



ELIAS MOTSOALEDI

LOCAL MUNICIPALITY

Annual Report

2022/23



“The Agro-Economical and Ecotourism Heartland”



ELIAS MOTSOALEDI

LOCAL MUNICIPALITY



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ACRONYMS

AC	: Audit Committee
AG	: Auditor General
AFS	: Annual Financial Statements
ANC	: African National Congress
AIDS	: Acquired immunodeficiency syndrome
BPSA	: Bolshevik Party of South Africa
CDW	: Community development worker
CFO	: Chief Financial Officer
CLLR	: Councilor
CSD	: Central Supplier Database
Coghsta	: Department of Corporate Governance, Human Settlement and Traditional Affairs
COGTA	: Department of Corporate Governance and Traditional Affairs
CPMD	: Certificate Programme in Management Development
CWP	: Community Works Programme
DA	: Democratic Alliance
DLTC	: Driver's License Testing Centre
DoTCS	: Department of Transport and Community Safety
DoSAC	: Department of Sports, Arts and Culture
EMLM	: Elias Motsoaledi Local Municipality
EFF	: Economic Freedom Fighters
EPWP	: Expanded Public Works Programme
ESS	: Employee Self Service
EXCO	: Executive Committee
EDP	: Economic Development and Planning
FBE	: Free Basic Electricity
GIS	: Geographic Information System
GRAP	: General Recognized Accounting Practice
HIV	: human immunodeficiency virus
HR	: Human Resources
ICT	: Information Communication Technology
IDP	: Integrated Development Plan
INEP	: Integrated National Electrification Program
JDMPT	: Joint District Municipal Planning Tribunal
KM	: Kilometre

LAC	: Local AIDS Council
LGAAC	: Local Government Advanced Accounting Certificate
LUMS	: Land Use Management System
LGSETA	: Local Government Sector Education Training Authority
LGMIM	: Local Government Municipal Improvement Model
LED	: Local Economic Development
LEDA	: Limpopo Economic Development Agency
LEDET	: Limpopo Economic Development
LLF	: Local Labour Forum
LGE	: Local Government Election
MIG	: Municipal Infrastructure Grant
MP	: Mpumalanga Party
MPAC	: Municipal Public Account Committee
MFMA	: Municipal Finance Management Act
MFMP	: Municipal Finance Management Programme
MSA	: Municipal Systems Act
Mscoa	: Municipal Standard Charts of Accounts
MoU	: Memorandum of understanding
N/A	: Not applicable
NRSA	: National Archive Regulation of South Africa
NDP	: National Development Plan
NGO	: Non-Governmental Organisation
OHS	: Occupational Health and Safety
PMS	: Performance Management System
PMT	: Political Management Team
SAMEBA	: South African Maintenance and Estate Beneficiaries Association
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation Plan
SDM	: Sekhukhune District Municipality
SDF	: Spatial Development Framework
SDL	: Skills Development Levy
SOMA	: State of Municipal Address
SMME	: Small, Medium and Micro Enterprises
SPLUMA	: Spatial Planning and Land Use Management
WSP	: Work Skill Plan

VISION

The agro-economical and ecotourism heartland

MISSION

The Elias Motsoaledi Local Municipality is committed to:

- To ensure provision of sustainable services
- To deepen democracy through public participation and communication
- Provision of services in a transparent, fair and accountable manner
- Provide public value for money
- To create a conducive environment for job creation and economic growth



ELIAS MOTSOALEDI

LOCAL MUNICIPALITY

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



COMPONENT A:

MAYOR'S FOREWORD

Councillor Magetle David Tladi

Mayor: Elias Motsoaledi Local Municipality

1.1 MAYOR'S FOREWORD

VISION

"The agro-economical and ecotourism heartland"

The vision statement of the municipality which serves as a blueprint for developmental programme is "The agro-economical and ecotourism heartland". It dawns upon the leadership that providing the complete account on the responsibilities conferred upon the entire municipality will always be a daunting task to the electorate. This report is therefore intended to attest to the collective efforts of administrative and political arms of municipality to progressively address people's expectations.

INTRODUCTION

This report was compiled in terms of Chapter 12 of MFMA Section 121 (1) which stipulates that every municipality must for each financial year prepare an annual report in accordance with this Chapter. It is a pleasure for me to present Elias Motsoaledi Local Municipality 2022/2023 Annual Report to our residents and other interested parties. The 2022/2023 annual report gives a detailed review of the municipality's activities on actual performance at the end of the fiscal year reporting on how the IDP and budget were implemented. It also describes municipality's effort in fulfilling its Constitutional mandate and in meeting its obligations as dictated by the applicable local government legislation. Despite the effects of the economic difficult times, the municipality continued to provide quality service delivery to our community. For the financial year 2022/2023, the overall municipal performance is 75% which is the same percentage of the 2021/2022 financial year.

KEY POLICY DEVELOPMENTS

Every financial year during planning phase, municipality engages with province and Sekhukhune district municipality to ensure alignment of provincial and municipal growth inclusive of development strategy hence the IDP has incorporated projects for both province and district

municipality. The IDP was therefore tabled before council for adoption and was submitted to all sector departments and the district within legislated timeframe.

Municipality 's performance is measured by achieving its key developmental objectives which are as follows:

- Ensuring sustainable and qualitative service delivery
- Improving Local Economy through revised LED strategy
- Achieving an unqualified audit opinion
- Facilitating and regularly updating indigent register accurately
- Ensuring that monies owed to the municipality is collected.
- Continuing to participate in programmes of HIV and AIDS, TB, Cancer through Local Aids Council (LAC).
- Improving Records Management System in terms of NARSA Act
- Conducting Public Participation and ensure the functionality of all governance structures.
- Fast tracking the implementation of infrastructure projects
- Strengthening the relationship with the traditional leaders

KEY SERVICE DELIVERY IMPROVEMENTS

Municipality has a backlog of 1253.86km of gravel roads. For the year under review only five (05) road projects (Dipakapakeng, Tafelkop stadium, Nyakuroane, Mokomung and Bloempoort road) were constructed utilising MIG grant. At the end of the financial year, (01) road project (Dipakapakeng) completed, (02) road projects (Nyakuroane and Bloempoort) projects are on practical completion. One (01) road project (Tafelkop stadium) was not completed at the end of financial year, whereas one (01) road project (Mokumong) is at design stage earmarked to be advertised for construction in the subsequent 2023/24 financial year. The total MIG allocation budget was **R94 606 000.00**, and the actual expenditure

was R73 895 703. Municipality received additional Municipal Infrastructure Grant (MIG) allocation amounting to **R32 million** from the national sphere of government as per government gazette No.48327 volume 693 published on the 29th of March 2023. The additional MIG grant was allocated to various capital projects.

Municipality has re-gravelling road programme in place to gravel roads in all wards. Roads and Storm water are key Municipal functions. Most roads within the Municipality are in a state of decay, with provincial roads in dire need for resealing and surfacing. Gravel roads are also a challenge as most are inaccessible due to lack of storm water controls. Municipality extended the maintenance teams to accelerate its services to every ward through satellite offices. The long-term strategy of the Municipality is to surface roads within municipal area even though municipality relies on Grants for roads projects. To improve accessibility to villages, 147,5KM of internal roads were regravelled.

Municipality is licensed to provide electricity in 3 wards, which are ward 13,14 and 30 (Groblersdal, Masakaneng and Roossenekal areas respectively), and the other 28 wards are Eskom licensed areas. Municipality has a backlog of 4% (2382) households without electricity. A total number of 56415 Households (95%) has access to electricity (serviced both Eskom and EMLM). Municipality received an allocation of R 17. Million for INEP and electrified the following villages: Maleoskop, Masakaneng Portion 69, Nyakelang, Makaeppea, Phomola using the allocated funds from INEP. The South African condition of load shedding has necessitated Municipality to embark on an alternative energy Solution which will comprise of embedded generation through roof tops solar panels and the establishment of solar farm. Council has allocated land for provision of solar farm; feasibility studies are concluded and waiting for the process of approval to conclude the Power Purchase Agreement.

STATEMENT OF CORRECTIVE ACTION

EMLM management will engage on all none achieved key performance indicators to come up with strategies that will improve municipal performance going forward. Municipal Manager will also engage with each senior manager to assist each other in improving their departmental performance to ensure improvement. Furthermore, EMLM management will develop and action plan to address all audit findings raised by Auditor General to ensure none recurrence of such findings. Audit steering committee meetings takes place every two weeks to track progress made in addressing raised findings to ensure that all findings are addressed before the next audit cycle. The other corrective actions are stipulated in each key performance indicator that was not achieved as per the attached annual performance report on chapter 3 from page 91 to 134.

LOCAL ECONOMIC DEVELOPMENT

The roles that the municipality has played in pursuit of local economic development in 2022/2023 financial year are amongst others; that the municipality in collaboration with

Department of Public Works has managed to create **1724** work opportunities through EPWP and CWP programmes which is an increase as compared to 1214 jobs created during 2021/2022 financial year. CWP accounted for one thousand one hundred and four (1104) jobs created and two hundred and sixty-four (264) EPWP jobs created. The appointed personnel are mainly responsible for cleaning but limited to public facilities/infrastructure in the form of roads reserves, graveyards, community halls, schools, taxi ranks, streets etc.

AUDIT OPINION

Municipality obtained unqualified audit opinion which is the same audit opinion obtained in the previous financial year of 2021/2022. Audit action plan is developed to address the findings raised.

PUBLIC PARTICIPATION

Municipality has 310 ward committees made out of 31 wards. Ward committees together with ward councillors conducts public meetings in their respective wards and submit monthly reports to Speaker's office. During the year under review public meetings were held in different wards. Public participation process is used to inform communities about success and challenges that municipality encounter during service delivery. Public participation sessions were conducted through 2022/2023 IDP and Budget process where communities were given an opportunity to raise their needs to be incorporated in the IDP. Due to limited resources only prioritized and budgeted needs are incorporated in the IDP for implementation. To augment the already existing mechanisms to interface with our communities, the Mayor and Speaker conducted mayoral and Speaker's outreaches programme. Two Mayoral outreach and two Speakers' outreach were held.

MAYOR'S DISCRETIONARY PROGRAMS.

Noting that some of the needs that our communities urgently require are not within the mandate of our institution to provide. The Mayor in partnership with some social partners adopted an intervention program wherein some community members were assisted from. Through the program the Mayor has managed to donate 30 wheelchairs, a water tanks, groceries to centers and individuals and as well renovated one disability centre. The interest of the Mayor is to grow the program to intervene positively in the lives of many community members who are less fortunate.

CONCLUSION

I wish to thank all councillors, municipal personnel, and resident's stakeholders in particular rate payers for their contributions to pay for services. Together we strive to take our municipality forward. I thank you.



M.D TLADI
MAYOR



COMPONENT B:

MUNICIPAL MANAGER'S FOREWORD

M.W MOHLALA
Acting Municipal Manager

1.2 MUNICIPAL MANAGER'S FOREWORD

The 2022/2023 annual report records the progress made by Municipality in fulfilling its objectives as reflected in the IDP, Budget and Service Delivery and Budget Implementation Plan. It also reflects on challenges and priorities for 2022/2023 financial year. The purpose of the report is to give community members and all stakeholders the final outcome of municipal performance for 2022/2023 financial year as to how the IDP and budget was implemented.

The municipality is established to perform the following functions:

Schedule 4 Part B	Schedule 5 Part B
<ul style="list-style-type: none"> • Air pollution • Building regulations • Childcare facilities • Electricity and gas reticulation • Local tourism • Municipal planning • Municipal public transport • Municipal public works • Storm-water management systems in built-up areas • Trading regulations 	<ul style="list-style-type: none"> • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria • Cleansing • Control of public nuisances • Control of undertakings that sell liquor to the public. • Facilities for the accommodation, care and burial of animals • Fencing and fences • Local sport facilities • Municipal parks and recreation • Municipal road • Public places • Refuse removal, refuse dumps and solid waste disposal. • Street trading • Street lighting • Traffic and parking

Entities related to municipality and sharing of power with these entities

Municipality does not have sharing of powers with any entity nor the sector departments. It only monitors some of the projects which are implemented by sector departments within the jurisdiction of the municipality such as housing projects.

Sector departments and sharing of functions between the municipality/ entity and sector department.

The municipality has shared services with the Department of

Transport and Community Safety and Department of Sports, Arts and Culture. EMLM in partnership with the Department of Transport and Community Safety share the Driving License Testing Centre's (DLTCs) services in 80:20 ratio. DoTCS gets 80 percent and EMLM gets 20% of revenue collected by municipality. EMLM also shares services with the Department of Sports, Arts and Culture in rendering library functions and Department of public works for EPWP and CWP job creation. Municipality has signed memorandum of understanding with the three departments.

A short statement on the previous financial year's audit opinion.

Audit Opinions		
2020/2021	2021/2022	2022/2023
Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion

Financial health and revenue trend by source including borrowings undertaken by municipality.

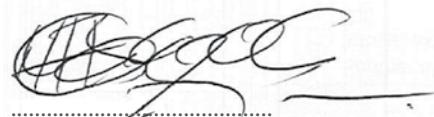
Municipality had a total revenue budget of R680, 957 million that was adjusted upwards to R763 450 784 million during budget adjustment. The actual audited revenue realized is R743, 394 million and this resulted in over-performance variance of R 20 056 380 million. All gazetted grants and subsidies amounting to R430, 722 million contributed a major portion of source of funding for municipal budget. Municipality is 74% grant dependent on capital expenditure and 52% on revenue budget. Municipality has R20, 710 million unspent Municipal Infrastructure Grant (MIG) due to late appointment of contractor for Rehabilitation of Groblersdal Landfill Site. Other conditional grants being, Financial Management Grant (FMG), Expanded Public Works Programme (EPWP) and Integrated National Electrification Programme (INEP) have achieved 100% spending. No borrowings were made by municipality for the year under review.

The internal management changes in relation to Section 56/57 managers.

Municipality has six (06) approved senior manager's positions. At the beginning of the financial year, three (03) senior Manager's position were vacant (Chief Financial Officer, Corporate Services and Development Planning) municipality has successfully appointed two senior managers (Infrastructure, Community Services) by end of financial year. One (01) senior manager left the institution for greener pastures (Corporate Services). Three (03) senior managers concluded their 2022/2023 performance agreements within timeframe. The 2021/2022 annual performance assessments and 2022/2023 Mid-year performance assessments were conducted for one senior manager and municipal manager. Based on the 2021/2022 annual performance assessments outcome, one (01) senior manager qualified for performance bonus.

Risk assessment, including developments and implementation of measures to mitigate the top 5 risks.

Council has adopted the Risk Management Policy, Risk Management Strategy and Risk registers (Strategic and Operational) that enable management to proactively identify and respond appropriately to all significant risks that could impact on business objectives. In line with the approved Risk Management Policy and Risk Management Strategy a top-down approach has been adopted in developing the risk profiles of the organization. Results of the strategic and operational assessments were used to compile a risk register. Below is the top five risks identified and mitigation measures were implemented to address the risk.



M.W MOHLALA
ACTING MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

Elias Motsoaledi Local Municipality is situated in Groblersdal area in Limpopo province. The municipality is in North East of Pretoria and is situated approximately 32 km from Loskop Dam, 100 km north of Bronkhorstspruit, 115 km northwest of Witbank (Emalahleni), and 25 km south of Marble Hall. Accessibility is mainly via the R25 road, which links the area with Oliver Tambo International Airport in Johannesburg; and via the N11 with Middelburg.

The municipality is the second largest Municipality within Sekhukhune District Municipality (SDM) which comprise

of a total of five local municipalities. Sekhukhune District Municipality is the second poorest District among South Africa's 13 nodal points identified as poor and requiring careful developmental measures. The Municipality comprises of an estimated 62 settlements most of which are villages R293 areas and the Groblersdal Town. The municipality consists of 31 Wards and 61 Councillor's, and it is a category B municipality which shares the Executive and legislative authority with Sekhukhune District Municipality (Category C) within whose area it falls. The municipality is established to perform the following functions:

Table 1

Schedule 4 Part B	Schedule 5 Part B
<ul style="list-style-type: none"> • Air pollution • Building regulations • Childcare facilities • Electricity and gas reticulation • Local tourism • Municipal planning • Municipal public transport • Municipal public works • Storm-water management systems in built-up areas • Trading regulations 	<ul style="list-style-type: none"> • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria • Cleansing • Control of public nuisances • Control of undertakings that sell liquor to the public. • Facilities for the accommodation, care and burial of animals • Fencing and fences • Local sport facilities • Municipal parks and recreation • Municipal road • Public places • Refuse removal, refuse dumps and solid waste disposal • Street trading • Street lighting • Traffic and parking

1.2.1 Population group

Table 2: Total Municipal Population

Population	2011	2016	% Incr.
Males	115503	125 133	8.34%
Females	133860	143 123	6.92%
Total	249 363	268 256	7.58%

Source: STATS SA, Census 2011 and Community Survey 2016

Of the total population of 268 256(97,9%) is African black, with the other population groups making up the remaining (2,1%).

Table 3: Population by Ethnic Group

Group	Percentage
Black African	97,6%
Coloured	0,2%
Indian/Asian	0,1%
White	2,1%
Other	-
TOTAL	100%

Source: 2016 STATS SA Community survey

Table 4: Population by Age Group

Age	Males	Females
0-4	6,4%	6,3%
5-Sep	6,2%	6,1%
Oct-14	5,7%	5,7%
15-19	7,0%	7,2%
20-24	6,2%	5,7%
25-29	5%	5,4%
30-34	3,6%	4,1%
35-39	2,0%	3,0%
40-44	1,7%	2,3%
45-49	1,6%	2,2%
50-54	1,2%	2,2%
55-59	1,2%	1,7%

Source: 2016 Stats SA Community survey

Table 5: Economic profile (employment)

Economic Indicators	
Employment Category	Percentage
Employed	57,1%
Unemployed	42,9%
Total	100%

Source: Stats SA Census 2011

- There are more females 53.7% than males 46.3% within the Municipality.
- The Municipal population is characterised with a large segment of youth (under 19 years) which comprises of 47.9% of the total population.

Based on the age structure breakdown of the Municipality, it is evident that the population is "young", which is prevalent in a developing country. With the "young" age structure, increased pressure will be on the delivery of Housing, Social Facilities and Job Creation within the Municipality.

Table 7: The marital status within the municipality

Group	%
Married	16,6%
Living together	2,4%
Never married	50,6%
Widower/widow	2,2%
Separated	0,1%
Divorced	0,4%

Source: Stats SA 2011 and CS 2016

The tables below indicate the tenure status in the municipal area. There is a clear indication that more of the land is occupied by individuals who have ownership than those that rent. The average household size has declined from 4.5 to 4.1 in 2001 and 2011 respectively.

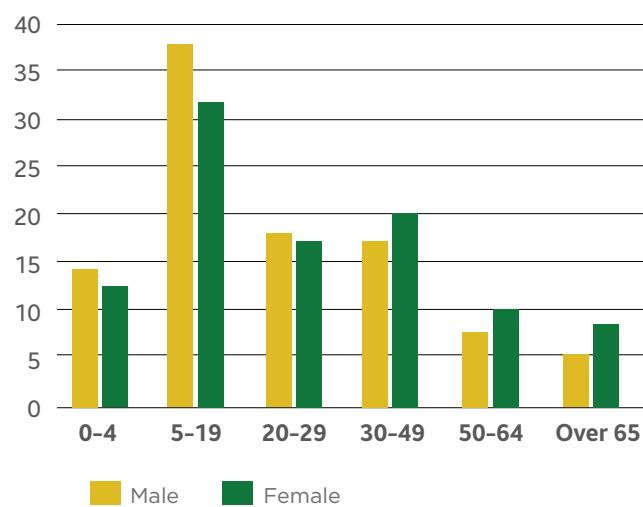
Table 4: Household by Ethnic and Gender Group

Population Group	Females	Male	Total
Black African	34 111	30 339	64450
Colored	106	34	140
Indian or Asian	0	78	78
White	470	1220	1 690
Other	-	-	-
TOTAL	34,688	31,671	66,359

Source: Stats SA. CS 2016

- There are 53.7% females and 46.3% males within the Municipality.
- There is a large segment of youth (under 19 years) which comprises 47.9% of the total population.

Graph 1: Age and gender distribution (2011)



Source: Stats SA Census 2011

Table 6: Language Preference within the municipality

Language	%
Afrikaans	2,2%
English	0,2%
Isindebele	15%
Isixhosa	0,2%
Isizulu	8,4%
Sepedi	59,9%
Sesotho	1,1%
Setswana	7,1%
Sign language	0,0%
Siswati	1,5%
Tshivenda	0,2%
Xitsonga	1,5%
Other	0,5%
Not applicable	2,2%

Source: Stats SA .CS 2016

Table 8: Age structure

Age	2011	%	2016	Percentage %
0-14	89 772	36	89 680	33,4
15-65	142 136	57	156229	58,2
65+	17 455	7	22347	8,3
Total	249 363	100	268256	99,9

Source: Stats SA 2011 and CS 2016

3.1.3. HOUSEHOLD DISTRIBUTION

(Source: STATS SA community survey 2016)

The average household size of 4:1 person has been influenced by the fact that approximately (38, 7%) of households have two (2) or less occupants. This phenomenon could be as a result of several factors including incorrect baseline data or that younger people have set up their own homes, but this is contrary to the statistics with respect to age which reflects that there is a large segment of youth (under 19 years) which comprises 47.9% of the total population.

Table 9: Household Size

Household Size	Number 2016
1	15, 524
2	10, 015
3	9, 402
4	9, 268
5	7, 739
6	5, 513
7	3, 111
8	2, 214
9	1, 405
10+	2, 169
Total	66, 359

Source: stats SA. CS 2016

Interesting to note that (58, 1%) of all households are owned with the majority fully paid off.

Table 10: Tenure Status

Tenure Status	2016
Rented	3, 834
Owned but not yet paid off	5, 120
Occupied rent-free	14, 247
Owned and fully paid off	37, 498
Other	5, 152
Total	65, 851

Source: Stats SA. CS 2016

Another notable feature of the household statistics is that approximately (87, 4%) of all dwellings can be classified as formal structures as reflected in the following table.

Table 11: Type of dwelling per household

Type Of Dwelling	2016
House or brick/concrete block structure on a separate stand or yard or on a farm	48, 781
Traditional dwelling/hut/structure made of traditional materials	2, 740
Flat or apartment in a block of flats	192
Cluster house in complex	12
Townhouse (semi-detached house in a complex)	29
Semi-detached house	559
House/flat/room in backyard	
Informal dwelling (shack; in backyard)	2, 404
Informal dwelling (shack; not in backyard, e.g. In an informal/squatter settlement or on a farm)	1, 028
Room/flat let on a property or larger dwelling/ servants quarters/granny flat	771
Caravan/tent	21
Other	1, 408
TOTAL	66, 359

Source: Stats SA. CS 2016

Table 12: Natural resources within EMLM

Natural Resources	
Major Natural Resource	Relevance to Community
Minerals	Economic empowerment and job creation
Dam	Agricultural use and consumption
Caves	Tourist attraction (Roossenekal)
Land	Agricultural and human settlement

1.1 SERVICE DELIVERY OVERVIEW

The Municipality core service delivery functions are categorized into three: Electricity, Internal Access roads and waste management. For year under review 10.85 kilometers of roads were constructed and 147,5 kilometers of roads were gravelled, and storm waters maintained. For the year under review only five (05) road projects (Dipakapakeng, Tafelkop stadium, Nyakuroane, Mokomung and Bloemfontein road) were constructed utilising MIG grant. At the end of the financial year, (01) road project (Dipakapakeng) completed, (02) road projects (Nyakuroane and Bloemfontein projects are on practical completion. One (01) road project (Tafelkop stadium) was not completed at the end of financial year, whereas one (01) road project (Mokomong) is at design stage earmarked to be advertised for construction in the subsequent 2023/2024 financial year. The total MIG allocation budget was **R94 606 000.00**, and the actual expenditure was **R73 895 703**. Municipality received additional Municipal Infrastructure Grant (MIG) allocation amounting to R32 million from the national sphere of government as per government gazette No.48327 volume 693 published on the 29th March 2023. The additional MIG grant was allocated to various capital projects.

Municipality is licensed to provide electricity in 3 wards, which are ward 13,14 and 30 (Groblersdal, Masakaneng and Roossenekal areas respectively), and the other 28 wards are Eskom licensed areas. Municipality has a backlog of 4% (2382) households without electricity. A total number of 56415 Households (95%) has access to electricity (serviced both Eskom and EMLM). Municipality received an allocation of R 17. Million for INEP and electrified the following villages: Maleoskop, Masakaneng Portion 69, Nyakelang, Makaapea, Phomola using the allocated funds from INEP. The South African condition of load shedding has necessitated Municipality to embark on an alternative energy Solution which will comprise of embedded generation through roof tops solar panels and the establishment of solar farm. Council has allocated land for provision of solar farm, feasibility studies are concluded and awaiting for the process of approval to conclude the Power Purchase Agreement.

Municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on a weekly basis and bi-weekly from business premises. Waste collection and street cleaning services in Groblersdal town is outsourced while in other areas, the collection is done by Municipality. Housing function is provided by the Department of Cooperative Governance, Human Settlement and Traditional Affairs. Water and sanitation is provided by Sekhukhune District municipality. Municipality in collaboration with Department of Public Works created 264 work opportunities through EPWP and 1104 job opportunities were created through CWP.

1.2 FINANCIAL HEALTH OVERVIEW

EMLM is a rural municipality with high volume of outstanding consumer debtors, and this leads to financial burden with none and/or under-payment for municipal services. The municipality has however developed the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality. Debt collectors have been appointed to reduce the extent of under-collection of revenue particularly in Eskom licensed areas since the municipality cannot enforce credit control measures in the form of electricity cut off.

Municipality had a total revenue budget of R680, 957 million that was adjusted upwards to R763 450 784 million during budget adjustment. The actual audited revenue realized is R743, 394 million and this resulted in over-performance variance of R 20 056 380 million. All gazetted grants and subsidies amounting to R430, 722 million contributed a major portion of source of funding for municipal budget. Municipality is 74% grant dependent on capital expenditure and 52% on revenue budget. Municipality has R20, 710 million unspent Municipal Infrastructure Grant (MIG) due to late appointment of contractor for Rehabilitation of Groblersdal Landfill Site. Other conditional grants being, Financial Management Grant (FMG), Expanded Public Works Programme (EPWP) and Integrated National Electrification Programme (INEP) have achieved 100% spending. No borrowings were made by municipality for the year under review.

EXPENDITURE

The original budget for operating expenditure was R601 421 724 million that was adjusted to R663 484 142 million and the actual audited expenditure thereof is R671, 940 million. This reflects a positive variance of R108, 827 million. The major portion of operating expenditure is employee related cost that had original budget of R185, 316 million and the budget was adjusted downwards to R172, 137 million and the actual audited expenditure thereof is R169, 884 million and this reflected over-spending variance of R3, 386 million that is attributed to actuarial costs.

Table 12: Summary of financial overview

Details	Financial Overview – 2022/23			
	R'000	Original Budget	Adjustment Budget	Actual
Grants	418 512	450 512	429 801	
Taxes, levies and tariffs	113 164	174 155	182 039	
Other	149 280	138 783	131 554	
Sub -Total	680 957	763 450	743 394	
Less Expenditure	-601 421	-663 484	-671 939	
Net Total	79 535	99 966	71 454	

Table 13: Operating ratios

Operating Ratios	
Detail	%
Remuneration Cost	29%
Repairs and Maintenance	3.90%
Capital cost	0,1%

Table 14: Total capital expenditure

Detail	Total Capital Expenditure (R'000)	
	2021/22	2022/23
Original Budget	89 280	98 041
Adjustment Budget	88 377	139 386
Actual	88 355	110 176

1.3 ORGANISATIONAL DEVELOPMENT OVERVIEW

HUMAN RESOURCES OVERVIEW

Human resource services for the municipality are reasonably effective and efficient, and relatively meet the expectations of the community at large. The department is responsible for attracting skilled workforce, motivating workforce to perform the required tasks and continuous capacity building of personnel. The Municipality in total has 347 employees inclusive of senior managers. Municipality comprises of six (06) senior manager positions, namely: Municipal Manager, Chief Financial Officer, Senior Manager Corporate Services, Senior Manager Infrastructure services, Senior Manager Development Planning, Senior Manager Community Services. By end of the financial year, three senior managers positions were vacant (CFO, Corporate services and Development planning).

COMMITTEES

The Municipality has established the following committees as per the prescripts in strengthening the human resource management.

- Local Labour Forum Committee
- Occupational Health and Safety Committee
- Training and Development Committee
- Employment Equity Committee
- EAP committee
- Batho Pele committee

1.3.1 BURSARIES

Mayoral bursaries aim to assist students residing within the Elais Motsoaledi Local Municipality's jurisdiction who want to pursue their studies at any Government recognized institution of higher learning in South Africa. The bursary is aimed at providing financial assistance to historically disadvantaged students to further their studies. For the year under review, twenty-two (22) qualifying students were approved, and payments were made directly to institutions. Municipality paid for all qualified students to the maximum of R10 000 each.

1.3.2 WORKPLACE SKILLS PLAN (WSP)

Municipality has developed WSP for the year for 2022/2023 and it was submitted to LGSETA during April 2023 together with the Annual Training report. 16 employees (07 males and 09 females) received various trainings. Municipality received R358 005- 08 in the form of rebates from LGSETA for the year under review.

1.4 AUDITOR GENERAL'S REPORT

For financial year 2022/2023, municipality received an Unqualified audit opinion. Municipality maintained the same audit opinion as the previous financial year of 2021/2022. Refer to the attached Auditor General report on chapter 6. Audit Action Plan is developed as a corrective measure for improvement on the findings.

Emphasis of matters			
No.	2020/2021	2021/2022	2022/2023
1.	Restatement of the corresponding figures.	Restatement of the corresponding figures.	Restatement of corresponding figures
2.	Significant uncertainties	Significant uncertainties	Significant uncertainties
3.	Material impairment	Material impairment	Material electricity losses
4.	Material distribution losses	Material distribution losses	Material impairment
5.	Not applicable	Material underspending conditional grant	Material underspending on conditional grants

1.5 STATUTORY ANNUAL REPORT PROCESS FOR 2022/2023

Table 16: statutory annual report process

No	Activity	Date	Responsibility
1	Finalise 4 th quarter report for previous financial year	31-Jul-23	Municipal Manager
3	Audit/Performance Committee considers annual performance report of municipality	27-Aug-23	Municipal Manager
4	Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General.	31-Aug-23	Municipal Manager
5	Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data	31 August 2023 to 30 November 2023	Auditor General
6	Municipalities receive and start to address the Auditor General's comments	1-Dec-23	Municipal Manager
7	Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report	25-Jan-24	Mayor
8	Audited annual report is made public and representation is invited	02 February 2024-04 March 2024	Municipal Manager
9	MPAC Committee assesses the annual report	11 March to 25 March 2024	MPAC Chairperson
10	Council adopts oversight report	28-Mar-24	Council
11	Oversight report is made public	28-Mar-24	Municipal Manager
12	Oversight report is submitted to relevant provincial councils	3-Apr-24	Municipal Manager

It is also a compliance issue to meet the deadlines, as non-compliance will result in a negative audit opinion for the municipality. Meeting deadlines also assists with receiving feedback, comments and inputs from relevant stakeholders in time, and helps with rectifying mistakes whilst learning good practice at the same time.

The alignment of IDP, budget and the performance system are important, as the three documents are the strategic documents of the municipality. They serve as a guiding tool to determine whether the municipality is working towards achieving its set goals and objectives, while using the budget in the correct manner, to avoid wasting public funds. This is done through the performance management, where there will be quarterly reporting about the performance of the municipality and whether the budget is still aligned to the set objectives, or if it is being spent on something that is not helping achieve set objectives and goals. Performance management helps to give an early indication of non-performance and allows for the taking of corrective measures as soon as possible.

CHAPTER 2



GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2 INTRODUCTION

Section 151 (3) of the constitution states that the council of municipality has the right to govern on its own initiative, the local government affairs of the local community. EMLM Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The mayor is the political head of the Institution and the Speaker is the head of council. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it.

2.1 POLITICAL GOVERNANCE

Council established Section 80 committees, which provides general oversight, and monitor the activities in the municipality over both the administrative and executive arms of the municipality. These section 80 Committees are chaired by independent councillors other than members of executive committee. The following committees were established:

- Executive Committee (EXCO)
- Municipal Public Accounts Committee (MPAC)
- Section 79 portfolio committee
- Section 80 committee
- Corporate services Portfolio committee
- Infrastructure services Portfolio committee
- Budget and treasury Portfolio committee
- Community Services Portfolio committee
- Development planning Portfolio committee
- Executive Support Portfolio committee

The Speaker is a full-time councillor and takes responsibility of chairing council meetings. The Office of the Council-Whip is established to create synergy and to maintain discipline among councillors from various Political Parties. The Role of the Council-Whip covers both the political and administrative domains of council with emphasis on the political aspect. The Council-Whip deals with the well-being and particularly attendance of all councillors. The Council meetings are governed according to the approved rules of order.

The council comprises of 08 political parties namely: African National congress (ANC) with 36 seats, Economic Freedom Fighters (EFF) with 14 seats, Democratic Alliance (DA) with 04 seats, and Bolshevik Party of South Africa (BPSA) with 02 seats, Mpumalanga Party (MP) with 02 seat and (AFC) with 01 seat, (DRA) with 01 seat and (FV) with 01 seat. The Council of the municipality is composed as follows; 54 part-time Councillors, 7 full-time Councillors namely Mayor, Speaker, Chiefwhip, MPAC Chairperson and three members of the Executive committee of council (EXCO) which consist of ten of the council members

There is a good relationship between councillors as they work cooperatively to achieve the set goals of the municipality. Every year there is a schedule of meetings that is approved by council, in order to ensure that all committees meet regularly to discuss administrative, performance and service-delivery issues. Councillor's participation in various committees is satisfactory. For the year under review, council held 4 ordinary and 7 special meetings. In order to enhance good governance and accountability, Municipality adopted separation of powers model, which separated legislative arm from executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit EMLM communities. Council has established section 79 committees to play oversight role and monitor the work of the executive and administration.

Table 1: Municipal Committees annual meetings

Name of Meeting	Annual Target	Number of meetings convened	Number of meetings materialised	Total number of apologies received
Council committees				
Corporate Services	12	12	12	14
Executive Support	12	12	12	16
Finance Department	12	12	12	4
Infrastructure Department	12	12	12	6
Development Planning	12	12	12	5
Community Services	12	12	12	7
Labour Forum	12	7	7	6
EXCO	11	8	8	2
Special EXCO	-	3	3	0
Council	4	4	4	19
Special Council	-	5	5	10
MPAC	4	4	4	0
Audit Committee	14	14	14	2
Supply Chain committees				
Specification	As and when	8	8	1
Evaluation	As and when	18	18	44
Adjudication	As and when	8	8	3

CHAPTER 2: GOVERNANCE

Table 2: EMLM Councillors information

#	WARD	PARTY	SURNAME	FULL NAMES	GENDER / CONTACT NO.
-1	1	ANC	Thethe	Junior Semole	F / 082 792 2824
-2	2	ANC	Kgagara	Thabo Peter	M / 061 474 5741
-3	3	ANC	Malapela	Samuel Mogome	M / 066 168 4609
-4	4	ANC	Msiza	Mahwetse Phillip	M / 071 610 6421
-5	5	ANC	Mohlamonyane	Tshepo Emmanuel	M / 072 784 0456
-6	6	ANC	Ndlovu	Raymond Ndumiso	M / 083 747 9741
-7	7	ANC	Sithole	Thembi Cynthia	F / 082 526 3982
-8	9	ANC	Mogotlana	Jersey Sphiwe	F / 076 405 5600
-9	10	ANC	Ramongana	Nkitseng Jenneth	F / 076 413 4149
-10	11	ANC	Mafiri	Moses Aphiri	M / 071 391 8785
-11	12	ANC	Phorotlhoe	Thabiso Andries	M / 072 442 9957
-12	14	ANC	Phokwane	Marang Codney	M / 072 746 0239
-13	15	ANC	Nkosi	Sibongile Beauty	F / 072 610 5441
-14	16	ANC	Buta	Medo Zephania	M / 082 256 3304
-15	17	ANC	Malau	Toswi Samuel	M / 076 742 5535
-16	18	ANC	Letageng	Johannes	M / 072 163 6376
-17	19	ANC	Masimula	Phahlana (M)	M / 071 578 3344
-18	20	ANC	Tshehla	Mokgokong Eric	M / 072 391 3469
-19	22	ANC	Nduli	Msanyana Elias	M / 082 952 2871
-20	23	ANC	Mohlala	Nkgetheng Piet	M / 082 525 0028
-21	24	ANC	Lehungwane	Frank Kgomontshware	M / 082 581 5911
-22	25	ANC	Makuwa	Nkhubedu Sarah	F / 071 191 7978
-23	26	ANC	Morare	Sephatsi Donald	M / 082 545 4228
-24	27	ANC	Tlaka	Kgoputso Wiseman	M / 082 294 4025
-25	28	ANC	Tladi	Patrick Kose	M / 078 053 2200
-26	29	ANC	Makuwa	Reginah Mamoshasha	F / 060 610 8505
-27	31	ANC	Msiza	Mothibe Rhodes	M / 072 722 5893
-28	PR1	ANC	Tladi	Magetle David	M / 082 526 0053
-29	PR2	ANC	Phahlamohlaka	Tebogo Maferike	M / 072 958 9302
-30	PR3	ANC	Machipa	Toudi Aron	M / 082 758 6744
-31	PR4	ANC	Mashilo	Malope Samaria	F / 082 495 1194
-32	PR5	ANC	Mashego	Dieketseng Masesi	F / 072 235 9709
-33	PR6	ANC	Mahlangu	Julia	F / 060 905 1721
-34	PR7	ANC	Matjomane	Germinor Delly	F / 060 639 7537
-35	PR8	ANC	Makunyane	Hlako Justice	M / 068 331 9718
-36	PR9	ANC	Phetla	Mannyana Grace	F / 060 388 9121
-37	PR1	AFC	Koka	Petrus Thomo	M
-38	PR1	BPSA	Gulube	April Lucky	M / 082 861 7925
-39	PR2	BPSA	Radingwana	Sentsho Herbert	M / 079 866 9276
-40	13	DA	Oosthuizen	Willem Nicolaas Saaiman	M / 083 627 6490
-41	PR1	DA	Mmaboko	Sipho Hlabishi	M / 079 226 9429
-42	PR2	DA	Kotze	Johan Pieter	M / 082 554 7561
-43	PR3	DA	Matsomane	Shiko Tebogo	F / 082 526 4089

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Table 2: EMLM Councillors information (cont)

#	WARD	PARTY	SURNAME	FULL NAMES	GENDER / CONTACT NO.
-44	PR1	DRA	Ganedi	David Jack	M / 790352371
-45	8	EFF	Mathabathe	Mohlammie Glyde	M / 076 243 8537
-46	21	EFF	Maphopha	Cheleboy Mpho	M / 076 299 3459
-47	30	EFF	Mampana	Moleke	M / 079 759 6638
-48	PR1	EFF	Malapela	Hope Mashego Constance	F / 064 625 7229
-49	PR2	EFF	Mmotla	Sewisha Collen	M / 076 574 1816
-50	PR3	EFF	Ngwenya	Sarah Zodwa	F / 072 808 1411
-51	PR4	EFF	Mabelane	Kagiso	M / 060 860 4399
-52	PR5	EFF	Lecheko	Virgina Morotse	F / 066 347 1597
-53	PR6	EFF	Mthimunye	Maremoshe Simon	M / 072 036 6080
-54	PR	EFF	Ranala	Maselopi	F / 064 914 6964
-55	PR8	EFF	Sithole	Maguwe Elias	M / 076 771 9801
-56	PR9	EFF	Maibelo	Legasa Sandy	F / 072 054 1305
-57	PR10	EFF	Segope	Godfrey Radingwane	M / 060 945 5591
-58	PR11	EFF	Komane	Legobole Sharon	F / 082 215 7109
-59	PR1	MP	Ramphisa	Motiba William	M
-60	PR2	MP	Limakwe	Adelaide	F / 060 942 9953
-61	PR1	VF	DeBeer	Willem	M / 084 545 8382

Political Party	ANC	AFC	BPSA	DA	DRA	EFF	MP	VF	Total	%
Gender Representation										
Male (s)	25	1	2	3	1	9	2	1	44	72.13
Female (s)	11	0	0	1	0	5	0	0	17	27.86
PwD	0	0	0	1	0	1			2	3.28%
Age Representation										
20-35 years	2	0	0	0	0	4	0	0	14	23%
36 – 40 years	8	0	0	1	0	3	0	0	11	18%
41 – 50 years	17	0	1	0	1	7	1	0	17	28%
51 -70 years	9	1	1	3	0	0	1	1	19	31%
TOTAL	41	3	5	10	1	1			61	100%

Table 3: Executive committee members

#	WARD	PARTY	SURNAME	FULL NAMES	GENDER
-28	PR1	ANC	Tladi	MAGETLE DAVID	Male
-30	PR3	ANC	Machipa	Toudi Aron (M)	Male
-34	PR7	ANC	Matjomane	Germinor Delly (F)	Female
-36	PR9	ANC	Phetla	Mannyana Grace (F)	Female
-27	31	ANC	Msiza	Mothibe Rhodes (M)	Male
-9	10	ANC	Ramongana	Nkitseng jenneth (F)	Female
-48	PR4	DA	Kotze	Johan Pieter	Male
-51	PR1	EFF	Malapela	Hope Mashego	Female
				Constance	
-45	8	EFF	Mathabathe	Mohlamme Glyde	Male
-59	PR1	MP	Ramphisa	Motiba William	Male

2.1.1 Section 80 committees

The established section 80 committees are in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit EMLM communities Council has established section 80 committees to play oversight role and monitor the work of the executive and administration.

The established Committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors. MPAC committee is also in place and performs its duties as per approved annual work programme. MPAC is an oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance.

Table 4: Section 80 portfolio committees

SECTION 80 COMMITTEES		
COMMITTEE	CHAIRPERSON	MEMBERS
Budget & Treasury	Cllr. T.A. Machipa	1. Cllr. Makuwa R.M (ANC) 2. Cllr Msiza P (ANC)(Whip) 3. Cllr. Tlaka K (ANC) 4. Cllr Thete J (ANC) 5. Cllr Mogotlane J (ANC) 6. Cllr. Mthimunye S (EFF) 7. Cllr. Kotze J (DA)
COMMITTEE	CHAIRPERSON	MEMBERS
Infrastructure Development	Cllr Msiza M.R	1. Cllr. Thethe J (ANC) 2. Clr. Kgagara T (ANC) (Whip) 3. Cllr. Mafiri M (ANC) 4. Cllr. Tladi P (ANC) 5. Cllr Phorotlhoe T (ANC) 6. Cllr Radingwana H (BPSA) 7. Cllr. Mmotla C (EFF)

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SECTION 80 COMMITTEES (cont)		
COMMITTEE	CHAIRPERSON	MEMBERS
Community Services	Cllr Ramongana N.J	1. Cllr. Lehungwane F (ANC) (Whip) 2. Cllr. Nkosi S (ANC) 3. Cllr. Tshehla M (ANC) 4. Cllr Letageng J (ANC) 5. Cllr Mohlala N.P (ANC) 6. Cllr. Segopa M (EFF) 7. Cllr Oosthuizen W (DA)
COMMITTEE	CHAIRPERSON	MEMBERS
Corporate Services	Cllr Phetla M.G	1. Cllr. Makuwa N (ANC) 2. Cllr. Nduli M (ANC) 3. Cllr. Phokoane C(ANC) (Whip) 4. Cllr Sithole T (ANC) 5. Cllr. Masimula P (ANC) 6. Cllr Malau T (ANC) 7. Cllr Mabelane K (EFF) 8. Cllr. Matsomane T (DA)
COMMITTEE	CHAIRPERSON	MEMBERS
Development Planning & LED	Cllr Matjomane G.D	1. Cllr. Malapela S (ANC) 2. Cllr. Letageng J (ANC)(Whip) 3. Cllr. Mogotlana J (ANC) 4. Cllr Morare D (ANC) 5.. Cllr Tshehla E (ANC) 6. Cllr. Koka P (AFC) 7. Cllr. Lecheko V (EFF)
COMMITTEE	CHARPERSON	MEMBERS
Executive Support	Cllr Ramphisa M.W	1. Cllr. Msiza P (ANC) 2. Cllr. Tladi P.K (ANC) (Whip) 3. Cllr. Malapela M (ANC) 4. Cllr Phahlamohlaka T (ANC) 5. Cllr. Komane S (EFF) 6. Cllr. Mmaboko S (DA)

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Table 4: Section 79 portfolio committees

SECTION 79 COMMITTEES		
COMMITTEE	CHAIRPERSON	OTHER MEMBERS
Municipal Public Accounts Committee (MPAC)	Cllr. Ndlovu R.N	1. Cllr. Makuwa N.S (ANC) 2. Cllr. Tlaka K.W (ANC) 3. Cllr. Mashilo M.S (ANC) 4. Cllr. Kgagara T.P (ANC) 5. Cllr. Maphoza C.M (EFF) 6. Cllr. Limakwe A (MP) 7. Cllr. Mampana M (EFF) 8. Cllr. Nkosi S.B (ANC) 9. Cllr. Buta N (ANC) 10. Cllr. Matsomane T (DA)
Rules & Petitions	Cllr. Makuwa N.S	1. Cllr. Phorotlhoe A (ANC) 2. Cllr. Phahlamohlaka T (ANC) 3. Cllr. Mahlangu J (ANC) 4. Cllr. Koka P (AFC) 5. Cllr. Gulube A (BPSA) 6. Cllr. Mohlamonyane T (ANC) 7. Cllr. Mohlahlo F (EFF) 8. Cllr. Radingwana H (BPSA)
Ethics	Cllr. Buta M.Z	1. Cllr. Makunyane H (ANC) 2. Cllr. Morare S.D (ANC) 3. Cllr. Malau T (ANC) 4. Cllr. Debeer W (VF) 5. Cllr. Matsomane T (DA) 6. Cllr. Ngwenya Z (EFF) 7. Cllr. Radingwana H (BPSA)
Executive Support	Cllr. Thetho J.S	1. Cllr. Makua N (ANC) 2. Cllr. Letageng J (ANC)(Whip) 3. Cllr. Mogotlana J (ANC) 4. Cllr. Koka P (AFC) 5. Cllr. Lecheko V (EFF)
Corporate Services	Cllr. J Mahlangu	1. Cllr. Masimula P (ANC) 2. Cllr. Tladi P.K (ANC) (Whip) 3. Cllr. Malapela M (ANC) 4. Cllr. Mohlala N. (ANC) 5. Cllr. Komane S (EFF) 6. Cllr. Mmaboko S (DA)
COMMITTEE	CHAIRPERSON	MEMBERS
Community Services	Cllr. P. Masimula	1. Cllr. Makuwa R.M (ANC) 2. Cllr. Msiza P (ANC)(Whip) 3. Cllr. Tlaka k (ANC) 4. Cllr. Mohlala N (ANC) 5. Cllr. Mthimunye S (EFF) 6. Cllr. Oosthuizen W (DA)

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Table 4: Section 79 portfolio committees (cont)

COMMITTEE	CHAIRPERSON	MEMBERS
Budget & Treasury	Cllr. T. Sithole	1. Cllr. Lehungwane F (ANC) (Whip) 2. Cllr. Nkosi S (ANC) 3. Cllr. Tshehla M (ANC) 4. Cllr. Segopa M (EFF) 5. Cllr Kotze J (DA)
Development Planning & LED	Cllr. T. Phorothlo	1. Cllr. Thethe J (ANC) 2. Cllr. Kgagara T (ANC)(Whip) 3. Cllr. Mafiri M (ANC) 4. Cllr. Nkopo MP (DRA) 5. Cllr. Sewisha C (EFF)
Infrastructure Development	Cllr. M. Nduli	1. Cllr. Buta M (ANC) 2. Cllr. Malapela S.M (ANC) 3. Cllr. Phokoane M.C(ANC) (Whip) 4. Cllr. Mabelane K (EFF) 5. Cllr. Matsomane T (DA)
Chairperson of Chairpersons (Chair of Chairs) of Committees	Cllr. T.M Phahlamohlaka	1. Cllr Nduli M 2. Cllr Makua S 3. Cllr Sithole T 4. Cllr Mahlangu J 5. Cllr Thethe J 6. Cllr Phorotloe TA 7. Cllr Buda N 8. Cllr Masimula P
Local Geographical Names Change Committee (LGNCC)	Cllr. J Mogotlane	Cllr Segopa M Cllr Radingwana H Cllr Limakwe A Cllr DeBeer W Cllr Koka P Cllr Nkopo M.P Cllr Lehungwana F Cllr Phokoane C Cllr Msiza P Cllr Tladi k Cllr Kgagara T Cllr Letageng J Cllr Matjomane G.D
Committee of Presiding Officers	Speaker	Cllr. Mashego D.M
	Chair of Chairs	Cllr. Phahlamohlaka T.M

Table 4: Section 79 portfolio committees (cont)

Whippery Committee	Chairperson of Whippery	Cllr Makunyane H
COMMITTEE	CHAIRPERSON	MEMBERS
	Representative of BPSA	Cllr Radingwane
	Representative of MP	Cllr Limakwe A
	Representative of VF	Cllr DeBeer W
	Representative of AFC	Cllr Koka P
	Representative of DRA	Cllr Nkopo M.P
	Representative of EFF	Cllr Segopa M
	All Whips of Council Committees	Cllr Phokoane C
		Cllr Lehungwana F
		Cllr Kgagara T
		Cllr Msiza P
		Cllr Letageng J
		Cllr Tladi K

2.1.2 POLITICAL LEADERSHIP

POWERS AND FUNCTIONS OF MAYOR AS PER SECTION 49 OF MUNICIPAL STRUCTURES ACT

- (a) presides at meetings of the executive committee: and
- (b) performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee.
- (2) The deputy mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The mayor may delegate duties to the deputy mayor

POWERS AND FUNCTIONS OF THE SPEAKER AS PER SECTION 37 OF MUNICIPAL STRUCTURES ACT

- a) presides at meetings of the council:
- b) performs the duties and exercises the powers delegated to the speaker in terms of section 32:
- c) must ensure that the council meets at least quarterly:
- d) must maintain order during meetings:
- e) must ensure compliance in the council and council committees with the Code of Conduct set out in Schedule 5:
- f) must ensure that council meetings are conducted in accordance with the rules and orders of the council.

POWERS AND FUNCTIONS OF WHIP OF COUNCIL AS PER AMENDED MUNICIPAL STRUCTURES ACT NO. 3 OF 2021 41B.

- (a) liaises with the different political parties to ensure representation in council and council committees.

(b) maintains sound relations between the various political parties.

(c) informs the whips of all parties on important matters on the council agenda.

(d) assists the speaker to count votes in the council meeting.

(e) facilitates the interaction between the executive and legislative oversight structures in the municipality; and

(f) resolves disputes between the speaker, mayor or executive mayor, or members of the mayoral committee

POWERS AND FUNCTIONS OF EXECUTIVE COMMITTEE AS PER SECTION 44 (1)(2)(3) OF MUNICIPAL STRUCTURES ACT

(1) An executive committee is—

(a) the principal committee of the council of a municipality of a type that is entitled to establish an executive committee: and

(b) the committee of a municipal council which receives reports from the other committees of the council and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in 25 terms of its delegated powers.

(2) The executive committee must— ~

(a) identify the needs of the municipality:

(b) review and evaluate those needs in order of priority:

(c) recommend to the municipal council strategies, programmed and services to 30 address priority needs through the integrated development plan

CHAPTER 2: GOVERNANCE

and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and

(d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmed and services to the 35 maximum benefit of the community.

(3) The executive committee in performing its duties must—

(a) identify and develop criteria in terms of which progress in the implementation of the strategies, programmed and services referred to in subsection

(2) can be evaluated, including key performance indicators

which are specific to the 40 municipality and common to local government in general;

(b) evaluate progress against the key performance indicators;

(c) review the performance of the municipality in order to improve—

(i) the economy, efficiency and effectiveness of the municipality;

(ii) the efficiency of credit control and revenue and debt collection services; 45 and

(iii) the implementation of the municipality's by-laws

MEMBERS OF EXECUTIVE COMMITTEE



Cllr Machipa Toudi Aron
Political Head Budget and Treasury



Cllr Msiza Mothibe Rhodes
Political Head Infrastructure Services



Cllr Phetla Mannyana Grace
Political Head Corporate Services



Cllr Matjomane Germinor Delly
Political Head Development Planning and LED



Cllr Ramphisa Motiba William
Political Head Executive Support



Cllr Ramongana Nkitseng Jenneth
Political Head Community Services



Cllr Malapela Hope Mashego Constance
Exco Member



Cllr Mathabathe Mohlamme Glyde
Exco Member



Cllr Kotze Johan Pieter
Exco Member

FUNCTIONS OF EXECUTIVE COMMITTEE AS PER DELEGATION OF POWERS

- Oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection.
- Policy and by-laws and the performance of the municipal manager in implementing the policy and by-laws.
- When necessary, evaluate or review the municipality's credit control and debt collection policy and by-laws, or the implementation of the policy and by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures.
- Makes recommendations to council on proposed political structures of council.
- To report to council on all decisions taken by it; and makes recommendations to council in respect of its legislative powers.
- Gives political directions to the executive management team.
- Determine strategic approaches, guidelines and growth parameters for the draft budget including tariff structures.
- Delegates powers in respect of any of its powers to the mayor;

2.1.3 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the administrative head and act as interlink between the politicians and the administration. Municipal Manager together with all staff members and councillors are responsible for implementing the IDP and Budget and monitoring the progress made to ensure that services are delivered to the people. The Accounting Officer also provides guidance to political office bearers and to all officials in the municipality. There is a good relationship between the Municipal Manager, administration and political office bearers. All administrative issues that need intervention of council are referred to council for resolution.

The administrative components of the municipality comprise of seven (06) senior managers and thirty-four (34) divisional managers.

CHAPTER 2: GOVERNANCE

Table 5: EMLM management information

Directorate	Designation	Initial and Surname	Gender
Office of the Municipal Manager	Municipal Manager	Mr M. M Kgwale	Male
	Manager in Municipal Manager's Office	Mrs M Burger	Female
	Manager: Internal Audit	Mrs. P. Mailula	Female
	Chief Risk Officer	Mr L. K. Mathebe	Male
	Manager: PMS	Ms R.P. Mdluli	Female
	Manager: Legal services	Ms S. Mahlangu	Female
	Senior manager : Corporate Services	Vacant	
Corporate Services	Manager: Communications	Mr. S. T Makua	Male
	Manager: IGR	Ms V Matlala	Female
	Manager Parks	Mr J. M Mathebe	Male
	Manager: Human Resources and Development	Mr. L.M. Mafiri	Male
	Manager: Administration and Records	Mr. G.M. Ditshego	Male
	Manager: ICT	Ms K. Mashipa	Female
	Manager Labour Relations	Mr J. Maboa	Male
	Manager Compliance	Mr H. Masemola	Male
Budget and Treasury	Chief Financial Officer	Vacant	-
	Deputy CFO	Mr. M.L. Sebelemetja	Male
	Manager: Expenditure	Mr. C. Mtsweni	Male
	Manager: Budget and Treasury	Ms. K.U Sebelebele	Female
	Manager: Assets	Mr. M. C Tjiane	Male
	Manager: Supply Chain Management	Mr. V Masilela	Male
	Manager: Revenue	Ms M Namane	Female
Infrastructure	Senior Manager : Infrastructure	Mr M.E Malungana	Male
	Electrical Engineer	Mr K.K. Mametsa	Male
	Manager: PMU	Mr. F. Debeila	Male
	Superintendent Roads Construction Unit	Mr. J Malaka	Male
	Manager: Fleet	Mr M P. Mthimunye	Male
Community Services	Senior manager: Community Services	Mr M.W Mohlala	Male
	Manager: Environmental services	Ms M Mokhulwane	Female
	Manager: Licensing	Ms. P. Ntobeng	Female
	Manager: Traffic	Mr. C Coetzee	Male
	Manager: Hlogotlou	Mr. L. A Madiba	Male
	Manager: Roossenekal	Mr. M. Mahlangu	Male
	Manager: Motetema	Mr. C. C. Masemola	Male
	Manager: Elandsdoorn	Mr J. Manganyi	Male
Development Planning	Senior manager : Development Planning	Vacant	
	Manager: Development and Town Planning	Mr. B. Sethojoa	Male
	Manager: LED	Mr Sebei	Male
	Manager: Property Management and Housing	Mr. R Palmer	Male
	Manager: IDP	Mr. K. J Motha	Male

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

There are platforms established to maintain relationship between all three spheres of government. The purpose of the platforms is consultation with various interest groups and all other key stakeholders to insure that sectoral issues and projects are well captured within the IDP of the municipality for implementation.

2.2.1 Intergovernmental relations

Municipal officials attended all intergovernmental relations meetings which they were invited and implemented resolutions taken.

2.2.2 District intergovernmental structures

Section 24 of Intergovernmental Relations Framework Act 2005 establishes the district intergovernmental forum to promote and facilitate sound relations between the District and Local municipalities and the forum is chaired by District Mayor. EMLM has a good relationship with Sekhukhune district municipality and all local municipalities within the district. There are different forums conducted by district where officials and politicians from local municipalities are invited to participate. The structures are as follows:

Table 6: District intergovernmental structures

Structures	Directorates	Establishment
EXCO Lekgotla	Mayor and Municipal Manager	Provincial
Municipal Manager's forums	Municipal Manager	Provincial and District
IDP forums	IDP Manager	Provincial and District
PMS forums	PMS Manager	Provincial and District
LED forums	LED Manager	Provincial and District
Communicators' forum	Communication Manager	Provincial and District
SDM Disaster advisory forum	Superintendent: Disaster	District
MPAC forums	Council Support Manager	Provincial and District
District Environmental Forum	Manager Environmental	District
Provincial Waste and Environmental Forum	Manager Environmental	Provincial
Chiefwhip's Forum	Mnager Council support	District and Provincial
District Town Planners Forum	Town Planner	District and Province

The above forums meet quarterly to discuss progress made on service delivery. The forums are facilitated by CoGHSTA representatives and district officials. They are very fruitful forums, as members use this opportunity to share ideas and to learn from each other, in order to improve service delivery.

2.2.3 Provincial intergovernmental structures

Section 16 of Intergovernmental Relations Framework Act 2005 establishes the premier's intergovernmental forum to promote and facilitate sound relations between the province and municipalities. EMLM has a good relationship with provincial structures, namely CoGHSTA, Premier's Office and the Provincial Treasury. The province coordinated various forums where it met with members from all municipalities in the province, in order to discuss service delivery issues. Members from CoGHSTA, the Premier's Office and the provincial treasury also form part of those forums. The forums are:

- Provincial intergovernmental forum
- Premier/Mayor's forum
- Provincial monitoring and evaluation forum
- Provincial government communicators' forum

- Municipal Public Accounts Committee forum.
- Provincial Waste Management Forum
- Provincial Town Planners Forum
- Provincial EPWP Incentive Grant Sector Forum
- Provincial IDP Forum
- Provincial Speaker's Forum
- Provincial Chiefwhip's Forum

The forums are very fruitful as any kind of question is clarified, and municipalities that lack capacity are identified and provided with all necessary support. The Department of Co-Operative Governance, Human Settlements and Traditional Affairs (Coghsta) in the province is busy implementing housing projects for qualified beneficiaries. EMLM is allocated 254 housing units which were still under construction by end of financial year.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 INTRODUCTION

In terms of Municipal Systems Act section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff.

Section 6 (i) states that a municipality must develop a system of municipal governance that complements formal representative government with a system of participatory governance.

Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal governance, management and development.

2.3.1 Overview of public accountability and participation

Municipality uses different kinds of public participation, such as the Mayor's outreach, public meetings and IDP/Budget consultation, stakeholders' meetings in order to promote the culture of accountability.

Through this dictum, the people envisaged for a democracy whose attributes would be people first in a government of the people by the people, a democracy wherein no decision would be taken without consultation of the people.

1. This was brought to life by the democratic breakthrough of 1994, the adoption of the Constitution in 1996, and the formation of local government in 2000 and the subsequent laws that governs it. Chapter 4 of the Municipal System Act States A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-

- a. encourage, and create conditions for, the local community to participate in municipal affairs, including in-
 - i. The preparation, implementation and review of its integrated development plan in terms of Chapter 5;
 - ii. the establishment, implementation and review of its performance management system in terms of Chapter 6;
 - iii. the monitoring and review of its performance, including the outcomes and impact of such performance;
 - iv. the preparation of its budget; and
 - v. strategic decisions relating to the provision of municipal services in terms of Chapter 8;

- b. contribute to building the capacity of-
 - i. the local community to enable it to participate in the affairs of the municipality; and
 - ii. councillors and staff to foster community participation; and
- c. use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b)

In Elias Motsoaledi Local Municipality, Public Participation is not an abstraction, and it is not done merely for compliance, it is a platform for self-determination of the people by the people. People directs the type of service delivery and type of administration they want. During the year under review both the Mayor and Speaker had two (02) outreaches programs to engage with communities of Elias Motsoaledi Local Municipality.

2.3.2 Communication, participation and forums

Communication and engagement approaches of the municipality plays an important role in contributing to the public's understanding of public service and their engagement with local issues.

Elias Motsoaledi Local Municipality undertakes IDP and Budget roadshows on an annual basis in all 31 wards. In addition to these platforms, office of the Speaker leads public participation programs to engage with citizens. Those programmes consist of, The Moral Regeneration Movement, whose aim is to influence society towards charter of positive moral values; the Women's Caucus which seeks to strengthen women representation, capacity and voice of women in political and administrative offices and the Civic education program which seeks to educate the electorate on various issues of governance and social programs.

Municipality uses notice boards, website, newspapers, rates payers and Facebook page to spread information, new plans, budget priorities, etc. The work of the Unit is informed by the municipal communications policy and communication strategy, which centralises the communications function in Communications Unit.

The ward committee structures are used to narrow the gap between municipality and communities, since ward committees have the knowledge and understanding of residents and communities they represent. Community Development Workers (CDWs) act as a link between accessing communities in relation to community development initiatives/ programmes.

The IDP forum is constituted by Councillors representatives from business organisations, Magoši, ward committee, CDW, NGOs/ CBOs, government departments, parastatal organizations, Communication forum, Budget steering committee and stakeholder representatives of unorganized groups. The representatives are given an opportunity to represent community interests and contribute knowledge and ideas, building consensus and support for the planning process itself, and ensuring a broader ownership of the outcomes. Media briefings are held to update the media about the latest information of the municipality. Bulk sms system is used to disseminate prompt information to the community.

Customer care

Customer care of municipality aims to provide consistent service excellence whenever Customers contact municipality. This aim incorporates the Municipality's commitment to ensuring the human rights principles set out in the South African Constitution, the eight Batho Pele principles aimed at transforming public service, and 'getting it right the first time and to comply with certain requirements such as providing tools and mechanisms to encourage citizens to participate in its decision-making processes as well as improving relations with its customer.

The objective of Customer Care Unit

- To ensure that customers are provided with relevant information as and when is needed in the appropriate format.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- To ensure that customers always receive consistent and fair treatment.

2.3.2.1 MUNICIPAL COMMUNICATION PLATFORMS

Social Media

Municipality uses social media platforms, as part of its communication tool offering, to communicate with residents. Communications Unit is the custodian of Municipal social media account, it also maintains social media accounts by implementing daily posts, responding to service delivery queries and general information about municipal services. The municipal social media account is: <https://m.facebook.com/eliasmotsoaledi.localmunicipality>.

Radio Programme

Radio is one of the Municipality's main communication tools to convey service delivery messages across municipal jurisdiction. Priority for radio interviews is mainly given to political principals, Municipal Manager and the spokesperson/ Manager Public Relations to engage directly with residents on municipal plans and programmes and to listen and respond to community complaints. Municipality utilises also community radios such as Radio Moutse and Radio Thaba Ntsho.

Municipal Website

The website is the main electronic communication platform for the Municipality to communicate with residents: The updated website continues to ensure that the public has access to the latest information and Improvement in the usage of the website included adding some easy to access quick links on the homepage as and when major projects go live;

Newsletter

The Newsletter is one of the Municipality's external communication tools to disseminate information to residents. Municipality utilises newsletters to inform public about municipal decisions and developments. The platform is part of municipal strategy to enhance external engagement to cultivate a culture of engagements.

2.3.3 Ward Committees

EMLM established ward committees in terms of Municipal Structures Act of 1998, and it ought to have 310 ward committee members, which is 10 members per ward. Ward committees reports to Speakers office on a monthly basis. Ward Committees assist members of the community by advising, assisting in organising community meetings and enable them to participate in those public meetings and take good decisions.

2.3.4 Public meetings

The purpose of public meetings is to give feedback and account to the community on the implementation of the IDP/ Budget of the municipality. Public meetings are utilized as a platform to engage with community member and listen to their needs. During the year under review no public meetings were held in different wards due to the lockdown restrictions, however stakeholders meetings were convened in compliance with lockdown regulations. All meetings held were beneficial, and held as follows.

2.3.4 Public meetings

Ward no	Nature and purpose of meeting	number of meetings	Number of Participating Municipal Council-lors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue ad-dressed (Yes/ No)	Dates and manner of feedback given to community
1	Community meetings	4	1	2	600	• Water shortage and water tankers not regurlay delivering water.		
						• Provincial road R 573 construction progress	No	
						• Road maintenance in all villages		Community meetings
						• Overcrowding at Batau school	No	
						• Low level bridge Oorlog and Ramaphosa	No	
2	Community Meeting	5	1	2	355	• Water shortage and challenges of sanitations.		
						• Clinic in the area	No	
						• Illegal dumpings increasing, request for skips and request for ward to be included in municipal refuse removal function and be billed	No	Community meeting
						• Low level bridge	No	
						• Clinic needed at Moteti		
						• Regravelling of internal roads		
							No	
							No	
							Yes	
3	Community meeting	6	1	2	310	• Unelectrified households at Naganeng.	No	Community meting
						• Request for proper road to new sections	Yes	
						• Water challenges		
						• High mass lights		Stakeholders

2.3.4 Public meetings (cont)

4	Community meeting					· Reportback on Electrification of freedom park	Yes	Community meeting
	& Stake-holders					· RDP houses, the new applications are approved whilst the old applications there is no response		& stakeholders
		5	1	3	423		No	
						· Unplanned/ no survey in Allocation of sites		
5	Stake-holders & Community meeting	5	1	3	584	· Re-Gravelling of bus route in Makgakadimeng	Yes	Community Meetings
						· Vezinyawo newsstands needs to be electrified - To be submitted for registry into the masterplan		
						· Water challenges		
						· Re-gravelling of access roads to schools and tribal office		
						· Teenage pregnancy		
						· Re-gravelling at graveyard		
6	Community meeting	6	1	2		Stolen jojo tanks		Stakeholders
	& Stake-holders				884	· Illegal scrap metal shop that promotes crime		
						· To request SDM to drill new boreholes as a temporary measure to the water shortage problem as opposed to water tankers.		Community meeting
						·		
7	Community meetings	8	1	2	946	· Re-gravelling for all villages	No	
						· Storm water	No	
						· Water challenges	No	
						VIP Toilets		
						Nyakoroane road need graveling	Yes	

2.3.4 Public meetings (cont)

8	Stakeholders meeting	3	2	1	262			
						• Water shortage for Elandsdoorn, Marapong, Marapong, Taiwan and therefore request for boreholes.		
						• Water Tankers are temporarily providing water at Elandsdoorn awaiting fixing problem.	No	Stakeholders & Community meeting
						No delivery of Jojo tanks in Taiwan section.		
						Illegal dumping on the increasing across the ward - Relevant unit to be notified.		
9	Community meetings	5	1	2	390	• Electricity for new stands at Phooko section	No	Stakeholders meeting
						• Low level bridge for schoolkids at small Phooko		
						• Boreholes needed		
						• Shortage of VIP		
						• Cleaning of storm water controls		
10	Community meeting	6	2	3	410	• Erection of high mast lights	No	Stakeholders Meeting
						• Request to finish Mohlamme road	No	
						• Request for low level bridge at lesehleng	No	
						• Shortage of Jojo tanks	Yes	
						• Boreholes needed	No	
						• Electrification at Mohlamme settlement	No	
						• Re-gravelling of all streets	No	
						• Sports ground to be re-gravelled		
							No	
							Yes	
11	Community meetings	4	2	2	268	• Water shortage at five Morgan	No	Community meetings
						• Gravelling of internal roads		
						• Gates and Toilets at elandsdoorn Cemetery	No	
							No	

2.3.4 Public meetings (cont)

2.3.4 Public meetings (cont)

17	Community meeting	3	1	1	210	• Water	Yes	Community meetings
						• Roads	No	
						• Electricity	Yes	
						• Toilets	No	
18	Community meeting & stakeholder meetings	6	2	3	500	• Water shortage in Mphepeng section	No	Community meeting
						• Electrification of new settlements	No	Stakeholders meeting
						• Request for blading of sports fields	Yes	Community meeting
						• Waste skips needed		
19	Community meeting	4	1	3	210	• Thabaleboto Extension a VIP Toilets shortage	No	Community meeting
						• Water challenges in the whole ward, mainly due to illegal connections on the main supply pipe	No	Community meeting
							No	Stakeholders meeting
20	Community meeting	5	3	4	352	• Community campaign to pay municipal services	No	Community meeting
						• High bills of property rates and water	No	Community meeting
						• Maintenance of streets	No	Stakeholders
						• Cleaning of illegal dumpings, and request owners of empty stands to clean their stands		
21	Community meetings	5	2	3	296	• Broken machine	No	Community meetings
						• Shortage of water	No	
						• Rise of GBV	No	
22	Community meetings	6	2	2	374	• Water challenges in the entire ward	No	Community & Stakeholders meetings
						Shortage of VIP toilets		

2.3.4 Public meetings (cont)

23	Community meeting	7				<ul style="list-style-type: none"> Speed humps needed at sterkfontein/Vlaka road, they were reported and municipality responded but concluded at Sephaku 	Yes	Community meeting
	& Stake-holders		1	2	510	<ul style="list-style-type: none"> Complain about pump operator not providing water equitably to sections of the village 		
						<ul style="list-style-type: none"> Complains raised about the bulk water which was constructed 2006 		
						<ul style="list-style-type: none"> Ward committee portfolio establishment 		
						<ul style="list-style-type: none"> VIP Toilets needed 		
						<ul style="list-style-type: none"> Electricity cable theft is rising in the area 	No	Community meeting
						<ul style="list-style-type: none"> Speed humps needed at Sephaku and Vlakfontein 		
							No	Stakeholders meeting
							No	
							No	
							No	
							No	
24	Community meeting	6	3	1	600		Yes	Community meeting
						<ul style="list-style-type: none"> Regravelling at new stands 		
							No	Community meeting Community meeting
						<ul style="list-style-type: none"> Water shortage 	Yes	
								Community meeting
						<ul style="list-style-type: none"> Complain about Ward councillor 	No	
						<ul style="list-style-type: none"> Jojo stand at Maganago-buswa erected 		Stakeholders meeting
						<ul style="list-style-type: none"> Sports ground to be gravelled 	Yes	
							No	
							No	
25	Community meeting	4	2	2	377	<ul style="list-style-type: none"> Cable theft is rising Shortage of Jojo tanks Illegal dumping 	No	Community meetings
							No	
							No	
							No	

2.3.4 Public meetings (cont)

26	Community meeting	4	1	2		• During speakers outreach a request was made of job seekers from the ward to be considered		Community meeting
						442		
						• Services for Kampeng & Mashemong section		
						• Illegal connection of water	No	
						• Water shortage	Yes	
27	Community meetin	5	1	2		• Regravelling of street	Yes	Community meetings & Stakeholders
						Increase number of High mast lights		
						356	• Water	
							No	
						• Regravelling	No	
						• Tar road stadium road	Yes	
						• Waste collection	Yes	
						• Jojo tanks	No	
						• Highmass lights	Yes	
						• Water shortage	No	
28	Community meeting	8	1	2	981	• Incomplete VIP Toilets	No	Community meeting Community meeting
						• Speed humps at the school gate		
						• Water pipes exposed	Yes	
						• Electrification Mashemong	No	
						• Tarring of Road Dipakapakeng to Stadium	Yes	
						• Water shortage	No	
						• Electricity of new extension in Mgababa section.	No	
						• Crime in the ward		
29	Community meeting	6	1	2	410	• Shortage of RDP houses & VIP toilets.	No	Community m Community meeting
						• Ramogwerane road refurbished	Yes	
						• Water shortage. JOJO Tanks needed	No	
						• Patching of potholes & re-gravelling	Yes	
						• VIP Toilet project 100% completed	Yes	
30	Community mettings	3	1	1	160		Yes	Community meetings
						• Non payment of electricity	No	
31	Community meetings	6	2	3	435	• Sgodi phola road maintenance	No	Community & Stakeholderrs
						• High mast light at high view		
						• Streetlights at entrance of Motetema	No	
							No	

2.3.5 WARD BASED MEETINGS

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 01	CLLR J.S THETHE	Yes	12	12	4
	Ward Committee				
	TSHEPO D MOKOENA				
	NAPE S MOKGABUDI				
	JAN K MAHLANGU				
	LUCAS MAIMELA				
	PORTIA MOILOA				
	NKHENSANI O MAKHUBELE				
	EDDY M MASOLA				
	MALEFUFU L NKADIMENG				
	STOFFEL H MALAPANE				
	THUTO RAMPHISA				
Ward No 02	CLLR T.P KGAGARA	Yes	12	12	4
	Ward Committee				
	MMINA PHETLA				
	KENNETH T MTHIMIUNYE				
	DOLLY RALEKWE				
	NGAWANAMOTIBANE M CHEGO				
	SAMUEL O MAKUA				
	HERMANS P MANKGE				
	MATEBO G MMAKO				
	MOROKOLO MMATABANE				
	SEGOPOTSO PHATLANE				
	BOIKY SELLO MOLOI				
Ward No 03	CLLR S.M MALAPELA	Yes	12	12	4
	Ward Committee				
	EPHRAIM MATHEBELE				
	MARIA T SELALA				
	MMATSHIMA D DITSHEGO				
	MATETE E MAMPPANNA				
	LUCY KGAPHOLA				
	SAM M MOLALA				
	MOSES S LETSOALO				
	JOB MAMAHLODI				
	NTHEPANE THOBANE				
	NKELE MABASA				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 04	CLLR M.P MSIZA	Yes	12	12	4
	Ward Committee				
	MONAGENG TOBIE MARIA				
	KOMANE CONSTANCE DIBOLELO				
	LECHELELE MATHIBELA PATRICK				
	MAEPA ELAH				
	SEBOTHOMA JOHANNES MADIMETJA				
	MALEMONE MORARE BADNEY				
	KGOETE ELLEN RAMMABELE				
	MAKOPA MAHLODI SEIPATI				
	JOSEPHINAH				
	MALAPELA ISRAEL JAMES				
	RIBA BABA GEOGE				
Ward No 05	CLLR T.E MOHLAMONYANE	Yes	12	12	4
	Ward Committee				
	MOIPONE DITSHEGO				
	CHRISTOPHEL M MALEMONE				
	MAMA A MOKWENA				
	HOSIA M MOTAU				
	VIOLET M MASHIGO				
	NELSON M MOGANO				
	THOMAS PHASHA				
	THANDI SIBANYONI				
	MAMSY RAMPHISA				
	LESHATE MASHABELA				
Ward No 06	CLLR N.R NDLOVU	Yes	12	12	4
	Ward Committee				
	SIBONGILE SKOSANA				
	JOHN M NCONGWANE				
	HAZEL S MAGAGULA				
	JONAS S SANDLANA				
	JOHANNA MOGOLA				
	SARAH M NTIMANE				
	DIMPHE MABONA				
	NTOMBI MAHLABA				
	NTHOMENG NKOSI				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 07	CLLR T.C SITHOLE	Yes	12	12	4
	Ward Committees:				
	SUZAN SKOSANA				
	MMAPATENG MATHUPA				
	OLGA DUNGE				
	NKEKO MPHAKA				
	CYNTHIA T LANGA				
	COMFORT MATHOTHO				
	KHOLIWE MSIZA				
	KEDIBONE RASEROKA				
Ward No 08	JACOB MOKWENA	Yes	12	12	4
	JOHANNES MATHEBULA				
	CLLR M.G MATHABATHA				
	Ward committees				
	ISAIAH P MAHLANGU				
	SKHUMBUZO TSHABALALA				
	SANNAH M PHOHU				
	ANNA M MAGADI				
	ANNA WESSELS				
	NTHABISENG MPHAGA				
Ward No 09	WINNIE MOYANA	Yes	12	12	4
	MAHLOMOLA MAKOLA				
	MOLEBELEDI NTOBENG				
	PETER CHOMA				
	CLLR J.S MOGOTLANA				
	Ward Committees:				
	ZANELE MSIZA				
	ELIZABETH MANASWE				
	JONAS MOEPYA				
	ELIJAH NTOMBELA				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 10	CLLR N.J RAMONGANA	Yes	12	12	4
	Ward Committees:				
	KALUDI MOHLAMONYANE				
	SYLVIA MONAGENG				
	IVY MATHABATHE				
	TUMELO BOROKO				
	MMAMOGOLWANE MONAGENG				
	MMULEDI MALEMONE				
	MAPULE MAKITLA				
	GERMINAH MAKITLA				
	NTLHANE MOHLAMONYANE				
	SHIRLEY NAMANE				
Ward No 11	CLLR M.A MAFIRI	Yes	12	12	4
	Ward Committees:				
	KATE MOKWENA				
	KHULELAPHI MDLULI				
	CONNY NTOBENG				
	MAGOMARELA NKOPODI				
	MAFATA MASHU				
	KGORI TSARO				
	BELLA MTHIMUNYE				
	HELLEN MALAPELA				
	ZANELE KINIDA				
	SIBUSISO MBANYELA				
Ward No 12	CLLR TA PHOROTHLOE	Yes	12	12	4
	Ward Committees				
	KGETLANE PHORA				
	KHOMOTSO KOTLELO				
	KGATWANE MATHEBE				
	SENTANANA RATLHOGO				
	MACESELA NDLOVU				
	CATHERINE KABINI				
	MAROPENG MONARENG				
	ELIZABETH MONAGENG				
	SELLO MONAGENG				
	MATLOKOLO MOEKETSI				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 13	CLLR W OOSTHUIZEN	Yes	12	12	4
	Ward Committees:				
	SARA HESSELS				
	KAREN OOSTHUIZEN				
	ARNOLDUS SCHOOUMBEE				
	FRANCINA KLENHANS				
	MARIA FOURIE				
	SHAUN MELLORS				
	JOSHUA MMAKOLA				
	NICOLETTE PRETORIUS				
	CORNEL BOTHA				
	ZACHARIAS SAAYMAN				
Ward No 14	CLLR M.C PHOKWANE	Yes	12	12	4
	Ward Committees:				
	SEBOTHOMA RUTH LEBOGANG				
	MAPEA MAHLODI JOYCE				
	UQUELO MIKE				
	PHETLA MANTWA KELLY				
	CHEGO ROIDA MPHOMA				
	PHETLA TEREMIA KATISI				
	APHANE LEHLOGONOLO				
	NKADIMENG INNOCENTIA SEMELA				
	MPAHLELE MANIE QUEEN				
	RYAN LEGWAI				
Ward No 15	CLLR S.B NKOSI	Yes	12	12	4
	Ward Committees:				
	BONGINKOSI MAHLANGU				
	MPOROME MAPHAKA				
	LUCAS MOHLAHLA				
	ELIZABETH MHLONGO				
	LIZZY SINDANE				
	BONGANI NDULI				
	MASEBOTSANA MOKWANA				
	SIBONGILE MASILELA				
	JOHANNAH MASHIYA				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 16	CLLR Z. B BUTA	Yes	12	12	4
	Ward Committees				
	LOMUSA SKHOSANA				
	KHOMOTSO MAPHOSA				
	TLAMAGA ROSI				
	PATRICIA XELIBOKWE				
	AMOS SKHOSANA				
	SARA MOKWENA				
	POPPIE MAHLANGU				
	JEREMIA ZULU				
	KLEINBOOI MAHLANGU				
	THEMBA MATEBULA				
Ward No 17	CLLR T. S MALAU	Yes	12	12	4
	Ward Committees:				
	ANNIE MAREDI				
	PABALLO SEOPELA				
	TSHEPHANG MASEMOLA				
	MAKGOPANE MOHLAPE				
	RANKEPILE MABELANE				
	SELLO NKOANA				
	TEBOGO MOSOHLAWE				
	MOKWAZI MOKWANA				
	THABANG MOTSEDI				
	MOTSHANA SARAH				
Ward No 18	CLLR J. LETAGENG	Yes	12	12	4
	Ward Committees:				
	KGOTHATSO J MAKUA				
	TUMISHI A MOHLAHLHO				
	RANGOATO MNGUNI				
	NGWANAMOKWENENG CHEGO				
	NTENENG MANKGE				
	PETRUS MAKUWE				
	MAPULE MOTAU				
	MOSES MAGANE				
	DORCUS T PHETLA				
	KATLEGO C MAKEKE				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 19	CLLR P. MASIMULA	Yes	12	12	4
	Ward Committees:				
	MASHIFANE WINDY SESI				
	NEZZY MAHLANGU				
	MTHOMBENI BENZANI ANDRIES				
	MAHLANGU THANDAZILE CECILIA				
	MABULA PAULINE TSHIDI				
	NTULI SIVUYILE AYANDA				
	MAHLANGU KENNETH				
	SEGAFA KENNETH				
	MABUTANA JOHANNES MAHLANGU				
	LYDIA MAILE				
Ward No 20	CLLR M.E TSHEHLA	No	12	12	4
	Ward Committees:				
	Mokoana Felicia Moremadi				
	Suman Sydne Dimakatso				
	Mokoana Bafana Lucas				
	Makola Abram Semopo				
	Tshehla Eunic Ntebaleng				
	Mabogoane Sylvester Thulani				
	Chego Piet Butie				
	Machika Themba Joseph				
	Gama Elizabeth Morder				
	Mathupane Napo John				
Ward No 21	CLLR C M. MAPHOPHA	Yes	12	12	4
	Ward Committees:				
	MAKUWA MASHALANE LAZARUS				
	MAKUA MONOCCA NKELE				
	MAKUWA MOROKA MARIA				
	MOHOSANA KENEILWE MAPOME				
	MTHIMUNYE JANE MALI				
	MAPULE MABELANE				
	MTHIMUNYE THEMBA FRANCE				
	NKGUDI MOTLAPELE EDWARD				
	SITHOLE CAIPHUS NGINI				
	TSHELA ZODWA LEAH				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 22	CLLR M.E NDULI	Yes	12	12	4
	Ward Committees:				
	MAKENA KATLEGO BEAUTY				
	TLOU JOHANNES CAIPHUS				
	MAHLOKO LEBOGANG PHASWANE				
	TSHOMA PHASUDI OTTO				
	MASHILE NANA MARIA				
	NTOBENG MPHOPH ROSE				
	SKOSANA TSHWARELO OBED				
	MOHLALA KOKETSO J				
	MALEKA MAMMILENG LINDIWE				
	RANDINGOANE THABO				
Ward No 23	CLLR N.P MOHLALA	Yes	12	12	4
	Ward Committees:				
	NTULI NOMTHANDAZO REGINAH				
	DIKOTOPE THABO				
	MAHLANGU DUMISANI KLAAS				
	NKABINDE ANTHONIA				
	MAHLANGU BRENDA ELDA				
	MKONENI MANDLA MXOLISI				
	MORENA LUCY MPUKANA				
	MOKGAJANE BETTY MAKGOLONYANA				
	MAHLANGU EDWARD NICOLAS				
	MAHLANGU ELIAS THENJWA				
Ward No 24	CLLR F.K LEHUNGWANE	Yes	12	12	4
	Ward Committees:				
	MALOPE WILLIAM				
	MOGOLA ELIAS MOTSHAKANE				
	NKADIMENG MMATAU MARTHA				
	MOGOLA EVA RAMOLAPO				
	MASEMOLA TEMANA KAGISO				
	SIBEKO WESSEL KGOTHATSO				
	THOKWANE MATSIE SINAH				
	MADIHLABA RAMODUBJANE RINKIE				
	SEKWATI MORATO JANE				
	MAEPA MACDONALD CLEMENT				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 25	CLLR N.S MAKUWA	Yes	12	12	4
	Ward Committees:				
	MOHLALA MOJALEFA JOSEPH				
	MNGUNI SIPHO				
	MASHILO MAKASHWELA BEAUTY				
	MPUBANE KENNETH NKHWENG				
	MATSIPE THOBOLE PATRICK				
	MABASA LEBO MARIA				
	MATLOU MATLOLE DANIEL				
	MOKGOATJANE MAGAVE DAVID				
	MOHLALA MAKOBOTSENG ALPHINA				
	MATHONYANE GRACE				
Ward No 26	CLLR S.D MORARE	Yes	12	12	4
	Ward Committees:				
	MAHLANGU SMANGALISO GIFT				
	SKOSANA LEHLOGONOLLO PATRICK				
	MAMARIGA INNOCENT				
	MAABA ANNA MALOPE				
	SEFOLOSHI SEKWALA JAN				
	MAGAMPA SENGALELA DITAU				
	MAGAMPE PESHIWA BOITUMELO				
	MAMPURU TEBOGO MAKGOFE				
	MAGANE PUSELETSO				
MATHEBE NTHABISENG DORCAS					
Ward No 27	CLLR K.W TLAKA	Yes	12	12	4
	Ward Committees:				
	MALAPANE LERATO CHARITY				
	MABALANGANYE SEKANAH REGINAH				
	MASHILO WALTER TSHAKA				
	THABANG MARCUS SEAGE				
	MAKUWA THANDI SEGOPOTSE				
	TSHEHLO THATA JERRY				
	HLAKUDI MALETSI MAGDELINE				
	MOKGANYETSI ROBERT KHUPE				
	KHAKA MARGARETT NCAZANA				
	MATENTSI THABO LAZARUS				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward No 28	CLLR P.K TLADI	Yes	12	12	4
	Ward Committees:				
	MATULUDI MAMOTALANE EVE				
	MOKOANA CONSTANCE				
	KGOPUTSO KABELO SHAUN				
	TSHEHLA ANNA PHELADI				
	SKOSANA ANGELINA				
	SKOSANA GOODNESS NTOMBIZODWA				
	FENYANE MODUPI DANIEL				
	MAREDI LEDWABA KLAAS				
	DIKOTOPE JERREN MASHIANOKE				
	MOKONE BIGBOY SYDNEY				
Ward No 29	CLLR R.M MAKUWA	Yes	12	12	4
	Ward Committees:				
	MOHLALA STEPHINAH RAMPHAHLELE				
	MOKABANE LUCAS MAUPE				
	MATJOMANE CAROL				
	MAKAU JEANETTEL MUMSY				
	FENYANE THABANG BREADLY				
	RATAU NICOLADE				
	MASHILO KWETEPE MAGDELINE				
	MAKWANA ALFRED NYEREDI				
	CHOMA CHISTOPH MACHENG				
	THABANG KADING SALTHIEL				
Ward No 30	CLLR M. MAMPANE	Yes	2	3	1
	Ward Committees:				
	LEKHULENG LEONA				
	MAMOKABI OLIVIA				
	MADIHLABA LOSTA				
	TSHEHLA MAREMA				
	MAGOLEGO MEISIE				
	ISAAH PHAMANE				
	NTOMBI LEDIMO				
	PHETLA MOHLABANENG				
	WALTER MAKUWA				
	JEANETH MASOMBUKA				

2.3.5 WARD BASED MEETINGS (cont)

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year
Ward 31	CLLR M R. MSIZA				
	Ward Committee	Yes	12	12	4
	SETHOPANE T RIBA				
	MAHLASE TSOKELA				
	ABRAHM MASHAO				
	GLADYS MAAKE				
	MARIA MONOGE				
	NTOMBAZANA MASHIANE				
	PRINCE B THOBEJANE				
	KATLEGO KGONYANE				
	NGWATOMOSADI KHUMALO				
	NELSON J NTULI				

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	yes
Does the IDP have priorities, objectives, KPIs, development strategies?	yes
Does the IDP have multi-year targets?	yes
Are the above aligned and can they calculate into a score?	yes
Does the budget align directly to the KPIs in the strategic plan?	yes
Do the IDP KPIs align to the Section 57 Managers	yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	yes
Were the indicators communicated to the public?	yes
Were the four quarter aligned reports submitted within stipulated time frames?	yes

COMPONENT D: CORPORATE GOVERNANCE

Overview of corporate governance

EMLM has a code of conduct and policies in place that served as guidance on how to execute our functions in a responsive manner. These documents are applicable to everyone in the municipality, as they set out rules, laws, customs and culture of the municipality. All officials, together with political heads, work collectively, guided by policies to deliver efficient service delivery to communities in order to achieve the vision and goals of the municipality.

2.5 RISK MANAGEMENT

Section 62(1) (c)(i) of the Municipal Finance Management Act compels the accounting officer to establish and maintain, among others, a system of managing risks faced by municipality. EMLM has in place a system of risk management for municipality to provide some assurance that risks across all functions and levels, that may have an impact on the achievement of objectives, are adequately and proactively anticipated and mitigated. Risk Management processes are coordinated, supported and championed by the Risk Management Department, led by the Chief Risk Officer. Is a systematic approach to setting the best course of action under uncertainty by assessing, understanding, acting on and communicating risk issues and opportunities. The management of risk is an essential part of corporate governance within the municipality. The risk management system assists in safeguarding Council's interests and attempts to ensure the best use of limited municipal resources. The Municipal Manager is responsible for managing the administration of the municipality, and for this purpose takes all reasonable steps to ensure the municipality has and maintains effective, transparent systems of risk management and internal control.

- The 2022/23 four quarterly meetings of risk management committee meeting were held.
- The 2022/23 four risk management report was finalised, and presented to the risk management committee and Audit Committee
- The 2022/23 four quarters of strategic risk management reports were reviewed by the risk management committee and Presented to the Audit committee.
- Risk management governance documents were reviewed by all relevant structures and approved by council.
- Matters arising from the previous Risk Management Committee and Audit Committee reports were presented and progress there off was monitored.

The following policies were revised and submitted to council for approval:

- Revised Anti-Corruption and Fraud Prevention Strategy
- Revised Anti-Corruption and Fraud Prevention Policy
- Risk Management Policy
- Risk Management Strategy
- Risk Management Charter
- Business Continuity plan

Top ten risks identified:

Risk Title	Category	RR	Risk Response
Inadequate Sports and Recreational Facilities	Financial	14	Mitigated and carried over to 2023/2024
Failure to provide ongoing maintenance and capital upgrades which poses risk to environmental	Service delivery	16	Mitigated and carried over to 2023/2024
Over/Under Budgeted on segments	Financial	15	Mitigated and carried over to 2023/2024
Payment of Goods and Services after 30 days.	Compliance/regulatory Risk	16	Mitigated and carried over to 2023/2024
Delays in procurement of Goods and Services.	Human resources	20	Mitigated and carried over to 2023/2024
Failure to embed a strong records management culture across council	Reputation	16	Mitigated and carried over to 2023/2024
Ineffective Employees Assistance Programme	Service delivery	16	Mitigated and carried over to 2023/2024
Negative perceptions about the political	Economic Environment	15	Mitigated and carried over to 2023/2024
Inability to provide services to the community	Service delivery	20	Mitigated and carried over to 2023/2024
Aging Infrastructure of roads and storm water.	Financial	18	Mitigated and carried over to 2023/2024

2.5.1 RISK FINANCE

Municipal insurance programs cover property damage, business interruption, public, product, professional liability, and Directors 'and Officers' exposures. They aim to protect Municipality against exceptionally large or numerous claims. Municipality doesn't own nor operate any captive insurance. It uses only high-quality and financially sound insurers, combining master policies with local insurance policies. Negotiation and coordination of these programs are carried out in the Risk department unit with assistance of leading insurance brokers with integrated international networks. By so doing, Municipality secure broad and consistent cover for all Municipal activities, locations, cost optimization, reporting and control, while ensuring compliance with local regulatory requirements. Municipality reviews insurance strategies periodically, taking into account changes in risk profile (such as acquisitions, claims, loss events and other activities) and insurance market trends.

2.5.2 FRAUD AND ANTI-CORRUPTION STRATEGY

For the year under review, municipality developed an anti-fraud Strategy to prevent, detect, deter, report and respond to fraudulent activities. This activity is Municipal mangers responsibility, Anti-Fraud Committee comprising of senior management and Manager Compliance Officer. All managers must report any suspicion of fraud, and our whistle-blowing policy enables employees to raise suspected irregularities. In the event of fraud, managers must make appropriate changes

to systems, Controls, education and procedures to prevent recurrence, and the Risk and anti- fraud committee monitors the effectiveness of such actions. Municipality conducted a fraud risk assessment and training in anti-fraud, anti-bribery and awareness poster were distributed to all municipal departments.

2.5.3 BUSINESS CONTINUITY MANAGEMENT

Municipality cannot identify all risk that faces the institution. Therefore, municipality has business continuity responses designed to improve resilience to unforeseen events – such as a supply chain disruption, employee repatriation, or network intrusion attempts – and minimize their impact on stakeholders and reputation. The business continuity policy and strategy were approved and rolled out to departments for awareness. It encompasses basic escalation and communication rules, guidelines for anticipation and action, and clear roles and responsibilities. Training was limited due to financial constraints.

- ICT business Continuity
- Availability of Power during Load shading
- Backup Water supply

2.6 PUBLIC SATISFACTION SURVEY

No public satisfaction survey was conducted during the year under review.

2.7 SUPPLY CHAIN MANAGEMENT

Description	Number of meetings	Members of the committee	Functions
Bid specification committee	8	<ul style="list-style-type: none"> Manager: PMU (Chairperson) Manager: Roads, Storm Water and Building Maintenance Manager: Solid Waste Management Manager: Budget and Reporting Snr SCM Accountant SCM Accountant (Secretariat) 	<ul style="list-style-type: none"> Compile a proper and unbiased specification for a specific requirement. Ensure proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirements, the ratio between price and functionality, evaluation criteria as well as their weights and values. Ensuring availability of funds Set ranges indicating breakdown of points, and percentages as provided in the relevant sliding scales for the selected specified goals
Bid Evaluation committee	18	<ul style="list-style-type: none"> Snr Accountant SCM (Chairperson) Manager: Property PMU Technician: Infrastructure Snr Disaster Management Officer: Community Services OHS Officer: Corporate Services Manager: LED Property Rates Officer Budget and Treasury (Secretariat) 	<p>This committee is responsible for the evaluation of bids received, which includes:</p> <ul style="list-style-type: none"> Verification of administrative compliance of the bid documents Evaluation of bids in accordance with the criteria specified in the bid documents (specification) and the PPPFA regulations. Evaluation of each bidder's capacity/ability to execute the contract. Verification of National Industrial Participation Programme (NIPP) requirements if the contract is in excess of ten million rand (R10m) Submission of evaluation report and recommendation(s) regarding the award of the bid to the adjudication committee.
Bid Adjudication committee	8	<ul style="list-style-type: none"> Acting Chief Financial Officer Acting Director: Development Planning Director Corporate Services Acting Director Infrastructure Manager SCM Director: Community Services Relevant Technical Expert SCM Accountant (Secretariat) 	<p>This committee is responsible for the adjudication of bids received, which includes:</p> <ul style="list-style-type: none"> Verification of administrative compliance of the bid documents Evaluation of bids in accordance with the criteria specified in the bid documents (specification) and the PPPFA regulations. Evaluation of each bidder's capacity/ability to execute the contract. Verification of National Industrial Participation Programme (NIPP) requirements if the contract is in excess of ten million rand (R10m) Submission of final award to the Accounting Officer

2.8 BY-LAWS

For the year under review, municipality developed Hawkers By Law (2022) and it was approved by Council and awaits gazetting.

2.9 WEBSITE

A municipal website is an integral part of a municipality's communication infrastructure and strategy. If managed effectively, it allows easy access to relevant municipal information, it serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The municipal website is www.eliasmotsoaledi.gov.za Municipality's website is available and functional to assist members of the community and fellow South Africans to easily access municipal information.

Table 9: Municipal website information

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

Table 11: Attendance of meetings

NO	AUDIT COMMITTEE	ORDINARY MEETINGS					SPECIAL MEETINGS									
		4	1	2	3	Total	1	2	3	4	5	6	7	8	9	Total
1	Modipane TC (Chairperson)	✓	✓	✓	✓	►	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
2	Rabalao JM	✓	✓	✓	✓	►	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
3	Tshivule M.M (resigned)	✓	✓	n/a	n/a	2	✓	✓	✓	✓	✗	✗	✗	✗	✗	4
4	Masite MJ	✓	✓	✓	✓	►	✓	✓	✓	✓	✓	✓	✓	✗	✓	9
5	Mabuza MJ	✓	✓	✓	✓	►	✗	✓	✓	✓	✓	✓	✓	✓	✓	9

2.10 AUDIT COMMITTEE

Municipal Audit Committee was established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003. The committee comprises of Five (05) members appointed for the period of three (03) years started on 03 January 2022 to 03 January 2025. Audit committee members specialises in various expertise ranging from Internal Audit and risk, Performance management, Legal, Information Technology and Finance. Members always complied with schedule of meetings and avail themselves for meetings. They performed their duties as stipulated in Section 166 of the MFMA. Over and above that, members assist municipality in reviewing quarterly financial and non-financial reports, annual report and Annual financial statements. Their contribution assisted municipality in maintaining an unqualified audit opinion for financial year 2022/2023. Audit Committee reports to council on their activities and recommendations as required by the Audit Committee Charter and section 166 of the MFMA. For the year under review, four (4) ordinary and member of the Audit Committee Mr tshivule resigned on the 9th January 2023 with immediate effect. Ten (10) special audit committee meetings were held.

Table 10: Audit Committee members

Surname and initials	Gender
Modipane TC (Chairperson)	Male
Rabalao JM	Male
Tshivule M.M (Resigned on 9 Jan 2023)	Male
Masite MJ	Female
Mabuza MJ	Female

CHAPTER 3



SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Municipality is licensed to provide electricity in 3 wards, which are ward 13,14 and 30 (Groblersdal, Masakaneng and Roossenekal areas respectively), and the other 28 wards are Eskom licensed areas.

Municipality has a backlog of 4% (2382) households without electricity. A total number of 56415 Households (95%) has access to electricity (serviced both Eskom and EMLM). Municipality received an allocation of R 17. Million for INEP and electrified the following villages: Maleoskop, Masakaneng Portion 69, Nyakelang, Makaepa, Phomola\Kgaphamadi and Matlala Lehwelere using the allocated funds from INEP. The South African condition of load shedding has necessitated

Municipality to embark on an alternative energy Solution which will comprise of embedded generation through roof tops solar panels and the establishment of solar farm. Council has allocated land for provision of solar farm; feasibility studies are concluded and waiting for the process of approval to conclude the Power Purchase Agreement.

An additional Substation of 2 x 40MVA was proposed to boost the current 20MVA which will soon be reaching the full capacity,

The status of the three licensed areas can be summarized by the following analysis

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> • We have 11Kv 1 x 20MVA ring feed for Groblersdal and 11Kv 5MVA overhead for Roossenekal. 	<ul style="list-style-type: none"> • Inability to carry out major maintenance due to budget constraints.
<ul style="list-style-type: none"> • Stable underground cable network 	<ul style="list-style-type: none"> • Deteriorating Network from lack of maintenance
<ul style="list-style-type: none"> • Qualified human resource 	<ul style="list-style-type: none"> • Lack of Bulk statistical metering system
<ul style="list-style-type: none"> • Up to date Eskom Account for both Areas 	<ul style="list-style-type: none"> • Inability to realise full collection from Consumers at Roossenekal
<ul style="list-style-type: none"> • Ability to complete the Electrification projects. 	<ul style="list-style-type: none"> • Lack of revenue enhancement strategy.
<ul style="list-style-type: none"> • Fleet to service the two areas is available. 	
<ul style="list-style-type: none"> • Provision of high-mast lights to various wards 	
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Revenue base can be increased. 	<ul style="list-style-type: none"> • The loss of the one 20 MVA transformer will pose a problem to Municipal Customers.
<ul style="list-style-type: none"> • We can establish system of improving revenue collection through the use of pre-payment 	<ul style="list-style-type: none"> • Inability of paying Eskom account and maintaining the high mast lights in various wards due to none payment customers
<ul style="list-style-type: none"> • Groblersdal Capacity can be upgraded to 11Kv 2 x 20 MVA 	<ul style="list-style-type: none"> • Skill retention strategy

Table 1: Employees in electricity unit information

Employees: Electricity Services					
Job Level	2022/2023				
task grades	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	2	2	2	0%
4 – 6	6	7	5	2	33%
7 – 9	2	0	0	0	0%
10 – 12	5	4	3	1	20%
13 – 15	1	0	0	0	0%
16 – 18	01	01	01	0 0	0%
Total	15	12	9	3	20%

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Table 2: Capital expenditure on electricity services

Capital expenditure on electricity services

Capital Expenditure Year 2023/2023 : Electricity Services					
R' 000					
Capital Project	2022/2023				
	Original budget	Budget Adjustment	Actual Expenditure	Variance	Total Budget
Total All	R17 000 000.00	0	R17 000 00	R0.00	-
Electrification of Masakaneng Portion 69 (415 HH)	R3 960 000.00	R7 960 000.00	R7 643 721.49	R316 278.51	R7 960 000
Electrification of Masakaneng Portion 69 (109) HH	R1 853 749 .86	R 1 853 749.00	R1 853 749.00	R0.00	R1 853 749.00
Electrification of Makaepa (162 HH) 201 HH	R2 457 641.08	R3 240 000.00	R 2 457 641.08	R2 457 641.08	R3 240 000.00
Electrification of Nyakelang Extension (190 HH) (151)	R 2 984 833.33	R3 800 000.00	R2 984 833.34	R0.00	R3 800 000.00
Electrification of Phomola\ Monsterlous (100 HH) (122 HH)	R2 000 000.00	R2 060 055.10	R 2 060 055.10	R0.00	R2 060 055.10
Electrification of Maleoskop	R1 924 407.00	R1 924 407.00	R1 368 070.00	R556 337	R1 924 407.00

3.2 WASTE MANAGEMENT

Elias Motsoaledi Local Municipality renders weekly refuse removal using kerbside method for households in the following areas: Motetema, Hlogotlou, Groblersdal, Roossenekal (Town & RDP), Elandsdoring, and Walter Sisulu. Business refuse removal is rendered two days or daily depending on the nature of the business. The department is also providing refuse removal services using the skip bins that are rented monthly to some businesses. Refuse removal service is outsourced to service provider. Municipality provides street cleaning and litter picking services in Groblersdal town daily (seven days a week). Litter picking in all villages is done using EPWP'S. Cleaning of illegal dumps is being done as when as it is required throughout the municipality. The municipality is providing refuse removal in rural villages using skip bins.

Table 5: The skip bins are distributed as per the table below.

Area	Number of containers	Ward
Waal kraal RDP		
Taereng	1	5
Bloempoort	2	8
Groblersdal Taxi rank	3	13
Voortrekker Street	2	13
Home Affaiirs	1	13
Thabakhubedu	1	12
Masakaneng	2	14
Mogaung	1	22
Hlogotlou waste transfer station	2 self-compressed containers & 2 skip bins	20
Luckau next to SASSA	1	24
Medupi crèche	1	25
Tafelkop next to Thabantsho community radio station	2	26
Tafelkop (Stadium)	1	27
Tafelkop: Boikano disability center	1	28
Motetema – Tafelkop road	1	31

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Table 5.1 : Skip bins placed in rural villages

Area	Number of containers	Ward
Tafelkop Mall	3	25
Mall @ Moutsiya	1	4
Philadelphia hospital	02 Self compressed container	6
	02 Skip bins	
Moutse Mall	3	11
Cashbuild Moutse	1	11
Game Centre	1	13
New Shoprite	2	13
Old Shoprite	1	13
Cashbuild Groblersdal	1	13
BP Garage	1	13
Sasol garage	1	13
Highveld bottling	1	13
OK Food	1	13
JD group	1	13
Vleismark butchery	1	13
Puma Avant	1	13
Schoeman Boerdery	1	13
Groblersdal mall	5	13
Laerskool Julian Muller	1	13
Jojo Tank	1	13
Super spar – Groblersdal mall	2	13
Sizanani Supermarket	1	13
Look out Lodge	1	14
Aquaville filling Station	1	14

3.2.1 WASTE DISPOSAL FACILITIES

Elias Motsoaledi Local Municipality has three licenced waste disposal facilities: Groblersdal and Roosenekal landfill sites and Hlogotlou Waste transfer station. The municipality has outsourced the management of landfill sites to Selema Plant Hire. The project has generated 08 job opportunities for the local communities inclusive of all available skills. Groblersdal and Roosenekal landfill sites are outsourced to service providers. The main challenges are the non-compliance to the license conditions (Roossenekal landfill site is not fenced)

3.2.2 RECYCLING AND AWARENESS CAMPAIGNS

Recovery of recyclable materials is done by private individuals and companies within the Municipal area. Due to limited resource the Municipality is unable to implement waste minimisation initiatives. Education and awareness on recycling is done frequently and when the needs arises. The municipality has conducted four education and awareness campaign during the year under review

The table below indicates recycling firms that operate with Elias Motsoaledi Local Municipality

Name	Location	Material recycled
Silver ink Environmental solution	Groblersdal	Card box and Plastic
Carmelo investment	Bloemfontein	Card box and Plastic
Pieterse Scrap Metals	Groblersdal	Steel
JH Metals	Groblersdal	Steel

Table 7: Employees for Solid Waste Management Services

Employees: Solid Waste Management Services					
Job Level	2022/2023				
task grades	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	11	58	11	47	81%
7 – 9	7	10	7	3	30%
10 – 12	01	03	01	02	67%
13 – 15	01	01	01	0	0%
19 – 20	1	1	1	0	0%
Total	22	73	22	51	71%

3.2.3 FREE BASIC SERVICES AND INDIGENT SUPPORT

EMLM has an indigent policy in place which outlines criteria for registering indigents. Free basic electricity is the only benefit that municipality provides to indigents households. The number of indigents registered in the financial year under review is 17250 and the average number of 1129 was configured by Eskom to receive monthly free basic electricity. Municipality provides free basic electricity to both Eskom- and municipal-licensed areas. Municipality budgeted R765 709 for free basic electricity and the actual expenditure thereof amounted to R763 345 . The source of funding for this service is equitable share and the budget provision is relatively low compared to equitable share component for this service.

Table 9: Financial Performance 2022/2023: Cost to Municipality of Free Basic Services Delivered.

Financial Performance 2022/2023 : Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2022/2023			
	Original	Adjustment budget	Actuals	Variance to Budget
	Budget			
Electricity	R1,165	R1,360	R1,359	R0
Waste Management (Solid Waste)	R0	R0	R0	R0
Total	R1,165	R1,360	R1,359	R0

COMPONENT B: ROAD TRANSPORT

3.3 TRANSPORT OVERVIEW

EMLM has one mode of transport: which is road transport. Communities depend on buses, taxis and their own cars for transportation. There are two bus companies within the municipality, namely Great North Transport and PUTCO. Great North Buses provide services locally in all 31 wards and PUTCO Buses provide services from Groblersdal and Moutse area to City of Tshwane on daily basis. PUTCO service in Groblersdal is available only in the morning and afternoon as compared to Moutse area where the service to City of Tshwane is available the whole day. Most community members rely on buses as the cheapest mode of transport, and few utilises taxis and their own cars as mode of transport. Buses are available in all 31 wards to commute people to their destination. Most community members rely on bus services because of their accessibility to remote areas as compared to taxis that use main roads only.

3.3.1 PERFORMANCE ON ROADS

Municipality has a backlog of 1253.86km of gravel roads. For the year under review only five (05) road projects (Dipakapakeng, Tafelkop stadium, Nyakuroane, Mokomung and Bloempoort road) were constructed utilising MIG grant. At the end of the financial year, (01) road project (Dipakapakeng) completed, (02) road projects (Nyakuroane and Bloempoort projects are on practical completion. One (01) road project (Tafelkop stadium) was not completed at the end of financial year, whereas one (01) road project (Mokumong) is at design

stage earmarked to be advertised for construction in the subsequent 2023/24 financial year. The total MIG allocation budget was R94 606 000.00, and the actual expenditure was R73 895 703. Municipality received additional Municipal Infrastructure Grant (MIG) allocation amounting to R32 million from the national sphere of government as per government gazette No.48327 volume 693 published on the 29th of March 2023. The additional MIG grant was allocated to various capital projects.

Municipality has re-gravelling road programme in place to gravel roads in all wards. Roads and Storm water are key Municipal functions. Most roads within the Municipality are in a state of decay, with provincial roads in dire need for resealing and surfacing. Gravel roads are also a challenge as most are inaccessible due to lack of storm water controls. Municipality extended the maintenance teams to accelerate its services to every ward through satellite offices. The long term strategy of the Municipality is to surface roads within municipal area even though municipality relies on Grants for roads projects. To improve accessibility to villages, 147km of internal roads were regravelled.

Table 10: Gravelled and asphalted roads

Gravel Road Infrastructure				
				Kilometres
2019/2020	1270.03 km	0km	0km	Gravel roads graded /maintained
				394km (Bladed)
2020/2021	1255.63km	0km	14.4km	120.5 (regravelled)
				673.3km (Bladed)
2021/2022	1253.85km	0km	0km	298.5 (regravelled)
				365km (Regravelled)
2022/2023	1240.15km	0km	13.7km	892km (Bladed)
				190km (Regravelled)
				542km (Bladed)

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Table 11: Asphalted Road Infrastructure

Asphalted Road Infrastructure				
Kilometres				
	Total roads (backlog)	New asphalt / surfaced roads	Existing asphalt roads re-surfaced	Asphalt roads maintained
2018/2019	1290.34	7.71km	12.6km	0km
2019/2020	1270.03	0km	4.37km	2km
2020/2021	1255.63	14.4km	0km	32km
2021/2022	1253.85	1.78km	7.6km	45km
2022/2023	1252.07	10.85km	0km	

Table 12: Roads and stormwater services employees

Employees: Roads and storm water services					
Job Level		2022/2023			
task grade	Employees	posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	68	84	64	20	23%
7 – 9	01	06	06	0	0%
10-Dec	0	02	1	1	50%
13 – 15	2	2	1	1	50%
Total	71	94	72	22	23%

Table 13: Development of municipal roads

Development of municipal roads as required	New surfaced roads developed	Km of municipal roads developed
2019/ 2020	0km	0 km
2020/2021	14.4km	179.16km
2021/2022	1.78km	180.94km
2022/2023	10.85km	191.79km

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Table 14: Capital Expenditure for road services

Capital Expenditure 2022/2023: Road Services					
R' 000					
Capital Projects	2022/2023				
	Budget	Adjustment	Actual	Variance from original budget	Source of funding
Upgrading of Dipakapakeng Access Road	R 2 169 180.14	R1 908 515.20		90%	MIG
		R1 908 515.20			
Upgrading of Tafelkop Stadium Access Road	R27 001 116.00			95%	MIG
		R27 001 116.00	R25 501 602.85		
Upgrading of Uitspanning to Bloempoort Access Road	R27 000 000.00	R24 830 820.00		88%	MIG
			R23 791 130.10		
Groblersdal refurbishment of landfill site	R4000 000.00	R21 093 036.00		96%	MIG
			R3 855 509 .82		
Upgrading of Nyakuroane	R4 604 884.00	R9 500 000.00	R15 923 765.13	168%	

Table 15: Municipal infrastructure grant expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2022/2023 on Service backlogs						
R' 000						
Details	Budget	Adjustment	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Original	Adjustment	
				Budget	Budget	
Infrastructure - Road transport						
Roads, Pavements & Bridges	R62 606 000.00	R94 606 000.00	R73 895 702.79	-R11 289 702.79	R20 710 297.21	Prioritize residential infrastructure for roads and sports facilities
Storm water	R0	R0	R0	R0	R0	
Infrastructure - Electricity	R17 000 000.00	R0	R17 000 000.00			Prioritize residential infrastructure for electricity
Generation	R0	R0	R0	R0	R0	
Street Lighting	R0	R0	R0	R0	R0	
Infrastructure - Other						
Transportation	R0	R0	R0	R0	R0	
Gas	R0	R0	R0	R0	R0	
Other Specify:						
Sports - Outdoor	R0	R0	R0	R0	R0	
Street Parking	R0	R0	R0	R0	R0	
Waste Management	R0	R0	R0	R0	R0	

COMPONENT C: PLANNING AND DEVELOPMENT

3.4 Departmental Overview

The core functions of Development Planning department are as follows.

- Spatial Planning and Land Use Management,
- Upholding building regulations to promote uniform standards in terms of building of structures as per the provision of National Building Regulations and Building Standards Act (103:1977).

- Property Management
- Promoting Local Economic Development
- Land Use Applications

The total number of land use and land development applications received and processed within a period of 90 days in twelve (12) months are thirty-seven (37). Those applications as tabulated below were for various uses such as rezoning, subdivisions, consolidations, removal of restrictive conditions, township establishments, consent uses, way-leave services etc. The latter applications were respectively processed by the relevant authority in terms of categorization enshrined in Spatial Planning and Land Use Management Act (SPLUMA), Act no 16 of 2013 read together with EMLM SPLUMA Bylaw, 2016.

Table 16: The processed Land Use Applications

RESPONSIBLE AUTHORITY	DESCRIPTION OF APPLICATION
Authorised Official	Remainder Portion 2 of the farm Valschfontein 33- JS
Authorised Official	Portion 1 of farm Zoetmelksfontein 36 JS
Authorised Official	Portion 4 of Zondagsfontein 32 JS
Authorised Official	Remainder Portion 2 of the farm Valschfontein 33- JS
Authorised Official	Portion 2 of the farm Valschfontein 33- JS
Authorised Official	Portion 302, portion 9, remainder of portion 24 of Kalkfontein 49 JS
Authorised Official	Portion 664 and 665 of Loskop Noord 12 JS
Authorised Official	Portion 1 of Zoetmelksfontein 36 JS
Authorised Official	Portion 1 of Zoetmelksfontein 36 JS
Authorised Official	Remainder of farm Kwarrielaagte 69 JS
Authorised Official	Portion 7 of farm Elandsdoorn 56 JS
Authorised Official	Portion 10 of farm Zondagsfontein 32 JS
Authorised Official	Erf 398 Elandsdoorn B Township.
Authorised Official	Portion 1 of farm Elandsdoorn 56 JS.
Authorised Official	Remainder of farm Kwarrielaagte 69 JS
Authorised Official	Remainder of farm Kwarrielaagte 69 JS
Authorised Official	Remainder of farm Kwarrielaagte 69 JS
Authorised Official	Portion 1 of farm Zoetmelksfontein 36 JS
Authorised Official	Portion 31 of farm Zoetmelksfontein 36 JS
Authorised Official	Remainder of portion 2 of Valschfontein 33 JS

RESPONSIBLE AUTHORITY	DESCRIPTION OF APPLICATION
Authorised Official	Remainder of portion 0 of farm zoetmelksfontein 36 JS
Authorised Official	Remainder of Portion 1 of farm Gemsbokspuit 132 JS
Authorised Official	Portion 26, 42 and 154 of the farm De-lagersdrift 178 JS
Authorised Official	Portion 43 of erf 766 Groblersdal.
Authorised Official	Farm Vlakfontein 130 JS
Authorised Official	Farm Frischgewaagd 130 JS
Authorised Official	Portion 1 of erf 179 Groblersdal
Authorised Official	Erf 3183 Groblersdal
Authorised Official	Remainder of erf 343
	Groblersdal
Authorised Official	Erf 3183 Groblersdal
Authorised Official	Remainder of erf 343 Groblersdal
Authorised Official	Portion 55 and 154 of erf 772 Groblersdal
Authorised Official	Tafelkop
Authorised Official	Farm Frischgewaagd
Authorised Official	Springbok,west and gemsbok and kudu street Groblersdal
Authorised Official	Remainder of erf 319
Authorised Official	Remainder of erf 47 Groblersdal
Authorised Official	Portion 155 of farm Loskop suid 53 JS
Authorised Official	Swartwitpens avenue
Authorised Official	Njala Avenue
Authorised Official	Kingfisher park
Authorised Official	Portion 1 of erf 316 Groblersdal
Authorised Official	Erf 336 Groblersdal
Authorised Official	Erf 293 Groblersdal
Authorised Official	Portion 1 of erf 179 Groblersdal

To compound to the above, land use audits in both Groblersdal and Roossenekal town were conducted monthly. The fact of the later exercise is to police possible cases of contravention of the Elias Motsoaledi Local Municipality Land Use Scheme (2021). A tangible number of such transgressions were ascertained and a punitive fee of R3500 (monthly) was instituted against such identified transgressors. The intention of this fee was to deter such undesirable activities since they bear negatively on the towns outdoor outlook and weigh negatively to the Municipal infrastructure. This implies that there is a high likelihood that the infrastructure won't reach its intended lifespan.

The Municipality went ahead with the process of enrolling an township establishment at Game Farm (Portion 39 of farm Klipbank 26 JS) and the extension of the existing Groblersdal industrial area. The two (2) townships were approved by the Limpopo Surveyor Generals Office as Groblersdal extension 45 and 52 respectively. Development Planning and Local Economic Development Department is the custodian of land use and land development management, the implementation of Spatial Planning and Land Use Management Act (SPLUMA) (16 :2016) is at the core of the departmental functions. In supporting the traditional authorities on proper planning for human settlements, the municipality has lately finalised the process of demarcating two hundred (250) sites for the Bakwena Traditional Authority (at Tafelkop Village) and Matlala Lehwelere Traditional Authority (Ga Matlala Village) respectively.

The latter exercise is done as per the lodged request with the Municipality by the Traditional Authority that is in need or where the Local Authority did its own due diligence and arrived at a conclusion that such a basic need is required by the relevant Traditional Authority for human settlement. These undertakings sought to create and foster a sustainable and uniform application of land development principles as enshrined in the SPLUMA Act (i.e. land use management principles as applicable in previously disadvantaged areas will therefore be applicable in our previously disadvantaged area, namely, townships and village areas. Through introduction of sustainable human settlements, the relevant tiers of government will then find it easy to implement supporting infrastructure in a form of water, sewer, electricity, roads, storm water etc. Presumably, the above arrangement will result in cheaper and swift installation of engineering services (i.e. water, sewer, electricity, storm water and internal roads) and solid waste.

To compound to the above, several immovable Municipal assets were and still being disposed with the quest of improving the Municipal cash flow which was affected negatively by the prevalent stranglehold on the Country's economy by the Covid-19 pandemic. The process of disposal is still underway. Immovable land parcels in question are four (4) industrial stands located at Groblersdal extension 15 and thirty-six (36) residential stands stationed at Roossenekal town.

Furthermore, the Municipality got a financial injection from the Department of Cooperative Governance, Human Settlement and Traditional Affairs (Coghsta Limpopo) in terms of assistance of installing infrastructure in a form of water and sewer both at Roossenekal and Masakaneng. Nine hundred residential stands were installed with water and sewer and Masakaneng and one thousands and thirty such services were installed at Roossenekal residential stands. This undertaking will go a long way in terms delivering well serviced stands to the locals. As such, addressing the backlog in terms of availability of residential stands.

National Building Regulations and Building Standards By Law.

Thirty-five (35) contraventions were issued for the month under review and revenue of R67 664. 45 was generated for the financial year in totality.

The Elias Motsoaledi Local Municipality Hawkers by Law (2021).

The Elias Motsoaledi Local Municipality Hawkers By Law (2022) was conceived and approved by Council and awaits gazetting. The essence of the latter exercise was to have a form of legislative reference that will enable the Municipality to enforce the by law at hand, as such upholding law and order within our town's precinct. To date, legible trading spot amounting to 124 were demarcated though were have informal traders amounting to 320. This implies that the town's carrying capacity is 120 with a shortfall of 200 traders who are currently trading outside legible trading spots. Since we are short of legible trading spots. To circumvent the challenge at hand we propose that relevant by-law be reviewed.

The Elias Motsoaledi Local Municipality Business Licensing By-Law (2022).

All the above By-law will enable Municipality amongst others to manage matters incidental to the by laws in question. Municipality further subdivided stands in Roossenekal town into smaller manageable stands. To date, the subdivision diagrams were approved by the office of the Surveyor General. The market value of this properties was also ascertained through the aid of the Municipal property valuer. The Department of Cooperative Governance, Human Settlement and Traditional Affairs (Limpopo) has appointed service providers to design and install engineering services at Masakaneng and Roossenekal respectively. Nine hundred (900) Masakaneng households will be catered for and only two hundred (200) will be covered for Roossenekal.

Challenges in a form of land invasion, land use conflict etc are still prevalent and seek proactive intervention of Municipality so that they can be neutralised.

3.14.1 Building Control

Building Control is a statutory function assigned to local authorities in terms of the Constitution. The National Building Regulations and Building Standards Act (Act 103 of 1977) also assigns duties to local authorities, the most important

of which are the approval of building plans applications, enforcement of the regulations and the issuing of certificates of occupancy.

The National Building Regulations and Building Standards Act No. 103 of 1977 makes provision for the promotion of uniformity in the law relating to the erection of buildings in the areas of local authorities; for prescribing building standards, and for matters connected therewith.

The building control give effects to the provisions of the act by fulfilling its functions by controlling and regulating the following building activities:

- Erection of new buildings
- Alterations/extensions/conversions of existing buildings
- Demolition of existing/structures

In addition, the other services by building control division include the following:

- Building plan approval
- Minor works permit approval (for work such as swimming pools, small' Wendy' houses etc)
- Temporary structure permits
- Demolishing permits
- Building inspection during the construction period
- Issuing of occupancy certificates
- General enforcement of building regulations
- Investigations and resolving building complaints, contraventions, and illegal building work.
- Maintaining statistics on building construction activity.

Challenges

- Land invasion, unlawful demarcation of sites and selling of stands on municipal and state owned land
- Mushrooming of informal settlements,
- Poorly managed state owned properties i.e. houses that are owned by the Department of Public Works in Groblersdal.
- Land Use Conflict/Contravention of the Groblersdal Town Planning Scheme (2006).
- Human Capital.

Opportunities

- Agriculture potential
- Groblersdal - a provincial growth point, it is also host to strategic roads, i.e. the R25, N11 that provide accessibility to major urban centres.
- Availability of municipal land for development

3.14 Local Economic Development.

Elias Motsoaledi Local Municipality supports participative strategies for local economic development in its area of jurisdiction, with the aim of promoting economic growth geared to local conditions and resources, creating income and employment opportunities for all segments of the population, and enhancing good governance at local level.

The municipality is operating in a market economy wherein the engines of economic development are primarily in the hands of private businesses that create wealth and jobs however the private sector cannot succeed without favourable business conditions in which to thrive and grow. The municipality is currently working hand in gloves with other public sector institutions in helping to establish and maintain those favourable business conditions so that companies that operates within municipal jurisdiction can compete successfully and fairly with companies outside municipal borders or jurisdiction.

Given the above conditions and the roles that the municipality has played in pursuit of local economic development in 2022/2023 financial year are amongst others; that the municipality in collaboration with Department of Public Works has managed to create 1724 work opportunities through EPWP and CWP programmes which is the 70% increase as compared to 1214 jobs created during 2021/2022 financial year. CWP accounted for one thousand one hundred and four (1104) jobs created and six hundred and twenty (264) EPWP jobs created. The appointed personnel are mainly responsible for cleaning but limited to public facilities/infrastructure in the form of roads reserves, graveyards, community halls, schools, taxi ranks, streets etc.

In striving to capacitate the SMMEs and cooperatives within the municipality, four networking events were organised by the Municipality. These sessions provided a platform to disseminate business information to SMME's, networking, share experiences, mentor one another etc. Furthermore, fourteen (14) SMME's and cooperatives attended workshops and training as organised by the Municipality. The training and workshops focused on basic business management approaches. In addition, the municipality has issued 70 formal business trading licences and 46 informal business trading licences.

Municipality is currently working in collaboration with roads agencies such as SANRAL and RAL to improve and maintain available road infrastructure passing through EMLM jurisdiction. Those roads are R573, N11, R579 and R555 are currently under maintenance and upgrading. This project has created a substantial work opportunity to the unemployed people in particular the youth, also created business opportunities to SMMEs within the municipality and broader investment opportunities to other sectors such as agriculture, tourism and mining.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Table 17: Employees for Planning Services.

Job Level	2022/2023			
	Posts	Employees	Vacancies - fulltime equivalents	Vacancies
	(No)	(No)	(No)	(% of total posts)
7 – 9	2	1	1	50%
10 – 12	2	1	1	50%
13 – 15	2	1	1	50%
16 – 18	1	1	0	0%
Total	7	4	3	43%

Table 20: Employees for Local Economic Development

Job Level	Employees: Local Economic Development			
	2023/2024			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
4 – 6	1	1	0	0%
7 – 9	1	1	0	0%
10 – 12	1	1	0	0%
13 – 15	1	1	0	0%
19 – 20	0	0	0	0%
Total	4	4	0	0%

Table 18: Jobs created through CWP.

Job creation through CWP*		
Year	No. of Wards	Participants
2019/2020	31	1104
2020/2021	31	1064
2021/2022	31	1098
2022/23	31	1104
Community Works Programme		

Table 19: Jobs created through EPWP.

Job creation through EPWP* Projects		
Year	EPWP Projects	Jobs created through EPWP Projects
	No	No
2019/2020	1	69
2020/2021	1	71
2021/2022	1	269
2022/2023	1	264
* - Extended Public Works Programme		

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.15 OVERVIEW

3.17.1 LIBRARIES

The main purpose is to provide resources and services in a variety of media to meet the needs of individuals and to reduce the level of illiteracy. The libraries focus is to increase the number of new library membership, access to free computer and internet service. Elias Motsoaledi Local Municipality operates library services in Groblersdal, Roosenekal and Sephaku

The table below indicate stastical library report.

Library activities	2020/2021	2021/2022	2022/2023
Number of people accessing our libraries	2918	8707	12949
Information services & Internal use	4297	8412	27771
Number of books circulated	5961	5827	5701
Number of people utilizing free computer and internet services	793	3108	7438

Table 21: Employees for libraries

Job Level		2022/2023		
Task grades	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - Jun	2	2	0	0
7 - Sep	0	0	0	0
10 - Dec	2	2	0	0
16 - 18	0	0	0	0
Total	4	4	0	0%

3.17.2 CEMETERIES

The municipality has a total number of 84 cemeteries and only 04 are well maintained which are: Groblersdal, Roosenekal, Motetema and Hlogotlou. Cemeteries in rural areas are without fencing and ablution facilities. The municipality is responsible for cleaning and cutting grass in cemeteries as and when the service is required. There is a grave digging service in Groblersdal cemeteries only and in other wards, grave digging is done by community members. Elias Motsoaledi Local Municipality has appointed service provider for fencing of Ntwane cemeteries, due to financial constraints the project will be implemented as a as a multi-year project.

3.17.3 SAFETY AND SECURITY

3.17.3.1 Traffic

The Municipality provides public safety services through effective and informed Law-enforcement of the National Road Traffic Act, National Land Transport Act, National Land Transport Transition Act and the Municipal By-Laws. Other services provided also include but are not limited to escorts and point duties that promote the free flow of traffic at accidents and events or marches. The Traffic Division also aims at having a well-informed and educated public by working together with the Limpopo Department of Transport (Road Safety division) in their Educational and Road Safety programs. The purpose of safety and security unit is to ensure that vehicle and pedestrian traffic are controlled effectively (24) twenty-four hours a day (365) three hundred and sixty-five days a year. Municipality works jointly with Limpopo Provincial Department of Transport and the SAPS to reduce accidents during the festive seasons that include the Easter - and Christmas holidays.

Table 23: Law Enforcement statistics

Description	2021/2022	VALUE	2022/2023	VALUE
Total Section 56 issued	2 720	R 3 511 450.00	4143	R 6 284 250.00
Total Section 341 issued	2	R 1 000.00	2	R 550.00
Total Camera fines printed	N/A	N/A	128 778	R 108 806 050.00
Total Section 56 paid	280	R 167 850.00	483	R 641 200.00
Total Section 341 paid	0	0	2	R 550.00
Total Camera fines paid	N/A	N/A	4 334	R 3 514 800.00
Total Section 56 withdrawn	912	R 1 274 250.00	1 204	R 1 700 500.00
Total Section 341 withdrawn	0	0	0	0
Total Camera fines closed	N/A	N/A	290	R 254 750.00
Warrants	23	R 205 550.00	1 100	R 1 798 750.00
Total Section 56 outstanding	1 504	R 2 043 800.00	1 356	R 2 143 800.00
Total Camera fines outstanding	N/A	N/A	124 154	R 105 036 500.00
Total Section 341 outstanding	2	R 1 000.00	0	0

3.17.3.2 Licensing

Elias Motoaledi Local Municipality is a registered Registration Authority with a Grade A Driving License Testing Facility and a non-functioning Grade A Vehicle Testing Facility. The Licensing Division is a core revenue generating part of the municipality with a well-developed organizational structure to ensure uninterrupted, effective and efficient service to the public. The municipality uses electronic Learners License. The electronic learners' license is the corrective measure implemented to curb corruption in the DLTC. The system is user-friendly and 100% fair and has been found to eliminate fraud and corruption in the Learners License tests.

Table 24: Learners licence information

Description	2020/2021	2021/2022	2022/2023
Number of Leaners licence failed	258	316	404

The table below provides the Learner and Driving License statistics for the past three financial years:

Table 25: Driver's license information

Description	2020/2021	2021/2022	2022/2023
number of drivers licence application received	2274	3814	3041
number of drivers licence passed	2013	3401	2677
number of drivers licence failed	120	189	364

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18 EXECUTIVE AND COUNCIL

Executive committee is the principal committee of the council which receives reports from the other committees of the council, and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in terms of its delegated powers. The executive committee must identify the needs of the municipality, review and evaluate those needs in order of priority. The committee recommends to municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, considering any applicable national and provincial development plans.

The municipality comprises of three service delivery priorities as follows: Roads, Waste management and Electricity. The municipality has 1765 kilometers of roads. For the year under review, five (5) roads were constructed from gravel to tar and four (04) roads were completed by the end of financial year and one (1) road project was still in progress. Due to the vastness and rural nature of the municipality, priority is given to roads functions to ensure that internal roads are maintained for accessibility to community members.

3.19 HUMAN RESOURCE SERVICE

Municipality has 347 total number of permanent employees. The department is responsible for the following services: Organisational development, Occupational health and safety services, training and development, labour relations, Benefits and administration, payroll. It is responsible for recruitment processes, benefits and leave administration, disciplinary procedures, skills and capacity development, pay roll, employee health and wellness, and labour relations issues.

3.20 INFORMATION TECHNOLOGY

EMLM has ICT unit in place with the total number of 04 officials and most of the services are outsourced. ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and provides user support. There is a helpdesk where all ICT related queries are forwarded through emails and Technicians will respond to those queries in sufficient time. ICT unit ensures that network is always available to all municipal applications such as Munsoft, emails, internet, payroll system and leave system for efficient and effective service delivery.

Table 26: Employees for ICT unit

Employees: ICT Services (how many employees on the listed task grades and vacancies)				
Job Level	2022/2023			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4-Jun	0	0	0	0
7-Sep	0	0	0	0
10-Dec	4	3	1	25
13 - 15	1	1	0	0
19 - 20	0	0	0	0
Total	5	4	1	25%

Table 27: Capital expenditure for ICT unit

Capital Expenditure 2021/2022: ICT Services					
Capital Projects	2022/2023				
	Budget	Adjustment	Actual Expenditure	Variance from original budget	Total Project Value
		Budget			
Total All					
Computer Equipment	700 000	2 134 652	1 930 202	0	2 134 652

COMPONENT J: PERFORMANCE REPORT (INSTITUTIONAL SCORECARD)

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONAL

STRATEGIC OBJECTIVES: To promote integrated human settlements

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Land Use Management	Groblersdal Land Use Audits Conducted	n/a	n/a	n/a	New	12 Land Use Audits Conducted by 30 June 2023	12 Land Use Audits Conducted	None	none	none	Land Use Audit Reports	Achieved	Development planning
	Subdivision of Residential stands: Hlogotlou Unit B	786 000	786 000	775 000	New	300 residential sites subdivided at Hlogotlou Unit B by 30 June 2023	300 residential sites subdivided at Hlogotlou Unit B	None	none	none	Approved general plan	Achieved	Development planning
Land Use Management	Demarcation of sites at the remainder of Farm Klipbank 26JS	642 496	642 496	640 000	New	218 industrial sites demarcated at remainder of farm Klipbank 26JS by 30 June 2023	212 industrial sites demarcated at remainder of farm Klipbank 26JS	6	Part of the land is water locked	The water locked patch of land is designated for public open space / parks	Approved general plan	Not Achieved	Development planning
Land Use Management	Demarcation of sites at Ga-Matlala Lehwelere	600 000	600 000	550 000	new	250 sites demarcated at Ga-Matlala Lehwelere (farm Zondagsfontein 32 JS) by June 2023	250 sites demarcated at Ga-Matlala Lehwelere (farm Zondagsfontein 32 JS)	None	none	none	Approved general plan	Achieved	Development planning
Land Use Management	demarcation of sites at Farm Tafelkop 120 JS	600 000	600 000	661 250	new	250 sites demarcated at Farm Tafelkop (Bakgaga Ba Kopa)120 JS by June 2023	250 sites demarcated at Farm Tafelkop (Bakgaga Ba Kopa)120 JS	None	none	none	Approved general plan	Achieved	Development planning

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONAL (cont)

STRATEGIC OBJECTIVES: To promote integrated human settlements

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
IDP Development	2023/2024 IDP review process Plan approved by August 2022	n/a	n/a	n/a	1	1 2023/2024 IDP review process Plan approved by August 2022	1 2023/2024 IDP review process Plan approved by August 2022	None	none	none	Council resolution / IDP process plan	Achieved	Development planning
IDP Development	Final IDP tabled and approved by the Council 31 May 2023	n/a	n/a	n/a	1	1 Final IDP Tabled and Approved by Council by the 31 May 2023	1 Final IDP Tabled and Approved by Council by the 31 May 2023	None	none	none	Council resolution / IDP	Achieved	Development planning
Land Use Management	% of land use applications received and processed within 90 days	n/a	n/a	n/a	100%	100% of land use applications received and processed within 90 days by 30 June 2023	100% of land use applications received and processed within 90 days by 30 June 2023	None	none	none	Land use application register	Achieved	Development planning
Compliance with National building regulations	% on new building plans of less than 500 square metres assessed within 10 days of receipt of plans	n/a	n/a	n/a	100%	100% of new building plans of less than 500 square meters assessed within 10 days of receipt of plans by 30 June 2023	100% of new building plans of less than 500 square meters assessed within 10 days of receipt of plans by 30 June 2023	None	none	none	Building plans application register	Achieved	Development planning

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONAL (cont)

STRATEGIC OBJECTIVES: To promote integrated human settlements

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Compliance with National building regulations	% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	n/a	n/a	n/a	100%	100% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans by 30 June 2023	100% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	None	none	none	Building plans application register	Achieved	Development planning
Compliance with National building regulations	% of inspections conducted on building construction with an approved plan to ensure compliance with Sec. 6 (c)	n/a	n/a	n/a	100%	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec. 6 (c) and 17 (b) of National Building Regulations and Building Standards Act by 30 June 2023	100% of inspections conducted on building construction with an approved plan to ensure compliance with Sec. 6 (c) and 17 (b) of National Building Regulations and Building Standards Act	None	none	none	Inspection report	Achieved	Development planning

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION

Strategic objectives: To build capable, responsive, accountable, effective and efficient municipal institutions and administration

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Employment equity	Review of the Employment Equity Plan	n/a	n/a	n/a	1	1 Review of the Employment Equity Plan by 30 June 2023	1 Employment Equity Plan reviewed	none	none	Reviewed Employment Equity Plan / Council resolution	achieved	Corporate services	
Employment equity	Submission of employment equity report to DOL by 31st January 2023	n/a	n/a	n/a	1	1 Submission of employment equity report to DOL by 31st January 2023	1 employment equity report submitted to DOL	none	none	Acknowledgement letter / email indicating reporting date	achieved	Corporate services	
Skills programme	Number of employees approved for municipal training	Opex	Opex	Opex	0	15 employees approved for municipal training by 30 June 2023	16 employees approved for municipal training.	1	The budgeted amount had a saving and one official was added	none	List of approved employees	achieved	Corporate Services
Skills programme	% of municipal skills development levy recovered	n/a	n/a	n/a	new	15% of municipal skills development levy recovered by 30 June 2023	15% of municipal skills development levy recovered	None	none	none	Proof of payment from LGSETA	achieved	Corporate services
Skills programme	% of a municipality's payroll budget actually spent on training and education of employees	1% of payroll budget	1% of payroll budget	1% of payroll budget		0.55%	1% of municipality's payroll budget actually spent on training and education of employees by 30 June 2023	1% of municipality payroll budget actually spent on training and education of employees	None	none	Budget report	achieved	Corporate services
WSP	Approval of viewed WSP (work skills plan)	n/a	n/a	n/a	1%	1 approved reviewed WSP by 30 June 2023	1 WSP reviewed and approved	none	none	Acknowledgement Letter from LGSETA / Council resolution	achieved	Corporate services	
LLF	Number of LLF meetings held	n/a	n/a	n/a	10	8 LLF meetings held by 30 June 2023	11 LLF meetings held	3	there was a need for special meetings	To target correctly in the next financial year	Attendance registers and minutes	achieved	Corporate services
ICT	% of reported ICT incidents resolved	n/a	n/a	n/a	100%	90%-100% of reported ICT incidents resolved by 30 June 2023	90%-100% of reported ICT incidents resolved	none	none	ICT Job Card	achieved	Corporate services	
	Turnaround time in placing documents and information on the municipal website	0	0	0	5days	placement of documents & information on the municipal website 5 (five) working days from the date submitted to ICT by 30 June 2023	placement of documents & information on the municipal website 5 (five) working days from the date submitted to ICT	None	none	Website Register			
ICT	Number of ICT Service Providers Performance Monitoring and Evaluation meetings held	n/a	n/a	n/a		4 ICT Service Providers Performance Monitoring and Evaluation meetings held by 30 June 2023	4 ICT Service Providers' Performance Monitoring and Evaluation meetings held		none	Attendance Register and Minutes	achieved	Corporate services	

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION (cont)

Strategic objectives: To build capable, responsive, accountable, effective and efficient municipal institutions and administration

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Occupational health and safety (OHS)	% expenditure of uniform and protective clothing				99.94%	90% - 100% expenditure of uniform & protective clothing by 30 June 2023	90% - 100% expenditure of uniform & protective clothing by 30 June 2023		none	none	BTO expenditure	achieved	Corporate services
Occupational health and safety (OHS)	Occupational Health & Safety Trainings conducted	Opex	Opex	Opex	new	03 Training conducted by 30 June 2023 (Basic firefighting)	03 OHS Training conducted		none	none	Attendance Register and report	achieved	Corporate services
Employee Assistance Programme (EAP)	Number of awareness programme conducted (Financial, health)	Opex	Opex	Opex	new	02 Awareness Programme conducted by 30 June 2023 (Health awareness)	02 Awareness Programme conducted (Health awareness)		none	none	Report & Attendance Register	achieved	Corporate services
Performance Management	% of KPIs and projects attaining organisational targets (total organisation)	n/a	n/a	n/a	76%	100% of KPI and Projects Attaining Organizational Target (total organization) by 30 June 2023	77% of KPI and Projects Attaining Organizational Target		none achievement of other KPI's in all departments	To improve organisational performance by setting achievable targets in the next financial year	performance report	not achieved	Municipal manager
Performance Management	Final SDBIP approved by Mayor within 28 days after approval of IDP/ Budget	n/a	n/a	n/a	1	1 Final SDBIP approved by Mayor within 28 days after approval of IDP/Budget by 30 June 2023	1 Final SDBIP approved by Mayor within 28 days after approval of IDP/Budget		none	none	Approved SDBIP	achieved	Municipal manager
Municipal infrastructure grants (MIG)	Number of MIG reports submitted to CoGHSTA	n/a	n/a	n/a	12	12	12		None	None	Proof of submission	Achieved	Infrastructure
Integrated National Energy Plan (INEP)	Number of INEP reports submitted to Department of Energy	n/a	n/a	n/a	12	12	12		None	None	Proof of submission	Achieved	Infrastructure

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

KPA: 3 LOCAL ECONOMIC DEVELOPMENT

Strategic objectives: To promote conducive environment for economic growth and development

Pro-gramme	Key performance indicator	Budget Source	Ad-justed budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Perfor-mance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
EPWP	Number of work opportunities created through public employment programme (EPWP) (GKPI)	EPWP grant	EPWP grant	EPWP grant (1 796 000)	114	222 jobs opportunities created through EPWP grant by 31 December 2022 (GKPI)	264 jobs op-portunities created through EPWP grant (GKPI)		The target of 222 is from public works and we are encouraged to employ more to uplift the lives of our community	none	List of approved appointees	Achieved	Development planning
								42					
EPWP	Average time taken to finalise business licences application	n/a	n/a	n/a	New	10 days Average time taken to finalise business licenses application by 30 June 2023	10 days Average time taken to finalise business licenses		Members and alleviate poverty within municipal jurisdiction	none	Applications register	Achieved	Development planning
								None					
	Average time taken to finalise informal trading permits	n/a	n/a	n/a	New	10 days taken to finalise informal trading permit by 30 June 2023	10 days' time taken to finalized business application		none	none	Applications register	Achieved	Development planning
								None					
	Number of Formal Business Trading Licenses Issued	n/a	n/a	n/a	New	80 Formal business trading Licenses Issued by 30 June 2023	74 Formal business trading Licenses issued		we received less applications than anticipated	to conduct awareness in the next financial year	Applications Register.	not achieved	Development planning
								6					
	Number of Informal Business Trading Licenses Issued (Groblersdal)	n/a	n/a	n/a	New	40 Informal Business Trading Licenses Issued by 30 June 2023	34 Informal Business Trading Licenses issued	6	Less applications received than targeted	to conduct awareness in the next financial year	Applications Register.	Not Achieved	Development planning
	Number of SMME's and Co-operatives capacity building workshops/ training held (LED training)	600 000	50 000	50 000	15	15 SMME's and Co-operatives capacity building workshops / Training held by 30 June 2023 [LED Training]	17 SMME's and Co-operatives capacity building workshops / Training held [LED Training]		Extra unexpected support in terms of trainings/workshops accorded by LEDA	none	reports and attendance registers	Achieved	Development planning
								2					
EPWP	Number of job opportunities created through infrastructure projects (GKPI)	MIG/ INEP/ EMLM	MIG/ INEP/ EMLM	MIG/ INEP/ EMLM	194	295 job opportunities created through infrastructure projects by 30 June 2023 (GKPI)	281 job opportunities created through infrastructure projects		Delay in appointment of contractor for Construction of Groblersdal Landfill Site capital project where we targeted to create more than 15 job opportunities (missed opportunity)	Job opportunities will improve in the 2023/24 financial year as infrastructure projects will works early in the first quarter.	List of appointees	not achieved	Infrastructure

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Base-line 2021/22	Annual target	Actual performance		Reason for variance	Measures to improve performance/ Remedial action	Evidence	Achieved / Not achieved	Responsibility
								Variances					
Transversal programmes	number of Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Woman and Children Rights, elderly and moral re-generation	Opex	Opex	Opex	3	2 Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Women and Children Rights, elderly and moral re-generation by the 30 June 2023	2 Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Women and Children Rights, elderly and moral re-generation		none	none	Programme and attendance register	achieved	Corporate services
								None					
Roads and storm water	Kilometres of planned Roads and storm water maintenance performed	n/a	n/a	n/a	new	150Km of planned Roads and Storm water maintenance surfaced by 30 June 2023	221Km of planned Roads and Storm water maintenance surfaced		There was a need for additional services due to high number emergency cases (e.g funerals, flooding damages, etc)	None	completion certificates	achieved	Infrastructure
								71km					
Roads and storm water	Kilometres of municipal road/ streets re-gravelled	n/a	n/a	n/a	248km	155km of municipal roads / streets re-gravelled by 30 June 2023	147,5km of municipal roads / streets re-gravelled		Breakdown of machinery	To ensure that machineries are maintained/ serviced	completion certificates	Not achieved	Infrastructure
								7.5km					
Waste management	waste removal in Groblersdal Hlogotlou Roosenekaal Motetema	n/a	n/a	n/a	waste removal in Groblersdal Hlogotlou Roosenekaal Motetema	waste removal in 96x Groblersdal 96x Hlogotlou 96x Roosenekaal 48x Motetema by 30 June 2023	waste removal in 76x Groblersdal 93x Hlogotlou 65x Roosenekaal 38x Motetema		Irreconcilable logbook in all the areas	Introduce a common logbook	*Waste removal reports *Copy of Logbook	Not achieved	Community service
	waste removal in 49x Groblersdal 3x Hlogotlou 31x Roosenekaal 5x Motetema												
	19780.04												
Education and Libraries	Number of initiatives held to promote library facilities	n/a	n/a	n/a	4	4 initiatives held to promote library facilities by 30 June 2023	4 initiatives held to promote library facilities		none	none	Attendance registers and reports	achieved	Community service
Disaster management	% of disaster relief provided	Opex	Opex	Opex	4	2 disaster awareness campaigns conducted by 30 June 2023	2 disaster awareness campaigns conducted.		none	none	Attendance registers and reports	achieved	Community service
Safety and security	Number of community safety forum meetings held	n/a	n/a	n/a	100%	100% of disaster cases reported and attended to within 48 hours by 30 June 2023	100% of disaster cases reported and attended to within 48 hours by 30 June 2023		none	none	completed assessment form	achieved	Community service
Indigents	% of registered indigents who receives free basic electricity by 30 June 2023 (GKPI)	217 774	217 774		19%	10% of registered indigents who receives free basic electricity by 30 June 2023 (GKPI)	6% of registered indigents who receives free basic electricity		Delay from Eskom in configuring registered indigents	Have Regular meetings with Eskom to monitor registration progress and address challenges immediately.	indigent register and Eskom beneficiary list	not achieved	Budget and Treasury
								4%					
	% of all qualifying households in the municipal area classified as indigent	n/a	n/a	n/a	New	5% of all qualifying households in the municipal area classified as indigent by 30 June 2023	7% of all qualifying households in the municipal area classified as indigent		None	None	Indigent register and IDP	achieved	Budget and Treasury
								2%					

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

Ward no	Project	Key performance indicator	Original Budget R000's	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance		Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Re-sponsibility
			2021/2022											
									Vari-ances					
n/a	Air conditioners	% Processing of procurement request submitted	200 000	200 000	125 451	50%	100% Processing of procurement request submitted by 30 June 2023	100% Processing of procurement request submitted		None	None	Processed Requisition	achieved	Infra-structure
13	Groblersdal landfill site	Upgrading of Groblersdal landfill site	4 000 000	21 093 036	3 855 509.82	New	Upgrading of Groblersdal landfill site with cells by 30 June 2023	Project is on tender stage						
22	Reticulation of stands with electrical infrastructure at Phomola	Number of stands reticulated with electrical infrastructure at Phomola	2 000 000	2 000 000	2 060 055.10	New	87 stands reticulated with electrical infrastructure by 30 June 2023	122 stands reticulated with electrical infrastructure	0	Implementation included servicing both existing households and empty stands to allow for future connections	None	Completion certificate	not achieved	Infra-structure
14	Electrification of Maleoskop	Number of stands reticulated with electrical infrastructure at Maleoskop	0	1 924 407	1 368 070.30	0	39 stands to be reticulated with electrical infrastructure by 30 June 2023	39 stands to be reticulated with electrical infrastructure						
n/a	Alternative energy solution	Installation of solar panels	0	3 400 000	2 886 420	New	Installation of roof top solar panels at Groblersdal municipal buildings by 30 June 2023	Feasibility Study Report done	None	Delay in consultation process to concluding the Power Purchase Agreement (PPA) between EMLM, Prov. Treasury and DME	Continuous engagement with Prov. Treasury and DME	Feasibility study and installation certificate	not achieved	Infra-structure

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (cont)

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

14	Reticulation of stands with electrical infrastructure at Masakaneng	number of stands reticulated with electrical infrastructure at Masakaneng	3 960 000	7 960 000	9 497 470,49	0	415 stands reticulated with electrical infrastructure by 30 June 2023	415 stands reticulated with electrical infrastructure	None	None	Completion certificate	achieved	Infrastructure	
25	Reticulation of stands with electrical infrastructure at Makaepa	number of stands reticulated with electrical infrastructure at Makaepa	3 240 000	3 240 000	2 457 641.08	New	162 stands reticulated with electrical infrastructure by 30 June 2023	111		Project still under construction and entail servicing both existing households and empty stands to allow for future connections	Intervention meetings convened to closely monitor performance	Completion certificate	Not achieved	Infrastructure
								stands reticulated with electrical infrastructure						
									51					
27	Reticulation of stands with electrical infrastructure at Nyakelang Extension	number of stands reticulated with electrical infrastructure at Nyakelang Extension	3 800 000	3 800 000	2 984 833.34	New	190 stands reticulated with electrical infrastructure by 30 June 2023	151 stands reticulated with electrical infrastructure	39	The approved designs accounted for 151 stands to cover the entire network. The excess household's allocation (savings) were moved to Masakaneng. Project awaiting energization from Eskom	Continuous engagement with Eskom to fast-track energizing	Completion certificate	Achieved	Infrastructure
29	Upgrading of Mokumong access road to Maratheng taxi rank	Designs of Upgrading of Mokumong access road to Maratheng taxi rank	700 000	1 406 964	1 400 000.00	New	Designs of 5.2km for upgrading of Mokumong access road to Maratheng taxi rank by 30 June 2023	Designs of 5.2km for upgrading of Mokumong access road to Maratheng taxi rank completed	None	None	Detailed design report	Achieved	Infrastructure	
27	Upgrading of Tafelkop stadium access road	Upgrading of Tafelkop Stadium access road	27 001 116	27 001 116	26 871 310,27	Base layer	Upgrading of 5.5km Tafelkop stadium access road by 30 June 2023	0km of road upgraded		There is underground water that delays the project	Contractor to submit the catch-up plan and earmark completion end September 2023	Completion certificate	not achieved	Infrastructure
28	Upgrading of Dipakapakeng access road	Upgrading of Dipakapakeng access road	0	2 169 180	1 908 515.20	Base layer	Upgrading of 2.2km of Dipakapakeng access road by 30 June 2023	Upgrading of 2.2km of Dipakapakeng access road completed	None					
									None					
									None					

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (cont)

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

11	Bloemfontein to Uitspanning access road	Upgrading of Bloemfontein to Uitspanning access road	27 000 000	24 830 820	23 791 130.10	Base layer	Upgrading of 6km Bloemfontein to Uitspanning access road by 30 June 2023	Upgrading of 6km Bloemfontein to Uitspanning access road completed		Contractor is busy with snag list of concrete V-Drains	Contractor to fast the completion of Snag list	Practical Completion certificate	achieved	Infra- struc- ture
									None					
8	Upgrading of Malaeneng A Ntwane Access Road	Designs for Upgrading of Malaeneng A Ntwane Access Road	900 000	750 000	750 000,00	New	Designs of 3.5km for upgrading of Malaeneng A Ntwane by 30 June 2023	Designs of 3.5km for upgrading of Malaeneng A Ntwane completed		None	None	Detailed designs	achieved	Infra- struc- ture
									None					
15	Upgrading of Maraganeng internal Access Road	Designs for Upgrading of Maraganeng Access Road	900 000	750 000	749 972,50	New	Designs of 3.2km for upgrading of Maraganeng internal access road by 30 June 2023	Designs of 3.2km for upgrading of Maraganeng internal access road completed		None	None	Detailed designs	Achieved	Infra- struc- ture
									None					
4	Upgrading of Kgobokwane - Kgaphamadi Road	Designs for Upgrading of Kgobokwane - Kgaphamadi Road	800 000	800 000	793 210,14	New	Designs of 4.5km for upgrading of Kgobokwane - Kgaphamadi Road, Bridges (2) and storm water control by 30 June 2023	Designs of 5,48km for upgrading of Kgobokwane - Kgaphamadi Road, Bridges (2) and storm water control completed		Internal roads identified during design stage by project steering committee	None	Detailed designs	Achieved	Infra- struc- ture
									0.98					
7	Upgrading of Nyakuroane internal access road (INT)	Upgrading of Nyakuroane internal access road (INT)	4 604 884	9 500 000	15 923 765.13	New	Upgrading of 2km of Nyakuroane internal access road (layer works) by 30 June 2023	Upgrading of 1,85km of Nyakuroane internal access road (layer work) completed		Final road de- sign magnitude accounted for 1,85km as opposed to the target	None	Practical Completion certificate	Achieved	Infra- struc- ture
									0.15					
31	Motetema streets up- grade	Upgrading of Motetema streets	3 500 000	2 608 696	6 499 264.48	New	Upgrading of 800m for Motetema internal streets by 30 June 2023	Upgrading of 800m for Motetema internal streets completed		None	None	Practical Completion certificate	achieved	Infra- struc- ture
									None					
4	Upgrading of Stompo Bus road	Designs for Upgrading of Stompo Bus Road	800 000	800 000	800 000	New	Designs of 4km for Upgrading of Stompo Bus road by 30 June 2023	Engineers ap- pointed. Currently at design stage		Late completion of designs	Engineers engaged to expedite design completion	detailed designs	Not achieved	Infra- struc- ture
									0km					
20	Upgrading of Hlogotlou - Bopanang road	Designs for Upgrading of Hlogotlou - Bopanang Road	800 000	800 000	800 000	New	Designs of 2km for Up- grading of Hlogotlou- Bopanang Road by 30 June 2023	Designs of 2km for Upgrading of Hlogotlou- Bopanang Road completed		None	None	Detailed designs	achieved	Infra- struc- ture
									None					
15	Upgrading of Masoing Bus route	Designs for Upgrading of Masoing Bus route	850 000	850 000	0	New	Designs of 10km for Upgrading of Masoing bus route by 30 June 2023	Engineers ap- pointed. Currently at design stage		Late completion of designs	Engineers engaged to expedite design completion	Detailed designs	not achieved	Infra- struc- ture
									0km					

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (cont)

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

ANNUAL REPORT 2022/2023 82 Elias Motsoaledi Local Municipality	n/a	Machinery and equipment	% expenditure on machinery and equipment	500 000	940 000	1 250 918.74	100%	100% expenditure on machinery and equipment by 30 June 2023	133% expenditure spent on machinery and equipment		33%	Budget shared across two Divisions (Roads & Electrical Divisions)	Closely monitoring of vote / budgets	Expenditure report	not achieved	Infrastructure
	n/a	Culverts and road signs	% expenditure on procurement of culverts and road signs	300 000	560 000	351 870	New	100% expenditure on procurement of culverts and road signs by 30 June 2023	63% spent on procurement of culverts and road signs by 30 June 2024		Late implementation of maintenance works order	Expedite maintenance work order implementation	Expenditure report	not achieved	Infrastructure	
	n/a	Blue lights sirens and insignia	Procurement of blue lights sirens and insignia	440 000	237 500	231 040.75	New	22 blue light sirens and insignia procured by 30 June 2023	22 blue light sirens and insignia procured		37%	none	none	Delivery note / invoice	achieved	Community services
	13	Fencing of Roosenkaal landfill site	Fencing of Roosenkaal landfill site	0	1 000 000	0,00	New	Appointment of service provider by 30 June 2023	Service provider appointed			None	None	Appointment letter	achieved	Community services
	13	upgrading and development of parks	number of parks to be developed and upgraded	1 300 000	600 000	499 900	new	02 parks upgraded with walkway by 30 June 2023	01 parks upgraded with walk way		01 park	insufficient budget	The remaining park will be upgraded once it is budgeted for	completion certificate	not achieved	Community services
	n/a	Professional lawn mowers and industrial brush cutters	Procurement of professional lawn mowers and industrial brush cutters	380 000	380 000	407 064,85	New	1 lawnmower 4 industrial brush cutters procured by 30 June 2023	1 lawnmower 11 industrial brush cutters procured			none	none	Delivery note	achieved	Community services
	13	fencing of Ntwane cemetery	fencing of Ntwane cemetery	1 000 000	869 000	R999 350	50%	Fencing of Ntwane cemetery with concrete palisade by 30 June 2023	Fencing of Ntwane cemetery with concrete palisade(400m)		None	none	none	completion certificate	achieved	Community service
	EMLM	No illegal dumping boards	procurement of No illegal dumping boards	100 000	59 000	29 238.75	New	25 No illegal dumping boards procured by 31 March 2023	15 No illegal dumping boards procured			insufficient budget	to be implemented once the budget is available	Delivery note	not achieved	Community service
	n/a	Skip Bins	Procurement of Skip bins	300 000	290 600	290 500.14	New	7 skip bins procured by 31 March 2023	7 skip bins procured		None	None	none	Delivery note	achieved	Community service
	n/a	Trailer Disaster	Procurement of Trailer Disaster	80 000	80 000	78 950	New	1 Trailer Disaster procured by 31 March 2023	1 Trailer Disaster procured			none	none	Delivery note	achieved	Community service

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (cont)

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development.

13	Disaster management centre emergency relief storeroom	Construction of Disaster management centre emergency relief storeroom	435 000	454 300	522 364,81	New	Construction of Disaster management centre and emergency relief storeroom at ERF 87 traffic department by 31 December 2023	Construction of Disaster management centre and emergency relief storeroom at ERF 87 traffic department		none	none	completion certificate	achieved	Community service
	Street litter bins	Procurement of street litter bins	850 000	800 000	811106,5	New	185 street litter bins procured by 31 March 2023	185 street litter bins procured	None					
	Office furniture and Equipment	% expenditure on furniture and office equipment	0	419 250	198 026	New	90% minimum expenditure on furniture and office equipment by 30 June 2023	47% minimum expenditure on furniture and office equipment	43%	The budget was not enough to procure all needed furniture	To be budgeted for in the next financial year	Delivery note	Not achieved	Community service
	Gable roof	Number of offices to be constructed with Gable roof	0	208 000	0	New	1 office to be constructed with Gable roof (Traffic department offices)	Construction of Gable roof at (Traffic department offices) not completed.	0	late appointment of service provider	Service Provider Onsite	completion certificate	not achieved	Community service
	Fencing of Game farm	Fencing of Game farm	1 100 000	1 075 000	158 125	New	Fencing of Game Farm with steel wired fence by 30 June 2023	Fencing of Game Farm with steel wired fence	None	none	none	Completion certificate	Achieved	Development planning
	Computer Equipment (servers Laptops Desktops Switches Printers)	% expenditure on computer equipment (servers Laptops Desktops Switches Printers)	700 000	2 134 652	R1 930 202,00	99,31%	90% minimum expenditure on computer equipment (Laptops Desktops Switches printers) by 30 June 2023	90% minimum expenditure on computer equipment (Laptops Desktops Switches printers) (1 930 202/2 134 625x100=90%)	None					
	Software server	Number of Software servers to be procured	0	185 000	R212 750,00	New	1 software server to be procured by 31 March 2023	1 software server procured	None	none	none	Delivery note	achieved	Corporate services
	Furniture and office equipment	% expenditure on furniture and office equipment	500 000	720 000	R436 290,00	new	90% minimum expenditure on furniture and office equipment by 30 June 2023	87% minimum expenditure on furniture and office equipment	3%					

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Strategic Objective: To improve sound and municipal financial management.

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic objectives: To enhance good governance and public participation.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Good governance and oversight	number of MPAC quarterly reports submitted to council	n/a	n/a	n/a	3	4 MPAC quarterly reports submitted to council by 30 June 2023	6 MPAC quarterly reports submitted		MPAC held more meetings than targeted	None	Council resolution	achieved	Corporate services
	number of MPAC programmes initiated	1 098 000	1 379 000	1 373 184	1	2 MPAC programmes initiated by 30 June 2023	1 MPAC programmes initiated	2					
	Number of MPAC meetings held	n/a	n/a	n/a	new	4 MPAC meetings held by 30 June 2023	9 MPAC meetings held (03) ordinary and (06) special meeting held	5	Insufficient Funds	Allocation of sufficient budget	Reports and attendance register	not achieved	Corporate services
mayoral Campaigns (event [promotions])	number of Mayoral outreach projects initiated	746 421	916 427	1 334 062	1	2 Mayoral outreach programmes initiated by 30 June 2023	2 Mayoral outreach programmes initiated		There was a need for special meetings to Fastrack investigations conducted	none	Minutes and Attendance register	achieved	Corporate services
Speaker's programme (event promotions)	number of Speaker's outreach projects initiated	267 771	267 771	267 771	1	2 Speakers outreach programmes initiated by 30 June 2023	2 Speakers outreach programmes initiated		None	None	Report and attendance register	achieved	Corporate services
Ward committee	number of ward committee reports submitted to council	n/a	n/a	n/a	2	4 ward committee reports submitted to council quarterly by 30 June 2023	2 ward committee reports submitted to council quarterly		none submission of reports by ward committees	to review submission date of reports	Council resolution	not achieved	Corporate services
Ward committee	% of wards that have held at least one councillor convened community meeting	n/a	n/a	n/a	new	100% of wards that have held at least one councillor convened community meeting by 30 June 2023	100% of wards that have held at least one councillor convened community meeting		None	None	Reports and attendance register	achieved	Corporate services

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont)

Strategic objectives: To enhance good governance and public participation.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Youth programmes	Number of youth programmes conducted (Business Indaba career expo)	Opex	Opex	Opex	0	2	2 Youth programmes conducted (career expo and business indaba) by 30 June 2023	2 Youth programmes conducted (career expo and business indaba)	None	None	Report and attendance register	achieved	Corporate services
youth programmes	Number of External Mayoral Bursaries Awarded	500 000	463 436	463 436	new	30	30 External Mayoral Bursaries Awarded by 30 June 2023	30 External Mayoral Bursaries Awarded	None	None	Approval letters	achieved	Corporate services
Communications	number of municipal newsletter printed/ produced	1 000 000	928 000	928 000	6000	4000 copies municipal newsletter printed / produced by 30 June 2023	4000 copies municipal newsletter printed/produced	None	None	None	delivery note and copy of delivery note	achieved	Corporate services
	Reviewal of communication strategy	n/a	n/a	n/a	100%	100% Reviewal of strategy by 31 December 2023	100% Reviewal of communication strategy	None	None	None	Council resolution	achieved	Corporate services
Customer services	% of official complaints responded to through the municipal complaint management system	n/a	n/a	n/a	new	100% of official complaints responded to through the municipal complaint management system by 30 June 2023	100% of official complaints responded to through the municipal complaint management system	None	None	None	Complaints management register	achieved	Corporate services
customer services	Number of Council portfolio committees' meetings held	n/a	n/a	n/a	new	72 Council portfolio committees' meetings by 30 June 2023	71 Council portfolio committees' meetings	1	One meeting did not take place due to lack of forum	To engage stakeholders to attend meetings	Minutes and Attendance register	Not achieved	Corporate services

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont)

Strategic objectives: To enhance good governance and public participation.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Audit	Submission of Final audited (2021-2022) consolidated Annual Report to Council by 31 January 2023	n/a	n/a	n/a	1	1 Submission of Final audited (2021-2022) consolidated Annual Report to Council by 31 January 2023	1 Submission of Final audited (2021-2022) consolidated Annual Report to Council by 31 January 2023		none	none	Council resolution / draft annual report	achieved	Municipal manager
	submission of annual oversight report to council by 31 March 2023	n/a	n/a	n/a	1	1 Submission of annual Oversight report to Council by 31 March 2023		1	none	none	Council resolution / oversight report		
Audit	Obtain an Un-qualified Auditor General opinion for the 2021/2022 financial year	n/a	n/a	n/a	Unqualified Audit Opinion	Obtain an Un-qualified Auditor General opinion for the 2021/2022 financial year by 31 December 2022	Obtain an Un-qualified Auditor General opinion for the 2021/2022 financial year		none	none	AGSA audit report	achieved	Municipal Manager
	% of Auditor General matters resolved as per the approved audit action plan by 30 June 2023 (Total organisation)	n/a	n/a	n/a	76%	100% of Auditor General matters resolved as per the approved audit action plan by 30 June 2023 (Total organization)		81% of Auditor General matters resolved as per the approved audit action plan (Total organization)	addressing of the remaining findings are an ongoing process and others will be resolved through 2022-23 AFS	will ensure that we adhere to legislation in order to resolve the remaining findings	AGSA Audit Action Plan		
Audit	% Internal Audit Findings resolved per quarter as per the Audit Plan (total organisation)	n/a	n/a	n/a	56%	100% of Internal Audit Findings resolved per quarter as per the Audit Plan (total organisation) by 30 June 2023	54% of Internal Audit Findings resolved per quarter as per the Audit Plan (total organisation)	46%	resolution of the remaining findings are long term and others require budget to be fully resolved	to request budget during adjustment budget	Internal audit action plan	not achieved	Municipal Manager

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont)

Strategic objectives: To enhance good governance and public participation.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Audit	% Reduction of repeat audit findings (total organization)	n/a	n/a	n/a	New	100% Reduction of repeat audit findings (total organization) by 30 June 2023	58% Reduction of repeat audit findings (total organization)		the KPI was wrongly targeted	to be targeted correctly in the next financial year	Internal audit action plan	not achieved	Municipal manager
								42%					
Risk management	Number of security risk assessment conducted	n/a	n/a	n/a	4	4 security risk assessment conducted by 30 June 2023	4 security risk assessment conducted		none	none	Security assessment report	achieved	Municipal Manager
	number of project risk assessments conducted	n/a	n/a	n/a				None					
Risk management	Number of strategic and operational risk assessment conducted	n/a	n/a	n/a	4	1 strategic and operational risk assessment conducted by 30 June 2023	1 strategic and operational risk assessment conducted		none	none	Risk registers	achieved	Municipal Manager
	Number of risk management training conducted	n/a	n/a	n/a				None					
					new	2 Risk management training conducted by 30 June 2023	2 Risk management training conducted						
Declaration of financial interest	% of councillors who have declared their financial interest	n/a	n/a	n/a	New	100% of councillors who have declared their financial interest by 30 June 2023	100% of councillors who have declared their financial interest		None	None	Financial interest declaration register	not achieved	Municipal Manager
								None					
Declaration of financial interest	Number of administrative staff who have declared their financial interest	n/a	n/a	n/a	New	100 of administrative who have declared their financial interest by 30 June 2023	100 of administrative who have declared their financial interest		None	None	Financial interest declaration register	not achieved	Municipal Manager
								None					

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont)

Strategic objectives: To enhance good governance and public participation.

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2021/22	Annual target	Actual Performance	Variances	Reason for variance	Measures to improve performance / Remedial action	Evidence	Achieved / Not achieved	Responsibility
Risk management	Number of Risk Management reports submitted to the Risk Management Committee per quarter	n/a	n/a	n/a	new	4 Risk Management reports submitted to the Risk Management Committee per quarter by 30 June 2023	4 Risk Management reports submitted to the Risk Management Committee	none	none	Quarterly Risk management report	achieved	Municipal Manager	
	% execution of identified risk mitigation plans within prescribed timeframes per quarter (Total organisation)	n/a	n/a	n/a	94%	100% execution of identified risk mitigation plan within prescribed timeframes per quarter (total organisation) by 30 June 2023	100% execution of identified risk mitigation plan	100%	none	Quarterly Risk assessment reports	achieved	Municipal Manager	

INSTITUTIONAL PERFORMANCE FOR FINANCIAL YEAR 2022/2023

Key Performance Area Number	Key Performance Area	Total annual target	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %
1	Spatial Rationale	11	10	1	91%
2	Institutional Development & Transformation	17	16	1	94%
3	Local Economic Development	7	4	3	57%
4	Basic Service Delivery	50	34	16	68%
5	Financial Management & Viability	15	12	3	80%
6	Good Governance & Public Participation	27	19	8	70%
	Total	127	95	32	75%

Comparison of Institutional Annual Performance between 2021/2022 and 2022/2023 financial year

Number	Key Performance Area	Total number of KPIs		Number of KPI's achieved		Number of KPI's not achieved		Performance percentage per KPA	
		2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
1	Spatial Rationale	4	11	4	10	0	1	100%	91%
2	Municipal transformation and institutional development	18	17	12	16	1	67%	94%	
3	Local economic development	3	7	2	4	1	3	67%	57%
4	Basic service delivery and Infrastructure development	26	50	20	34	6	16	81%	68%
5	Financial viability and management	12	15	8	12	4	3	67%	80%
6	Good governance and public participation	26	27	21	19	5	8	81%	70%
	TOTAL	89	127	67	95	22	32	75%	75%

CHAPTER 4



ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4. OVERVIEW

4.1 Employees totals, Turnover and Vacancies

Municipality utilises national print media and municipal website for advertisement of vacant posts. Municipality implements its approved recruitment policy in filling of vacant positions.

Table 1: staff turnover

Description	Total
Dismissal/ Terminations	0
Contract ended	2
Retention	0
Death	1
Retirements/ Pensions	1
Ill health	0
Resignation	4
Total number of vacancies	194
Total number of employees	347
Total posts on the organogram	541

Table 2: Turnover rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2019/ 2020	357	5	1,4%
2020/ 2021	348	5	1,43%
2021/2022	351	7	2%
2022/2023	349	8	2,29%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			

Table 3: Organisational structures information

Description	2022/2023			
	Approved Posts	Employees	Vacancies	Variance
	No.	No.	No.	%
Infrastructure services	173	108	55	32%
Municipal manager' office	26	13	13	50%
Development planning and Local Economic development	21	13	11	53%
Community services	198	119	79	40%
Budget and Treasury	57	48	13	23%
Executive Support	38	23	15	39%
Corporate services	28	23	7	25%
Totals	541	347	193	36%

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Table 3: Vacancy rate information

Vacancy Rate 2022/2023			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
Municipal Manager	1	0	0
CFO	1	5 years	1
Development Planning	1	3 years	1
Community Services	1	1 year	1
Infrastructure	1	3 years	1
Corporate Services	1	09 months	1
Other S57 Managers (Finance posts)	0		
Chief Risk Management Officer(T15)	1	0	0
Manager Communication (T15)	1	0	0
Manager Hlogotlou Service Delivery Point (T15)	1	0	0
Manager Roossenekal Service Delivery Point(T15)	1	0	0
Manager Motetema Service Delivery Point (T15)	1	0	0
Electrical Engineer (T16)	1	0	0
Manager PMU (T15)	1	0	0
Manager Road, Storm water & Maintenance (T15)	1	0	0
Manager legal (T15)	1	0	1
Manager audit (T15)	1	0	0
Manager PMS (T15)	1	0	0
Manager IDP (T15)	1	0	0
Manager Human Resource (T15)	1	0	0
Manager Council Support (T15)	1	0	0
Manager Intergovernmental relations	1	0	0
Manager Compliance	1	0	0
Manager ICT (T15)	1	0	0
Manager Assets	1	0	0
Manager Supply chain	1	0	0
Manager Expenditure	1	0	0
Manager revenue	1	0	0
Manager budget	1	0	0
Manager administration	1	0	0
Manager Labour Relations	1	0	0
Manager LED	1	0	0
Manager Planning	1	0	0
Manager fleet	1	0	0
Deputy CFO	1	0	0
Manager Enviromental	1	0	0
Manager Public Safety	1	0	0
Manager Licensing	1	0	0
Manager Parks and Cemeteries	1	0	0

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The municipality has policies in place as guideline to all officials and are reviewed as and when the need arises. For the year under review the following policies were reviewed.

Table 4: Approved and reviewed policies

No.	Policy name	Reviewed	Resolution number	Date approved/reviewed	Policies reviewed (2022/2023)	Date of approval
1.	Credit control policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
2.	Investment policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
3.	Budget policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
4.	Borrowing policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
5.	Expenditure management policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
6.	Assets management policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
7.	Supply chain management policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
8.	Indigent policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
9.	Virements policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
10.	Funding and reserves policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
11.	Property rates policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
12.	Tariff policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
13.	Petty cash policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
14.	Insurance Management policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
15.	Cost containment policy	Yes	M22/23-54	5/31/2023	M22/23-54	31-May-23
16.	PMS framework	Yes	C22/23-77	28-Jun-23	C21/22-92	28-Jun-23
17.	EE plan	Yes	C22/23-77	28-Jun-23	C21/22-92	28-Jun-23
18.	Human Resources management strategy and plan	Yes	C22/23-76	28-Jun-23	C22/23-76	28-Jun-23
19.	Overtime and standby allowance policy	Yes	C22/23-83	28-Jun-23	C22/23-83	28-Jun-23
20.	Antivirus policy	Yes	C22/23-82	28-Jun-23	C22/23-82	28-Jun-23
21.	User access control policy	Yes	C22/23-81	28-Jun-23	C22/23-81	28-Jun-23
22.	Information and communication technology governance framework policy	Yes	C22/23-80	28-Jun-23	C22/23-80	28-Jun-23
23.	ICT Master plan	Yes	C22/23-79	28-Jun-23	C22/23-79	28-Jun-23

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 6: Cost of injuries on duty

Number and Cost of Injuries on Duty					
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	28	7	0,25%	4	R0,00
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0

Table 7: Average sick leave per employees

2021/2022 - Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Unskilled (Levels 1-4)	22	1,7%	4	107	80
Semi-Skilled (Levels 5)	11	2,7%	12	39	80
Skilled (levels 6-7)	13	1,2%	20	78	80
Specialised skilled (Levels 8-10)	19	0%	9	60	80
Professional (Level 11-14)	14	1,4%	5	40	80
Managerial skilled (Level 15)	12	0%	1	25	80
Strategic Management (MM and S57)	5	0%	1	3	80
Total	96	26,6%	52	353	560

* - 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

Table 7: Number and period of suspension

For the period under review (2021/2022) there were No significant suspensions that were issued against the employees of the Municipality.

Number of disciplinary cases (excluding financial misconducts) and any period of suspension				
Position	Nature of Alleged Misconduct	Date of suspension	Disciplinary action taken or Status of Case and Reasons why not Finalized	Date Finalized
None	None	None	n/a	n/a

Table 8: Cases on Financial Misconduct information

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
No disciplinary action taken on cases of financial misconduct for the year under review			

4.4 PERFORMANCE MANAGEMENT

In EMLM, performance management is limited to Section 54 and 56 Managers. Municipality has conducted 2021/2022 annual performance assessments for two (02) Senior Managers (Municipal Manager and Senior Manager Corporate Services) who signed performance agreements and one (01) senior manager qualified for performance bonuses. The 2022/2023 mid-year assessment was also conducted as a monitoring process to detect poor performance at an early stage. Through the session, senior managers are offered an opportunity to state their challenges and be assisted by panel members based on those challenges in order to meet their set targets by the end of the financial year. During the year under review the following officials signed their performance agreements:

Table 9: Performance agreements

Signing of performance agreement		
Officials	signed	not signed
Municipal Manager	✓	
Acting Chief financial officer	✓	
Senior manager: community services	✓	
Senior manager: Infrastructure	✓	
Acting Senior manager: development planning	✓	
Acting Senior manager: Corporate services	✓	

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE
Table 10: Training for officials

Municipality has a work skills plan (WSP) that is utilised for personnel capacity building. Each department is requested to forward their training plans to corporate services in May each year, in order to be included in the WSP which serves as a guide as to how many officials should undergo training in the next financial year. The plan is also used to determine the expenditure for training. For the year under review, 19 (9 males and 10 females) employees received different training. The WSP and annual training report were submitted to LGSETA.

Municipality has spent R2 487 994,35 for personnel training. The total amount was spent on training by end of the financial year. Municipality did receive the mandatory grants in the form of rebates from LGSETA for the funding amounting to R358 005,08 of HR students work based exposure training in prior year however the amount was spent in the year under review.

Programme	No. Of Officials	Males	Female	Status
B.ADMIN	9	3	6	In-progress
B. Public management	1	1	0	In-progress
BComm in HRM	1	0	1	In-progress
Forensic investigations	1	0	1	In-progress
B.Comm in ICT	1	1	0	In-progress
Diploma and high certificate in project management	2	1	1	In-progress
Diploma in Records Management	1	1	0	In-progress
Diploma in Project management	1	0	1	In-progress
Higher certificate in Project management	1	1	0	In-progress
Diploma in Records Management	1	1	0	In-progress
Total	19	9	10	

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Table 11: Training for councillors

Programme	No. Of Councillors	Males	Female	Status
Bachelor of Public Administration	3	2	1	In progress
	(02 Cllrs left municipality in November 2021 after elections and only 01 Cllr continued with training until June 2022)			
TOTAL	3	2	1	In progress

Table 12: Compliance with prescribed minimum competency levels

Prescribed minimum competency levels						
Description	A	B	Consolidated:	Consolidated:	Consolidated:	Consolidated:
	Total number of officials employed by municipality (regulation 14(4)(a) and (c))	Total number of officials employed by municipal entities (regulation 14(4)(a) and (c))	Total of A and B	Competency assessments completed for A and B (regulation 14(4)(b)and (d))	total number of officials whose performance agreements comply with regulation 16 (regulation 14(4)(f))	total number of officials that meet prescribed competency levels (regulation 14(4)(e))
Financial officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	0	0	0	0	0	0
Senior Managers	3	0	3	3	3	2
Any other financial officials	40	0	40	0	0	40
Finance managers	5	0	5	0	0	5
Supply chain management officials	4	0	4	0	0	4
Heads of supply chain unit	1	0	1	0	0	1
Supply chain management senior managers	0	0	0	0	0	0

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.5 EMPLOYEE EXPENDITURE

The municipality manages its workforce expenditure very well, as we have policies in place such as overtime policies, and travelling allowance policies, that are complied with before any expenditure can be incurred. EMLM has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for.

4.6 DISCLOSURE OF FINANCIAL INTEREST

Disclosure forms are given to all officials and councillors at the beginning of the financial year for completion. For the year under review, 85 employees completed disclosure forms and 42% of councillors completed financial disclosure forms.



CHAPTER 5



FINANCIAL INFORMATION

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Elias Motsoaledi Local Municipality handed over the 2022/23 annual financial statements to the Auditor General South Africa (Limpopo) on the 09 September 2023 that constituted non-compliance with section 126(2) of Municipal Finance Management Act. The aforesaid components of the financial statements are discussed in detail below:

5.1 STATEMENT OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Description	2021/22	Budget Year 2022/23						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source								
Property rates	39,913	44,645	59,853	55,046	59,853	(4,807)	-8%	59,853
Service charges - electricity revenue	98,371	108,186	101,418	90,414	101,418	(11,004)	-11%	101,418
Service charges - refuse revenue	9,383	9,781	9,302	9,537	9,302	235	3%	9,302
Rental of facilities and equipment	1,461	1,004	867	950	867	84	10%	867
Interest earned - external investments	5,834	3,652	2,152	5,641	2,152	3,489	162%	2,152
Interest earned - outstanding debtors	15,229	18,817	15,322	11,554	15,322	(3,768)	-25%	15,322
Fines, penalties and forfeits	2,236	68,520	90,719	115,439	90,719	24,720	27%	90,719
Licences and permits	5,966	6,315	6,815	6,062	6,815	(753)	-11%	6,815
Transfers and subsidies	307,637	338,906	338,906	338,906	338,906	(0)	0%	338,906
Other revenue	20,228	1,524	2,907	18,029	2,907	15,122	520%	2,907
Gains						-		
Total Revenue (excluding capital transfers and contributions)	506,259	601,351	628,262	651,579	628,262	23,317	4%	628,262
Expenditure By Type								
Employee related costs	161,197	185,316	172,137	169,884	166,498	3,386	2%	166,498
Remuneration of councillors	25,347	25,580	27,126	25,385	24,735	651	3%	24,735
Debt impairment	19,690	61,181	29,223	126,108	84,814	41,294	49%	84,814
Depreciation & asset impairment	57,073	59,780	60,910	59,260	61,911	(2,652)	-4%	61,911
Finance charges	526	2,185	1,555	4,403	1,555	2,848	183%	1,555
Bulk purchases	97,949	109,638	94,532	93,185	94,532	(1,347)	-1%	94,532
Other materials	37,860	38,645	47,203	47,152	42,789	4,363	10%	42,809
Contracted services	77,956	67,165	76,222	75,939	74,830	1,109	1%	74,830
Transfers and subsidies	2,591	3,292	2,673	5,247	2,384	2,863	120%	2,364
Other expenditure	48,250	44,500	51,532	59,595	54,514	5,081	9%	54,514
Losses	4,827	-	-	5,782	-	5,782	0%	-
Total Expenditure	533,266	597,283	563,113	671,940	608,562	63,378	10%	608,562
Surplus/(Deficit)	(27,007)	4,068	65,149	(20,361)	19,700	(40,061)	-203%	19,700
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	111,606	91,816	112,526	(20,710)	-18%	112,526
Transfers and subsidies - capital (monetary allocations)			-			-		-
Transfers and subsidies - capital (in-kind - all)			920			-		
Surplus/(Deficit) after capital transfers & contributions	47,309	83,674	177,675	71,455	132,226			132,226
Taxation								
Surplus/(Deficit) after taxation	47,309	83,674	177,675	71,455	132,226			132,226
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	47,309	83,674	177,675	71,455	132,226			132,226
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	47,309	83,674	177,675	71,455	132,226			132,226

5.1 STATEMENT OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Description	2021/22	Budget Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	14,710	24,162	68,141	7,633	68,141
Call investment deposits	—	—	—	25,460	—
Consumer debtors	104,267	61,834	64,191	110,392	64,191
Other debtors	14,400	62,845	75,304	26,631	75,304
Current portion of long-term receivables	—	119	119	—	119
Inventory	18,416	10,005	12,160	26,280	12,160
Total current assets	151,793	158,966	219,915	196,396	219,915
Non current assets					
Long-term receivables	—	—	—	—	—
Investments	16,536	17,278	17,628	17,281	17,628
Investment property	96,399	48,547	51,621	103,831	51,621
Investments in Associate	—	—	—	—	—
Property, plant and equipment	1,079,150	1,258,405	1,263,920	1,112,251	1,263,920
Biological	—	—	—	—	—
Intangible	13	331	516	6	516
Other non-current assets	463	463	463	463	463
Total non current assets	1,192,561	1,325,025	1,334,149	1,233,832	1,334,149
TOTAL ASSETS	1,344,354	1,483,992	1,554,064	1,430,228	1,554,064
LIABILITIES					
Current liabilities					
Bank overdraft	—	—	—	—	—
Borrowing	6,638	7,459	8,280	9,494	8,280
Consumer deposits	5,621	5,700	5,700	5,758	5,700
Trade and other payables	106,041	101,172	131,683	120,150	131,683
Provisions	7,922	6,012	8,024	9,416	8,024
Total current liabilities	126,222	120,343	153,688	144,818	153,688
Non current liabilities					
Borrowing	12,702	17,458	12,701	7,637	12,701
Provisions	110,814	96,252	96,252	111,703	96,252
Total non current liabilities	123,517	113,710	108,953	119,340	108,953
TOTAL LIABILITIES	249,738	234,053	262,641	264,158	262,641
NET ASSETS	1,094,615	1,249,938	1,291,424	1,166,071	1,291,424
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,094,615	1,230,938	1,291,424	1,166,071	1,291,424
Reserves	—	19,000	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	1,094,615	1,249,938	1,291,424	1,166,071	1,291,424

COMMENT ON FINANCIAL PERFORMANCE

1. The total budgeted operating revenue is R628, 262 million and the actual revenue amounts to R651, 579 million. These result in over performance of R23, 317 million.
2. Services charges relating to electricity and refuse removal, these revenue sources contribute significantly to the revenue basket of the municipality and the contribution thereof totals R99, 950 million for the 2022/23 financial year and increasing to R107, 753 million in 2022/23 financial year.
3. Service charges electricity is based on the actual performance in conjunction with the audited amount and CPI. The audited amount is R90 414 million and performed poorly compared to the adjusted budget of R101 418.
4. Services charges relating to refuse removal underperformed by R235 thousand however performed better than prior year based on audited amounts.
5. Property rates was budgeted R59 853 million, and the actual performance is R55 046 million resulting in unfavourable variance of R4 807 million.
6. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant and the allocation is as per DORA. All gazetted grants were received
7. Rental of facilities and equipment slightly overperformed by R84 thousand when comparing adjusted budget and audited actual amount realized.
8. Interest on external investment overperformed by R3 489 million and as a result of a decrease in interest rate on ESKOM security held investment.
9. Interest on outstanding debtors – underperformance of R3 768 million is due to payment of customers which results in an decrease of the debt book.
10. Fines, penalties and forfeits – there is an overperformance of R24 720 million when comparing adjusted budget and actual audited amount.
11. Other revenue - the variance is as a result of fair value adjustment in investment property that was revalued at the financial year.
12. Licences and permits - there is a slight underperformance of R753 thousand when comparing adjusted budget and actual audited amount.
13. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
14. There is an overperformance on employee related cost of R3 386 million and this is a result of actuarial amounts computed at year end.
15. Remuneration of councillors overspent by R651 thousand when comparing adjusted budget and actual audited amount.
16. Bulk purchases underspent by R1 347 million when comparing adjusted budget and actual audited amount and this is a result of electrification of Masakaneng project not being completed.
17. There is favourable variance on transfer and subsidies of R2 863 million and this is due to creation of new indigent register resulting in majority of households added to the register as qualifying beneficiaries.
18. Debt impairment increased by 49% compared to the audited amount. Debt that the municipality wrote off has a huge impact on the methodology the municipality is using suggested by Auditor General hence a huge increase. Note must be taken that an increase in consumer debtors has a minimal impact in terms of the allocation in the likelihood of debt being impairment taking into account that they considered the newest
19. Depreciation – there is an underperformance of R2, 652 million and it is as a result of infrastructure projects being completed late in the financial year.
20. Contracted services - there is an overspending of R1 109 million when comparing the adjusted budget and actual audited figures.
21. Finance charges - the overspending is as the result of budget provision for the new lease of vehicles that commenced later than projected and outstanding invoices submitted at the end of the financial. Therefore, the budgeted interest were not realized.
22. Repairs and maintenance - unforeseen road maintenance had to be had to be undertaken
23. An increase in other expenditure of 9% is due to commission on speed camera and is as per the contract.
24. Inventory consumed increase is due an increase the municipality made on repairs and maintenance in an attempt to work towards achieving the norm as per circular 71.

5.2 GRANTS

Description	2021/22	Current Year 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
RECEIPTS:				
Operating Transfers and Grants				
National Government:	307,638	338,906	338,905	338,905
Local Government Equitable Share	302,789	334,260	334,259	334,259
Finance Management	2,650	2,850	2,850	2,850
EPWP Incentive	2,199	1,796	1,796	1,796
Other grant providers:	358	—	—	—
LGSETA Learnership and Development	358	—	—	—
Total Operating Transfers and Grants	307,996	338,906	338,905	338,905
Capital Transfers and Grants				
National Government:	79,332	79,606	111,606	111,606
Municipal Infrastructure Grant (MIG)	57,984	62,606	94,606	94,606
Intergrated National Electrification Grant	21,348	17,000	17,000	17,000
Total Capital Transfers and Grants	79,332	79,606	111,606	111,606
TOTAL RECEIPTS OF TRANSFERS & GRANTS	387,328	418,512	450,511	450,511

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All grants gazetted for 2022/23 financial year were received and cognizance should be taken that the above table does include capital grants. The total amount received on operational grants amounted to R388, 905 million yet the capital grants one amounted to R111, 606 million during the 2022/23 financial year. All grants were received from national sphere of government and SETA, nothing was gazetted to be received from the provincial government and the district municipality. In addition, the municipality received additional MIG allocation amounting to R32 million that was not part of the initially gazetted allocations.

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

R358 thousand was received from Education Training and Development Practice SETA and is meant for capacity building and this allocation is earmarked for procurement of tools of trade for experiential learning programme implemented within the municipality.

5.3 ASSET MANAGEMENT

Description	2021/22	Current Year 2022/23			Variance (Original budget)	Variance (Adjusted budget)
	Audited Outcome	Original Budget	Adjusted Budget	YTD Actual		
Repairs and maintenance	37,860	37,692	40,895	47,152	125%	115%
Depreciation and assets impairment/reversal	57,073	59,780	59,780	59,260	99%	99%
Renewal of existing assets	44,874	31,723	55,512	31,657	100%	57%
Asset register summary	1,184,479	1,258,737	1,264,437	1,264,445	100%	100%
Total	1,324,286	1,387,932	1,420,623	1,402,514	106%	99%

COMMENT ON ASSET MANAGEMENT:

The audited asset register value for 2021/22 is R1, 184, 479 billion and the original budget thereof is R1, 258, 737 billion. Taking the actual book value as at end of 2022/23 financial year of R1, 264, 445 billion, and the asset register value had increased compared to 2021/22 audited amount and this is attributed to spending on capital budget.

Audited depreciation and asset impairment reversal for 2021/22 financial year amounts to R57 073 million and it increased to R59, 260 million in the 2022/23 financial year. Cognizance should be taken that depreciation and asset impairment from budget point of view is a non-cash item (i.e. the movement did not have cash flow implication) and as a result it is pure financial accounting transaction.

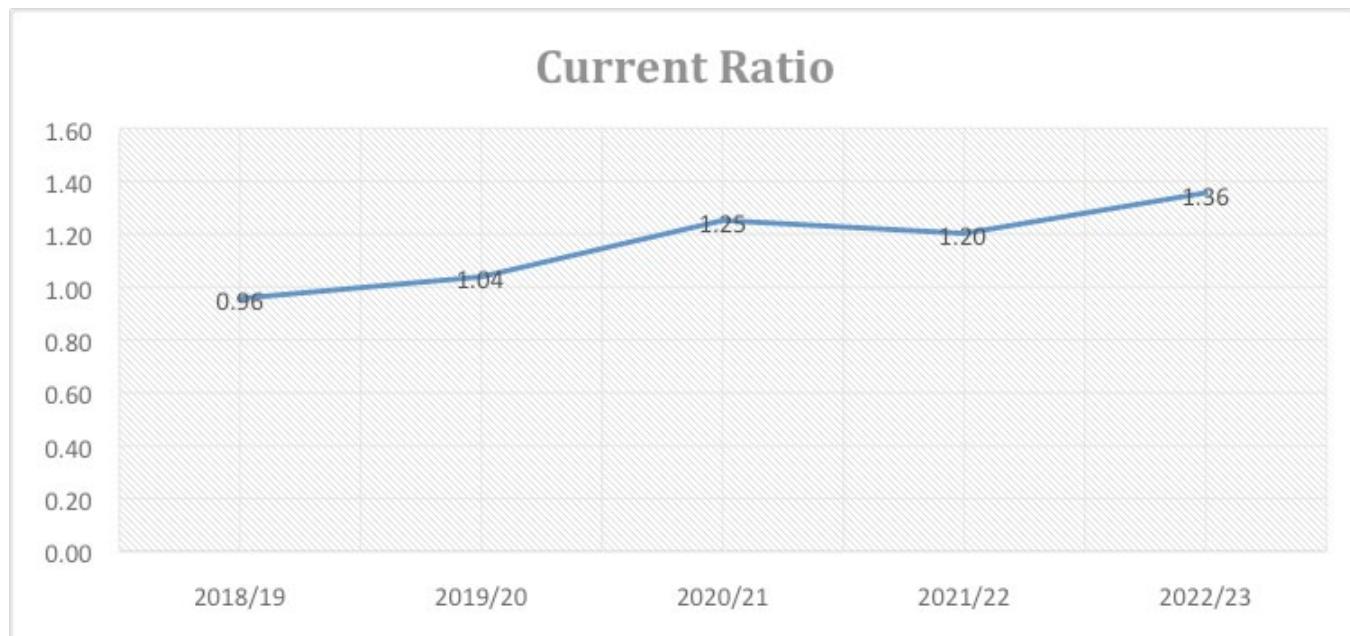
In addition, capital expenditure (renewal of existing assets) amounted to R44, 874 million and this decreased significantly to R31,657 million yet repairs and maintenance increased from R37,860 million to R47, 152 million in the 2022/23 financial year.

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget represent 6.3% of the total original budget and 7.3% of the adjusted budget and in terms of the actual expenditure, the spending represent 7.0% of the total operating expenditure incurred for 2022/23 financial year. A total of R47, 152 million was spent, reflecting an overspending variance of 125% based on original budget and 115% overspending variance on adjusted budget.

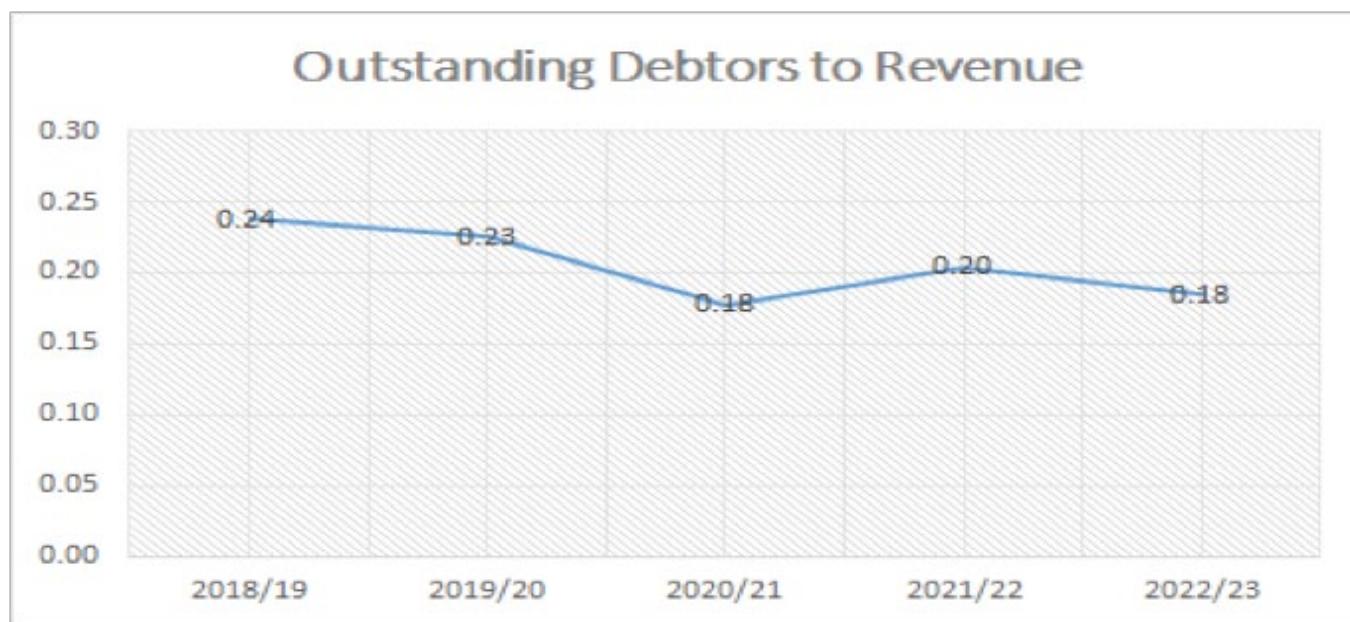
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Graph 1: Liquidity ratio



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better, and the graph portrays a picture that shows an improved liquidity ratio for 2022/23 financial year since the ratio is more than 1.

Graph 2: Outstanding Debtors to revenue



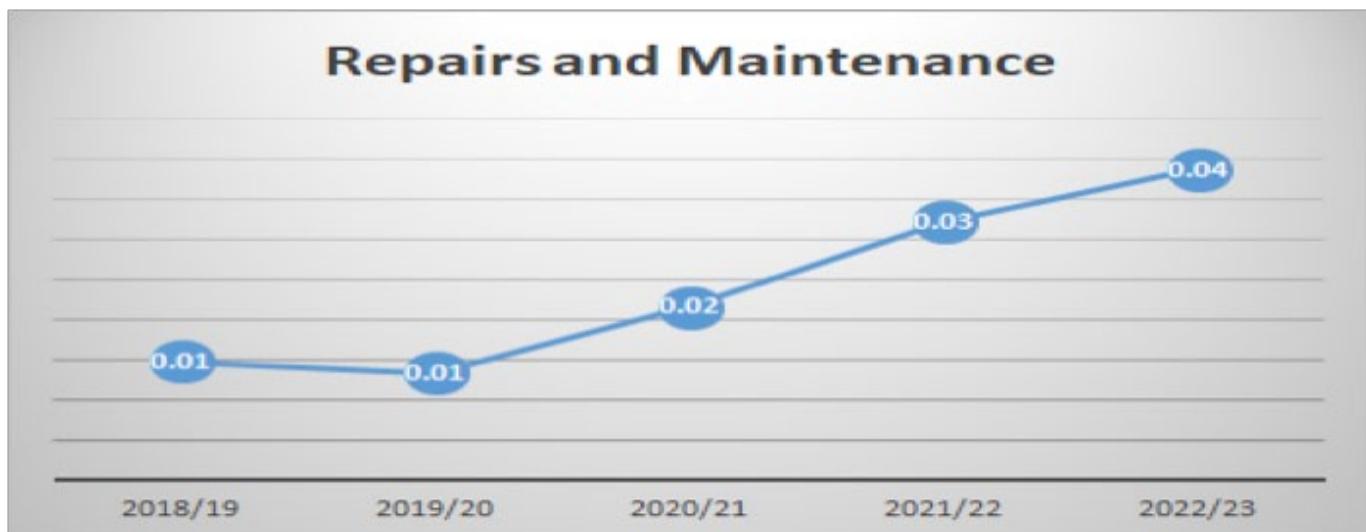
Outstanding service debtors to revenue – Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 0.18 outstanding debtors that has slightly decreased by 0.02 when compared to 2022/23 ratio.

Graph 3: Employee cost



Employee related cost ratio measures what portion of revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue

Graph 4: Repairs and maintenance



Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total property plant and equipment and investment property carrying values.

COMMENT ON FINANCIAL RATIOS:

The municipality is still facing a challenge of achieving 8% threshold of operating expenditure for repairs and maintenance. Liquidity ratio is negatively affected by invoices that are paid accruals at year end since the magnitude thereof was too high in 2022/23 financial year as those invoices are treated as current liabilities. The municipality is in a process of implementing cost containment measures as documented in the National Treasury Instruction letter number 03 and this will result in improved liquidity ratio and in addition, it will do away with unnecessary expenditure.

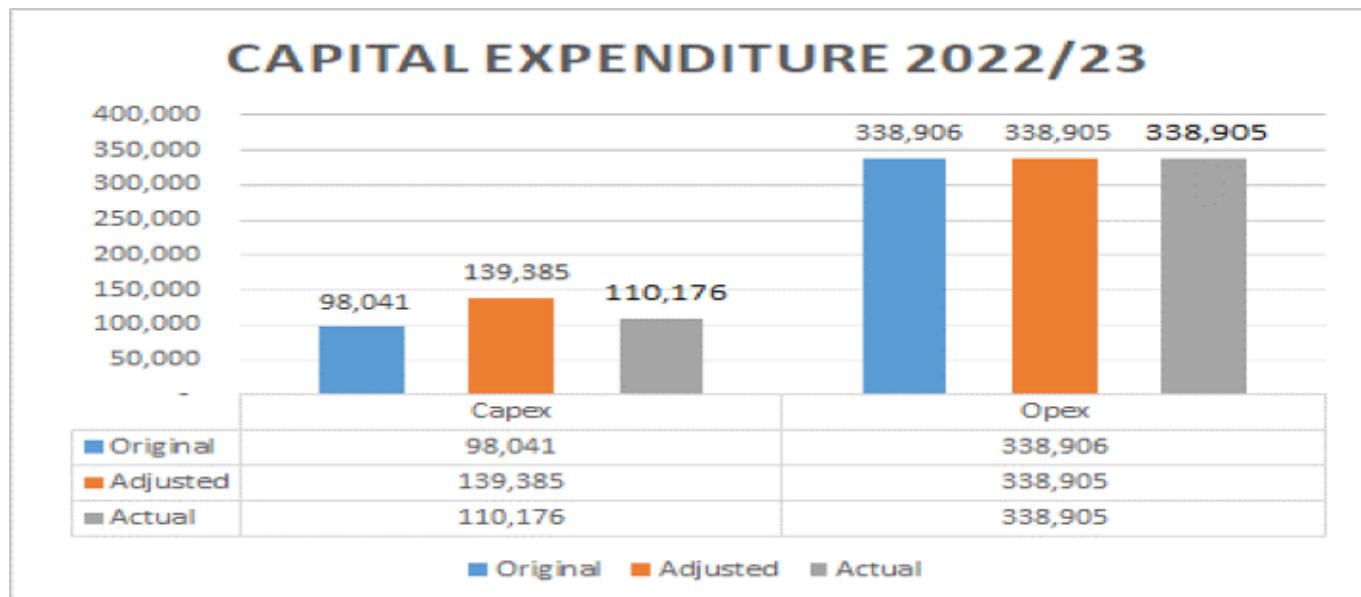
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to projects and/or items whose outputs will result in assets that will have to be documented in the asset register. Capital expenditure is funded from grants and own revenue. Graph 5 deals with capital spending, indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spent.

5. CAPITAL EXPENDITURE

GRAPH 5: EXPENDITURE 2022/23



5.6 SOURCES OF FINANCE

Vote Description	2021/22		Current Year 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD Variance
Funded by:					
National Government	74,316	79,606	111,606	90,896	81%
Provincial Government					
District Municipality					
Transfers and subsidies - capital (monetary allocations)					
Transfers recognised - capital	74,316	79,606	111,606	90,896	81%
Borrowing					
Internally generated funds	14,040	18,435	27,780	19,280	69%
Total Capital Funding	88,355	98,041	139,386	110,176	79%

COMMENT ON SOURCES OF FUNDING:

The capital budget for 2022/23 financial year was R139, 041 million. The actual expenditure is R110, 176 million and this reflects an under-spending variance of 21% and this under spending was on grants funded and internally funded projects.

Funding of capital budget:

Original budget: R79, 606 million was funded by grants and R18, 435 million was funded internally.

Adjusted budget: R111, 606 million was funded by grants and R27, 780 million was funded internally.

Actual expenditure: R90, 896 million was funded by grants and R19, 280 million was funded internally.

CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Expenditure on Five Largest Projects*						
R'000						
Name of Project	Current Year			Variance Current Year		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)	
A – Dipakapakeng	R2 169 180.00	R 2 169 180.00	R1 908 515 .20	90%	100%	
B – Tafelkop Stadium	R27 001 116.00	R27 001 116.00	R25 559 077.88	95%	95%	
C – Bloempoort to Uitspanning	R27 000 000.00	R24 529 484.96	R23 791 130.10	88%	97%	
E – Groblersdal Landfill Site	R4 000 000.00	R21 093 036.00	R3 855 509.82	96%	18%	
F – Electrification of Masakaneng Portion 69 A (215HH) (415HH)	R3 960 000.00	R7 960 000.00	R7 643 721.49	193%	96%	

Name of Project - A	Upgrading of Dipakapakeng Access Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - B	Upgrading of Tafelkop stadium Access Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	Delays due to underground water
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - C	Upgrading of Bloempoort to Uitspaning Access Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	Delays due to slow progress on Concrete V Drain.
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - D	Upgrading Nyakuroane Internal Streets
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - E	Upgrading of Mokomung Access Road to Marateng Taxi Rank
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - F	Refurbishment of Groblersdal Landfill Site
Objective of Project	Reduction in the level of service delivery backlogs
Delays	Delays in approval of new designs by LEDET
Future Challenges	None
Anticipated citizen benefits	Clean environment

COMMENT ON CAPITAL PROJECTS:

During 2022/23 Financial Year, the Municipality received a Total Allocation of R 94 606 000.00 of MIG grant. A total of Six (6) projects were implemented, of which Five (5) were roads projects and one (1) was Landfill site. 2 road projects (Upgrading of Tafelkop Stadium Access Road) is still on construction stage and seating at 79% physical progress and Upgrading of Nyakuroane Internal Streets) is a multi-year project and it is on practical completion stage. Construction of Groblersdal Landfill Site is on tender stage, Upgrading Mokomung Access Road is design stage.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

There is still huge backlog in terms of Basic Infrastructure that is Water and Sanitation, which is implemented at District level. The backlog for electricity is only 4%.

COMMENT ON BACKLOGS:

There is a minor backlog in terms of electricity only 4% backlog has been identified with regards to households that do not have access to basic electricity. This backlog is due to expansion of the existing villages.

Roads and storm water as key function of the municipality is being implemented with MIG funds and own revenue. The municipality has a serious backlog on roads and storm water and has challenges of resources as MIG grant that is received is not enough to can reduce the back log and municipality does not have enough revenue can fund more projects. The identified backlog of unsurfaced roads and storm water controls is up to 90% on the municipal road networks.

CHAPTER 5: FINANCIAL PERFORMANCE

Municipal Infrastructure Grant (MIG)* Expenditure 2022/2023 on Service backlogs						
R' 000						
Details	Budget	Adjustment	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Original	Adjustment	
				Budget	Budget	
Infrastructure - Road transport						
Roads, Pavements & Bridges	R62 606 000.00	R94 606 000.00	R73 895 702.79	-R11 289 702.79	R20 710 297.21	Prioritize residential infrastructure for roads and sports facilities
Storm water	R0	R0	R0	R0	R0	
Infrastructure - Electricity	R17 000 000.00	R0	R17 000 000.00			Prioritize residential infrastructure for electricity
Generation	R0	R0	R0	R0	R0	
Street Lighting	R0	R0	R0	R0	R0	
Infrastructure - Other						
Transportation	R0	R0	R0	R0	R0	
Gas	R0	R0	R0	R0	R0	
Other Specify:						
Sports - Outdoor	R0	R0	R0	R0	R0	
Street Parking	R0	R0	R0	R0	R0	
Waste Management	R0	R0	R0	R0	R0	
Total	R79 606 000.00	R32 000 000.00	R111 606 000.00	R 11 289 702.79	R20 710 297.21	

**COMPONENTS C: CASH FLOW MANAGEMENT
AND INVESTMENTS**
INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow outcome presents the actual revenue collected and actual payments made during the year under review. Actual revenue realized should be differentiated from revenue billed because revenue billed does not portray the holistic financial and performance of the municipality. As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting. Cash and cash equivalents is made up of cash in the primary and all the short term investment, there are no long term investment made by the municipality as this will hinder service delivery.

Description	2021/22	Current Year 2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	28,584	40,092	50,336	37,194
Service charges	70,796	122,534	128,609	96,050
Other revenue	44,971	17,751	20,175	13,396
Transfers and Subsidies - Operational	307,767	338,906	338,906	333,406
Transfers and Subsidies - Capital	79,469	79,606	79,606	111,606
Interest	1,780	3,652	2,152	2,252
Payments				
Suppliers and employees	(442,980)	(511,681)	(499,766)	(462,146)
Finance charges	(526)	(2,185)	(2,688)	(4,403)
Transfers and Grants	(1,547)	3,292	2,673	(1,099)
NET CASH FROM/(USED) OPERATING ACTIVITIES	88,314	91,968	120,004	126,255
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1,011	5,544	2,470	–
Decrease (increase) in non-current receivables	–	–		1,566
Decrease (increase) in non-current investments	–	17,278	(350)	–
Payments				
Capital assets	(76,974)	(81,790)	(89,706)	(104,484)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75,963)	(58,968)	(87,585)	(102,918)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–		
Borrowing long term/refinancing	–	–		
Increase (decrease) in consumer deposits	–	488	488	
Payments				
Repayment of borrowing	(4,457)	(7,459)	(8,280)	(4,954)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4,457)	(6,971)	(7,792)	(4,954)
NET INCREASE/ (DECREASE) IN CASH HELD	7,894	26,029	24,627	18,383
Cash/cash equivalents at beginning:	6,816	14,245	11,514	14,710
Cash/cash equivalents at month/year end:	14,710	40,275	36,141	33,093

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalents at the beginning of the financial year was R14,710 million and when comparing this to the cash and cash equivalents at the end of 2022/2023 financial year, the results reflect an increase in cash and cash equivalent of R33,093 million and this portrays a positive picture about cash management of the municipality. Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realised is made up of transfer recognised (both operating and capital).

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Actual Borrowings 2020/21-2022/23			
R'000	2020/21	2021/22	2022/23
Instrument			
Municipality			
Long-term loans (annuity/reducing balance)	-	-	-
Long-term loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	2 441	19 340	17 131
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-marketable bonds	-	-	-
Bankers' acceptances	-	-	-
Financial derivatives	-	-	-
Other securities (Eskom)	-	-	-
Municipal Total	2 441	19 340	17 131
Municipal Entities	-	-	-
Long-term Loans (annuity/reducing balance)	-	-	-
Long-term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	-	-	-
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-Marketable bonds	-	-	-
Bankers' acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Entities Total	-	-	-

Municipal and Entity Investments 2020/21 – 2022/23			
R'000	2020/21	2021/22	2022/23
Investment type	Actual	Actual	Actual
Municipality			
Securities - national government	–	–	–
Listed corporate bonds	–	–	–
Deposits –bank	–	10,000	25,459
Deposits -public investment commissioners	–	–	–
Deposits -corporation for public deposits	–	–	–
Bankers' acceptance certificates	–	–	–
Negotiable certificates of deposit - Banks	–	–	–
Guaranteed endowment policies (sinking)	–	–	–
Repurchase agreements - Banks	–	–	–
Municipal bonds	–	–	–
Other securities (Eskom)	16,008	16,356	17,281
Municipality Sub-Total	16,008	26,356	42,740
Municipal Entities			
Securities - National government	–	–	–
Listed corporate bonds	–	–	–
Deposits – Bank	–	–	–
Deposits - Public Investment Commissioners	–	–	–
Deposits - Corporation for Public Deposits	–	–	–
Bankers' acceptance certificates	–	–	–
Negotiable certificates of deposit- Banks	–	–	–
Guaranteed endowment policies (sinking)	–	–	–
Repurchase agreements – Banks	–	–	–
Municipal bonds	–	–	–
Other	–	–	–
Entities Sub-Total	–	–	–
Consolidated Total:	16,008	26,356	42,740

COMMENT ON BORROWING AND INVESTMENTS:

The municipality had borrowing in the form of finance lease for heavy machinery and equipment and vehicles amounting to R17,131 million at the end of 2022/2023 financial year. There were no investments for the year under review.

5.11 PUBLIC-PRIVATE PARTNERSHIPS

Municipality had no public-private partnership.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT**SUPPLY CHAIN MANAGEMENT**

The financial statements for the 2022/23 financial year presented an irregular expenditure balance of R386,471,015 million as opening balance and during the year irregular expenditure amounting to R75,859 million was incurred. This leaves the municipality with overall irregular expenditure of R385,538 million that emanated from procurement of goods and services without fully following the supply chain management processes. For 2021/22 financial year council wrote off irregular expenditure amounting to R76,739,211 and this has been considered when determining the closing balance for 2022/23 financial year.

Breakdown of Irregular expenditure incurred for the year:

Reason for irregular	2023	2022
Biased specification	-	8,323,809
Bidder did not meet minimum requirements	190,057	463,431
Incorrect allocation of functionality points	38,597,323	39,881,668
Technical expert not part of BAC	7,894,160	15,462,484
Failure to address subcontracting	23,496,978	3,019,389
Bids were not evaluated in accordance with the bid specification	290,384	-
Non-compliance with minimum requirements threshold for local content	5,390,908	9,588,430
Total	75,859,811	76,739,211

The municipality has implemented central supplier database that has been rolled out by National Treasury with the intention of maintaining a database of organisations, institutions and individuals who can provide goods and services to government institutions. This database serves as the single source of key supplier information for organs of state, and it provides consolidated, accurate, up-to date, complete and verified supplier information to procuring organs of state.

No public satisfaction survey was conducted during the year under review.

No deviations from supply chain management processes were processed in the 2022/23 financial year.

5.13 GRAP COMPLIANCE

GRAP provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statements.

Elias Motsoaledi local municipality was audited on annual financial statements that were prepared using mSCOA trial balance and general ledger that were GRAP compliant.

Number	Company information		Person in employ of state			Financial Year	
	Service Provider	Director of the company	Department	Employee	Capacity	2023	2022
1	Makgonatsohle Trading Enterprise	Gift Nkabang Mawela	Gauteng Department of Education	Masehoane Mildred Mawela (Teacher)	Wife	1,359,831	2,184,378
2	Sejagobe Engineers	Sejagobe Daniel Masekela	Gauteng Department of Public Works	Kgadi Ledile Mamakoa (Candidate Engineering Technician)	Wife	1,038,276	-
3	Dzangi Consulting Services	Aluwani Lorraine Mathavhalte	Department of Human Settlement	Gumani Joseph Mathavhalte (Financial Planner)	Husband	1,177,383	-
4	Mogalemole Consulting Engineer	Njipa Herman Mankga	Road Agency Limpopo	Paulina Mankga (Project Manager)	Wife	431,668	669,199
5	Democratic Construction and Services	Buta Ntina Lizzy	Elias Motsoaledi Local Municipality	Alfred Pathane (Ward Councillor)	Wife	0	16,500
6	Nedbank	Stanley Subramoney	Department of Education	Venisha Subramoney (Teacher - Department of Education)	Wife	5,472,572	7,286,788
7	Just breeze	Christopher Ntladi	Department of Health	Matshidiso Ntladi (Dentist - Department of Health)	Wife	2,869,913	7,576,661
8	Dolmen Engineers	Moeketsa Phynus Semalla	Limpopo Department of Health	Thuly Monicah Semalla (EMS/Pramedic)	Wife	1,530,911	-
11	NSK Electrical and Construction	Sibusisiwe Cule Zombe	Department of Education	Steve Zviyedzo Zombe (Teacher)	Husband	845,754	-
12	F-Tech Services	Martin Mufanebadza	SAPS	Tselahale Faith Mufanebadza (Administrative Clerk)	Wife	8,819,396	-
13	Nkanivo Development Consulting	Samuel Chauke	Department of Home Affairs	Azwidali Elelwani Chauke (Administrative Officer)	Wife	478,261	-
14	Sekhukhune Times	Peter Thapelo Motsoe	Limpopo Department of Education	Cordelia Nkisi Mabelane (Teacher)	Wife	26,021	-
15	Mashigwana Projects	Amos Kgotelelo Mashigwana	Gauteng Department of Education	Johanna Letta Mashigwana (Teacher)	Wife	183,000	-
Total Award Amount						24,232,987	17,733,526

EXTERNAL SERVICE PROVIDER'S PERFORMANCE

Project Name	2022/2023 budget	Expenditure	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
INFRASTRUCTURE							
Upgrading of Dipakapakeng Access Road	R 2 169 180.14	R1 908 515.20	None	None	Ralema Consulting Engineers	Good	Rural Blue Belt jv Katlego ya Sentsho
					Katlego ya sentso JV Rural Blue Belt	Good	
Upgrading of Tafelkop Stadium Access Road	R 27 001 116.00	R26 871 310.29	Slow progress of works by the contractor due to underground water.	Performance letters were given to both service providers	Afritec Consulting Engineers	Fair	SDVK construction and projects 15cc
			The engineer is failing to monitor the contractor.		SDVK construction and Projects 15 cc	Fair	
Upgrading of Bloempoort to Uitspanning Acess Road	R 24 529 484.96	R23 791 130.10	Slow progress resulting in completing the works outside contractual period.	Penalties imposed to the contractor for late completion of works.	Sejagobe Engineers	Excellent	Mwelase & Ntshiana JV
					Mwelase & Ntshiana JV	Fair	
Refurbishment of Groblersdal landfill site	R21 093 036.00	R3 855 509.82	None	None	Grand Monde Consulting Engineers	None	Contractor not yet appointed
					Not yet appointed	None	
Upgrading of Nyakuroane Internal Streets	R16 000 000.00	R15 923 765.13	None	None	Dolmen Consulting Engineers	Excellent	Pheladi Noko Funerals and Construction
					Pheladi Noko Funerals and Construction	Excellent	
Electrification of Masakaneng Portion 69	R 7 960.00	R7 643 721.49	None	None	AES Consulting	Excellent	FTech Construction
					F-Tech Services	Excellent	
Electrification of Makepea	R3 240 000.00	R2 457 641.08	Construction works is behind the schedule	Intention to terminate letter was sent to the contractor.	NSK Electrical	Excellent	Seshego Electrical
					Seshego Electrical	Bad	

EXTERNAL SERVICE PROVIDER'S PERFORMANCE

Project Name	2022/2023 budget	Expenditure	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
Electrification of Nyakelang Extension	R3 800 000.00	R2 984 833.34	None	None	NSK Electrical	Excellent	Lephata la Basha Trading
	R2 000 000.00				Lephata la Basha Trading	Excellent	
Electrification of Phomola\Monsterlous		R2 060 055.10	None	None	Mogalemole Consulting Engineers	Excellent	F-Tech Services
Electrification of Maleoskop	R1 924 407.00	R1 924 407.00	None	None	F-Tech Services	Excellent	Mwelase Thobs

DEVELOPMENT PLANNING							
Project Name	2022/2023 budget	Expenditure	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
Town Establishment of Farm Klipbank 26JS	R642 496	R642 496	None	None	Steagle /LM JV	4	n/a
Demarcation of site : Hlogotlou unit B	R786 000	R786 000	None	None	Steagle / LM JV	3	n/a
Demarcation of sites: Matlala Lehwelere Villages	R600 000	R600 000	none	none	Nkanivo Development Consultants	3	n/a
Demarcation of Sites at Farm Tafelkop village 120 JS	R600 000	R600 000	None	None	Pfukani Kusile Consulting	3	n/a
COMMUNITY SERVICES							
Waste Management Services	R7 500 000 pa	R7 792 218.56 vat exclusive	None	None	Just- Breeze General Trading CC /Tlou Ya Ko Hlaka Projects(Pty) Ltd JV	Good	n/a
Operations and maintenance of Groblersdal landfill site	R5 820 000.12 pa	R4 936 784.84 vat exclusive	None	None	Selema Plant Hire Construction	Good	n/a
Operations and maintenance of Roosenekal landfill site	R3 020 820 pa	R2 9944 80 vat exclusive	None	None	Stop and Go Properties	Good	N/a
Provision of a VHF DMR digital 2-way radio communication system (Tender: EMLM 25/2020)	795 332 p.a.	691 591.67	None	None	Loskop Radios Newstar JV	Excellent	N/A
Supply and installation of license plate recognition cameras & CCTV surveillance monitoring system (Tender: EMLM 06/2022)	1 409 530 p.a.	1 409 529.02	None	None	Loskop Alarms (Pty) LTD	Excellent	N/A
Disaster management centre emergency relief store room (Tender: EMLM 15/2022	454 300	522 364.81	None	None	Putuku Traiding and Projects (PTY) LTD	Good	Putuku Traiding and Projects (PTY) LTD
Blue Lights, Sirens and Insignia (Tender: EMLM 10/2023)	237 500	231 040,75	None	None	EMEDUVAC	Excellent	N/A

DEVELOPMENT PLANNING (cont)

Disaster Trailer (RFQ 07/10/2022)	80 000	78 950	Defects were noted on trailer after used once	Service Provider were contacted but did not respond	Mahlome Trading Enterprise	Fair	N/A
Office furniture and Equipment (RFQ 09/06/2023)	419 250	198 026	None	None	Tlou Le Dinare (Pty) Ltd	Excellent	Tlou Le Dinare (Pty) Ltd
Gable Roof (Tender: EMLM 27/2023)	208 000	284 000	None	None	Tshepo Legodi Trading CC	Excellent	Tshepo Legodi Trading CC
CORPORATE SERVICES							
Investigation Support to MPAC	As per the rates	As per the rates	none	none	Makanaka Risk and advisory Services	Good	n/a
Communication and printing services	As per the rates	As per the rates	none	none	O B Media	Excellent	n/a
Communication and printing services	As per the rates	As per the rates	None	None	Vision Print	Excellent	
Events	As per the rates	As per the rates	none	none	Pheladi Noko	Excellent	n/a
Events	As per the rates	As per the rates	none	none	Dzangi	Excellent	n/a
Accommodation	Commission based	Commission based	none	none	KDM	Excellent	n/a
Accommodation	Commission based	Commission based	none	none	Kopanego JV	Excellent	n/a
Accommodation	Commission based	Commission based	none	none	Reakgona Travel	Excellent	n/a
Compliance management system	R799 980.00		None	None	Koryz (PTY) LTD		n/a
Server, network maintenance and support	R8,332,578		None	None	Matupunuka ICT	Good	n/a
Maintenance of telephone management system	R9,515,249.80		None	None	Lekokonetsa LCS Telecommunications	Excellent	n/a
Bulk printing maintenance and support	As per the rates	As per the rates	None	None	Matupunuka ICT	Good	n/a
Website maintenance and support	R66 065.82		None	None	SITA	Excellent	n/a
BUDGET AND TREASURY							
Munsoft Consultants	R6 440 000 pa		None	None	Munsoft	Good	n/a
Asset Management	R4 700 000 pa		None	None	Market Demand	Good	n/a
Financial system	R 120 000 pa		None	None	Caseware	Good	n/a
Valuation services	R144 000 pa		None	None	UNIQUECO	Good	n/a

DEVELOPMENT PLANNING (cont)

Financial services	Bank charges		None	None	Nedbank	Good	n/a
Data Validations [Expired]	R540 000 pa		None	None	LKCentrix	Good	n/a
Payroll services	R98 000 pa		None	None	VIP	Good	n/a
OFFICE OF MUNICIPAL MANAGER							
Security company	R25 327 376.55		None	None	Gubis security company		n/a
Legal services	As per the rates	R411 909.30	None	None	Dikgati Mphahlele inc	good	n/a
Legal services	As per the rates	R1 047 964.56	None	None	Mpoyana Ledwaba inc	excellent	n/a
Legal services	As per the rates	-	None	None	Mpokane P. k Magane inc	Good	n/a
Legal services	As per the rates	R322 267.50	None	None	Mohube Setsalo Mabusela inc	Excellent	n/a
Legal services	As per the rates	R512 960.66	None	None	Moloko Phooko Attorneys	Good	
Internal audit	Hourly rates	Hourly rates	None	None	MMB Consulting	Good	n/a
Rating description							
Performance is Unacceptable. Service provider did not meet 25% of the work. Quarterly target is not achieved.	bad						
Performance is not fully satisfactory. Service provider performed less than 50% of work. Quarterly target is not achieved	Fair						
Performance is fully effective. Service provider performed 50-70% of the work. Quarterly target is achieved	Good						
Performance significantly above expectations. Service provider has performed 100% of the work. Annual target is achieved	Excellent						

CHAPTER 6



AUDITOR-GENERAL
AUDIT FINDINGS

**COMPONENT A:
AUDITOR GENERAL OPINION OF FINANCIAL
STATEMENT**

**Report of the auditor-general to Limpopo Provincial Legislature and
council on Elias Motsoaledi Municipality**

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Elias Motsoaledi Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Elias Motsoaledi Local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practices (Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Significant Uncertainties

8. As disclosed in note 37 to the financial statements, the municipality is a defendant in multiple lawsuits. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material Electricity losses

9. As disclosed in note 48 to the financial statements, material electricity losses of R 13 957 494 (2022: R 20 519 274) was incurred, which represents 15% (2022: 21%) of total electricity purchased. The electricity losses were due to illegal connections and aging infrastructure.

Material impairment

10. As disclosed in note 31 to the financial statements, material impairment of R126 107 702 (2022: R19 689 866) was incurred as a result of irrecoverable consumer debtors and traffic fine debtors.

Material underspending of conditional grants

11. As disclosed in note 16 to the financial statements, the municipality materially underspent conditional grants by R22 101 167 (2022: R6 489 344).

Other matter

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

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. 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

16. 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.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

19. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected key performance areas that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key Performance Area	Page numbers	Purpose
Spatial Development analysis and Rationale	7 – 11	To promote integrated human settlements
Local Economic Development	18 – 21	To promote conducive environment for economic growth and development
Basic service delivery and Infrastructure development	22 – 44	To provide for basic service delivery and sustainable infrastructural development

20. I evaluated the reported performance information for the selected key performance areas 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.

21. 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.

- 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 is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

23. I did not identify any material findings on the reported performance information for the KPA 4 – Basic service delivery and infrastructure development.

24. The material findings on the reported performance information for the key performance areas are as follows:

KPA 1: Spatial Planning Analysis and Rationale

% of inspections conducted on building construction with an approved plan to ensure compliance with Sec.6(c) and 17(b) on National Building Regulations and Building Standards Act

25. I could not determine whether the achievement of 100% reported against the target of 100% was correct, as there were no processes to consistently measure and report on achievements against planned indicators. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

KPA 3: Local Economic Development

Number of job opportunities created through infrastructure projects (GKPI)

26. An achievement of 281 was reported against a target of 295. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Other matter

27. I draw attention to the matters below.

Achievement of planned targets

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

Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 1 - Spatial Planning Analysis and Rationale, KPA3 - Local Economic Development and KPA 4 - Basic services delivery and infrastructure development. Management did not correct all the misstatements and I reported material findings in this regard.

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 responsible for the municipality's compliance with legislation.

31. 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.

32. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

34. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

35. The annual financial statements were not submitted to the Auditor-General for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Expenditure management

36. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.
37. Reasonable steps were not taken to prevent irregular expenditure amounting to R75 859 810 as disclosed in note 47 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with 2017 Preferential Procurement Regulation 5(1), awards made to bidders on functionality points that differed from those stipulated in the original invitation for bidding and non-adherence to subcontracting requirement.
38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 682 544 as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by overpayments to third parties.

Strategic planning and performance monitoring

39. The performance management system and related controls were inadequate as it did not describe how the performance planning and measurement processes should be conducted, as required by municipal planning and performance management regulation 7(1).

Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
41. 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.
42. 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 key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information to be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

44. 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.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
46. The accounting officer did not adequately review the financial statements and performance information before submitting them for auditing, as a result material misstatements were identified.
47. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. The accounting officer did not adequately review the financial statements and annual performance report before submitting for audit.
48. The action plan developed by the municipality to address internal and external audit findings for performance information and compliance with laws and regulations was not effective and did not ensure that root causes that resulted in these findings are properly identified to resolve the issues.
49. Non-compliance with legislation could have been prevented if compliance was properly reviewed and monitored by the municipality.

Other reports

50. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
51. The Special Investigations Unit (SIU) submitted referrals to the municipality for an investigation into alleged irregularities for the period 2011-2018 in respect of the affairs of the municipality in terms of proclamation number: R7 of 2018. The municipality addressed the recommendations and submitted a report to the SIU. The municipality is awaiting the final SIU report on the investigation from the office of the Presidency at date of this report.

Auditor General

Polokwane

8 December 2023



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 key performance areas and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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) Parent municipality with ME: Sections 93B(a), 93B(b)

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Legislation	Sections or regulations
	Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
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)

**COMPONENT B: AUDITOR GENERAL'S
OPINION 2022/2023**

1.2 AUDITOR GENERAL'S REPORT 2022/2023

Auditor – General's Report on Financial Performance 2022/2023	
Audit Report Status	Unqualified
Non- Compliance Issues	Remedial Action Taken
As stipulated in the AGSA report	Audit action plan developed
Auditor-General's Report on Service Delivery Performance 2022/2023	
Audit Report Status:	Qualified
Non-Compliance Issues	Remedial Action Taken
As stipulated in the AGSA report	Audit action plan developed

5.3 MUNICIPAL MANAGER AND CHIEF FINANCIAL OFFICER'S COMMENTS:

In terms of section 126(1) of the MFMA the Accounting Officer of a municipality must:

"Prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing;"

The financial statement as on 30 June 2023 of the municipality was submitted to the Auditor General on the 09th of September 2023.

In terms of section 126(3)(a)(b) of the MFMA the Auditor General must

"Audit those financial statements; and submit an audit report on those statements to the Accounting Officer of the municipality or entity within three months of receipt of the statements. The Audit report for 2022/2023 was submitted to Accounting Officer on 08 December 2023 .EMLM financial statements as at 30 June 2023 was submitted late to Auditor General on the 09th of September 2023 due to the module that was found to be inaccurately posting the transactions in the general ledger and the challenge has potential to cause material misstatements of the AFS components that are dependent on the module for fair presentation. Municipality received an Unqualified Audit opinion for financial year ended 30 June 2023. Council takes note of the contents in the Auditor General report and Audit Action Plan developed to address issues raised by AGSA and the Annual Financial Statements.

5.4 AUDIT COMMITTEE COMMENTS:

The Audit Committee of the municipality has considered the Auditor General of South Africa (AGSA) audit report at a special meeting held with AGSA on the 23rd November 2023. The report showed that in the 2022/2023 audit, the Municipality obtained the unqualified audit opinion which is the same audit opinion for financial year 2021/2022. There are no improvement on municipal performance, as the status remains the same as the one of 2021/2022 financial year of the overall performance of 75%.

AUDIT ACTION PLAN

FINANCIAL YEAR	2022/2023
Municipality Name	Elias Motsoaledi Local Municipality
Audit Opinion	Unqualified
Reporting Period	2022/2023

APPENDICES

APPENDIX A - COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Surname	Full names	full time/ Part time FT/PT	Committee Allocated	Ward and /or Party repre- sented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Thethe	Junior Semole	PT	Chairperson Executive Sup- port Chairperson	ward	14	13	1	0
Kgagara	Thabo Peter	PT	MPAC	ward	14	14	0	0
Malapela	Samuel Mogome	PT	Development Planning	ward	14	14	0	0
Msiza	Mahwetse Phillip	PT	Budget and Treasury	ward	14	14	0	0
Mohlamonyane	Tshepo Emmanuel	PT	Rules and Peti- tions	ward	14	11	3	0
Ndlovu	Raymond Ndumiso	PT	Chairperson MPAC	ward	14	13	1	0
Sithole	Thembi Cynthia	PT	Chairperson Budget and Treasury	ward	14	14	0	0
Mathabathe	Mohlamme Glyde	PT	EXCO	Ward	14	14	0	0
Mogotlana	Jersey Sphiwe	PT	Chairperson Local Geo- graphical Names Change	ward	14	13	1	0
Ramongana	Nkitseng Jenneth	PT	EXCO Community Services	ward	14	13	1	0
Mafiri	Moses Aphiri	PT	Development Planning	ward	14	14	0	0
Phorotlhoe	Thabiso Andries	PT	Chairperson Development Planning	ward	14	14	0	0
Oosthuizen	Willem Nicolaas Saaiman	PT	Community Services	ward	14	12	2	0
Phokwane	Marang Codney	PT	Corporate Services	ward	14	14	0	0
Nkosi	Sibongile Beauty	PT	Budget and Treasury	ward	14	14	0	0

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

APPENDIX A - COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE (cont)

Surname	Full names	full time/ Part time FT/PT	Committee Allocated	Ward and /or Party repre- sented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Buta	Medo Zephania	PT	Chairperson Ethics	ward	14	14	0	0
Malau	Toswi Samuel	PT	Corporate Services	ward	14	14	0	0
Letageng	Johannes	PT	Executive Sup- port	ward	14	13	1	0
Masimula	Phahlana (M)	PT	Chairperson Community Services	ward	14	14	0	0
Tshehla	Mokgokong Eric	PT	Budget and Treasury	ward	14	12	2	0
Maphophha	Cheleboy Mpho	PT	MPAC	ward	14	13	1	0
Nduli	Msanyana Elias	PT	Chairperson Infrastructure	ward	14	14	0	0
Mohlala	Nkgetheng Piet	PT	Community Services	ward	14	14	0	0
Lehungwane	Frank Kgomontshware	PT	Community Sercises	ward	14	12	2	0
Makuwa	Nkhubedu Sarah	PT	Chairperson Rules and Peti- tions	ward	14	13	1	0
Morare	Sephantsi Donald	PT	Ethics	ward	14	13	1	0
Tlaka	Kgoputso Wiseman	PT	MPAC	ward	14	12	2	0
Makuwa	Reginah Mamosha- sha	PT	Budget and Treasury	ward	14	13	1	0
Msiza	Mothibe Rhodes	FT	EXCO Infrastructure	ward	14	13	1	0
Tladi	Magetle David	FT	Mayor	PR	14	13	1	0
Phahlamohlaka	Tebogo Maferike	PT	Chair of Chairs	PR	14	12	2	0
Machipa	Toudi Aron	FT	EXCO Budget and Treasury	PR	14	14	0	0
Mashilo	Malope Samaria	PT	MPAC	PR	14	13	1	0
Mashego	Dieketseng Masesi	FT	Speaker	PR	14	13	1	0
Mahlangu	Julia	PT	Chairperson Corporate Services	PR	14	14	0	0
Matjomane	Germinor Delly (F)	FT	EXCO Development Planning	PR	14	12	2	0
Makunyane	Hlako Justice	FT	Chief Whip	PR	14	14	0	0
Phetla	Mannyana Grace	FT	EXCO Corporate Services	PR	14	14	0	0

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

APPENDIX A - COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE (cont)

Surname	Full names	full time/ Part time FT/PT	Committee Allocated	Ward and /or Party repre- sented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Koka	Petrus Thomo	PT	Executive Sup- port	PR	14	13	1	0
Gulube	April Lucky	PT	Rules and Peti- tions	PR	14	12	2	0
Radingwana	Sentsho Herbert	PT	Infrastructure	PR	14	12	2	0
Mmaboko	Sipho Hlabishi	PT	Executive Sup- port	PR	14	13	1	0
Kotze	Johan Pieter	PT	EXCO	PR	14	12	2	0
Matsomane	Shiko Tebogo	PT	Corporate Services	PR	14	11	3	0
Ganedi	David Jack	PT	Development Planning	PR	14	6	2	6
Malapela	Hope Mashego Con- stance	PT	EXCO	PR	14	13	1	0
Mmotla	Sewisha Collen	PT	Infrastructure	PR	14	12	2	0
Ngwenya	Zodwa	PT	Ethics	PR	14	13	1	0
Mabelane	Kagiso	PT	Development Planning	PR	14	13	1	0
Lecheko	Virginia Morotse	PT	Executive Sup- port	PR	14	13	1	0
Mthimunye	Maremoshe Simon	PT	Community Services	PR	14	14	0	0
Sithole	Maguwe Elias	PT	Sekhukhune Rep	PR	14	13	1	0
Maibelo	Legasa Sandy	PT	Sekhukhune Rep	PR	14	13	1	0
Segope	Godfrey Madingwane	PT	Budget and Treasury	PR	14	13	1	0
Komane	Legobole Sharon	PT	Corporate Services	PR	14	14	0	0
Ranala	Maselopi	PT	Local Geo- graphical Names Change	PR	14	4	0	0
Ramphisa	Motiba William	PT	EXCO	PR	14	13	1	0
Limakwe	Adelaide	PT	MPAC	PR	14	14	0	0
DeBeer	Willem	PT	Ethics	PR	14	13	1	0

APPENDIX B - COMMITTEE AND COMMITTEE PURPOSE

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of Committee
Corporate Services Committee	Addressing relevant issues and reports
Infrastructure Committee	Addressing relevant issues and reports
Finance Committee	Addressing relevant issues and reports
Social Development Committee	Addressing relevant issues and reports
Executive Support Management Committee	Addressing relevant issues and reports
Development Planning Committee	Addressing relevant issues and reports
Local labour forum	Address all employer and employee related matters
Municipal public accounts committee	Oversight committee addressing AG report, financial reporting investigating items delegated by council
Executive Committee	Give political direction to executive management and report to council
Rules and ethics	Investigates reports of unethical conduct, formulates rules and principles, and recommends actions on ethical issues
Programming	Deals with all items submitted and determines which items must serve in portfolio committees and which one must serve in council without serving in portfolio committees
Local geographical names change(LGNC):	Deals with changing of street names within the municipal area

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Designation	Initial and Surname	Gender
Office of the Municipal Manager	Municipal Manager	Mr M. M Kgwale	Male
	Manager in Municipal Manager's Office	Mrs M Burger	Female
	Manager: Internal Audit	Mrs. P. Mailula	Female
	Chief Risk Officer	Mr L. K. Mathebe	Male
	Manager: PMS	Ms R.P. Mdluli	Female
	Manager: Legal services	Ms S. Mahlangu	Female
Corporate Services	Senior manager : Corporate Services	Vacant	
	Manager: Communications	Mr. S. T Makua	Male
	Manager: IGR	Ms V Matlala	Female
	Manager Parks	Mr J. M Mathebe	Male
	Manager: Human Resources and Development	Mr. L.M. Mafiri	Male
	Manager: Administration and Records	Mr. G.M Ditshego	Male
	Manager: ICT	Ms K.Mashipa	Female
	Manager Labour Relations	Mr J. Maboa	Male
	Manager Compliance	Mr H. Masemola	Male

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Budget and Treasury	Chief Financial Officer	Vacant	-
	Deputy CFO	Mr. M.L. Sebelemetja	Male
	Manager: Expenditure	Mr. C. Mtsweni	Male
	Manager: Budget and Treasury	Ms. K.U Sebelebele	Female
	Manager: Assets	Mr. M. C Tjiane	Male
	Manager: Supply Chain Management	Mr. V Masilela	Male
	Manager: Revenue	Ms M Namane	Female
Infrastructure	Senior Manager : Infrastructure	Mr M.E Malungana	Male
	Electrical Engineer	Mr K.K. Mametsa	Male
	Manager: PMU	Mr. F. Debeila	Male
	Superintendent Roads Construction Unit	Mr. J Malaka	Male
	Manager: Fleet	Mr M P. Mthimunye	Male
Community Services	Senior manager: Community Services	Mr M.W Mohlala	Male
	Manager: Environmental services	Ms M Mokhulwane	Female
	Manager: Licensing	Ms. P. Ntobeng	Female
	Manager: Traffic	Mr. C Coetzee	Male
	Manager: Hlogotlou	Mr. L. A Madiba	Male
	Manager: Roossenekal	Mr. M. Mahlangu	Male
	Manager: Motetema	Mr. C. C. Masemola	Male
	Manager: Elandsdoorn	Mr J. Manganyi	Male
Development Planning	Senior manager : Development Planning	Vacant	
	Manager: Development and Town Planning	Mr. B. Sethojoa	Male
	Manager: LED	Mr Sebei	Male
	Manager: Property Management and Housing	Mr. R Palmer	Male
	Manager: IDP	Mr. K. J Motha	Male

APPENDIX D - FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/no)
Constitution, Schedule 4, Part B Functions		
Air pollution	yes	No
Building regulations	yes	No
Child-care facilities	yes	No
Electricity and gas reticulation	yes	No
Fire-fighting services	No	Sekhukhune District Municipality
Local tourism	yes	No
Municipal airports	yes	No
Municipal planning	yes	No
Municipal health services	yes	No
Municipal public transport	yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other	yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and related matters	No	No
Storm water management systems in built-up areas	yes	No
Trading regulations	yes	No
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	No	Sekhukhune District Municipality
Beaches and amusement facilities	no	no
Billboards and the display of advertisements in public places	yes	no
Cemeteries, funeral parlours and crematoria	yes	no
Cleansing	yes	no
Control of public nuisances	yes	no
Control of undertakings that sell liquor to the public	yes	no
Facilities for the accommodation, care and burial of animals	yes	no
Fencing and fences	yes	no
Licensing of dogs	no	no
Licensing and control of undertakings that sell food to the public	yes	no
Local amenities	yes	no
Local sport facilities	yes	no
Markets	yes	no
Municipal abattoirs	yes	no
Municipal parks and recreation	yes	no

APPENDIX D - FUNCTIONS OF MUNICIPALITY/ENTITY (cont)

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/no)
Constitution, Schedule 4, Part B Functions		
Pounds	yes	no
Public places	yes	no
Refuse removal, refuse dumps, and solid waste disposal	yes	no
Street trading	yes	no
Street lighting	yes	no
Traffic and parking	yes	n/a

APPENDIX E - WARD REPORTING

WARD BASED MEETINGS

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time'	Number of Quarterly Public Ward Meetings Held During Year
Ward No 01	CLLR J.S THETHE	Yes	12	12	4
	Ward Committee				
	TSHEPO D MOKOENA				
	NAPE S MOKGABUDI				
	JAN K MAHLANGU				
	LUCAS MAIMELA				
	PORTIA MOILOA				
	NKHENSANI O MAKHUBELE				
	EDDY M MASOLA				
	MALEFUFU L NKADIMENG				
	STOFFEL H MALAPANE				
	THUTO RAMPHISA				

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 02	CLLR T.P KGAGARA Ward Committee MMINA PHETLA KENNETH T MTHIMIUNYE DOLLY RALEKWE NGAWANAMOTIBANE M CHEGO SAMUEL O MAKUA HERMANS P MANKGE MATEBO G MMAKO MOROKOLO MMATABANE SEGOPOTSO PHATLANE BOIKY SELLO MOLOI	Yes	12	12	4
Ward No 03	CLLR S.M MALAPELA Ward Committee EPHRAIM MATHEBELE MARIA T SELALA MMATSHIMA D DITSHEGO MATETE E MAMPPANNA LUCY KGAPHOLA SAM M MOLALA MOSES S LETSOALO JOB MAMAHLODI NTHEPANE THOBANE NKELE MABASA	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 04	CLLR M.P MSIZA Ward Committee MONAGENG TOBIE MARIA KOMANE CONSTANCE DIBOLELO LECHELELE MATHIBELA PATRICK MAEPA ELAH SEBOTHOMA JOHANNES MADIMETJA MALEMONE MORARE BADNEY KGOETE ELLEN RAMMABELE MAKOPO MAHLODI SEIPATI JOSEPHINAH MALAPELA ISRAEL JAMES RIBA BABA GEOGE	Yes	12	12	4
Ward No 05	CLLR T.E MOHLAMONYANE Ward Committee MOIPONE DITSHEGO CHRISTOPHEL M MALEMONE MAMA A MOKWENA HOSIA M MOTAU VIOLET M MASHIGO NELSON M MOGANO THOMAS PHASHA THANDI SIBANYONI MAMSY RAMPHISA LESHATE MASHABELA	Yes	12	12	4
Ward No 06	CLLR N.R NDLOVU Ward Committee SIBONGILE SKOSANA JOHN M NCONGWANE HAZEL S MAGAGULA JONAS S SANDLANA JOHANNA MOGOLA SARAH M NTIMANE DIMPHO MABONA NTOMBI MAHLABA NTHOMENG NKOSI	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 07	CLLR T.C SITHOLE Ward Committees: SUZAN SKOSANA MMAPATENG MATHUPA OLGA DUNGE NKEKO MPHAKA CYNTHIA T LANGA COMFORT MATHOTHO KHOLOWE MSIZA KEDIBONE RASEROKA JACOB MOKWENA JOHANNES MATHEBULA	Yes	12	12	4
Ward No 08	CLLR M.G MATHABATHA Ward committees ISAIAH P MAHLANGU SKHUMBUZO TSHABALALA SANNAH M PHOHU ANNA M MAGADI ANNA WESSELS NTHABISENG MPHAGA WINNIE MOYANA MAHLOMOLA MAKOLA MOLEBELEDI NTOBENG PETER CHOMA	Yes	12	12	4
Ward No 09	CLLR J.S MOGOTLANA Ward Committees: ZANELE MSIZA ELIZABETH MANASWE JONAS MOEPYA ELIJAH NTOMBELA OBED G MAHLANGU MORONGWE MASHILO EMILY MSIZA GETRUDIE CHABA FLORENCE SKHOSANA TLAKALE MAHUBANE	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 10	CLLR N.J RAMONGANA Ward Committees: KALUDI MOHLAMONYANE SYLVIA MONAGENG IVY MATHABATHE TUMELO BOROKO MMAMOGOLWANE MONAGENG MMULEDI MALEMONE MAPULE MAKITLA GERMINAH MAKITLA NTLHANE MOHLAMONYANE SHIRLEY NAMANE	Yes	12	12	4
Ward No 11	CLLR M.A MAFIRI Ward Committees: KATE MOKWENA KHULELAPHI MDLULI CONNIE NTOBENG MAGOMARELA NKOPODI MAFATA MASHU KGORI TSARO BELLA MTHIMUNYE HELLEN MALAPELA ZANELE KINIDA SIBUSISO MBANYELA	Yes	12	12	4
Ward No 12	CLLR TA PHOROTHLOE Ward Committees KGETLANE PHORA KHOMOTSO KOTLELO KGATWANE MATHEBE SENTANANA RATLHOGO MACESELA NDLOVU CATHERINE KABINI MAROPENG MONARENG ELIZABETH MONAGENG SELLO MONAGENG MATLOKOLO MOEKETSI	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 13	CLLR W OOSTHUIZEN	Yes	12	12	4
	Ward Committees:				
	SARA HESSELS				
	KAREN OOSTHUIZEN				
	ARNOLDUS SCHOOOMBEE				
	FRANCINA KLENHANS				
	MARIA FOURIE				
	SHAUN MELLORS				
	JOSHUA MMAKOLA				
	NICOLETTE PRETORIUS				
	CORNEL BOTHA				
	ZACHARIAS SAAYMAN				
Ward No 14	CLLR M.C PHOKWANE	Yes	12	12	4
	Ward Committees:				
	SEBOTHOMA RUTH LEBOGANG				
	MAPEA MAHLODI JOYCE				
	UQUELO MIKE				
	PHETLA MANTWA KELLY				
	CHEGO ROIDA MPHOPH				
	PHETLA TEREMIA KATISI				
	APHANE LEHLOGONOLO				
	NKADIMENG INNOCENTIA SEMELA				
	MPAHALELE MANIE QUEEN				
	RYAN LEGWAI				
Ward No 15	CLLR S.B NKOSI	Yes	12	12	4
	Ward Committees:				
	BONGINKOSI MAHLANGU				
	MPOROME MAPHAKA				
	LUCAS MOHLAHLA				
	ELIZABETH MHLONGO				
	LIZZY SINDANE				
	BONGANI NDULI				
	MASEBOTSANA MOKWANA				
	SIBONGILE MASILELA				
	JOHANNAH MASHIYA				

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 16	CLLR Z. B BUTA Ward Committees LOMUSA SKHOSANA KHAMOTSO MAPHOSA TLAMAGA ROSI PATRICIA XELIBOKWE AMOS SKHOSANA SARA MOKWENA POPPIE MAHLANGU JEREMIA ZULU KLEINBOOI MAHLANGU THEMBA MATEBULA	Yes	12	12	4
Ward No 17	CLLR T. S MALAU Ward Committees: JANNIE MAREDI PABALLO SEOPELA TSHEPHANG MASEMOLA MAKGOPANE MOHLAPE RANKEPILE MABELANE SELLO NKOANA TEBOGO MOSOHLAWE MOKWAZI MOKWANA THABANG MOTSEDI MOTSHANA SARAH	Yes	12	12	4
Ward No 18	CLLR J. LETAGENG Ward Committees: KGOTHATSO J MAKUA TUMISHI A MOHLAHLO RANGOATO MNGUNI NGWANAMOKWENENG CHEGO NTENENG MANKGE PETRUS MAKUWE MAPULE MOTAU MOSES MAGANE DORCUS T PHETLA KATLEGO C MAKEKE	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 19	CLLR P. MASIMULA Ward Committees: MASHIFANE WINDY SESI NEZZY MAHLANGU MTHOMBENI BENZANI ANDRIES MAHLANGU THANDAZILE CECILIA MABULA PAULINE TSHIDI NTULI SIVUYILE AYANDA MAHLANGU KENNETH SEGAFYA KENNETH MABUTANA JOHANNES MAHLANGU LYDIA MAILE	Yes	12	12	4
Ward No 20	CLLR M.E TSHEHLA Ward Committees: Mokoana Felicia Moremadi Suman Sydney Dimakatso Mokoana Bafana Lucas Makola Abram Semopo Tshehla Eunic Ntebaleng Mabogoane Sylvester Thulani Chego Piet Butie Machika Themba Joseph Gama Elizabeth Morder Mathupane Napo John	No	12	12	4
Ward No 21	CLLR C M. MAPHOPHA Ward Committees: MAKUWA MASHALANE LAZARUS MAKUA MONOCCA NKELE MAKUWA MOROKA MARIA MOHOSANA KENEILWE MAPOME MTHIMUNYE JANE MALI MAPULE MABELANE MTHIMUNYE THEMBA FRANCE NKGUDI MOTLAPELE EDWARD SITHOLE CAIPHUS NGINI TSHELA ZODWA LEAH	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 22	CLLR M.E NDULI	Yes	12	12	4
	Ward Committees:				
	MAKENA KATLEGO BEAUTY				
	TLOU JOHANNES CAIPHUS				
	MAHLOKO LEBOGANG PHASWANE				
	TSHOMA PHASUDI OTTO				
	MASHILE NANA MARIA				
	NTOBENG MPHOPH ROSE				
	SKOSANA TSHWARELO OBED				
	MOHLALA KOKETSO J				
	MALEKA MAMMILENG LINDIWE				
	RANDINGOANE THABO				
Ward No 23	CLLR N.P MOHLALA	Yes	12	12	4
	Ward Committees:				
	NTULI NOMTHANDAZO REGINAH				
	DIKOTOPE THABO				
	MAHLANGU DUMISANI KLAAS				
	NKABINDE ANTHONIA				
	MAHLANGU BRENDA ELDA				
	MKONENI MANDLA MXOLISI				
	MORENA LUCY MPUKANA				
	MOKGAJANE BETTY MAKGOLONYANA				
	MAHLANGU EDWARD NICOLAS				
	MAHLANGU ELIAS THENJWA				
Ward No 24	CLLR F.K LEHUNGWANE	Yes	12	12	4
	Ward Committees:				
	MALOPE WILLIAM				
	MOGOLA ELIAS MOTSHAKANE				
	NKADIMENG MMATAU MARTHA				
	MOGOLA EVA RAMOLAPO				
	MASEMOLA TEMANA KAGISO				
	SIBEKO WESSEL KGOTHATSO				
	THOKWANE MATSIE SINAH				
	MADIHLABA RAMODUBJANE RINKIE				
	SEKWATI MORATO JANE				
	MAEPA MACDONALD CLEMENT				

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 25	CLLR N.S MAKUWA Ward Committees: MOHLALA MOJALEFA JOSEPH MNGUNI SIPHO MASHILO MAKASHWELA BEAUTY MPUBANE KENNETH NKHWENG MATSIPE THOBOLE PATRICK MABASA LEBO MARIA MATLOU MATLOLE DANIEL MOKGOATJANE MAGAVE DAVID MOHLALA MAKOBOTSENG ALPHINA MATHONYANE GRACE	Yes	12	12	4
Ward No 26	CLLR S.D MORARE Ward Committees: MAHLANGU SMANGALISO GIFT SKOSANA LEHLOGONOLO PATRICK MAMARIGA INNOCENT MAABA ANNA MALOPE SEFOLOSHI SEKWALA JAN MAGAMPA SENGALELA DITAU MAGAMPE PESHIWA BOITUMELO MAMPURU TEBOGO MAKGOFE MAGANE PUSETSO	Yes	12	12	4
	MATHEBE NTHABISENG DORCAS				
Ward No 27	CLLR K.W TLAKA Ward Committees: MALAPANE LERATO CHARITY MABALANGANYE SEKANAH REGINAH MASHILO WALTER TSHAKA THABANG MARCUS SEAGE MAKUWA THANDI SEGOPOTSE TSHEHLO THATA JERRY HLAKUDI MALETSI MAGDELINE MOKGANYETSI ROBERT KHUPE KHAKA MARGARETT NCAZANA MATENTSI THABO LAZARUS	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

Ward No 28	CLLR P.K TLADI	Yes	12	12	4
	Ward Committees:				
	MATULUDI MAMOTALANE EVE				
	MOKOANA CONSTANCE				
	KGOPUTSO KABELO SHAUN				
	TSHEHLA ANNA PHELADI				
	SKOSANA ANGELINA				
	SKOSANA GOODNESS NTOMBIZODWA				
	FENYANE MODUPI DANIEL				
	MAREDI LEDWABA KLAAS				
	DIKOTOPHE JERREN MASHIANOKE				
	MOKONE BIGBOY SYDNEY				
Ward No 29	CLLR R.M MAKUWA	Yes	12	12	4
	Ward Committees:				
	MOHLALA STEPHINAH RAMPHAHLELE				
	MOKABANE LUCAS MAUPE				
	MATJOMANE CAROL				
	MAKAU JEANETTEL MUMSY				
	FENYANE THABANG BREADLY				
	RATAU NICOLADE				
	MASHILO KWETEPE MAGDELINE				
	MAKWANA ALFRED NYEREDI				
	CHOMA CHISTOPH MACHENG				
	THABANG KADING SALTHIEL				
Ward No 30	CLLR M. MAMPANE	Yes	0	0	1
	Ward Committees:				
	LEKHULENG LEONA				
	MAMOKABI OLIVIA				
	MADIHLABA LOSTA				
	TSHEHLA MAREMA				
	MAGOLEGO MEISIE				
	ISAAH PHAMANE				
	NTOMBI LEDIMO				
	PHETLA MOHLABANENG				
	WALTER MAKUWA				
	JEANETH MASOMBUKA				
Ward 31	CLLR M R. MSIZA				
	Ward Committee	Yes	12	12	4

APPENDIX E - WARD REPORTING (cont)

WARD BASED MEETINGS

	SETHOPANE T RIBA				
	MAHLASE TSOKELA				
	ABRAHM MASHAO				
	GLADYS MAAKE				
	MARIA MONOGE				
	NTOMBAZANA MASHIANE				
	PRINCE B THOBEJANE				
	KATLEGO KGONYANE				
	NGWATOMOSADI KHUMALO				
	NELSON J NTULI				

APPENDIX F - WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2022/2023 (Full List in Appendix L)				
R'000				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
28	Upgrading of Dipakapakeng Access Road	21-Jul-22	18-Jun-23	R2 169 180.14
27	Upgrading of Tafelkop Stadium Access Road	21-Jul-22	21-Jun-23	R27 001 116.00
11	Upgrading of Bloempoort to Uitspanning Acess Road	21-Jul-22	21-Feb-23	R24 830 819.86
13	Refurbishment of Groblersdal landfill site	21-Jul-22	30-Jun-23	R21 093 036.00
7	Upgrading Nyakuroane Internal Streets	31-Oct-22	30-Jun-24	R16 000 000.
14	Electrification of Masakaneng Portion 69 (415 HH)	21-Jul-22	30-Jun-23	R7 960 000.00
14	Electrification of Masakaneng Portion 69 (109 HH)	21-Jul-22	30-Jun-23	R1 853 749.86
27	Electrification of Nyakelang	21-Jul-22	30-Jun-23	R3 800 000.00
20	Electrification of Phomola\Monsterlous Ext.	21-Jul-22	30-Jun-23	R2 000 000.00
25	Electrification of Makaepa	21-Jul-22	30-Jun-23	R3 240 000.00
12	Electrification of Maleoskop	21-Jul-22	30-Jun-23	R1 718 053.60

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

ORDINARY MEETING

4 th ORDINARY AUDIT COMMITTEE MEETING – 26 JULY 2022		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/26	2021/2022 4th Quarter Progress report on Internal Audit Annual Plan (April - June 2022)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned that the report did not reach them on time to allow their extensive review of the report and recommended to defer the report to the next meeting to avoid compromising the quality review. • The report was deferred to the next meeting to allow management to finalize the report.
		<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • Audit Committee is concerned that the Risk champions and the Risk Chairperson is not yet appointed yet. • Audit Committee advised that management action plans should be aligned with the Internal Audit recommendations. • Audit Committee is concerned that the Management is failing to conduct the Disclosure of interest for all employees. • Audit Committee is concerned that the Management did not resolve all findings raised by AG for 2020/2021 financial year.
AC 22/27	2021/2022 Internal Audit Reports (April - June 2022)	AGSA Action Plan
		<ul style="list-style-type: none"> • 34 findings • 25 addressed • 9 not addressed
		<p>The Audit Committee took note of the report and raised concerns as follows:</p>
		<ul style="list-style-type: none"> • The Audit Committee is concerned that some mitigation matters were not attended to e.g. impairment of Traffic fines.
		<ul style="list-style-type: none"> • The Audit Committee is concerned that there is no commitment from management on project risk assessment in addressing observations
AC 22/29	2021/2022 4th Quarter Risk Management Committee Report (April - June 2022)	

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

ORDINARY MEETING (cont)

ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/30	2021/2022 4th Quarter Compliance Report (April - June 2022)	The Audit Committee took note of the report and no concerns were raised
AC 22/31	a) 2021/2022 4th Quarter Performance Report (April - June 2022) b) Progress report on the implementation of APR Process Plan	<ul style="list-style-type: none"> PMS Report was not submitted to Audit Committee. Management highlighted that the non-submission was due to report not ready as the municipality is working on the annual report that will incorporate the 4th quarter report. There is also delays by management in terms of submitting POE files to PMS office for preparation of the report.
AC 22/32	2021/2022 4th Quarter Litigation Report (April - June 2022) (Manager Legal Services)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> The Audit Committee is concerned that the municipality is spending more on legal fees per quarter and that is an indication that the bill of appointed lawyers is not well managed. The Audit Committee advised management to highlight budget or costs spend for the quarter. The Audit Committee advised management to perform the inspection on the matter of a person who fell in pit to avoid unnecessary legal costs The Audit Committee advised management to draft a fee agreement aligned to the fee structure and have the lawyers sign for it

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

ORDINARY MEETING

FINANCE														
AC 22/33	a) 2021/2022 4th Quarter report on Unauthorised/Irregular and Fruitless and wasteful expenditure (UIF)	The Audit Committee took note of the reports and raised the following concerns:												
	b) 2021/2022 4th Quarter report on debt collection	<ul style="list-style-type: none"> The Audit Committee is concerned of the unauthorized expenditure of R12 million. The Audit Committee is concerned of the declining trend on the debt collection 												
	c) 2021/2022 4th Quarter Section 52 Report	Unauthorized/Irregular and Fruitless and wasteful expenditure (UIF)												
	d) 2021/2022 4th Quarter Supply Chain /Procurement Report	The table below illustrates the expenditures in total for quarter 4												
	e) 2021/2022 4th Quarter Overtime Report	<table border="1"> <thead> <tr> <th colspan="2">Cumulative figures as at end of Quarter 4 of 2021/2022 financial year</th></tr> </thead> <tbody> <tr> <td>Total Unauthorized expenditure</td><td>R0.00</td></tr> <tr> <td>Total irregular expenditure</td><td>R42 168 526.00</td></tr> <tr> <td>Total fruitless and wasteful expenditure</td><td>R572 830.54</td></tr> </tbody> </table>	Cumulative figures as at end of Quarter 4 of 2021/2022 financial year		Total Unauthorized expenditure	R0.00	Total irregular expenditure	R42 168 526.00	Total fruitless and wasteful expenditure	R572 830.54				
Cumulative figures as at end of Quarter 4 of 2021/2022 financial year														
Total Unauthorized expenditure	R0.00													
Total irregular expenditure	R42 168 526.00													
Total fruitless and wasteful expenditure	R572 830.54													
	f) Progress report on the implementation of AFS Preparation Plan	<p>The table below illustrates the expenditures in total for quarter 4</p> <p>Refer to annexure D for detailed expenditures</p> <p>Debt collection</p> <p>The table below illustrates the revenue collected in total for quarter 4:</p> <table border="1"> <thead> <tr> <th>Month</th><th>Revenue collected</th><th>Revenue %</th></tr> </thead> <tbody> <tr> <td>April</td><td>R151 957 859</td><td>89%</td></tr> <tr> <td>May</td><td>R154 380 590</td><td>83%</td></tr> <tr> <td>June</td><td>R158 338 006</td><td>73%</td></tr> </tbody> </table> <p>Supply Chain /Procurement Report</p> <p>Deviations - no deviations were processed during 4th quarter quarter.</p> <p>Overtime Report</p> <p>The departmental proportional contribution towards overtime expenditure is as follows:</p> <ul style="list-style-type: none"> Community Services – 61.29% Infrastructure – 35.30% Executive Support – 1.11% Finance – 2.2% <p>Refer to annexure B for detailed expenditures</p>	Month	Revenue collected	Revenue %	April	R151 957 859	89%	May	R154 380 590	83%	June	R158 338 006	73%
Month	Revenue collected	Revenue %												
April	R151 957 859	89%												
May	R154 380 590	83%												
June	R158 338 006	73%												

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

ORDINARY MEETING

INFRASTRUCTURE SERVICES DEPARTMENT		
AC 22/34	2021/2022 4th Quarter Infrastructure Report (Including initial plan, budget, progress report on spending, actual work done, variances and reasons) (April - June 2022) (SMI)	<ul style="list-style-type: none"> Acting Senior Manager was absent from the meeting and there was no one delegated to present the report. The report was deferred to the next meeting
CORPORATE SERVICES DEPARTMENT		
AC 22/35	2021/2022 ICT 4th Quarter Steering Committee Report (April - June 2022)	The Audit Committee took note of the report and raised a concern that the expenditure on services providers exceed the budget.
EXECUTIVE SUPPORT DEPARTMENT		
AC 22/39	2021/2022 4th Quarter Council Resolutions Implementation Register/Report (April - June 2022)	<ul style="list-style-type: none"> The register was not submitted to Audit Committee due to miscommunication as the Executive Support have been abolished and functions have been moved to Corporate Services. The report was deferred to the next meeting.
AC 22/40	Assessment of finance function by Audit Committee	Finance function was assessed and the final draft of the Audit Committee assessment of finance function was circulated to CFO and Management.

SPECIAL MEETINGS

1st SPECIAL AUDIT COMMITTEE MEETING – 23 AUGUST 2022		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/01	2021/2022 4th Quarter Performance Report and 2021/2022 Annual Performance Report	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned that management did not perform a formal follow up on the withdrawn funds by National Treasury and record the evidence for development of Masakaneng Project. • The Audit Committee is concerned that the reports do not indicate reasons for variance or non-achievement for all KPIs not achieved. • CFO stated that there were funds that were supposed to be returned to COGHSTA hence the development of Masakaneng project could not be performed.
AC 22/02	2021/2022 Internal Audit Report on 4th quarter performance and Annual Performance Report.	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • Audit committee is concerned on the misalignment between the approved 2021/2022 SDBIP and the 4th quarter performance report. • Management to budget to fully automate PMS to eliminate human errors.
AC 22/03	Internal Audit Report on Draft 2022/2023 AFS Review:	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • That the cash and cash equivalent was not disclosed in the AFS. • That payables from non-exchange transactions regarding the tax directives that was issued in the prior year that is still on note 20 of AFS. • The Audit Committee is concerned that CFO did not submit all documents requested by Internal Audit for review. • Audit Committee raised a concern that impairment loss amount submitted does not correspond with notes item. • Audit Committee raised a concern that the cash flow statement (purchase of investment property) was stated as inflow instead of outflow. • Audit Committee raised a concern that the municipality has unspent grant and advised management to state the reason under notes 16. • Audit Committee raised a concern under inventory that the amount seems to be double amount compared to the previous financial year and advised management to state reason for significant increase on the notes.
AC 22/04	2021/2022 Annual Financial Statements	The Audit Committee took note of the report and no concerns were raised. Inputs were provided to improve the quality of the financial statements.

SPECIAL MEETINGS

2nd SPECIAL AUDIT COMMITTEE MEETING – 30 AUGUST 2022		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/07	2022/2023 Internal Audit Report on Annual Performance Report	The report was not audited internally due to the fact that it was submitted to Internal Audit late a day before the meeting.
AC 22/09	2021/2022 Annual Performance Report	The Audit Committee took note of the report and no concerns were raised
AC 22/08	2022/2023 Internal Audit Report on Annual Financial Statements	The Audit Committee took note of the report and no concerns were raised
AC 22/10	2021/2022 Annual Financial Statements	The Audit Committee took note of the report and no concerns were raised
AC 22/07	2022/2023 Internal Audit Report on Annual Performance Report	The Audit Committee took note of the report and no concerns were raised

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

3rd SPECIAL AUDIT COMMITTEE MEETING – 19 SEPTEMBER 2022

ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/11 and AC 22/12	2021/2022 AGSA Engagement Letter and Audit Strategy	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> Audit Committee is concerned of the high rate of the audit fees. Audit Committee raised a concern in terms of the approach used by AGSA to determine the budget as they base it on the time spent on the audit which can be unreasonable when compared to the previous years. Audit Committee also commented that AGSA be lenient when determining the budget since some components and scope of work does not change. In addition, AGSA use the work of Internal Audit which may give guidance to reduce the large amount of time to be spent on the audit. Audit Committee raised a concern that strategy does not talk about the Draft Management Letter but only the final report. The Audit Committee requested that the Draft Management Letter be discussed with management and the Committee before the final document is issued out to allow inputs and comments from the committee.
AC 22/13	2021/2022 AGSA Audit Progress	The Audit Committee took note of the progress and no concerns were raised.

1st ORDINARY AUDIT COMMITTEE MEETING – 16 NOVEMBER 2022

ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 22/1	2022/2023 1st Quarter Progress report on Internal Audit Annual Plan (July - September 2022)	<p>The Audit Committee took note of the report and raised concerns and advises as follows:</p> <ul style="list-style-type: none"> The Audit Committee is concerned that sufficient budget is not allocated for internal audit for skills development. The Audit Committee advised Internal Audit to provide more details on challenges encountered so that the committee will be able to assist appropriately. The Audit Committee is concerned that there is no security measures in place for lost laptops so that sensitive information cannot be accessed.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

1st ORDINARY AUDIT COMMITTEE MEETING – 16 NOVEMBER 2022 (CONT)

AC 22/2	2022/2023 Internal Audit Reports (July - September 2022)	<p>The Audit Committee took note of the report and raised concerns and advises as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned of the PMS findings that repeat every quarter. • The Audit Committee advised management to include in the file all POE regardless of overachievement for easy reference by assurance providers as well as AGSA.
AC 22/4	2022/2023 1st Quarter Risk Management Committee Report (July - September 2022)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned that some mitigation measures were not attended to e.g. impairment of Traffic fines. • The Audit Committee is concerned that there is no commitment from management on project risk assessment in addressing observations.
AC 22/5	2022/2023 1st Quarter Compliance Report (July - September 2022)	<p>The Audit Committee took note of the report and no concerns were raised.</p> <p>The Audit Committee advised management to revise the action plans to address the root causes and state actual progress or a detailed progress for easy reference.</p>
AC 22/6	2022/2023 1st Quarter Performance Report (July - September 2022)	<ul style="list-style-type: none"> • The Audit Committee is concerned about the underperformance of capital projects and advised management that they should have an acceleration plan in place to address the matter. • The Audit Committee is concerned about the poor spending on INEP.
AC 22/7	2022/2023 1st Quarter Litigation Report (July - September 2022)	<p>The Audit Committee took note of the report and raised concerns and advises as follows:</p> <ul style="list-style-type: none"> • The Audit Committee advised management to highlight budget or costs spend for the quarter. • The Audit Committee is concerned that the municipality is spending more on legal fees per quarter and that is an indication that the bill of appointed lawyers is not well managed. • The Audit Committee is concerned that the municipality is spending more on legal fees for cases that are not yet ventilated in court.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

1st ORDINARY AUDIT COMMITTEE MEETING – 16 NOVEMBER 2022 (CONT)

FINANCE		
AC22/8	a) 2022/2023 1st Quarter report on Unauthorised/ Irregular and Fruitless and wasteful expenditure (UIF) b) 2022/2023 1st Quarter report on debt collection c) 2022/2023 1st Quarter Section 52 Report d) 2022/2023 1st Quarter Supply Chain /Procurement Report e) 2022/2023 1st Quarter Overtime Report	The agenda was adopted with the change to remove item AC22/8 as the Acting CFO was not available together with managers within the department. The report was deferred to the next meeting.
INFRASTRUCTURE SERVICES DEPARTMENT		
AC 22/09	2022/2023 1st Quarter Infrastructure Report (Including initial plan, budget, progress report on spending, actual work done, variances and reasons (July - September 2022) (SMI)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> The Audit Committee is concerned that the performance evaluation of the service providers is not performed by end-users department on a monthly basis as required by the MFMA. Furthermore, there is no quarterly report to Audit Committee on the performance evaluation.
CORPORATE SERVICES DEPARTMENT		
AC 22/10	2022/2023 ICT 1st Quarter Steering Committee Report (July - September 2022)	The Audit Committee took note of the report and raised a concern that the backups are not running successful and that may result in municipality loss of information that may affect the audit opinion
AC 22/11	2022/2023 1st Quarter Human Resources Report (must include section 56 managers vacancies and signing of performance contracts) (July - September 2022)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> The Audit Committee is concerned that the Manager ICT position was advertised internally while it is a specialized post that need to be advertised externally. The Audit Committee is concerned of the turnaround time of the filling of positions as most positions have been vacant for more than a year. The Audit Committee is concerned that the position of the CFO and Senior Managers have been vacant for long and does not comply with the requirement of the HR policy.
AC 22/12	2022/2023 1st Quarter Council Resolutions Implementation Register/Report (July – September 2022)	The Audit Committee note the report and no concerns were raised.

SPECIAL MEETINGS

4th SPECIAL AUDIT COMMITTEE MEETING – 23 NOVEMBER 2022		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
4.2	Draft Audit Report	The Audit Committee took note of the report and raised concerns as follows:
		Audit Committee is concerned of the high number of material findings adjusted.
		Audit Committee is concerned of the increase on number of findings in terms of the performance management.
4.1	Draft Management Report	The Audit Committee note the report and no concerns were raised
4.3	Process of finalizing the Annual Report	Audit Committee advised management to include in the Mayor and MM overview, the improvement strategy on AGSA findings.
4.4	Process of finalizing the Annual Financial	The Audit Committee note the report and no concerns were raised.
4.5	Expenditure for the Audit	The Audit Committee note the report and no concerns were raised.

2nd ORDINARY AUDIT COMMITTEE MEETING – 02 FEBRUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/1	2022/2023 2nd Quarter Progress report on Internal Audit Annual Plan (October - December 2022)	<ul style="list-style-type: none"> The Audit Committee took note of the report and advised Internal Audit to reduce scope of work in the Annual Plan due to December festive seasons as most officials take leave during the festive to avoid delays in implementing the plan.

SPECIAL MEETINGS (cont)

2nd ORDINARY AUDIT COMMITTEE MEETING – 02 FEBRUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/2	2022/2023 2nd Quarter Internal Audit Reports (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> · The Audit Committee approved the internal audit reports presented. · The Audit Committee raised a concern that the municipality does not have Information back up facilities and the information lost due to virus attack may not be retrieved. · The Audit Committee advised management to revise the Risk Based Plan due to lack of resources and due to unfeasibility to prepare quarterly financial statements by Finance department. · The Audit Committee is concerned that management is limiting Internal Audit to perform the audit by not providing information requested by the auditors. · The Audit Committee is concerned that the municipality does not have a POPIA implementation plan. · The Audit Committee advised management and Internal Audit to sign off the audit reports. · The Audit Committee raised a concern that there is a lack of capacity and training within Internal Audit. · The Audit Committee raised a concern that Corporate Services is not acting on the issues of filling vacant positions within Internal Audit. · The Audit Committee raised a concern that to date the municipality does not have a dedicated unit to implement POPIA. · The Audit Committee advised Internal Audit to be more specific when reporting and also present a complete report. · The Audit Committee raised a concern of payments processed without approval by the Municipal Manager.
AC 23/3	2022/2023 2nd Quarter Risk Management Committee Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> · The Audit Committee is concerned that the Chairperson was appointed but the report to AC was not prepared accordingly by the Chairperson. · The Audit Committee was concerned with the quality of the report as it is limiting the committee to advise because the report is not detailed and specific enough especially on mitigation measures the municipality is struggling on.

SPECIAL MEETINGS (cont)

2nd ORDINARY AUDIT COMMITTEE MEETING – 02 FEBRUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/4	2022/2023 2nd Quarter Compliance Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned that there is no maintenance on some of the municipal infrastructure. • The Audit Committee advised management to clearly stipulate the scope of work in the report to give readers a clear picture the objectives and what to expect. • The Audit Committee advised management to develop departmental list or register of OHS facilities that are non-compliance and submit to Infrastructure for inclusion in their maintenance plan. • The Audit Committee advised management to avoid attachments that contains official personal details in their reporting as it contravenes POPIA. • The Audit Committee is concerned that there is no system for records management system. • The Audit Committee is concerned that the POPIA Implementation plan does not indicate actions to address non-compliance findings raised by Internal Audit on POPIA readiness. • The Audit Committee advised management to incorporate issues of the POPIA in the Compliance Universe. • The Audit Committee is concerned that departmental reports are not shared in the management meeting and final review by the Accounting Officer.
AC 23/6	2022/2023 2nd Quarter Litigation Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> • The Audit Committee advised management to use simple English or terms that management and any person without a legal background will be able to understand. • The Audit Committee advised management to indicate start and end dates of the cases.

SPECIAL MEETINGS (cont)

2nd ORDINARY AUDIT COMMITTEE MEETING – 02 FEBRUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
FINANCE		
AC 23/7	a) 2022/2023 2nd Quarter report on Unauthorized/ Irregular and Fruitless and wasteful expenditure (UIF). b) 2022/2023 2nd quarter report on debt collection. c) 2022/2023 2nd quarter supply claim/procurement report. d) 2022/2023 2nd quarter overtime report.	The Audit Committee took note of the report and raised concerns as follows: - The Audit Committee inquired whether the municipality is satisfied with the performance of debt collectors. - Audit Committee inquired about how the municipality is prioritizing the electrical divisions in terms of their vacancies. - Audit Committee inquired about the process management capacity of assets. - Audit Committee recommended investigations into unauthorized debit orders.
INFRASTRUCTURE SERVICES DEPARTMENT		
AC 23/8	2022/2023 2nd quarter infrastructure report (including initial plan, budget, progress report on spending, actual work done, variances and reasons) (October-December 2022) (SMI)	The Audit Committee noted the report, and no concerns were raised, but inputs were made on the report.
CORPORATE SERVICES DEPARTMENT		
AC 23/9	2022/2023 2nd Quarter Corporate Services Report (October - December 2022)	The Audit Committee took note of the report and raised concerns as follows: - The Audit Committee is concerned that the report limits key areas and does not allow them to advise accordingly as it is missing progress on areas of corporate Services core functions. - The management was advised to revise the report.
AC 23/10	2022/2023 2nd Quarter Council Resolutions Implementation Register/ Report (October - December 2022)	The Audit Committee took note of the report and raised a concern that the resolution register presented that does not help the organization and the Audit Committee as it does not highlight the challenges on the resolutions not implemented and progress thereof. The report was not accepted and deferred to the next meeting and improvement was recommended.
AC 23/11	2022/2023 ICT 2nd Quarter Steering Committee Report (October - December 2022)	The Audit Committee noted the report, and no concerns were raised.
AC 23/12	ICT Ransomware Incident Report	The Audit Committee took note of the report and raised a concern that the municipality does not have offsite backup facilities and the unit is not strengthened in terms of capacity and budget.

SPECIAL MEETINGS (cont)

5th SPECIAL AUDIT COMMITTEE MEETING – 23 JANUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/01	Internal Audit report on mid-year performance report and Annual Report	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> · Audit committee is concerned that there is no quality assurance by management in terms of reasons and action plans submitted. · Audit committee shown dissatisfaction of the performance by the office of the municipal manager and advised management to improve.
AC 23/02	Draft annual report 2021/2022	The Audit Committee noted the report with inputs and no concerns were raised
AC 23/03	Mid-year budget and performance assessment report:	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> · Audit Committee shown their displeasure on the 65% and indicated that is poor performance and requested management for remedial action or acceleration plan to arrest the poor performance. · Audit Committee is concerned of the performance of LED as compared to other departments. · Audit Committee is not satisfied with the reasons and the remedial actions provided for non-achievement. · Audit Committee advised management to indicate the tolerance levels of performance. · Audit Committee is concerned of the poor spending on the INEP and highlighted that the municipality experienced the poor performance in the previous year. Management need to put the strategy to address the issue of poor spending. · Provincial Treasury advised management that the reason why roll over was not approved was as the result of critical portion that is not spent on the grant, the vacant position of CFO and delay in spending on capital project as a result of late appointment of service providers. · Provincial Treasury advised management to indicate reasons for overachievements of KPIs. · Audit Committee is concerned that management is not detailed in terms of real reasons of late appointment of service providers for capital projects and that limit the committee to advise the municipality accordingly.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

SPECIAL MEETINGS (cont)

6th SPECIAL AUDIT COMMITTEE MEETING – 27 FEBRUARY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/4	2022/2023 Internal Audit Report on adjusted SDBIP and Budget	<ul style="list-style-type: none"> The Audit Committee took note of the report and advised management on the air conditioner KPI that there should be a numerator and denominator to calculate the percentage of processing of procurement request submitted. The target should indicate the number of the unit that were targeted for.
AC 23/05	2022/2023 Adjusted SDBIP	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> Audit Committee is concerned that the adjusted SDBIP does not highlight areas where adjustments were made. Adjustments are highlighted in colour but does not indicate the original information. Audit Committee is concerned that there is upward budget adjustment on electrification however the mid-year performance is not satisfactory.
AC 23/06	2022/2023 Adjusted Budget	<p>The Audit Committee took note of the report and raised concerns and advices as follows:</p> <ul style="list-style-type: none"> Audit Committee is concerned that the report was submitted to them late and could not allow them sufficient time to thoroughly review the document. Audit Committee advised management to include provisions of section 28.2 and 28.5 of the MFMA in the executive summary. Audit Committee advised management to include in the executive summary the status of whether the budget is funded or not.

7th SPECIAL AUDIT COMMITTEE MEETING – 27 MARCH 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/7	2023/2024 Draft Budget	<p>The Audit Committee took note of the report and raised concerns and advices as follows:</p> <ul style="list-style-type: none"> Audit Committee is concerned that there are challenges Finance department is facing however management does not have solutions to the issues. Audit Committee is concerned that management is planning to internally fund projects through a surplus to be gained and that this against the principle of budgeting. Audit Committee is concerned on the proposed electricity tariffs that the municipality will apply on its consumers as the bulk buying rates are higher resulting in a loss. This has a negative impact on the budget and the Audit Committee requested that it needs to be supported by council policy and be part of the approved budget policy. Audit Committee advised management to have a plan in place for budgeting of non-cash items. Audit Committee is concerned that the position of CFO is still not filled and that may lead to the possibility of rollovers not approved. Audit Committee advised management to always have reserves for internally funded projects.

SPECIAL MEETINGS (cont)

AC 23/08	2023/2024 Draft IDP	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> Audit Committee raised a handful of inputs and highlighted areas in the IDP that need improvements. Audit Committee is concerned that The IDP have quite a number of spelling errors and recommend that there should be a quality reviewer of the document before it is circulated. Audit Committee advised management to be specific when referring to legislations and indicate the name of the legislations. Audit Committee advised management to indicate all external and internal stakeholders including Audit Committee and MPAC. Audit Committee advised management to be more detailed on Disaster Management issues as they are policy issues and key legislations. Audit Committee advised management to indicate relevant legislations where the municipality have a mandate for easy reference. Audit Committee advised management to be specific and indicate the action plans by municipality and timeframes on findings from MEC. Audit Committee advised management to be specific on the matter of load shedding in the SOPA as in the SONA. Audit Committee advised management to indicate the alternative plan in terms of the source of electricity to the community. Audit Committee advised management to align the cascading of PMS in line with the municipal staff regulations. Management should revise actions on the provision of waste management to be SMART. Management should be clear on areas of district development model to indicate which projects are put to the attention of the district for inclusion in the district development model and vice versa.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

SPECIAL MEETINGS (cont)

3rd ORDINARY AUDIT COMMITTEE MEETING – 15 MAY 2023		
ITEM NO	ITEM UNDER DISCUSSION	CONCERNS AND RECOMMENDATIONS
MANAGEMENT REPORTS		
AC 23/1	2022/2023 2nd Quarter Progress report on Internal Audit Annual Plan (October - December 2022)	<ul style="list-style-type: none"> The Audit Committee took note of the report and advised Internal Audit to reduce scope of work in the Annual Plan due to December festive seasons as most officials take leave during the festive to avoid delays in implementing the plan.
AC 23/2	2022/2023 2nd Quarter Internal Audit Reports (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> The Audit Committee approved the internal audit reports presented. The Audit Committee raised a concern that the municipality does not have Information back up facilities and the information lost due to virus attack may not be retrieved. The Audit Committee advised management to revise the Risk Based Plan due to lack of resources and due to unfeasibility to prepare quarterly financial statements by Finance department. The Audit Committee is concerned that management is limiting Internal Audit to perform the audit by not providing information requested by the auditors. The Audit Committee is concerned that the municipality does not have a POPIA implementation plan. The Audit Committee advised management and Internal Audit to sign off the audit reports. The Audit Committee raised a concern that there is a lack of capacity and training within Internal Audit. The Audit Committee raised a concern that Corporate Services is not acting on the issues of filling vacant positions within Internal Audit. The Audit Committee raised a concern that to date the municipality does not have a dedicated unit to implement POPIA. The Audit Committee advised Internal Audit to be more specific when reporting and also present a complete report. The Audit Committee raised a concern of payments processed without approval by the Municipal Manager.
AC 23/3	2022/2023 2nd Quarter Risk Management Committee Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns as follows:</p> <ul style="list-style-type: none"> The Audit Committee is concerned that the Chairperson was appointed but the report to AC was not prepared accordingly by the Chairperson. The Audit Committee was concerned with the quality of the report as it is limiting the committee to advise because the report is not detailed and specific enough especially on mitigation measures the municipality is struggling on.

SPECIAL MEETINGS (cont)

AC 23/4	2022/2023 2nd Quarter Compliance Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> • The Audit Committee is concerned that there is no maintenance on some of the municipal infrastructure. • The Audit Committee advised management to clearly stipulate the scope of work in the report to give readers a clear picture the objectives and what to expect. • The Audit Committee advised management to develop departmental list or register of OHS facilities that are non-compliance and submit to Infrastructure for inclusion in their maintenance plan. • The Audit Committee advised management to avoid attachments that contains official personal details in their reporting as it contravenes POPIA. • The Audit Committee is concerned that there is no system for records management system. • The Audit Committee is concerned that the POPIA Implementation plan does not indicate actions to address non-compliance findings raised by Internal Audit on POPIA readiness. • The Audit Committee advised management to incorporate issues of the POPIA in the Compliance Universe. • The Audit Committee is concerned that departmental reports are not shared in the management meeting and final review by the Accounting Officer.
AC 23/6	2022/2023 2nd Quarter Litigation Report (October - December 2022)	<p>The Audit Committee took note of the report and raised concerns and advised as follows:</p> <ul style="list-style-type: none"> • The Audit Committee advised management to use simple English or terms that management and any person without a legal background will be able to understand. • The Audit Committee advised management to indicate start and end dates of the cases.

SPECIAL MEETINGS (cont)

FINANCE		
AC 23/7	a) 2022/2023 2nd Quarter report on Unauthorized/ Irregular and Fruitless and wasteful expenditure (UIF). b) 2022/2023 2nd quarter report on debt collection. c) 2022/2023 2nd quarter supply claim/ procurement report. d) 2022/23 2nd quarter overtime report.	The Audit Committee took note of the report and raised concerns as follows: <ul style="list-style-type: none"> · The Audit Committee inquired whether the municipality is satisfied with the performance of debt collectors.
		<ul style="list-style-type: none"> · Audit Committee inquired about how the municipality is prioritizing the electrical divisions in terms of their vacancies.
		<ul style="list-style-type: none"> · Audit Committee inquired about the process management capacity of assets.
		<ul style="list-style-type: none"> · Audit Committee recommended investigations into unauthorized debit orders.
INFRASTRUCTURE SERVICES DEPARTMENT		
AC 23/8	2022/2023 2nd quarter infrastructure report (including initial plan, budget, progress report on spending, actual work done, variances and reasons) (October-December 2022) (SMI)	The Audit Committee noted the report, and no concerns were raised, but inputs were made on the report.
CORPORATE SERVICES DEPARTMENT		
AC 23/9	2022/2023 2nd Quarter Corporate Services Report (October - December 2022)	The Audit Committee took note of the report and raised concerns as follows: <ul style="list-style-type: none"> · The Audit Committee is concerned that the report limits key areas and does not allow them to advise accordingly as it is missing progress on areas of corporate Services core functions.
		<ul style="list-style-type: none"> · The management was advised to revise the report.
		The Audit Committee took note of the report and raised a concern that the resolution register presented that does not help the organization and the Audit Committee as it does not highlight the challenges on the resolutions not implemented and progress thereof. The report was not accepted and deferred to the next meeting and improvement was recommended.
AC 23/10	2022/2023 2nd Quarter Council Resolutions Implementation Register/Report (October - December 2022)	The Audit Committee took note of the report and raised a concern that the municipality does not have offsite backup facilities and the unit is not strengthened in terms of capacity and budget.
AC 23/11	2022/2023 ICT 2nd Quarter Steering Committee Report (October - December 2022)	The Audit Committee noted the report, and no concerns were raised.
AC 23/12	ICT Ransomware Incident Report	The Audit Committee took note of the report and raised a concern that the municipality does not have offsite backup facilities and the unit is not strengthened in terms of capacity and budget.

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERS

Long-Term Contracts (20 Largest Contracts Entered into 2022/2023)						
Number	Description of services rendered by service provider	Name of service provider (entity of municipal department)	Contract value	PERIOD		End User Dept.
				Start date of contract	Expiry date of contract	
1.	Upgrading of Dipakapakeng Access Road	Ralema Consulting Engineers	R 1 908 515.20	1-Jul-21	18-Apr-23	Infrastructure
		Katlego ya sentso JV Rural Blue Belt				
2.	Upgrading of Tafelkop Stadium Access Road	Afritec Consulting Engineers	R 26 871 310.29	1-Jul-21	21-Feb-23	Infrastructure
		SDVK construction and Projects				
3.	Upgrading of Bloempoort to Uitspanning Acess Road	Sejagobe Engineers	R24 529 484.96	1-Jul-21	21-Feb-23	Infrastructure
		Mwelase & Ntshiana JV				
4.	Refurbishment of Groblersdal landfill site	Grandmonda Consulting Engineers	R23 499 254.62	N/A	N/A	Infrastructure
5.	Electrification of Masakaneng Portion 69 A	AES Consulting	R 7 643 721.49	1-Jul-21	30-Jun-23	Infrastructure
		F-Tech Services				
6.	Electrification of Masakaneng Portion 69 B	AES Consulting	R 1 853 749.00	1-Jul-21	30-Jun-23	Infrastructure
		F-Tech Services				
7.	Electrification of Makaepa	NSK	R2 457 641.08	1-Jul-21		Infrastructure
		Seshego Electrical				
8.	Electrification of Nyakelang	Lephata la Basha NSK Electrical	R2 984 833.33	1-Jul-21	30-Jun-23	Infrastructure
9.	Electrification of Phomola\Monsterlous	Mogalemole Consulting Engineers	R32 060 055.10	1-Jul-21	30-Jun-23	Infrastructure
		F-Tech Services				
10.	Electrification of Phooko	Mogalemole Consulting Engineers	R4000 000.00	1-Jul-21	30-Jun-23	Infrastructure
	(Project was not implemented due to lack of capacity by Eskom)					
11.	Electrification of Maleoskop	Mogalemole Consulting	R3,300,000.00	1-Jul-21	30-Jun-23	Infrastructure
		Mwelase THOBS				

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Not applicable

APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2022- 30 June 2023		
Position	Name	Description of Financial Interest*
		(Nil/or details)
(Mayor)	Cllr: Tladi MD	Nil
Speaker	Cllr: Mashego MD	100% Abenzi Business Enterprise
		100% Onale nna Projects and Services
EXCO members	Cllr: Makunyane HJ	100% Ultimate Destine Pty(Ltd)
	Cllr: Phetla G	Nil
	Cllr: Mzisa MR	Salary R19 025 Department of Health
	Cllr: Machipa TA	Farming
	Cllr: Ramphisa MW	Nil
	Cllr: Ramonyana NJ	Nil
	Cllr: Matjomane GD	50% Shareholder of Shaizo
	Cllr: Kotze J.P	Nil
	Cllr: Mathabathe MG	Nil
	Cllr: Malapela HMC	Nil
Councillors	51 councillors	
Municipal Manager	Kgwale M.M	500 Ordinary Share Sasol Inzalo
Chief Financial Officer		
Other S57 Officials		
Senior Manager Community Services	Mohlala M	Divine Inspiration Ministries R6000.
Senior Manager Infrastructure	Malungana ME	100% MEM Projects (Pty) Ltd
Acting CFO	Sebelemetja ML	Nil
Acting Senior Manager Development Planning and LED	Sethojoa BO	Nil
Senior Manager Corporate Services	Vacant	

APPENDIX K – REVENUE COLLECTION PERFORMANCE

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	39,913	44,645	59,853	4,700	55,046	59,853	(4,807)	-8%	59,853
Service charges - electricity revenue	98,371	108,186	101,418	10,105	90,414	101,418	(11,004)	-11%	101,418
Service charges - refuse revenue	9,383	9,781	9,302	827	9,537	9,302	235	3%	9,302
Rental of facilities and equipment	1,461	1,004	867	5	950	867	84	10%	867
Interest earned - external investments	5,834	3,652	2,152	(177)	5,641	2,152	3,489	162%	2,152
Interest earned - outstanding debtors	15,229	18,817	15,322	1,966	11,554	15,322	(3,768)	-25%	15,322
Fines, penalties and forfeits	2,236	68,520	90,719	22,463	115,439	90,719	24,720	27%	90,719
Licences and permits	5,966	6,315	6,815	484	6,062	6,815	(753)	-11%	6,815
Other revenue	20,228	1,524	2,907	(854)	18,029	2,907	15,122	520%	2,907
Total Revenue (excluding capital transfers and contributions)	198,622	262,445	289,356	39,517	312,673	289,356	23,317	74%	289,356

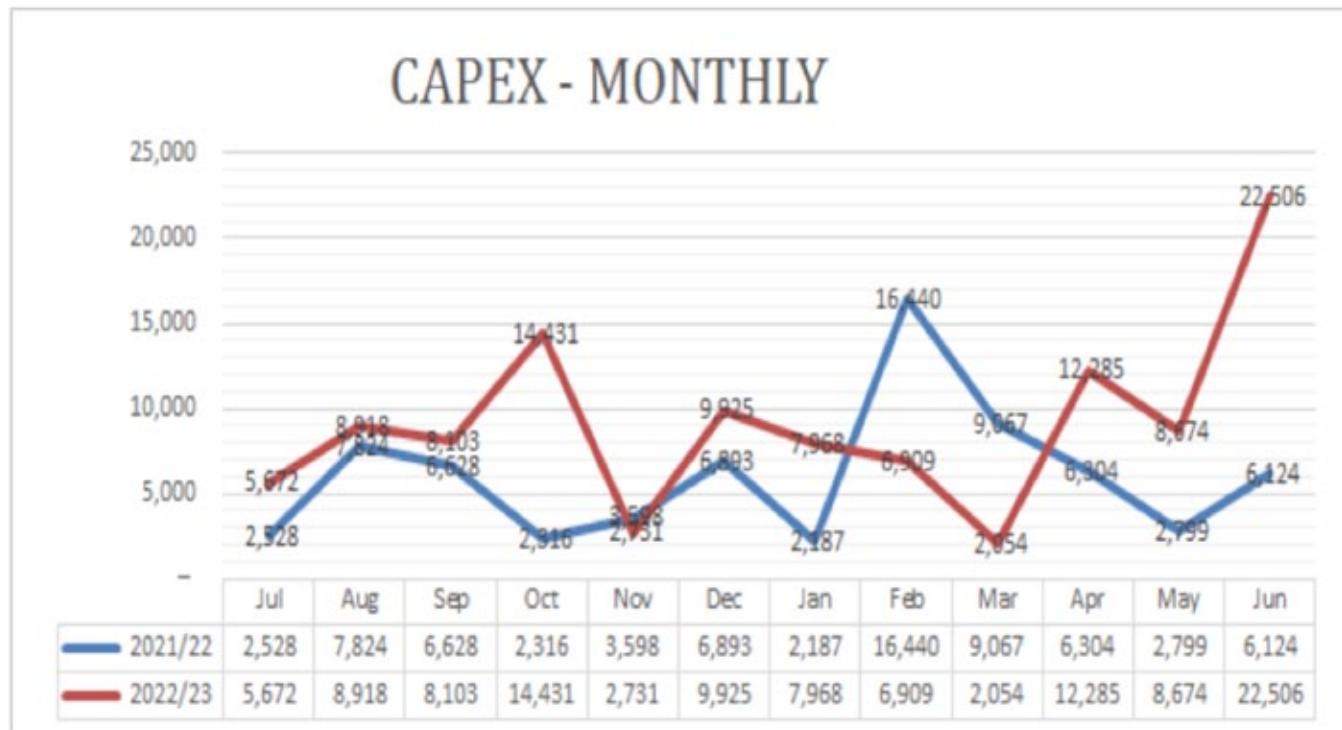
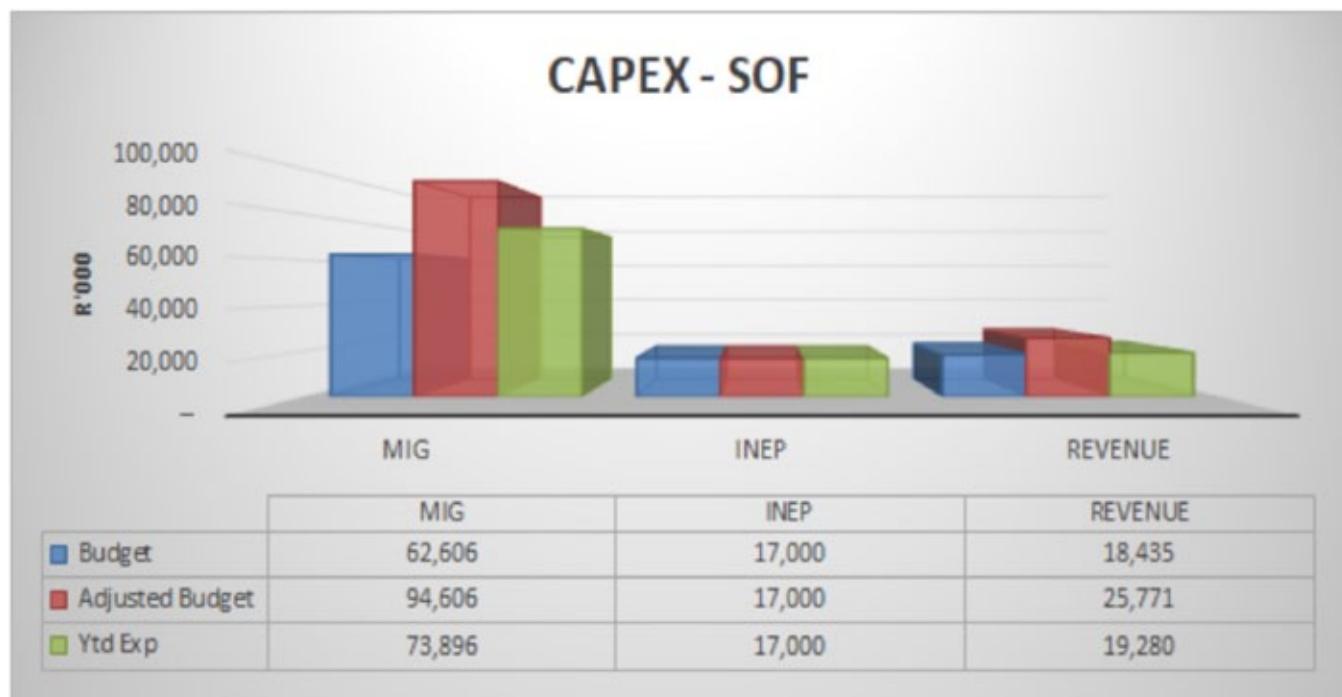
APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,849	4,646	4,646	-	4,646	4,646	-	-	4,646
Finance Management	2,650	2,850	2,850	-	2,850	2,850	-	-	2,850
EPWP Incentive	2,199	1,796	1,796	-	1,796	1,796	-	-	1,796
Other grant providers:	130	-	-	-	-	-	-	-	-
LGSETA Learnership and Development	130							-	
Total Operating Transfers and Grants	4,979	4,646	4,646	-	4,646	4,646	-	-	4,646
Capital Transfers and Grants									
National Government:	21,348	17,000	17,000	-	17,000	17,000	-	-	17,000
Intergrated National Electrification Grant	21,348	17,000	17,000	-	17,000	17,000	-	-	17,000
Total Capital Transfers and Grants	21,348	17,000	17,000	-	17,000	17,000	-	-	17,000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	26,327	21,646	21,646	-	21,646	21,646	-	-	21,646

APPENDIX M - CAPITAL EXPENDITURE NEW AND UPGRADE /RENEWAL PROGRAMMES INCLUDING MIG

CAPITAL EXPENDITURE

GRAPH 5: CAPITAL EXPENDITURE 2022/2023



APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2022/2023

Capital Programme by Project 2022/2023 (,000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj)	Variance
			Expenditure	%	(Act-OB)
					%
Water					
District function					
Sanitation/Sewerage					
District function					
Electricity					
Electrification of Masakaneng Portion 69 (415 HH)	R 3 960 000.00	R 7 960 000.00		4%	93%
			R 7 643 721.49		
Electrification of Masakaneng Portion 69 (109) HH	R1 853 749 .86	R 1 853 749.00		0%	0%
			R1 853 749.00		
Electrification of Makaepela (162 HH) 201 HH	R2 457 641.08	R 3 240 000.00		24%	0%
			R 2 457 641.08		
Electrification of Nyakelang Extension (190 HH) (151)	R 2 984 833.33	R 3 800 000.00		21%	0%
			R2 984 833.34		
Electrification of Phomola\Monsterlous (100 HH) (122 HH)	R 2 000 000.00	R 2 060 055.10		0%	3%
			R 2 060 055.10		
Electrification of Maleoskop	R 1 924 407.00	R 1 924 407.00	R 1 368 070.00	29%	29%
Roads and Storm Water					
Upgrading of Dipakapakeng Access Road	R 2 169 180.14	R1 908 515.20	R1 908 515.20	0%	12%
Upgrading of Tafelkop Stadium Access Road	R27 001 116.00			6%	6%
		R27 001 116.00	R25 501 602.85		
Upgrading of Uitspanning to Bloempoort Access Road	R27 000 000.00	R24 830 820.00		4%	12%
			R23 791 130.10		
Groblerdal refurbishment of landfill site	R4000 000.00	R21 093 036.00		82%	863%
			R3 855 509 .82		
		R16 000 000.00		0.50%	246%
	R4 604 884.00				
Upgrading of Nyakuroane			R15 923 765.13		
Upgrding of Motetema Internal Street	R3 500 000.00	R6 500 000.00	R6 499 264.48	0%	86%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2022/2023

Capital Programme by Project by Ward 2022/2023		
R`000	Ward(s) affected	Works completed
(Yes/No)		
Capital Project		
Water		
District function		
Sanitation/sewerage		
District function		
Electricity		
Electrification of Masakaneng Portion 69 (415 HH)	14	
Electrification of Masakaneng Portion 69 (109) HH	14	No
Electrification of Makaepa (162 HH) 201 HH	25	Yes
Electrification of Nyakelang Extension (190 HH) (151)	27	Yes
Electrification of Phomola\Monsterlous (100 HH) (122 HH)	22	Yes
Electrification of Maleoskop	12	Yes
Housing		
Cemeteries		
Fencing of Elandsdoorn/ Ntwane cemeteries	11	Yes
Roads & stormwater		
Construction of Dipakapakeng Access Route	28	No
Construction of Dipakapakeng Access Route	28	No
Construction of Bloempoort/Uitspanning Access Route	11	No
		(multi year project)
Construction of Tafelkop Stadium Access Route	27 & 28	No
		Multi year project
Groblersdal refurbishment of landfill site	14	
	7	Yes
Upgrading of Nyakuroane		
Upgrding of Motetema Internal Street	31	Yes

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools & Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (Names, Locations)				
Not applicable	0	0	0	0
Not applicable	0	0	0	0

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

Service Backlogs Experienced by Community Where Another Sphere of Government is the Service Provider (Whether or Not Municipality Acts on Agency Basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics	none	
Housing	none	
Licensing and testing centre	none	
Reservoirs	none	
Schools (primary &high)	none	
Sports fields	none	

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY MUNICIPALITY

Declaration of Loans And Grants Made by Municipality 2022/2023				
All organisations or persons in receipt of loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2021/2022	Total amount committed over previous and future years
			R`000	
No grants and loans granted during the year under review			n/a	

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During 2021/2022 According to Reporting Requirements	
Return	Reason return not properly made on due date
All MFMA Section 71 returns were made according to reporting requirements, and submitted in time	n/a

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

Not applicable: all information is addressed in the annual report



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**OVERSIGHT REPORT
FOR THE 2022/2023
ANNUAL REPORT**

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1. PURPOSE

To inform Council about the work of the Municipal Public Accounts Committee (MPAC) and to make recommendations to Council as required in terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 and on the draft 2022/2023 annual report.

2. BACKGROUND

In terms of Section 129 (1) of the Local Government: Municipal Finance Management Act 56 of 2003, Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in Council in terms of Section 127, adopt an oversight report containing the Council's comments on the annual report, which must include a statement whether the Council: -

- (a) Has approved the annual report with or without reservations.
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised.

In terms of section 121 (1) of the Local Government: Municipal Finance Management Act 56 of 2003: the council of a municipality must within nine months after the end of financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

During council meeting of the 25 January 2024, the Mayor tabled the Draft 2022/2023 Annual Report as prescribed by Section 127 (2) of the Local Government: Municipal Finance Management Act 56 of 2003. In dealing with the tabled annual report, Council resolved inter alia:

1. That council consider the presentation of 2022/2023 audit report of draft 2022/2023 Annual Report by the Auditor General.
2. That the report be made public for local community representation submissions.

3. That the tabled draft annual report be submitted to AGSA, Treasuries, and CoGHSTA for comments.
4. That the public hearing sessions on draft 2022/2023 annual report be commenced with by the MPAC as part of Annual Oversight Report on the Council Annual Report process

In terms of the Local Government: Municipal Structures Amendment Act, 2021, Section 79A (3)(c) which states that a Municipal Public Accounts Committee should “Initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act”.

3. ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

During 2021, Elias Motsoaledi Municipal Council resolved to establish a Municipal Public Accounts Committee (MPAC) in terms of the provisions of the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive obligations of Council.

In terms of Local Government: Municipal Structures Amendment Act, 2021, Section 79A.

- (1) A municipal council must establish a committee called the municipal public accounts committee.
- (2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.
- (3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:
 - a) Review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council.

- b) Review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council.
- c) Initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act.
- d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a Councillor and the municipal manager; and
- e) On its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

(4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

(5) (a) For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.

(b) Each municipality and each municipal entity must establish an audit committee in accordance with that section.

The MPAC committee constitutes of the following members:

PARTY	SURNAME	FULL NAMES	TITLE	GENDER
ANC	Ndlovu	Raymond Ndumiso	Chairperson	MALE
ANC	Makuwa	Nkhubedu Sarah	Member	FEMALE
ANC	Tlaka	Kgoputso Wiseman	Member	MALE
ANC	Mashilo	Malope Samaria	Member	FEMALE
EFF	Maphophapha	Cheleboy Mpho	Member	MALE
ANC	Kgagara	Thabo Peter	Member	MALE
MP	Limakwe	Adelaide	Member	FEMALE

EFF	Mampana	Moleke	Member	MALE
ANC	Nkosi	Sibongile Beauty	Member	FEMALE
ANC	Buta	Medo Zephania	Member	MALE
DA	Matsomane	Shiko Tebogo	Member	FEMALE

Mechanisms for public participation process

Immediately after the annual report was tabled in Council, the Accounting Officer in accordance with Section 21A of the Local Government: Municipal Systems Act 32 of 2000 made the draft annual report public. The following are mechanisms which were followed to ensure that the public viewing of the draft 2022/2023 annual report was extensively published for public comments.

DATE	ACTIVITY
25 January 2024	The draft 2022/2023 Annual Report is uploaded on municipal website and made available in municipal offices, municipal library and Municipal Satellite Offices.

Below are the processes undertaken by the MPAC in dealing with the report:

DATE	PURPOSE	VENUE
26-28 February 2024	Strategic Session to draft questionnaire to Management of their findings.	Loskop dam, A forever resort
22 March 2024	Conducted MPAC public hearing on the draft 2022/23 annual report	Ward 16, Donkey stop, Kwa-Mahlangu first Part
20 & 25 March 2023	Compiling Oversight report on the Draft 2021/2022 Annual Report	Municipal Manager's boardroom

Summary of comments on the draft 2022/2023 Annual Report

The MPAC believes that the draft 2022/2023 annual report reflects a substantial and fair improvement in municipal annual planning, budgeting, and reporting processes, however there is still room for improvement. The annual report complies with the requirements of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) and with National Treasury (NT) guidelines for annual reports. MPAC congratulates EMLM for maintaining their audit opinion and we hope that the municipality will be able to sustain the unqualified audit opinion and translate it to the improvement of service delivery.

The draft annual report complies with Circular 63 of the MFMA as it contains the following:

CHAPTERS	DETAILS
01	Mayor's Foreword and Executive Summary
02	Governance
03	Service Delivery
04	Organizational Development Performance
05	Financial Performance
06	Audit General's Findings
07	Appendices and Volume: AFS

4. CHALLENGES

- A few misleading information, spelling and grammar errors noticed in the report.
- Low attendance of the MPAC public hearing by EXCO members.

5. FINDINGS AND PROPOSED SOLUTIONS

The table below shows challenges noted by the Committee during the perusal of the Draft 2022/2023 Annual Report and proposed solutions to these challenges.

MPAC has noted that copies of the Performance Report still don't reach the entire communities as envisaged.	Ward Councillors, through the assistance of ward committees must convene community meetings where the objectives and purpose of the meetings are to extensively discuss the draft Annual Report to ensure participation.
Community members are challenged by the language in which the reports are written (English only)	It is therefore recommended that a summary of the original document be translated to local languages. The municipality can utilise translation software's or website to assist with translation while looking into hiring someone who can assist the municipality with such.
High dependency on outsourced services	The municipality should implement and comply with its developed outsourced services reduction plan
Lack of oversight on in-year reporting	Section 79 committees must sit and peruse their departmental quarterly reports.
Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	The accounting officer should ensure that he reviews the financial statements and annual performance report before submitting for audit. He should further ensure that the information provided is credible.
Ineffective measures to review and monitor compliance with legislations	The municipality should come up with effective measures to review and monitor compliance with legislations.

6. DEPARTMENTAL PERFORMANCE FINDINGS

DEPARTMENT	CHALLENGE/FINDING	PROPOSED SOLUTION
CORPORATE SERVICES	The municipality does not have skills retention clause in the work human resource policy.	<ul style="list-style-type: none"> The municipality must develop skill retention clause, more especially where the municipality use its own resources to capacitate employees.
	Struggling to fill vacant posts.	<ul style="list-style-type: none"> The municipality should come up with a way to fill the highly prioritized vacancies. The municipality should ensure that the organisational structure is realistic.
DEVELOPMENT PLANNING	Review of KPI to adhere to the S.M.A.R.T principles, as per the Auditor General's advice.	<ul style="list-style-type: none"> The municipality should review all the KPI's and ensure that they adhere to the S.M.A.R.T principles.
	Delay in addressing issues of informal settlement.	<ul style="list-style-type: none"> The municipality should fast track getting eviction orders for mushrooming community before it's too late for eviction. e.g. Lusaka (Steve Biko extension) The municipality should improve the working relationship with the tribal offices in terms of land distribution for human settlement.
	Misleading information regarding EPWP programme.	<ul style="list-style-type: none"> The municipality should ensure that the information provided is correct to avoid misleading our communities.
BUDGET AND TREASURY	No submission of Annual Financial Statement as required by section 126(1)(a) of the MFMA.	<ul style="list-style-type: none"> Municipality must ensure that the AFS are submitted on time as per section 126(1)(a) of the MFMA.
	Restatement of corresponding figures on the Annual Financial Statement	<ul style="list-style-type: none"> The municipality should come up with ways to help improve when it comes to misstatements on the AFS.

	Payment of Goods and Services after 30 days	<ul style="list-style-type: none"> The municipality should ensure consequence management is implemented to officials who are responsible for the late payments that are avoidable.
INFRASTRUCTURE	Incomplete projects	<ul style="list-style-type: none"> The municipality must develop a monitoring mechanism on the projects that are being implemented. Notably Kgaphamadi Bus route could have been completed in time had reasonable measures implemented. The PSC members who are appointed must be continuously capacitated by the municipality to know their role and functions.
	Lack of maintenance on roads	<ul style="list-style-type: none"> The municipality must allocate sufficient budget to maintain the completed roads. Although the low collection of revenue contributes to this, we believe that a little should be done as opposed to nothing.
	Unrealistic project timelines with regards to road construction.	<ul style="list-style-type: none"> The municipality should set realistic timeframes and give provision of natural hazards that may occur. The section 79 committee of infrastructure should develop a project oversight model.
	Illegal electricity connections	<ul style="list-style-type: none"> The municipality must come up with a plan to help reduce illegal connection within the municipality.
	Poor working conditions in satellite offices	<ul style="list-style-type: none"> The municipality must put a budget aside for renovations of satellite offices. E.g. Elandsdoring Satellite and Magaseng Satellite The municipality must come up with a plan to make the satellite offices user friendly so that they can be used for revenue collection.
	Unrealistic budgets for projects	<ul style="list-style-type: none"> Municipality should set realistic budget when it comes to projects especially on road construction projects. Municipality should appoint consultants that are capable of executing the given task in the best possible way.

COMMUNITY SERVICES	Lack of oversight on municipal cemeteries	<ul style="list-style-type: none"> The municipality must maintain cleanliness in all municipal cemeteries, and they must also set budget aside for fencing.
	Insufficient skip bins	<ul style="list-style-type: none"> The municipality must increase the number of skip bins in strategic areas in different wards. The municipality should ensure that the skip bins are collected regularly.
	Lack of improvement in the Waste management in the municipality.	<ul style="list-style-type: none"> The municipality should start community engagement to encourage community members to pay for waste management services. This will help improve revenue collection.

7. FINANCIAL STATEMENTS

- MPAC notes maintenance on the municipality on AG's audit opinion.
- The AG's finding on non-submission of Annual Financial Statement as required by section 126(1)(a) of the MFMA.
- The AG's finding on restatement of corresponding figures on the Annual Financial Statement
- The AG's findings on Unauthorised, Irregular and Fruitless & Wasteful expenditure will be investigated and a report will be submitted to council.

8. CONCLUSION

The MPAC committee thank all the relevant participants for their support and cooperation during the oversight process. The committee believes that Elias Motsoaledi Local Municipality and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in years to come. The draft annual report was fair for MPAC to play oversight as it is aligned to MFMA Circular 63.

9. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: 25 MARCH 2024

RESOLVE TO RECOMMEND:

1. That Council approves the draft 2022/2023 Annual Report with reservations.
2. That the oversight report be made public in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act 56 of 2003.
3. That the oversight report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Local Government: Municipal Finance Management Act 56 of 2003.



CLLR. R.N NDLOVU
MPAC CHAIRPERSON



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VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS



ELIAS MOTSOALEDI LOCAL MUNICIPALITY

(Registration number LIM 472)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Office of the Auditor General (Polokwane) - Auditors

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

General Information

Legal form of entity	Municipality (LIM 472)
Nature of business and principal activities	South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

Councillors List

Mayor Cllr MD Tladi

Chief Whip Cllr HJ Makunyane

Speaker Cllr DM Mashego

Council:

Cllr MD Tladi (Mayor)
Cllr DM Mashego (Speaker)
Cllr HJ Makunyane (Chief Whip)
Cllr GD Matjomane (Exco member)
Cllr JP Kotze (Exco member)
Cllr NJ Ramongana (Exco member)
Cllr MG Phetla (Exco member)
Cllr MP Msiza (Exco member)
Cllr MW Ramphisa (Exco member)
Cllr TA Machipa (Exco member)
Cllr HMC Malapela (Exco member)
Cllr MG Mathabathe (Exco member)
Cllr AL Gulube
Cllr AN Limakwe
Cllr CM Maphopha
Cllr DJ Ganedi
Cllr FK Lehungwane
Cllr FS Mohlahlo
Cllr GM Segope
Cllr J Letageng
Cllr J Mahlangu
Cllr JS Mogotlana
Cllr K Mabelane
Cllr KW Tlaka
Cllr LS Komane
Cllr LS Maibelo
Cllr M Mampana
Cllr MA Mafiri
Cllr MC Phokwane
Cllr ME Nduli
Cllr ME Sithole
Cllr ME Tshehla
Cllr MNS Oosthuizen
Cllr MR Msiza
Cllr MS Mashilo
Cllr MS Mthimunye
Cllr MZ Buta
Cllr NP Mohlala
Cllr NS Makuwa
Cllr P Masimula
Cllr PK Tladi
Cllr PT Koka
Cllr RM Makuwa
Cllr RN Ndlovu
Cllr SB Nkosi
Cllr SC Mmotla
Cllr SD Morare
Cllr SH Mmaboko

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

General Information

Clr SH Radigwana
Clr SK Matsomane
Clr SM Malapela
Clr ST Matsomane
Clr SZ Ngwenya
Clr TA Phorothhoe
Clr TC Sithole
Clr TE Mohlamonyane
Clr TM Phahlamohlaka
Clr TP Kgagara
Clr TS Malau
Clr TS Thethé
Clr VM Lecheko
Clr W De beer

Accounting Officer	Mr M M Kgwale
Acting Chief Finance Officer (CFO)	Mr ML Sebelemetja
Business address	2nd Grobler Avenue - Civic Centre Groblerdal 0470
Postal address	PO Box 48 Groblerdal 0470
Bankers	Nedbank
Auditors	Office of the Auditor General (Polokwane)
Grading of the Municipality	Grade 3

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Statement of Financial Performance	10
Statement of Changes in Net Assets	11
Cash Flow Statement	12
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Abbreviations

PPPFA	Preferential Procurement Policy Framework Act
GRAP	Generally Recognised Accounting Practice
WCA	Workmen's Compensation Act
PAYE	Pay As You Earn
IAS	International Accounting Standards
INEP	Integrated National Electrification Programme
EPWP	Expanded Public works programme
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MSCOA	Municipal Standard Chart Of Accounts
FMG	Finance Management Grant
AG	Auditor General

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

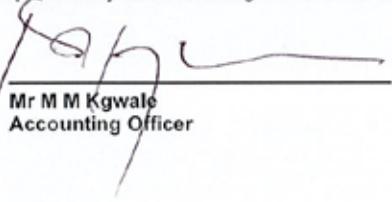
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The accounting officer has reviewed the municipality's budget and cash flow forecast for the year to 30 June 2024 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.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 29 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 external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on pages 9 to 109, which have been prepared on the going concern basis, were approved by the accounting officer on 09 September 2023.


Mr M M Kgwale
Accounting Officer

Friday, 09 September 2023

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

We are pleased to present our report for the year ended 30 June 2023.

Audit committee members and attendance

The Audit Committee of the Municipality was established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003. For 2022/2023 financial year, the Audit Committee comprised of five (05) members appointed for the period of three (03) years with effect from 12 January 2022 to 13 January 2025.

The Audit Committee reported to council on their activities and recommendations as required by the Audit Committee Charter and section 166 of the MFMA. For the year under review, four (4) ordinary and ten (10) special Audit Committee meetings were held.

The Audit Committee consists of the members listed hereunder.

Current Audit Committee members

Mr. TC Modipane (Chairperson)

Mr. MM Tshivule (Resigned)

Ms. MJ Masite

Ms. MJ Mabuza

Mr. MJ Rabalao

Number of meetings attended

4 Normal – 10 Special - 14 Total

2 Normal – 04 Special - 06 Total

4 Normal – 09 Special - 13 Total

4 Normal – 09 Special - 13 Total

4 Normal – 10 Special - 14 Total

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter.

It has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The content and the quality of the yearly management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act have been reviewed by the Audit Committee.

The Audit Committee is satisfied with Management's action to address deficiencies identified.

Evaluation of annual financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the accounting officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices
- reviewed the municipality's compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit;
- reviewed the performance of the institution.

The Audit Committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

Internal audit

Internal audit engaged and supported management team during the review of performance management information.

The audit committee engaged and supported management team during the review of performance management information.

For the year under review the Internal Audit performed their responsibility in terms of the approved Internal Audit Plan and reported their findings on regular basis to the Audit Committee and management for implementation.

The total number of planned audits as per the 2022/2023 Internal Audit Plan was twenty-five (25) excluding ADHOC audits. Total of twenty-five (25) audits were performed and finalized as per the plan. The implementation of the Internal Audit Plan was 100% achieved.

In the quest for maintaining a sound control environment, the Audit Committee continues to build the necessary capacity within the municipality.

Risk management

Every year the Council reviews the critical strategic risks facing the municipality and approves the municipality's risk approach.

The identification and assessment of those risks are informed amongst other things, by and understanding of our operational model including trends and interests of relevant stakeholders. The Audit Committee has overseen the process of developing risk strategy, risk register including mitigating factors for consideration by council.

The risk assessment was conducted quarterly during the year under review. The municipality had a full time Chief Risk Officer during the financial year.

Auditor-General of South Africa

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee : TC Modipane CA (SA)

02 December 2023

Date: _____

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2023.

1. Review of activities

Main business and operations

The municipality is engaged in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and delivery of municipal services to the community.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and fully elaborated in the Statement of Comparison of Budget and Actual Amounts.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Increased economic hardships negatively effected the municipality cash flow due to decreased debt collection process.

Net surplus of the municipality was R 71,454,588 (2022: surplus R 47,308,841).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Property rates and services revenue collection is highly vulnerable to defaulting by households as a result of increased economic challenges.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial period which resulted in an adjusting subsequent event.

4. Accounting Officers' interest in contracts

The Accounting Officers does not have any interest in contracts of the Municipality.

5. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Non-current assets

Details of major changes in the nature of the non-current assets of the municipality during the year are set out in the notes to the financial statements.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Report

7. Accounting Officer

The Accounting Officer of the municipality during the financial year and to the date of this report is :

Name	Nationality
Mr M M Kgwale	South African

8. Corporate governance

General

The Accounting Officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Officer supports the highest standards of corporate governance and the ongoing development of best practice.

Councillors

The councillors:

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- is of a unitary structure comprising:
 - Mayor
 - Speaker
 - Executive committee councillors, and
 - Councillors.

Mayor and Municipal Manager

The roles of the Mayor and Accounting Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Council and Mayor performs their oversight role and duties in terms of the prescribed legislation and delegated authorities.

Audit committee

The Audit Committee met during the financial year to review matters necessary to fulfil its role.

In terms of Section 166 of the Municipal Finance Management Act, the municipality must appoint members of the Audit Committee.

Internal audit

The internal audit operates under section 165 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

9. Bankers

The municipality banks primarily with Nedbank.

10. Auditors

The Office of the Auditor General (Polokwane) will continue in office for the next financial period.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position

Figures in Rand	Note(s)	2023	2022 Restated
Assets			
Current Assets			
Inventories			
	9	26,279,757	18,416,149
Receivables from exchange transactions	10	2,708,428	4,032,331
Receivables from non-exchange transactions	11	2,829,352	3,703,362
VAT receivable	12	20,817,439	14,399,701
Consumer debtors - From Exchange Transactions	13	38,430,225	37,010,720
Consumer debtors - From Non Exchange Transactions	13	72,237,986	59,520,455
Cash and cash equivalents	14	33,092,864	14,710,030
		196,396,051	151,792,748
Non-Current Assets			
Investment property	3	103,830,766	96,398,574
Property Plant and Equipment	4	1,112,251,071	1,079,149,694
Heritage Assets	5	463,363	463,363
Intangible assets	6	6,400	12,783
Deposit (Security held in advance)	8	17,280,638	16,536,410
		1,233,832,238	1,192,560,824
Total Assets		1,430,228,289	1,344,353,572
Liabilities			
Current Liabilities			
Deferred income	17	192,983	192,983
Finance lease obligation	15	9,494,222	6,638,009
Landfill Site Provision	18	9,416,057	7,921,692
Payables from exchange transactions	19	95,240,846	97,374,990
Payables from non - exchange transactions	20	-	499,189
Consumer deposits	21	5,757,651	5,621,490
Employee benefit obligation	7	904,000	948,000
Unspent conditional grants and receipts	16	22,101,166	6,489,344
Provision for Long Service Leave	18	1,711,000	536,000
		144,817,925	126,221,697
Non-Current Liabilities			
Deferred income	17	2,749,999	2,942,982
Finance lease obligation	15	7,636,923	12,702,191
Landfill Site Provision	18	78,818,668	76,725,335
Employee benefit obligation	7	23,010,000	23,583,000
Provision for Long Service Leave	18	7,124,000	7,563,000
		119,339,590	123,516,508
Total Liabilities		264,157,515	249,738,205
Net Assets		1,166,070,774	1,094,615,367
Net Assets			
Accumulated surplus		1,166,070,765	1,094,615,373

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated
Revenue			
Revenue from exchange transactions			
Interest revenue	24	5,641,262	5,833,788
Agency fees	50	6,062,432	5,966,441
Other income	23	1,246,976	1,415,317
Recoveries	23	-	639,276
Rental of facilities and equipment	34	950,484	1,461,166
Service charges	22	99,950,430	107,753,377
Total revenue from exchange transactions		113,851,584	123,069,365
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	55,045,560	39,913,236
Interest charged on consumer debtors	24	11,554,498	15,229,408
Transfer revenue			
Government grants & subsidies	27	429,801,182	381,953,131
Public contributions and donations	4	919,900	-
Fines, Penalties and Forfeits	11	115,439,160	2,236,200
Fair value adjustments - actuarial gains	7&18	3,835,329	1,472,347
Investment property fair value adjustment	3	12,947,191	16,701,549
Total revenue from non-exchange transactions		629,542,820	457,505,871
Total revenue		743,394,404	580,575,236
Expenditure			
Bulk purchases	32	(93,184,759)	(97,948,551)
Debt Impairment	31	(126,107,702)	(19,689,866)
Depreciation and amortisation	4&6&54	(59,259,773)	(57,072,911)
Employee related costs	28	(169,884,018)	(161,197,391)
Finance costs	30	(4,403,240)	(526,378)
General Expenses	33	(126,024,738)	(124,905,182)
(Impairment loss)/ Reversal of impairments	4&6	(4,656,004)	4,244,020
Lease rentals on operating lease	36	(4,853,458)	(5,545,249)
Loss on disposal of assets	4&6	(5,782,314)	(4,826,728)
Remuneration of councillors	29	(25,385,490)	(25,346,981)
Repairs and maintenance		(47,151,752)	(37,859,863)
Transfers and Subsidies	26	(5,246,568)	(2,591,315)
Total expenditure		(671,939,816)	(533,266,395)
Surplus for the year		71,454,588	47,308,841

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1,084,162,866	1,084,162,866
Adjustments	(36,876,334)	(36,876,334)
Prior year adjustments 2021		
Balance at 01 July 2021 as restated	1,047,306,532	1,047,306,532
Surplus for the year	47,308,841	47,308,841
Total changes	47,308,841	47,308,841
Opening balance Balance restated		
Adjustments		
Correction of errors June 2022 year	(4,331,083)	(4,331,083)
Balance at 01 July 2022 as restated	1,094,616,184	1,094,616,184
Changes in net assets		
Surplus for the year	71,454,588	71,454,588
Total changes	71,454,588	71,454,588
Balance at 30 June 2023	1,166,070,772	1,166,070,772
Note(s)		40

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Fines		3,601,536	348,958
Sale of goods and services		133,243,534	135,574,314
Grants		445,413,004	387,235,853
Interest		2,251,709	1,779,822
Other receipts		3,330,798	2,461,807
Agency fees		6,062,432	5,966,441
		593,903,013	533,367,195
Payments			
Employee costs		(191,024,917)	(182,968,301)
Suppliers		(271,120,953)	(260,011,272)
Finance costs		(4,403,240)	(526,378)
Transfers and Subsidies		(1,098,846)	(1,547,315)
		(467,647,956)	(445,053,266)
Net cash flows from operating activities	35	126,255,057	88,313,929
Cash flows from investing activities			
Purchase of property plant and equipment	4	(104,484,212)	(76,973,935)
Proceeds from sale of property plant and equipment	4	-	1,011,133
Proceeds from sale of investment property	3	1,565,733	-
Net cash flows from investing activities		(102,918,479)	(75,962,802)
Cash flows from financing activities			
Finance lease payments		(4,953,744)	(4,456,797)
Net increase/(decrease) in cash and cash equivalents		18,382,834	7,894,330
Cash and cash equivalents at the beginning of the year		14,710,030	6,815,700
Cash and cash equivalents at the end of the year	14	33,092,864	14,710,030

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ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<hr/>						
Figures in Rand						
<hr/>						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	117,967,839	(7,248,355)	110,719,484	99,950,430	(10,769,054)	1
Rental of facilities and equipment	1,003,988	(137,132)	866,856	950,484	83,628	2
Agency fees	6,315,165	500,000	6,815,165	6,062,432	(752,733)	3
Other income	1,524,304	1,383,108	2,907,412	1,246,976	(1,660,436)	4
Interest revenue	22,468,824	(4,994,316)	17,474,508	5,641,262	(11,833,246)	5
Total revenue from exchange transactions	149,260,120	(10,496,695)	138,783,425	113,851,584	(24,931,841)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	44,644,836	15,207,902	59,852,738	55,045,560	(4,807,178)	
Interest charged on consumer debtors	-	-	-	11,554,498	11,554,498	6
Transfer revenue						
Government grants & subsidies	418,512,020	31,989,999	450,512,019	429,801,182	(20,710,837)	
Public contributions and donations	-	-	-	919,900	919,900	7
Fines, Penalties and Forfeits	68,520,008	45,782,594	114,302,602	115,439,160	1,136,558	
Fair value adjustments - actuarial gains	-	-	-	3,835,329	3,835,329	8
Investment property fair value adjustment	-	-	-	12,947,191	12,947,191	9
Total revenue from non-exchange transactions	531,676,864	92,990,495	624,667,359	629,542,820	4,875,461	
Total revenue	680,956,984	82,493,800	763,450,784	743,394,404	(20,056,380)	
Expenditure						
Employee related costs	(185,316,368)	21,220,820	(164,095,548)	(169,884,018)	(5,788,470)	
Remuneration of councillors	(25,580,352)	700,688	(24,879,664)	(25,385,490)	(505,826)	
Depreciation and amortisation	(59,780,112)	(941,197)	(60,721,309)	(59,259,773)	1,461,536	
Impairment loss/ Reversal of impairments	-	-	-	(4,656,004)	(4,656,004)	10

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VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Finance costs	(1,989,335)	(8,423,074)	(10,412,409)	(4,403,240)	6,009,169	11
Lease rentals on operating lease	(4,839,952)	(47,630)	(4,887,582)	(4,853,458)	34,124	
Debt Impairment	(61,180,840)	(71,578,938)	(132,759,778)	(126,107,702)	6,652,076	
Profit/(Loss) on disposal of assets	-	-	-	(5,782,314)	(5,782,314)	12
Repairs and maintenance	(45,189,502)	3,182,685	(42,006,817)	(47,151,752)	(5,144,935)	13
Bulk purchases	(109,638,359)	16,453,800	(93,184,759)	(93,184,759)	-	
Transfers and Subsidies	(3,210,596)	2,111,750	(1,098,846)	(5,246,568)	(4,147,722)	14
General Expenses	(104,696,308)	(24,741,122)	(129,437,430)	(126,024,738)	3,412,692	
Total expenditure	(601,421,724)	(62,062,418)	(663,484,142)	(671,939,816)	(8,455,674)	
Surplus/(Deficit)	79,535,260	20,431,382	99,966,642	71,454,588	(28,512,054)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	79,535,260	20,431,382	99,966,642	71,454,588	(28,512,054)	

VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<hr/>						
Figures in Rand						
<hr/>						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	10,004,806	2,154,723	12,159,529	26,279,757	14,120,228	15
Receivables from exchange transactions	119,124	(422)	118,702	2,708,428	2,589,726	16
Receivables from non-exchange transactions	62,845,488	12,458,542	75,304,010	2,829,352	(72,474,658)	17
VAT receivable	-	-	-	20,817,439	20,817,439	18
Consumer debtors	61,834,475	13,123,135	74,957,610	110,688,211	35,710,601	19
Cash and cash equivalents	24,162,486	43,978,554	68,141,040	33,092,864	(35,048,176)	20
	158,966,359	71,714,532	230,680,891	196,396,051	(34,284,840)	
Non-Current Assets						
Investment property	48,546,966	3,074,000	51,620,956	103,830,786	52,209,910	21
Property Plant and Equipment	1,258,405,490	5,703,676	1,264,109,166	1,112,251,071	(151,858,095)	22
Heritage Assets	463,323	40	463,363	463,363	-	
Intangible assets	331,225	185,000	516,225	6,400	(509,825)	23
Deposit (Security held in advance)	17,278,459	350,000	17,628,459	17,280,638	(347,821)	
	1,325,025,453	9,312,716	1,334,338,169	1,233,832,238	(100,505,931)	
Total Assets	1,483,991,812	81,027,248	1,565,019,060	1,430,228,289	(134,790,771)	
Liabilities						
Current Liabilities						
Deferred income	-	-	-	192,983	192,983	24
Finance lease obligation	7,459,190	821,179	8,280,369	9,494,221	1,213,852	25
Landfill Rehabilitation Provision	6,012,325	2,012,000	8,024,325	9,416,057	1,391,732	26
Payables from exchange transactions	101,171,629	30,511,112	131,682,741	95,240,846	(36,441,895)	27
Consumer deposits	5,700,288	-	5,700,288	5,757,651	57,363	
Employee benefit obligation	-	-	-	904,000	904,000	28

VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Unspent conditional grants and receipts	-	-	-	22,101,166	22,101,166	29
Provision for Long Service Leave	-	-	-	1,711,000	1,711,000	30
	120,343,432	33,344,291	153,687,723	144,817,924	(8,869,799)	
Non-Current Liabilities						
Deferred income	-	-	-	2,749,999	2,749,999	24
Finance lease obligation	17,458,265	(4,757,074)	12,701,191	7,636,923	(5,064,268)	25
Landfill Site Rehabilitation provision	96,251,645	-	96,251,645	78,618,868	(17,432,977)	26
Employee benefit obligation	-	-	-	23,010,000	23,010,000	28
Provision for Long Service Leave	-	-	-	7,124,000	7,124,000	30
	113,709,910	(4,757,074)	108,952,836	119,339,590	10,386,754	
Total Liabilities	234,053,342	28,587,217	262,640,559	264,157,514	1,516,955	
Net Assets						
Net Assets						
Reserves						
Accumulated surplus	1,249,938,470	71,440,413	1,321,378,883	1,166,070,775	(155,308,108)	

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Bu
Figures in Rand			

Budget and Actual Amounts variance explanation : Material difference between budget and actual amounts

The comparison of the municipality's financial performance with that budgeted is set out in the statement of comparison of budget and actual amounts.

The budget and accounting basis are the same.

The budget is approved on accrual basis using a classification based on the nature of the transaction. The approved budget covers the period from 01 July 2022 to 30 June 2023. The changes between the approved final budget and adjusted budget are as a consequence of identified overs and unders in the budget performance during mid-year.

Variances of 10% or more are explained as set out below:

1. Services Charges

The variance is due to the impact of load shedding. Though adjustment budget was adjusted downwards, load shedding still had negative impact on revenue. Additionally, there was provision made for electricity revenue from Masakaneng, the project was not complete at year end and had a negative impact on revenue.

2. Rental of facilities and equipment

The variance is due to billing of lessees not previously billed on month to month after expiry of lease contracts.

3. Agency fees

The variance is as a result of licences and permits revenue not being realised as anticipated. Additionally, loadshedding had a negatively had an impact on data flow and the server.

4. Other income

The variance is as a result of other income not being realised as anticipated during budget preparation. Furthermore there was poor turn up on application for land use and building plan approval which was below the projection.

The municipality received TLB as a donation from Department of Forestry, Fisheries and the Environmental.

5 & 6. Interest revenue and Interest charged on consumer debtors

The variance is immaterial after combining interest from exchange and non exchange.

7. Public contributions and donations

Refer to note 4 above, the donations are budgeted under other income.

8. Fair value adjustments - actuarial gains

National Treasury template does not make provision for this component to be budgeted for.

9. Investment fair value adjustments

National Treasury template does not make provision for this component to be budgeted for.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Bu
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Figures in Rand

10. Impairment loss/ Reversal of impairments

National Treasury template does not make provision for this component to be budgeted for

11. Finance costs

Refer to number 25. Finance lease obligation

12. Profit/(Loss) on disposal of assets

Refer to general expenses explanation, the amount was budgeted under general expenses

13. Repairs and maintenance

The variance due reactive maintenance of electrical infrastructure as oppose to preventative hence unforeseen incidents

14. Transfers and Subsidies

Variance is a result of electrification projects that were transferred to Eskom, these assets were not budgeted for.

15. Inventories

The variance is attributed to increase in purchases and reduction in store issue items as withdrawals were not in line with past performance.

16. Receivables from exchange transaction

Please see explanation 17

17. Receivables from non-exchange transaction

Adding receivables from both exchange and non-exchange transactions and VAT receivables we remain with under-performance variance that is caused by significant traffic fines issued.

18. VAT receivables

Please see explanation 17.

19. Consumer debtors

The variance is attributed to high increase in debt book of the municipality due to the culture of non-payment of customers and inability to implement credit control measures in other areas where the municipality is not a licence holder to sell electricity.

20. Cash and cash equivalent

The variance is due to low revenue collection rate and other commitments that impacted negatively on the cash flow position.

21. Investment property

The variance in the investment property budget being underfunded is attributed to a misallocation of funds to the Property, Plant, and Equipment category, amounting to R52,000,000. This discrepancy arose from an error in the allocation process of the budget.

22. Property plant and equipment

The variance can be traced back to several factors. Firstly, a budget portion for Investment Properties, totalling R52,000,000, was inaccurately categorized as Property, Plant, and Equipment (PPE). Additionally, there was an underspending of R20.7 million on the rehabilitation of a landfill site, originally projected for completion in the current financial year (2023). However, due to the withdrawal of the initial contractor from the project, it remained unfinished at the year's end. Lastly, errors in the budget projections for PPE led to an overstatement of the approved budget.

23. Intangible assets

The variance is due misclassification during adjustment budget and the budget was adjusted upwards based actual performance.

24. Deferred income

Please see explanation 31

25. Finance lease obligation

The amount was erroneously budgeted for inclusive of finance cost hence the variance. Additionally, there are various interest rate increase throughout the year which resulted in an increase in obligation

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Approved budget Adjustments Final Bu

Figures in Rand

26. Landfill Rehabilitation Provisions

Please see explanation 31.

27. Payables from exchange transactions

The variance is attributed to a decrease in accruals and accrued leave in 2022/23 financial year, moreover unspent conditional grant is budgeted under payables from exchange transaction however the actual amount is disclosed separately.

28. Employee benefit obligation

Please see explanation 31.

29. Unspent conditional grants

The variance is due to additional municipal infrastructure grant received by the municipality in March 2023

30. Provision for Long Service Leave

Please see explanation 31.

31. Provisions

Taking the employee benefit obligation; landfill rehabilitation and deferred income into consideration whose budget is included in the provision budget the variance is due to a change in estimate for landfill site provision

The accounting policies on pages 20 to 49 and the notes on page 50 form an integral part of the annual financial statements.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. In situations where the application of GRAP is not practicable, the International Financial Reporting Standards (IFRS) will apply.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand. Amounts are rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include:

Useful lives and residual values of property plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimation should be based on the expected pattern in which an asset's future economic benefits or service potential are to be consumed by the municipality.

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.

Trade 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 management makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated based on the historical collection rate and the risk matrix established by the management.

Allowance for slow moving, damaged and obsolete stock

The Municipality conducts an assessment of the net realizable value of its inventory at each reporting date.

In accordance with this assessment, inventory is written down to the lower of cost or net realizable value. Management relies on estimates of selling prices and direct costs associated with selling for certain inventory items to determine this valuation.

The write-down of inventory is reflected in the Statement of Financial Performance.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Impairment testing

The recoverable amounts of assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

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.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7.

Effective interest rate

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

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus or 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.

Provision for landfill sites

The provision for rehabilitation site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the related asset are charged to the Statement of Financial Performance.

Provision of rehabilitation of landfill site is determined by :

- Calculating the cost of rehabilitation of landfill sites and assessing the useful life of each land fill site as done by an Specialist
- The effect of time value of money is calculated using interest rates (investment rate) linked to the prime rate.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the enterprise, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net 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 determinable but expects the fair value of the property to be measurable when construction is complete. It measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measure that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality apply the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

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.

1.5 Property Plant and Equipment

Property Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Property Plant and Equipment is initially measured at cost on 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 management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) 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.

Costs include costs incurred initially to acquire or construct an item of property plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property plant and equipment are accounted for as property plant and equipment.

Property Plant and Equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Land	Indefinite
Buildings	30 years
Plant and machinery	5 - 15 years
Furniture and fixtures	7 - 10 years
Motor vehicles	3 - 20 years
Office equipment	3 - 5 years
IT equipment	3 - 6 years
Infrastructure	5 - 30 years
Other property, plant and equipment	5 - 30 years
Other equipment	5 - 25 years
Specialised vehicles	10 years
Tools and loose gear	5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

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.

The depreciation charge for each period is recognised on the straight line basis in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property plant and equipment 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.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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. The gain or loss arising from the derecognition of an item of property plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on acquisition.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Useful life
Computer Software	3-5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a heritage asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of the heritage asset's net selling price and its value in use.

Value in use of the heritage asset is the present value of the asset's remaining service potential.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Initial measurement

Heritage assets are measured at cost on acquisition.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its initial cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset 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 a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity or municipality and a financial liability or a residual interest of another entity or municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment) but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts.

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

- a residual interest of another entity ; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

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.

Long term advance payments are financial liabilities, other than short-term payables on normal credit terms.

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

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

A financial asset is past due when a counterpart has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that do not meet the definition of financial instruments at amortised cost or financial.

Classification

The Municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Deposit (Security held in advance)	Financial Asset measured at amortised cost
Investments - Call accounts	Financial Asset measured at amortised cost
Consumer Debtors	Financial Asset measured at amortised cost
VAT	Financial Asset measured at amortised cost
Receivables from exchange transactions	Financial Asset measured at amortised cost

The Municipality has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Consumer deposits	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Accruals	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Initial recognition

The Municipality recognises a financial asset or a financial liability in its statement of financial position when the Municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The Municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The Municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectability of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the effective interest rate.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset 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 municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, is recognised in surplus or deficit.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity to the municipality 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.

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.

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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 municipality 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.

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 are recognised in surplus or deficit.

In estimating the future cash flows, a 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.

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

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- 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 municipality:
 - 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 municipality 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.

1.10 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 assess the classification of each element separately.

Finance leases - lessee

At the commencement of the lease term, municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the statement of financial position. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used by the municipality in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the municipality's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Subsequently, minimum lease payments are apportioned between the finance charge and the 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 interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with that for other assets that are owned by the municipality, and the depreciation recognised is calculated in accordance with the depreciation and amortisation policy.

If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Any contingent rents are expensed in the period in which they are incurred

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.

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.

1.11 Inventories

The municipality recognises Inventories as an asset if, and only if,

- (a) it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- (b) the cost of the inventories can be measured reliably

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

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1. Presentation of Annual Financial Statements (continued)

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or 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.

When the municipality transfer assets from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in surplus or deficit.

For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting in inventory shall be its fair value at the date of change in use.

When inventory is transferred to property, plant, and equipment, the municipality follows a measurement approach based on cost. The closing cost at which inventory is recorded remains the same cost when these items are reclassified as property, plant, and equipment.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets as defined above.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

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1. Presentation of Annual Financial Statements (continued)

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction / (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation / (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation / (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Electricity distribution losses

The electricity distribution losses are as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status / condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g theft and vandalism, as a result the losses are not recoverable.

Cost of units purchased include all costs incurred as a resulting of buying electricity or that are directly attributable to purchasing electricity.

The rand value of distribution loss is calculated per month using the unit cost of purchasing electricity in that month.

At the end of the year total distribution loss is calculated by adding up distribution losses for the 12 months.

1.14 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

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1. Presentation of Annual Financial Statements (continued)

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are 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.

Vested employee benefits are employee benefits that are not conditional on future employment.

Short-term employee benefits

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

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The 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 municipality measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality 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.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

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1. Presentation of Annual Financial Statements (continued)

Post-employment benefits: Defined benefit plans

Defined contribution plans are post-employment benefit plans under which a municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

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1. Presentation of Annual Financial Statements (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect 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.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- 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:
- those changes were enacted before the reporting date; or
- past history, 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 take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and

1.15 Provisions, Contingent Liabilities and Assets

Provisions

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.

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1. Presentation of Annual Financial Statements (continued)

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 deficits.

If an 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 a 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

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1. Presentation of Annual Financial Statements (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.

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 Judgments. 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, the 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.

Contingent liabilities

On initial recognition, contingent liabilities are recorded as a disclosure only, if the definition of contingent liabilities is fully satisfied. A contingent liability is disclosed unless if the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The municipality shall not recognise a contingent liability.

In the context of the municipality, the definition of a contingent liability is:

- (a) 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 municipality; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

An obligating event is an event that creates a legal or constructive obligation that results in a municipality having no realistic alternative to settling that obligation.

Where a municipality is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability.

The amount recognised as a contingent liability shall be the best estimate of the expenditure required to settle the possible obligation at the reporting date. The best estimate of the expenditure required to settle the contingent matter is the amount that the municipality would rationally pay at the reporting date.

Where an outflow of economic benefits or service potential is probable, the municipality shall disclose a brief description of the nature of the contingent liability at the reporting date, and, where practicable, an estimate of their financial effect, measured using the best estimate including possible obligation towards legal fees.

After their initial recognition:

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1. Presentation of Annual Financial Statements (continued)

contingent liabilities are assessed continually to determine whether an outflow or inflow of resources embodying economic benefits or service potential has become probable.

If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets

On initial recognition, contingent assets are recorded as a disclosure only, if the definition of contingent assets is fully satisfied. A contingent Asset is disclosed unless if the possibility of an inflow of resources embodying economic benefits or service potential is remote.

The municipality shall not recognise a contingent asset.

A contingent asset is disclosed, where an inflow of economic benefits or service potential is probable.

In the context of the municipality, the definition of 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 municipality.

The amount recognised as a contingent asset shall be the best estimate of the revenue that will probably be received if the matter is settled at the reporting date. The best estimate of the revenue required to settle the contingent matter is the amount that the municipality would rationally receive at the reporting date.

Where an inflow of economic benefits or service potential is probable, the municipality shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect, measured using the best estimate including possible obligation towards legal fees that will be recovered if applicable.

After their initial recognition:

Contingent assets are assessed continually to determine whether an inflow of resources embodying economic benefits or service potential has become probable.

If it becomes probable that an inflow of future economic benefits or service potential will be received for an item previously dealt with as a contingent asset, an asset is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain to the municipality, then the related asset is not a contingent asset and its then recognised as an asset.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the municipality consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy and 1.12.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Commitments

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

A commitment arises when a decision is made to incur a liability e.g. purchase order, delivery schedules or contract for construction of Infrastructure assets. A commitment becomes a liability when the intention to agree to an outflow of resources outflow of resources becomes a present obligation.

Notes to the financial statements are disclosed in respect of unrecognised and unspent contractual commitments.

Amounts for commitments are disclosed VAT inclusive in the notes to the financial statements.

The commitments are not recognised as a liability in the statement of financial position but are disclosed in the notes to the financial statements

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 municipality – therefore salary commitments relating to employment contracts commitments are excluded.

Commitments are derecognised upon contract fulfillment, cancellation and when contract amount is fully spent.

1.17 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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Interest levied on transactions arising from exchange transactions is classified based on the nature of the underlying transaction, i.e. if the underlying transaction is an exchange transaction then any interest levied is also classified as exchange.

Measurement

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

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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

Revenue arising from the use by others of municipality assets yielding interest 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.

Interest is recognised, in surplus or deficit, using prime plus one method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.18 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by municipality, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and 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.

Interest levied on transactions arising from non-exchange transactions is classified based on the nature of the underlying transaction, i.e. if the underlying transaction is a non-exchange transaction then any interest levied is also classified as non-exchange.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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.

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.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised when it is probable that future economic benefits will flow to the municipality, the costs can be reliably measured and all restrictions have been complied with. Revenue is recognised when fines or summons are issued.

The amount due by a particular offender is specified on the notice, summons or equivalent document. The municipality issuing the traffic fine may indicate that reductions are available, subject to further processes being undertaken.

Fines reductions reduce the asset (receivable) and revenue for the year.

Relevant disclosures should be made on the assumptions used to estimate revenue and any other relevant information.

The municipality is able to reliably measure the fair value of fines issued. The value of the fine that can be imposed on the offender is usually stipulated in legislation, regulation or equivalent, and will vary depending on the nature and severity of the offence. The amount due by a particular offender is usually indicated on the notice, summons or similar document issued. In these instances, the asset (receivable) can be measured reliably.

Impairment on all traffic fines outstanding is calculated on a basis of the average of uncollectable rate over the full period of traffic fines per type of traffic fine.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Levies/Property rates

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is 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.

Taxation revenue is determined at a gross amount and disclosed in the surplus net of rebates.

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 proportionate basis.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised on receipt probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis or when the conditions are satisfied. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

Conditional grants

Receipts from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Grants are included in Non exchange transactions revenue.

Unconditional grants

Receipts from unconditional grants, donations and funding are recognised as revenue, since there are no conditions attached.

Commitments

Except for financial guarantee contracts, 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.

If the municipality enters into any significant contractual commitments that will result in the outflow of financial sources after the balance sheet date, it must be disclosed in the notes to the annual financial statements as a non-adjusting event.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Commitments include:

- Capital commitments (to acquire PPE and intangible assets)
- Lease commitments
- Other financial commitments

The value of the planned outflow of financial resources shall be disclosed per category of commitments

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.

Value added tax

VAT is accounted for on an accrual basis and payable on the cash basis.

Donations

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.

Donations are non exchange revenue.

1.19 Materiality

Material 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.

1.20 Investment income

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

1.21 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).

Identifying whether a municipality 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.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified or restated to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors 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.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to operational unauthorised expenditure is initially recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure relating to capital expenditure is initially recognised as an asset in the statement of financial position in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense or asset, and where council resolves on recovery, it is subsequently accounted for as revenue in the statement of financial performance and debtors in the statement of financial position. When the payment is subsequently received, they payment is receipted against the debtor.

For operational expenditure and capital assets the amounts are recognised excluding VAT.

The unauthorised expenditure note to the financial statements is disclosed excluding VAT.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Expenditure relating to fruitless and wasteful expenditure is initially 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 subsequently recovered, it is accounted for as revenue and debtor in the statement of financial performance and statement of financial position respectively.

For operational expenditure and capital assets the amounts are recognised excluding VAT.

Fruitless and wasteful expenditure note to the financial statements is disclosed excluding VAT

1.25 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) Municipal Finance Management Act (Act No.56 of 2003); or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure that was incurred and identified during the current financial year and which was written off 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 write off 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 written off in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount written off.

Irregular expenditure that was incurred and identified during the current financial year and which was not written off by council 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 may account for it 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 written off 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 excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue and debtor in the Statement of Financial Performance and Statement of Financial Position respectively.

Irregular expenditure note to the financial statements is disclosed including VAT.

1.26 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.27 Accounting Policies, Changes in Accounting Estimates and Errors

Accounting policies are the specific principles, bases, conventions, rules and practices applied by a municipality in preparing and presenting financial statements. A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

Prior period errors are omissions from, and misstatements in, the municipality's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Prospective application of a change in an accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are:

- (a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and
- (b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.

Retrospective application is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

The effect of a change in an accounting estimate shall be recognised prospectively.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.28 Expenditure

The municipality uses the accrual basis of accounting and recognises expenditures when they occur and are recognised in the period to which they relate and not only recognised when cash is paid.

Expenditure is decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

1.29 Segmental reporting

A segment is an activity of a municipality:

- 1 - that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same municipality);
- 2 - whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- 3 - for which separate financial information is available.

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 municipality'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 municipality's financial statements.

Two or more segments of a municipality are aggregated into a single segment if aggregation is consistent and the segments have similar economic characteristics, and the segments share a majority of the following:

- (a) the nature of the goods and/or services delivered;
- (b) the type or class of customer or consumer to which goods and services are delivered;
- (c) the methods used to distribute the goods or provide the services; or
- (d) the nature of the regulatory environment that applies to the segment.

The municipality combine segments with similar economic characteristics and share a majority of the aggregation criteria per municipality policy or are individually insignificant and a practical limit has been reached.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.30 Budget information

The annual budget figures have been prepared in accordance with the GRAP standards, and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements.

The annual budget figures included in the financial statements are for the Municipality and these figures are those approved by the Council at the beginning and during the year.

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 beginning of July to end of June.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting.

Comparative information is not required.

1.31 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

The municipality discloses notes to the annual financial statements particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state
- (c) the amount of the award.

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:

- 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.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.33 Consumer Deposits

Consumer Deposits represents funds received by the municipality as security for payment of consumer accounts. The amount represent the actual cash received and can either be paid back or set off against an consumer account. The gross un-utilised deposit amount is indicated. No interest is paid to the consumers on the deposits held by the municipality.

1.34 Trade payables

A liability is a present obligation of a municipality arising from past events, the settlement of which is expected to result in an outflow from the municipality of resources embodying economic benefits or service potential.

Payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier (and include payments in respect of social benefits where formal agreements for specified amounts exist).

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand

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2022

2. New standards and interpretations**2.1 Standards and interpretations issued, but not yet effective**

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (as revised): Heritage Assets	TBA	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	TBA	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	Unlikely there will be a material impact

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3. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	103,830,766	-	103,830,766	96,398,574	-	96,398,574

Reconciliation of investment property - June 2023

	Opening balance	Disposals	Transfers	Fair value adjustments	Total
Investment property	96,398,574	(2,040,000)	(3,475,000)	12,947,192	103,830,766

Reconciliation of investment property - June 2022

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	81,077,025	(1,380,000)	16,701,549	96,398,574

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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. None of the assets of the Municipality has been pledged as security for any purposes.

The valuation of the Investment properties was performed by an independent valuator, Uniqueco property valuers (Pty) Ltd. Year-on-year increases were calculated based on the average sales data collected for each township within the larger municipal area.

Amounts recognised in surplus or deficit

There were no direct operating expenses and repairs and maintenance for Investment property that generated rental revenue for the 2022 and 2023 year

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4. Property Plant and Equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	173,835,386	-	173,835,386	173,835,386	-	173,835,386
Buildings	132,294,569	(78,814,168)	55,480,401	131,749,299	(72,588,049)	59,161,250
Leased assets capitalised	19,329,969	(3,927,389)	15,402,570	21,355,619	(1,028,004)	20,327,615
Roads Infrastructure	1,089,188,333	(525,541,962)	563,646,371	1,064,338,682	(487,978,210)	576,360,472
Solid Waste Infrastructure	25,514,856	(14,918,732)	10,596,124	29,115,040	(14,181,913)	14,933,127
Electrical Infrastructure	118,822,688	(51,118,801)	67,702,887	101,714,688	(46,565,061)	55,149,637
Community	31,029,037	(15,628,344)	15,400,893	30,273,423	(14,568,055)	15,675,368
Furniture and Office Equipment	10,280,812	(7,385,828)	2,894,984	9,188,577	(6,734,946)	2,453,631
Machinery and Equipment	28,764,418	(16,684,017)	12,080,401	26,986,214	(13,746,216)	13,239,998
Computer Equipment	7,749,121	(4,414,980)	3,334,161	5,859,018	(3,672,976)	2,186,042
Transport Assets	50,802,202	(37,642,161)	13,160,041	50,723,252	(32,955,432)	17,767,820
Capital - Work in Progress	184,356,799	(5,639,747)	176,717,052	131,883,906	(3,824,558)	128,059,348
Total	1,871,968,190	(759,717,119)	1,112,251,071	1,777,023,114	(697,873,420)	1,079,149,694

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Reconciliation of property plant and equipment - June 2023

	Opening balance	Additions	Disposals	Transfers	Donations	Changes in Landfill site valuation	Depreciation	Impairment loss	Total
Land	173,835,386	-	-	-	-	-	-	-	173,835,386
Buildings	59,161,250	247,305	(25,084)	352,820	-	-	(3,983,204)	(272,686)	55,480,401
Leased assets capitalised	20,327,615	2,744,689	(4,244,953)	-	-	-	(3,424,781)	-	15,402,570
Roads Infrastructure	576,360,472	-	(50,686)	25,078,313	-	-	(37,522,060)	(219,668)	563,646,371
Solid Waste Infrastructure	14,933,127	733,810	-	-	-	(4,333,994)	(736,819)	-	10,596,124
Electrical Infrastructure	55,149,637	-	(164,806)	18,035,819	-	-	(5,317,593)	(368)	87,702,887
Community	15,675,368	506,614	-	249,000	-	-	(1,030,289)	-	15,400,693
Furniture and Office Equipment	2,453,631	1,061,251	(332)	41,288	-	-	(651,175)	(9,679)	2,894,984
Machinery and Equipment	13,239,998	2,148,010	(812,177)	80,123	919,900	-	(2,454,511)	(1,020,942)	12,080,401
Computer Equipment	2,186,042	1,930,203	(18,384)	-	-	-	(722,254)	(41,446)	3,334,161
Transport Assets	17,767,820	78,951	-	-	-	-	(3,410,703)	(1,276,027)	13,160,041
Capital - Work in Progress	128,059,348	96,683,132	-	(44,210,239)	-	-	-	(1,815,189)	178,717,052
	1,079,149,694	106,133,965	(5,316,224)	(392,876)	919,900	(4,333,994)	(59,253,389)	(4,656,005)	1,112,251,071

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Reconciliation of property plant and equipment - June 2022

	Opening balance	Additions	Disposals	Transfers	Changes in Landfill site valuation	Depreciation	Impairment loss	Total
Land	175,308,486	-	-	(10,500,000)	-	-	9,026,900	173,835,386
Buildings	63,444,160	33,382	(254,169)	-	-	(4,062,123)	-	59,161,250
Leased assets capitalised	19,356,917	21,355,619	-	(19,356,917)	-	(1,028,004)	-	20,327,615
Roads Infrastructure	587,851,991	-	(356,287)	27,430,701	-	(37,643,802)	(922,151)	576,380,472
Solid Waste Infrastructure	18,281,663	-	(12,706)	-	(2,302,231)	(1,033,586)	-	14,933,127
Electrical Infrastructure	45,247,186	-	(2,813,490)	17,548,770	-	(4,814,794)	(18,035)	55,149,637
Community	17,394,727	-	(569,389)	-	-	(1,149,970)	-	15,675,368
Furniture and Office Equipment	2,875,972	257,189	(5,280)	-	-	(659,756)	(14,491)	2,453,631
Machinery and Equipment	5,441,038	-	(22,125)	10,155,324	-	(2,333,303)	(936)	13,239,998
Computer Equipment	1,714,262	1,051,130	(22,937)	-	-	(553,704)	(2,709)	2,186,042
Transport Assets	11,734,927	1,079,462	(462,729)	9,201,582	-	(3,785,452)	-	17,787,820
Capital - Work in Progress	91,795,861	83,111,727	-	(43,023,482)	-	-	(3,824,558)	128,059,348
	1,040,446,990	106,888,529	(4,519,092)	(8,544,012)	(2,302,231)	(57,064,510)	4,244,020	1,079,149,694

Donations

The municipality has recently received a generous donation, the TLB GEHLMODEL GBL-X-900, from the Department of Forestry, Fisheries, and the Environment. This donation falls under the category of Machinery and Equipment and was obtained through a non-exchange transaction. Its value at the time of acquisition was assessed at its fair market value.

No assets have been pledged as security, and there are no restrictions placed upon them

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Property, plant and equipment in the process of being constructed or developed

Below are halted property, plant and equipment that are taking a significantly longer period of time to complete than expected.

Project Name	Property, plant and equipment class	Impairment losses recognised	Reason for halting the construction	Impairment June 2023	Carrying value of halted projects June 2023	Impairment June 2022	Carrying value of halted projects June 2022
Electrification of Zenzele	Work in Progress	Yes	Projects implemented on land that is privately owned	1,599,122.00	1,308,372.00	-	2,907,493.93
Fencing of Elandsdoorn Cemetery	Work in Progress	Yes	The project was disrupted by community	216,066.96	-	648,202.04	216,066.96
Total				1,815,188.96	1,308,372.00	648,202.04	3,123,560.89

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Below are delayed property, plant and equipment that are taking a significantly longer period of time to complete than expected.

Project Name	Property, plant and equipment class	Impairment losses recognised	Reason for the delay	Impairment June 2023	Carrying value of halted projects June 2023	Impairment June 2022	Carrying value of halted projects June 2022
Kgaphamadi Bus Road Phase 1E	Work in Progress	No	The project had delays that negatively affected the finalization of the remaining snaglist on site		43,440,141		43,440,141
Groblerdal Landfill site	Work in Progress	No	Designs not compliant with new Department of Water and Sanitation standards/ requirements on landfill sites		13,143,210		9,795,810
Upgrading of Bloempoort to Uitspanning Access Road	Work in Progress	No	Slow production and supply of concrete		38,827,122		18,138,858
Upgrading of Tafelkop stadium Access Road	Work in Progress	No	Unforeseen site conditions - wetland and hard rock		39,987,346		16,621,048
Total					135,397,818		87,995,857

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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

Repairs and maintenance on solid waste and roads

26,056,467 10,849,640

Reconciliation of Work-in-Progress

Category	Opening balance	Expenditure	Transfers	Impairment	Closing balance
Community Assets	216,067			-216,067	
Electrical Infrastructure	20,552,248	20,293,189	-18,677,695	-1,599,122	20,568,621
Land		1,075,000			1,075,000
Roads Infrastructure	96,399,205	69,808,313	-25,078,314		141,129,204
Solid Waste Infrastructure	9,795,810	4,183,400			13,979,210
Grand Total	126,963,329	95,359,902	-43,756,009	-1,815,189	176,752,035

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. None of the assets of the Municipality has been pledged as security for any purposes.

Certain assets were impaired during the year, based on physical verification that was performed during current year and comparative year.

The impairment review was limited to review of the possible "Physical impairment" of the assets. This impairment review is therefore directly linked to the high-level condition assessment carried out on the assets that have been physically verified. Impairment was raised in cases where the carrying amount at year end (Including accumulated impairment in prior years but before current year impairment losses) exceeded the recoverable service amount calculated. The additional impairment will be equal to the difference between the carrying value and the recoverable service amount.

Once the condition of an asset is determined the condition rating is applied in order to ensure that the value of the asset is correctly reflected, this is done by reducing the carrying value of the asset based on its condition, as per the table below:

Description	Rating
Very Good	95%
Good	70%
Fair	45%
Poor	25%
Very Poor	10%
Broken	0%

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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5. Heritage Assets

	2023			2022		
	Cost / Valuation	Accumulated impairment	Carrying value	Cost / Valuation	Accumulated impairment	Carrying value
Heritage Assets	463,363	-	463,363	463,363	-	463,363

Reconciliation of heritage assets - June 2023

	Opening balance	Total
	463,363	463,363
Heritage Assets		

Heritage assets include Municipal Jewellery and traditional work of art.

Reconciliation of heritage assets - June 2022

	Opening balance	Total
	463,363	463,363
Heritage Assets		

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6. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,554,591	(1,546,191)	6,400	1,553,213	(1,540,430)	12,783

Reconciliation of intangible assets - June 2023

	Opening balance	Amortisation	Total
Computer software	12,783	(6,383)	6,400

Reconciliation of intangible assets - June 2022

	Opening balance	Disposals	Amortisation	Total
Computer software	22,582	(1,378)	(8,401)	12,783

Other information

The residual value, and the useful life and amortisation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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7. Employee benefit obligations**Defined benefit plan**

The municipality provides a Defined Benefit Plan to its employees. A defined contribution plan is a type of retirement plan in which the municipality and employee both make contributions on a monthly basis.

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

Members contribute according to sliding tables of contribution rates which differentiate between them on the type and number of dependents. Some options also differentiate on the basis of income.

Eligible employees will receive a post-employment subsidy of either 60% or 70% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependents receive a subsidy of either 60% or 70%. Upon a member's death-in-service, surviving dependents are not allowed to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependents are allowed to continue to receive the same subsidy.

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependents receive a 60% subsidy.

Upon a member's death-in-service, surviving dependents are not entitled to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependents are entitled to continue to receive the same subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum for the year ending 30 June 2023 and 2024 is an assumed value of R5,007 and R 5,277 per member per month respectively. The maximum subsidy amount has been assumed to increase in future at 75% of salary inflation.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the Post Employment Medical Health Care obligation -Opening	(24,531,000)	(24,324,000)
Interest charge	(2,845,000)	(2,378,000)
Net actuarial gains or losses recognised	3,698,882	2,084,200
Current Service Cost	(1,068,000)	(1,025,000)
Benefits paid out of the fund	831,118	1,111,799
	(23,914,000)	(24,531,000)
Non-current liabilities	(23,010,000)	(23,583,000)
Current liabilities	(904,000)	(948,000)
	(23,914,000)	(24,531,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	16,015,002	15,808,001
Net expense recognised in the statement of financial performance	(617,000)	207,001
	15,398,002	16,015,002

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Net expense recognised in the statement of financial performance		
Current service cost	1,068,000	1,025,000
Interest cost	2,845,000	2,378,000
Actuarial (gains) losses	(3,698,882)	(2,084,200)
Paid out to current members	(831,118)	(1,111,799)
	(617,000)	207,001

Calculation of actuarial gains and losses

Actuarial (gains) losses	(3,698,882)	(2,084,201)
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Key assumptions used

Assumptions used at the reporting date:

Discount rates used: Long service awards	11.20 %	11.03 %
General salary inflation (Long Term)	6.52 %	7.33 %
Nett effective discount rate - Long service awards	4.39 %	3.45 %
Discount rate used: Post employment benefits	12.48 %	11.82 %
Health care inflation rate	8.09 %	8.43 %
Net effective discount rate - Post employment benefits	4.06 %	3.13 %

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost (defined benefit obligation)	3,605,000	3,549,000
Effect on defined benefit obligation	21,178,000	27,268,000
Effect on the aggregate of the service cost and interest cost (Long service awards)	-	1,657,000
Effect on Long service awards obligation	-	8,377,000

Amounts disclosed span the total information available as the municipality applied the GRAP standard only from 2017 annual financial statements. Future periods will include all further information as it ages.

	2023 R	2022 R	2021 R	2020 R	2019 R
Defined benefit obligation	23,914,000	24,531,000	24,324,000	33,047,000	36,472,000
Experience adjustments on plan liabilities	(450,000)	(957,000)	(2,118,000)	174,000	(2,204,000)
Long service award	2023 R	2022 R	2021 R	2020 R	2019 R
Experience adjustments on plan liabilities	8,835,000	8,099,000	7,416,000	6,900,000	6,010,000
	341,553	750,854	774,714	455,307	582,882

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8. Deposit (Security held in advance)

A security deposit is held by Eskom who is the bulk electricity supplier to the municipality. The Municipality occasionally pays additional deposits as required by the supplier. The deposit attracts interest at rates determined by the supplier on an annual basis. The annual interest is accounted for in the additional deposit amounts held and the relevant interest earned amount on the statement of financial performance. The amount equals approximately twice the monthly account and will be held until the service is no longer required.

Eskom Deposits

Account payable security

17,280,638

16,536,410

9. Inventories

Consumables	14,243,291	9,854,683
Unsold Properties Held for Resale	12,036,466	8,561,466
	26,279,757	18,416,149

9.1 Consumables expenses

Inventories recognised as expenses during the year are included in different expenditure line items in the statement of financial performance as illustrated below.

Statement of Financial Position

Opening stock	9,854,683	11,081,710
Add: Purchases	22,010,106	19,900,034
Less: Consumed	-17,621,499	-21,127,060
Closing stock	14,243,290	9,854,683

Statement of Financial Performance

Repairs And Maintenance used	6,676,219	7,278,941
Printing And Stationery used	2,203,657	1,462,005
Materials and supplies	4,909,320	3,728,321
Inventories recognised as an expense during the year	13,789,196	12,469,267

Inventories Recognised as Non current assets

3,328,195

8,657,793

Total inventory consumed**17,117,391****21,127,060****Inventory pledged as security**

There is no inventory pledged as security.

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10. Receivables from exchange transactions		
Guarantees	-	865,000
Prepayments	-	206,630
Trade debtors	2,708,428	2,960,701
	2,708,428	4,032,331
11. Receivables from non-exchange transactions		
Traffic fines	113,810,372	4,367,127
Less: Provision for irrecoverable debt traffic fines	(111,085,316)	(1,142,466)
Debit orders to be recovered	104,296	478,701
	2,829,352	3,703,362
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	1,142,466	3,500,372
Provision for impairment	112,249,050	(2,357,906)
Amounts written off as uncollectible	(2,306,200)	-
	111,085,316	1,142,466
As of 30 June 2023, traffic fines debtors of R113 810 372 (2022: R 4 367 127) were impaired and provided for.		
The amount of the provision was R111 085 316 as at 30 June 2023 (2022: R 1 142 466).		
Bad debts written off against allowance amounted to R2 306 200 in the year 2023.		
Fines, Penalties and Forfeits revenue		
The breakdown of traffic fine revenues is as follows, the increase in revenue can be attributed to the introduction of a new camera system for monitoring traffic violations.		
Traffic fines revenue	115,081,135	2,236,200
Other penalties	358,025	-
	115,439,160	2,236,200
12. VAT receivable		
VAT Accrual	14,180,311	12,446,201
VAT Cash basis	6,637,128	1,953,500
	20,817,439	14,399,701

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VAT receivable is a statutory receivable per GRAP 108.

In terms of the VAT Act, 1991 (Act No. 89 of 1991) and its amendments, municipalities must be VAT registered and must declare Output tax on the taxable supply of goods and services and claim Input tax credits on expenses incurred in the course or furtherance of the enterprise (the taxable supplies).

That VAT balance accumulates every time the municipality transact in taxable supplies.

The transaction amount is determined by multiplying the standard-rated supplies by 15% and Zero-rated supplies by 0%.

Statutory receivable are impaired only when SARS reduces an assessment, and the municipality objection is denied by SARS.

There are no VAT balances that are past due as at year end.

The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Due to the accrual basis of accounting applied the amount disclosed for VAT include the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of vat movement items. In terms of the prescribed guidelines only the nett VAT receivable or payable are disclosed.

13. Consumer debtors**Gross balances**

Rates	73,977,965	61,774,080
Electricity	15,104,135	16,699,890
Refuse	24,708,555	21,020,711
Interest exchange	12,673,810	10,827,701
Interest non-exchange	52,486,633	46,721,071
VAT	6,676,432	6,368,905
Other	2,392,999	2,304,905
	188,020,529	165,717,263

Less: Allowance for impairment

Rates	(29,620,215)	(27,321,349)
Electricity	(2,011,977)	(1,768,649)
Refuse	(11,614,253)	(10,169,026)
Interest exchange	(6,194,736)	(5,232,810)
Interest non-exchange	(24,606,397)	(21,653,347)
VAT	(2,311,840)	(2,074,402)
Other	(992,900)	(966,505)
	(77,352,318)	(69,186,088)

Net balance

Rates	44,357,750	34,452,731
Electricity	13,092,158	14,931,241
Refuse	13,094,302	10,851,685
Interest exchange	6,479,074	5,594,891
Interest non-exchange	27,880,236	25,067,724
VAT	4,364,592	4,294,503
Other	1,400,099	1,338,400
	110,668,211	96,531,175

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Rates		
Current (0 -30 days)	4,545,331	3,158,222
31 - 60 days	2,834,012	1,724,169
61 - 90 days	2,193,646	1,327,826
91 - 120 days	2,072,849	1,267,561
121 - 365 days	12,423,323	7,895,706
> 365 days	49,908,804	46,400,596
	73,977,965	61,774,080
Electricity		
Current (0 -30 days)	8,976,645	11,246,717
31 - 60 days	1,521,706	1,810,208
61 - 90 days	456,740	177,449
91 - 120 days	152,407	135,003
121 - 365 days	831,953	779,848
> 365 days	3,164,684	2,550,665
	15,104,135	16,699,890
Refuse		
Current (0 -30 days)	798,968	772,691
31 - 60 days	585,849	571,740
61 - 90 days	427,692	421,746
91 - 120 days	403,632	393,500
121 - 365 days	2,688,876	2,744,676
> 365 days	19,803,538	16,116,358
	24,708,555	21,020,711
Interest		
Current (0 -30 days)	1,256,642	1,765,514
31 - 60 days	1,228,218	1,693,285
61 - 90 days	1,188,070	1,650,851
91 - 120 days	1,205,792	1,609,403
121 - 365 days	7,530,441	10,172,882
> 365 days	52,751,281	40,656,858
	65,160,444	57,548,773
VAT		
Current (0 -30 days)	1,473,121	1,192,631
31 - 60 days	321,962	363,848
61 - 90 days	136,785	94,377
91 - 120 days	88,806	80,904
121 - 365 days	548,730	549,071
> 365 days	4,107,029	3,468,679
	6,676,433	5,749,510
Other		
Current (0 -30 days)	91,822	74,097
31 - 60 days	26,527	50,016
61 - 90 days	29,798	29,784
91 - 120 days	50,735	28,630
121 - 365 days	161,397	154,529
> 365 days	2,032,720	1,967,849
	2,392,999	2,304,905

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	8,708,675	10,031,740
31 - 60 days	3,085,088	3,060,173
61 - 90 days	2,238,487	2,067,963
91 - 120 days	2,046,589	1,991,573
121 - 365 days	13,387,603	12,897,554
> 365 days	81,316,274	64,839,826
	110,782,716	94,888,849
Less: Allowance for impairment	(47,574,419)	(40,975,482)
	63,208,297	53,913,367
Industrial/ commercial		
Current (0 -30 days)	7,486,597	8,080,105
31 - 60 days	2,688,034	2,855,205
61 - 90 days	1,557,217	1,510,078
91 - 120 days	1,471,774	1,436,586
121 - 365 days	8,951,079	8,832,640
> 365 days	45,300,996	42,265,441
	67,455,697	64,980,055
Less: Allowance for impairment	(26,552,085)	(26,040,195)
	40,903,612	38,939,860
National and provincial government		
Current (0 -30 days)	942,881	717,423
31 - 60 days	740,775	297,868
61 - 90 days	632,651	123,973
91 - 120 days	416,487	86,842
121 - 365 days	1,846,039	566,518
> 365 days	5,150,786	4,055,737
	9,729,619	5,848,361
Less: Allowance for impairment	(3,218,210)	(2,170,412)
	6,511,409	3,677,949
Total		
Consumers	110,835,212	94,888,848
Commercial / industrial / agricultural	67,455,698	64,980,055
National, Provincial and other government organisations	9,729,619	5,848,360
	188,020,529	165,717,263
Less: Allowance for impairment	(77,352,318)	(69,186,088)
	110,668,211	96,531,175
Reconciliation of allowance for impairment		
Balance at beginning of the year	(69,186,088)	(51,722,229)
Contributions to allowance	(13,858,651)	(17,463,859)
Debt impairment written off against allowance	5,692,421	-
	(77,352,318)	(69,186,088)

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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Consumer debtors impaired

As of 30 June 2023, consumer debtors of R 188 020 529 (2022: R 165 717 263) were impaired and provided for.

The amount of the provision was R 77,352,318 as at 30 June 2023 (2022: R (69,186,088). The basis of the calculation of debt impairment is based on the risk assessment required in terms of GRAP 19.

Debt impairment written off against allowance amounted to R5,692,421 as at 30 June 2023 and zero as at 30 June 2022.

Consumer debtors breakdown

The carrying amount of consumer debtors consist of the following:

Consumer debtors from non-exchange transactions	72,237,986	59,520,455
Consumer debtors from exchange transactions	38,430,225	37,010,720
Total	110,668,211	96,531,175

Statutory receivables - Property rates

Net property rates	44,357,750	34,452,731
Net interest on property rates	27,880,236	25,067,724
	72,237,986	59,520,455

Property rates is tax levied in terms of Local Government Property Rates Act, Act No. 6 of 2004. The Act empowers the municipality to adopt by-laws to give effect to the implementation of its rates policy i.e., levying of property rates on all rateable property in its area (except as provided otherwise within law).

The municipality recognise statutory receivables using GRAP 23 at their transaction amount per approved tariffs through billing..

The municipality measure 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:

- (a) interest or other charges that may have accrued on the receivable;
- (b) impairment losses; and
- (c) any amounts derecognised

The municipality derecognise a statutory receivable, or a part thereof, when the rights to the cash flows from the receivable are settled, expire or are waived.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68,801	6,799
Bank balances	7,564,302	4,703,231
Short-term deposits	25,459,761	10,000,000
	33,092,864	14,710,030

Short-term deposits for 2022 year was correctly disclosed by splitting the balance between Short-term deposits and Bank balances. This did not change the total abalance for Cash and cash equivalents.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

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The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Nedbank Limited: Cheque Account (Acc no 1137278765)	7,478,441	-	4,581,155	7,564,302
Nedbank Limited: Call Account (1211262103)	-	-	9,999,575	-
Absa (Acc no 2081036577)	25,459,760	-	-	25,459,760
Total	32,938,201	-	14,580,730	33,024,062
				- 14,703,231

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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15. Finance lease obligation		
Minimum lease payments due		
- within one year	11,025,449	8,117,986
- in second to fifth year inclusive	8,030,484	13,810,318
	<hr/>	<hr/>
less: future finance charges	19,055,933	21,928,304
	(1,924,789)	(2,588,102)
Present value of minimum lease payments	17,131,144	19,340,202
	<hr/>	<hr/>
Non-current liabilities	7,636,923	12,702,191
Current liabilities	9,494,222	6,638,009
	<hr/>	<hr/>
	17,131,145	19,340,200

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases were secured by the lessor's charge over the leased assets. Refer note 4.

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2023	2022
Land Affairs Grant	466,250	466,250
Integrated National Electrification Programme (Municipal Grant)	-	5,396,288
Municipal Infrastructure Grant	20,710,297	60,192
CoGHSTA - Development of Masakaneng	299,762	299,762
Education Training and Development Practices SETA	624,858	266,852
	<hr/>	<hr/>
	22,101,167	6,489,344

The nature and extent of government grants recognised in the 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.

Additional allocation for Municipal Infrastructure Grant of R32 000 000 was received during March 2023. The additional allocation was not originally gazetted.

See note 27 for reconciliation of grants from National/Provincial Government.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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17. Deferred income**At amortised cost**

Deferred income - Long term portion	2,749,999	2,942,982
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At amortised cost

Deferred income - Short term portion	192,983	192,983
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The municipality received R 5 500 000 in advance for the market related lease of a business property. As part of the lease agreement these payments are amortised over 25 years lease term. No escalation is applicable on the lease and the lease payments are amortised utilising the straight line method. The lease amounts to R 192 982 per annum excluding VAT (value added tax). The remaining term is 15 years.

The total obligation as at year end is R2 942 982 (2023) and R3 135 965 (2022)

Non-current liabilities

Deferred income	2,749,999	2,942,982
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Current liabilities

Deferred income	192,983	192,983
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ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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18. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Current Service Cost/Change in provision	Benefit Vested	Interest Cost	Actuarial Loss / (Gain)	Total
Environmental rehabilitation - Landfill	84,647,027	(4,333,994)	-	7,921,692	-	88,234,725
Provision for Long Service Leave	8,099,000	819,000	(811,553)	865,000	(136,447)	8,835,000
	92,746,027	(3,514,994)	(811,553)	8,786,692	(136,447)	97,069,725

Reconciliation of provisions - 2022

	Opening Balance	Current Service Cost/Change in provision	Benefit Vested	Interest Cost	Actuarial Loss / (Gain)	Total
Environmental rehabilitation - Landfill	46,628,201	(2,302,231)	-	5,744,051	-	50,070,021
Provision for Long Service Leave Bonus	7,416,000	757,000	(1,331,854)	646,000	611,854	8,099,000
	54,044,201	(1,545,231)	(1,331,854)	6,390,051	611,854	58,169,021

Non Current Portion Landfill site provision	78,818,668	76,725,335
Current Portion Landfill site provision	9,416,057	7,921,692
Non-current portion of long service leave provision	7,124,000	7,563,000
Current portion of long service leave provision	1,711,000	536,000
	97,069,725	92,746,027

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Employee benefit cost provision

An actuarial valuation was performed on the long service bonus awards - current and non current - liability for the purpose of reporting under the statement of Generally Recognised Accounting Practice 25 (GRAP 25) of the Accounting Standards Board (ASB) Directive 5, which is based on the International Accounting Standards 19 (IAS 19) was performed.

In terms of the basic conditions of employment long service accumulated leave must be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.

Detailed assumptions are disclosed under note 7

Environmental rehabilitation provision

An actuarial valuation was performed on the environmental rehabilitation - current and non current - liability. The municipality appointed external experts to perform the rehabilitation review and estimation for the 2022 and 2023 financial year. The appropriate procedures were followed to ensure that the provision is appropriate for the landfill sites operated.

Key financial assumptions used

Discount Rate Assumption

Accounting Standard GRAP19 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term/life of the landfill site.

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, government bond rates are considered a more appropriate indicator of the risk associated with the municipality.

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.

For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used. For landfills with an expected remaining life of four or five years, the rate associated with a maximum period of 5 years is used. For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used

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 quarter amounted to 6.1716%.

Rates and information used:

Net present value calculations based on the Government Bond Yield Rates.

The landfill closure provision is calculated as the net present value of future cash flows.

Assumption	Roossenekal and Dennilton landfills	Groblersdal landfill
CPI	6.17%	6.17%
Discount rate	10.67%	10.92%
Net effective discount rate	4.5%	4.75%

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Annual Financial Statements for the year ended 30 June 2023

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Landfill site	Date License Issued	Date of License Expiry	Years valid	Remaining life in yrs on 30 April 2023	Remaining life in yrs on 30 June 2022
Groblersdal	7/4/2011	7/4/2027	16	3.77	4.77
Roossenekal	17/12/2020	16/4/2025	5	1.88	2.8

19. Payables from exchange transactions

Trade payables	41,281,952	44,585,958
Credit balances on receivables	3,579,915	3,337,314
Accrued leave pay	20,962,404	20,977,717
Accrued bonus	8,978,188	8,593,445
Retention Creditors	17,752,110	17,002,919
Unallocated deposits	2,686,277	2,877,637
	95,240,846	97,374,990

Payments received in advance Consumer Accounts is now renamed to **Credit balances on receivables** to improve fair presentation of financial statements.

20. Payables from non - exchange transactions

SARS tax directives	-	499,189
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Tax directives are instructions from SARS to the municipality on how to deduct employees' tax from lump sum payments which are not covered by the prescribed tax table.

21. Consumer deposits

Electricity	5,757,651	5,621,490
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The electricity deposit relates to the guarantees or amounts paid by consumers on initial connection to municipal services. The deposit will be used to settle the debt in case of disconnection of services or payment default by the customer.

22. Service charges

Sale of electricity	90,413,502	98,370,604
Refuse removal	9,536,928	9,382,773
	99,950,430	107,753,377

23. Other income

Staff Recoveries	-	639,276
Other income	1,246,976	1,415,317
	1,246,976	2,054,593

Other income comprises of income from different sources as follows: Tender Documents, Plan Printing and Duplicates, Administrative fees, Cemetery and Burial, Clearance Certificates, Insurance Refund, Bad Debts Recovered, General recoveries, Valuation Services, Building Plan Approval, Photocopies and Faxes, Application Fees for Land Usage, Photocopies, Facilities and Advertisements.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
24. Interest revenue		
Revenue from exchange transactions		
Bank and investments	2,251,709	1,779,822
Interest received on Eskom deposits	744,228	528,162
Interest charged on exchange consumer debtors	2,645,325	3,525,804
	5,641,262	5,833,788
Revenue from non-exchange transactions		
Interest charged on non-exchange consumer debtors	11,554,498	15,229,408
	17,195,760	21,063,196
25. Property rates		
Rates billed		
Rates levied	66,302,265	47,634,929
Less: Income forgone (Property rates rebates)	(11,256,705)	(7,721,693)
	55,045,560	39,913,236
Valuations		
Residential	2,910,664,100	2,451,732,500
Commercial	1,347,450,602	1,080,581,000
State	861,054,945	219,497,050
Municipal	303,886,954	316,749,100
Small holdings and farms	6,675,488,503	4,354,758,725
Social	62,780,000	59,886,000
	12,161,325,104	8,483,204,375
The municipality implemented the new valuation roll effective on 1 July 2022. Supplementary valuations will be processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.		
26. Grants and subsidies paid		
Other subsidies		
Assets transferred to Eskom	3,061,722	-
Electricity Subsidies	763,345	1,232,051
Bursaries	335,501	315,264
Post Employment Medical Aid Benefits - Interest Charge	1,086,000	1,044,000
	5,246,568	2,591,315

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
27. Government grants and subsidies		
Operating grants		
Equitable share	334,259,479	302,788,000
Expanded Public Works Programme Integrated Grant for Municipalities	1,796,000	2,199,000
Local Government Financial Management Grant	2,850,000	2,650,000
	338,905,479	307,637,000
Capital grants		
Municipal Infrastructure Grant (MIG)	73,895,703	57,923,808
Integrated National Electrification Programme Grant (INEP)	17,000,000	16,392,323
	90,895,703	74,316,131
	429,801,182	381,953,131
Municipal Infrastructure Grant (MIG)		
Balance unspent at beginning of the year	60,192	-
Current-year receipts	94,606,000	57,984,000
Conditions met - transferred to revenue	(73,895,703)	(57,923,808)
Amount transferred to NRF	(60,192)	-
	20,710,297	60,192
Conditions still to be met - remain liabilities (see note 16).		
Financial Management Grant (FMG)		
Current-year receipts	2,850,000	2,650,000
Conditions met - transferred to revenue	(2,850,000)	(2,650,000)
	-	-
Land Affairs Grant		
Balance unspent at beginning of the year	466,250	466,250
Conditions still to be met - remain liabilities (see note 16).		

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
INEP-Integrated national Electrification Programme Grant		
Balance unspent at beginning of the year	5,396,674	440,611
Current-year receipts	17,000,000	21,348,000
Conditions met - transferred to revenue	(17,000,000)	(16,391,937)
Amount transferred to NRF	(5,396,674)	-
	-	5,396,674
Expanded Public Works Programme Integrated Grant for Municipalities (EPWP)		
Current-year receipts	1,796,000	2,199,000
Conditions met - transferred to revenue	(1,796,000)	(2,199,000)
	-	-
Education Training and Development Practices SETA		
Balance unspent at beginning of the year	(266,852)	(266,852)
Current-year receipts	(358,006)	-
	624,858	(266,852)
Conditions still to be met - remain liabilities (see note 16).		
COGHSTA - Development of Masakaneng		
Balance unspent at beginning of the year	299,762	299,762
Conditions still to be met - remain liabilities (see note 16).		

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
28. Employee related costs		
Acting allowances	1,112,892	524,057
Bargaining Council	44,032	42,949
Basic salary	107,190,363	101,517,761
Bonus	8,490,487	8,091,856
Car allowance and travel	15,557,229	13,926,941
Cellphone and uniform allowances	1,986,900	2,046,783
Contribution to provision for Leave and bonus pay	1,376,263	1,576,333
Defined contribution plans	19,902,915	20,035,395
Housing benefits and allowances	254,965	219,908
Medical aid - company contributions	6,016,672	5,522,224
Overtime payments	1,390,702	1,990,184
Post Employment Medical Aid Benefits and Long Service Leave - Current	1,887,000	1,737,981
Service Charge		
Post Employment Medical Aid Benefits and Long Service Leave - Interest	2,624,000	1,980,000
Charge		
SDL	1,320,270	1,258,762
UIF	729,328	726,257
	169,884,018	161,197,391

Included in the above balances is (unless stated otherwise) the remuneration for the following s57 municipal employees:

Remuneration of Acting Directors Director Planning and Development

Acting allowance (B Sethoja - July 2021 to June 2022)	-	24,357
Acting allowance (B Sethoja - July 2022 to June 2023)	78,288	-

Remuneration of Municipal Manager - M Kgwale

Annual Remuneration	887,491	1,081,664
Car and other allowances	108,000	108,000
Contributions to Medical and Pension Funds	132,389	106,334
Contribution to UIF and SDL	13,510	14,463
Annual Bonus	77,971	91,988
Contribution to Bargaining Council	130	124
Cellphone and other allowance	36,632	30,000
	1,256,123	1,432,573

Remuneration of Director of Community Services - M Mohlala

Annual Remuneration	531,082	-
Car Allowance	87,567	-
Acting Allowances	6,658	-
Cellphone and other allowance	20,700	-
Contribution to UIF and SDL	7,912	-
Contribution to Bargaining Council	97	-
Contributions to Medical and Pension Funds	69,014	-
Annual Bonus	13,513	-
	736,543	-

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Figures in Rand	2023	2022
Remuneration of Former Director of Community Services - G Kegopotsemang		
Annual Remuneration	-	977,387
Car Allowance	-	60,000
Contributions to Medical and Pension Funds	-	55,005
Cellphone allowance	-	27,600
Contribution to UIF and SDL	-	14,012
Contribution to Bargaining Council	-	124
Annual Bonus	-	117,976
	<hr/>	<hr/>
		1,252,104
Backpay amounting to R37,342 was effected in line with upper limit gazette' number 48789.		
Director of Infrastructure Services - M Malungana		
Annual Remuneration	59,780	-
Car Allowance	15,000	-
Contributions to UIF, Medical and Pension Funds	895	-
Contribution to Bargaining Council	11	-
	<hr/>	<hr/>
	75,686	-
Remuneration of Acting Directors Community Services		
Acting Allowance (M Mokhulwane) (1 July 2022 to 30 Septeber 2022)	17,801	-
Acting Allowance (C Coetzee - 2022) (September 2021)	-	2,832
Acting Allowance (N Mahlangu - 2022) (January 2022)	-	3,739
	<hr/>	<hr/>
	17,801	6,571
Remuneration of Director of Corporate Services - N Matumane		
Annual Remuneration	296,830	1,152,805
Car Allowance	44,747	42,902
Cellphone and other allowance	6,900	27,600
Anual Bonus	-	68,008
Contribution to Bargaining Council	32	124
Contribution to UIF and SDL	3,449	13,729
	<hr/>	<hr/>
	351,958	1,305,168
Backpay amounting to R37,342 was effected in line with upper limit gazette' number 48789		
Additional text		
Remuneration of Acting Director Infrastructure		
Acting Allowance (J Malaka July 2021 - June - 2022)	-	8,794
Acting Allowance (J Malaka) (July 2022- May 2023)	24,874	-
	<hr/>	<hr/>
	24,874	277,889

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
Remuneration of Acting Director of Corporate Services		
Acting Allowance (J Maboa) (July 2022- June 2023)	39,506	-
29. Remuneration of councillors		
Mayor	963,229	963,583
Speaker	780,430	776,695
Executive Committee Councillors	4,712,173	4,991,190
Ordinary Councillors	18,184,854	17,871,826
Chief Whip	744,803	743,687
	25,385,487	25,346,981
In-kind benefits		
The Mayor, Speaker, Chief Whip and four full time Exco councillors (MMC Finance, MMC Infrastructure, MMC Corporate services and MMC Development planning) are provided with an office and administrative support at the cost of the Council		
It is certified in the accounting officer's report that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 29 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
The additional disclosures as required by the Municipal Finance Management Act of 2003 as part of the MFMA disclosure note 53		
Remuneration of Mayor		
Car Allowance	229,606	226,213
Annual Remuneration	598,971	580,919
Contributions to Medical and Pension Funds	89,846	113,364
SDL	7,607	7,319
Cellphone and other	37,200	36,200
	963,230	964,015
Remuneration of Speaker		
Car Allowance	186,038	184,432
Annual Remuneration	479,180	474,003
Contributions to Medical and Pension Funds	71,877	71,629
SDL	6,136	5,894
Cellphone and other	37,200	40,800
	780,431	776,758
Remuneration of Executive Committee		
Annual bonus	60,000	36,000
Car Allowance	1,154,254	1,165,694
Annual Remuneration	2,763,160	2,982,656
Contributions to Medical and Pension Funds	396,979	423,979
SDL	37,781	39,418
Cellphone and other	300,000	357,800
	4,712,174	5,005,547
Remuneration of Chief Whip		

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Car Allowance	184,951	182,853
Annual Remuneration	449,417	424,611
Contributions to Medical and Pension Funds	67,413	90,243
Cellphone and other	37,200	40,800
SDL	5,822	5,613
	744,803	744,120

Remuneration of Ordinary Councilors

Annual bonus	2,500	-
Car Allowance	4,256,775	3,991,583
Annual Remuneration	10,353,141	10,320,659
Contributions to Medical and Pension Funds	1,517,021	1,385,960
Cellphone and other	1,910,400	2,020,919
SDL	145,018	141,663
	18,184,855	17,860,784

30. Finance costs

Finance leases	4,332,117	523,929
Late payment of creditors	71,123	2,449
	4,403,240	526,378

Total Lease interest expense for 2023 financial year and 2022 financial year are calculated using the effective interest rate linked to prime.

31. Debt impairment

Contributions to debt impairment consumers	13,858,652	17,463,857
Contributions to debt impairment traffic fines	112,249,050	2,226,009
	126,107,702	19,689,866

32. Bulk purchases

Electricity	93,184,759	97,948,551
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Figures in Rand	2023	2022
33. General expenses		
Administration and management fees	3,713,232	1,581,046
Advertising	297,570	450,621
Assets expensed	70,558	96,310
Audit Committee	986,220	992,975
Auditors remuneration	6,210,132	5,553,965
Bank charges	545,393	414,394
Bursaries	636,301	483,875
Community services - developmental and outreach programmes	307,432	140,117
Conferences and seminars	6,562,217	6,837,955
Consulting and professional fees	14,336,449	22,643,428
Consumables	11,393,386	7,754,951
Discount Allowed	109,280	-
Electricity Water and Refuse - Municipal Consumption	10,090,964	8,454,688
Entertainment	11,409	22,040
IT expenses	8,934,994	10,835,054
Insurance	4,969,416	4,840,552
Landfill site - interest landfill rehabilitation provision	7,921,692	5,744,051
Motor vehicle expenses	978,763	764,871
Operation of landfill site	2,468,261	1,236,357
Postage and courier	30,192	48,748
Printing and stationery	6,168,761	4,390,094
Resettlement Cost	-	858
Remuneration to Ward Committees	5,461,500	3,257,600
SARS Adjustments	-	916,595
Security (Guarding of municipal property)	19,998,628	22,023,806
Staff welfare	2,172,780	1,303,164
Subscriptions and membership fees	2,029,649	2,018,209
Telephone and fax	2,979,167	2,023,831
Town planning - Valuation costs	1,879,202	6,635,407
Travel and Subsistence reimbursement	2,909,560	1,658,625
Uniforms	1,851,630	1,780,995
	126,024,738	124,905,182

34. Operating lease Income

Operating leases - as lessor (income)

Minimum lease payments due	2023	2022
- within one year	387,972	589,023
- in second to fifth year inclusive	947,737	1,188,703
- later than five years	1,736,842	2,122,608
	3,072,551	3,900,534
Revenue for the year included Rental income from facilities and equipment	950 485	1 461 166

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Figures in Rand	2023	2022
35. Cash generated from operations		
Surplus/(deficit)	71,454,588	47,308,841
Adjustments for:		
Depreciation and amortisation	59,259,773	57,072,911
Donations received	(919,900)	-
Landfill site - additional interest landfill rehabilitation provision	7,921,692	1,081,774
Loss/(Gain) on sale of assets	4,216,580	4,825,350
Fair value adjustments - actuarial gains and losses	(3,835,329)	(1,472,347)
Fines withdrawn/reduced	1,619,565	1,473,950
Assets expensed/Transferred assets	3,061,722	-
Impairment fixed assets	4,656,004	(4,244,020)
Debt impairment	126,107,702	19,689,866
Discount allowed	109,280	-
Movements in retirement benefit assets and liabilities	(831,118)	(1,111,800)
Movements in provision for long service awards	(811,553)	(1,331,854)
Eskom interest	(744,228)	(528,162)
Deferred Income movement	(192,983)	(192,983)
VAT Adjustments	-	884,685
Post Employment Medical Aid Benefits and Long Service Leave interest	2,973,000	2,781,981
Employee costs contribution to provision for Leave and bonus pay	1,376,263	1,483,136
Post Employment Medical Aid Benefits and Long Service Leave current service cost	2,624,000	1,980,000
Fair Value Adjustments	(12,947,191)	(16,701,549)
Changes in working capital:		
Inventories	(4,388,608)	(11,211,516)
Receivables from exchange transactions	1,326,321	(755,859)
Consumer debtors	(28,104,968)	(31,562,539)
Receivables from non-exchange transactions	(113,458,788)	(3,377,309)
Payables from exchange transactions	(3,507,989)	16,304,287
VAT	(6,417,738)	939,732
Payables from non - exchange transactions	(499,189)	-
Unspent conditional grants and receipts	15,611,822	5,282,722
Consumer deposits	136,161	(156,798)
Debit orders to be recovered	460,166	(148,570)
	126,255,057	88,313,929

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Figures in Rand	2023	2022
36. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	5,380,314	70,984,259
Total capital commitments		
Already contracted for but not provided for	5,380,314	70,984,259
Total commitments		
Authorised capital expenditure	5,380,314	70,984,259

This committed expenditure relates to property, plant and equipment and will be financed by available grants, retained surpluses, existing cash resources and funds internally generated. The commitments disclosed amounts are VAT inclusive.

Finance leases - as lessee (expense)

Finance lease payments represent rentals payable by the municipality for its fleet. These rentals are negotiated for a three year term. No contingent rent is payable.

Minimum lease payments due		
- within one year	11,025,449	8,117,986
- in second to fifth year inclusive	8,030,484	13,810,318
	19,055,933	21,928,304

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	4,126,798	4,860,611
- in second to fifth year inclusive	1,652,458	5,779,256
	5,779,256	10,639,867

Operating lease payments represent rentals payable by the municipality for leased assets used in the day to day operations of the municipality. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years.

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37. Contingent Liabilities

Litigation is in the process against the municipality relating to disputes with stakeholders.

The estimate of the contingent liability is +/- R7,719,318 (June 2023); +/- R 6,648,355 (June 2022)

Some of the comparative amounts/cases were restated.

The litigation matters for the year under review are detailed below as follows:

Type	Attorneys	Parties	Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known)	Status	Estimated claim 2023	Estimated claim 2022
Liability	-	Elias Motsoaledi Local Municipality // Mohlala Leonox	Description: High Court matter. the plaintiff is suing the municipality for contaventing its own Bylaws	Matter pending: The Applicant is delaying the process of the matter for over a year, we stayed the matter and we will await the applicant to move the matter and respond accordingly.	550,000	550,000
Liability	-	Masutha//E mlm	Ms Masutha is alleging that she was unfairly discriminated against due to the fact that her position was a T16 yet she was not remunerated as such.	Matter pending: The Applicant is delaying the process of the matter for over a year, we stayed the matter and we will await the Applicant to move the matter and respond accordingly.	1,586,577	1,586,577
Liability	Masondo Khumalo Inc	Rekhuditse Contract And Cleaning Services // Elias Motsoaledi Local Municipality	The plaintiff was suing the municipality for loss of income and unpaid invoices for services rendered, the total estimated claim was R1 250 409.14 and the matter was finalised and we were instructed to oppose a bill of cost brought by Rekhuditse for their legal cost, which were granted against the Municipality.	Bill of cost opposed and the amount billed and reduced to R85 133,58; The Municipality paid the bill of cost matter finalised.	-	145,134
Liability	Masondo Khumalo Inc	Peri Formwork Scaffolding And Engineering (Pty) Ltd // Elias Motsoaledi Local Municipality Eli1/0016/Ys	The Plaintiff claims an amount of R1 133 352.46 against the Municipality and one of its Contractors, jointly and severally.	The plaintiff refused to send us notice of withdrawal, they indicated that they do not want to miss the opportunity to join the Municipality at the later stage. The Municipality stayed the matter and awaits the Plaintiff to act.	1,333,352	1,333,352

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Type	Attorneys	Parties	Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known)	Status	Estimated claim 2023	Estimated claim 2022
Liability	Setsoalo Mahube Attorneys	Maboe Rachidi //Elias Motsoaledi Local Municipality // C Coetzee / Melinda Marshall	Rachidi is suing the Municipality for unlawful arrest under Case Number: MRCC 104/2011. The Plaintiff Mr. Maboe Rachidi is suing the municipality and two traffic officers in their personal capacity for damages he suffered as a result of an alleged assault. He is alleging that he was assaulted by two traffic officials who were on duty on the date in question. The matter went on trial which was partly heard.	The matter was postponed sine die. We are still awaiting judgment from Court	450,000	450,000
Liability	Mpoyana Ledwaba Inc	Mohlangane K.J // Emlim	The plaintiff alleges that he fell on a ditch pit and sustain a fracture on his right hand and abrasions on the said hand. He is claiming an amount of R150 000.00 for damages.	Matter pending: in the process of applying for dismissal of the case as ordered by court.	310,000	310,000
Liability	Mpoyana Ledwaba Inc	Mphela Attorneys// Emlim Case 374/2020	The Plaintiff alleges that the Municipality owes them the legal fees of the matter they worked for on behalf of the Municipality in January 2013.	Matter pending. Plaintiff delaying the matter, matter stayed. We await Plaintiff to pursue the matter.	33,483	33,483
Liability	Mpoyana Ledwaba Inc	Mphela Attorneys// Emlim Case 384/2020	The Plaintiff alleges that the Municipality owes them the legal fees of the matter they worked for on behalf of the Municipality in September 2013.	Matter pending. Plaintiff delaying the matter, matter stayed. We await Plaintiff to pursue the matter.	39,809	39,809
Liability	Mpoyana Ledwaba Inc	Masakwame ng Trading// Emlim	The Plaintiff claims that the Municipality appointed them on the tender and could not resume work and the tender was advertised and someone else was appointed.	Matter pending. Waiting trial date from the Registrar of the court.	2,200,000	2,200,000

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Type	Attorneys	Parties	Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known)	Status	Estimated claim 2023	Estimated claim 2022
Liability	Setsoalo Mahube Attorneys	Emlm// Mtn	The Municipality issued and served Application to the Respondent on the 12 August 2022. Cause of action: MTN is suing the Municipality for an amount of R866 097.00 for service they claim they rendered to the Councilors. Several letter of demands were forwarded to the Municipality and there were disputed. The Municipality attempted to settle the matter but without going to the court but MTN was not cooperating. An application to compel MTN to reconcile their account in order to clear the debt against the Municipality was made	The Municipality applied for the matter to be set down as unopposed, we await trial date from the Registrar of the court.	1,216,097	-

The following restatements were done for 2022 comparative:

1. Mphela Attorneys//Emlm Case 374/2020, for 2022 legal fees were incorrectly included in the estimate for the contingent liability. The 2022 estimated liability was restated to exclude the legal costs since the matter will be discussed without going to the court.
2. Contingent Liabilities: Mphela Attorneys// Emlm Case 384/2020, for 2022 legal fees were incorrectly included in the estimate for the contingent liability. the 2022 estimated liability was restated to exclude the legal costs since the matter will be discussed without going to the court.
3. Contingent Liabilities: Masutha//EMLM, 2022 claim amount was excluded in the estimate for the contingent liability in the 2022 year, this was corrected by adding the claim amount to the estimate of the outflows.
4. Re: Peri Formwork Scaffolding And Engineering (Pty) Ltd // Elias Motsoaledi Local Municipality Eli1/0016/Ys Case, In the previous year's Contingent Liabilities disclosure, an inadvertent typing error led to the consideration of only the legal cost amount, rather than the total amount (including legal cost and claim amount). We have rectified this in the current annual financial statements by disclosing R1 333 352 from R200 000 for accurate reporting.

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Contingent assets

Litigation is in progress in favour of the municipality relating to disputes with employees and members of the public. The municipality is likely to receive an amount of +/- R 3,468,186 (June 2023); +/- R 2,068,186 (June 2022). According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount.

Some of the comparative amounts/cases were restated.

Type	Attorneys	Parties	Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known)	Status	Estimated claim 2023	Estimated claim 2022
Asset	Masondo Khumalo Inc	Emlm/Breed & J Coetshuizen Eli1/0009/Ys	The Municipality seeks to evict the lessee from the farm as the lease agreement expired and the lessee continues to use the farm without paying any rental. The Municipality also has a claim against the Lessees for outstanding rental in the amount of R1 018 186.39, the claim is also referred to debt collection for collection.	Matter pending: the matter is delayed due to resignation of practitioners allocated this matter, to prioritise and proceed with the matter. Municipality also considers briefing another Legal Practitioner firm.	1,218,186	1,218,186
Asset	Mphoke Magane P.K Inc	Emlm/ Jq Family Trust	The Municipality filed an application to compel the Respondent to comply with the Municipal By-Law.	Matter not finalised as at year-end. Respondent complied and offered to pay legal cost on party to party scale (as the Master of High Court will determine) we await the taxed bill of cost.	500,000	500,000
Asset	Moloko Phooko Attorneys	Emlm/ Mpf	The Municipality filed an application to compel the Respondent to remove an erected fence on the pedestrian walk way, this makes it difficult for the pedestrian to walk through.	Matter is set down for hearing	500,000	

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Type	Attorneys	Parties	Report or Management's description of matter (including current status; amount claimed and legal counsel's reference if known)	Status	Estimated claim 2023	Estimated claim 2022
Asset	Dikgati Mphahlele	Emlm//Dikel edi Masha And Others	The Municipality filed an urgent application to compel the Respondents to remove erected fence and walls on the pipe lines, this makes it difficult for the Municipality to install pipes.	Matter finalised: Court granted order in favour of the Municipality. The court did not order cost against the respondents.	400,000	
Asset	Mpoyana Ledwaba Inc	Emlm//Joseph Nkoagats e	The Municipality filed an application to compel the Respondent to remove the animals he is grazing on the municipal farm	Court documents are drafted and ready to be served to the applicant.	500,000	
Asset	Mpoyane Ledwaba Inc	Emlm/ Illegal Occupiers Of Farms Mapochsgrone And Vlaklaagte	The Municipality appointed attorneys to obtain an eviction order against the Mapochsgronde and Vlaklaagte Illegaldwellers. The total estimated legal fees is R 350 000.00.	Pending. Its been over a year since municipality engaged Mpumalanga provincial department for demarcation issues and still not resolved. Matter is stayed until finalisation of the dermacation issues.	350,000	350,000
					3,468,186	2,068,186

38. Related parties

Relationships

All Councillors

Refer to note 53 and 29 . Public Office Holders

Remuneration

Accounting Officer
557 municipal employees

Refer to accounting officers' report

Refer to note 28

Nature of related party transactions:

Remuneration of Councilors and Employee costs paid to permanent and acting section 57 managers during the year.

Related party transactions

Transactions

Councillors - Councillor remuneration	29	25,385,490	25,346,981
Section 57 Acting Managers remuneration	28	160,569	39,722
Section 57 Managers remuneration	28	2,464,769	3,847,153

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39. Bids awarded to family of employees in service of state

In terms of SCM regulation 45 – The notes to the annual financial statements of a municipality or municipal entity must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state;
- (c) the amount of the award.

The following is a list as recorded for the 2023 and 2022 financial years.

Number	Company Information			Person in employ of state			Financial Year	
	Service Provider	Director of the com	Description of serv	Department	Employee	Capacity	2023	2,022
1	Makgonatsohle Trading Enterprise	Gift Nkabang Mawela		- Gauteng Department of Education	Masehoane Mildred Mawela (Teacher)	Wife	1,359,831	2,184,378
2	Sejagobe Engineers	Sejagobe Daniel Masekela		- Gauteng Department of Public Works	Kgadi Ledile Mamakoa (Candidate Engineering Technician)	Wife	1,038,276	
3	Dzangi Consulting Services	Aluwani Lorraine Mathavhathe		- Department of Human Settlement	Gumani Joseph Mathavhathe (Financial Planner)	Husband	1,177,383	
4	Mogalemole Consulting Engineer	Njipa Herman Mankga	Consultant Electrification of Maleoskop	Road Agency Limpopo	Paulina Mankga (Project Manager)	Wife	431,668	669,199
5	Democratic Construction and Services	Buta Ntina Lizzy	Event management for indigent awareness campaign	Elias Motsoaledi Local Municipality	Alfred Pathane (Ward Councillor)	Wife		16,500

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Number	Company information			Person in employ of state			Financial Year	
6	Nedbank	Stanley Subramoney	Provision of banking services	Department of Education	Venisha Subramoney (Teacher - Department of Education)	Wife	5,472,572	7,286,788
7	Just breeze	Christopher Ntladi	Refuse removal	Department of Health	Matshidiso Ntladi (Dentist - Department of Health)	Wife	2,869,913	7,576,661
8	Dolmen Engineers	Moeketso Phynus Sematla		- Limpopo Department of Health	Thully Monicah Sematla (EMS/Paramedic)	Wife	1,530,911	
11	NSK Electrical and Construction	Sibusisiwe Cute Zombe		- Department of Education	Steve Zviyedzo Zombe (Teacher)	Husband	845,754	
12	F-Tech Services	Martin Mufanebadza		- SAPS	Tselahale Faith Mufanebadza (Administrative Clerk)	Wife	8,819,396	
13	Nkaniro Development Consulting	Samuel Chauke		- Department of Home Affairs	Azwidali Elelwani Chauke (Administrative Officer)	Wife	478,261	
14	Sekhukhune Times	Peter Thapelo Motseu		- Limpopo Department of Education	Cordelia Nkisi Mabelane (Teacher)	Wife	26,021	
15	Mashigwana Projects	Amos Kgotlelelo Mashigwana		- Gauteng Department of Education	Johanna Letta Mashigwana (Teacher)	Wife	183,000	
Total Award							24,232,986	17,733,526

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40. Prior period errors

The following prior year errors were identified and adjusted retrospectively:

1. Deposit arrangement (Guarantees) of legal fees was incorrectly classified as legal fees in the previous financial years, this was corrected by correctly recognising a debtor - Guarantees. The debtor was recovered in the current financial year.
2. SARS overpaid certain refunds and in current year used the overpayment to offset current year refunds. This resulted in reduced assessment and received in advance for 2021 and 2022 financial years.
3. **Payments received in advance Consumer Accounts** is now renamed to **Credit balances on receivables** to improve fair presentation of financial statements. This did not have any impact on the Annual Financial Statements reported amounts.
4. In the fiscal year 2022, an overpayment occurred in a councillor's salary. Discovered promptly, the excess amount was recovered through gradual monthly deductions. This led to a reduced Remuneration of councillors and increased receivables from exchanged transaction, aligning records accurately and highlighting the Municipality's commitment to precise financial reporting.
5. Re: Peri Formwork Scaffolding And Engineering (Pty) Ltd // Elias Motsoaledi Local Municipality Eli1/0016/Ys Case
In the previous year's Contingent Liabilities disclosure, an inadvertent typing error led to the consideration of only the legal cost amount, rather than the total amount (including legal cost and claim amount). We have rectified this in the current annual financial statements by disclosing R1 333 352 from R200 000 for accurate reporting.
6. In the past, an error occurred where inconvenience allowances were wrongly categorized as overtime in the Annual Financial Statements. To rectify this, the misclassification was corrected by reclassifying the inconvenience allowance under the appropriate category of 'other allowances.' This adjustment was made to ensure the accurate representation of financial statements and to maintain transparency in reporting.
7. Employee-related costs: WCA" has been renamed as "Employee-related costs: Bargaining Council" in an effort to enhance the fairness of its representation.
8. An amendment was made to the presentation of the Statement of Financial Performance. Items previously included under Operating Surplus/(Deficit) were remapped. They have been appropriately reallocated between revenue and expenditure sections to enhance fair presentation of financial information.
10. An error was detected in the computation of the directors' bonus provision. The calculation omitted certain qualifying directors, leading to an incomplete assessment of the bonus provision. This mistake has been addressed, and the calculation has been revised to encompass all eligible directors, ensuring accuracy in the bonus provision evaluation.
11. In a previous period, an error occurred during the calculation of the Landfill provision. Inaccuracies were present in the provision calculation, specifically related to the omission of 30-year post-closure monitoring costs. This omission led to an understatement of the provision amount. To rectify this, the provision from the previous year was restated in accordance with the present obligation principle and in compliance with the Minimum Requirements for Waste Disposal by Landfill as stipulated by the Department of Water Affairs (1998). As a result of this adjustment, the overall impact was an increase in the recognized obligation.
12. For the previous financial year, there was an accounting error where retentions with a debit balance were not appropriately reclassified as debtors. This has now been rectified in accordance with GRAP 1 to ensure compliance.

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13. General expenses for clothing allowances have been reclassified from uniform allowances to Employee Related Costs, specifically under Car, Cellphone, and Other Allowances. This adjustment was made to ensure a more accurate representation of our annual financial statements.

14. In the preceding fiscal year, an underbilling issue arose in our Rental Income due to the expiration of contracts. Although these contracts were subsequently renewed, unfortunately, the pertinent information was not promptly accessible to the finance team, thereby impeding the billing process.

15. In order to enhance the fairness of presentation and facilitate the interpretation of financial statements for our stakeholders, management has undertaken a refinement of the reporting structure pertaining to employee-related costs by remapping accounts. This involves a more comprehensive disclosure of directors' earnings, which will now be provided in greater detail within each respective line item of related employee costs. This adjustment aims to offer greater transparency and clarity in the representation of financial information, ensuring a more accurate reflection of our organization's financial position and performance. Also employee related costs under general Expenses - Travel and Subsistence reimbursement were remapped to employee related costs - Car allowance and travel.

17. Receivables from non-exchange transactions - debit orders to be recovered was adjusted by reclassification of unauthorised irregular, fruitless and wasteful expenditure (J9843).

18. In the previous year's financial statements, software intangible assets were inadvertently omitted from the list of assets classified as 'not found.' Subsequently, during the current year's review, these omitted intangible assets were identified and approved for write-off. This correction constituted a prior period error since the omission occurred in the prior year. By rectifying this error in the previous year's financial statements, we have achieved a fair presentation of the annual financial statements.

19. Correcting land that was donated and incorrectly accounted for, now accounted back to inventory.

20. We have identified and recognized previously not found electrical infrastructure assets. These assets were not accounted for in prior periods because they were not found.

21. During the year, an error in the capitalization process was identified, specifically related to the accounting treatment of air conditioning units. This error led to an overstatement of capitalised cost.

22. **Contingent Liabilities:** Mphela Attorneys//Emlm Case 374/2020, for 2022 legal fees were incorrectly included in the estimate for the contingent liability. The 2022 estimated liability was restated to exclude the legal costs since the matter will be discussed without going to the court.

23. **Contingent Liabilities:** Mphela Attorneys// Emlm Case 384/2020, for 2022 legal fees were incorrectly included in the estimate for the contingent liability. the 2022 estimated liability was restated to exclude the legal costs since the matter will be discussed without going to the court.

24. **Contingent Liabilities:** Masutha//EMLM, 2022 claim amount was excluded in the estimate for the contingent liability in the 2022 year, this was corrected by adding the claim amount to the estimate of the outflows.

The necessary corrections were made to accurately reflect the capitalization of air conditioning units in the prior period.

(The correction number is indicated in brackets next to the item adjusted. Brackets on amounts is for Credit adjustment and no brackets for Debit adjustment)

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

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Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions - Guarantees (1)		-	865,000	865,000
Accumulated surplus (1) + (2) + (11) + (20)		(1,135,822,790)	36,876,334	(1,094,615,373)
Payments received in advanced (2)		(3,255,220)	(82,093)	(3,337,313)
Receivables from exchange transactions - Trade debtors (4) + (12) + (14) + (21)		2,416,512	544,189	2,960,701
Payables from exchange transactions : Retention Creditors (12)		(16,574,051)	(428,868)	(17,002,919)
Payables from exchange transactions : Accrued bonus (10)		(8,456,229)	(137,216)	(8,593,445)
Receivables from exchange transactions : Prepayments (1) + (2)		(43,896,395)	(689,563)	(44,585,958)
		240,999	(34,368)	206,631
Current Portion Landfill site provision (11)		(1,978,644)	(5,943,048)	7,921,692
Non Current Portion Landfill site provision (11)		(51,866,769)	(24,858,566)	76,725,335
Property plant and equipment - Solid Waste Infrastructure - Change in provision (11)		23,370,796	(8,437,669)	14,933,127
Intangible assets (18)		14,161	(1,378)	12,783
Property Plant and Equipment - Furniture and Office Equipment (21)		2,487,832	(34,201)	2,453,631
Property Plant and Equipment - Electrical Infrastructure (20)		55,131,372	18,265	55,149,637
Receivables from non-exchange transactions - debit orders to be recovered (17)		460,166	18,536	478,702
VAT receivable (2)		14,467,607	(67,906)	14,399,701
Inventories (19)		20,354,683	(1,938,534)	18,416,149
		-	(4,331,086)	-

Statement of financial performance

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	Note	As previously reported	Correction of error	Restated
Remuneration of councillors (4)		25,567,078	(220,097)	25,346,981
Employee related costs - Overtime payments (6)		2,024,967	(34,783)	1,990,184
Employee related costs - Car, Cellphone and other allowances (6)		14,935,174	34,783	14,969,957
Operating surplus/(deficit) - Fair value adjustments - actuarial gains (8)		(1,472,347)	1,472,347	-
Revenue from non-exchange transactions - Fair value adjustments - actuarial gains (8)		-	(1,472,347)	(1,472,347)
Operating surplus/(deficit) - Investment property fair value adjustment (8)		(16,701,549)	16,701,549	-
Revenue from non-exchange transactions - Investment property fair value adjustment (8)		-	(16,701,549)	(16,701,549)
Operating surplus/(deficit) - Profit/(Loss) on disposal of assets (8) +(18)		4,825,350	(4,825,350)	-
Expenditure - Profit/(Loss) on disposal of assets (8)		-	4,825,350	4,825,350
Revenue - Rental of facilities and equipment (14)		(1,018,944)	(442,222)	(1,461,166)
Repairs and maintenance		37,886,110	(26,247)	37,859,863
General Expenses (15) + (13) + (2) + (11) + (21)		120,900,391	4,004,795	124,905,182
Employee related costs (10) + (15) + (13)		160,186,944	1,010,447	161,197,391
Depreciation and amortisation (18) + (20) + (21)		57,069,878	3,033	(57,072,911)
Profit/(Loss) on disposal of assets (18)		4,825,350	1,378	4,826,728
Surplus for the year		-	4,331,087	-

41. Change in estimate**Consumer debtors**

During the 2023 financial year, there has been an increase in net debtors, primarily due to a change in estimate for the interest portion used in calculating debt impairment. At the end of the year, management revised their estimate from 15% to prime plus 1, in response to the current changes in the economic climate. As a result of this revision, the total impairment balance decreased and net consumer debtors balance have been increased by R2,587,683.99 for the current year.

It's important to note that the impact of this revision on future periods will be influenced by the direction of changes in interest rates going forward. However, due to the unavailability of future debtors' balance and future prime lending rate, it is impracticable to accurately determine the precise impact on future periods. The estimation of this impact will depend on the fluctuations in interest rates as they unfold in the future..

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Property Plant and Equipment

During the fiscal year, management reassessed the estimated useful life of assets, resulting in a revision of our accounting estimate. This revision had the effect of reducing depreciation expenses..

The effect of this revision has decreased the depreciation expense and accumulated depreciation by 1,370,483.49 for the current and future periods. The effect per category is as follows:

Asset Category	Change of Estimate
Cost Model	-1,370,483
Community Assets	-8,673
Computer Equipment	-113,155
Electrical Infrastructure	-10,475
Furniture and Office Equipment	-123,704
Machinery and Equipment	-180,122
Other Assets	-15,753
Roads Infrastructure	-2,620
Solid Waste Infrastructure	-331,253
Transport Assets	-584,728
Total effect	-1,370,483

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42. Risk management

Capital risk management

The municipality's objectives when managing capital are to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality as disclosed in the cash and cash equivalents note, 14.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipality's approach is to ensure that sufficient liquidity is available to meet its liabilities when due. 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. The municipality analyses its financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. All items of financial liabilities are less than one year from settlement.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality have insignificant interest risk exposure in the form of finance costs from finance lease obligation, however the fluctuation in interest rates will not hinder any of the municipality operations.

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Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables and consumer debtors comprise a widespread customer base and amounts owing by consumers and are presented net of impairment loss. The municipality has a credit control policy in place and the exposure to credit risk is monitored continuously. The municipality establishes an allowance for doubtful debts that represents its estimate of anticipated losses in respect of receivables. Payments of accounts of consumer debtors who are unable to pay are negotiated in line with the credit control policy and terms of payments are agreed upon with the consumer.

Cash and cash equivalent - The municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with council's approved investment policy. The municipality does not consider that to be any significant exposure to credit risk.

Financial instruments exposed to credit risk at year end were as follows positive for assets and negative for Liabilities:

Financial instrument	2023	2022
Receivables - From Exchange Transactions	2,708,428	4,032,331
Receivables - From Non Exchange Transactions	2,829,352	3,703,362
Consumer Debtors - From Exchange Transactions	38,430,225	37,010,720
Consumer Debtors - From Non Exchange Transactions	72,237,986	59,520,455
Deposit (Security held in advance)	17,280,638	16,536,410
Payables from exchange transactions	(95,240,846)	(97,374,990)
Payables from non - exchange transactions	-	(499,189)
Consumer deposits.	(5,757,651)	(5,621,490)
Finance lease obligation	(17,131,145)	(19,340,200)
VAT receivables	20,817,439	14,399,701
Cash and cash equivalent	33,092,864	14,710,030

The above financial instruments are measured at amortised cost.

Other risks

Property rates and services revenue collection is highly vulnerable to defaulting by households as a result of general economic hardships.

43. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Property rates and services revenue collection is highly vulnerable to defaulting by households as a result of general economic hardships.

44. Events after the reporting date

There are no reportable Events after the reporting date.

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45. Unauthorised expenditure

Opening balance	50,771,459	48,842,202
Incurred during the year	-	2,763,256
Written off: 2021/22 - Resolution: MPAC 23/24-01	(2,763,256)	-
Written off: 2019/20 - Resolution: MPAC 22/23-02	-	(834,000)
	48,008,203	50,771,458

The status for 2023 is: Investigations not yet conducted.

The status for 2022 is: Investigations complete.

46. Fruitless and wasteful expenditure

Opening balance	6,754,172	6,162,328
Incurred during the year	1,682,543	1,042,090
Recovered during the year - 2023	(1,190,520)	(212,651)
Recovered during the year - 2022	(362,867)	-
Written off: 2019/20 - Resolution: MPAC 22/23-02	-	(237,595)
Written off: 2021/22 - Resolution: MPAC 23/24-01	(363,218)	-
	6,520,110	6,754,172

Current year fruitless and wasteful expenditure resulted from unauthorised debit orders, late payments of invoices and double payments, 2022 amount was as a result of late payment of suppliers, unauthorised debit orders and double payments.

The status for 2023 is: Investigations not yet conducted.

The status for 2022 is: Investigations complete.

Details of fruitless and wasteful expenditure

Unauthorised debit orders	550,948	703,303
Over payment	1,060,473	336,338
Late payment	71,123	2,449
	1,682,544	1,042,090

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47. Irregular expenditure

Opening balance	386,417,468	349,015,324
Add: Irregular Expenditure - current year	75,859,810	76,739,211
Written off: 2021/22 - Resolution: MPAC 23/24-01	(76,739,211)	-
Written off: 2019/20 - Resolution: MPAC 22/23-02	-	(39,337,067)
	385,538,067	386,417,468

Reason for irregular	Jun-23	Jun-22
Biased specification		8,323,809
Bidder did not meet minimum requirements	190,057	463,431
Incorrect allocation of functionality points	38,597,323	39,881,668
Technical expert not part of BAC	7,894,160	15,462,484
Failure to address subcontracting	23,496,978	3,019,389
Bids were not evaluated in accordance with the bid specification	290,384	
Non-compliance with minimum requirements threshold for local content	5,390,908	9,588,430
Total	75,859,810	76,739,211

The status for 2023 is: Investigations not yet conducted.

The status for 2022 is: Investigations complete.

Amount disclosed are inclusive of VAT in terms of MFMA circular 68.

48. Additional disclosure in terms of Municipal Finance Management Act**Electricity distribution losses**

Losses incurred - units	8,712,898	14,308,276
% loss incurred	15.000 %	21.000 %
Purchased units	(57,850,100)	(68,175,996)
Sold units	49,137,202	53,867,720
	-	-
Losses incurred - Rand value	13,957,494	20,519,274
% Losses loss incurred	15.000 %	21.000 %
Purchased units Rand value	(93,185,314)	(97,948,551)
Sold units Rand value	79,227,820	77,429,276
	-	-

The losses mentioned above stem from both technical factors inherent to electricity and its distribution network, such as network status, condition, and age, as well as external factors like weather conditions and system load. In addition to these technical losses, non-technical factors like theft and vandalism also contribute to these losses, which unfortunately are not recoverable.

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SALGA Fees

Current year subscription / fee	2,025,935	2,017,214
Amount paid - current year	(1,493,405)	(1,519,412)
Amount accrued to creditors	(532,530)	(497,802)
	-	-

The financial year circle for SALGA differs from the municipality; the amount R2 025935 is applicable for April 2022 to March 2023 whereas the municipal financial year runs from July 2022 to June 2023. R1 493 405 relates to 2022/23 financial year.

PAYE, SDL and UIF

Current year subscription / fee	28,216,568	28,904,456
Amount paid - current year	(28,216,568)	(28,904,456)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	26,506,511	26,466,379
Amount paid - current year	(26,506,511)	(26,466,379)
	-	-

VAT

VAT receivable	20,817,439	14,399,701
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VAT output payables and VAT input receivables are shown in note 12.

All VAT returns have been submitted by the due date throughout the year. The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Due to the accrual basis of accounting applied the amount disclosed for VAT include the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of vat movement items. In terms of the prescribed guidelines only the nett VAT receivable or payable are disclosed.

Councillors arrears

There were no councilors arrear accounts outstanding for more than 90 days as at 30 June 2023:

Name of councillor	Description	Amount
Cllr W N S Oosthuizen	Rates	62,043
Cllr S H Radingwana	Rates and services	340

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Non-compliance with MFMA

s65(2)(e) of MFMA: The municipality did not comply with paying all accounts within 30 days of receipt of invoice.

MFMA Section 122 (1) (a) – (b) The municipality's Annual Financial Statements were not thoroughly fairly presented.

MFMA Section 126(1)(a), although the Accounting Officer prepared the Annual Financial Statements (AFS) within two months after the end of the financial year, there was a delay in submitting the AFS to the Auditor General for auditing, leading to non-compliance.

MFMA: Municipal Supply Chain Management Regulations 28(1). The Bid Evaluation Committee did not conduct a fair evaluation for some of the awards made during the year.

MFMA Section 116(2)(b): The municipality did not comply with the act by not monitoring contracts with certain suppliers on a monthly basis.

Audit Fees

Audit fees are listed below. R411 120 is outstanding to Auditors as at 30 June 2023.

Audit fees	6,210,132	5,553,965
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49. Deferred income

Operating lease payments received in advance	2,942,982	3,135,965
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Operating lease payment received in advance have been utilized in accordance with the Municipal Finance Management Act. Sufficient resources are set aside to ensure that the liability can be serviced in the future.

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50. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

Details of the arrangement(s) are as follows:

Municipality as agent

The municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance as Licences and permits. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

Revenue recognised

The aggregate amount of revenue that the municipality recognised as compensation for the transactions carried out on behalf of the principal is 6,062,432 for 2023 year and 5,966,441 for 2022 year.

Liabilities recognised:

Liabilities incurred on behalf of the principal(s) that have been recognised by the municipality are R6 at as 30 June 2023 and R1 865 569 for 30 June 2022.

Assets recognised:

There were no assets held on behalf of the principal or Agent

Municipality as principal

Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

Commission paid to agent during the year was R458 473 for 2023 year and R363 014 for 2022 year (Amounts Exclude VAT) These amounts are disclosed under general expenses - Administration and management fees

51. 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 accounting officer and includes a note to the annual financial statements.

There was no procurement that deviated from the provisions of paragraph 12(1)(d)(i) as stated above.

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52. Segment reporting

General information

Identification of segments

The municipality is organised and reports to management on the basis of major functional areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Some 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.

Aggregated segments

The municipality operates throughout the LIM 472 demarcation. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout LIM 472 were sufficiently similar to warrant aggregation.

The following segments were aggregated:

1	Core Function:Roads
2	Core Function:Solid Waste Removal
3	Electricity:Electricity - 601
4	Pollution Control:Pollution Control - 505
5	Project Management Unit:PMU - 603
6	Roads:Roads - 600
7	Solid Waste Removal:Solid Waste Removal - 500
8	Cemeteries Funeral Parlours and Crematoriums:Cemeteries - 501
9	Community Parks (including Nurseries):Parks - 502
10	Core Function:Police Forces Traffic and Street Parking Control
11	Libraries and Archives:Libraries - 504
12	Police Forces Traffic and Street Parking Control: Police Forces Traffic - 507
13	Road and Traffic Regulation:Traffic Regulation - 508
14	Sports Grounds and Stadiums:Sports Grounds and Stadiums - 506
15	Asset Management:Asset Management - 301
16	Core Function:Finance
17	Finance: Budget and Treasury - 302
18	Finance:Default
19	Finance:Finance - 300
20	Fleet Management:Fleet Management - 602
21	Human Resources:Human Resources - 400
22	Information Technology:Information Technology - 401
23	Property Services:Property Services - 402
24	Mayor and Council:Chief Whip 6.1
25	Mayor and Council:Council General - 101
26	Mayor and Council:Executive committee 6.1
27	Mayor and Council:Mayor - 100
28	Mayor and Council:Speaker - 102
29	Municipal Manager Town Secretary and Chief Executive:Municipal Manager - 200

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Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Nature of Goods and/or services
Finance	Finance, human resource and IT services to facilitate service delivery
Community services	Police, parks and libraries
Basic services	Basic services, roads, sewage, refuse, electricity
Executive & Council	Community outreach

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There are no non reportable segments.

The following information will enable users of financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.

Below are the reconciliation's of the amounts in the statement of financial position and performance for reportable segments to the amounts in the municipality's statement of financial position and performance for **2023 financial year**.

Statement of Financial Performance	Basic services	Community services	Executive & Council	Finance	Total
Revenue	411,455,242	38,272,991	43,727,661	249,938,510	743,394,404
Revenue from exchange transactions	105,503,369	6,096,505		2,251,709	113,851,582
Interest revenue	3,389,553			2,251,709	5,641,262
Other Income	1,212,903	34,073			1,246,976
Recoveries					
Rental Of Facilities And Equipment	950,484				950,484
Service Charges	99,950,429				99,950,429
Agency fees		6,062,432			6,062,432
Revenue from non-exchange transactions	305,951,873	32,176,486	43,727,661	247,686,801	629,542,822
Taxation revenue				66,600,059	66,600,059
Property Rates				55,045,561	55,045,561
Interest charged on consumer debtors				11,554,498	11,554,498
Transfer revenue	305,951,873	32,176,486	43,727,661	181,086,742	562,942,763
Fines, Penalties And Forfeits	115,439,161				115,439,161
Government Grants & Subsidies	189,592,812	32,176,486	43,727,661	164,304,223	429,801,182
Fair value adjustments - actuarial gains				3,835,329	3,835,329
Investment property fair value adjustment				12,947,191	12,947,191
Public contributions and donations	919,900				919,900
Expenditure	- 418,109,112 -	25,577,182 -	43,147,195 -	185,106,327 -	671,939,817
Bulk Purchases	- 93,184,759 -				- 93,184,759 -
Employee Related Costs	- 68,944,368 -	23,360,907 -	5,126,737 -	72,452,014 -	169,884,026
Finance Costs				- 4,403,239 -	- 4,403,239
General expenses	- 25,917,114 -	353,887 -	11,901,918 -	87,851,746 -	126,024,664
Lease Rentals On Operating Lease	- 2,101,121 -			- 2,752,337 -	- 4,853,457
Remuneration Of Councillors			- 25,385,490 -		- 25,385,490
Repairs And Maintenance	- 40,778,381 -	798,735 -	397,550 -	5,177,158 -	47,151,824
Transfers And Subsidies	- 3,825,067 -		- 335,501 -	1,086,000 -	5,246,568
Debt Impairment	- 120,971,633 -			- 5,136,069 -	126,107,702
Depreciation and amortisation	- 53,687,617 -	1,012,967		- 4,559,188 -	59,259,772
(Impairment loss)/ Reversal of impairments	- 4,614,557 -			- 41,446 -	4,656,003
Loss on disposal of assets	- 4,084,496 -	50,686		- 1,647,131 -	5,782,313
Surplus for the year	- 6,653,870	12,695,809	580,466	64,832,183	71,454,587

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Statement of Financial Position	Basic services	Community services	Executive & Council	Finance	Total
Assets	1,124,550,996	35,867,080	18,613,361	251,196,852	1,430,228,289
Current Assets	44,181,340	3,263,612	18,612,317	130,338,783	196,396,051
Inventories				26,279,757	26,279,757
Receivables from exchange transactions	608,623		211,881	1,887,924	2,708,428
Receivables from non-exchange transactions	2,725,056			104,296	2,829,352
Cash and cash equivalents				33,092,864	33,092,864
Consumer debtors - From Exchange Transactions	22,312,873		16,066,673	50,680	38,430,226
Consumer debtors - From Non Exchange Transactions		3,263,612	51,112	68,923,262	72,237,986
VAT receivable	18,534,788		2,282,651		20,817,439
Non-Current Assets	1,080,369,656	32,603,469	1,044	120,858,069	1,233,832,237
Investment property	103,830,766				103,830,766
Property Plant and Equipment	958,794,889	32,603,469	1,044	120,851,668	1,112,251,070
Intangible assets				6,400	6,400
Deposit (Security held in advance)	17,280,638				17,280,638
Heritage assets	463,363				463,363
Liabilities	118,507,755	13,177,478		132,472,284	264,157,517
Current Liabilities	39,689,087	13,177,478		91,951,362	144,817,927
Deferred income		192,983			192,983
ST: Finance lease obligation				9,494,221	9,494,221
Landfill Site Provision	9,416,057				9,416,057
Consumer deposits	5,756,212	1,439			5,757,651
Employee benefit obligation				904,000	904,000
Unspent conditional grants and receipts	21,475,790			625,378	22,101,168
Provision for Long Service Leave				1,711,000	1,711,000
Payables from exchange transactions	2,848,046	13,176,039		79,216,763	95,240,848
Non - Current Liabilities	78,818,668			40,520,922	119,339,590
Deferred income				2,749,999	2,749,999
Lt: Finance Lease Obligation				7,636,923	7,636,923
Landfill Site Provision	78,818,668				78,818,668
Employee benefit obligation				23,010,000	23,010,000
Provision for Long Service Leave				7,124,000	7,124,000
Net Assets	1,006,043,240	22,689,602	18,613,361	118,724,568	1,166,070,772

Below are the reconciliation's of the amounts in the statement of financial position and performance for reportable segments to the amounts in the municipality's statement of financial position and performance for 2022 financial year

Statement of Financial Performance	Basic services	Community services	Executive & Council	Finance	Total
Revenue	290,510,245	32,385,274	55,019,241	202,660,475	580,575,235
Revenue from exchange transactions	113,898,342	6,074,121		3,096,901	123,069,364
Interest revenue	4,053,966			1,779,822	5,833,788
Other income	629,833	107,681		677,803	1,415,317
Recoveries				639,276	639,276
Rental Of Facilities And Equipment	1,461,166				1,461,166
Service Charges	107,753,377				107,753,377
Agency fees		5,966,441			5,966,441
Revenue from non-exchange transactions	176,611,904	26,311,152	55,019,241	199,563,574	457,505,871
Taxation revenue				55,142,645	55,142,645
Interest revenue				15,229,408	15,229,408
Property Rates				39,913,237	39,913,237
Transfer revenue	176,611,904	26,311,152	55,019,241	144,420,930	402,363,226
Fines, Penalties And Forfeits	2,236,200				2,236,200
Government Grants & Subsidies	157,674,154	26,311,152	55,019,241	142,948,583	381,953,130
Fair value adjustments - actuarial gains				1,472,347	1,472,347
Investment property fair value adjustment	16,701,549				16,701,549
Expenditure	- 288,294,428	- 33,847,041	- 41,386,369	- 169,738,558	- 533,266,395
Bulk Purchases	- 97,948,551				- 97,948,551
Employee related costs	- 62,299,695	- 22,433,458	- 4,596,664	- 71,867,574	- 161,197,391
Finance Costs				- 526,378	- 526,378
General expenses	- 29,162,585	- 338,732	- 10,757,387	- 84,646,479	- 124,905,182
Lease Rentals On Operating Lease	- 943,085			- 4,602,164	- 5,545,249
Remuneration Of Councillors			- 25,346,981		- 25,346,981
Repairs and maintenance	- 32,091,829	- 496,203	- 370,073	- 4,901,757	- 37,859,863
Transfers And Subsidies	- 1,069,798		- 315,264	- 1,206,253	- 2,591,315
Debt Impairment	- 9,484,774	- 4,583,915		- 5,621,177	- 19,689,866
Depreciation and amortisation	- 50,546,467	- 1,149,970		- 5,376,474	- 57,072,911
(impairment loss)/ Reversal of impairments	- 4,747,645	- 18,035		9,009,700	4,244,019
Loss on disposal of assets		- 4,826,728			- 4,826,728
Surplus for the year	2,215,818	- 1,461,768	13,632,872	32,921,917	47,308,839

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Statement of Financial Position	Basic services	Community services	Executive & Council	Finance	Total
Assets	1,077,450,770	31,262,813	17,378,485	218,261,506	1,344,353,573
Current Assets	37,584,997		17,377,441	96,830,311	151,792,749
Inventories				18,416,149	18,416,149
Receivables from exchange transactions	48,247		211,881	3,774,622	4,034,749
Receivables from non-exchange transactions	3,240,778			460,166	3,700,944
Cash and cash equivalents			0	14,710,030	14,710,030
Consumer debtors - From Exchange Transactions	23,269,117		13,741,603		37,010,720
Consumer debtors - From Non Exchange Transactions			51,112	59,469,344	59,520,456
VAT receivable	11,026,855		3,372,846		14,399,701
Non-Current Assets	1,039,865,773	31,262,813	1,044	121,431,195	1,192,560,824
Investment property	96,398,574				96,398,574
Property Plant and Equipment	926,467,425	31,262,813	1,044	121,418,412	1,079,149,694
Intangible assets				12,783	12,783
Deposit (Security held in advance)	16,536,410				16,536,410
Heritage assets	463,363				463,363
Liabilities	105,511,798	6,651,307		137,575,100	249,738,205
Current Liabilities	28,786,463	6,651,307		90,783,927	126,221,697
Deferred income	192,983				192,983
Landfill Site Provision	7,921,692				7,921,692
Consumer deposits	5,620,051	1,439			5,621,490
Employee benefit obligation				948,000	948,000
Unspent conditional grants and receipts	6,222,493			266,852	6,489,345
Provision for Long Service Leave				536,000	536,000
Payables from non - exchange transactions				499,189	499,189
Finance Lease Obligation				6,638,009	6,638,009
Payables from exchange transactions	8,829,244	6,649,868		81,895,877	97,374,989
Non - Current Liabilities	76,725,335			46,791,173	123,516,508
Deferred income				2,942,982	2,942,982
Landfill Site Provision	76,725,335			-	76,725,335
Employee benefit obligation				23,583,000	23,583,000
Provision for Long Service Leave				7,563,000	7,563,000
Finance Lease Obligation				12,702,191	12,702,191
Net Assets	971,938,972	24,611,506	17,378,485	80,686,405	1,094,615,368

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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53. Public Office Holders Remuneration

All public officers remuneration as at 30 June 2023.

All public officers	Annual Remuneration	Travelling and Car Allowance	Skills contribution	Medical aid	Pension Funds	Cell phone and Data	Annual Bonus	Grand Total
Cllr A Gulube	189,554	72,662	2,667		28,433	37,200		330,515
Cllr A Limakwe	189,554	72,662	2,651		28,433	38,400		331,700
Cllr C Maphopha	189,554	79,764	2,658		28,433	38,400		338,809
Cllr D Ganedi	189,554	73,302	2,639		28,433	39,900		333,828
Cllr D Mashego	479,180	186,038	6,136		71,877	37,200		780,430
Cllr F Lehungwane	189,554	76,661	2,654		28,433	38,400		335,702
Cllr G Matjomane	427,038	203,285	5,910	25,725	64,066	37,200		763,224
Cllr G Segope	189,554	73,302	2,652		28,433	38,400		332,340
Cllr H Makunyane	449,417	184,951	5,822		67,413	37,200		744,803
Cllr HM Malapela	250,613	100,642	3,384		37,592	38,400		430,631
Cllr J Kotze	288,205	96,068	4,138			37,200		425,611
Cllr J Letageng	189,554	80,243	2,696		28,433	38,400		339,326
Cllr J Mahlangu	243,261	99,189	3,314		36,489	37,200		419,454
Cllr J Mogotlana	243,261	95,042	3,296		36,489	38,400		416,488
Cllr J Thethe	243,261	106,294	3,305		36,489	38,400		427,750
Cllr K Mabelane	189,554	73,508	2,652		28,433	38,400		332,547
Cllr K Tlaka	189,554	79,335	2,657		28,433	38,400		338,379
Cllr L Komane	189,554	84,563	2,655		28,433	38,400		343,604
Cllr L Maibelo	189,554	72,662	2,651		28,433	38,400		331,700
Cllr M Buta	243,261	116,423	3,313		36,489	38,400		437,887
Cllr M Mafiri	189,554	73,372	2,652		28,433	38,400		332,410
Cllr M Mampana	189,554	73,486	2,651		28,433	38,400		332,524
Cllr M Mashilo	189,554	78,406	2,679		28,433	37,200		336,272
Cllr M Mathabathe	250,614	100,226	3,382		37,592	38,400		430,214
Cllr M Msiza	638,971	261,967	8,449		95,846	75,600		1,080,832
Cllr M Mthimunye	189,554	73,747	2,652		28,433	38,400		332,785
Cllr M Nduli	243,261	97,302	3,296		36,489	38,400		418,749
Cllr M Phetla	449,417	177,382	5,793		67,413	37,200		737,205
Cllr M Phokwane	189,554	84,196	2,655		28,433	38,400		343,238
Cllr M Ramphisa	250,613	106,696	3,407		37,592	37,200		435,508
Cllr M Ranala	217,987	72,662	3,180			40,500		334,328
Cllr M Sithole	189,554	73,899	2,652		28,433	38,400		332,938
Cllr M Tladi	598,971	229,606	7,607		89,846	37,200		963,229
Cllr M Tshehla	189,554	72,662	2,651		28,433	38,400		331,700
Cllr N Makuwa	243,261	114,074	3,305		36,489	38,400		435,529
Cllr N Mohlala	189,554	86,916	2,655		28,433	38,400		345,958
Cllr N Ramongana	250,613	109,869	3,393		37,592	38,400		439,867
Cllr P Koka	189,554	72,662	2,651		28,433	38,400		331,700
Cllr P Masiimula	243,261	115,266	3,320		36,489	37,200		435,536
Cllr P Tladi	189,554	79,260	2,656		28,433	38,400		338,302
Cllr R Makuwa	189,554	74,655	2,653		28,433	38,400		333,694

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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All public officers	Annual Remuneration	Travelling and Car Allowance	Skills contribution	Medical aid	Pension Funds	Cell phone and Data	Annual Bonus	Grand Total
Cllr R Ndlovu	436,054	188,547	5,639		65,408	37,200		732,847
Cllr S Malapela	189,554	76,374	2,654		28,433	38,400		335,415
Cllr S Matsomane	191,860	72,662	2,711		26,127	37,200		330,560
Cllr S Mmaboko	189,554	72,662	2,651		28,433	38,400		331,700
Cllr S Mmotla	189,554	74,824	2,653		28,433	38,400		333,864
Cllr S Morare	189,554	75,076	2,653		28,433	38,400		334,116
Cllr S Ngwenya	189,554	75,593	2,669		28,433	37,200		333,449
Cllr S Nkosi	189,554	93,605	2,662		28,433	38,400		352,654
Cllr S Radigwana	189,555	76,099	2,654		28,432	38,400		335,140
Cllr T Kgagara	189,554	86,119	2,659		28,433	38,400		345,165
Cllr T Machipa	397,243	182,267	5,970		59,586	37,200	60,000	742,267
Cllr T Malau	189,554	88,038	2,660		28,433	38,400		347,084
Cllr T Mohlamonyane	189,554	74,806	2,654		28,433	38,400		333,847
Cllr T Phahlamohlaka	186,483	93,250	3,527	64,796	27,972	37,200	2,500	415,727
Cllr T Phorotlhoe	243,261	96,314	3,319		36,489	37,200		416,583
Cllr T Sithole	243,261	95,592	3,295		36,489	38,400		417,037
Cllr V Sithole	217,987	87,723	3,229			37,200		346,139
Cllr W De Beer	189,554	74,496	2,694		28,433	38,400		333,576
Cllr W Oosthuizen	217,987	72,662	3,221			37,200		331,069
Grand Total	14,643,869	6,011,623	202,364	90,521	2,052,613	2,322,000	62,500	25,385,490

All public officers remuneration as at 30 June 2022.

All public officers	Annual Remuneration	Travelling and Car Allowance	Skills contribution	Medical aid	Pension Funds	Cell phone and Data	Grand Total
Cllr A Gulube	190,015	73,953	2,601		28,502	40,800	335,872
Cllr A Limakwe	122,427	49,283	1,694		18,967	27,200	219,572
Cllr A Makweoane	70,289	24,329	932		9,224	13,600	118,373
Cllr A Maloba	93,284	32,165	1,419	11,841		13,600	152,309
Cllr A Phatlane	150,560	57,683	2,053	18,513	19,445	13,600	261,854
Cllr B Bogopa	70,289	24,329	932		9,224	13,600	118,373
Cllr B Zulu	70,289	24,329	932		9,224	13,600	118,373
Cllr C Maphophla	123,543	50,464	1,695		19,135	27,200	222,037
Cllr C Matsepe	79,513	24,329	1,109			13,600	118,550
Cllr D Ganedi	74,228	29,996	1,043		11,530	17,600	134,398
Cllr D Mashego	381,211	148,861	4,795		55,860	40,800	631,527
Cllr E Maphophla	68,020	23,573	932		9,224	14,800	116,549
Cllr F Lehungwane	122,427	49,899	1,695		18,967	27,200	220,189
Cllr F Mogotji	65,931	24,329	1,109	13,581		13,600	118,550
Cllr F Mohlahlo	103,592	41,252	1,477		16,142	25,900	188,362
Cllr G Makeke	70,289	24,329	932		9,224	13,600	118,373
Cllr G Matjomane	424,177	183,149	5,603	24,594	64,426	40,800	742,749
Cllr G Namane	70,289	24,329	932		9,224	13,600	118,373
Cllr G Segope	122,427	49,283	1,694		18,967	27,200	219,572
Cllr H Bolotini	70,289	24,329	932		9,224	13,600	118,373
Cllr H Makunyane	444,061	181,718	5,512		64,940	40,800	737,030
Cllr H Malapela	161,674	65,376	2,156		25,077	27,200	281,483
Cllr J Kotze	288,906	93,721	3,997			40,800	427,424

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All public officers	Annual Remuneration	Travelling and Car Allowance	Skills contribution	Medical aid	Pension Funds	Cell phone and Data	Grand Total
Clr J Letageng	122,427	49,283	1,721		18,967	27,200	219,600
Clr J Mahlangu	225,308	90,552	3,013		33,832	40,800	393,504
Clr J Mathebe	197,781	77,434	2,700	29,648	22,832	13,600	343,996
Clr J Mogotlana	157,656	66,622	2,104		24,288	27,200	277,870
Clr J Thethé	157,656	67,106	2,101		24,288	27,200	278,351
Clr K Kgopa	70,289	24,329	932		9,224	13,600	118,373
Clr K Mabelane	122,427	49,550	1,694		18,967	27,200	219,839
Clr K Madisa	90,204	31,222	1,154		11,838	13,600	148,018
Clr K Shai	105,125	32,165	1,419			13,600	152,309
Clr K Tlaka	122,427	53,601	1,697		18,967	27,200	223,893
Clr L Komane	122,427	48,472	1,694		18,967	27,200	218,761
Clr L Maibelo	122,427	49,721	1,694		18,967	27,200	220,010
Clr L Molima	70,289	24,329	932		9,224	13,600	118,373
Clr M Buta	157,656	67,236	2,105		24,288	27,200	278,485
Clr M Hlathi	79,513	24,329	1,109			13,600	118,550
Clr M Mafiri	123,543	51,522	1,695		19,135	27,200	223,094
Clr M Matlatji	90,204	31,222	1,154		11,838	13,600	148,018
Clr M Mamakoko	70,289	24,329	932		9,224	13,600	118,373
Clr M Mampana	126,449	48,472	1,734		18,967	27,200	222,823
Clr M Mashilo	210,417	86,208	2,835		31,563	40,800	371,823
Clr M Mathabathe	153,036	60,204	2,041		23,558	27,200	266,039
Clr M Matsape	70,289	25,970	935		9,224	13,600	120,018
Clr M Mokganyetsi	90,204	31,222	1,154		11,838	13,600	148,018
Clr M Mokwane	70,289	24,329	932		9,224	13,600	118,373
Clr M Mosotho	79,513	24,329	1,109			13,600	118,550
Clr M Motlape	62,331	26,371	957	9,151	8,030	13,600	120,441
Clr M Mphela	70,289	24,329	932		9,224	13,600	118,373
Clr M Msiza	500,904	194,766	6,466		76,213	68,000	846,349
Clr M Mthimunye	122,427	49,283	1,694		18,967	27,200	219,572
Clr M Nduli	157,656	64,720	2,102		24,288	27,200	275,966
Clr M Nkopo	46,120	17,679	650		6,918	11,100	82,468
Clr M Ntuli	79,513	24,329	1,109			13,600	118,550
Clr M Phala	102,042	32,683	1,383			13,600	149,707
Clr M Phetla	380,932	148,046	4,800		57,614	40,800	632,192
Clr M Phokwane	122,427	49,283	1,694		18,967	27,200	219,572
Clr M Ramphisa	225,868	89,296	3,009		33,880	40,800	392,853
Clr M Ranala	97,722	30,399	1,370		208	17,000	146,698
Clr M Sithole	122,427	49,283	1,694		18,967	27,200	219,572
Clr M Tladi	555,420	214,820	6,801		84,060	40,800	901,901
Clr M Tshehla	122,427	48,472	1,694		18,967	27,200	218,761
Clr M Tshivhula	70,289	24,329	932		9,224	13,600	118,373
Clr N Mahlangu	90,204	33,267	1,157		11,838	13,600	150,066
Clr N Makuwa	157,656	65,093	2,102		24,288	27,200	276,339
Clr N Matunyane	70,289	24,329	932		9,224	13,600	118,373
Clr N Mohlala	122,427	49,957	1,695		18,967	27,200	220,246
Clr N Ramongana	162,417	66,897	2,158		25,077	27,200	283,749
Clr P Koka	122,427	49,780	1,695		18,967	27,200	220,070
Clr P Masimula	254,550	102,094	3,008		4,518	40,800	404,970
Clr P Tladi	122,427	51,094	1,695		18,967	27,200	221,384
Clr R Makitla	70,289	24,329	932		9,224	13,600	118,373
Clr R Makuwa	123,543	53,205	1,695		19,135	27,200	224,778
Clr R Ndlovu	369,173	152,087	4,679		55,826	40,800	622,565

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All public officers	Annual Remuneration	Travelling and Car Allowance	Skills contribution	Medical aid	Pension Funds	Cell phone and Data	Grand Total
Cllr R Ratau	70,289	24,329	932		9,224	13,600	118,373
Cllr S Maipushe	90,204	33,264	1,157		11,838	13,600	150,062
Cllr S Malapela	122,427	49,283	1,694		18,967	27,200	219,572
Cllr S Matsomane	217,687	72,839	3,131		830	40,800	335,287
Cllr S Mehlape	69,070	32,859	1,217	24,304	8,667	13,600	149,718
Cllr S Mmaboko	122,427	48,472	1,694		18,967	27,200	218,761
Cllr S Mmotla	122,427	49,783	1,695		18,967	27,200	220,073
Cllr S Morare	122,427	49,762	1,695		18,967	27,200	220,051
Cllr S Ngwenya	215,381	73,650	3,087		3,136	40,800	336,054
Cllr S Nkosi	123,543	54,100	1,697		19,135	27,200	225,674
Cllr S Radigwana	121,392	51,915	1,695		19,775	30,119	224,897
Cllr S Ratlou	92,896	32,165	1,185		12,195	13,600	152,041
Cllr T Kgagara	122,427	52,391	1,696		18,967	27,200	222,682
Cllr T Machipa	448,136	176,260	5,560		53,228	40,800	723,983
Cllr T Malau	122,427	49,762	1,695		18,967	27,200	220,051
Cllr T Matsepe	70,289	24,329	932		9,224	13,600	118,373
Cllr T Mohlamonyane	122,427	49,657	1,694		18,967	27,200	219,946
Cllr T Ntheeko	79,513	24,329	1,109			13,600	118,550
Cllr T Phahlamohlaka	251,881	119,980	4,084	62,214	38,624	40,800	517,583
Cllr T Phorothoe	243,253	100,544	3,216		36,524	40,800	424,337
Cllr T Ratau	70,289	24,329	932		9,224	13,600	118,373
Cllr T Sithole	157,656	65,260	2,102		24,288	27,200	276,506
Cllr V Lecheko	232,804	81,047	3,311			40,800	357,962
Cllr V Mthombeni	79,513	24,329	1,109			13,600	118,550
Cllr W De Beer	122,427	48,472	1,721		18,967	27,200	218,789
Cllr W Oosthuizen	218,517	74,315	3,132			40,800	336,765
Cllr W Skhosana	70,289	24,329	932		9,224	13,600	118,373
-	14,851,789	5,760,738	199,907	193,846	1,844,181	2,526,119	25,346,981

54. Depreciation and amortisation

Property Plant and Equipment	59,253,390	57,064,510
Intangible assets	6,383	8,401
	59,259,773	57,072,911



ELIAS MOTSOALEDI

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