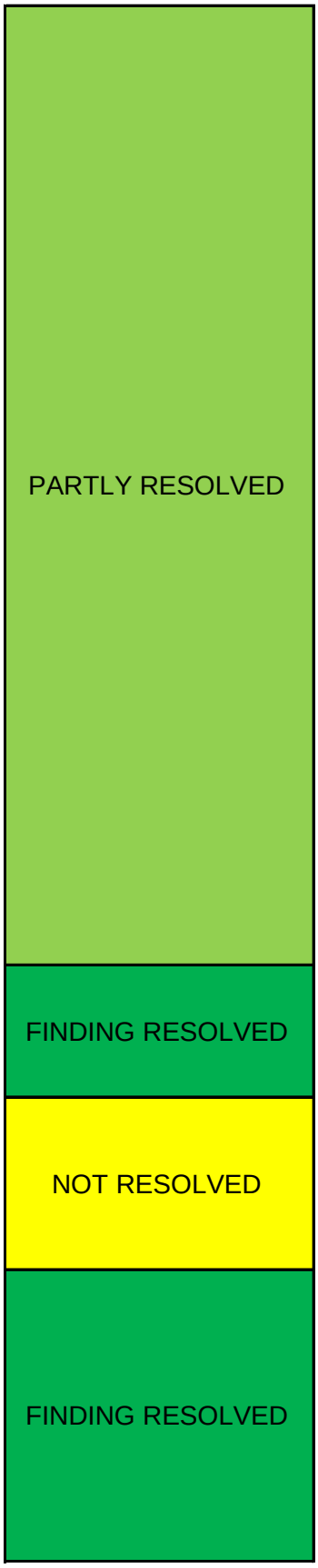
31-Mar-25	No	DM: Assets Accountant Assets	Confirmed as resolved
31-Mar-25	No	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved
Resolved during audit	No	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved
31-Mar-25	Yes	DM: Expenditure Accountant Creditors & VAT	Awaiting Implementation
Resolved during audit	No	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved
31-Mar-25	No	DM: Revenue DM: Expenditure Accountant Creditors & VAT Accountant Credit Control	Awaiting Implementation
31-Mar-25	No	DM: SCM Chief Accountant: SCM	Awaiting Implementation
31-Mar-25	Yes	DM: SCM Chief Accountant: SCM	Awaiting Implementation
31-Mar-25	No	DM: SCM Chief Accountant: SCM	Awaiting Implementation

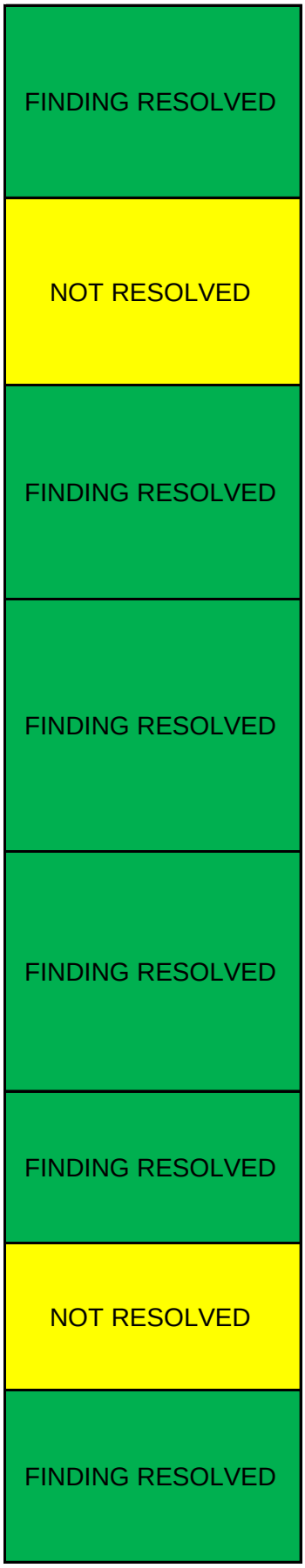
31-Mar-25	No	DM: SCM Chief Accountant: SCM	Confirmed as resolved
Resolved during audit	No	DM: SCM Chief Accountant: SCM	Confirmed as resolved
31-Mar-25	No	DM: SCM Chief Accountant: SCM	Awaiting Implementation
Resolved during audit	No	DM: SCM Chief Accountant: SCM	Confirmed as resolved
31-Mar-25	No	DM: SCM Chief Accountant: SCM	Awaiting Implementation
Resolved during audit	Yes	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved
Resolved during audit	No	DM: Revenue Accountant Credit Control	Confirmed as resolved
Resolved during audit	No	DM: Revenue, DM: Licensing, Acting DM: Traffic & Safety, Accountant Credit Control	Confirmed as resolved

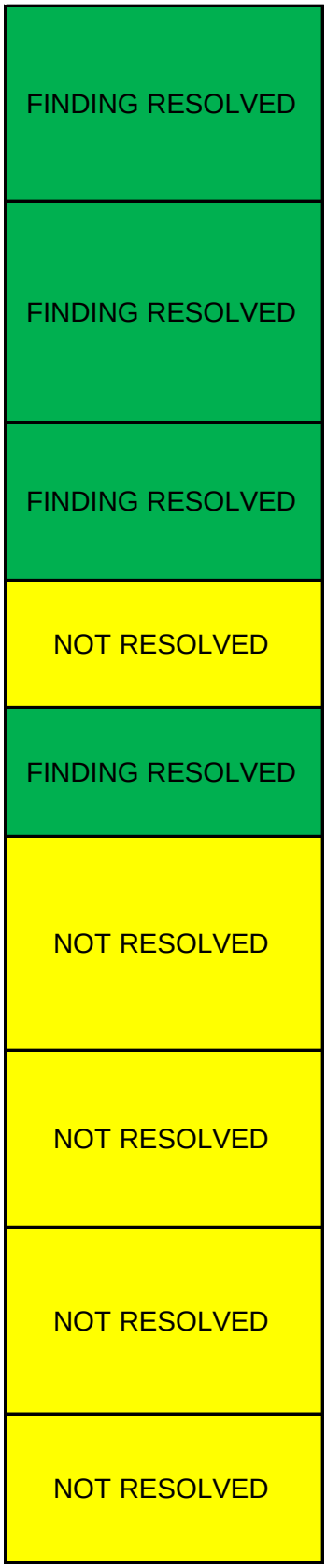
Resolved during audit	No	DM: Revenue, DM: Licensing, Acting DM: Traffic & Safety, Accountant Credit Control	Confirmed as resolved
Resolved during audit	Yes	DM: Revenue, DM: Licensing, Acting DM: Traffic & Safety, Accountant Credit Control	Confirmed as resolved
Resolved during audit	No	Acting SM: Corporate Services DM: Expenditure	Confirmed as resolved
31-Mar-25	No	DM: Revenue DM: Expenditure Accountant Credit Control	Confirmed as resolved
Resolved during audit	No	DM: Revenue, DM: Licensing, Acting DM: Traffic & Safety, Accountant Credit Control	Confirmed as resolved
31-Mar-25	No	DM: Revenue Accountant Credit Control	Awaiting Implementation
Resolved during audit	No	DM: Revenue DM: Expenditure Accountant Credit Control	Confirmed as resolved

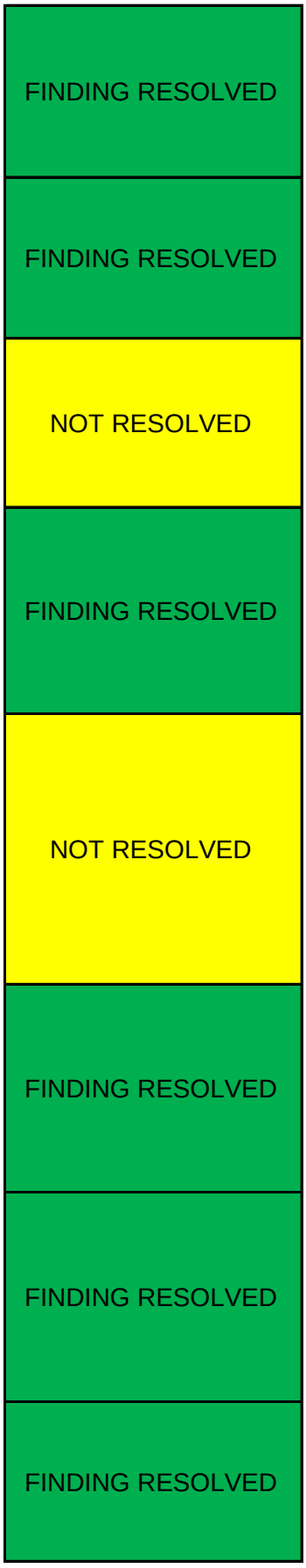
31-Mar-25	Yes	DM: Revenue Accountant Credit Control	Awaiting Implementation
31-Mar-25	No	DM: Expenditure Accountant Creditors & VAT	Confirmed as resolved
31-Mar-25	Yes	DM: Expenditure Acting DM: BTO	Confirmed as resolved
31-Mar-25	No	DM: Revenue Accountant Credit Control	Confirmed as resolved
Resolved during audit	No	DM: Assets Accountant Assets	Confirmed as resolved

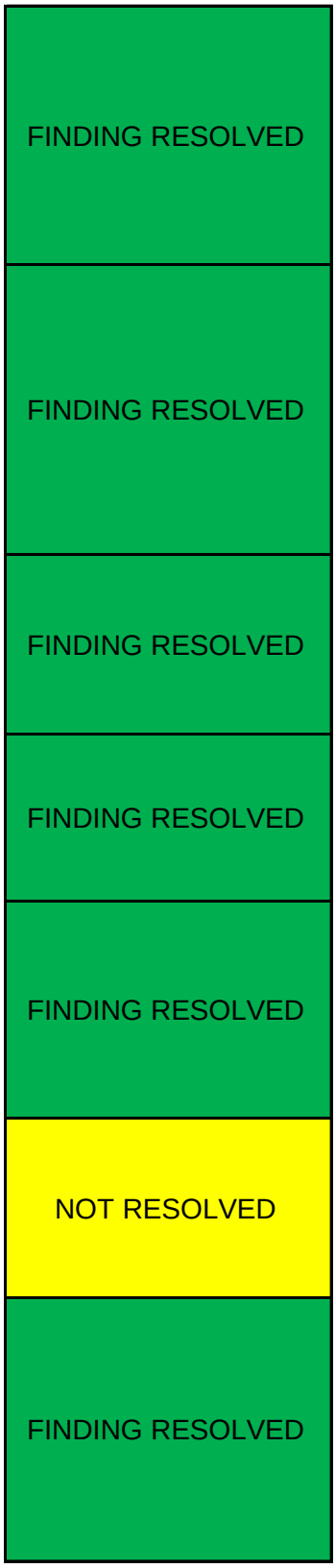
Resolved/not resolved and in progress
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NOT RESOLVED
FINDING RESOLVED

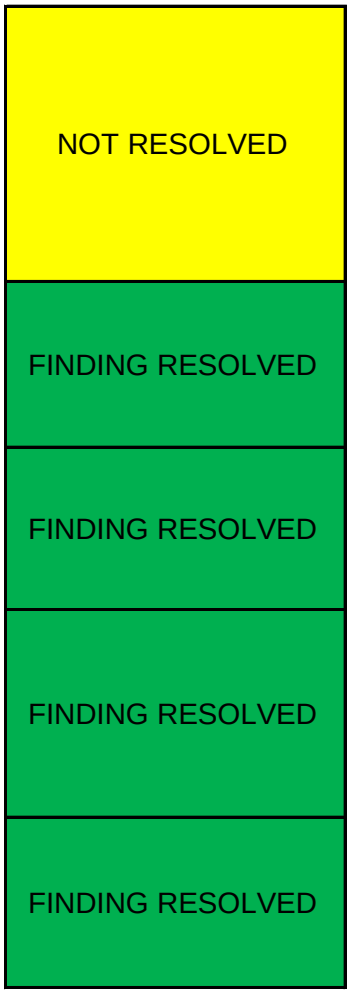

PARTLY RESOLVED
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IN PROGRESS
NOT RESOLVED
PARTLY RESOLVED

BELA-BELA LOCAL MUNICIPALITY APPROVED ORGANIZATIONAL STRUCTURE 2023-2028

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MAYOR'S OFFICE ORGANOGRAM

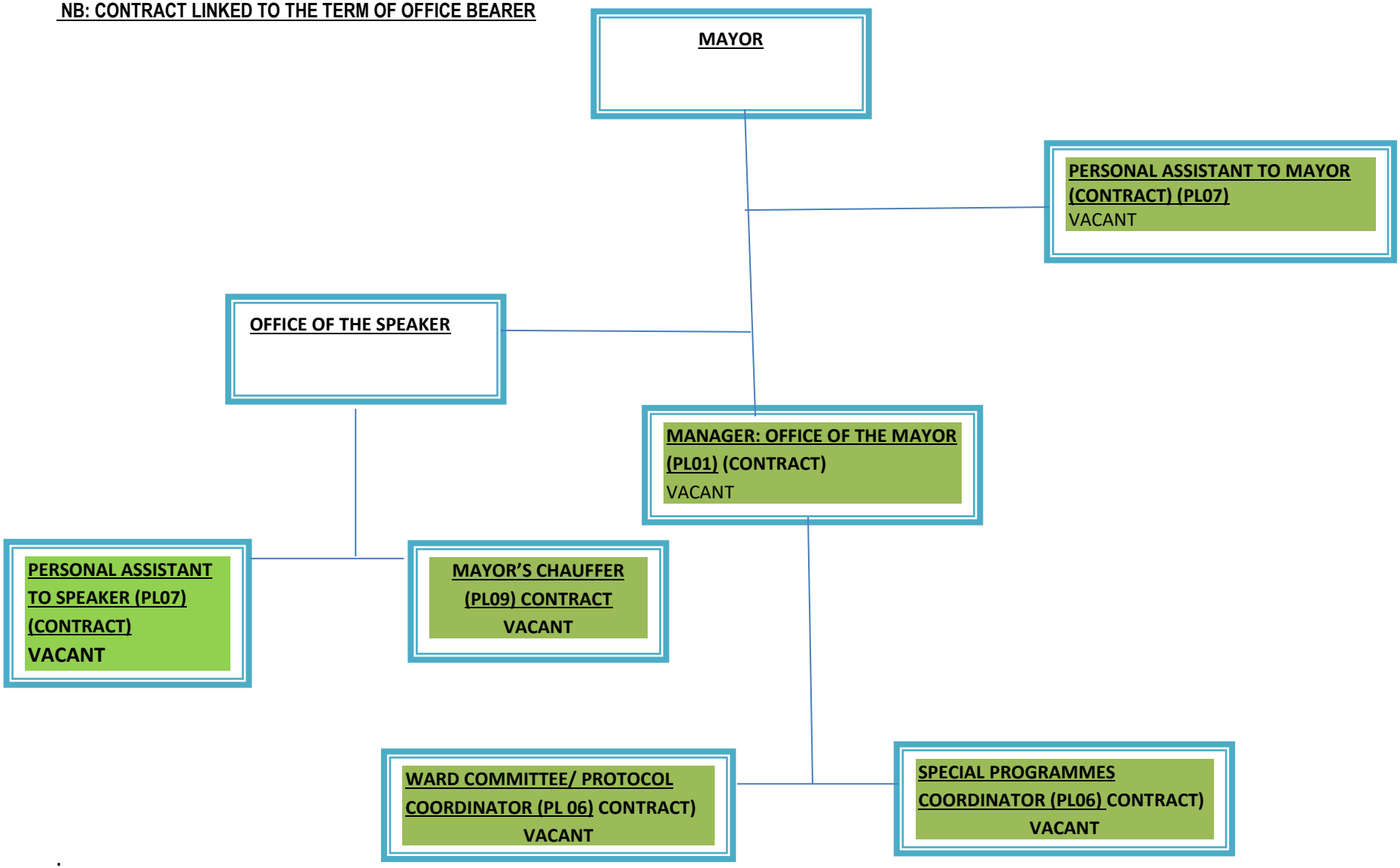
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF THE MAYOR
Purpose: To provide administrative support for political office bearers to enhance provision of Municipal Services. Functions: 1. Render administrative support to the offices of political office bearers. 2. Facilitate special programmes activities for the municipality 3. Monitor and evaluate project implementation 4. Coordinate activities of the ward committees
Posts 1x Manager: Office of the Mayor 1x Personal Assistant to the Mayor 1x Personal Assistant to the Speaker 1x Ward Committee /Protocol Coordinator' 1x Special Programmes Coordinator

FUNDED VACANT POST	**VACANT UNFUNDED**	**CONTRACT FUNDED**

ORGANOGRAM- OFFICE OF THE MAYOR /SPEAKER

NB: CONTRACT LINKED TO THE TERM OF OFFICE BEARER



:

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MUNICIPAL MANAGER'S OFFICE ORGANOGRAM

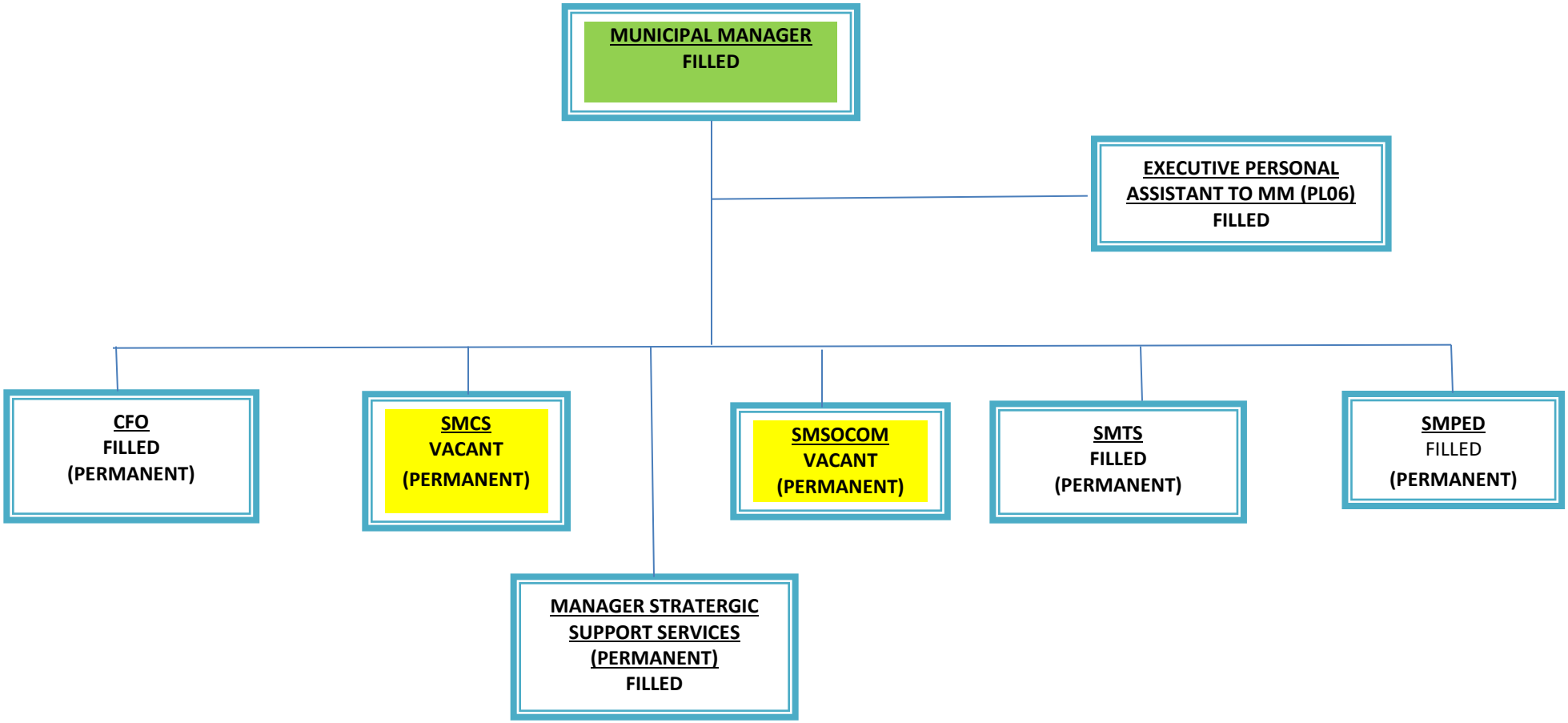
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF THE MUNICIPAL MANAGER

OFFICE OF THE MUNICIPAL MANAGER
Purpose: To ensure responsible policy direction and development of economical, effective, efficient, and accountable administration Functions: 1. Maintain effective, efficient, and transparent systems of financial and risk management and internal control. 2. Maintain effective and efficient and transparent systems of internal auditing 3. Coordinate integrated development planning 4. Implement municipal performance management systems. 5. Provide strategic management of infrastructure development, municipal public works, and basic communities. 6. Provide Strategic management for community services.
Posts 1x Municipal Manager 1x Personal Assistant to the Municipal Manager 1x Manager Strategic Support Services 1x Senior Manager Technical Services 1x Senior Manager Social and Community Services 1x Senior Manager Planning and Economic Development 1x Senior Manager Corporate Services 1x Chief Financial Officer

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM – MUNICIPAL MANAGER'S OFFICE DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

MANAGER STRATERGIC SUPPORT SERVICES

Purpose: To o lead and manage institutional strategy and performance

Functions:

1. Manage and coordinate the development and review of the IDP.
2. Manage and coordinate organizational performance management services.
3. Manage Internal Audit services.
4. Provide strategic operational risk and compliance
5. Provide strategic support to municipal departments.

DIVISION: COMMUNICATIONS AND PUBLIC PARTICIPATION

Purpose: To manage municipal communications and render customer services

Functions:

1. Manage internal and external communications
2. Provide content for media liaison
3. Provide branding, advertising, and marketing services
4. Provide events management services
5. Coordinate and Facilitate Customer Care services to the Community
6. Coordinate public participation and stakeholder engagement
7. Render switchboard and reception services.

DIVISION: INTERGRATED DEVELOPMENT PLANNING

Purpose: To coordinate organizational Strategy and IDP

Functions:

1. Develop and implement organizational strategy.
2. Coordinate the development of IDP.
3. Coordinate review and implementation of IDP.

DIVISION: PERFOMANCE MONITORING AND EVELAUTION

Purpose: To coordinate Organizational Performance services.

Functions:

1. Develop and monitor organizational performance KPA's.
2. Align organizational KPA'sinto departmental SDBIPs.
3. Coordinate and ensure implementation of organizational performance.

DIVISION: INTERNAL AUDITING

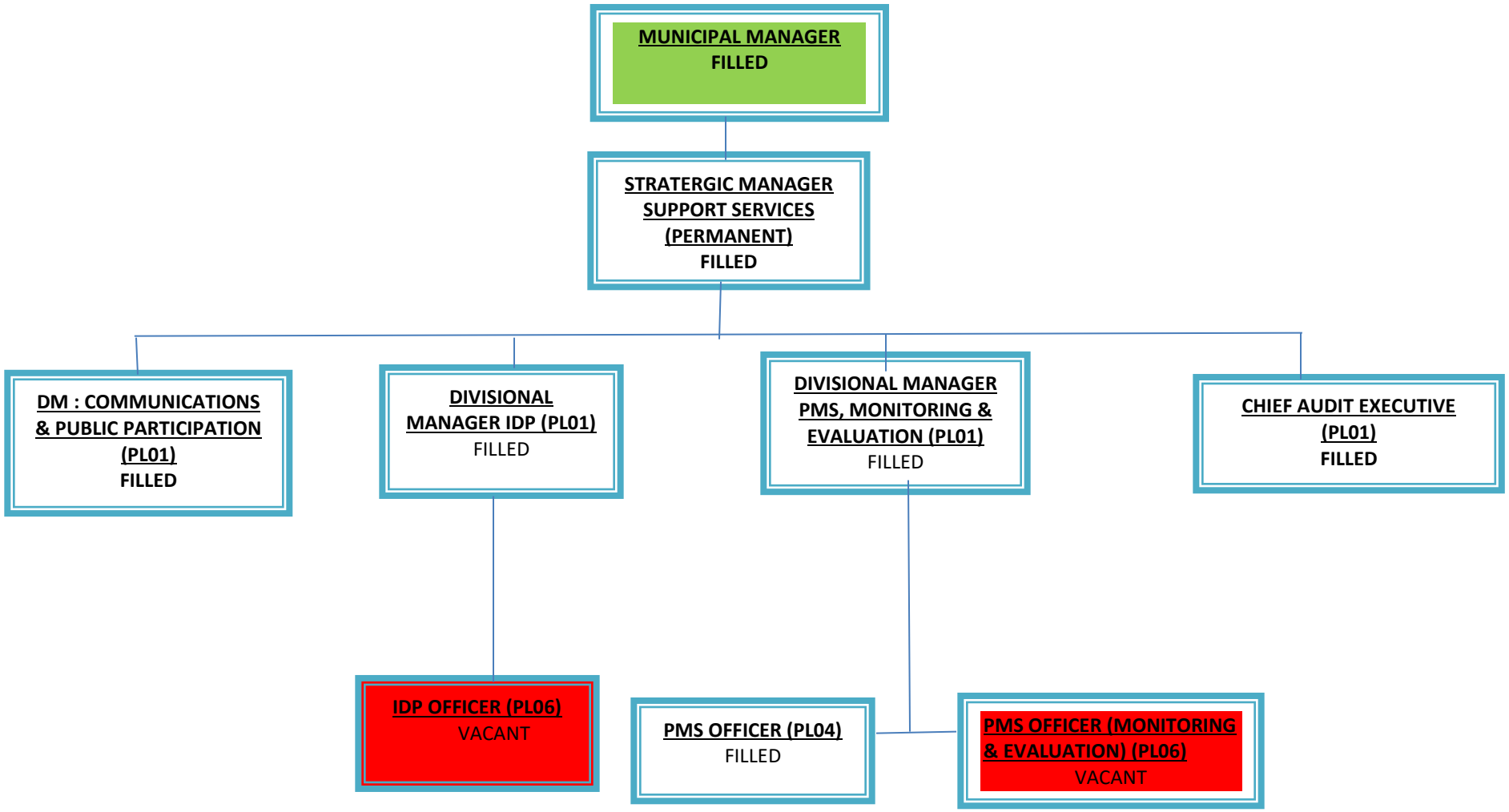
Purpose: To provide risk based internal audit and risk management services.

Functions:

1. Provide internal audit services
2. Manage the compilation of the internal audit plan.
3. Manage and oversee the implementation of the internal
4. audit plan.
5. Provide management reviews on audit.
6. Develop risk management strategy and compilation of fraud prevention plan.
7. Manage the identification of strategic and operational risks.
8. Implement Municipal Fraud Prevention Plan.
9. Provide research services.

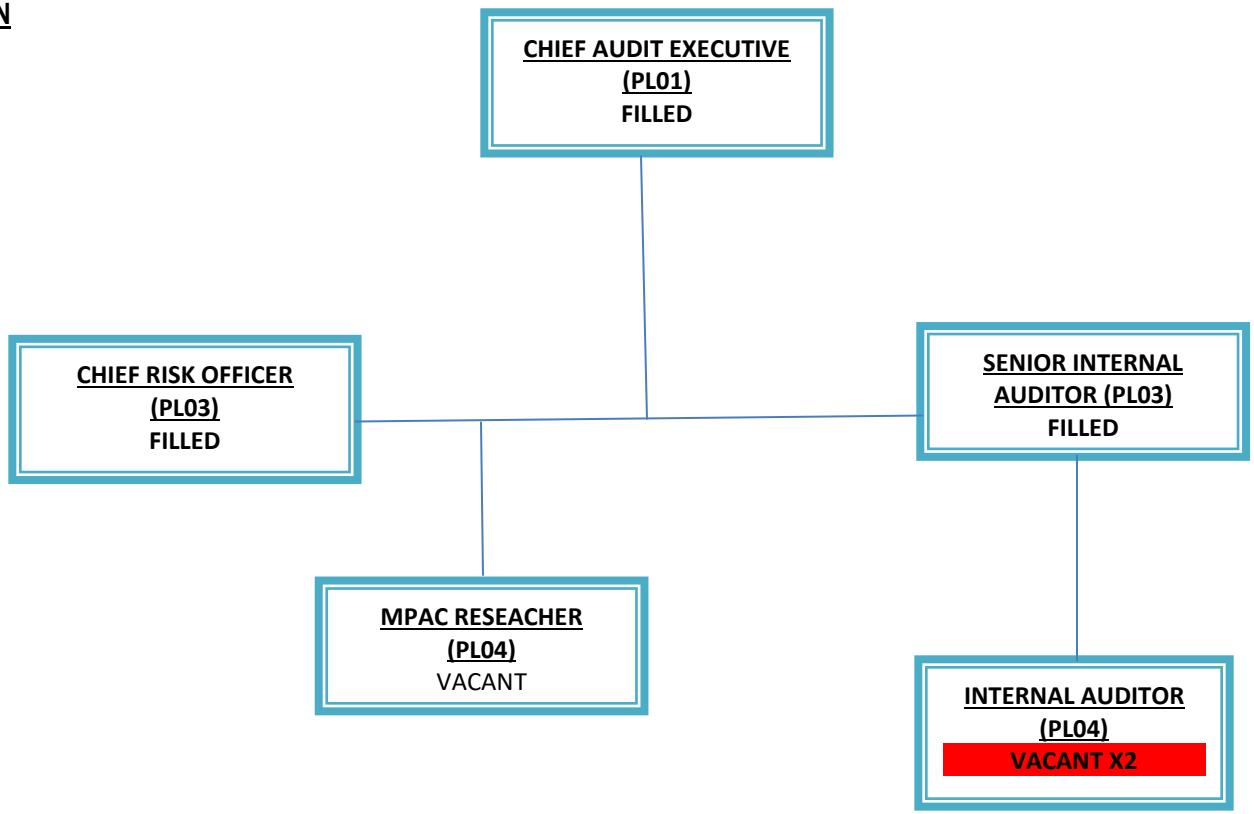
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ORGANOGRAM – OFFICE OF THE MUNICIPAL MANAGER



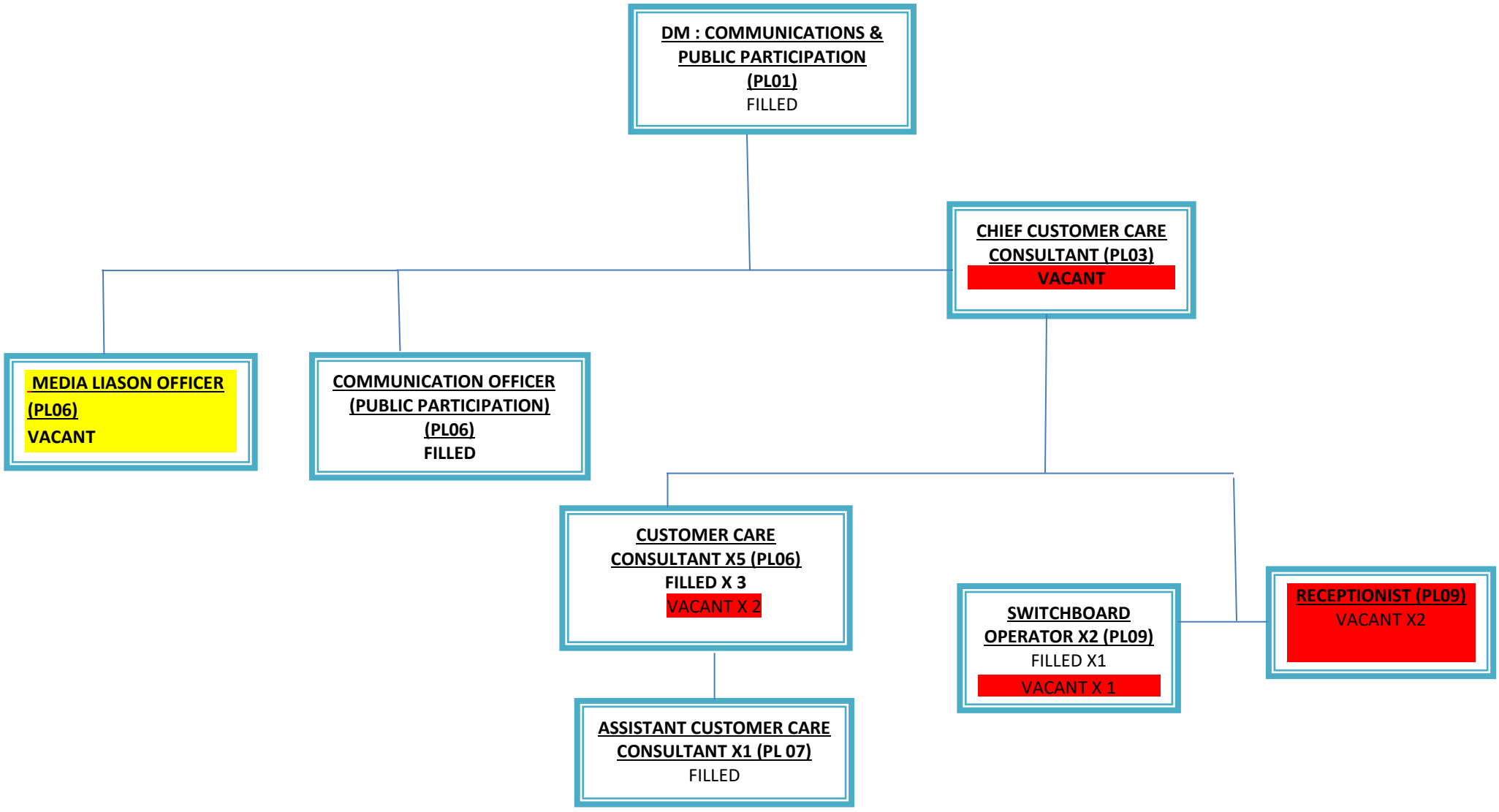
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INTERNAL AUDIT DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

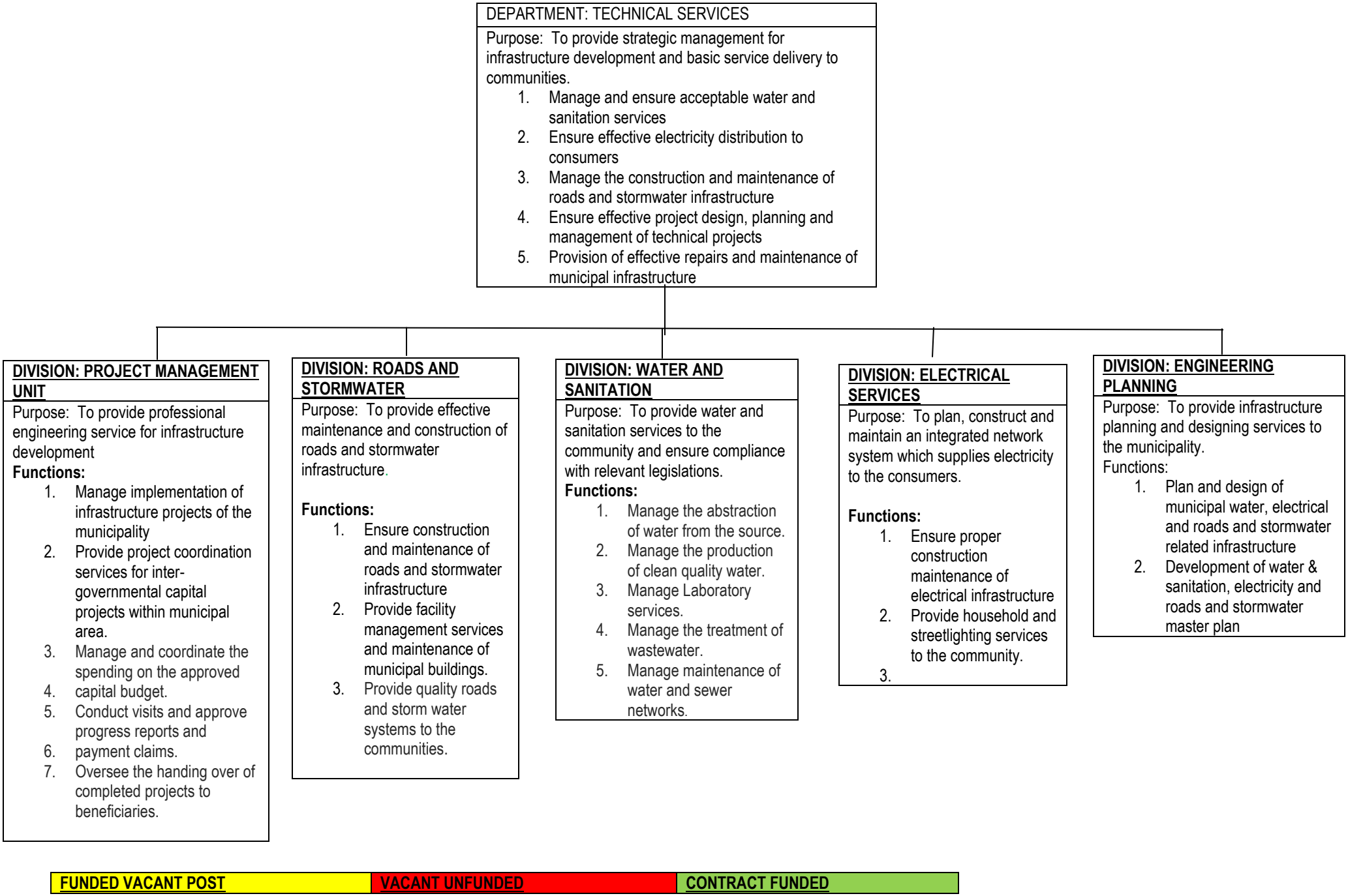
ORGANOGRAM- COMMUNICATION DIVISION



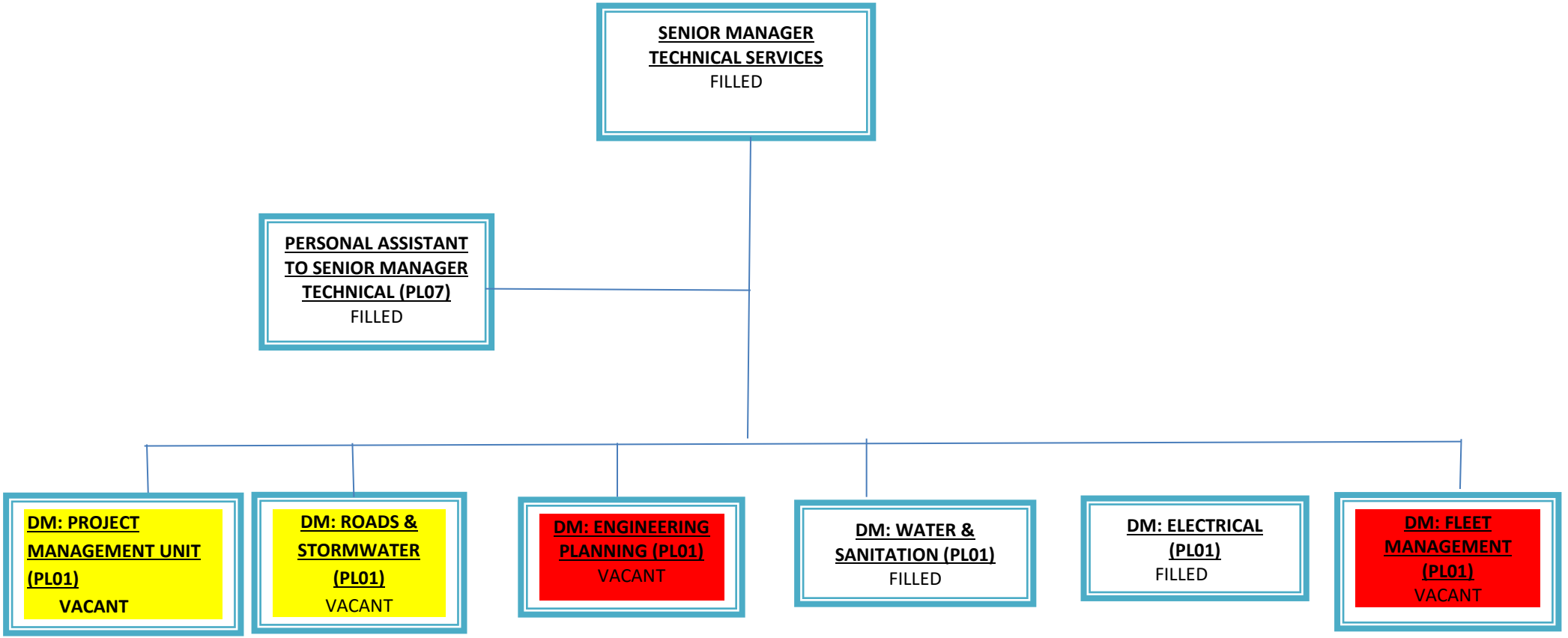
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

TECHNICAL SERVICE'S OFFICE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

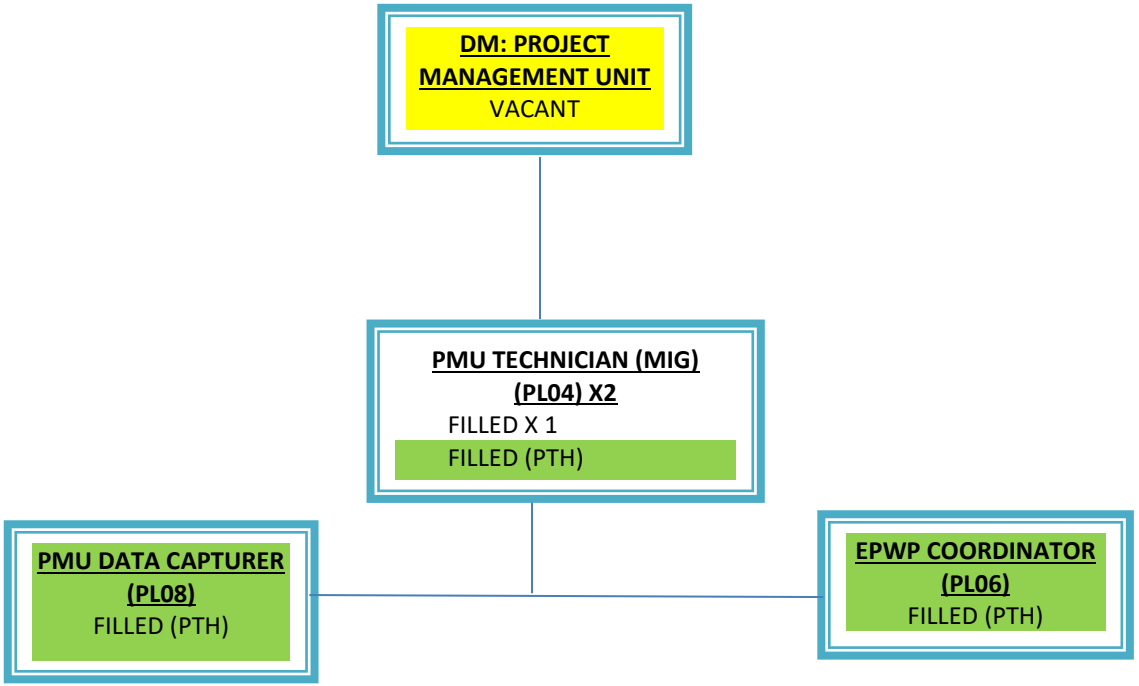

DEPARTMENT: TECHNICAL SERVICES
Purpose: To provide strategic management for infrastructure development and basic service delivery to communities.
1. Manage and ensure acceptable water and sanitation services
2. Ensure effective electricity distribution to consumers
3. Manage the construction and maintenance of roads and stormwater infrastructure
4. Ensure effective project design, planning and management of technical projects
5. Provision of effective repairs and maintenance of municipal infrastructure
DIVISION: PROJECT MANAGEMENT UNIT
Purpose: To provide professional engineering service for infrastructure development
Functions:
1. Manage implementation of infrastructure projects of the municipality
2. Provide project coordination services for inter-governmental capital projects within municipal area.
3. Manage and coordinate the spending on the approved
4. capital budget.
5. Conduct visits and approve progress reports and
6. payment claims.
7. Oversee the handing over of completed projects to beneficiaries.
DIVISION: ROADS AND STORMWATER
Purpose: To provide effective maintenance and construction of roads and stormwater infrastructure.
Functions:
1. Ensure construction and maintenance of roads and stormwater infrastructure
2. Provide facility management services and maintenance of municipal buildings.
3. Provide quality roads and storm water systems to the communities.
DIVISION: WATER AND SANITATION
Purpose: To provide water and sanitation services to the community and ensure compliance with relevant legislations.
Functions:
1. Manage the abstraction of water from the source.
2. Manage the production of clean quality water.
3. Manage Laboratory services.
4. Manage the treatment of wastewater.
5. Manage maintenance of water and sewer networks.
DIVISION: ELECTRICAL SERVICES
Purpose: To plan, construct and maintain an integrated network system which supplies electricity to the consumers.
Functions:
1. Ensure proper construction maintenance of electrical infrastructure
2. Provide household and streetlighting services to the community.
3.
DIVISION: ENGINEERING PLANNING
Purpose: To provide infrastructure planning and designing services to the municipality.
Functions:
1. Plan and design of municipal water, electrical and roads and stormwater related infrastructure
2. Development of water & sanitation, electricity and roads and stormwater master plan
FUNDED VACANT POST
VACANT UNFUNDED
CONTRACT FUNDED

ORGANOGRAMS – MANAGER TECHNICAL SERVICES



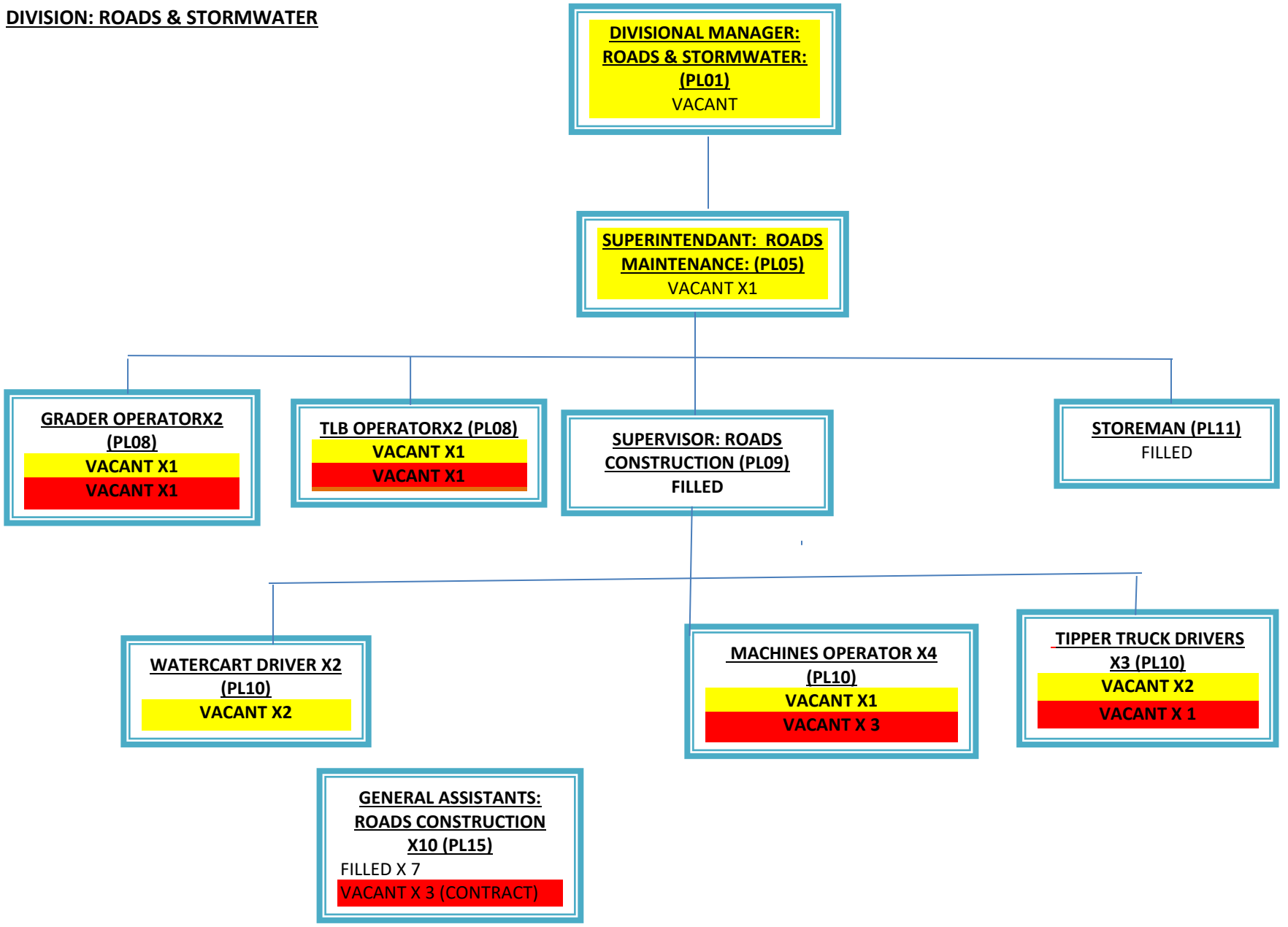
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PROJECT MANAGEMENT UNIT

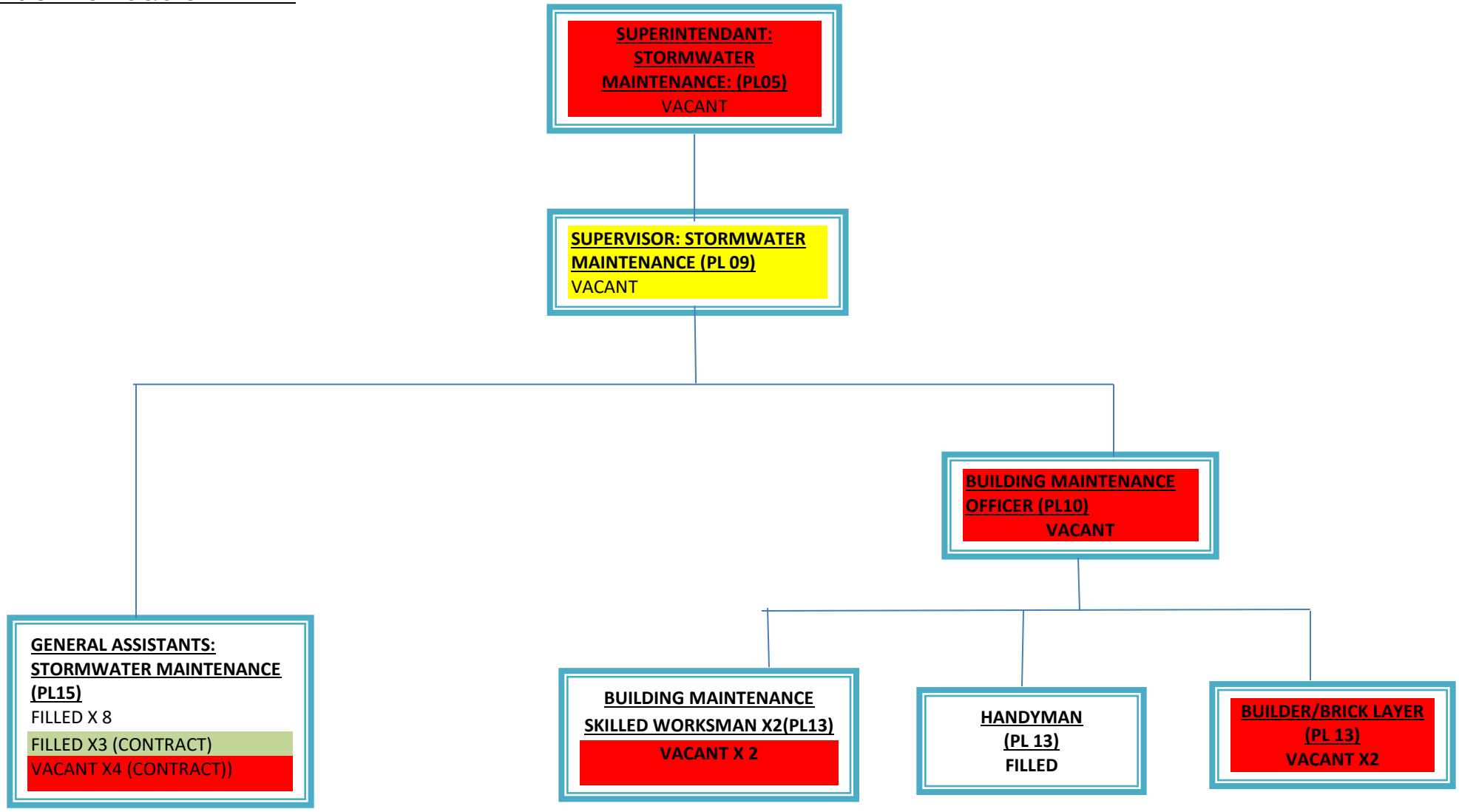


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DIVISION: ROADS & STORMWATER

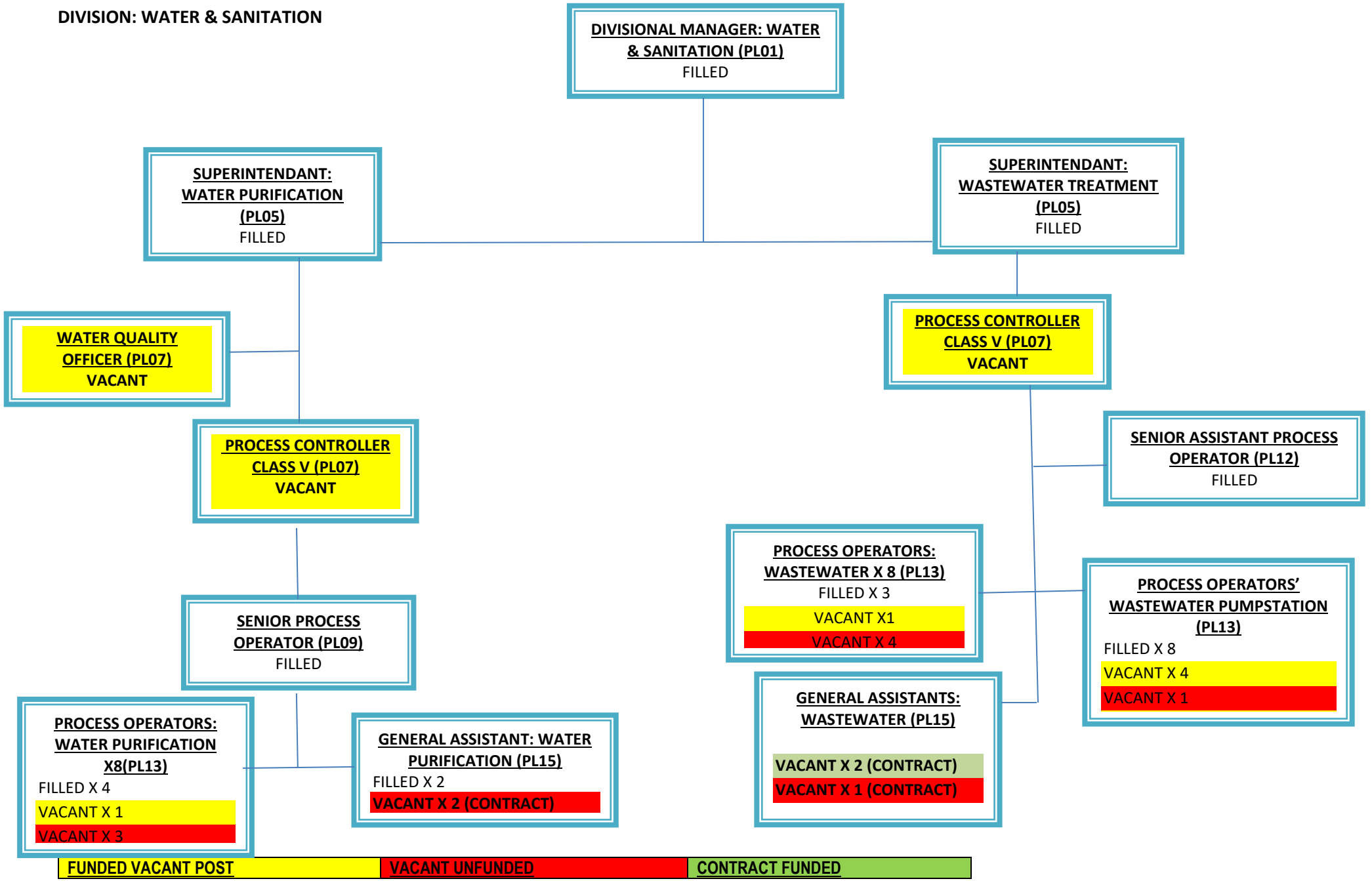


DIVISION: ROADS & STORMWATER

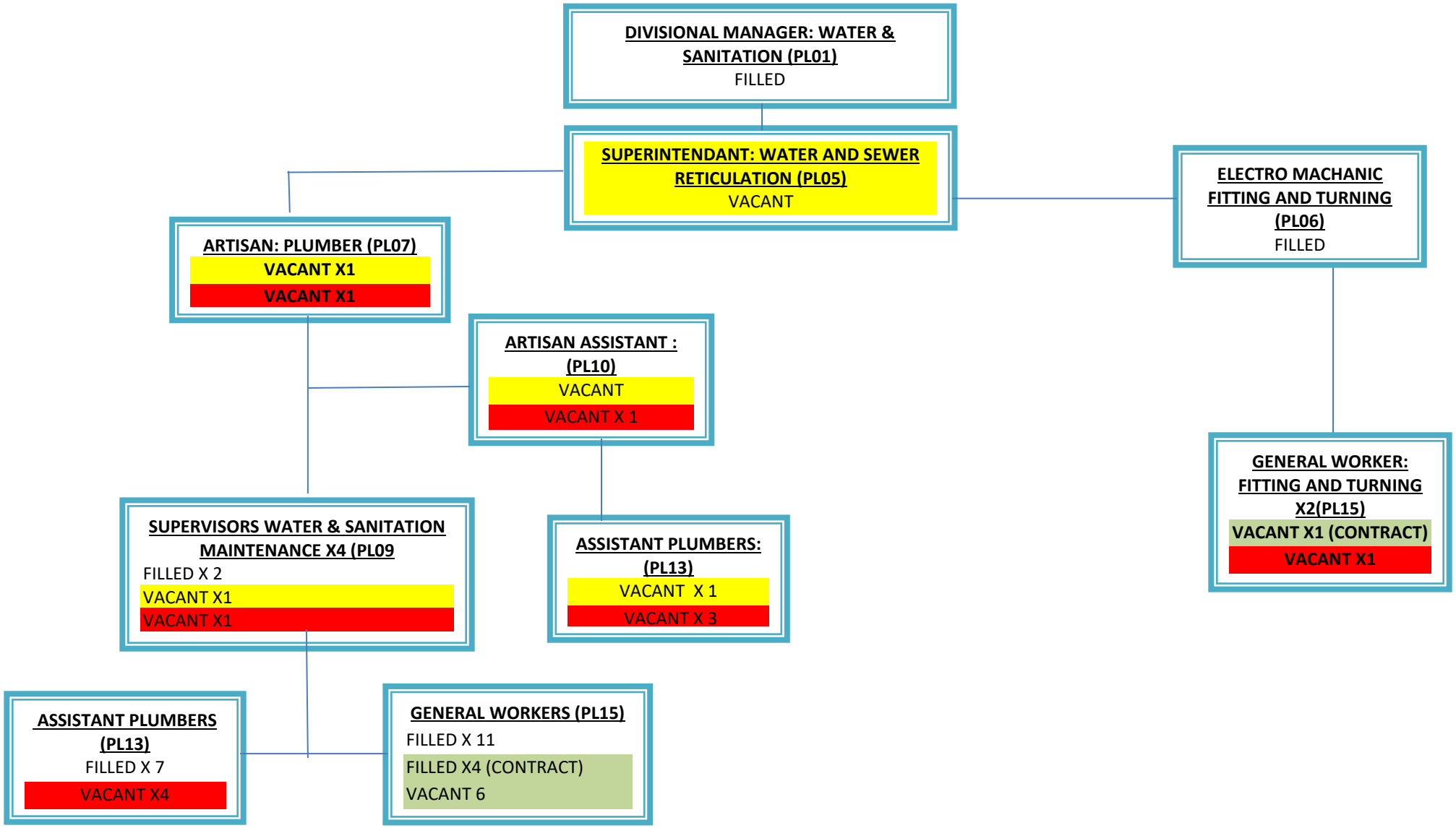


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DIVISION: WATER & SANITATION

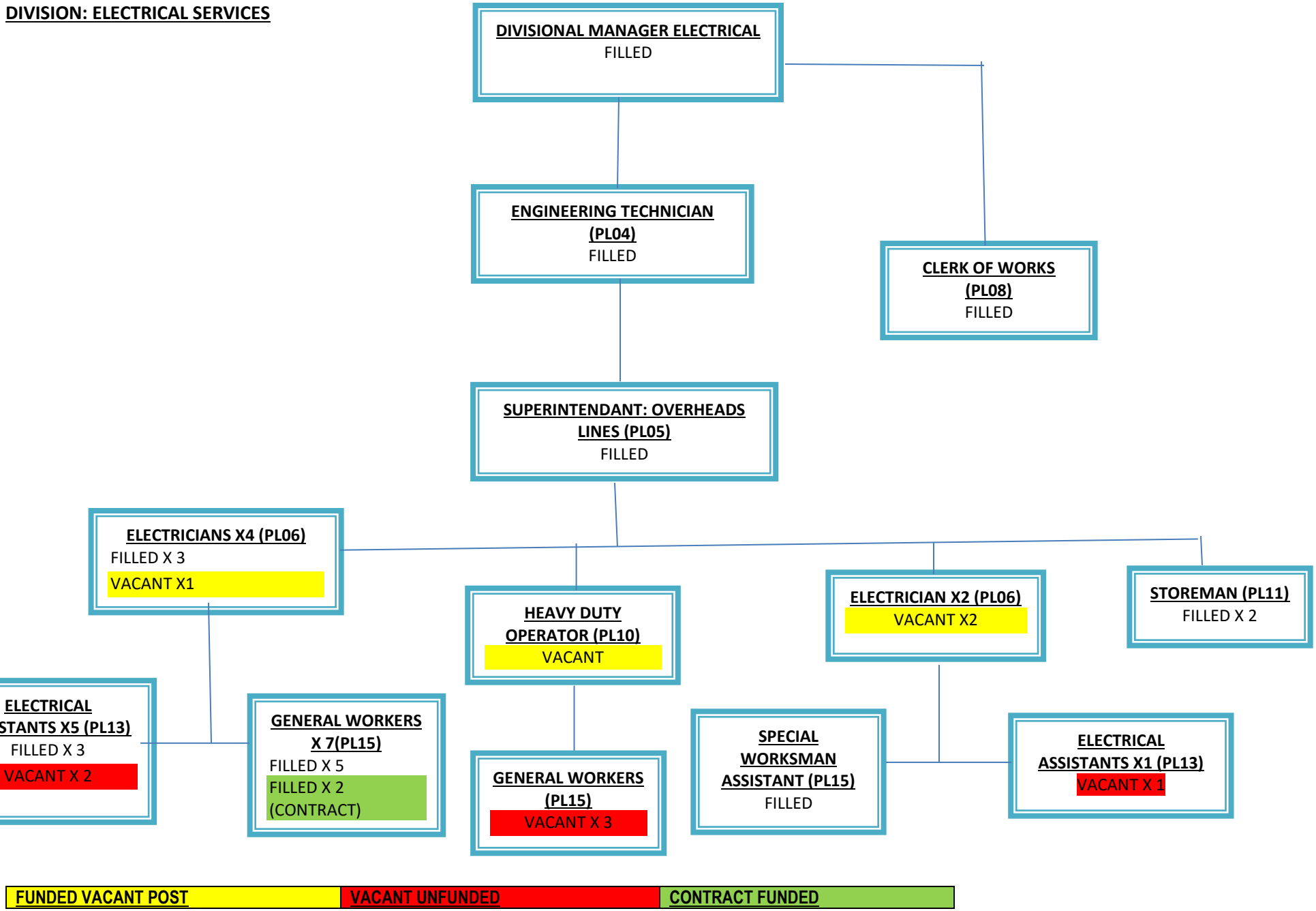


DIVISION: WATER & SANITATION (CONTINUED)

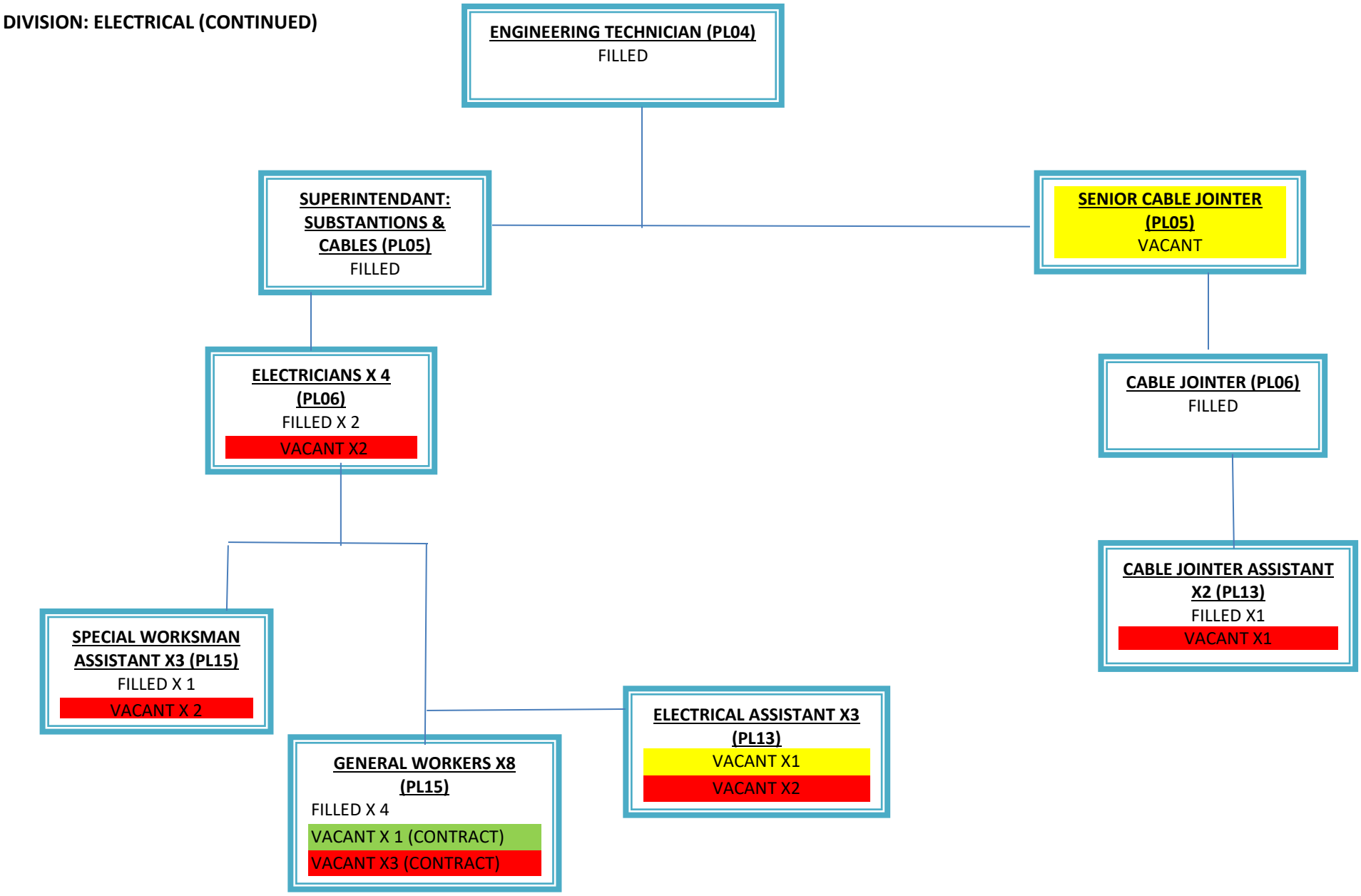


FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

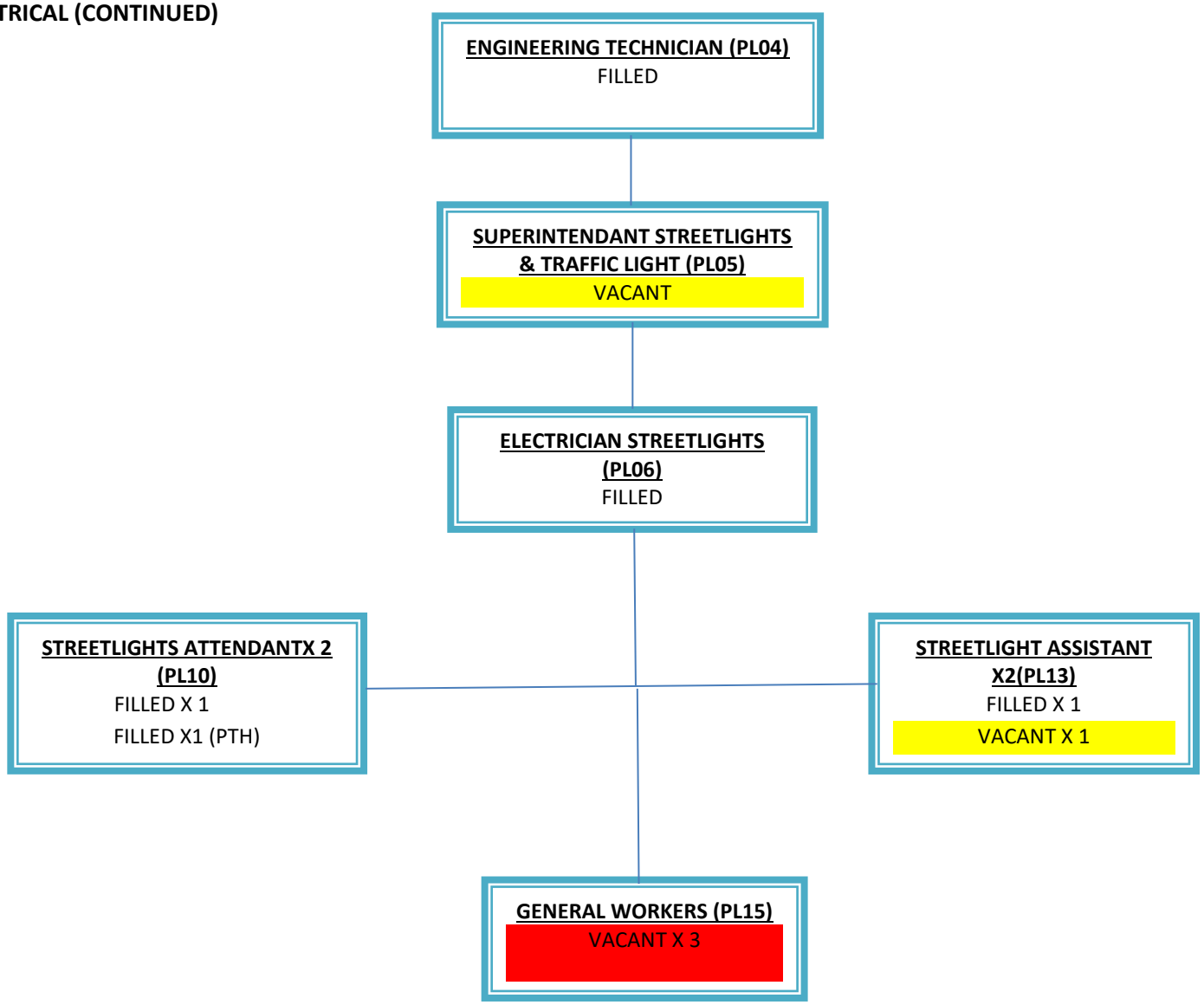
DIVISION: ELECTRICAL SERVICES



DIVISION: ELECTRICAL (CONTINUED)

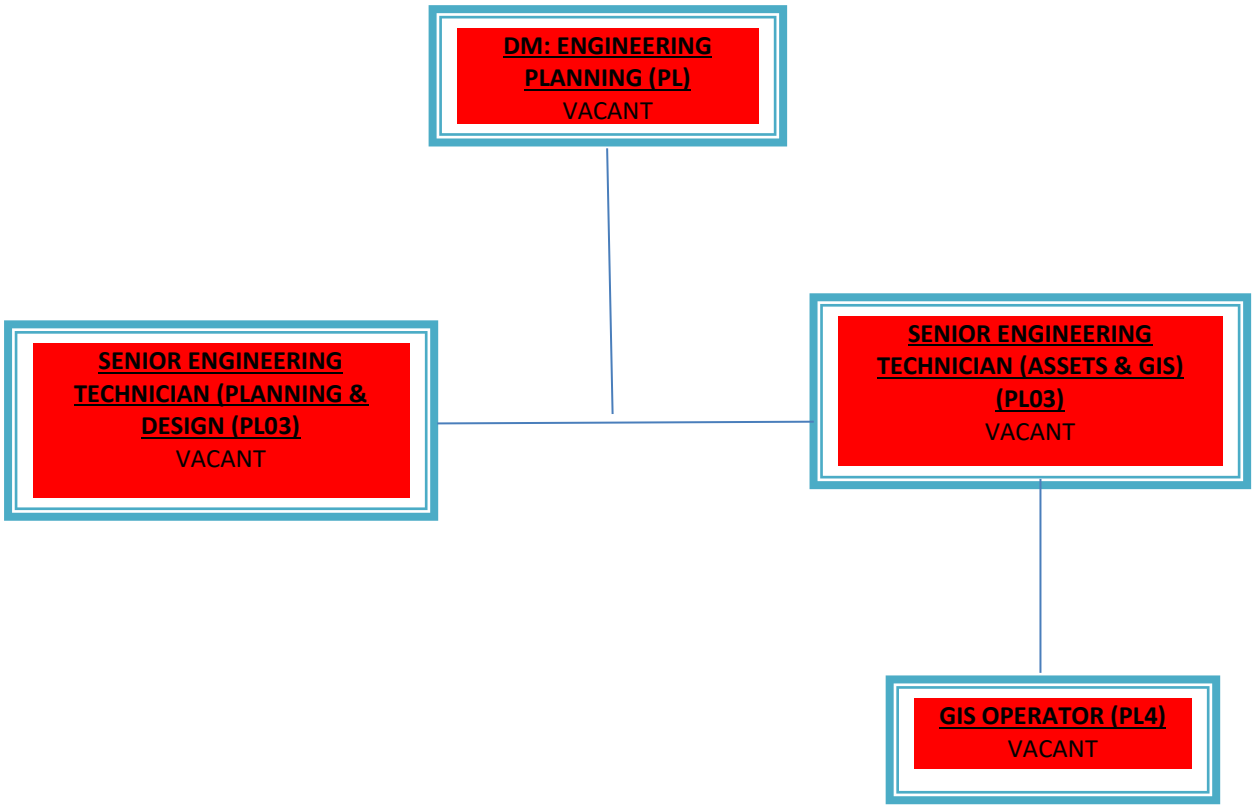


DIVISION: ELECTRICAL (CONTINUED)



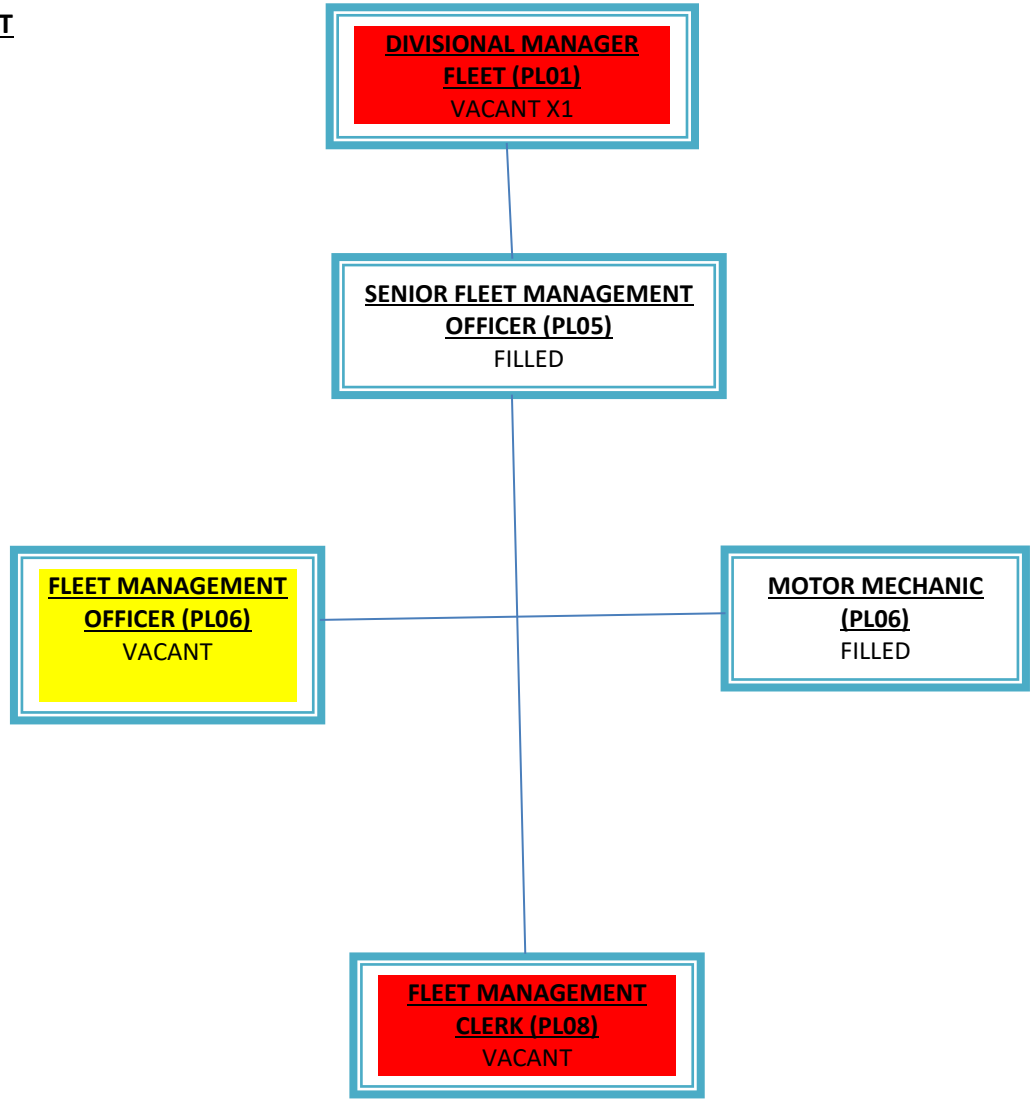
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

ENGINEERING PLANNING DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: FLEET MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

SOCIAL & COMMUNITY SERVICES ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: SOCIAL & COMMUNITY SERVICES

Purpose: To provide strategic management of social and community services

Functions:

1. Manage Public Safety and security management services
2. Manage Licensing and registration services.
3. Provide waste and environmental management services.
4. Provide sport arts and culture services
5. Manage and maintain Parks, Cemeteries services.

DIVISION: PARKS, CEMETERIES AND COMMUNITY FACILITIES

Purpose: To render parks, cemeteries, and recreational facilities management services.

Functions:

1. Manage and oversee Parks and Open Spaces.
2. Manage and coordinate the growing of plants and flowers.
3. Manage and oversee the cutting of grown-up grass and trees.
4. Manage the provision of cemetery services

DIVISION: SPORT, ARTS AND CULTURE

Purpose: To provide sports, recreation, arts and culture facilitation and development within the municipality.

Functions:

1.Manage the procurement, lending, and use of library material.
2.Manage user education and promote reading.
3.Provide support in the establishment of new libraries.
4.Coordinate and support various sporting activities and sports federations.
5.Coordinates arts and culture activities

DIVISION: PUBLIC SAFETY

Purpose: To coordinate traffic law enforcement and security services to the municipality.

Functions:

1. Render traffic law enforcement operations.
2. Coordinate and oversee the issuing of the infringement notice to offenders.
3. Monitor the court outcomes regarding the infringement notice
4. Coordinate and provide security and disaster management services
5. Provide by-law enforcement services
6. Provide road safety education to citizens within municipal area.
7. Maintain road marking/signs.

DIVISION: LICENSING AND REGISTRATION

Purpose: To provide licensing and registration services.

Functions:

1. Coordinate and oversee the motor vehicle registration and licensing services.
2. Coordinate and oversee the learner and driver testing.
3. Coordinate and oversee the driver license renewal services.

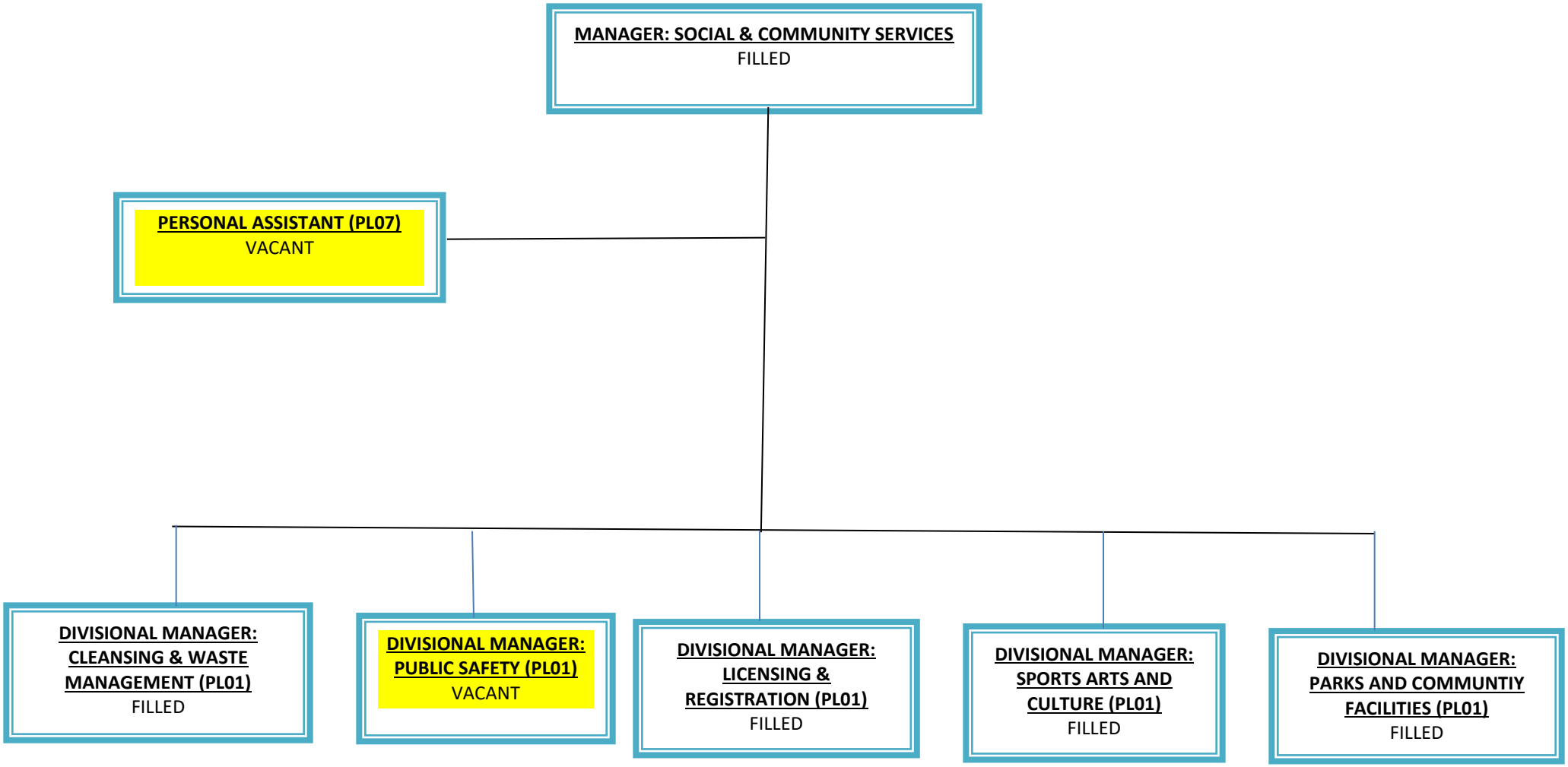
DIVISION: CLEANSING AND WASTE MANAGEMENT

Purpose: To provide solid waste Management services to the Municipality.

Functions:

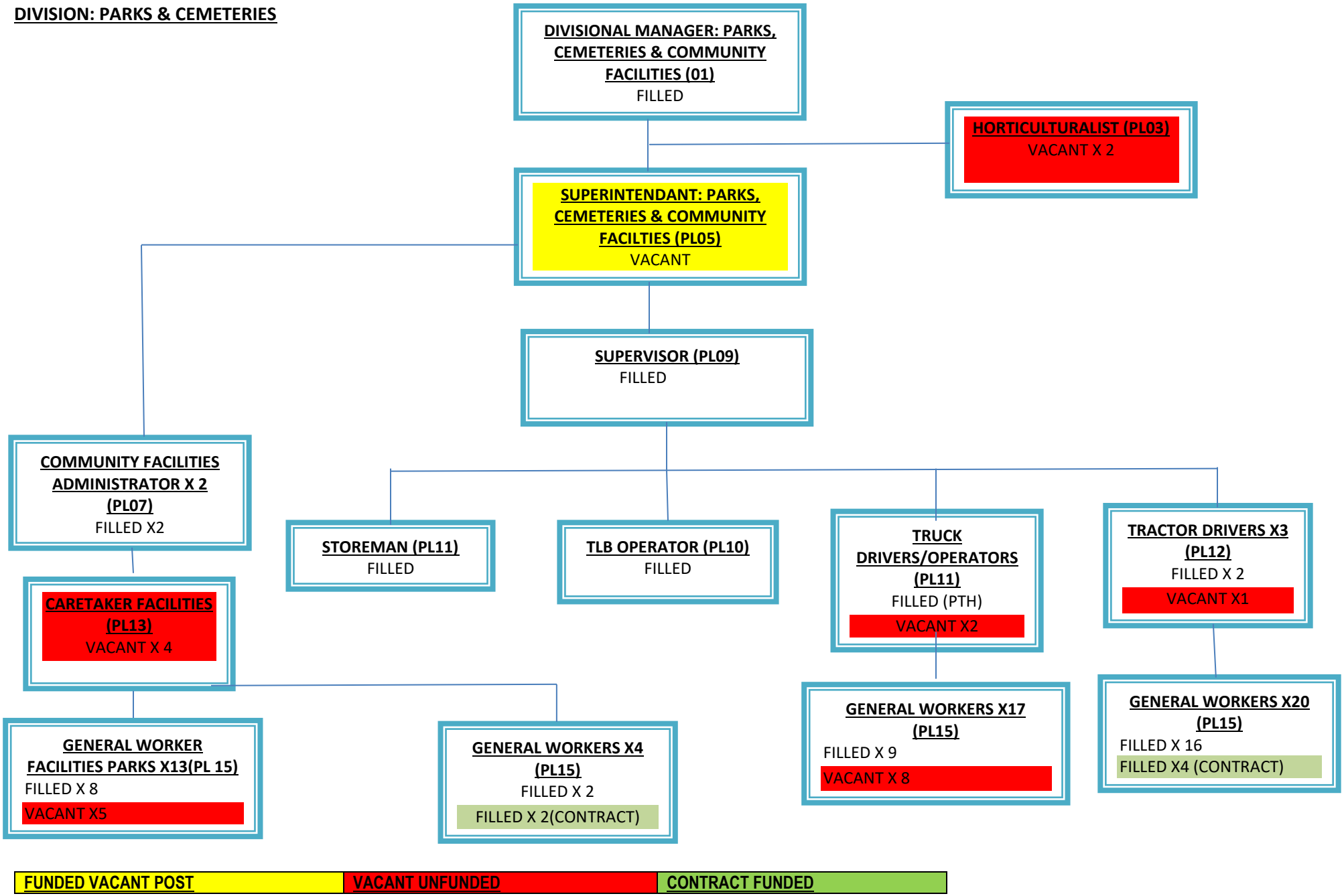
1. Manage and oversee the collection and transportation of solid waste.
2. Manage and oversee the treatment and disposal of solid waste.
3. Manage and oversee the recycling of solid waste.
4. Manage and coordinate the compilation of the Integrated Waste Management Plan.
5. To provide compliance monitoring and enforcement.

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED



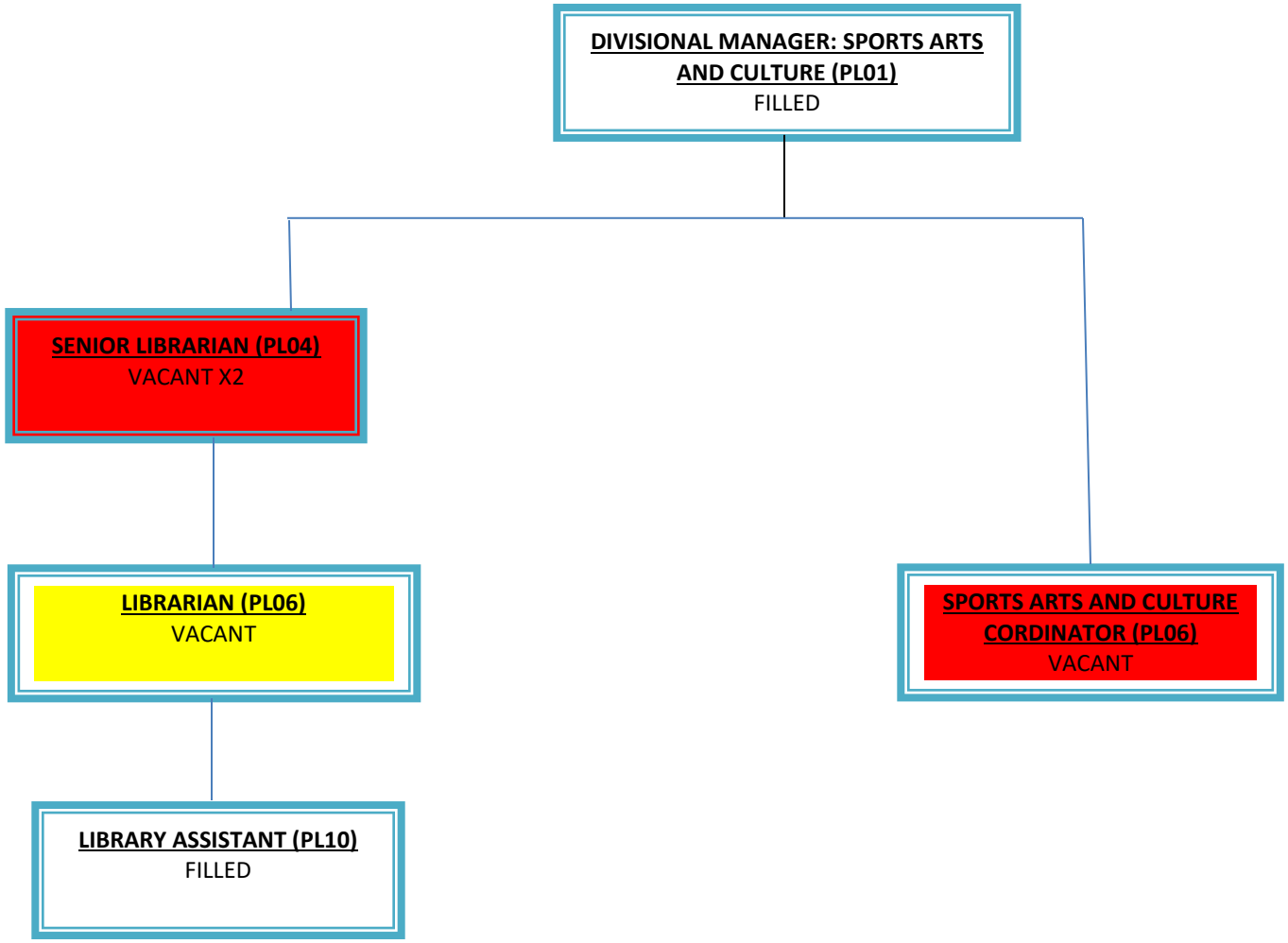
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PARKS & CEMETERIES



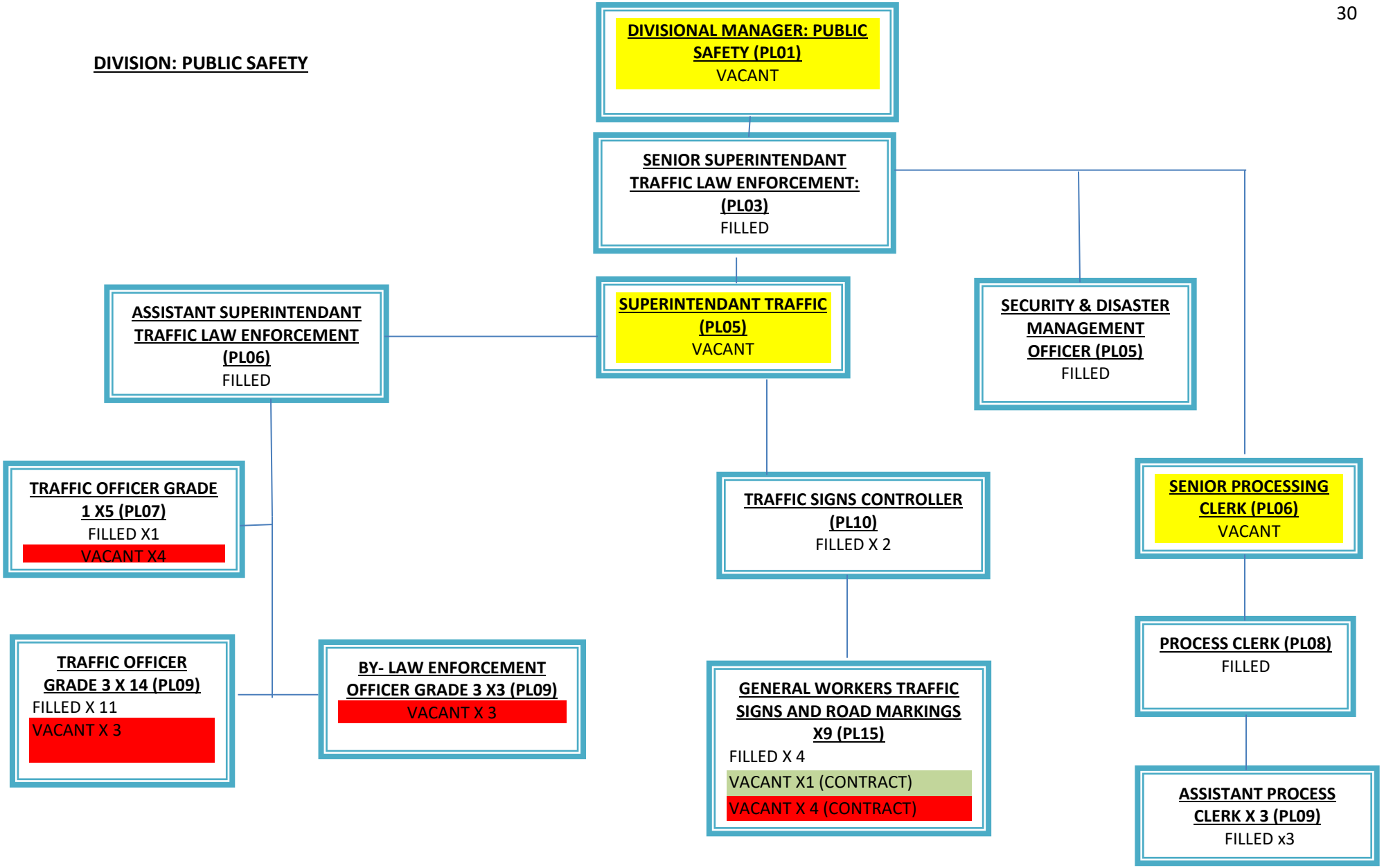
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: SPORTS ARTS AND CULTURE



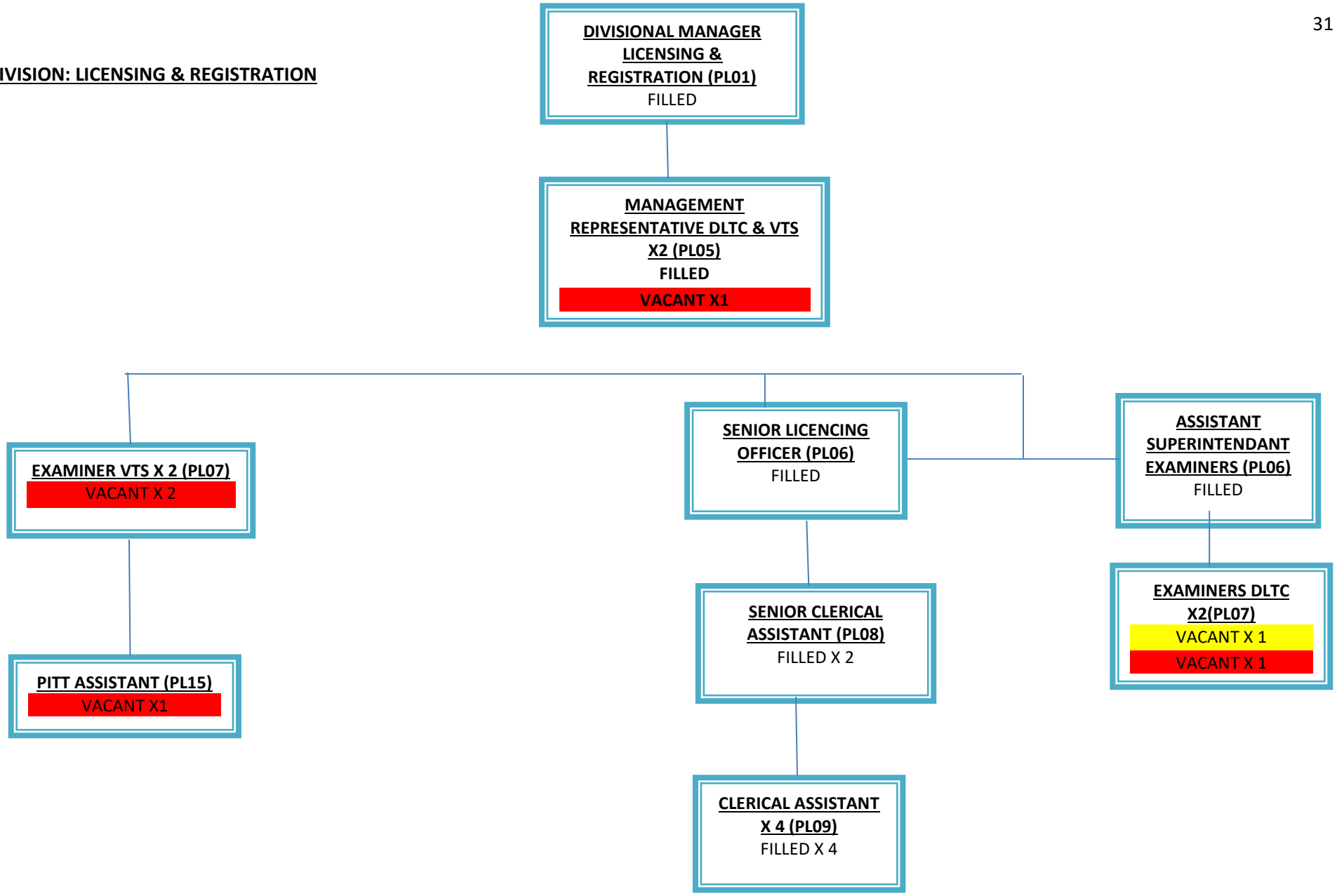
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PUBLIC SAFETY



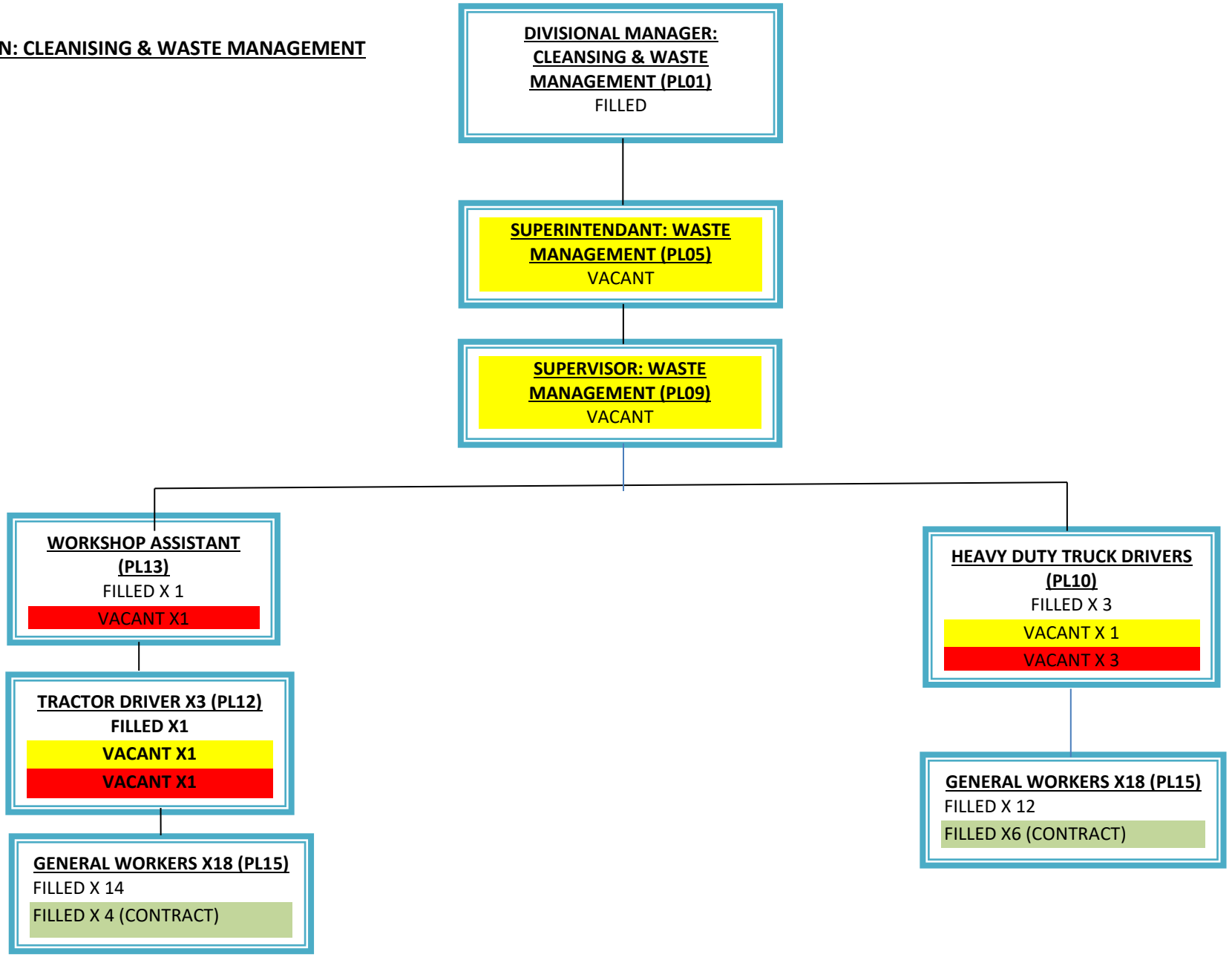
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: LICENSING & REGISTRATION



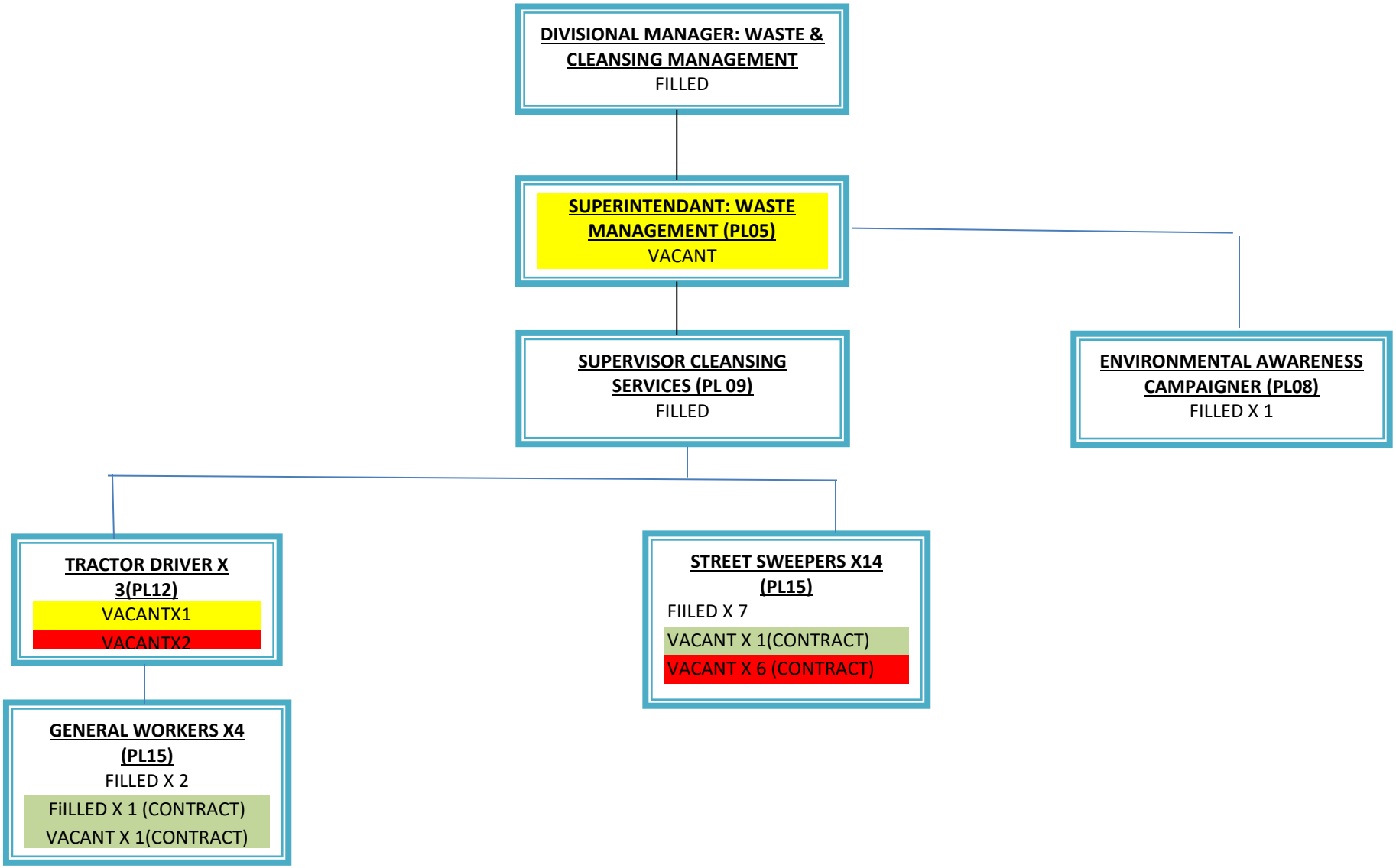
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: CLEANISING & WASTE MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: CLEANSING & WASTE MANAGEMENT (CLEANSING)



PLANNING & ECONOMIC OFFICE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: PLANNING & ECONOMIC DEVELOPMENT

Purpose: To Provide Planning and Economic Development services.

Functions:

1. Manage Local Economic Development opportunities.
2. Manage coordination of Municipal Land and Human Settlements.
3. Provide Spatial Planning and Land Use Management services.
4. Manage and coordinate the collection of Geographical data.

DIVISION: LOCAL ECONOMIC DEVELOPMENT

Purpose: To manage Local Economic Development opportunities.

Functions:

1. Manage and coordinate the compilation and review of LED strategy.
2. Manage and coordinate business registration and outdoor advertising services
3. Market tourism and investment opportunities
4. Manage and coordinate trade and business licenses and outdoor advertisement
5. Provide cooperatives, SMME's and informal business development support.

DIVISION: TOWN PLANNING

Purpose: To provide spatial planning and land use management services.

Functions:

1. Develop and implement spatial and land use management framework.
2. Manage building inspections.
3. Manage provision of building plans and building control services.
4. Develop GIS plan and internal controls.
5. Implement GIS plan and internal controls.
6. Manage setting of priorities for database and application development.

DIVISION: HUMAN SETTLEMENT AND PROPERTIES

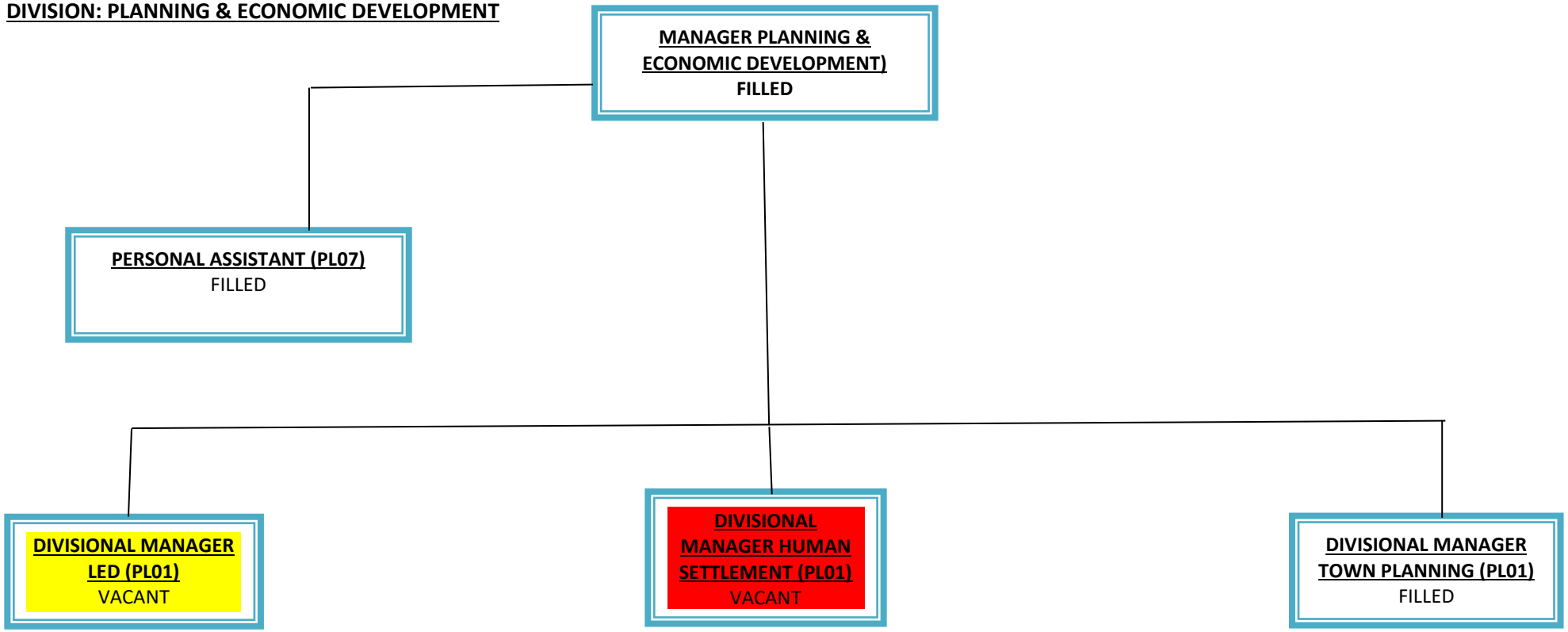
Purpose: To provide property management and housing services

Functions:

1. Coordinate the development of the housing
2. plan.
3. Coordinate the provision of housing delivery.
4. Conduct the determination of the true value of a property.
5. Render municipal owned housing administration.
6. Administer transfer of properties.

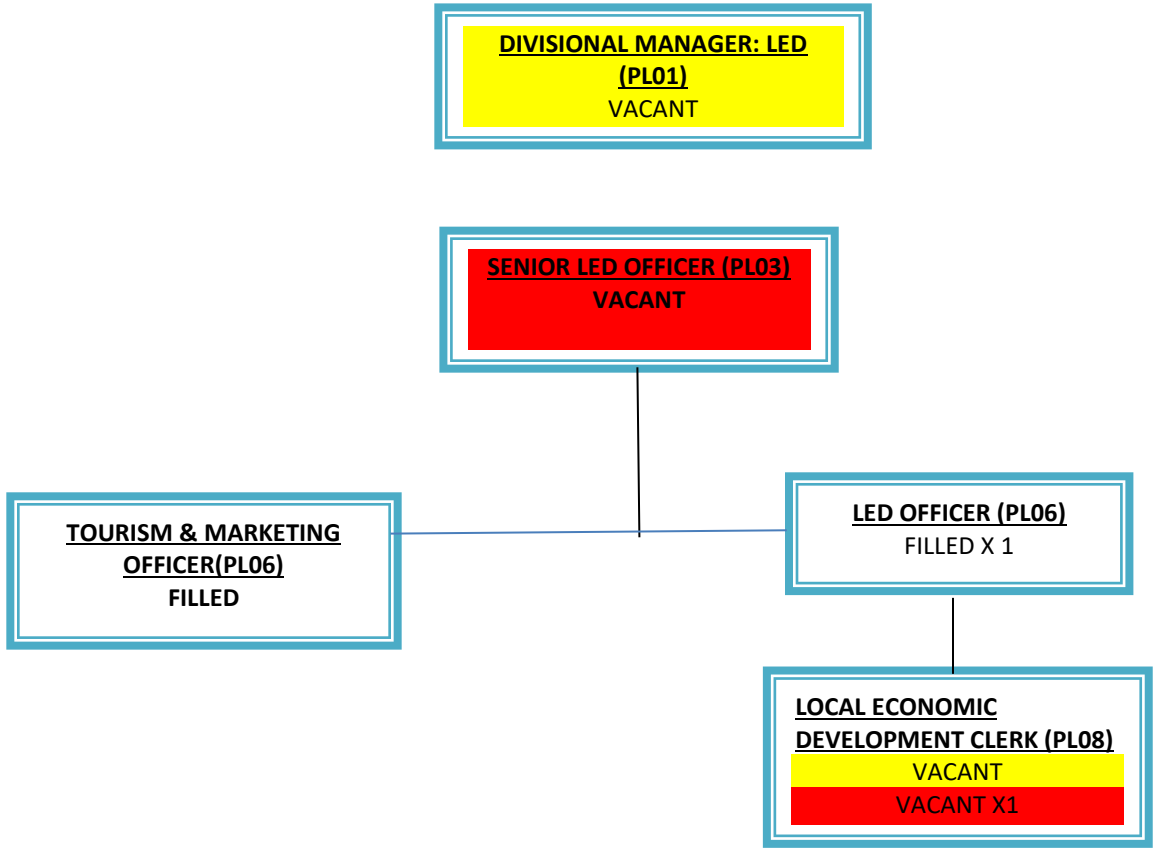
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: PLANNING & ECONOMIC DEVELOPMENT



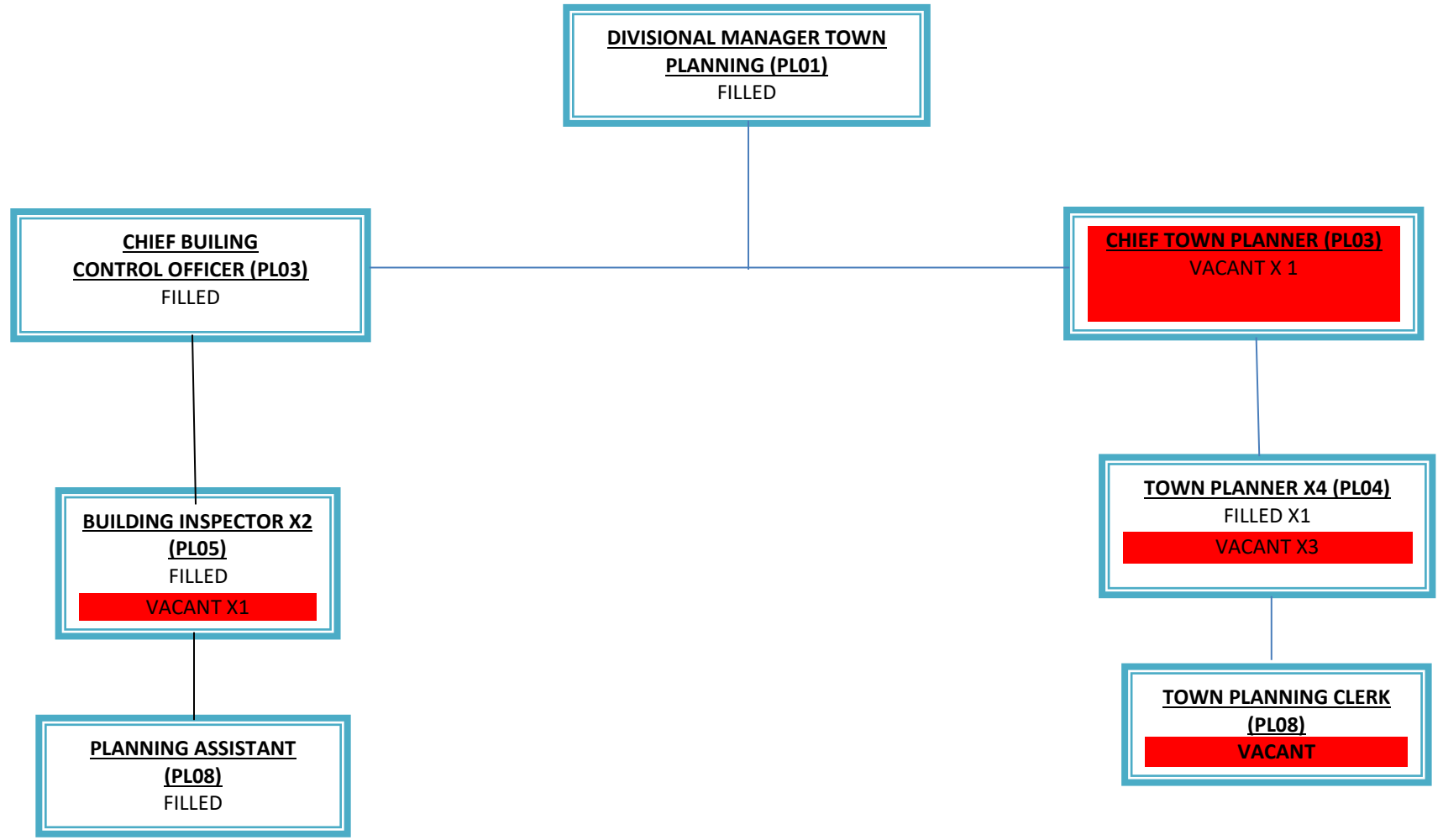
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: LOCAL ECONOMIC DEVELOPMENT



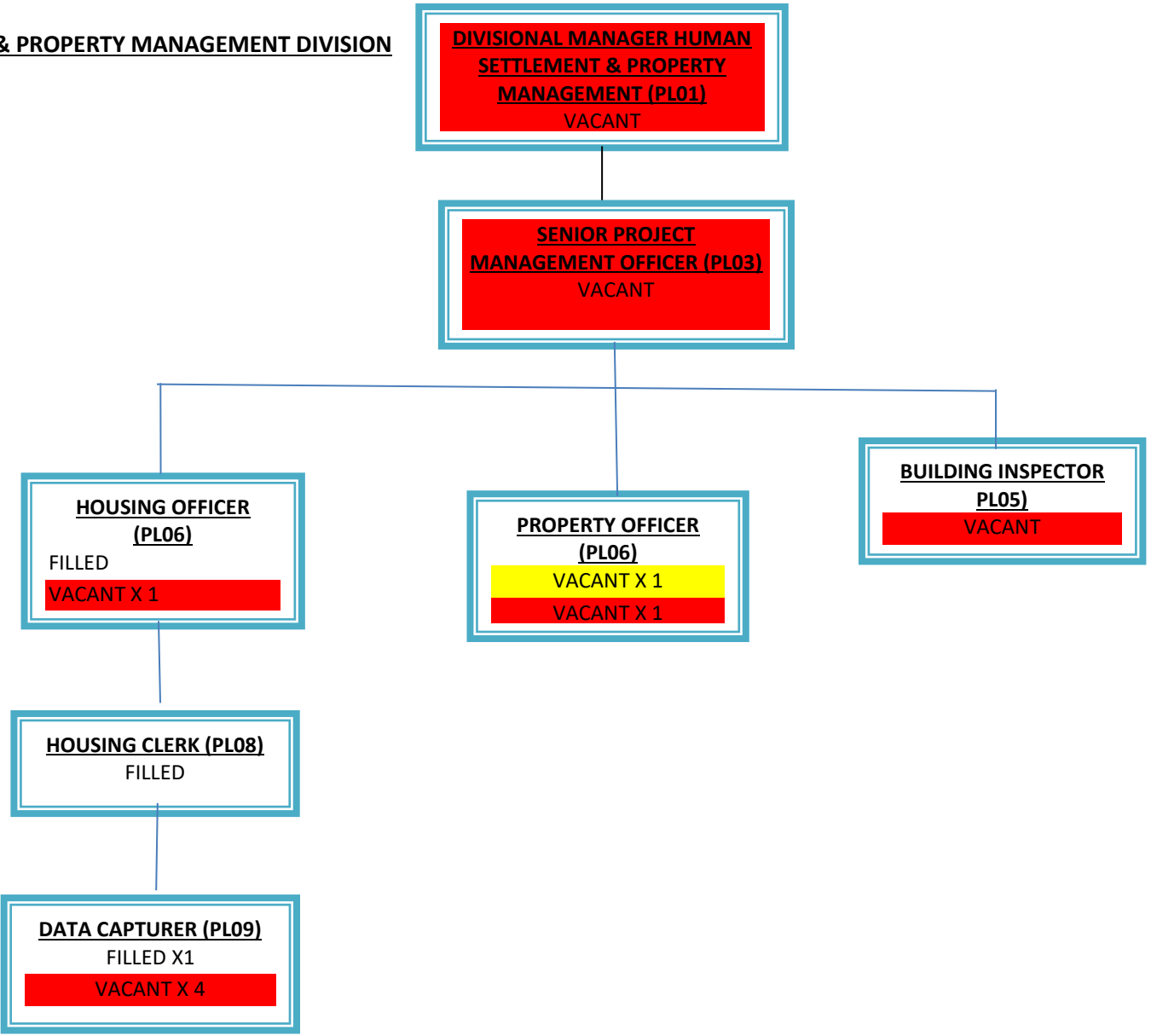
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: TOWN PLANNING



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

HUMAN SETTLEMENT & PROPERTY MANAGEMENT DIVISION



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

OFFICE OF CORPORATE ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: CORPORATE SERVICES

Purpose: To provide administration and management support services.

Functions:

1. Manage human resources management services.
2. Manage council support and records management Services.
3. Manage Information and Communication Technological Services.
4. Manage training and development services of the municipality.

DIVISION: INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

Purpose: To manage the provision of information communications technology services.

Functions:

1. Manage the development of Information Technology infrastructure design and planning.
2. Manage network access and usage
3. Manage and coordinate Information Technology infrastructure support and operations.
4. Manage and oversee ICT security and governance.
5. Install and maintain ICT systems security, data integrity and information security and backup.

DIVISION: LEGAL SERVICES

Purpose: To manage the provision of legal advisory services to the Municipality.

Functions:

1. Provide sound legal advice and opinion to Council and Management.
2. Handle litigation advisory services.
3. Advice of the drafting and monitoring of service level agreements.
4. Provide advisory support on drafting of policies and by-laws.

DIVISION: COUNCIL ADMINISTRATION

Purpose: To manage Council support, records management, and auxiliary services to the municipality.

Functions:

1. Provide secretariat services to the Council and Council committees.
2. Provide Council oversight support.
3. Manage knowledge and records management services Provide messenger services
4. Coordinate cleaning and auxiliary services.

DIVISION: HUMAN RESOURCES MANAGEMENT

Purpose: To provide effective and efficient human resources support services and promote sound labour relations

Functions:

1. Conduct and review Organizational Design processes.
2. Coordinate process improvement and change management.
3. Facilitate the development and review of Job Descriptions.
4. Manage employee health and safety.
5. Manage Labour Relations services.
6. Manage Employee Health and Wellness services.
7. Coordinate the implementation of human resource strategy and plan.
8. Provide Human Resource Administration.
9. Provide Recruitment, and Selection services.

DIVISION: HUMAN RESOURCES DEVELOPMENT

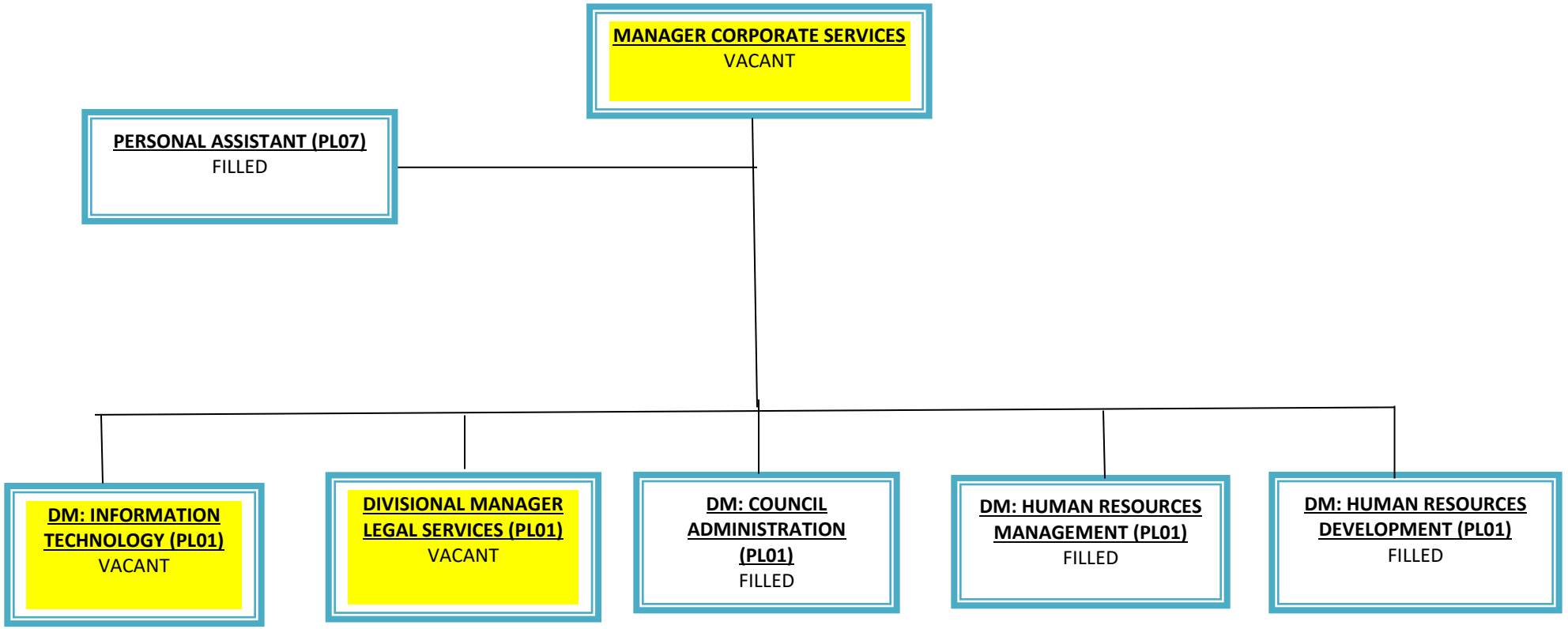
Purpose: To provide

Functions:

1. Manage Training and Skills Development
2. Provide Employment Equity services
3. Facilitate and coordinate internship, learnership, apprenticeship and Adult Education Training.
4. Develop individual performance management framework plan.
5. Facilitate the development of performance agreement plan.
6. Coordinate the implementation of performance assessment

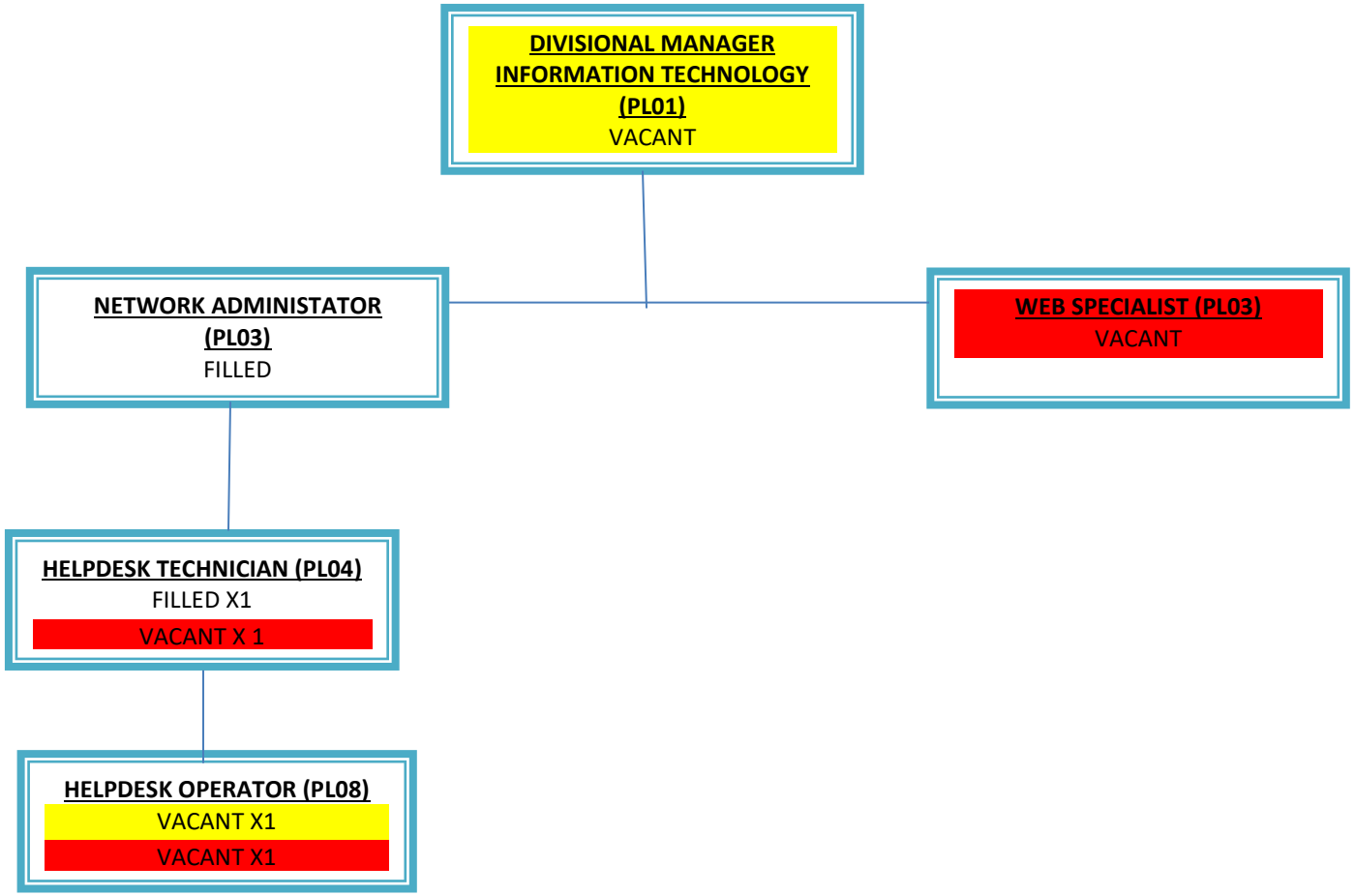
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DEPARTMENT: CORPORATE SERVICES



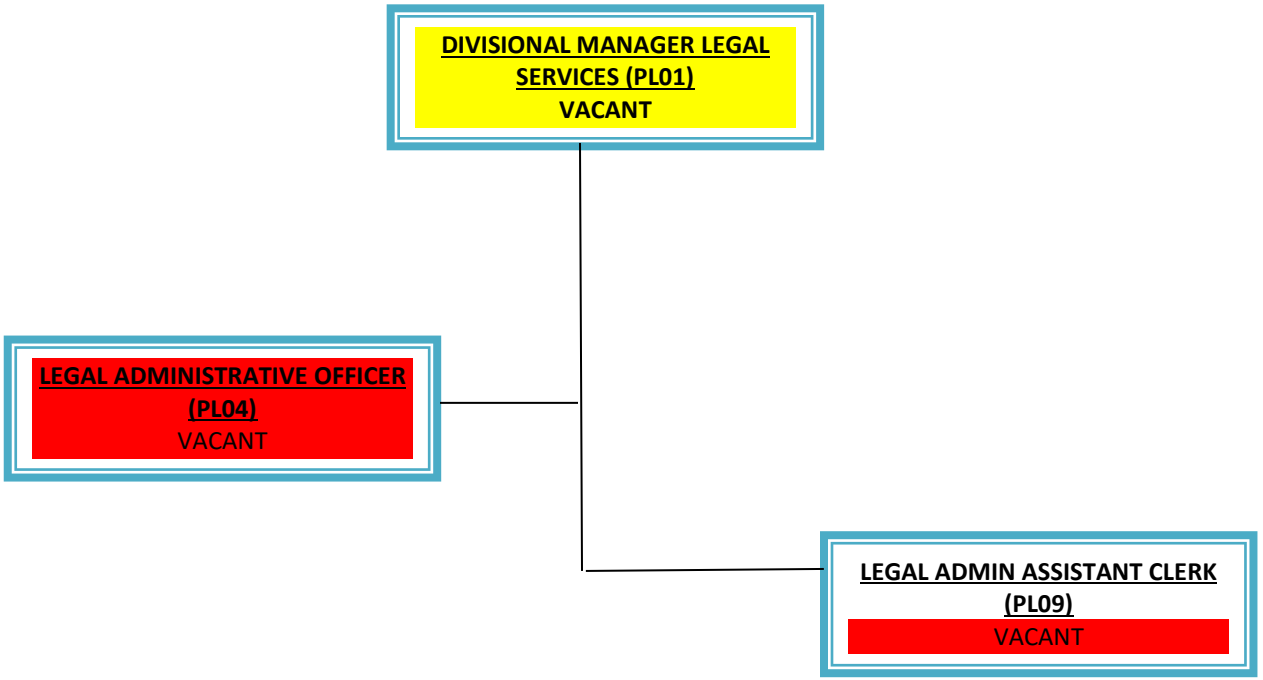
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INFORMATION TECHNOLOGY DIVISION



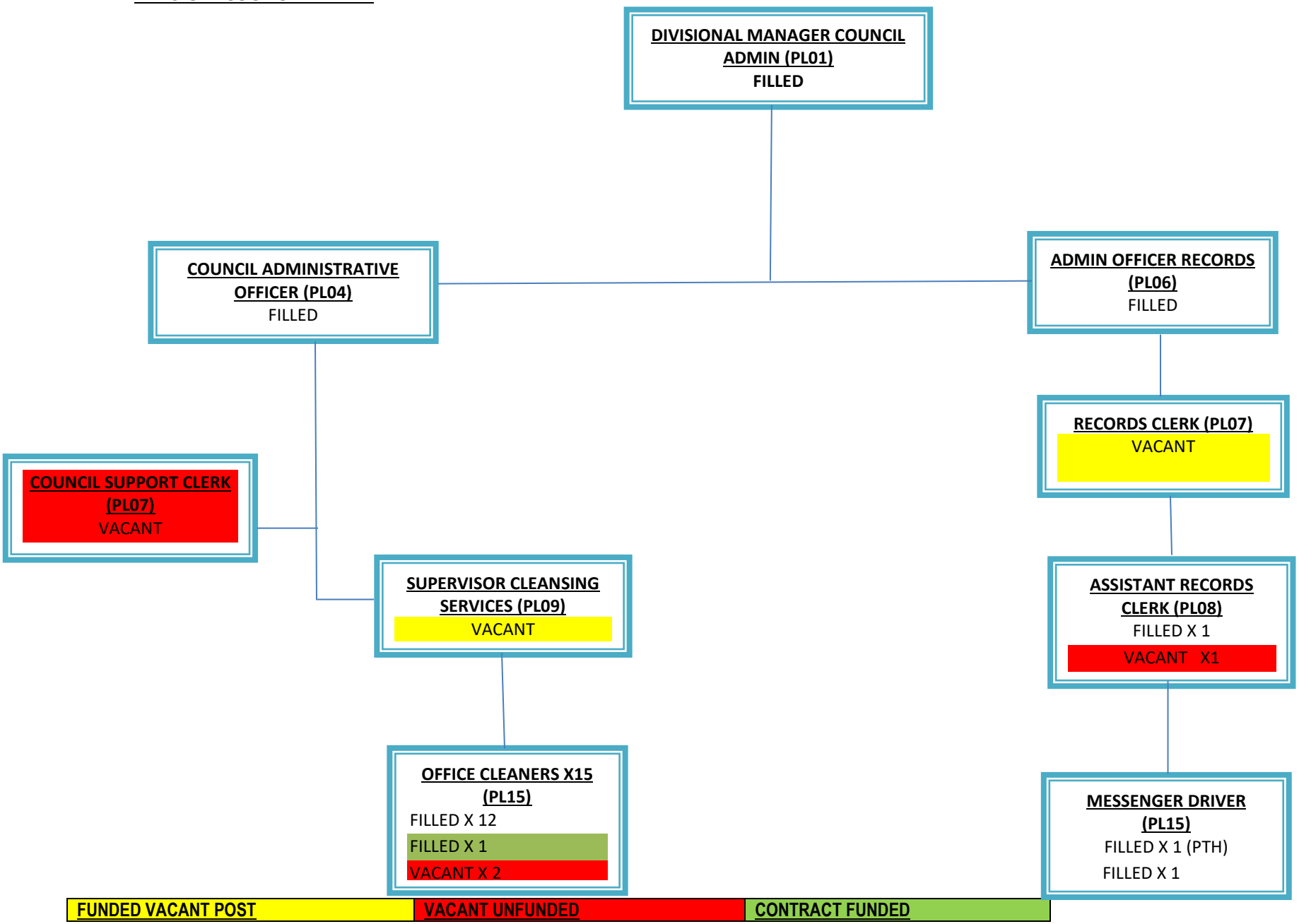
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DIVISION: LEGAL SERVICES

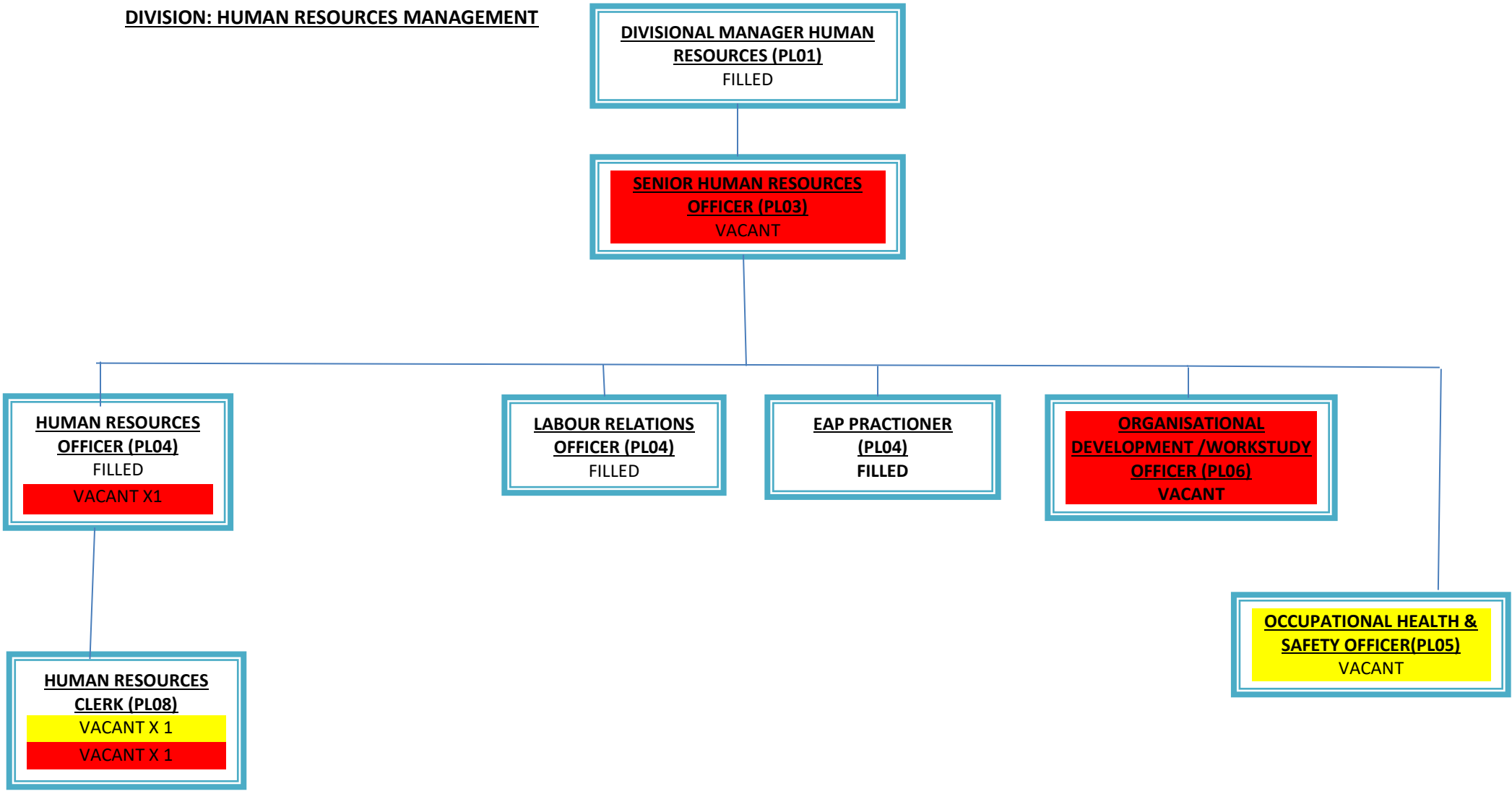


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DIVISION: COUNCIL ADMIN

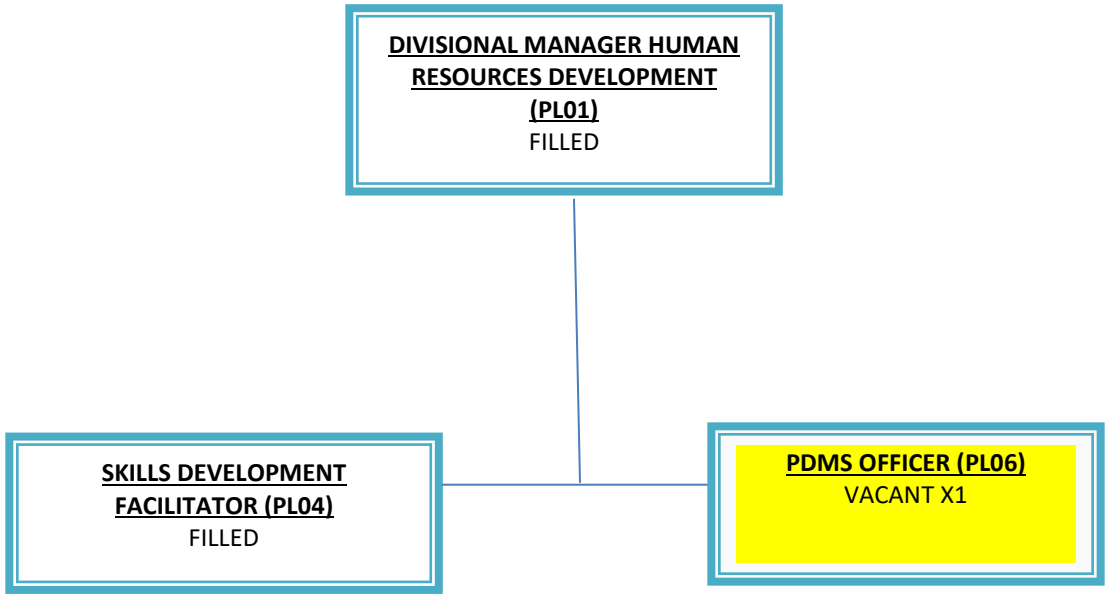


DIVISION: HUMAN RESOURCES MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: HUMAN RESOURCES DEVELOPMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

BUDGET & TREASURY ORGANOGRAM

FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DEPARTMENT: BUDGET & TREASURY

Purpose: To manage and coordinate the Financial Management services.

Functions:

1. Manage and oversee the compilation of the municipal budget.
2. Manage and oversee the budget control and reporting.
3. Manage and oversee the income and expenditure.
4. Manage and oversee the procurement of goods and services
5. Manage and maintain assets and stores services.
6. Report and compile annual financial statements

DIVISION: BUDGET & REPORTING

Purpose: To provide budget planning and financial reporting services.

Functions:

1. Prepare credible budget for the Municipality.
2. Provide Budget information for compiling the SDBIP
3. Prepare budget reports.
4. Manage budget information and provide in year monitoring and reporting.
5. Prepare and coordinate the compilation of the budget.
6. .
7. Coordinate and provide support during the audit functions.

DIVISIONSUPPLY CHAIN MANAGEMENT

Purpose: To manage Supply Chain Management processes of the Municipality.

Functions:

1. Collate all projects procurement schedules and compile annual municipal procurement plan.
2. Manage all open and closed bid acquisition as per annual procurement plan.
3. Manage and coordinate the demand and acquisition of goods and services.
4. Manage and oversee SCM committees.
5. Manage all service level agreement for all purchases/acquisitions
6. Monitor and report on supply chain performance chain performance

DIVISION: EXPENDITURE

Purpose: To manage and coordinate Expenditure services and Payroll.

Functions:

1. Manage and oversee the budget spending.
2. Authorise and approve payment requests.
3. Manage creditor payment requests.
4. Manage all expenditure and provide monthly bank reconciliations.
5. Manage payroll and personnel expenditure

DIVISION: ASSETS MANAGEMENT

Purpose: To manage assets and stores services of the municipality.

Functions:

1. Coordinate the compilation and updating of the asset register.
2. Coordinate the verification of assets.
3. Coordinate the disposal of obsolete assets.
4. Manage assets depreciation and disposals.
5. Manage and coordinate Inventory management.
6. Monitor the utilization and maintenance of fleet

DIVISION: REVENUE MANAGEMENT

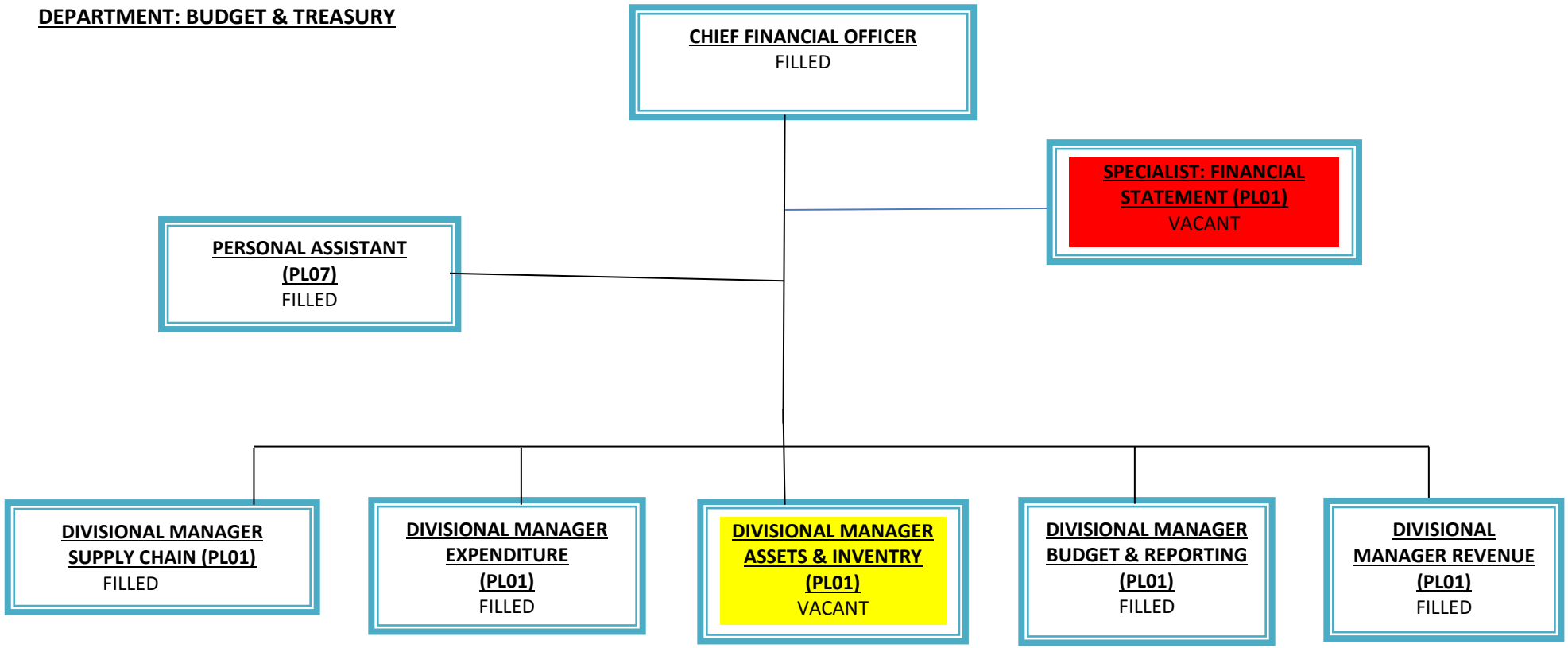
Purpose: To manage and oversee the collection of rates, taxes, and other service income.

Functions:

1. Manage and oversee the billing of customers.
1. Manage the implementation of credit control.
2. Manage revenue collection and banking
3. Manage debt collection.
4. Manage the approval of the indigent register.
5. Set and manage municipal rates/tariffs
6. Manage property rates and valuation roll.

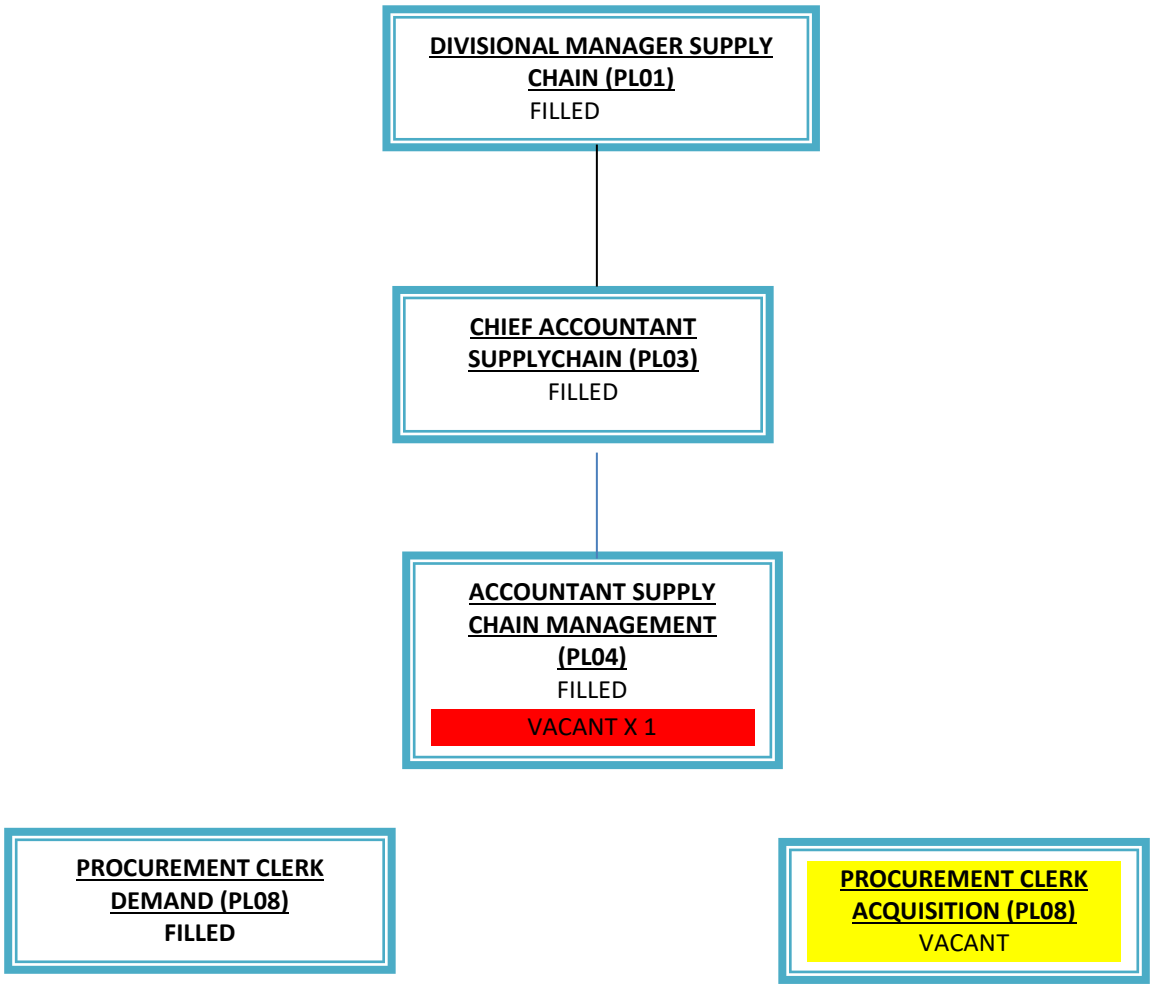
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DEPARTMENT: BUDGET & TREASURY



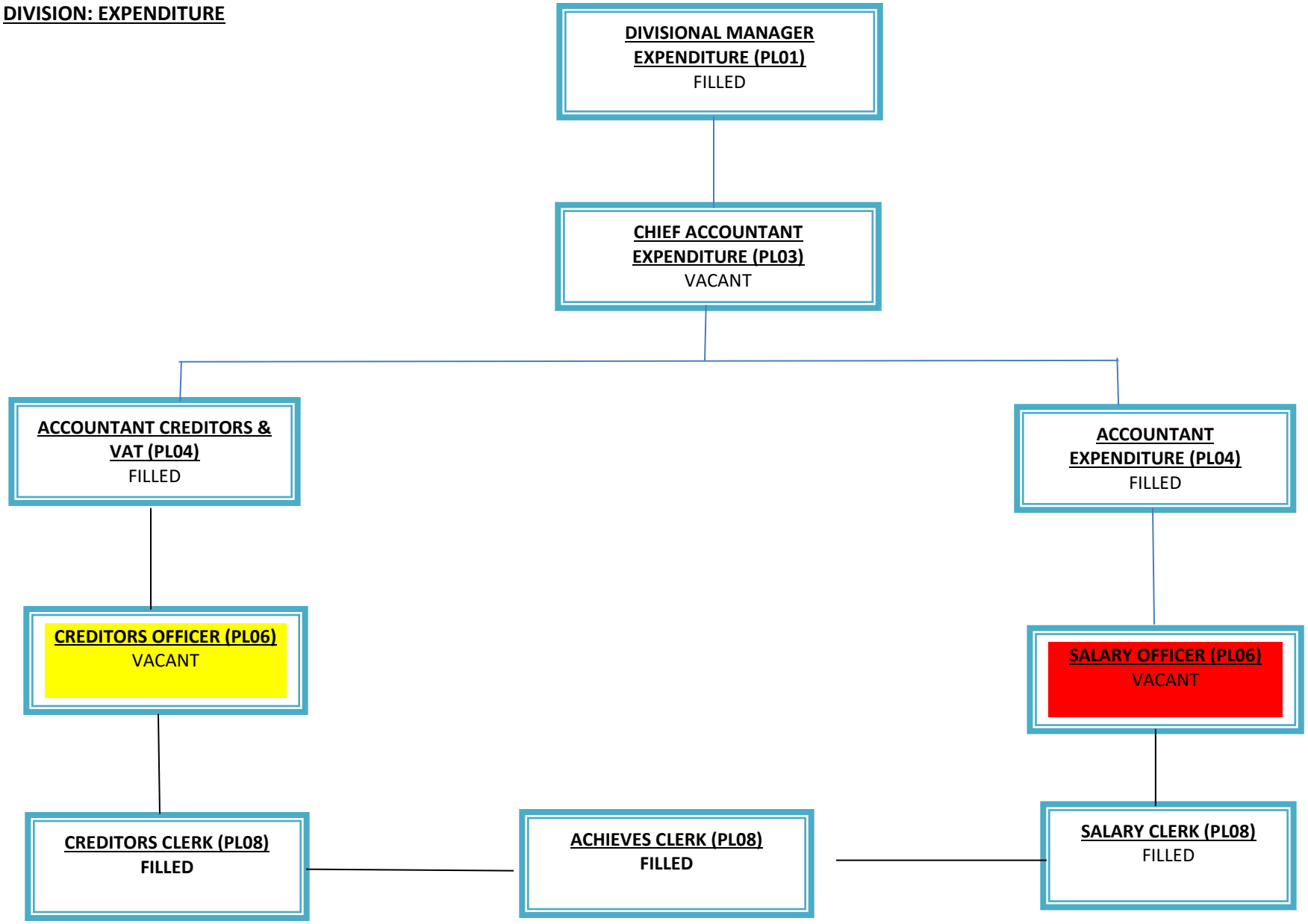
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DIVISION: SUPPLY CHAIN MANAGEMENT

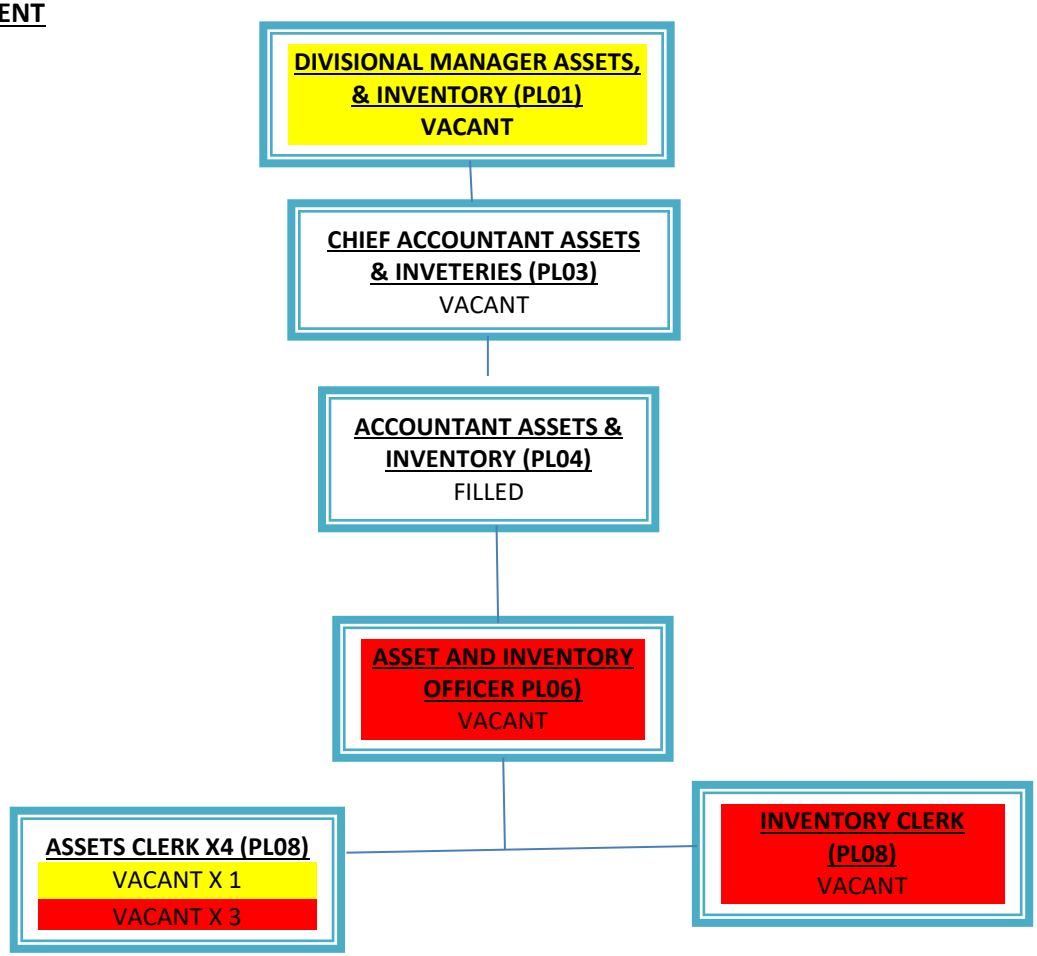


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DIVISION: EXPENDITURE

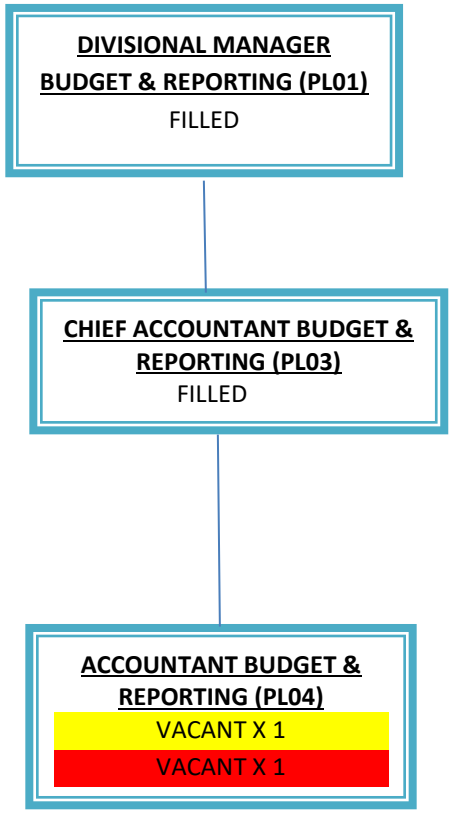


DIVISION: ASSETS MANAGEMENT



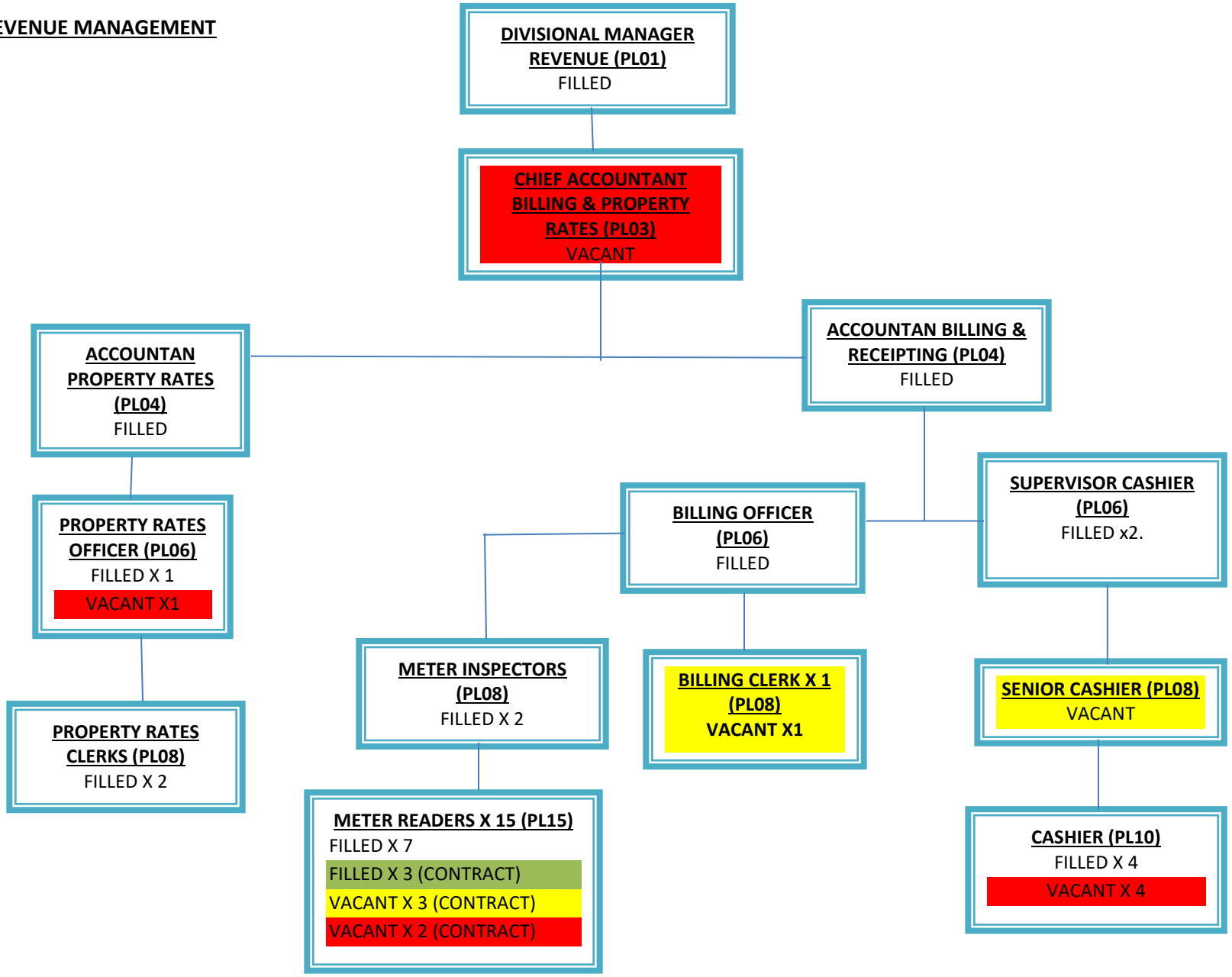
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION BUDGET & REPORTING



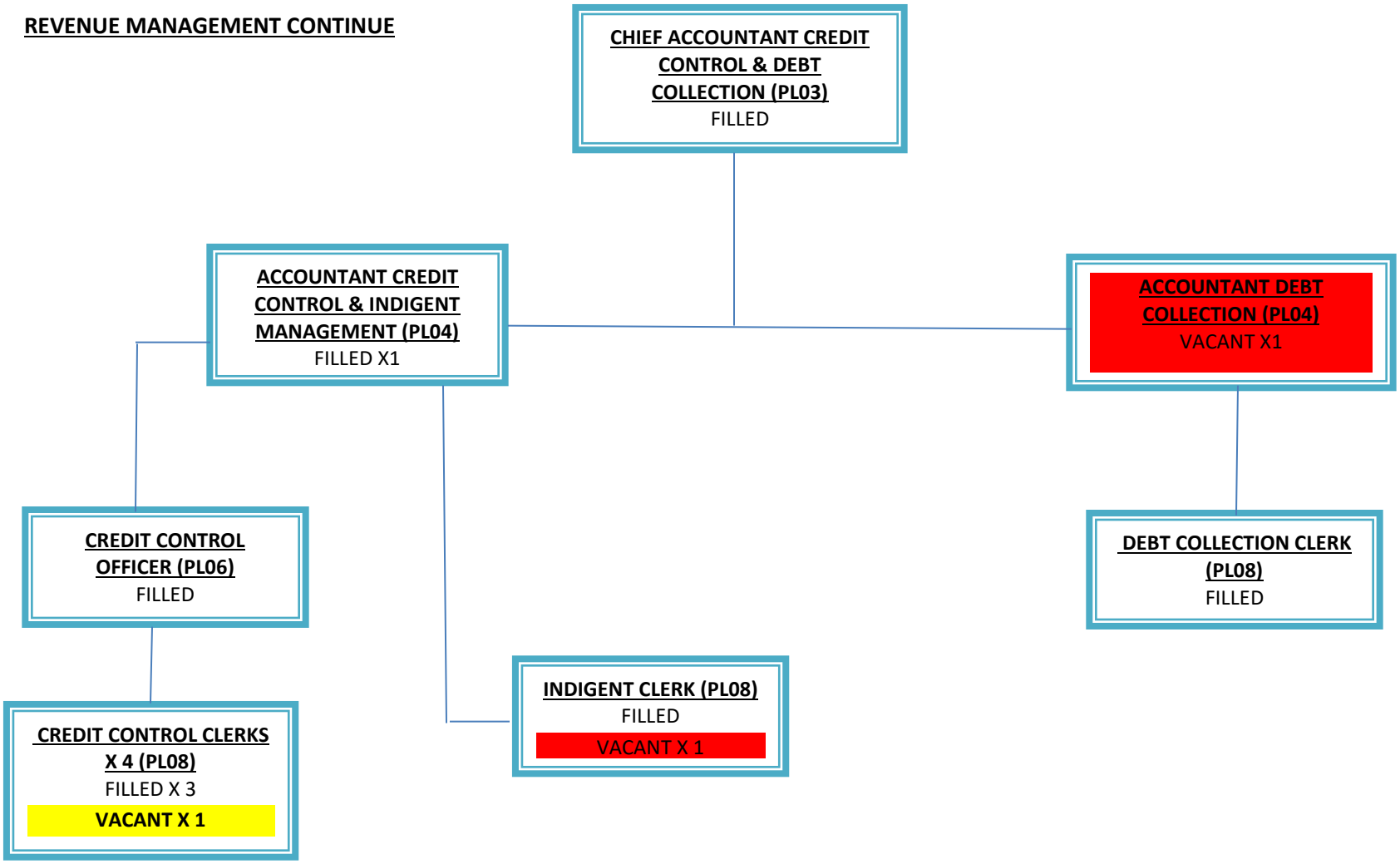
FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

DIVISION: REVENUE MANAGEMENT



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED

REVENUE MANAGEMENT CONTINUE



FUNDED VACANT POST	VACANT UNFUNDED	CONTRACT FUNDED