



Re direla setšhaba



**MOSES KOTANE LOCAL MUNICIPALITY**  
**2022/2023**  
**ANNUAL REPORT**

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### 1.1. MAYOR'S FOREWORD

I hereby present this Annual report for the financial year 2022/2023 on behalf of the Moses Kotane local municipality Council and officials. This report summarizes the municipal performance against the targets we set for ourselves during that time period. Despite the fact that Moses Kotane local municipality is largely rural in nature, with 107 villages, it is vital that a report of this sort provide our stakeholders and communities with an insight into the municipality's performance and achievements.

The mandate of Moses Kotane Local Municipality is the same as that granted to Local Government by Chapter 7 of the South African Constitution. Moses Kotane is still proud of its ability to prioritize community requirements based on IDP roadshows and condense them fully into the Integrated Development Plan, which serves as our performance guiding document. Our commitment is to serve our communities wherever they live. The current Annual Report discusses our accomplishments and challenges in regard to our political mandate as outlined in the key areas of Local Government concentration.

The annual report focused on the municipality's financial viability, local economic development initiatives that the municipality has investigated, mechanisms in place for expediting service delivery, and the goal of achieving a clean audit. It is vital to highlight that these will never be successful on their own; thus, Councillors and Officials must work together to identify and address the issues raised in the yearly report as soon as feasible. Having said that, it is also necessary to mention that there are a few specific areas that require special attention in the future.

Improved mechanisms that require special attention include the issue of increasing staff accountability in their everyday operations, the requirement for consequences management, cost containment on waste, and increased oversight.

Finally, the Moses Kotane Local Municipality is steadfast in its commitment to improving services in all 107 villages and Two Townships, not to mention ensuring that our people have access to clean, drinkable water.

  
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**CLLR NKETU NKOTSWE**

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## 1.2 MUNICIPAL MANAGER'S OVERVIEW

The compilation of this 2022/2023 annual report coincides with the Moses Kotane local municipality's continued recognition as one of the Best improved audit outcomes in the North West province. The financial year 2022/2023 was remarkable because the municipality accomplished big results despite the financial revenue the municipality collects, which severely impedes the municipality's intended advancement. However, this does not deter the administration or the diverse employees from continuing to strive to take this municipality to greater heights, resulting in our audit opinions improving. Even in future years, the municipality will continue committed to providing outstanding services to the 107 villages and two townships.

The administration continues to ensure that the Moses Kotane local municipal's integrated development plan (IDP) is aligned with the strategic development goals set by the national and provincial governments, not forgetting the district development model. This is demonstrated by the working relationships that the senior administration of Moses Kotane local municipality continues to build in providing services to the local residents. We also continue to create and maintain relationships with private sectors to aid the municipality where our resources are limited and we need immediate quick-wins in service delivery to the people. Furthermore, the necessity of alignment between IDP, Budget, and PMS is something that we as administration are continually striving hard to attain and maintain.

The municipality will also continue to comprehend and respect Council Oversight of their executed actions; this exercise is mandated by law and leads to the good governance that the municipality promotes. As a result, all employees must be aware that policy, plan, program, and project implementation will continue to be monitored to ensure that they: achieve expected results; represent good value for money; and are following applicable policies, laws, regulations, and ethical standards.

  
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**MUNICIPAL MANAGER**

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### 1.3 INTRODUCTION TO BACKGROUND DATA

Moses Kotane Local Municipality was established in 2000 in terms of section 12 of the Local Government: Municipal Structures Act 117 of 1998 (Act 117 of 1998) as a local Municipality. Moses Kotane is classified as Category B4 Local Municipality which is mainly rural with communal tenure. Its headquarters are based in Mogwase Townships with satellite offices in Madikwe Township. It shares borders with Rustenburg, Kgetleng River, Ramotshere Moiloa and Thabazimbi Local Municipalities. It is one of the five local municipalities constituting the Bojanala Platinum District Municipality classified as Category C1, in the North West Province of the Republic of South Africa.

The Municipality is strategically located and covers an area of approximately 5220 km<sup>2</sup> square meters, and on the R510 national road leading to all the mines, Amandelbult, Northam Platinum, Siyanda Mine, Rhino Andalusite, and Limberg Mine to PPC and ends in Thabazimbi. The Municipality also rests in the gateway to Sun City, the Pilanesberg, the Madikwe Game Reserve and the Bakubung Game Reserve. The N4 Corridor, which is the east-west bound road connecting Rustenburg and Pretoria, runs to the south of Moses Kotane local municipality. The R510 north-south bound road connects Moses Kotane Local Municipality to the north.

The economy of Moses Kotane is characterized mainly by tourism, mining, agriculture owing to its location within the major tourism and mining belt of the province, Pilanesberg and Sun City. Industries and social services also form a critical part of the local economy.

The Municipality is an EXCO type with 35 Wards. It is led by Council made up of 35 Ward Councillors and 34 Proportional Representative Councillors which stretches to 69 Councillors.

#### Demographic Profile

The table below, shows population data for each LM in North West. The data is sourced from Stats SA for the years 1996, 2001, 2011 and 2021. From the results, Moses Kotane Local Municipality has shown a population growth rate of 0.93% over the last ten years. This is one of the lowest growth rates in the Bojanala Platinum District Municipality, as well as in the North West Province. The Rustenburg and Kgetleng river LMs have the highest population growth rates in the District Municipality at 50.60% and 41.05%, respectively.

TABLE 1: BOJANALA PLATINUM DISTRICT MUNICIPALITIES POPULATION DATA FROM 1996 - 2021							
Local Municipality	Population 1996	Population 2001	Population 2011	Population 2021	% of total population 2021	Population growth / decline from 2011 to 2021	% growth / decline from 2011 to 2021
Moses Kotane	229580.49	237097.22	242551.99	244817.56	0.41%	2265.57	0.93%
Rustenburg	311562.03	387091.97	549555.03	827606.74	1.37%	278051.71	50.60%
Kgetleng Rivier	32755.93	36515.38	51038.03	71989.36	0.12%	20951.33	41.05%
Moretele	176796.03	182685.72	188285.40	189870.01	0.31%	1584.62	0.84%

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.

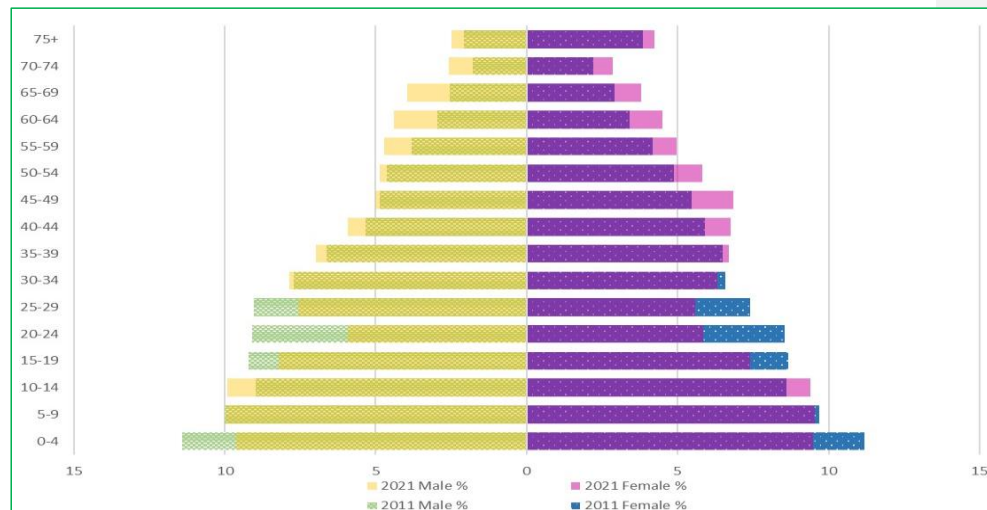
#### Population: Age and Gender for 2011 and 2021

The table below reflects the population gender and age distribution for 2011, 2016 and 2021 in MKLM, based on Stats SA data. The Figure shows a graphical comparison in the form of an overplayed growth pyramid of the MKLM population age and gender breakdown for the years 2011 and 2021.

TABLE 2: POPULATION GENDER AND AGE DISTRIBUTION FOR 2011, 2016 AND 2021									
Age Group	2011		2016		2021		2011 Total	2016 Total	2021 Total
	Female	Male	Female	Male	Female	Male			
Total	123465	122916	125218	123225	125031	119787	246381	248443	244818
0-4	13812	14020	12625	12601	11863	11536	27832	25226	23399
5-9	11975	12278	13353	13553	11947	11947	24254	26906	23894
10-14	10609	11015	10899	11150	11747	11859	21624	22049	23606
15-19	10714	11319	9226	9877	9242	9844	22033	19103	19086

TABLE 2: POPULATION GENDER AND AGE DISTRIBUTION FOR 2011, 2016 AND 2021									
Age Group	2011		2016		2021		2011	2016	2021
	Female	Male	Female	Male	Female	Male	Total	Total	Total
<b>Total</b>	<b>123465</b>	<b>122916</b>	<b>125218</b>	<b>123225</b>	<b>125031</b>	<b>119787</b>	<b>246381</b>	<b>248443</b>	<b>244818</b>
20-24	10554	11159	8894	9073	7302	7094	21713	17967	14397
25-29	9147	11112	8954	11143	6971	9052	20259	20098	16023
30-34	8130	9464	8535	10117	7880	9398	17594	18652	17278
35-39	8019	8133	7897	8302	8362	8345	16152	16199	16707
40-44	7302	6568	8099	7063	8457	7106	13870	15162	15563
45-49	6753	5968	7380	5658	8574	5998	12722	13038	14572
50-54	6018	5677	6640	5851	7257	5842	11695	12490	13099
55-59	5149	4688	5651	5410	6200	5662	9837	11061	11862
60-64	4207	3624	5010	4471	5610	5278	7831	9481	10887
65-69	3586	3131	3899	3626	4745	4733	6717	7525	9478
70-74	2737	2192	3244	2593	3583	3102	4929	5837	6685
75+	4752	2568	4914	2735	5290	2993	7320	7649	8283

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.



**Figure 1: Population pyramids for comparing the 2011 and 2021 age and gender distribution**

Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale. The following deductions can be made based on this graphic:

- There are more females in Moses Kotane; however, the birth rate has declined from 2011 to 2021.
- The proportion of both males and females in the categories between 15 and 29 years of age has decreased since 2011. This starts to increase from 35 years upwards.
- The soft narrowing of the cohorts as the population gets older is an indication of a slow death rate. This means that more people are living for longer, which has implications on the number of people that are dependent on the economically active segment of the population.

In 2021, the percentage of younger dependents accounted for 28.9% and the older population accounted for 10% of the total population. This means that an estimated 39% of the population in MKLM is dependent on the economically active segment of the population.

### Settlement Types

Based on the information provided in the following Table on the settlement types, as outlined in the National Spatial Development Framework (2022) adopted in 2022, MKLM has two service towns, three small service towns and nine local service nodes. Ledig is identified as a service town in MKLM. This is important to note that the Ledig settlement is expected to grow, as mentioned in the projected population growth above. This means that it would serve a considerable number of people, hence its importance in the provision of social facilities.

TABLE 3: SETTLEMENT TYPES FOR MOSES KOTANE LOCAL MUNICIPALITY BASED ON THE NSDF		
Moses Kotane Local Municipality		
Service Town	Ledig	
	Moruleng	
Small Service Town	Mabeskraal	Mogwase/Moruleng ST

**TABLE 3: SETTLEMENT TYPES FOR MOSES KOTANE LOCAL MUNICIPALITY BASED ON THE NSDF**

Moses Kotane Local Municipality		
	Seshibitswe	
Local Service Node	Dwarsberg	Lesetlheng
	Madikwe	Molatedi
	Nonceba	Obakeng
	Pella	Seolong
	Skuinsdrif	

#### **Roles of the settlements and the type and size of social facilities required**

The spatial logic of linking settlements of different sizes to the types and extent of social services required, is well-recognized and established internationally. This logic has been used for linking certain levels of facilities to an order of space or place. More information on this can be found at <https://socialfacilityprovisiontoolkit.co.za/>

The figure to follow is a ‘service wheel’, which provides an illustration of the ‘ideal’ relationship between the size and role that different types of places can, or should, play with respect to the strategic location of different categories of social services that would typically be associated with (and expected to be delivered by) such level of place and serve both for its residents and those living within its service region. The Figure shows the priority nodes for service delivery, as outlined in the recently adopted NSDF, 2020.

### **1.4.ORGANISATIONAL OVERVIEW**

#### **1.4.1 Political Governance - Municipal Council**

Moses Kotane Local Municipality is led by Council with the Executive Committee comprised of the Mayor as the Chairperson, inclusive of the Speaker as she presides over Council processes and the Whip maintains discipline among Councillors from various Political Parties. The governance model adopted by MKLM Council, recognises political leadership as the highest decision-making body.

The above is prescribed in terms of Local Government: Municipal Structures Act, No. 117 of 1998. The Mayor is the Head of Executive Committee (EXCO), which is the oversight committee to execute oversight function which comprises of five Portfolio Heads who serve in departmental / portfolio committees. The current Municipal Council became in



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office after Local Government elections in November 2021, and now in the second leg of financial review.

The Mayor is the chairperson of oversight committee members, resolved as EXCO. The oversight committees assist Council to exercise its oversight role. As part of supporting the core business of Council and its commitment to the separation of powers, ten Section 79 oversight committees were established and adopted by Council. The Section 79 oversight committees are chaired Portfolio Heads as chairpersons who are full-time Councillors, with below portfolio's:

- Community Services and Public Safety
- Local Economic Development
- Finance
- Corporate Services
- Infrastructure & Technical Services
- Planning & Development

The portfolio committees - section 79 and 80 committees have been crucial in the decision-making process since they critically analyse issues prior and in making recommendations to the Executive Committee before Council sitting. Another important aspect is to ensure functionality of Intergovernmental Relations (IGR) and focus on improving economic growth to create stakeholder value in decision making and projects implementation.

**Council roles and responsibilities cut across as below:**

- Make policies and bylaws that are informed to cater for community needs
- Enforce the codes of conduct for employees and councillors.
- Cooperate with other spheres of government, organs of state
- Build and promote good relations with the private sector, non-governmental and community organisations and other local organisations.
- Ensure implementation of National, Provincial and Local legislation and policies
- Establish suitable control and reporting systems and procedures to monitor and evaluate policy implementation to cater for communities
- Ensure that the municipality meets its executive obligations, discharges its developmental duties and realises the constitutional objects of local government.

The above-mentioned members have the responsibilities to ensure the following:

- Scrutinise reports referred by EXCO before taking them to Council
- The same reports are engaged on during Executive meetings where the Mayor and/or the EXCO advise Council accordingly

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- To oversee the performance of departments, before taking reports to or on behalf of Council
  - Provision of advisory legislative role

### **The Mayor**

The Mayor is at the centre of the system of governance but not having executive powers to daily manage the affairs of the municipality. In collaboration with EXCO and Council has the mandate to provide better services and to improve the socio-economic conditions 107 villages and 2 urban areas of MKLM.

### **The Speaker**

The Speaker performs the duties and exercises powers prescribed in Section 160(1)(b) of the Constitution and Section 36 of the Municipal Structures Act, No. 117 of 1998. The Speaker as the head of the legislative arm of Council, is responsible and to ensure that Council committees (Section 79 committees) are established and function effectively and efficiently per corporate calendar adopted by Council annually.

In the main, the Speakers responsibilities are mentioned below:

- Preside Council meetings
- Perform powers and duties delegated as prescribed in terms of Section 59 of the Municipal Systems Act, 2000
- To ensure that Council meets at least once a month, or as and when requested by Council
- To maintain order during Council meetings
- To ensure that Council meetings are conducted in accordance with the rules and orders of Council.

### **The Single Whip**

The Chief Whip plays a pivotal role in the overall system of governance to ensure good relations amongst all political parties. The roles and duties are mentioned below:

- Ensure quorum of all Council sittings
- Promote and maintain positive party-to-party relations
- Ensures that councillors attend Council and committee meetings and represent their parties in the Programming Committee
- Ensures that party members are familiar with the Standing Rules and Orders of Council
- Organise the work of councillors in party caucuses
- Assess the performance of councillors

- 
- Decide the party allocation of councillors to committees

#### **The Municipal Public Accounts Committee (MPAC)**

The committee is established to assist with Council related matters, delegated with some decision-making powers and required to submit reports to Council per Audit Committee and Auditor General's reports adopted by Council. MPAC need to ensure that good governance and accountability is maintained by both Councillors and officials of the municipality.

#### **The Audit Committee (AC)**

The AC is chaired by an independent person, appointed with the requirements prescribed by the MFMA. It is Internal Municipal committee, known as "Standing Committee" to perform their oversight role as prescribed by legislation. Key to their roles and responsibilities is prescribed Municipal Finance Management Act, Section 166(2)(a). Their main role is to advise Council, Accounting Officer and Management Staff per below:

- To ensure adequacy, reliability and accuracy during financial reporting, records and information provision
- To ensure that the issues raised by the AGSA in the Audit Report are addressed. To evaluate Municipal performance, its goals and objectives as set in the Integrated Development Plan (IDP) and aligned to Service Delivery and Budget Implementation Plan (SDBIP)
- To ensure that financial controls and internal audit and evaluate municipal performance
- To ensure implementation by and to avoid negative audit outcomes in future
- To ensure accounting policies are scrutinised
- To ensure compliance to applicable legislation, Regulation 14(1)(c) of the Municipal Planning and Performance Management Regulations, 2001
- Ensures that the act above requires municipality's internal auditors to continuously audit the performance measurements of the municipality and submit quarterly reports on their audits to the Municipal Manager and the Audit Committee.

#### **1.4.2 Administrative Governance**

The Municipal Systems Act, No. 32 of 2000, Section 55 of the prescribes the Accounting Officer as the administrative head of a municipality. Moses Kotane Local Municipality recognizes that good governance is a critical to ensure effective, efficient delivering basic services to its communities as the main object of local government. MKLM is committed to implementing and aligning with the Municipal Staff Regulations which was gazetted

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by the Minister of Cooperative Governance and Traditional Affairs on 21 September 2021 and was effective from 01 July 2022.

The regulations will promote effective recruitment and selection, human resource development, organizational efficiency improvement, occupational health and safety, human capital management and human resource development and skills development. The processes is done with the effort to meet the ever-growing demand for the provision of sustainable quality municipal services, and the effective management and development of human capital. The regulations will also help, in recognition of the need to improve service delivery and transform its ways of running its affairs to the satisfaction of the broader 107 rural villages and two urban areas of Moses Kotane Municipality.

MKLM is in the process of spearheading this resolution, with the main focus of doing Skills Audit, filling of Critical and budgeted vacancies with the right to promoting fairness in the recruitment and selection processes. The intention is also to support and opening opportunities to people living with disability and other designated groups, skills development through training and or capacity building and support to promoting effective Human Resource Management and Development. This is to promote and shows that MKLM made efforts to promote compliance with the relevant local government legislation as required by law, and amongst others, to focus on employment equity and policy development, alignment and implementation. MKLM encountered overwhelming challenges experienced, levels, skills audit etc, but some measure of progress was achieved over the financial year under review. In this regard, some of the critical vacancies remained filled, and efforts to fill key service delivery vacancies was prioritised in order to ensure that basic service are delivered to our communities.

The Administration arm of the municipality is headed by the Municipal Manager and is made up of the following six departments:

- Office of the Municipal Manager
- Corporate Services
- Planning & Development
- Budget and Treasury Office
- Infrastructure and Technical Services
- Community Services

The leadership has been clear that it cannot live on past achievements but projects to be implemented towards their communities. During planning phase, it was indicated that developmental needs and programmes to also focus on youth; women; elderly and people living with disabilities. There was non-functionality of other Council committees which council established good governance committees to ensure operational

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effectiveness, efficiency and also to strengthen socio-economic needs of the local communities.

This will continually call for investor attraction and development of business plans for implementation of catalytic projects. The above will automatically grow municipal revenue base, while measures of debt collection are being set. Therefore, infrastructural development will be required, growth and development will be realised and the MKLM will continuously provide basic level of service and a better life to all 107 villages and two urban areas.

Moses Kotane Local municipality must ensure that anyone affected by or interested in a decision-making process should have the opportunity to participate. The process can happen be done in several ways – community members may be provided with information, asked for their opinion, given the opportunity to make recommendations or, in some cases, be part of the actual decision-making process, or by being allowed to make written comments to the municipality.

MKLM Council is the final decision-making body where crucial decisions are taken to lead the municipality to be service delivery oriented and to grow the economy. Like any other institution, good corporate governance remains at the centre for day to day municipal operations. Municipal Council have been and will ensure that municipal Vision, Mission and ethical values underpinning good corporate governance are implemented as per below:

#### **Municipal Vision, Mission and Values**

##### **Vision Statement**

A caring municipality underpinned by minerals, agricultural and eco-tourism economy for the advancement of sustainable services to our communities

##### **Mission Statement**

To be driven by skilled human capital, conducting high work and service standards incorporating our natural resources to achieve inclusive quality of life for our communities.

### Values

Integrity | Honesty | Transparency | Accountability |  
Excellence | Human Dignity

#### 1.4.2 Demographic Profile

Population data for each LM in North West. The data is sourced from Stats SA for the years 1996, 2001, 2011 and 2021. From the results, Moses Kotane Local Municipality has shown a population growth rate of 0.93% over the last ten years. This is one of the lowest growth rates in the Bojanala Platinum District Municipality, as well as in North West Province. The Rustenburg and Kgetleng Rivier LMs have the highest population growth rates in the District Municipality at 50.60% and 41.05%, respectively.

#### 1.4.3 Ward level Population by Age Group and Gender

Table 1 below, shows population data for each LM in North West. The data is sourced from Stats SA for the years 1996, 2001, 2011 and 2021. From the results, Moses Kotane Local Municipality has shown a population growth rate of 0.93% over the last ten years. This is one of the lowest growth rates in the Bojanala Platinum District Municipality, as well as in North West Province. The Rustenburg and Kgetleng Rivier LMs have the highest population growth rates in the District Municipality at 50.60% and 41.05%, respectively.

1.2. Table 4. Bojanala Platinum District Municipalities Population Data from 1996 – 2021

Local Municipality	Population 1996	Population 2001	Population 2011	Population 2021	Percentage total population 2021	Population growth / decline	Percentage growth / decline
Moses Kotane	229580.49	237097.22	242551.99	244817.56	0.41%	2265.57	0.93%
Rustenburg	311562.03	387091.97	549555.03	827606.74	1.37%	278051.71	50.60%
Kgetleng Rivier	32755.93	36515.38	51038.03	71989.36	0.12%	20951.33	41.05%

Local Municipality	Population 1996	Population 2001	Population 2011	Population 2021	Percentage of total population 2021	Population growth / decline	Percentage growth / decline
Moretele	176796.03	182685.72	188285.40	189870.01	0.31%	1584.62	0.84%

#### 1.4.4 Population: Age and Gender for 2011 and 2021

Table 2 reflects the population gender and age distribution for 2011, 2016 and 2021 in MKLM based on Stats SA data. Figure 1 shows a graphical comparison in the form of an overlaid growth pyramid of the MKLM population age and gender breakdown for the years 2011 and 2021.

1.3 Table 5. Population gender and age distribution for 2011, 2016 and 2021

Age Group	2011		2016		2021		2011 Total	2016 Total	2021 Total
	Female	Male	Female	Male	Female	Male			
<b>Total</b>	<b>123465</b>	<b>122916</b>	<b>125218</b>	<b>123225</b>	<b>125031</b>	<b>119787</b>	<b>246381</b>	<b>248443</b>	<b>244818</b>
0-4	13812	14020	12625	12601	11863	11536	27832	25226	23399
5-9	11975	12278	13353	13553	11947	11947	24254	26906	23894
10-14	10609	11015	10899	11150	11747	11859	21624	22049	23606
15-19	10714	11319	9226	9877	9242	9844	22033	19103	19086
20-24	10554	11159	8894	9073	7302	7094	21713	17967	14397
25-29	9147	11112	8954	11143	6971	9052	20259	20098	16023
30-34	8130	9464	8535	10117	7880	9398	17594	18652	17278
35-39	8019	8133	7897	8302	8362	8345	16152	16199	16707
40-44	7302	6568	8099	7063	8457	7106	13870	15162	15563
45-49	6753	5968	7380	5658	8574	5998	12722	13038	14572
50-54	6018	5677	6640	5851	7257	5842	11695	12490	13099
55-59	5149	4688	5651	5410	6200	5662	9837	11061	11862
60-64	4207	3624	5010	4471	5610	5278	7831	9481	10887
65-69	3586	3131	3899	3626	4745	4733	6717	7525	9478
70-74	2737	2192	3244	2593	3583	3102	4929	5837	6685
75+	4752	2568	4914	2735	5290	2993	7320	7649	8283

*Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.*

**1.4.5 Figure 2: Population pyramids for comparing the 2011 and 2021 age and gender distribution**



*Source: Statistics South Africa. 2021. Mid-year population estimates at local municipal scale.*

The following deductions can be made based on this graphic:

- ✦ There are more females in Moses Kotane, however, the birth rate has declined from 2011 to 2021.
- ✦ The proportion of both males and females in the categories between 15 and 29 years of age has decreased since 2011. This starts to increase from 35 years upwards.
- ✦ The soft narrowing of the cohorts as the population gets older is an indication of a slow death rate. This means that more people are living for longer, which has implications on the number of people that are dependent on the economically active segment of the population.

In 2021, the percentage of younger dependents accounted for 28.9% and older population accounted for 10% of the total population, which means that an estimated 39% of the population in MKLM is dependent on the economically active segment of the population.



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#### 1.4.6 Population growth trend per settlement footprint: Settlement Population Data

Figure 2 shows the settlement footprint with associated 2021 population for MKLM, whilst Figure 3 shows changes in population size between 2011 and 2021 in the different settlements. The results in Figure 3 show that majority of the settlements in MKLM had an increase in population between 2011 and 2021, with Ledig estimated to have had the highest population growth during the 10 years.

Natural Resources	
Major Natural Resource	Relevance to Community
Platinum	Job creation and economic development
Chrome	Job creation and economic development
Cement	Job creation and economic development
Game	Tourism

The Census 2011 reported a population growth of 0.2%. The current sources of data used for integrated development plan is not reliable, old and not accurate. The above plans lead to poor planning especially in instance where waste collection need to be done as household and development in various villages are massive. In planning we are not to project but to provide and use endorsed statistics known by national Treasury. The Electoral stats cannot be used as it is also not inclusive of ages from 0-17. The other challenge is indigent register which need to be updated annually when status of various households' changes.

### 1.5 SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

The Infrastructure & Technical Services Department of the Moses Kotane Local Municipality is responsible for the provision of water, sanitation, roads, storm water and community lighting (streetlights and high mast lights.) Basic service delivery includes the provision of potable water, sewerage management, electricity and the management of roads, which are the basic competency of local government (internal roads within various villages). Government basic services delivery targets are largely prescribed in the Sustainable Development Goals adopted by the United Nations. The major goal is that all households should have access to all basic services.

To Note: Housing is also considered a basic service delivery; however, housing delivery in MKLM remains a provincial competency, led by the Provincial Department of Human

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Settlements but within Planning and Development. Waste removal is also a basic service delivery within Community Services.

The Municipality is regarded as a Water Services Authority (WSA) and Water Service Provider (WSP). The Municipality is also using the services of Magalies Water Board as water service provider for certain areas that the municipality is unable to provide water. Magalies Water is responsible for bulk supply and the municipality for distribution. The area of operation for the Department is split into two regions, namely Mankwe (eastern side of the municipal area) and Madikwe (western side of the municipality) and consists of the following business units:

- Water and Sanitation
- Roads and Stormwater
- Electro/Mechanical
- Project Management Unit (PMU)

MKLM has a challenge of bulk water supply and lacks a system to augment and maintain all implemented projects. We are a water-scarce municipality and has been lacking water for the past few years. Annually, communities identify water and sanitation as a serious need. This is why it is a priority for the MKLM. The problem is not only present at the MKLM but is a South African challenge. We spend more in paying Magalies and get less in the collection of revenue, and supply is received from Magalies Water (Vaalkop dam). MKLM needs to start education on scarce water resources and try to supply to consumers by implementing appropriate water restrictions for a certain duration where there is a need.

The critical part is that MKLM needs to get funding for bulk water supply, to ensure it strengthens, refurbishes and maintains all water projects implemented already and the ones it is planning to implement. This will also assist MKLM to start engagement with all mining houses, as they also receive water from the Magalies Board, and to plan for collaboration projects to ensure we upgrade the available dam for the sake of basic service delivery. The MKLM must also request all its stakeholders receiving from the same dam to strategies on strategic interventions and address the priority of water and sanitation or VIP toilets where needed (Sun City and others). This cannot happen in isolation and the Department of Water and Sanitation should be engaged on issues of maintenance and refurbishment of existing infrastructure.

The Department (ITS) is understaffed with regards to operations and maintenance. Many projects are implemented every year which results in an increment in the asset register. The vastness of the municipal area makes it difficult for the maintenance teams to respond to breakdowns / maintenance issues given the current human resources. To enable the department to respond timeously, an improvement in human resource as well as plant and equipment should be considered.

#### Departmental Priorities and Objectives

<b>TABLE 6: PRIORITIES AND OBJECTIVES</b>	
<b>Priority</b>	<b>Basic Services and Infrastructure Development</b>
Water	To provide new, and improve and maintain existing water supply infrastructure, so as to minimize interruptions of services, water loss and ensure compliance with Drinking Water and Wastewater Quality standards (blue drop system)
Sanitation	To provide access to sanitation through the maintenance of existing infrastructure, the provision of new appropriate infrastructure to all communities and to ensure compliance with Wastewater Quality standards (green drop system).
Roads and Storm Water	To provide and maintain roads & storm water Infrastructure
Electricity	To provide and maintain community lighting infrastructure and facilitate household electrification by Eskom

<b>Municipal Priorities</b>	<b>Departmental and Parastatals Priorities</b>
Water and Sanitation	Housing (RDP houses) and electrification of households
Roads and Storm water	Health and Social Development
Institutional Development	Education
Sports and Recreation	Transport and Traffic
Economic Development	Safety and Security
Solid Waste & Environment	Electricity (ESKOM)
Community Participation and Communication	Spoornet
Land & Housing (Land for residential purposes)	
Disaster Management	

The first Key Performance Area of Basic Service Delivery met the needs of the community as priority no one (1) and most of the budget was allocated to access of water. Moses Kotane Local Municipality is a water strained municipality with limited financial resources to allocate and implement projects in all 107 villages and two urban areas.

Below households statistics from 2011 indicated the numbers as reflected:	
▪ Number of households in the Municipality	75 195
▪ Number of billed households in the Municipality	21 300
▪ Number of registered indigent households (Municipal Data)	10 580
▪ Number of indigent households with access to free basic water	10 580
▪ Number of indigent households with access to free basic electricity	10 580

### Municipal Challenges

Moses Kotane Municipality have encountered challenges and numerous achievements were made during the financial year. The main challenge faced by MKLM is poor planning due to unreliable statistics looking into the growth happening in our 107 rural areas governed by Traditional Leaders. Developments are done without plans submitted to the Municipality and basic level of service is required during the middle of the financial year (which some impacted in communities wanting to close municipal offices). This development is ongoing in rural areas and no revenue is collected from them. Education is required through the assistance of Councillors to encourage rezoning and communities believing in having title deeds and this will grow municipal revenue base. Attempts of land invasions relating to the lack of housing was done but control was done by the relevant unit. Non-delivery of waste collection in some other areas due to bad roads and wrong household count. Water leakages and shortages also causes illegal yard connection. Development of integrated plans together with all our stakeholders is required (waste management plan etc.) to avoid duplication of services and promote project collaborations. The service delivery protests which occurred throughout the financial year, was a huge concern for Council, however numerous meetings were held with affected communities to resolve them. Some challenges may be as below:

- ✓ Indigent consumers who do not collect their Free Basic Electricity
- ✓ Consumers who are possibly indigent not coming forward to disclose their status
- ✓ Illegal housing occupation (houses sold by owners/ others having houses in other provinces)
- ✓ Delays in land tenure upgrade programmes
- ✓ Mushrooming of informal settlement (where mining development is earmarked)
- ✓ Housing accreditation and growth in 107 villages led by Traditional Authorities

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The skills challenge that currently exists through all facets of our communities and addressing it requires co-ordinated and targeted intervention from all spheres of government, the private sector and society. The municipality need to develop a programme that will aim to respond to the need for a larger and more skilled workforce, while encouraging young professionals, artisans, etc., to stay within the municipality. The issue of skills is important in creating quality rate payers, debt reduction and in addressing the triple challenge of poverty; unemployment and inequality among our communities. In addition, lack of women in management positions is important in ensuring that women are integrated effectively into the workplace employment equity plan policy to be developed.

Then management of informal economy, especially street trading is a demanding task involving demarcation of trading areas, issuing of permits, organising traders into area committees that feed into the municipal plans which will also assist on an on-going collection of revenue and rentals for the municipality. No revenue base for the municipality except in Mogwase and Madikwe. This will be necessary to enforce regulations and by-laws as adopted by Council. This programmes will assist in growing and supporting the informal economy through initiatives such as the provision of infrastructure support and development to informal trade, provision of advisory and information services to product owners and visitors, and to ensure competitiveness through gathering business intelligence and improving product quality.

The municipality lacks plans of special purpose vehicle to support, market and promote the local film and digital media industry as a new concept that we lacked in the previous financial years. The programme will boost tourism, job creation and the development of core skills for SMME's. As an institution we lack programmes that focusses on development initiatives that aim to grow the local film and television industries in order to create opportunities for future investment by either the public or private sectors. There are key outputs towards projects with the aim to ensure capacity building and skills development of local producers, directors and screenwriters, increased export quality products locally. The other aspect is the establishment of film and television studio infrastructure that will expedite the development of local producers, the attraction of national and international investors.

Programmes of enterprise development, where small businesses becomes vital contributors to the health of the economy and offer a diversity of opportunity in our

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communities. Small businesses boost productivity, increases competition and innovation, creates employment and prosperity, and revitalizes our communities. Through this programme a platform can be created for small enterprises to develop into sustainable businesses. There is also a lack of platform to be created for sector programme such as construction, tourism development, arts and crafts and the ICT sectors. The above can only happen through the resuscitation of Development Agency, Business Linkages Programme, and opportunities through preferential procurement policies and plans

The importance of tourism marketing as essential that communities are made aware of the importance of tourism. Many of our key cultural and historical places of significance are in disadvantaged areas and will need infrastructural as well as management and tourism training to nurture a new culture of tourism through EPWP type programmes like Working for Tourism etc. (considering “Our icon Moses Kotane whom his reburial was done in Pella Village”. Lack of plans to prioritise such routes in order to create sustainable opportunities for a wider section of society and in so doing add to the tourism interest in cultural and social history of our communities.

Sun City in itself known nationally and internationally to be in Rustenburg whereas is in Moses Kotane Local Municipality – lack of marketing. We need to create and promote investment nodes and corridors with the aim to reverse the effect of Apartheid townships by creating an all-inclusive live, work and play environments within a racially segregated and integrated municipal area. The key to this programme will be inclusive settlements and sustainable residential densities. Another challenge may be development of the primary road just for the municipal entrance for attractions of investors when entering the Municipal building.

The municipality need to ensure development and implementation of township establishments. Looking into MKLM especially in Mogwase and Madikwe as urban areas, due to the apartheid legacy, the former township areas were developed as dormitory residential areas for Sun City with an insular focus with now non-functional industrial areas, shopping complex, minor retail activities and basic social services. This resulted in slow economic growth and weak and under-developed economies and are not well integrated into the existing economy. Land use management plans and built environment plans.

In MKLM 107 rural villages governed by Traditional Leaders, households are scattered, generally poor or lack access to socio-economic infrastructure and services, public

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amenities and government services. Other issues include low literacy, skills levels and migratory labour practices to developed cities to seek for greener pastures, child/woman headed households, family disputes. The other issues to be considered is unexploited opportunities in agriculture, tourism, mining and manufacturing / lack of strategies for implementation. The VTSD will also assist to package some rural livelihoods development programme on the principles of the Comprehensive Rural Development Programme of the Department of Rural Development and Land Reform, and in the pilot phase to unlock rural nodes and opportunity corridors which may hold potential towards our communities.

#### **COMMENT ON ACCESS TO BASIC SERVICES:**

Waste has been collected in all areas in the Municipality – especially in the two “towns”. Challenges have however have been experienced in villages where the waste removal trucks have not been able to access the households due to narrow roads.

The provision of sanitation has been low in relation to the number of households in the municipality because the RDP houses built are provided with sanitation services. Water connections to residential dwellings have been challenged by the dire shortage of water in the Municipality. This is compounded by the aged water infrastructure that the municipality together with the water provision partners i.e. Magalies Water board and Department of Water Affairs and Sanitation will be working on improving.

### **1.6. FINANCIAL HEALTH OVERVIEW**

#### **FINANCIAL OVERVIEW**

The Moses Kotane Local Municipality is mostly dependent on grant income followed by rates and services income. The municipality’s sustainability depends on the effective management of its resources, community effective contribution and participation in the budgeting process as well as by the payments of rates for services.

Illegal water connection and non-payments of rates and services is a major concern for the Municipality. The management’s main focus is to ensure that all reasonable steps are taken to enhance revenue collection. Better planning and control over expenditure and higher effectiveness of staff will also result in improved financial management.

Financial Overview: 2022/2023			
Details	Original budget	Adjustment Budget	R' 000 Actual
Income:			
Grants	538 131	543 339	534 957
Taxes, Levies and tariffs	367 361	367 361	309 244
Other	96 286	96 286	116 217
Sub Total	1 002 765	1 008 032	960 481
Less: Expenditure	1 086 051	1 089 766	928 378
Net Total*	83 286	81 733	32 040

Operating Ratios	
Detail	%
Employee Cost	28%
Repairs & Maintenance	4%
Finance Charges & Impairment	2%

Total Capital Expenditure: Year 2020/2021 – 2022/2023			
Detail	2020/2021	2021/2022	2022/2023
Original Budget	203 495	233 760	234 540
Adjustment Budget	253 394	212 120	224 658
Actual	213 603	179 281	208 152



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## 1.7 ORGANISATION; DEVELOPMENT OVERVIEW

### Organisational Development Performance: Implementing PMS

#### Alignment of IDP, Budget and PMS

The IDP, Budget and Performance Management System processes are seamlessly integrated. Integrated Development Plan fulfils the Planning Stage of Performance Management. Performance Management System in turn, fulfils the implementation management, monitoring and evaluation of the Integrated Development Plan. The performance of an institution/organization is integrally linked to that of the municipal manager and the senior managers, the cascading to employees is to be implemented in the 2023/2024 financial in accordance with regulations.

The employees need to ensure that they perform their duties to be able to realize their objectives. If employees do not perform, the institution will not achieve its intended objectives. The two are inseparable and that is why is the most critical and important to manage both at the same time.

At the strategic planning session, an outcome-based approach was used in line with the national government's priorities and the associated 14 outcomes. The strategic objective of the outcome-based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

The Government outcome 9 commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is efficient, effective, responsive and accountable.

In line with Outcome 9, and also discussed during the strategic planning process, Moses Kotane Local Municipality engages and responds directly to issues facing 107 villages and two urban areas and rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with development planning, economic development, infrastructure development, rural development and environmental management. Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical and will broadly be discussed under the strategic intent of the Municipality.

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### **National Key Performance Areas**

The Municipality's objectives are aligned to the five National Key Performance Areas as articulated in the DPLG five-year strategy.

- 1) Basic Service Delivery and Infrastructure Development
- 2) Good governance and Public Participation
- 3) Municipal Transformation and Organizational Development
- 4) Local Economic development
- 5) Spatial Rationale
- 6) Financial Viability and Management

### **National Key Performance Indicators**

Clear and effective Technical indicator are essential in the development and deployment of resources. The PMS policy and framework was developed to provide direction and guidance on the development, implementation, monitoring, reporting and feedback on the interventions identified in the SDBIP. The Technical Indicator are developed to harmonize and standardize the implementations of municipal indicators. Amongst others they will cover the following:

- A descriptive tittle
- Scope including functions performed, types of products to be used.
- Chart of the procedure followed.
- Reporting frequency

### **Municipal Key Performance Areas (Strategic Goals),**

#### **Planning for Performance - Service Delivery and Budget Implementation plans (SDBIP)**

*MFMA of 2003 Section 53 (c) iii require municipalities to compile and submit SDBIPs to the Executive Mayor within 28 days after the adoption of the budget by Council.* The Service Delivery Budget and Implementation Plan (SDBIP) is directly translated from the adopted IDP and Budget. The SDBIP is regarded as the implementation tools of the IDP and budget.

The Mayor approves the SDBIP which will form the basis for Performance Agreements for municipal manager and senior managers The SDBIPs will determine the development and signing of performance agreements for section 57 employees

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### **Performance Monitoring, Measuring and Reviewing**

Performance Monitoring is a continuous process that runs parallel with the implementation of the IDP. The IDP is regarded as forward planning. The process entails collection, storage, verification and analysis of performance data in order to compare current performance with previous financial years and baseline indicators.

The IDP is not meant for a specific department, but all departments within the municipality, sector departments (National/Provincial and District), and all other stakeholders and individuals within the Municipality. Every community member needs to take responsibility to collect relevant data/statistics to support the monitoring process. Site visits to projects or evidence of performance is gathered and presented to substantiate claims of meeting/not meeting performance standards as adopted by Council and promised to our communities.

### **Performance Reporting**

MFMA No. 56 of 2003 Section 52 requires the Mayor to submit a report on the implementation of the budget and the financial state of affairs of the municipality to council within 30 days after the end of each quarter. All quarterly performance reports are due for submission to the PMS office seven days after the end of each quarter. This will enable the office to compile a consolidated report on time to meet the requirements of the Act.

The same quarterly performance reports will further be consolidated into an annual performance report to be considered by council within 9 months after the end of each financial year in order to meet the requirements of Section 121 of the MFMA.

#### **1.8 AUDITOR GENERAL REPORT: 2022/2023**

The Auditor-General's responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

Moses Kotane Local Municipality received an qualified audit opinion for 2022/2023 financial year.

1.9 STATUTORY ANNUAL REPORT PROCESS		
No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2022/2023 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of municipality	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including Annual Financial Statements and Performance Information	September - December
10	Municipalities receive and start to address the Auditor General's comments	January-March
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	April

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<b>COMMENT ON THE ANNUAL REPORT PROCESS:</b>
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**The IDP/PMS/ Budget Process Plan Adoption**

**Section 153** of the Constitution of the Republic of South Africa provides that a municipality must “structure and manage its administration and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community”. This constitutional provision illustrates the need for integration, planning, budgeting, implementation and reporting processes of all public institutions for collaboration processes

The Process Plan is developed annually to guides the overall Planning for the financial Year. The Integrated Development Plan (IDP) is the principal strategic instrument of a municipality to give effect to its developmental role as enshrined in the Constitution of South Africa. The main purpose of the IDP is to identify needs analysis and prioritize the most critical developmental challenges of the community raised during Public Participation whilst organizing internal governance and institutional structures in order to address those challenges aligned with availed budget.

It is required by legislation that a municipal council must adopt a process to guide the planning, drafting and adoption of its Integrated Development Plan (IDP).

**a) MSA 28 stipulate that:**

- (1) *“Each municipal council...must adopt a process set out in writing to guide the planning,  
Drafting, adoption and review of its integrated development plan.”*
- (2) *The Municipality must through appropriate mechanism, processes and procedures established in terms of chapter 4, consult the local community before adopting the process;*
- (3) *A Municipality must give notice to the local community of particulars of the process in intends to follow.*

**b) MSA 29 further requires the IDP Process Plan to provide for:**

- a) *Be in accordance with a predetermined programme specifying time frames for different steps;*
- b) *Through appropriate mechanisms, processes and procedures establish in terms of Chapter 4 allow for-*
  - i *The local community to be consulted on its development needs and priorities*

- 
- ii *The local community to participate in the drafting of the integrated development plan, and*
  - iii *Organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan*
- c) *Provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation, and*
- d) *Be consistent with any other matters that may be prescribed by regulation*

### **Integrated Development Plan (IDP)**

The Municipal Systems Act (Act, No. 32 of 2000) requires municipalities to annually prepare, review and adopt its integrated development plan. An IDP is one of the key mechanisms for local government to cope with its new developmental role. Moreover, it seeks to facilitate strategic decisions on issues of municipal importance, such as land use management systems, local economic development and institutional transformation in a consultative and systematic manner. The Municipal Systems Act, which provides a framework for the preparation of IDPs recommends that, once in place, each IDP must be reviewed annually to reassess and re-evaluate the municipality's development priorities and challenges and to accommodate new developments in local government processes.

The Municipal Systems Act (MSA) also prescribes that an extensive consultation process must be undertaken as part of the IDP process to obtain the inputs from communities regarding their needs. Apart from indicating the needs of communities, the IDP should also specify a vision for the area, i.e., the desired future state of the community and its surrounds, and a plan to achieve it.

In line with the Systems Act the municipality prepared a process plan, and this plan included the following:

- A programme specifying the time frames for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;
- An organisational arrangement for the IDP process;
- Binding plans and planning requirements, i.e., policy and legislation; and mechanisms and procedures for vertical and horizontal alignment;
- The process plan was adopted by council.

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**Section 34: The annual review and amendment of integrated development plan- A Municipal Council-**

*(a) Must review in accordance with its Integrated Development Plan-*

- (i) Annually in accordance with an assessment of its performance measurement in terms section 41, and*
- (ii) To the extent that changing circumstances so demand, and*

*(b) May amend its IDP in accordance with a prescribed process*

The municipality ensured that they embark on extensive public participation process of the IDP, Budget, and the Performance reporting to its communities. Traditional Leaders are always part and of our engagements to ensure collaborative efforts in the municipal affairs.

**MSA continues; -**

The Local Government: Municipal Systems Act, 32 of 2000 (MSA) and as amended, places the IDP at the top of municipal planning instruments by suggesting that an IDP, adopted by the Council of a Municipality 2017/22 is the key strategic planning tool for the municipality. According to the mentioned Act it states that, the IDP is:

- (a) “The principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”;*
- (b) “Binds the municipality in the exercise of its executive authority...”*

**a) Section 25 of the MSA further prescribes that:**

**Local Government Municipal Systems Act 32 of 2000**

**Chapter 5 and Section 25(1) - Adoption of the Integrated Development Plan**

Each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which;

- (a) Links integrates and co-ordinates plans and takes into account proposals for the development of the Municipality;*
- (b) Align the resources and capacity of the municipality with the implementation of the plan;*
- (c) Forms the policy framework and general basis on which annual budgets be based*
- (d) Complies with the provisions of this Chapter; and*
- (e) Is compatible with the national and provincial development plans and requirements binding on the municipality in terms of legislation.*

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In accordance with this legislation, Moses Kotane Local Municipality adhered to the above legislative requirement when it adopted its IDP 2022/2023.

Section 34 of the Municipal Systems Act further requires that the adopted IDP of a Council must be reviewed annually. The prescripts are as follows:

“A Municipal Council –

1. *Must review its integrated development plan-*
  1. *Annually in accordance with the assessment of its performance measurements...*
  2. *To the extent that changing circumstances so demand,”*

### **Community participation**

Public participation is critical to municipal governance and ensures collaborative planning. The expression of public participation enables communication and interaction between the municipality and the community. Through public participation, members of the community and stakeholders are given an opportunity to partake in identifying their needs and priorities per ward, and the municipal planning is informed by their development needs.

The process will allow communities to effectively have ownership in all developmental programmes in their wards and municipal boundaries. The process is informed by the White Paper on Local Government, Section B paragraph 33. The National Development Plan (NDP) also aims to eliminate poverty and reduce inequality by 2030.

The Office of the Speaker is accountable to Public Participation since the New Staff Establishment, Municipal Regulation. The office mobilizes the community to ensure effective and efficient public participation. In the financial year under review, it was for the first time that all plans of Public Participation were facilitated by Speakers Office. All consultations were facilitated, among others, regarding the following:

- Identification of Needs Analysis and Priorities
- Public comments of the IDP and the Medium-term Revenue and Expenditure Framework (MTREF)

And any other consultation on by laws and etc need to be conducted through the office of the Speaker.



**Local Government Municipal Systems Act 32 of 2000**

**Chapter 4: Community Participation: section 16**

**Development of culture of community participation**

1. 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 the affairs of the municipality, 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 Councillors and staff to foster community participation; and
    - (ii) Use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b).

TABLE 6: PUBLIC PARTICIPATION PRIORITIES AND STRATEGIC OBJECTIVES		
No.	Municipal Priorities 2023/2024	Strategic Objectives
1.	Water and Sanitation	To develop and maintain infrastructure to provide basic services.
2.	Roads and Storm water	To develop and maintain infrastructure to provide basic services.

TABLE 6: PUBLIC PARTICIPATION PRIORITIES AND STRATEGIC OBJECTIVES		
No.	Municipal Priorities 2023/2024	Strategic Objectives
3.	Economic Development <ul style="list-style-type: none"> <li>Climate Change</li> </ul>	To create an enabling environment for social development and economic growth.
4.	Municipal Budget <ul style="list-style-type: none"> <li>Debt Collection and</li> <li>Revenue Enhancement</li> </ul>	Sound financial management: adherence to all laws and regulations as prescribed to local government.
5.	Development Planning <ul style="list-style-type: none"> <li>Land availability for Human Settlement</li> <li>Residential area</li> <li>Business and Agriculture</li> </ul>	To establish economically, socially, and environmentally integrated sustainable land use and human settlement.
6.	Community Participation and Communication	To ensure ethical and transparent governance that is responsive to community needs and encourage public participation.
7.	Institutional Development <ul style="list-style-type: none"> <li>Information Communication and Technology</li> </ul>	To promote accountability, efficiency and professionalism within the organization.
8.	Solid Waste and Environment and Disaster Management <ul style="list-style-type: none"> <li>Waste Collection</li> <li>Disaster Management</li> <li>Climate Change</li> </ul>	To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.
9.	Sports and Recreation	To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.

#### IDP PARTICIPATION AND ALIGNMENT

MKLM commitments is to promote public participation and consultation based on constitutional and legal obligations, including the governance model. To bring effect to this, MKLM has and will continue to promote participatory engagements with the communities in all its processes, including the development of the IDP. Public participation is being done as a compliance exercise and as an honest engagement with

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communities in order for the municipality to outline all programmes that will be implemented within the five-year cycle of the IDP that is informed by the priorities of the community.

It also gives community members a clear understanding of the processes that have been planned in their wards and various villages. In compliance with the legislative requirements, we have developed the IDP and MTREF Process Plan, which is adopted by Council annually 10 months before the start of each financial year – August 2022, where Action Plans is clear on the 5 Phases of IDP undertaken.

The Office of the Speaker is accountable to Public Participation since the New Staff Establishment, Municipal Regulation. The office mobilizes the community to ensure effective and efficient public participation. In the financial year under review, it was for the first time that all plans of Public Participation were facilitated by Speakers Office. All consultations were facilitated, among others, regarding the following:

- Identification of Needs Analysis and Priorities
- Public comments of the IDP and the Medium-term Revenue and Expenditure Framework (MTREF)

And any other consultation on by laws and etc need to be conducted through the office of the Speaker.

#### **Traditional Leaders**

Section 81 of the Municipal Structures Act, 1998 stipulates the following:

Traditional Authorities that traditionally observe the system of customary law in the area of municipality may participate through their leaders identified in terms of subsection (2), in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.

The MEC for Local Government in the Province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of subsection (1) may participate in the proceedings of the municipal council. In terms of the MKLM to date, no Traditional Leader partake in Council processes. In the light of this statement, planning becomes a challenge always when it involves project implementation in various wards where Traditional Leaders operates.

Traditional Leaders. In terms of the Traditional Leadership and Governance Framework Act No.41 of 2003, the Role of Traditional Authorities includes, amongst others and relevant to the Municipality:

- ✓ Supporting Municipalities in the identification of community needs

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- ✓ Facilitating the involvement of the traditional community in the development or amendment of the integrated development plan of a municipality in whose area the community reside
  - ✓ Recommending, after consultation with the relevant local and provincial Houses of Traditional Leaders, appropriate interventions to government that will contribute to development and service delivery within the area of jurisdiction of the Traditional Council
  - ✓ Participate in development of policy and legislation at local level
  - ✓ Participate in development of programmes of municipalities and of the Provincial and National spheres of government
  - ✓ Promoting the ideals of co-operative governance, integrated development planning, sustainable development and service delivery

### **Ward Committees**

The Office of the Speaker continues to play a critical role as per regulations in the provision of training all ward committees. The capacity building programme is the identification of core skills to drive to capacitate ward committees for improved participation, and to play a meaningful role as a bridge between Council and the community. The functionality and effectiveness of the ward committee system are determined by the outcomes of the IDP. The process to re-establish Ward Committees within MKLM was informed by new Council. To date no training was provided since they were elected in the previous financial years 2021/22 and 2022/2023.

Their role in respect of the IDP and budget will be to:

- ✓ Assist the ward councillor to identify service delivery needs and development challenges
- ✓ Prioritize the service delivery needs and development challenges in the ward
- ✓ Provide a mechanism for discussion and consultation between the stakeholders in the ward
- ✓ Encourage active participation amongst all the stakeholders in the IDP and budget processes
- ✓ Ensure co-operation and constructive interaction between the municipality and the community
- ✓ Provide timeous feedback to the community on issues pertaining the ward assistance with the drafting of ward development plans which are incorporated in the IDP
- ✓ Monitor the implementation of projects & programmes in the ward

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## **Petitions**

The Office of the Speaker facilitates responses to petitions raised by the community on behalf of the Moses Kotane Local Municipality. The turnaround time to resolve petitions is 90 days; however, most petitions are not resolved as the office still need to be capacitated. The petitions are registered and referred to the Office of the Speaker for consideration and comment. Interdepartmental meetings need to be convened with petitioners for clarity purposes and to request more information in dealing with challenges raised.

The Office of the Speaker visits the petitioners to get clarity on the petitions and to perform site inspections. The Office of the Speaker monitors the implementation of the resolutions together with petitioners, but this time to a minimal extent.

### **Participation of Traditional Leaders**

Section 81 of the Municipal Structures Act, 1998 stipulates the following:

- 1) Traditional Authorities that traditionally observe the system of customary law in the area of municipality may participate through their leaders identified in terms of section 81 of Municipal Structures Act, No.117 of 1998
- 2) In the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.

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### **CHAPTER 2 – GOVERNANCE**

#### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The Moses Kotane Local Municipality is a B-type municipality graded on level 4. It is operating on a collective executive system.

The municipality has a Council that has been elected by its community. The Council has the constitutional authority to ensure that there is development in its area of jurisdiction by providing sustainable services; promote social and economic development; promote safe and healthy environment and encourage the involvement of communities and community organisation in local government matters.

Politicians exercise oversight over service delivery implementation by interacting with administrative management and the relevant reports through the Portfolio Committees and the Executive Committee meeting.

#### **2.1 POLITICAL GOVERNANCE**

##### **INTRODUCTION TO POLITICAL GOVERNANCE**

The municipality is a collective executive type municipality where the Mayor is the Chairperson of the Executive Committee comprising of 10 executive councillors assigned responsibilities of overseeing administrative portfolios. Furthermore, there are committees established in terms of section 79 of the Municipal Structure's Act to provide oversight and report to the Council. The two committees established are Municipal Public Accounts Committee (MPAC) and Audit Committee. The MPAC serves as Council Oversight committee on the administration activities of the Municipality. The Audit Committee advises Council on matters relating to internal controls; risk management and governance process. The Municipality utilises the services of the Audit Committee and have played a pivotal role in performing an oversight role over financial and performance management during the financial year, including the annual report.

## Chapter 2

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### POLITICAL STRUCTURE

MAYOR	Cllr Nketu Nkotswe
SPEAKER	Cllr Gugulethu Mtshali
SINGLE WHIP	Cllr Caroline Motshabi

### MAYORAL COMMITTEE/EXECUTIVE COMMITTEE

Committee	Chairing Councillor
	Nketu Nkotswe
Finance/BTO	Stephina Mashishi
Planning & development	Thapelo Thoboke
Local Economic Development	Mogapi Motsisi
Infrastructure & Technical services	Hazel Ramokopelwa
Community services	Mosweu Manganye
Corporate services	Dithothi Tshetlhane
	Zippora Motsoenyane
	Tshepang Madisa
	Nthabiseng Mollo

### COUNCILLORS

There are 35 Ward and 69 ward Councillors and Proportional Representative Councillors and they also serve in various municipal portfolios.

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Council Members	FULL/PART TIME	Committees Allocated	Ward and/ or Party Represented
1. Nkotswe Magdeline Nketu (ANC Mayor)	Full Time	Mayor	ANC
2. Mtshali Gugulethu Maureen (ANC Speaker)	Full Time	Council Chairperson	ANC
3. Motshabi Caroline Nkeifeng (ANC Whip)	Full Time	Chairperson (Caucus)	ANC
4. Manganye Solomon Mosweu (ANC Community Service)	Full Time	Chairperson (Community Services & Public Safety Portfolio)	ANC
5. Tshetlhane Dithothi Rebecca (ANC Corporate Services)	Full Time	Chairperson (Corporate Services Portfolio)	ANC
6. Mashishi Stephina (ANC Finance/BTO and)	Full Time	Chairperson (Finance /BTO Portfolio)	ANC
7. Ramokopelwa Hazel (ANC ITS/INFRASTRUCTURE)	Full Time	Chairperson (Infrastructure)	ANC
8. Motsisi Mogapi (ANC LED)	Full Time	Chairperson (Local Economic Development)	ANC
9. Thoboke Thapelo Petrus (ANC) Planning & Development	Full Time	Chairperson (Planning and Development)	ANC
10. Zippora Motsoenyane (DA)	Full Time	Infrastructure & Technical Services	DA
11. Nthabiseng Mollo (EFF)	Full Time	EXCO Member	EFF
12. Madisa Tshepang Godfrey (EFF)	Full Time	EXCO Member	EFF
13. Matshereng Efesia (MPAC)	Full Time	Chairperson (MPAC)	ANC
14. Aphiri Itumeleng Gerald (EFF)	Part Time	Finance & BTO	EFF
15. Sephothi Rhyme Tebogo (ANC)	Part Time	Local Economic Development	ANC
16. Kalipa Harris Sipho (ANC)	Part Time		ANC



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Council Members	FULL/PART TIME	Committees Allocated	Ward and/ or Party Represented
17. Masokwane Samuel Komaakgosi (ANC)	Part Time	Infrastructure & Technical Services	ANC
18. Ditsele Enock Noah (ANC)	Part Time	Corporate Services	ANC
19. Mabaso Justice Tlhamo (ANC)	Part Time	Section 31 committee	ANC
20. Serole Itumeleng Patrick (ANC)	Part Time	Community Services & Public Safety	ANC
21. Sefora Mopyane Nelson (ANC)	Part Time	Community Services & Public Safety	ANC
22. Magoleng Motlhanke Herman (ANC)	Part Time	Infrastructure & Technical Services	ANC
23. Sekoboane Itumeleng Abner (ANC)	Part Time	Corporate Services	ANC
24. Bosielo Bontle Salamina (ANC)	Part Time	Planning & Development	ANC
25. Luvuno Fortune (ANC)	Part Time	Section 31 Committee	ANC
26. Raboroko Mpho Jacob (ANC)	Part Time	MPAC	ANC
27. Kgotlhang Tshidi Dorothy (ANC)	Part Time	Local Economic Development	ANC
28. Mogale Mogomotsi John (ANC)	Part Time	Infrastructure & Technical Services	ANC
29. Khunou Kopano (ANC)	Part Time	Planning & Development	ANC
30. Radiokana Joyce Mamiki (ANC)	Part Time	MPAC	ANC
31. Hlojane Sello Simon (ANC)	Part Time	Infrastructure & Technical Services	ANC
32. Khumalo Tshepo Confidence (ANC)	Part Time	Local Economic Development	ANC
33. Letsatsi Kabelo Petrus (ANC)	Part Time	MPAC	ANC
34. Mogaki Thobego Jeremia (ANC)	Part Time	Community Services & Public Safety	ANC

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Council Members	FULL/PART TIME	Committees Allocated	Ward and/ or Party Represented
35. Sekao Nomvula Seanokeng Grace	Part Time	Infrastructure & Technical Services	ANC
36. Kanaomang Peter Gobakwang (ANC)	Part time	Finance & BTO	ANC
37. Letlape Nkeko Anastatia (ANC)	Part Time	Planning & Development	ANC
38. Sibanda Joseph Shimane (ANC)	Part Time	MPAC	ANC
39. Radikeledi Peter Katlego (ANC)	Part Time	Local Economic Development	ANC
40. Mabula Matsapa Philista (Independent)	Part Time	Infrastructure & Technical Services	INDEPENDENT
41. Sebalo Shadrack Aobakwe (ANC)	Part Time	Planning & Development	ANC
42. Thale Mookamedi Bodibe (ANC)	Part Time	Finance & BTO	ANC
43. Pilane Obakeng Obed (ANC)	Part Time	MPAC	ANC
44. Mosako Thato Gagoine (ANC)	Part Time	Infrastructure & Technical Services	ANC
45. Muleya Precious Kelebogile (ANC)	Part Time	Planning & Development	ANC
46. Pitso Lucky Mxoleni (ANC)	Part Time	Finance & BTO	ANC
47. Matshaba Maria Ziphora (ANC)	Part Time	-	ANC
48. Deleki Nomawesile (ANC)	Part Time	Community Services & Public Safety	ANC
49. Mashimo Ratselane Ezekiel (ANC)	Part Time	Local Economic Development	ANC
50. Lukhele Rose Mmapula (ANC)	Part Time	Community Services & Public Safety	ANC
51. Rampe Rebaone Ronald (DA)	Part Time	Finance & BTO	DA
52. Maretele Joy Boitumelo (UCDP)	Part Time	Infrastructure & Technical Services	UCDP

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Council Members	FULL/PART TIME	Committees Allocated	Ward and/ or Party Represented
53. Tshailane Sophie Mmapitse (EFF)	Part Time	Infrastructure & Technical Services	EFF
54. Mathe Andries Monosi (EFF)	Part Time	Community Services & Public Safety	EFF
55. Moroka Lebogang Moses (EFF)	Part Time	–	EFF
56. Mabalane Kedibone Charlotte (EFF)	Part Time	Community Services & Public Safety	EFF
57. Letlape Abednicco Tshwenyego (EFF)	Part Time	Local Economic Development	EFF
58. Mokotedi Tumisang (EFF)	Part Time	Corporate Services	EFF
59. Molebalwa Madito Thor (EFF)	Part Time	MPAC	EFF
60. Mataboge David Kgosietsile (EFF)	Part Time	Planning & Development	EFF
61. Marakalala Senkgane Brunny (EFF)	Part Time	Planning & Development	EFF
62. Mirriam Ramokoka (EFF)	Part Time		EFF
63. Tau Phiri (TSOGANG)	Part Time		TSOGANG
64. Beauty Chebelui (TSOGANG)	Part Time		TSOGANG
65. Modisakeng Enoch (ACDP)	Part Time		ACDP
66. Makinita Asaph Sammu (F4SD)	Part Time	Planning & Development	F4SD
67. Machete Patricia (AIC)	Part Time		AIC
68. Moeng Toto Johannes (INC)	Part Time	Finance & BTO	INC
69. Motswasele Mildred (BBT)	Part Time	Corporate Services	Bana Ba Thari

## Chapter 2

### POLITICAL DECISION-TAKING

The below resolutions were taken by Council through recommendations of EXCO. EXCO considers submissions made by the various Portfolio committees. Management sees to the implementation of the resolutions and the above resolutions have been implemented.

#### COUNCIL RESOLUTION REGISTER

##### FINANCIAL YEAR 2022/2023

MONTH	ITEM NO	ITEM DESCRIPTION	RESOLUTION
06 July 2022	92/03/2022:	2021/2022 REVIEWED AUDIT COMMITTEE CHARTER	<b>RESOLVED:</b> a) That the Council approves the reviewed 2021/22 MKLM Audit Committee Charter. b) That Councillors be inducted on the Municipal Auditing Systems of South Africa
	148/06/2022:	REPORT OF THE AUDIT COMMITTEE FOR 2021/2022 FINANCIAL YEAR QUARTER 1, 2, 3	<b>RESOLVED:</b> a) That Council takes note of the Audit Committee's 2021-2022, 1 <sup>st</sup> , 2nd and 3rd quarter report. b) That Council takes a resolution that management must develop an action plan, which must be implemented and monitored on an ongoing basis. c) That the vacant post be advertised

**Commented [TM1]:** Adjustment were made to this column to ensure consistency on the numbering. Please consider the table below and the layout

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	110/05/2022:	CONTRACT MANAGEMENT QUARTERLY REPORT ENDING MARCH 2022	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>(a) That Council take note of the first to third quarter contract management report ending March 2022.</li> <li>(b) That skills transfer report be made available with the next report</li> </ul>
	113/05/2022:	SUPPLY CHAIN MANAGEMENT THIRD QUARTER REPORT FOR 2021/2022	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the contents of the report be noted.</li> </ul>
29 JULY 2022	01/07/2022:	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE DRAFT ANNUAL WORK PLAN FOR 2022/2023 FINANCIAL YEAR	<b>RESOLVED</b> <ul style="list-style-type: none"> <li>a) That the Council approves the MPAC Draft Annual Work Plan 2022/2023.</li> <li>b) That all activities in the annual work plan be budgeted for.</li> <li>c) That the committee be allocated a fulltime car that will enable them to fully perform their functions.</li> <li>d) That the attached Municipal Public Accounts Committee Annual itinerary for financial year 2022/2023 be noted by Council.</li> </ul>
	65/01/2022:	HAND-OVER REPORT	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report</li> <li>b) That the EXCO be delegated to process any outstanding matter and develop a turn-around action plan and report to council on a regular basis.</li> </ul>

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			<ul style="list-style-type: none"> <li>c) That the Municipal Manager submit a copy of the council resolution noting the hand-over report to both Provincial COGTA and Provincial Treasury.</li> <li>d) That it be noted that a formal report as directed by COGTA was never tabled before Council</li> <li>e) That all key Municipal Policies be included in the report so that Speaker can organise workshop for all Councillors.</li> </ul>
	72/01/2022:	<b>REPORT OF THE PUBLIC PROTECTOR ON CLAIM FOR COMPENSATION BY MPHELA FAMILY – BAPHALANE BULK WATER PROJECT PIPELINE ON FARM PYLKOP 26JQ</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report and recommendations of the Public Protector in regard to servitude to be registered for the Baphalane Bulk Water Project pipeline on farm Pylkop 26JQ.</li> <li>b) That council notes that the Department of Water and Sanitation has been ordered to pay the Municipality the money for the registration of the servitude</li> <li>c) That the Council accept the recommendations of the Public Protector and to have a service provider appointed to register the servitude at Pylkop farm within 90 working days after receiving the funding from the Department of Water and Sanitation.</li> <li>d) That the Public Protector be provided with a copy of the Minutes of this Resolution of the Council.</li> </ul>

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			e) That a progress report be submitted to Council
	73/01/2022:	REPORT ON CYBERATTACK ON THE MOSES KOTANE LOCAL MUNICIPALITY'S ICT NETWORK	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the report be noted.</li> <li>b) That the Municipal Manager provide feedback to the EXCO and subsequently Council regarding the investigations</li> <li>c) That progress report be consolidated and be submitted to Council</li> </ul>
	109/05/2022:	REPLACEMENT OF TSOGANG CIVIC MOVEMENT PR COUNCILLORS DESMOND SELLO RAMOKOKA & JOSIAH KIEKIE NGOLOZA BY THE NEW COUNCILLOR PHIRI ABINAAR TAU & BEAUTY CHIBELU	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the election of Councillors <b>PHIRI ABINAAR TAU &amp; BEAUTY CHIBELU</b> as a member of the Moses Kotane Local Municipality Council, as per IEC memorandum dated <b>17 May 2022</b>.</li> <li>b) That Councillors <b>PHIRI ABINNAR TAU &amp; BEAUTY CHIBELU</b> are in a process to be sworn in between <b>20/05/2022 and 23/05/2022</b>.</li> <li>c) That council notes that the official term of <b>CLLR RAMOKOKA AND NGOLOZA</b> ended on <b>18/05/2022</b> upon receipt of the IEC memorandum.</li> <li>d) That the financial obligation of MKLM on the aforesaid replaced Councillors starts from <b>08 November 2021</b> until <b>18 May 2022</b>.</li> </ul>

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	<b>11/05/2022:</b>	<b>PROGRESS PLAN FOR RECRUITMENT OF ADVERTISED POST: CORPORATE AND PLANNING</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That Council approves process plan for implementation.</li> </ul>
	<b>20/07/2022:</b>	<b>ESTABLISHMENT OF SALGA WOMEN COMMISSION MULTI-PARTY CAUCUS OF MOSES KOTANE LOCAL MUNICIPALITY</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes report</li> <li>b) That Council notes that Cllr Joy Maretele has been elected as Chairperson of Moses Kotane Local Municipality Multi- Party Women Caucus.</li> </ul>
	<b>72/01/2022:</b>	<b>REPORT OF THE PUBLIC PROTECTOR ON CLAIM FOR COMPENSATION BY MPHELA FAMILY – BAPHALANE BULK WATER PROJECT PIPELINE ON FARM PYLKOP 26JQ</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report and recommendations of the Public Protector in regard to servitude to be registered for the Baphalane Bulk Water Project pipeline on farm Pylkop 26JQ.</li> <li>b) That council notes that the Department of Water and Sanitation has been ordered to pay the Municipality the money for the registration of the servitude</li> <li>c) That the Council accept the recommendations of the Public Protector and to have a service provider appointed to register the servitude at Pylkop farm within 90 working days after receiving the funding from the Department of Water and Sanitation.</li> </ul>



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			<p>d) That the Public Protector be provided with a copy of the Minutes of this Resolution of the Council.</p> <p>e) That a progress report be submitted to Council.</p>
	73/01/2022:	<b>REPORT ON CYBER ATTACK ON THE MOSES KOTANE LOCAL MUNICIPALITY'S ICT NETWORK</b>	<p><b>RESOLVED:</b></p> <p>a) That the report be noted.</p> <p>b) That the Municipal Manager provide feedback to the EXCO and subsequently Council regarding the investigations</p> <p>c) That progress report be consolidated and be submitted to Council</p>
	109/05/2022:	<b>REPLACEMENT OF TSOANG CIVIC MOVEMENT PR COUNCILLORS DESMOND SELLO RAMOKOKA &amp; JOSIAH KIEKIE NGOLOZA BY THE NEW COUNCILLOR PHIRI ABINAAR TAU &amp; BEAUTY CHIBELU</b>	<p><b>RESOLVED:</b></p> <p>a) That Council notes the election of Councillors <b>PHIRI ABINAAR TAU &amp; BEAUTY CHIBELU</b> as a member of the Moses Kotane Local Municipality Council, as per IEC memorandum dated <b>17 May 2022</b>.</p> <p>b) That Councillors <b>PHIRI ABINNAR TAU &amp; BEAUTY CHIBELU</b> are in a process to be sworn in between <b>20/05/2022 and 23/05/2022</b>.</p> <p>c) That council notes that the official term of <b>CLLR RAMOKOKA AND NGOLOZA</b> ended on <b>18/05/2022</b> upon receipt of the IEC memorandum.</p> <p>d) That the financial obligation of MKLM on the aforesaid replaced Councillors starts from <b>08 November 2021</b> until <b>18 May 2022</b>.</p>

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	11/05/2022:	PROGRESS PLAN FOR RECRUITMENT OF ADVERTISED POST: CORPORATE AND PLANNING	<b>RESOLVED:</b> a) That Council notes the report. b) That Council approves process plan for implementation.
	20/07/2022:	ESTABLISHMENT OF SALGA WOMEN COMMISSION MULTI-PARTY CAUCUS OF MOSES KOTANE LOCAL MUNICIPALITY	<b>RESOLVED:</b> a) That Council notes report. b) That Council notes that Cllr Joy Maretele has been elected as Chairperson of Moses Kotane Local Municipality Multi- Party Women Caucus.
	83/03/2022:	A BRIEF REPORT ON SAFE & CLEAN CITY CAMPAIGN APPROVED BY COUNCIL IN 2019	<b>RESOLVED:</b> a) That the item be removed from roll.
	85/03/2022:	THE CONCEPTUALIZATION, DEVELOPMENT AND ESTABLISHMENT OF THE MOSES KOTANE SCIENCE CENTRE	<b>RESOLVED:</b> a) That the item be referred back b) That the joint Portfolio meeting of LED, Planning and Finance to meet and report back to the next Council sitting
	87/03/2022:	REPORT ON THE OPERATIONALISATION OF A DRIVING LEARNERS LICENCE CENTRE (DLTC) AT THE TWEELAAGTE TRAFFIC AND LICENSING CENTRE	<b>RESOLVED:</b> a) That the item be referred back for more detailed information and temporary
	89/03/2022:	REQUEST TO ASSIST THE MKLM EPWP INITIATIVE TO BE ABLE TO SUSTAIN ITSELF POST TRAINING BY PARTICIPATING IN THE GRAHAMSTOWN ARTS FESTIVAL IN THE EASTERN CAPE	<b>RESOLVED:</b> a) That the item be withdrawn b) That the item is not supported

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	90/03/2022:	MOSES KOTANE LOCAL MUNICIPALITY LOCAL ECONOMIC MEMORANDUM OF AGREEMENT WITH ORBIT TVET COLLEGE CENTER FOR ENTERPRISE INCUBATOR	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the item be noted for consideration.</li> <li>b) That Council approves the Local Economic Development Memorandum of Agreement be signed between the municipality and the college.</li> <li>c) That Public participation must kick- start through the Office of the Speaker and LED Department</li> </ul>
	91/03/2022:	2022 PHASE 4 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	<b>RESOLVED:</b> <p>It is recommended that:</p> <ul style="list-style-type: none"> <li>a) Council takes note of the report;</li> <li>b) Council takes note of the 2022/23 EPWP budget allocation to a tune of R1 512 000 of integrated grant for MKLM; at a minimum wage of R126 .00 per day for participants and R160 for supervisors;</li> <li>c) The work opportunities target is 411 FTEs for 2022/23 financial year;</li> <li>d) The department of Community Safety and Transport Management (CS&amp;TM) has allocated budget for five (5) work opportunities in MKLM for twelve (12) months with a minimum wage of R3000 per month.</li> <li>e) All Departments to submit work opportunity created from all the projects implemented through municipal funding, so as to be</li> </ul>

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			<p>captured within the EPWPRS system on time to attain the annual target; and</p> <p>f) The municipality to augment the EPWP allocation for us to reach the expected 411 FTE target set.</p>
	97/03/2022:	<b>APPROVAL OF THE LONG TERM CREDIT FACILITY FOR LEASING OF MUNICIPAL VEHICLES</b>	<p><b>RESOLVED:</b></p> <p>a) That Council notes the contents of the report</p> <p>b) That Council approves the long-term credit facility for leasing of municipal vehicles.</p> <p>c) That in any instance of litigation of financial misconduct Senior Management must be held accountable for that and Council to take reasonable step.</p>
	104/04/2022:	<b>LOCAL GOVERNMENT: MUNICIPAL STAFF REGULATIONS: NO. 45181</b>	<p><b>RESOLVED:</b></p> <p>a) That Council note the report.</p> <p>b) That Council approves the implementation of staff regulations on a phase-in basis, in the interest labour relations stability.</p>
	115/05/2022	<b>REVIEWED DELEGATIONS OF AUTHORITY AND TERMS OF REFERENCE (MAY 2022) (2/5/2)</b>	<p><b>RESOLVED:</b></p> <p>a) That the item be referred for proper submission of an old Delegation of Authority and all councillors be workshopped</p> <p>b) That the item be submitted in the next Ordinary Council sitting</p> <p>c) Delegations of Authority cannot be reviewed without the adoption of Organisational Structure</p>

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	117/05/2022	REVIEW OF THE MKLM COMMUNICATIO STRATEGY FOR FINANCIAL YEAR 2022/ 2023	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the item be referred back for further engagement with all affected department</li> <li>b) That the item to be submitted in the next Council meeting</li> </ul>
	120/05/2022:	DRAFT REVIEWED HR POLICIES	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the draft reviewed policies be noted by the Council.</li> <li>b) That all draft reviewed policies be submitted for Council approval.</li> <li>c) That the reviewed policies be made available to all departments.</li> </ul>
	124/07/2022:	DRAFT REVIEWED STAFF ESTABLISHMENT	<b>RESOLVED</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That consultations with all committees and departments be finalised for the final draft.</li> <li>c) That the affected employees be consulted on all changes before implementation of the regulations.</li> <li>d) That the final draft staff establishment for approval in August Council meeting.</li> <li>e) That all critical vacant positions be prioritised subsequent to the approval of the organisational structure.</li> <li>f) That Council notes the organisational structure will be sink with the staff regulations on a phased-in basis as and when it is reviewed</li> </ul>

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			g) That all matters pertained to the structure be aligned as per requirements of the regulations h) That the Secretariat Unit be moved to the Office of the Speaker.
	127/06/2022	PROGRESS REPORT FOR BLADING AND REGRAVELING OF INTERNAL ROADS AND MAINTANANCE STORMWATER SYSTEMS FOR THE MONTH OF MAY 2022	<b>RESOLVED:</b>  a) That the Council notes the report.
	128/06/2022:	PROGRESS REPORT FOR THE MAINTENANCE OF HIGH MAST LIGHTS, STREET LIGHTS & GENERATORS FOR MONTH OF MAY 2022	<b>RESOLVED:</b>  a) That Council take notes of the report.
	129/06/2022:	PROGRESS REPORT ON MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)	<b>RESOLVED:</b>  a) That the Council takes note of the report.
	130/06/2022:	WATER & SANITATION UNIT REPORTS FOR WEST AND EAST MAY 2022	<b>RESOLVED:</b>  a) That Council take notes of the reports.
	132/06/2022:	APPLICATION FOR THE ALIENATION OF COUNCIL LAND (A PORTION OF THE REMAINDER PORTION OF THE FARM RHENOSTERPRUIT 908 JQ) TO SA EMPOWERMENT SOCIAL GROUP	<b>RESOLVED:</b>  In view of the above, it is recommended that the Executive Committee recommend to the Council of Moses Kotane Local Municipality, for the alienation of a portion of the Remainder Portion of the Farm Rhenosterspruit 908 JQ to SA Empowerment Social Group for the purposes of developing a filling station and a student accommodation;  a) That the contents of this item be noted;

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			<ul style="list-style-type: none"><li>b) That the alienation of a portion of the remainder portion of the Farm Rhenosterspruit 908 JQ, measuring 5 Hectares be approved for an amount of R290 000.00 in favour of SA Empowerment Social Group</li><li>c) That the applicant will be responsible for all cost incurred as a result of this application;</li><li>d) That the proposal be advertised and if any objections are received, a further report on such will be submitted to the Council;</li><li>e) That a separate application for the subdivision, and rezoning of the remainder Portions of the Farm Rhenosterspruit 908 JQ be submitted by the applicant in terms of MKLM Spatial Planning and Land Use Management By-Law;</li><li>f) That the applicant submits site development plan and building plans to the Municipality for consideration prior the commencement of any construction work;</li><li>g) That should there be a requirement for any additional infrastructure, all costs for the above-mentioned proposal will be carried by the applicant;</li><li>h) That the applicant acknowledges that the application site is highly affected by the stormwater channels from both Mogwase Unit 1 and unit 2 which disposes water to the application site.</li></ul>
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			<ul style="list-style-type: none"> <li>i) That the applicant will incur all the costs for mitigating the stormwater issues/challenges as indicated under condition 8 of this resolution.</li> <li>j) That in the event of any servitude being affected this will take the form of a separate agreement between the relevant authority and the applicant.</li> </ul>
	134/06/2022:	<b>APPLICATION FOR THE ALIENATION OF COUNCIL LAND (A PORTION OF THE REMAINDER PORTION OF THE FARM OLIVENBOOM 62 JQ)</b>	<p><b>RESOLVED:</b></p> <p>That the Council of Moses Kotane Local Municipality recommend, for the alienation of a portion of the Remainder Portion of the farm Olivenboom 62 JQ to Mr Marakalla for the purposes of developing a Shopping Complex/Mall;</p> <ul style="list-style-type: none"> <li>a) That the contents of this item be noted;</li> <li>b) That the alienation of a portion of the Remainder Portion of the farm Olivenboom 62 JQ, measuring 12 Hectares be approved for an amount of R1 350 000,00 in favour of Mankwe Development (Pty) Ltd.</li> <li>c) That the applicant will be responsible for all cost incurred as a result of this application;</li> <li>d) That the proposal be advertised and if any objections are received, a further report on such will be submitted to the Council;</li> <li>e) That a separate application for the subdivision and rezoning of the property be submitted by the applicant in terms of MKLM Spatial</li> </ul>



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			<p>Planning and Land Use Management By-Law to the Municipality for consideration prior commencement of any construction or improvements on the property;</p> <p>f) That the applicant submits site development plan and building plans to the Municipality for consideration prior the commencement of any construction work;</p> <p>g) That should there be a requirement for any additional infrastructure, all costs for the above-mentioned proposal will be carried by the applicant;</p> <p>h) That in the event of any servitude being affected this will take the form of a separate agreement between the relevant authority and the applicant.</p>
	136/06/2022:	<p><b>APPLICATION FOR THE ALIENATION OF COUNCIL LAND (ERF 2355, 2357 &amp; 2359 MOGWASE UNIT 3) TO MOGWASE HARDWARE</b></p>	<p><b>RESOLVED:</b></p> <p>In view of the above, it is recommended that the Executive Committee to recommend to the Council of Moses Kotane Local Municipality, for the alienation of Erf 2355, 2357 &amp; 2359 Mogwase Unit 3 to Mogwase Hardware for the purposes of developing a Shopping Complex to include a Hardware Outlet;</p> <p>a) That the contents of this item be noted;</p> <p>b) That the alienation of a portion of Erf 2355, 2357 &amp; 2359 measuring 763m<sup>2</sup>, 733m<sup>2</sup> &amp; 1908m<sup>2</sup> respectively be approved at a market value</p>

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			<p>determined by a professional property valuer in favour of Mogwase Hardware</p> <ul style="list-style-type: none"> <li>c) That the applicant will be responsible for all cost incurred as a result of this application;</li> <li>d) That the proposal be advertised and if any objections are received, a further report on such will be submitted to the Council;</li> <li>e) That the applicant submits site development plan and building plans to the Municipality for consideration prior the commencement of any construction work;</li> <li>f) That should there be a requirement for any additional infrastructure, all costs for the above-mentioned proposal will be carried by the applicant;</li> <li>g) That in the event of any servitude being affected this will take the form of a separate agreement between the relevant authority and the applicant.</li> </ul>
	137/06/2022:	<p><b>APPLICATION TO RELEASE AND PERMIT THE DEPARTMENT OF LOCAL ECONOMIC DEVELOPMENT TO ESTABLISH A FRESH PRODUCE MARKET ON A PORTION OF THE REMAINING EXTENT OF THE FARM BUFFELSFONTEIN 85 JQ.</b></p>	<p><b>RESOLVED:</b></p> <p>In view of the above, it is recommended that the Executive Committee recommend to the Council to release and permit the Department of Local Economic Development to establish a Fresh Produce Market on a Portion of the Remaining Extent of the Farm Buffelsfontein 85 JQ subject to the following conditions;</p>

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			<ul style="list-style-type: none"> <li>a) That the contents of this item be noted;</li> <li>b) That Council release and permits the Department of Local Economic Development to establish a Fresh Produce Market on a Portion of the Remaining Extent of the Farm Buffelsfontein 85 JQ.</li> </ul>
	140/06/2022:	<b>TRAINING OF COMMUNITIES ON SKILLS IN ORDER TO COMBAT UNEMPLOYEMENT IN THE MUNICIPALITY THROUGH SETA'S</b>	<b>RESOLOVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes and endorse the proposal</li> <li>b) That the proposals received be implemented in line with the pillars of our economy</li> <li>c) That the municipality ensure proper monitoring and evaluation be put in place in order to track implementation and outcomes of the training</li> </ul>
	141/06/2022:	<b>2022/23 PHASE 4 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) The Council takes note of the 2022/23 EPWP budget allocation;</li> <li>b) The Council note that R1 652 000 integrated grant has been allocated for MKLM at a minimum wage of R126 .00 per day for participants and R160 for supervisors;</li> <li>c) The Council note the work opportunities target which is 411 FTEs for 2022/23 financial year;</li> <li>d) The EPWP Integrated Grant Project list for 2022/23 financial year be approved by Council;</li> </ul>

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			<ul style="list-style-type: none"> <li>e) All Departments to submit work opportunities to be created in the 2022/23 from their respective projects, so as to be captured within the EPWPRS system on time to attain the annual target;</li> <li>f) The Grant Agreement for EPWP Integrated Grant be signed off for submission to the Provincial Department of Public Works and Infrastructure; and</li> <li>g) The projects from the IG Project list be incorporated within the IDP document.</li> </ul>
	02/07/2022	<b>REPORT ON THE DONATION OF A FRONT-END LOADER FROM THE DEPARTMENT OF FORESTRY, FISHERIES AND ENVIROMENT</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council note the donation of a Front-End Loader.</li> <li>b) That the Department of Cooperate Supports Services facilitate the registering of the machinery.</li> </ul>
	03/07/2022	<b>REPORT ON DONATION OF STEEL DRUMS FOR PUBLIC BIN PILOT PROJECT.</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council note the donation of Steel Drums/Public Bins by Siyanda Bakgatla Platinum Mine.</li> </ul>

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	05/07/2022	REPORT ON THE ESTABLISHMENT OF COMMUNITY SAFETY FORUM (CSF)	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the report on CSF be noted</li> <li>b) That the Council approve the formalisation of the establishment of the CSF in the municipality</li> <li>c) That the launching of the Community Safety Forum be approved</li> <li>d) That the EXCO Member responsible for Community Services and Public Safety be the Chairperson of the CSF</li> <li>e) That the members of the Community Services Portfolio Committee be allocated and assigned sector Departments which forms the CSF Sub-structures</li> <li>f) That the members be assigned to the CSF Sub-Forums as follows: <ul style="list-style-type: none"> <li>• South African Police Services, Traffic Services (both MKLM and Province) and Transport (Including Transnet and SANRAL) be assigned to <b>COUNCILLOR NELSON SEFORA</b></li> <li>• Social Development including SASSA and NGOs be assigned to <b>COUNCILLOR KEDIBONE MABALANE</b></li> <li>• Home Affairs and Immigration be assigned to <b>COUNCILLOR NOMAWISILE DELEKI</b></li> <li>• Department of Labour be assigned to <b>COUNCILLOR PATRICK SEROLE</b></li> </ul> </li> </ul>
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			<ul style="list-style-type: none"> <li>• Department of Correctional Services and Department of Justice and Constitutional Development be assigned to <b>COUNCILLOR MOSWEU MANGANYE</b></li> <li>• Department of Agriculture and Rural Development to be assigned to <b>COUNCILLOR ENOCH MODISAKENG</b></li> <li>• Department of Education and Department of Art, Culture, Sports and Recreation be assigned to <b>COUNCILLOR MOGAKI THOBEGO</b></li> <li>• Department of Health be assigned to <b>COUNCILLOR ANDRIES MATHE</b></li> <li>• Department of Economic Development and Department of Forestry, Fisheries and Environment which includes Parks Board be assigned to <b>COUNCILLOR ROSE LUKHELE</b></li> </ul>
	08/07/2022	<b>PROGRESS REPORT ON MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)</b>	<b>RESOLVED:</b> a) That the Council take note of the report;
	17/07/2022	<b>FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 30th JUNE 2022 (7/15/1/2/1)</b>	<b>RESOLVED:</b> a) That the financial quarterly report for the fourth quarter ending 30 June 2022 be accepted and noted.

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	18/07/2022	<b>CONTRACT MANAGEMENT FOURTH QUARTER REPORT ENDING 30<sup>TH</sup> JUNE 2022</b>	<b>RESOLVED:</b>  a) That the Council note the contract management fourth quarter report ending 30 <sup>th</sup> June 2022.
	19/07/2022	<b>DIRECTORATE BUDGET AND TREASURY OFFICE: REMUNERATION OF COUNCIL MEMBERS</b>	<b>RESOLVED:</b>  a) The municipal council rescind the implementation of Government Gazette No. 43246 of 24 April 2020 and Government Gazette No. 45420 of 2 November 2021 b) The municipal council approves the implementation of Government Notice 46470 published on the 02 June 2022 c) The implementation of the approved Government Notice No. 46470 be effected after receipt of the concurrence from Member of the Executive Council (MEC) responsible for local government in the North West Province d) In addition to the total annual remuneration packages the Moses Kotane Local Municipality must take out a special risk cover for all directly elected councillors. e) Councillors who haven't forwarded their information for their special risk cover should urgently ensures that the requisite information is forwarded to the Office of the Speaker

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	24/07/2022	SUPPLY CHAIN MANAGEMENT FOURTH QUARTER REPORT FOR 2021/2022	<b>RESOLVED:</b> a) That the contents of the report be noted.
	25/07/2022	SUPPLY CHAIN MANAGEMENT ANNUAL REPORT 2021/2022	<b>RESOLVED:</b> b) That the contents of the report be noted.
	26/07/2022	JANUARY RECONNECT-THE GLOBAL SCHOLARSHIP LEADERS PROGRAMME 2022 DUBAI	<b>RESOLVED :</b> a) That Council note the report b) That Ms. S.B Moselane be authorised to travel on the 17 – 20 October 2022 c) That the BTO investigate the cost implication including VISA applications, flights, accommodation and S&T) and report to the next Council meeting.
	27/07/2022	APPOINTMENT OF ACTING MUNICIPAL MANAGER	<b>RESOLVED:</b> a) That the report be noted. b) That Council appoints an Acting Municipal Manager in terms of Section 54A of the Local Government: Municipal Systems Act, Act No 32 of 2000, as amended for a period not exceeding 3 months. c) That Council appoints Mr. B. Maseloane as an Acting Municipal Manager for a period not exceeding 3 months.

**Commented [JS3R2]:** Rectified

**Commented [TM2]:** Is it correct that there is no resolution here? Should we have not documented something here?



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	28/07/2022	<b>LAND AVAILABILITY: MOSES KOTANE LOCAL MUNICIPALITY AND NORTH WEST DEVELOPMENT CORPORATION-BOJANALA SPECIAL ECONOMIC ZONE PROJECTS (SEZ)</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report on land to be available to NWDC for development of the Bojanala Special Economic Zone (SEZ)</li> <li>b) That Council make land available to the extent of 1057 hectares available to the NWDC for development of the Bojanala SEZ by means of a notarial lease</li> <li>c) That the lease period be for fifty (50) years with the annual CPI inflation</li> <li>d) That an amount of R50 000 (fifty thousand rands) as monthly lease amount</li> <li>e) That all applicable planning requirements and legislation be complied with by the NWDC prior to any construction taking place in the SEZ</li> </ul>
<b>30 SEPTEMBER 2022</b>	59/09/2022	<b>AMENDMENT OF THE LIST OF COUNCIL MEMBERS SERVING IN COMMITTEES OF COUNCIL RESOLVED</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Item be withdrawn back to the Speaker's Office</li> </ul>
	60/09/2022	<b>PUBLICATION OF LOCAL GOVERNMENT: MUNICIPAL SYSTEM AMENDMENT ANCT NO.3 OF 2022 IMPLICATIONS</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the council take note of the report.</li> <li>b) That the council take note of the publication of the Local Government: Municipal System Amendment Act No.3 of 2022.</li> </ul>

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	44/09/2022	TABLING THE UNAUDITED DRAFT ANNUAL REPORT 2021/2022	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) It is therefore recommended for council to note the unaudited draft 2021/2022 Annual Report.</li> <li>b) That continuous progress report be submitted to council.</li> </ul>
	55/09/2022	2022/2023 REVIEWED AUDIT COMMITTEE CHARTER	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council approves the reviewed 22/23 MKLM Audit Committee charter.</li> </ul>
	62/09/2022	CONDONATION OF ACTING CAPACITY: HOD CORPORATE SUPPORT SERVICES. (MR. F. D. RADIOKANA)	<b>RESOLVED</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That Council condones Mr. F.D. Radiokana's acting for the period <b>01<sup>st</sup> July to 30<sup>th</sup> September 2022.</b></li> <li>c) That a request for concurrence be sent to the MEC for local Government for the term of 01 July 2022 to 30<sup>th</sup> September 2022.</li> </ul>

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	63/09/2022	CONDONATION FOR APPOINTMENT IN ACTING CAPACITY: HOD: PLANNING AND DEVELOPMENT (MR. M.V. MMOPE)	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That Council condones Mr. M. V. Mmope acting for the period <b>July to September 2022.</b></li> <li>c) That a request for concurrence be sent to the MEC for local Government for the term of <b>01 July 2022 to 30<sup>th</sup> September 2022.</b></li> </ul>
	64/09/2022	ACTING APPOINTMENT IN ACTING CAPACITY: HOD: LED	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That Council Condones Mr A Mogashoa's acting for the period 01<sup>st</sup> July 2022 to 30<sup>th</sup> September 2022.</li> <li>c) That a request for concurrence be sent to the MEC for local Government for the term of 01 July 2022 to 30th September 2022.</li> </ul>
	65/09/2022	ACTING APPOINTMENT FOR THE POSITION OF HOD: CORPORATE SUPPORT SERVICES	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That council takes a decision on the acting appointment Mr F D Radiokana as the HOD:</li> </ul>

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			Corporate Support Services, for a period of one month ( <b>October 2022</b> )
	66/09/2022	<b>REQUEST FOR ACTING APPOINTMENT FOR THE POSITION OF HOD: PLANNING AND DEVELOPMENT</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That council takes a decision on the acting appointment of Mr M V Mmope as the HOD: Planning and Development, for a period of one month (<b>October 2022</b>)</li> </ul>
	67/09/2022	<b>ACTING APPOINTMENT IN ACTING CAPACITY: HOD: LED</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That council takes a decision on the acting appointment of Mr A Mogashoa as the HOD: Local Economic Development, for a period of one month (<b>October 2022</b>)</li> </ul>
	69/09/2022	<b>REPORT ON THE SUBMISSION OF DRAFT REVIEWED STAFF ESTABLISHMENT 2022 TO OFFICE OF THE MEC</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report</li> <li>b) That council considers the submitted proposals by departments or offices</li> </ul>

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			<ul style="list-style-type: none"> <li>c) That the filling of critical funded positions be prioritized</li> <li>d) That affected employees be consulted on all changes</li> <li>e) That council approves the usage of the 2020 or current staff establishment with inputs as presented in the item.</li> <li>f) That the resolutions be implemented within 30 days</li> </ul>
	70/09/2022	<b>JANUARY RECONNECT-THE GLOBAL SCHOLARSHIP LEADERS PROGRAMMEE 2022 DUBAI</b>	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That Council to note that all travel Costs, plane tickets, meals accommodation are done by Anglo Platinum and Common Purpose.</li> <li>b) That Ms SB Moselane will be flying on the 16 from OR Tambo International Airport and back from Dubai International Airport on the 20 October 2022.</li> <li>c) That subsistence be paid before the 14 October 2022</li> <li>d) That VISA application processes are done by the Municipality through consultants and registration of personal details and travel arrangements with the Department of international Relations and Co-Operation-Dubai United Arab Emirates.</li> <li>e) That the above is in compliance with the Registration of South Africans Abroad (ROSA)</li> </ul>

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			to assist with any emergency that may occur abroad.
	71/09/2022	<b>REPORT ON ALLEGATIONS OF MISCONDUCT BY SENIOR MANAGER</b>	<b>RESOLVED:</b> a) That the Item be withdrawn to the Office of the Municipal Manager and be submitted in the next council sitting.
	72/09/2022	<b>CONDONATION ON ACTING APPOINTMENT: HOD INFRASTRUCTURE AND TECHNICAL SERVICES</b>	<b>RESOLVED:</b> a) That council note the report on Condonation of the acting HOD Infrastructure and Technical services. b) That the acting of Mr Sifunda in the position of HOD: Infrastructure and Technical services be condoned for the period 1 August 2 to 31 October 2022
	85/03/2022	<b>THE CONCEPTUALIZATION, DEVELOPMENT AND ESTABLISHMENT OF THE MOSES KOTANE SCIENCE CENTRE</b>	<b>RESOLVED:</b> a) That the report on the establishment be noted b) That the establishment of a science centre in Moses Kotane Municipality be approved c) That this catalytic project be included in the IDP of the municipality for the financial year 2023/2024. d) That the municipality allocate land for this project to allow the design stage of the project to commence

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			<ul style="list-style-type: none"> <li>e) That a Memorandum of Understanding be entered into with the Northwest University and other role-players including the potential funders of the project</li> <li>f) That the Northwest University and the Department of Science and Innovation be invited to make presentation to the Portfolio Committee and Council.</li> <li>g) That the Council to Mandate Planning &amp; Development Department to sits and resolves on the issues of the land and the Speaker to convene a Special Council meeting.</li> </ul>
	87/03/2022	<b>REPORT ON THE OPERATIONALISATION OF A DRIVING LEARNERS LICENCE CENTRE (DLTC) AT THE TWEELAAGTE TRAFFIC AND LICENSING CENTRE</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the report be noted</li> <li>b) That the centre be taken as one of the revenue enhancements and the office need to be capacitated with necessary resources.</li> <li>c) That the report be approved</li> <li>d) That the commencement date of the operation be as from the 1<sup>st</sup> April 2022.</li> </ul>
	39/08/2022	<b>REPORT ON THE RECORDS MANAGEMENT ASSESSMENT PROJECT</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the report be noted by the Council.</li> <li>b) That all departments submit a progress report to council on a regular basis</li> </ul>

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	40/08/2022	4 <sup>th</sup> QUARTER PERFORMANCE REPORT 2021-2022 FINANCIAL YEAR	<b>RESOLVED:</b> a) That the Council take note of the 4th quarter performance report 2021-2022 financial year.
	41/02/2022:	2022-2023 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN	<b>RESOLVED:</b> a) That the Council take note of the approved Service Delivery and Budget Implementation plan for 2022-2023 financial year.
	42/08/2022:	DRAFT IDP/BUDGET/PMS PROCESS PLAN FOR THE FINANCIAL YEAR 2023/2024	<b>RESOLVED:</b> a) That Council to note the draft IDP/Budget/PMS Process Plan for financial year 2023/2024, b) That the Process Plan includes Compliance Activities for IDP, Budget, IPMS, Internal Audit, MPAC, and Risk Management. c) That Council to note that the Approved Process Plan will be published within 10 days on the Municipal website after the approval by Council and submitted to the MEC's Office - as well as National and North West provincial government as legislated d) That any amendments/review of the plan will require Council for any amendments. e) That the report on challenges faced be noted in line with the projects implemented in various villages as attached be noted f) That the community consultation schedule be noted and amended



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			<ul style="list-style-type: none"> <li>g) That the intention of stakeholder engagements is to ensure community ownership of project and plans and to participate in planning and decision making of Local Government</li> <li>h) That the Plan will be shared with Audit Committee 22 August 2022</li> <li>i) That the Plan will be shared with all stakeholders during IDP Representative Forum planned for the 07 September 2022.</li> <li>j) That the office of the Speaker and Development Planning to sit and come up with strategy on how to approach upcoming consultations before the 20<sup>th</sup> September 2022.</li> <li>k) Request for Ward Councillors to have Pre-IDP Consultations.</li> <li>l) That Councillors to take responsibilities of roles and responsibilities during consultations; venues and transportations.</li> <li>m) That the office of the Mayor to engage on Traditional Office before consultation</li> </ul>
	46/09/2022	REVIEW OF SOLID WASTE BY-LAW	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the Council note the need to review the Moses Kotane Local Municipal Solid-Waste by-law.</li> <li>b) That the by-law be published and taken for public participation and comments.</li> <li>c) That the by-law be resubmitted to council for approval.</li> </ul>

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			<ul style="list-style-type: none"> <li>d) That the final reviewed by-law be submitted to council with public comments for approval.</li> <li>e) That the approved by-law be promulgated in the provincial official gazette to give it a legal effect.</li> </ul>
	47/08/2022	<b>CONSTRUCTION OF A NEW CELL AT MOGWASE LANDFILL SITE</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council note the report.</li> <li>b) Construction of the cell be included in the financial year 2023/2024 budget.</li> <li>c) That department of DEDECT must be engaged to assist with the budget to run the programme.</li> </ul>
<b>04 OCTOBER 2022</b>	37/08/2022	<b>FINAL REPORT ON THE RECRUITMENT PROCESS OF THE HOD: CORPORATE SERVICES</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report on the interviews and competency assessments of the top three candidates for the position of HOD: Corporate Services of the Moses Kotane Local Municipality.</li> <li>b) That Council appoints the preferred candidate Mr F. D Radiokana for a period of 5 years as the HOD: Corporate Support Services of the Moses Kotane Local Municipality subject to compliance with the relevant Legislation and regulations.</li> </ul>

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			<p>c) That a Written report on the appointment of the HOD: Corporate Support Services be submitted to the MEC for Local Government within 14 days in terms of regulations 17 3(b) of the regulations 2014.</p> <p>d) That Council resolve on the offer of employment in terms of the current cost structure of the position of the HOD: Corporate Support Services and seek concurrence to waive on the same from MEC and COGTA office</p>
	38/08/2022	<b>FINAL REPORT ON THE RECRUITMENT PROCESS OF THE HOD: PLANNING AND DEVELOPMENT</b>	That the item be referred back to the panel for the best interest of the council.
	43/09/2022	<b>FINAL REPORT ON THE RECRUITMENT PROCESS OF THE MUNICIPAL MANAGER</b>	<p><b>RESOLVED:</b></p> <p>a) That Council notes the report on the interviews and competency assessments of the top three candidates for the position of Municipal Manager of the Moses Kotane Local Municipality.</p> <p>b) That the Council recommends that the highest scoring candidate Mr. M.V. Letsoalo for appointment of the Municipal Manager, for a period of 5 years.</p>

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			<ul style="list-style-type: none"> <li>c) That a Written report on the appointment of the Municipal Manager be submitted to the MEC for Local Government within 14 days in terms of regulations 17 3(b) of the regulations 2014.</li> <li>d) That Council resolve on the offer of employment in terms of the current cost structure of the position of the Municipal Manager: and seek concurrence to waive on the same from MEC and COGTA office.</li> </ul>
<b>28 OCTOBER 2022</b>	<b>59/09/2022</b>	<b>AMMENDMENT OF LIST OF COUNCIL MEMBERS SERVING IN COMMITTEES OF COUNCIL</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) that council approves the amended list of councilors to portfolio committees</li> </ul>
	<b>38/08/2022</b>	<b>FINAL REPORT ON THE RECRUITMENT PROCESS OF HOD: PLANNING AND DEVELOPMENT</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report on the interviews and competency assessment of the top three candidates for the position of HOD: Planning and Development of the Moses Kotane Local Municipality.</li> <li>b) That Council appoints the preferred candidate as the HOD: Planning and Development of the Moses Kotane Local Municipality subject to compliance with the relevant Legislation and Regulations</li> <li>c) That written report on the appointment of the HOD: Planning and Development be submitted to the MEC for Local Government</li> </ul>

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			<p>within 14 days in terms of Regulations 17 3(b) of the Regulation (2014)</p> <p>d) That Council resolve on the offer of employment in terms of the current cost of the position of the HOD: Planning and Development and seek concurrence to waive on same from the MEC and COGTA Office</p> <p>e) That Council appoints Mr. T G Masheleni as the HOD: of Planning and Development</p>
	71/09/2022	<b>REPORT ON ALLEGATIONS OF MISCONDUCT BY SENIOR MANAGER</b>	<p><b>RESOLVED:</b></p> <p>a) That the report on allegations of misconduct against a senior manager be noted.</p> <p>b) That Council considers the allegation of misconduct against the senior manager as serious.</p> <p>c) That, given the evidence at hand (Confirmation letter received from the Department of Water Services), against the senior manager, Ms. G.R. Madikela, the acting municipal manager initiate the disciplinary proceedings against the senior manager and be authorized to appoint an independent external presiding officer and an officer to lead evidence and sign the letters of appointment.</p> <p>d) That Council condone the acting Municipal Managers action of opening a criminal case at SAPS</p>

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			e) That The Said Senior Official be suspended with immediate effect pending the disciplinary proceedings, and a report be sent to council
	57/09/2022	FINANCIAL REPORT FOR JULY 2022 (7/15/1/2/1)	<b>RESOLVED:</b>  a) That the financial report for July 2022 be noted and accepted.
	58/09/2022:	FINANCIAL REPORT FOR AUGUST 2022 (7/15/1/2/1)	<b>RESOLVED:</b>  a) That the financial report for August 2022 be noted and accepted.
	80/10/2022:	FINANCIAL REPORT FOR SEPTEMBER 2022 (7/15/1/2/1)	<b>RESOLVED:</b>  a) That the financial report for August 2022 be noted and accepted.
	81/10/2022:	FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 30 <sup>th</sup> SEPTEMBER 2022 (7/15/1/2/1)	<b>RESOLVED:</b>  That the financial quarterly report for the First quarter ending 30 September 2022 be accepted and noted. <u>a)</u> A team be formed to meet on bi-weekly basis to address the matter of under spending by the municipality and the team must consist of the following: Mayor i. Speaker ii. Whip iii. EXCO Members

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			<ul style="list-style-type: none"><li>• Municipal Management including directors</li></ul>
	82/10/2022:	<b>CONTRACT MANAGEMENT FIRST QUARTER REPORT FOR THE PERIOD ENDING 30<sup>TH</sup> SEPTEMBER 2022</b>	<b>RESOLVED:</b>  a) That Council note the contract management first quarter report ending 30th September 2022.

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	86/10/2022:	PROGRESS REPORT ON MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)	<b>RESOLVED:</b> a) That the Council take note of the report
	87/10/2022:	SUPPLY CHAIN MANAGEMENT FIRST QUARTER REPORT FOR 2022/2023	<b>RESOLVED:</b> a) That the contents of the report be noted.
30 NOVEMBER 2022	94/11/2022:	REQUEST FOR CLOSURE OF MUNICIPAL OFFICE.	<b>RESOLVED:</b> a) That Council grants approval for closure of offices from the 22 December 2022 until 04 <sup>th</sup> January 2023 (last working day being 15 <sup>th</sup> December 2022 and opening on 04 January 2023). b) That Essential Services of Council proceed to operate during the break. c) That a list of staff members required to be on duty during the break be submitted to Corporate Support Services department before closure. d) That the staff required to work be paid incentives in the following manner as per the agreement of the local labour forum held on the 23 <sup>rd</sup> November 2022. <ul style="list-style-type: none"> <li>i. Employees on Level 16 downwards an amount of <b>R1800-00</b></li> <li>ii. Employees on Level 17 upwards an amount of <b>R500-00</b></li> </ul>



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			<ul style="list-style-type: none"><li>e) That the staff required to be on stand-by be compensated with payment of stand-by allowance.</li><li>f) That the relevant message be published in the local newspaper and be properly communicated to the community, clients and stakeholders.</li><li>g) That officials take 3 days annual leave (19-21 December 2022 and Council give officials a further 5 days leave (27, 30, and 31 December 2022 and 02, 03 January 2023).</li><li>h) That names of Departments be forwarded within 7 days and the list be available to all Councillors and be published to other strategic platforms.</li></ul>
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	73/10/2022:	APPLICATION TO RELEASE AND PERMIT THE DEPARTMENT OF COMMUNITY SERVICES TO ESTABLISH THE MOSES KOTANE SCIENCE CENTRE ON A PORTION OF THE REMAINING EXTENT OF PORTION 1 OF THE FARM RHENOSTERSPRUIT 908 JQ.	<p><b>RESOLVED:</b></p> <p>In view of the above, it is recommended that the Executive Committee recommend to the Council, for the Council to release and permit the Department of Community Services to establish the Moses Kotane Science Centre on a Portion of the Remaining Extent of Portion 1 of the Farm Rhenosterspruit 908 JQ subject to the following conditions;</p> <ul style="list-style-type: none"> <li>a) That the contents of this item be noted;</li> <li>b) That Council release and permits the Department of Community Services to establish the Moses Kotane Science Centre on a Portion of the Remaining Extent of Portion 1 of the Farm Rhenosterspruit 908 JQ.</li> <li>c) That the proposed development complies with all development requirements as outlined in applicable legislations and policies governing developments on agricultural land</li> </ul>
	76/11/2022:	REASSIGNMENT OF CHAIRPERSONS OF PORTFOLIO COMMITTEES IN LINE WITH MUNICIPAL STRUCTURES ACT, NO.117 OF 1998.	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That Council note the report.</li> <li>b) That the new Chairpersons of the Portfolio are as follows: <ul style="list-style-type: none"> <li>1. Cllr T. Thoboke - Planning &amp; Development</li> <li>2. Cllr H. Ramokopelwa - Infrastructure &amp; Technical Services</li> </ul> </li> </ul>

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			<ol style="list-style-type: none"> <li>3. Cllr S. Mashishi - Finance/BTO</li> <li>4. Cllr S. Manganye - Community Services</li> <li>5. Cllr M. Mogapi - Local Economic Development</li> <li>6. Cllr D. Tshetlhane - Corporate Services</li> </ol>
31 JANUARY 2023	95/01/2023:	DRAFT MPAC PROGRAM FOR THE PUBLIC HEARING PROCESS ON THE ANNUAL REPORT	<b>RESOLVED:</b> <ol style="list-style-type: none"> <li>a) That Council adopt the draft programme for the MPAC hearing process on the Annual report</li> <li>b) That Council ensure that this programme will not be interrupted by other municipal activities.</li> </ol>
	106/01/2023:	CONDONATION OF THE ACTING OF MS. T. MOGOLWANE FOR THE POSITION OF HOD: LED	<b>RESOLVED:</b> <ol style="list-style-type: none"> <li>(a) That Council notes the report.</li> <li>(b) That Council condones the acting of Ms. T. Mogolwane for the month of November 2022.</li> </ol>

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	<b>111/01/2023:</b>	<b>PROGRESS REPORT IN RE: INTERNAL DISCIPLINARY ENQUIRY MOSES KOTANE LOCAL MUNICIPALITY / GABONEWE MADIKELA</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council note the none representation from the HOD: LED.</li> <li>b) That Council resolved to put the HOD: LED on suspension.</li> <li>c) Council proceed with the Disciplinary enquiry in terms of the applicable Regulations as attached.</li> <li>d) Council authorise the Municipal Manager to appoint an independent Presiding officer and external Prosecutor to lead evidence.</li> <li>e) The process be finalised within the time frames as prescribed by the regulations.</li> <li>f) That Council extend the Acting period of Mr. A, Mogashoa for one (1) month and that concurrence from the MEC be sought to extend for a further 3 months</li> <li>g) That the Municipal Manager engage with the Department of Economic Development (DEDECT) to explore the possibility of seconding an employee to act in the position of HOD: LED until the Disciplinary proceedings have been finalised.</li> </ul>
	<b>107/01/2023:</b>	<b>BOJANALA PLATINUM SEZ INFRASTRUCTURE MASTER PLAN</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council adopts the SEZ Infrastructure Master Plan</li> </ul>

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			<ul style="list-style-type: none"> <li>b) That Council notes and appreciates the contribution by DBSA and the North West Provincial Government to the Plan.</li> <li>c) That further presentation on the Master Plan be arranged for Councillors</li> </ul>
	108/01/2023:	<b>CONDONATION OF THE ACTING OF MR. A. MOGASHOA FOR THE POSITION OF HOD: LED</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council notes the report.</li> <li>b) That Council condones the acting of Mr. A. Mogashoa for the period which commenced from 01 December 2022 ending 31<sup>st</sup> January 2023.</li> <li>c) Council to appoint an Acting HOD: LED for the month of February 2023</li> <li>d) That Mr A. Mogashoa be appointed as an Acting HOD: Local Economic Development from the 1<sup>st</sup> – 28<sup>th</sup> February 2023.</li> </ul>
	109/01/2023:	<b>STRATEGIC PLANNING REPORT FOR THE FIFTH GENERATION - 5 YEAR TERM 2022/2027 FOR 2023/2024 FINANCIAL YEAR FOR</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>(a) That the Council to adopt the dates for the planned Strategic Planning session for the 22 – 24 February 2023,</li> <li>(b) That the list of attendees to be reviewed by the Office of the Mayor, Office of the Speaker,</li> </ul>

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			<p>Office of the Single Whip and Office of the Municipal Manager</p> <p>(c) That Council to note the report as discussion document for the pre-planning meeting held on the 13<sup>th</sup> December 2023</p> <p>(d) That Council notes and appreciates the collaboration and support through the MCPP.</p>
	96/01/2023	<b>SPECIAL ADJUSTMENT BUDGET TO AUTHORISE NON-CASH UNAUTHORISED EXPENDITURE FOR THE 2021/2022 FINANCIAL YEAR</b>	<p><b>RESOLVED:</b></p> <p>a) That the special adjustment budget for the 2021/2022 financial year be approved to authorize the unauthorized expenditure as follows: Non-Cash Items R 117,179,550</p> <p>b) That the Council to mandate the Municipal Manager and administration to ensure sufficient provision on the budget for non-cash items to reduce recurrence.</p>
	97/01/2023	<b>UNAUTHORISED EXPENDITURE 2020/2021 FINANCIAL YEAR AND CASH ITEMS FOR THE 2021/2022 FINANCIAL YEAR (5/17/2)</b>	<p><b>RESOLVED:</b></p> <p>a) That notice is taken of the report on the unauthorised expenditure.</p> <p>b) That the following unauthorised expenditure regarding non-cash items be approved and authorised 2020/2021 financial year R 71,803,283.</p> <p>c) That the following unauthorised expenditure regarding cash items be approved and authorised</p>

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			<p>2020/2021 Financial Year VIP Toilets R 27,921,296</p> <p>2021/2022 Financial Year VIP Toilets R 15,383,019</p> <p>d) That the following unauthorised expenditure regarding cash items be referred to MPAC for investigation</p> <p>2020/2021 Financial Year R35,439,911</p> <p>2021/2022 Financial Year R65,080,056</p> <p>e) That the executive committee request council to mandate the Municipal Manager and administration to ensure sufficient provision on the budget for non-cash items to reduce recurrence.</p> <p>f) That MPAC Office taps into the MPAC investigation resources of the Bojanala District Municipality as well as the municipality to fast track the employment of MPAC Office investigator.</p>
	98/10/2023	CONTRACT MANAGEMENT REPORT ENDING 31 DECEMBER 2022	<p><b>RESOLVED</b></p> <p>a) That Council note the contract management second quarter report ending 31 December 2022.</p>
	99/01/2023	SUPPLY CHAIN MANAGEMENT SECOND QUARTER REPORT FOR 2022/2023	<p><b>RESOLVED:</b></p> <p>a) That the contents of the report be noted.</p> <p>b) That Executive Committee takes measures that the procurement delays be avoided</p>

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	102/01/2023:	<b>FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 31<sup>st</sup> DECEMBER 2022 (7/15/1/2/1)</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the financial quarterly report for the second quarter ending 31<sup>st</sup> December 2022 be noted.</li> <li>b) That the Executive Committee takes measures to develop Revenue Collection Process Plan and submit in the next Council Meeting</li> <li>c) That EXCO to develop and submit alternative measures to Council for the collection of revenue</li> </ul>
	103/01/2023:	<b>MID-YEAR BUDGET PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) Council notes the Mid-Year Budget and Performance Assessment Report for the 2022/2023 Financial Year in terms of S72 of the MFMA and the Supporting Documentation attached.</li> <li>b) Council considers the financial state of affairs of the Municipality as reflected in this report and take note of the low collection rate for the first six months of the year that leads to cash flow challenges.</li> <li>c) Council considers the tabling of an adjustment budget not later than 28 February 2023.</li> <li>d) That EXCO to develop and submit alternative measures to Council for the collection of revenue.</li> </ul>



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	104/01/2023:	REVISED SUPPLY CHAIN MANAGEMENT POLICY	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the contents of the report be noted.</li> <li>b) That Council approves the revised Supply Chain Management Policy</li> </ul>
	105/01/2023:	TABLING 2021/2022 ANNUAL REPORT	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council adopt the 2021/2022 Annual Report</li> <li>b) That the Council adopt the 2021/2022 Annual Report and give directive to Municipal Public Accounts committee to facilitate oversight processes of the Annual report, as required by section 127 (5) of the Municipal Finance Management Act.</li> <li>c) The 2021/2022 Annual Report be subject to public comments through a process to be led by MPAC</li> <li>d) That both EXCO and Management participate throughout the public hearings as required by the MFMA</li> </ul>
28 FEBRUARY 2023	90/11/2022	APPROVAL OF ANTI-FRAUD AND CORRUPTION POLICY	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) Council approve the anti -fraud and corruption policy for the 2022/23 financial year. Cllr Letlape made amendments on the following pages (8,9 and 12)</li> </ul>

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			<p>Page 8 replace (South African People) with just people</p> <p>Page 9 replace (rather) with (and).</p> <p>Page 12 replace (process must be fair, just and equitable) with (Consistency)</p>
	91/11/2022:	<b>APPROVAL OF ANTI -FRAUD AND CORRUPTION RISK REGISTER, FRAUD PREVENTION PLAN AND AWARENESS CAMPAIGN PROGRAM</b>	<p><b>RESOLVED:</b></p> <p>a) Council to approve the Anti-fraud and Corruption risk register for the 2022/23 financial year.</p>
	92/11/2022:	<b>APPROVAL OF RISK MANAGEMENT POLICY, DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN AND RISK MANAGEMENT STRATEGY</b>	<p><b>RESOLVED:</b></p> <p>a) Council approve the risk management policy, risk management strategy for the 2022/23 Financial year.</p>
	93/11/2022:	<b>APPROVAL OF THE OPERATIONAL RISK REGISTER, PROJECT RISK REGISTER AND ICT RISK REGISTER</b>	<p><b>RESOLVED:</b></p> <p>a) Council to approve the Operational risk register, Project Risk Register and ICT risk register for the 2022/23 financial year.</p>
	21/02/2023:	<b>MID-YEAR PERFORMANCE ASSESSMENT REPORT FOR PERIOD ENDING DECEMBER 2022</b>	<p><b>RESOLVED:</b></p> <p>a) That the Council take note of the 2022/2023 Mid-Year Performance Assessment Report.</p>

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	<b>122/02/2023:</b>	<b>FIRST AND SECOND QUARTERLY PERFORMANCE REPORTS FOR 2022/2023 FINACIAL YEAR</b>	<b>RESOLVED:</b> a) That the Council take note of the 2022/2023 first and second quarter performance report.
	<b>61/09/2022:</b>	<b>PROGRESS REPORT ON NORTH WEST TOURISM MONITORS PROGRAMME</b>	<b>RESOLVED:</b> a) That Council takes note of detailed progress report on the implementation of the Tourism Monitors programme.
	<b>112/02/2023:</b>	<b>REPORT ON THE REVIEW OF THE BIODIVERSITY MANAGEMENT PLAN</b>	<b>RESOLVED:</b> a) That the Council note the need to review the Moses Kotane Local Municipal Biodiversity Management Plan. b) That Council seeks approval from council to take the plan for public participation c) That councillors be workshopped before public participation d) That the final report be submitted to council on the 4 <sup>th</sup> quarter 2022/2023 financial year with public comments for approval.

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	113/02/2023:	REPORT ON DEVELOPMENT AN AIR QUALITY MANAGEMENT BY-LAW	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council note the importance and need to develop a Moses Kotane Local Municipal Air Quality Management By-law.</li> <li>b) That the council be workshopped before public participation</li> <li>c) That the by-law be taken for public participation and stake holder engagements</li> <li>d) That the final draft by-law be submitted to council with public comments for approval in the 4<sup>th</sup> quarter of 2022/2023 financial year.</li> <li>e) That the bylaw be taken for promulgation and publishing after it is approved to give it a legal effect.</li> </ul>
	115/02/2023	POSSIBLE DISRUPTION ON MUNICIPAL ADMINISTRATION AND COUNCIL ACTIVITIES	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the report be noted.</li> </ul>
	120/02/2023:	REPORT ON TWO MODULAR LIBRARIES THAT IS MMATAU AND UITKYK LIBRARIES THAT WILL BE ASSEMBLED BY THE DEPARTMENT OF ARTS, CULTURES, SPORTS AND RECREATION.	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the item be referred back</li> </ul>

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	123/02/2023	<b>MOSES KOTANE LOCAL MUNICIPALITY ADJUSTMENT BUDGET 2022/23 (15/1/2022/2023)</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That in terms of Section 28 (2) of the Municipal Finance management Act, 2003 (Act 56 of 2003) the proposed 2022/23 Adjustment Budget be approved.</li> <li>b) That Council take note of the dire financial constraints and implement previous Council resolutions on the cost recovery.</li> <li>c) That the budget adjustment be aligned to IDP &amp; SDBIP.</li> </ul>
31 MARCH 2023	MPAC 130/03/2023:	<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT ON THE ANNUAL REPORT 2021/2022 FINANCIAL YEAR.</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council take note of the Oversight Report for the year under review 2021/2022.</li> <li>b) That Council implement all recommendations set hereunder by the Municipal Public Account Committee</li> <li>c) That the oversight report be submitted to the Provincial Legislature in accordance with section 132(2) of the MFMA.</li> <li>d) That Council note that the municipality has received an unqualified audit report with the findings.</li> <li>e) That Council takes the necessary steps to minimize the growing irregular expenditure.</li> <li>f) That Council check the condition of the Service level agreement between Magalies Water and the Municipality.</li> </ul>

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			<ul style="list-style-type: none"> <li>g) That consequence management be implemented and the policy thereof be reviewed.</li> <li>h) That Council provide MPAC with clarity on Disciplinary board and formation</li> <li>i) That Council to ensure that services be paid.</li> <li>j) That infrastructure to provide MPAC with maintenance plan.</li> <li>k) That the asset register be reviewed, a report be compiled and be presented to Council.</li> </ul>
	124/02/2023:	<b>APPOINTMENT OF THE ADDITIONAL MEMBER OF THE MKLM AUDIT COMMITTEE</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council takes note of the report.</li> <li>b) That Council approves the process for the appointment of an Additional member of the Audit Committee for the remainder of the three year's term.</li> <li>c) That Council approves the appointment of Mr. Rabelani Tshimomola to serve as an additional member of the MKLM Audit Committee.</li> </ul>

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	<b>110/01/2022:</b>	<b>REPORT OF THE AUDIT COMMITTEE FOR PERIOD ENDING 31 DECEMBER 2022</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council takes note of the Audit Committee's 2022-2023 mid-term report.</li> <li>b) That Council take a resolution that management must develop an action plan which must be implemented, monitored on monthly basis and reported on quarterly.</li> </ul>
	<b>77 /11/2022:</b>	<b>REQUEST TO AMMEND ITEM 126/02/2019 FOR THE RESCUSITATION OF BRICKMAKING PROJECT.</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council takes note of the report;</li> <li>b) That the brickmaking project be resuscitated through co-operatives (see attached cooperatives' details) for different types of commodities;</li> <li>c) That the LED Department facilitate engagement with all cooperatives that made request to assess their readiness;</li> <li>d) That the cooperatives that have proof of funding be considered to resume production, whilst those that are not yet ready could be assisted to source cooperatives' grant externally;</li> <li>e) That a lease agreement be developed between the Municipality and those cooperatives to operate on the property;</li> <li>f) That the cooperatives take cognisance of the fact that the property belongs to the municipality.</li> </ul>

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			g) That a progress report be submitted to the Council.
	116/02/2023:	<b>WATER &amp; SANITATION UNIT REPORTS FOR WEST AND EAST JANUARY 2023</b>	<b>RESOLVED:</b>  a) That the item be withdrawn. The reports has been submitted in the previous Council meeting.
	117/02/2023:	<b>PROGRESS REPORT ON MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)</b>	<b>RESOLVED:</b> a) That the Council take note of the report.
	120 /02/2023:	<b>REPORT ON TWO MODULAR LIBRARIES THAT IS MMATAU AND UITKYK LIBRARIES THAT WILL BE ASSEMBLED BY THE DEPARTMENT OF ARTS, CULTURES, SPORTS AND RECREATION</b>	<b>RESOLVED:</b>  a) That the Council note the assemble of these modular libraries in Mmatau and Uitkyk village. b) That an item on progress report be developed in future to keep the Council abreast of the development. c) That Moses Kotane Local Municipality should consider budgeting for costs of maintenance for the financial year 2023/2024.
	125/03/2023:	<b>PROGRESS REPORT ON THE LAND DEVELOPMENT (TOWNSHIP ESTABLISHMENT) OF MOGWASE UNIT 7 AND MOGWASE UNIT 8B</b>	<b>RESOLVED:</b>  a) That the Item be referred back for consultation with relevant Portfolio committee on Planning and Development.



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			b) That a joint Portfolio meeting be held within 7days.
	128/03/2023:	<b>ECONOMIC RECOVERY PLANS AND PROGRAMS</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That Council Committee takes note of this report and endorse the Initiatives contained herein.</li> <li>b) That Council allows the department to invite like-minded Institutions to join these types of initiatives in order to better the lives of our communities.</li> </ul>
	131/03/2023	<b>DRAFT INTEGRATED DEVELOPMENT PLAN FOR THE FINANCIAL YEAR 2023/2024</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council to note the Draft IDP/Budget for financial year 2023/2024.</li> <li>b) That the tabled draft IDP/Budget will be distributed to all stakeholders mentioned in Communication 6 above.</li> <li>c) That the Draft IDP does not have the reviewed organisational structure but the ongoing engagements with Departments has commenced with the intention of aligning and implementing the New Municipal Regulation by end May 2023.</li> <li>d) That the Strategic Planning Report of collaborative engagement held in Sun City from the 21 – 23 March 2023 as attached be noted and approved.</li> </ul>

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			<ul style="list-style-type: none"> <li>e) That the Council to note the proposed schedule for 2<sup>nd</sup> Round of IDP Public Participation.</li> <li>f) That the Council note the adjustment on the capital projects as reflected in the IDP/Budget for financial year 2022/2023 report. That strategy Development public participation strategy on how to include migrants in our plans to attract international funding.</li> <li>g) That the unit to develop a strategy on Public Participation processes on inclusion of migrants in the IDP to attract international funding.</li> <li>h) That migrants are in Municipal space using our basic resources, data base development to be prioritised and inclusion of official dealing with migrants to be included in the organisational structure review.</li> <li>(i) That the matter on (c) above be taken to the relevant department (Corporate Support Services)</li> </ul>
	132/03/2023:	<b>DRAFT BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/2024 TO 2025/2026(5/1/1-2023/2024)</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the annual budget of the municipality for the financial year 2023/2024 and the multi-year and single-year capital appropriations as set out in the attached tables be approved.</li> </ul>

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			<p>b) That Management is task to split the bill, to improve none-payment of services and full implementation of credit control.</p> <p>c) Develop concept document for collection by implementing a flat rate.</p> <p><b><u>The following additional recommendations must find expression in the final budget:</u></b></p> <p>d) That BTO disclose the historical bad debts in the outstanding debtor's book.</p> <p>e) That automated access control system be built around water goose net area</p> <p>f) That Council valuation roll be submitted to Council meeting for a review.</p> <p>g) That the department develop a time frame for implementation on standard rate.</p>
11 APRIL 2023	134/04/2023	REPORT ON THE INVITATION TO SUBMIT VIEWS AND REPRESENTATIONS FOR CLASS 2-4 MUNICIPAL BOUNDARY PROPOSAL AND ESTABLISHMENT OF DEMARCATION COMMITTEE	<p><b>RESOLVED:</b></p> <p>a) That the report on the invitation to submit views and representations for class 2-4 municipality boundaries proposal as well as the establishment of a Demarcation Committee be noted.</p> <p>b) That the Council appoints 10 councillors as members of the Demarcation Committee.</p> <p>c) That Council appoint the Chairperson of the Demarcation Committee.</p> <p style="text-align: right;">Cllr G. Mtshali-Chairperson Cllr S. Kalipa</p>

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			<p> Cllr N. Ditsele  Cllr F. Luvuno  Cllr C. Motshabi  Cllr Z. Motswenyane  Cllr T. Madisa  Cllr E. Modisakenng  Cllr E. Mashimo  Cllr D. Tshetlhane </p> <p> d) That the Demarcation Committee engages fully with the matters of re-demarcation and advise the Council on appropriate responses and submissions to the Municipal Demarcation Board  e) That Council submit its views on the proposed re-demarcation to the Municipal Demarcation Board in a structured letter.  f) That the Demarcation Committee automatically dissolves after completion of the tasks assigned to it by the Council in terms of this resolution.  g) That the Demarcation Committee commence with its work urgently and present a concept to respond to the notice.  h) That a Special Council meeting be convened on or before 21 April 2023 to consider the report from the Demarcation Committee prior submission on the 23 April 2023.  i) That a programme of Public Participation be developed and submitted with the report.  j) That Communities, Stakeholders and Dikgosi </p>
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			<p>be engaged.</p> <p>k) That committee be given powers to amend its membership composition through its chairperson as and when if it necessary for the effective functioning of the committee.</p>
	136/04/2023:	<p><b>ALTERATION OF SCHEDULE OF ADOPTED DRAFT INTERGRATED DEVELOPMENT PLAN FOR THE FINANCIAL YEAR</b></p>	<p><b>RESOLVED:</b></p> <p>a) That Council to adopt the Draft IDP/Budget for financial year 2023/2024 as adopted on the 31 March 2023</p> <p>b) That the tabled draft IDP/Budget will be distributed to all stakeholders mentioned in Communication 6 above</p> <p>c) That the IDP/does not have the reviewed organizational structure but the ongoing engagements with Departments has commenced with the intention of aligning and implementing the New Municipal Regulations by end of May 2023.</p> <p>d) That the Strategic Planning Report of collaborative engagement held in Sun City from the 21-23 March 2023 as attached be noted and approved.</p> <p>e) That Council to adopt the reviewed Public Participation Schedule as attached.</p> <p>f) That Council to note the adjustment on the capital projects as reflected in the IDP/Budget for financial year 2022/2023 report. That Strategic Development public participation</p>

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			<p>strategy on how to include migrants in our plans to attract international funding.</p> <p>g) That Council to note amendments made on resolution of Item 131/03/2023 (g) and (h) as follows:</p> <ol style="list-style-type: none"> <li>1. That the Unit to develop Public Participation Strategy on inclusion of migrants in the IDP to attract International Funding</li> <li>2. That the migrants are in the Municipal space using our basic resources and request for development database to be prioritized and inclusion of officials dealing with migrants to be included in the review of the Organisational Structure</li> </ol> <p>h) That the matter on (c) above be taken to the relevant department (Corporate Support Services)</p> <p>i) That the Council to note the inclusion of two projects from Siyanda Bakgatla Mines as attached,</p>
24 APRIL 2023	149/04/2023	<p><b>DEMARICATION COMMITTEE REPORT RESPONDING TO THE INVITATION BY MUNICIPAL DEMARICATION BOARD TO SUBMIT VIEWS AND REPRESENTATIONS FOR CLASS 2-4 MUNICIPAL BOUNDARY RE-DETERMINATION PROPOSAL.</b></p>	<p><b>RESOLVED:</b></p> <p>a) That the Demarcation Committee report responding to the invitation by Municipal Demarcation Board to submit views and representations for Class 2-4 municipal</p>

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			<p>boundary re-determination proposal be noted.</p> <p>b) That Council object to the proposed municipal re-determination of boundaries as proposed by Rustenburg Local Municipality and any other organisations or individuals.</p> <p>c) That Council approve the views/representation as appear in the concept document of the Demarcation Committee as appropriate responses to the proposed re-determination of municipal boundaries.</p> <p>d) That Council incorporate the views/representation/comments for the affected stakeholders such as Traditional Leaders consulted by the Demarcation Committee in the process.</p> <p>e) That Council submit its views on the proposed re-determination of Municipal Demarcation Board in a structured letter before the 27<sup>th</sup> April 2023.</p> <p>f) That Council note the proposed programme of public participation for engagement with affected stakeholders especially communities.</p> <p>g) That Council consider the inclusion of areas</p>
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			<p>such as Chaneng, Phatsima and others to Moses Kotane Local Municipality from Rustenburg Local Municipality due to their proximity to Moses Kotane Local Municipality in the next opening for the proposal by MDB.</p> <p>h) That Council note of the need for Provincial cross-border boundaries engagement by stakeholders i.e. Limpopo Province, North-West Province, affected Traditional Leaders/Authorities, and affected Municipalities regarding Northam to be included in North-West Province.</p> <p>i) That the Demarcation Committee automatically dissolves after completion of the tasks assigned to it by the Council in terms of this resolution</p>
31 MAY 2023	151/04/2023:	CONDONATION OF ACTING CAPACITY HOD: LED (MR MOGOSHOA)	<p><b>RESOLVED:</b></p> <p>a) That Council notes the report.</p> <p>b) That Council condones Mr A.Mogashoa acting for the month of March, April and May 2023.</p> <p>c) That Council approves Ms. T. Mogoloane to act in the same position for the period of three (3) months from June 2023 until 31 August 2023.</p> <p>d) That the acting may be terminated at any time should the ongoing disciplinary processes affect the acting capacity.</p>



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	159/05/2023:	<b>STRATEGIC PLANNING REPORT FOR THE FIFTH GENERATION- 5 YEAR TERM 2022/2027 FOR 2023/2024 FINANCIAL YEAR FOR THE SESSION HELD 21-23 MARCH 2023</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council to approve the attached report that emanated from the session held at Sun City.</li> <li>b) That Council note that work on the development of long term Plan has commenced and progress report should be given on a quarterly basis.</li> <li>c) That Council notes and appreciates the continuous collaboration and support from Anglo American Mine through the MCPP.</li> </ul>
	160/05/2023:	<b>APPROVAL TO START RECRUITMENT PROCESS TO FILL SENIOR MANAGER POST-CHIEF FINANCIAL OFFICER DEVELOPMENT</b>	<b>RESOLVED</b> <ul style="list-style-type: none"> <li>a) That Council note the report.</li> <li>b) That Council grants approval for the advertisement and filling of the CFO position on a permanent basis in terms of new amended Municipal Systems Act Regulations that prescribes that Senior Managers reporting direct to Municipal Manager be appointed on permanent basis</li> <li>c) That Council approve the establishment of the following Panel members for the shortlisting &amp; interview for the position of Chief Financial Officer. <ul style="list-style-type: none"> <li>▪ That Accounting Officer (Chairperson)</li> <li>▪ That the portfolio Head responsible for Finance (Panelist)</li> </ul> </li> </ul>

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			<ul style="list-style-type: none"> <li>▪ That Municipal Manager from within the District (panelist)</li> <li>▪ A Representative from Provincial Treasure for Technical</li> <li>▪ A representative from South African Local Government Association (SALGA) as an observer.</li> </ul>
	16/05/2023:	<b>STOPPING OF FUNDS DUE TO NON PERFORMANCE ON CONDITIONALGRANTS FOR 2022-2023 FINANCIAL YEAR</b>	<p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>a) That Council take note of the report.</li> <li>b) That Council be aware that there is a need to adjust the Budget /SDBIP and Capital investment in the IDP of the current year before 30 June 2023.</li> <li>c) That once there has been an adjustment there be a Community consultation in the affected wards to brief communities and stakeholders.</li> <li>d) That the affected Ward Councillors be briefed before public participation</li> <li>e) The Speaker raised dissatisfaction about the administration in terms of responding to the National Treasury letter dated the 17 February 2023.</li> <li>f) That the Municipal Manager to respond in writing in the next Council meeting.</li> <li>g) That Cllr Madisa withdrew his secondment of documents on this item</li> </ul>

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	155/05/2023:	ADOPTION AND TABLING OF THE FIVE-YEAR INTEGRATED DEVELOPMENT PLAN (IDP) 2022/2027 FOR THE FINANCIAL YEAR 2023/2024	<p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>a) That the Council to note the Final IDP/Budget for the financial year 2023/2024 to be Approved/Adopted by Council</li> <li>b) That after Approval IDP will be made Public via MKLM Website and placed at Strategic places per advert.</li> <li>c) That the Organizational structure aligned to the Staff Regulations was submitted to CoGHSTA in 2022. The Organizational Structure is ready for final tabling with IDP and BUDGGET on 31 May 2023, Although the Municipality is still awaiting for comments from MEC.</li> <li>d) In the event of the comments of MEC requires further amendments to the Structure, the Organisational Structure be tabled again at the next immediate Council meeting before 30 June 2023.</li> <li>e) That the Council to note the Consolidated Community comments reports, others written and others received verbally during consultations.</li> <li>f) That management ensures that engagement with Mining Houses is streamlined in line with the Term of Reference as per the Mining Working Group which was resolved by means of <b>item 28/08/2019</b>: to include other cross border mines like Anglo Platinum and Mamba Cement.</li> </ul>
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			<p>g) That the 2<sup>nd</sup> round of community consultation started on the 20 April to 09 May 23 with the extension of Welverdiend Community as they were not engaged in the needs analysis and no meetings were held with them by the councillor, closure of comments 15 May 2023</p> <p>h) That the IDP Representative Forum was successfully held on the 16 May 2023 in the Municipal Chamber</p> <p>i) That Stakeholders were informed of the Municipal Long-Term Strategy Development and their participation by sharing Strategic Plan Report.</p> <p>j) That Performance Management Unit will develop their Top Layer SDBIP 28 days after Final Adoption</p> <p>k) That due to challenges faced and project allocation to various villages, IDP Unit to start engaging with Infrastructure Department to include their Annual Process Plan adopted by Council annually in August 2023</p> <p>l) That after the IDP is approved, Performance Agreements will be concluded by the Accounting Officer to ensure implementation of the IDP.</p> <p>m) That the projects contained in final IDP are based on available funding as per the draft 2022/2023 – 2024/2025 MTREF tabled together with the IDP.</p>
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		<p>n) That as a legal document, should the Medium-Term Revenue and Expenditure Framework (MTREF) be amended, the performance targets and projects to always be amended through Public Participation to affected communities and/or wards.</p> <p>o) That the summary of the IDP and Budget be made public in the various platform including newspapers and website.</p> <p>p) That the Speaker's Office be informed in writing to enable it to prepare accordingly for community meeting.</p> <p><b>AMENDEMENTS</b></p> <p><b><u>OFFICE OF THE SPEAKER</u></b></p> <p>Public Participation and Outreach Coordinator- 4  Ward Committee Coordinator-4  Community Development Workers Coordinator 1  Public Officer Petition and Hearings 1  Dermacation Co-ordinator 1  Data Capture 1  Senior Admin Officer 1</p> <p><b><u>MPAC</u></b></p> <p>Investigator-1  Data Capture 1</p>
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			<p><b>Office of the Whip</b></p> <p>Data Capture -1</p> <p><b>Head-IDP-</b> to be moved to Corporate Services Department</p> <p><b>NB:</b> Only those who are affected by the Regulation must be aligned accordingly.</p>
	158/05/2023:	BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/2024 TO 2025/2026(5/1/1-2023/2024)	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the annual budget of the municipality for the financial year 2023/2024 and the multi-year and single-year capital appropriations as set out in the attached tables be approved.</li> <li>b) That the budget related policies for 2023/2024 be approved</li> <li>c) That the financial Plan for 2023/2024 be approved.</li> <li>d) That all policies be noted and all Councillors be workshopped</li> </ul>
	137/03/2023:	REPORT ON A DRAFT MEMORUNDUM OF UNDERSTANDING (MOU) BETWEEN MOSES KOTANE LOCAL MUNICIPALITY (MKLM) AND SEFAKO MAKGATHO HEALTH UNIVERSITY (SMU)	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the report be noted</li> </ul>

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			<ul style="list-style-type: none"> <li>b) That the Council grant the permission to enter into a partnership with the Sefako Makgatho Health University</li> <li>c) That a Memorandum of Understanding (MOU) be entered into between the MKLM and Sefako Makgatho Health University.</li> </ul>
	138/04/2023:	<b>ESTABLISHMENT OF THE MUNICIPAL GARDEN WASTE DROP-OFF CENTRE IN MOGWASE.</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the Council notes and approves the aforesaid proposal for the establishment of the Municipal Garden Waste Drop off Centre.</li> <li>b) That the Department of Planning and development assists with the disposal of land earmarked for this project.</li> <li>c) That the budget for the said Item be made available in the 2024/2025 financial year.</li> </ul>
	139/04/2023:	<b>RESUSCITATION OF THUSONG MULTI-PURPOSE CENTRE IN MANAMELA</b>	<b>RESOLVED:</b> <ul style="list-style-type: none"> <li>a) That the report on the state of MPPC in Manamela be noted</li> <li>b) That the sectoral departments be engaged to facilitate the use and occupation of the MPCC as a one stop service point</li> <li>c) That a Service Level Agreement between the Municipality and Provincial government departments be resuscitated and reviewed.</li> <li>d) That a progress report be submitted to Council for further engagement</li> </ul>

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			e) That progress report be submitted to SCOPA
	144/04/2023	FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 31 <sup>st</sup> MARCH 2023(7/15/1/2/1)	<b>RESOLVED:</b> a) That the financial quarterly report for the third quarter ending 31 <sup>st</sup> March 2023 be noted.
	147/04/2023:	SUPPLY CHAIN MANAGEMENT THIRD QUARTER REPORT FOR 2022/2023	<b>RESOLVED:</b> a) That the contents of the report be noted.
	148/04/2023:	THIRD QUARTER CONTRACT MANAGEMENT REPORT	<b>RESOLVED:</b> a) That the Council note the third quarter contract management report.
	157/05/2023:	PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK FOR 2023/2024	<b>RESOLVED:</b> a) That the Council approves the Performance Management System Framework for 2023/2024.



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### 2.2 ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Section 82 of the Municipal Structure Act 117 of 1998 amended that the Municipality must appoint the Municipal Manager, who is the head of Administration and therefore Accounting Officer.

Section 51(i) of the Systems Act states that the municipality must organise its administration in a manner that enables it to hold the Municipal Manager accountable for the overall performance of the municipality.

Municipal Manager must manage the communication between the political structure and office-bearers and the administration (S 55(1) (j) of the Systems Act). The Municipal Manager has to exercise responsibilities subject to the policy directions of the Council. As the Accounting Officer, the Municipal Manager is also responsible for all income and expenditure, all assets and discharge of liabilities of the municipality and the compliance with the municipal finance management legislation.

In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended the Municipal Manager as head of administration is subject to policy directives of the Municipal Council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government. In terms of Section 54 of Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have the relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager and Head of Departments form the Senior Management core and all Head of Departments are accountable to the Municipal Manager in terms of strategic management and oversight of their departments. All budget expenditure in each department is managed by the relevant Head of Departments in order to ensure that service delivery matters are handled quickly.

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TOP STRUCTURE	
<b>Mr M.V Letsoalo Municipal Manager</b>	As head of administration and Accounting Officer of the municipality the Municipal Manager is subject to the policy directions of the municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: MSA, Act 32 of 2000, as amended and any other relevant duties as may be delegated by the Mayor and Council
<b>Mr F. Radiokana Head of Department: Corporate Services</b>	The Acting Head of Department is responsible for establishing and maintaining structures, with the parameters of legality and good governance, that will provide Administration that is appropriately relevant, Legal Support, Human Resource Management; and IT
<b>Mr M Mkhize Chief Financial Officer</b>	This Department is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, SCM, Credit Control Management, investment and banking, treasury management, and risk management.
<b>Mr B. Maseloane Head of Department: Infrastructure &amp; Technical services</b>	This Department is responsible for all Water, Sanitation, Electricity and Roads Services of the Municipality as well as well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base, and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure
<b>Mr S. Kotsedi Head of Department: Community Services</b>	This Department is responsible for Environmental and Waste Management, Traffic, Security and Library Services
<b>Mr G Masheleni</b>	This Department is responsible for Housing, Town Planning LED Services

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<b>Head of Department: Planning &amp; Development</b>	
<b>Mr A Mogashoa &amp; Ms T Mogoloane</b> <b>Acting Head of Department Local Economic Development</b>	This department is responsible for Local Economic Development

### COMPONENT B: INTERGOVERNMENTAL RELATIONS

#### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality shares platform with and at the following forums:

- ✚ Provincial sector departments and private sector stakeholders through (but not limited to) the IDP representative forums. Other engagements are held as and when necessary.
- ✚ SALGA working committee groups where respective councillors attend;
- ✚ Provincial Municipal Managers' forum;
- ✚ District IGR forum
- ✚ Provincial Communicators' forum
- ✚ Mining Community Development forum
- ✚ Mining Leadership forum
- ✚ Provincial IDP Rep forum
- ✚ District Representative forum

The municipality was identified as one of 7 pilot municipalities by the Department of Local Government and Traditional Affairs for the LG Management Improvement Model assessment, which is a self-assessment process on the management practices and work place capabilities, moderated by the Provincial Department.

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### **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

#### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

MPAC is established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of Council.

MPAC undertakes and manages similar functions and responsibilities for the municipalities, as undertaken by the Standing Committee of Public Account in the national and provincial legislatures, except for certain powers regarding subpoena of individuals. In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality or municipal entities, the MPAC has the right to call upon the Accounting Officer of the Municipality or the Chairperson of the municipal entity's board of Directors to appear before it to provide information or clarity.

The MPAC may engage directly with the public and consider public comments when received and are entitled to access documents or evidence from the Acting Municipal Manager.

Section 129(4) of the MFMA further provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearing, and the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

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### 2.3 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

Public communication and participatory initiatives

The adopted communication strategy has an action plan that makes provision for communication with all internal and external stakeholders. Current communication forums initiatives are as below:

Internally the following mechanisms are used:

- ✦ Internal memo for notices, announcements
- ✦ Short message service
- ✦ Emails
- ✦ Notice boards
- ✦ Policy workshops, information sharing sessions and training

For external communication we use the following channels

- ✦ Public notices
- ✦ Municipal Newsletter which reflects on council decisions, programmes public participation and events
- ✦ Loud hailing
- ✦ Media liaison - MKLM uses both the electronic/ print media, both mainstream and community for effective communication with communities and stakeholders. However, there is only one community radio station within the municipal jurisdiction. As a result, the municipality has to use national and community media which can hamper communication efforts.

The municipality's website has been revamped and populated with information though there are still challenges relating to timeous updating thereof especially with regard to legislative prescriptions.

No opinion surveys have been conducted.

LGMSA 2000, Chapter 5 and Section 28(1) and 29 indicate the following:

Preparation of a Process Plan for annual review is reflected below:

2.1.1 *Section 28 (1) each municipal council within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan.*

- Chapter 4 indicates that the municipality must through appropriate mechanisms, processes and procedures consult its local community before adopting the process.
- The Municipality must also give notice to the local community of particulars of the process it intends to follow.

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2.1.2 Section 29 (1) indicates the process to be followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan must:

- (a) Be in accordance with a predetermined programme specifying timeframes for different steps
- (b) Through appropriate mechanisms process and procedures establish in terms of chapter 4, as follows:
  - I. The local community to participate in the drafting of the integrated development plan, and
  - II. Organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the IDP
  - III. The local community to be consulted on its developmental needs analysis and priorities
- (c) To provide for the identification of all plans and planning requirements binding on municipality in terms of national and provincial legislation, and
- (d) Be consistent with any other matter that may be prescribed by regulation

Sessions for public consultation are held twice in a year in all 109 villages. The 34 wards are grouped in 8 clusters where wards are grouped in one venue for needs analysis and priority projects discussions around the first consultations.

### 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
<b>* Section 26 Municipal Systems Act 2000</b>	

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### CHALLENGES FACED BY NON IMPLEMENTATION OF NEEDS ANALYSIS

There are various challenges that causes IDP unit frustration during public participation processes.

- ✚ Under allocation of budget / Municipal Financial constraint
- ✚ Increase on ad hoc requests by growth in rural areas
- ✚ Not meeting the targets for establishment of Vulnerable Groups
- ✚ Lack of policy and strategy development and lack of capacity
- ✚ Lack of skills audit and Staff shortages;
- ✚ Misalignment of strategic plans and implementation
- ✚ The new demarcation after local government elections resulted in an increase in the number of wards hence there is also a need for an increase in the number of community mobilisers serving the wards
- ✚ Overtime within the IDP unit due to long sessions held with the community and sector department not participating during consultations (spheres of government)
- ✚ IDP unit coordinates, facilitates all sectors and units and it sometimes becomes difficult to achieve our set target as we rely on information from departments
- ✚ Limited and lack of budget provision by council departments for community mobilisation activities
- ✚ Lack of vehicles and support from or vehicle shortages serve as a hindrance with service delivery and mobilisation of communities to participate on IDP consultations
- ✚ Poor attendance and minimal attendance by communities

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### COMPONENT D: CORPORATE GOVERNANCE

#### OVERVIEW OF CORPORATE GOVERNANCE

There is an established Municipal Public Accounts Committee and Audit Committee is in place and functional. There is compliance with legislation and regulations that govern the municipality. The municipality ensures that there is accountability and transparency in the running of its affairs. The municipality also engages its stakeholders in identification of their needs during public participation.

#### 2.5 RISK MANAGEMENT

##### RISK MANAGEMENT

The municipality conducted a risk identification and assessment in the 2021/2022 financial year, risk management strategy and risk management policy were approved by council respectively.

#### 2.6 ANTI-CORRUPTION AND FRAUD

##### FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality has been reporting to COGTA, regarding the implementation of fraud prevention and anti-corruption and ethics. The matters of governance are paramount and with the support from COGTA we will improve towards governance issues.

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#### 2.7 SUPPLY CHAIN MANAGEMENT

##### OVERVIEW SUPPLY CHAIN MANAGEMENT

Four out of five employees are fully compliant with minimum competency levels for Supply Chain Management, however one employee is currently undergoing training to ensure compliance.

#### 2.8 BY-LAWS

##### COMMENT ON BY-LAWS:

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.



## Chapter 2

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### 2.9 WEBSITES

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2021/22)	Yes
The annual report (2021/22) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2022/23) and resulting scorecards	Yes
All service delivery agreements (2022/23)	No
All long-term borrowing contracts (2021/22)	No
All supply chain management contracts above a prescribed value (give value) for 2022/23	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 2022/23	No assets Disposed
Contracts agreed in 2022/23 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2022/23	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2022/23	Yes

### 2.10 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### PUBLIC SATISFACTION LEVELS

No public satisfaction surveys were conducted on municipal service delivery for the year under review.

# Chapter 3

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

### COMPONENT A: BASIC SERVICES

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

#### INTRODUCTION TO BASIC SERVICES

The Municipality, through the Infrastructure and Technical Services is responsible for development, operational and maintenance of basic Municipal Infrastructure assets which includes the following:

- ✚ Water
- ✚ Sanitation
- ✚ Roads and Storm water
- ✚ Community Facilities (Halls etc.)
- ✚ Community Lighting (Street Lights and High Mast Lights)

Over and above the Basic Services, the Municipality also is responsible for the provision of Free Basic Services such as Water, electricity, sewer for consumers who are registered as Indigents.

#### CHALLENGES ENCOUNTERED IN RENDERING THE BASIC SERVICES

As much as the municipality is striving very hard to render basic services, however, there are still challenges that are facing the Municipality.

- ✚ Ageing of Infrastructure
- ✚ Insufficient funding to carry out maintenance
- ✚ Shortage of skilled personnel
- ✚ Theft and Vandalism(borehole equipment)
- ✚ Boreholes Drying out in other areas
- ✚ Water Loss (Through Illegal connections and
- ✚ Continuous development of stands in Tribal owned land without engaging with municipal sharing of drinking water with livestock in other villages.

## Chapter 3

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

Moses Kotane Local Municipality is both a Water Service Authority and a Water Service Provider. The Municipality's water supply consists of 75% surface water from Magalies Water and Municipal Plants (Pella & Madikwe) and 25% of underground water. The bulk of the water is from the Vaalkop Water Treatment Plant which is operated by the Magalies Water Board and supplies the areas on the eastern side (Mankwe) of the Municipality. The western side (Madikwe) of the municipality is mostly reliant on underground water, as well as both Madikwe and Pella dams.

The Municipality has developed water master plan. The master plan has covered the entire municipal area in terms of bulk water needs and proposed water plans.

The municipality also caters for indigent population by providing subsidised water and sanitation services.

#### COMMENT ON WATER USE BY SECTOR:

The municipality has a high volume of unaccountable water loss due to unmetered stand pipes, hydrants and illegal connections.

Households - Water Service Delivery Levels below the minimum			
Description	Households		
	2022/2023		
	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>			
Total households	80654		80654
Households below minimum service level	0	0	0
Proportion of households below minimum service level	0%	0	0
<b>Informal Settlements</b>			
Total households	24 572	14 572	24 572
Households below minimum service level	5 750	2 750	5 750

## Chapter 3

Proportion of households below minimum service level	23.4%	19%	23.4%
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### COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality has managed to reach various villages that had challenges with regard to water shortages through the implementation of the underground water optimization project, this programme has seen about 8 villages being assisted with additional boreholes and reticulation. As part of ensuring proper planning in future the Municipality has managed to develop a water master plan.

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

The municipality provides sanitation services of high level of service to two townships of Madikwe and Mogwase. About 5 802 households and industrial are catered by the Mogwase and Madikwe Waste Water Treatment Plants.

### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

The Electricity Unit is not providing electricity at household level. The Municipality is not licensed to distribute electricity, however, we do facilitates for household electrification through engagement with Eskom and DOE. The Municipality also provides community lighting infrastructure (high mast lights) and streetlights.

## Chapter 3

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

#### INTRODUCTION TO WASTE MANAGEMENT

Waste Management remains one of the fundamental Municipal Legislative functions as made provision in the National Environmental Management Waste Act 59 of 2008. In order to give effect to the requirements of the National Environmental Management Waste Act 59 of 2008 in line with the National Waste Management Strategy 2011, in 2017 the Environment and Waste Management Unit initiated the process of the development of the Municipal Integrated Waste Management Plan (IWMP) as well as Air Quality Management Plan (AQMP).

Poor or irregular household waste collection is one of the significant contributors of solid-waste mismanagement, within the Municipality. It has also been noted that illegal dumping could also be a result of inadequate environmental awareness as well as limited access to waste management infrastructure in remote areas within the Municipality.

In an effort to address the depicted waste management setbacks, it is within the foremost plans of the Unit y to improve contractual obligations with contracted service providers for waste management (Collection and Disposal) and subsequently intensify monitoring across all Municipal clusters.

Appropriate Access to Municipal Waste Management Infrastructure promotes a clean, healthy and well secured environment for the local community members in line with Section 24 Act 108 Constitution of Republic of South Africa 1998. As a result, the Municipality has two licensed operational Landfill sites situated in Madikwe and Mogwase. The latter is classified as GMB while Madikwe as GSB making provision for General Waste only in terms of the National Environmental Management: Waste Act 59: National Norms and Standards for Disposal of Waste to Landfill (R636).

Mogwase Landfill site is managed accordingly, in conformity with the Norms and Standards for Waste Storage. However, the seepage of leachate and migration of contaminated runoff water especially during rainy seasons at Mogwase Landfill site may in due course result in significant underground water pollution given the site's sensitivity in relation to geotechnical and geo-hydrological properties. However, at this point, there has not been any evidence of underground contamination from the water quality monitoring results.

Most of the irregularities depicted on site with respect to the requirements of the operational license arise as result of inadequate infrastructural components from the construction phase of the site.

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Madikwe Landfill is informally operating through an Operational License issued under the Transitional Council of Madikwe 1996/09/10. The Municipality, through the usage of an Environmental Consultant has undertaken Environmental Impact Assessments in effort to attain a revised Waste Management Licence with the Provincial Department of Rural Environment and Agricultural Development. It is within the foremost plan of the Municipality to have the landfill site upgraded and equipped with necessary infrastructural components upon receipt of the revised Waste Management Licence (WML).

In villages with far less volume of waste produced, there has been a need for the Municipality to erect Transfer Stations/ Drop off Centres which must be strategically placed across the Municipality. The Municipality currently has no recycling initiatives in place, as result, the erection of such Recycling Facilities will allow the Municipality to accelerate waste recycling, separation at source and in turn create green job opportunities.

### **Key performance objectives**

- ✚ To pursue progressive waste reduction, reuse, recycling and recovering initiatives
- ✚ Ensure and encourage the provision of effective waste management services to all the communities;
- ✚ Encourage the prevention and minimization of environmental pollution to air, water and land by conducting environmental awareness campaigns, workshops and seminars.
- ✚ To maintain and improve the health and safety of the public;
- ✚ Support the rehabilitation of polluted water and land areas (Borrow Pits)
- ✚ To preserve cultural heritage; balance the need to enhance the built environment with measures which reduce the environmental impact of development
- ✚ Provide environmental education and training to communities and all staff members

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Solid Waste Service Delivery Levels				
Description	2019/2020	2020/2021	2021/2022	Households 2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal: (Minimum level)</b>				
Removed at least once a week	75 193	75 193	75 193	80 654
<b>Solid Waste Removal: (Below minimum level)</b>				
Removed less frequently than once a week				
Using own refuse dump				
No rubbish disposal				
<b>Total number of households</b>	<b>75 193</b>	<b>75 193</b>	<b>75 193</b>	<b>80 654</b>

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2019/2020	2020/2021	2021/2022	Households 2022/2023		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	0	0	0	0	0	0
Households below minimum service level						
Proportion of households below minimum service level						
<b>Informal Settlements (included above)</b>	0	0	0	0	0	0

## Chapter 3

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### **COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:**

Waste disposal services are outsourced

### **3.5 HOUSING**

#### **INTRODUCTION TO HOUSING**

#### **Human Settlement Section**

The key responsible of this section are to ensure-:

1. Quality control and assurance of housing development
2. Accelerate access to housing through availing land for housing development and development of Community Rental Units for those who do not qualify for housing subsidies.
3. The municipality have not been accredited as a housing developer as yet.

The municipality's challenge arises from the fact that implementation of housing is mandated to the Provincial Department of Human Settlement, and not the municipality. Ever rising backlog, illegal occupation of land and RDP houses.

The role of the Municipality is to facilitate access to housing while top structure construction is the priority of the Provincial Department of Human Settlement North West.



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### INTRODUCTION ROAD TRANSPORT

The municipality does not implement road transport programmes. Road development and maintenance is carried out as part of the infrastructure grant and operational (internal funding) respectively.

### INTRODUCTION TO TRANSPORT

The municipality is responsible for planning and contracting for public transport services and implementation. The operational licensing is function of the province but can be assigned to municipalities by the Provincial MEC.

According to the National Land Transport Act 5 of 2009, the Municipalities are responsible for:

- ✚ Integrated Transport Plan to be prepared by the municipality
- ✚ Developing land transport policy and strategy for their areas
- ✚ In their capacity as planning authorities, preparing, implementing and monitoring transport in their areas (ITPs)
- ✚ Financial planning for land transport in their areas
- ✚ Managing the movement of persons and goods in their areas
- ✚ Planning, implementing and managing of modally integrated transport networks and travel corridors within the municipal area and liaising with neighbouring municipalities
- ✚ Service level planning for passenger rail in consultation with PRASA

Public Transport Projects that were conducted within the municipality are as follows:

- ✚ Survey on Public Transport Facilities – by the Province
- ✚ Integrated Public Transport network (IPTN) – by the District Municipality
- ✚ Rural Roads Assets Management System (RRAMS) – by the District Municipality
- ✚ District Integrated Transport Plan (in the process) – by the District

Employees: Public Transport

- ✚ The Municipality has one employee for the purpose of coordination with stakeholders.

Challenges:

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- ✚ Devolution of Public Transport functions to the Municipality
- ✚ Lack of personnel
- ✚ Budget

### COMMENT ON THE PERFORMANCE OF PUBLIC TRANSPORT

The National Land Transport Act 5 of 2009 requires that local Municipality to prepare for their local Integrated Transport Plan, therefore in this case Public Transport is a core function of the Provincial Department of Community Safety and Transport Management, Bojanala Platinum District Municipality and Local Municipality as a planning authority is doing the coordination in the implementation of the plans for Public Transport services.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The Planning and Development Department includes Municipal Planning (Town Planning), Geographic Information Services, Building Control, Property Management and Human Settlement (Housing). The Department is responsible for creating conducive living environment for people of Moses Kotane Local Municipality, through planning tools such as Municipal Spatial Development Framework, Municipal Land Use Scheme, Municipal Spatial Planning and Land Use Management By-Law, National Building Regulations and Standards Act and Housing Sector Plan. Ultimately, the Department endeavours to bring balance between environment, economy and society aspects within the Municipality.

### INTRODUCTION TO PLANNING

Following the enactment of Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA), Municipalities are required to redress the past spatial and regulatory imbalances. To explicate this notion, Municipalities are obligated to regulate their areas of jurisdiction in entirety.

Municipal Planning as the custodian of SPLUMA is comprised of Town Planning and Geographical Information System sections. The division is responsible for the development of Municipal Spatial Development Framework which guide the future development of the municipality, development of Municipal Land Use Management Scheme for control and regulation of land development/ Land Use application and maintaining the database of Municipal cadastral. The policies developed and applied by this division are the instruments that underpins the objectives of the Municipal Spatial Development Framework.

Spatial Planning is still a new concept in areas under administration of traditional authorities, as such, SPLUMA advocates to redress the imbalances caused by the apartheid

## Chapter 3

spatial planning. The Division has however managed to incrementally introduce the town planning processes within those spaces through categorization of developments (Low intensity and High Intensity) in order to effectively regulate developments that would have high impact on the area.

The Long-Term Development Strategy was initiated and developed by the Municipality in Partnership with MCPP with the objective of serving as a guide and support for the long-term future development and growth of the Municipality. The said strategy had prompted the need for the review of the current Municipal SDF to align it with the long-term strategy and conducting the land use and ownership audit, of which the request for funding for the latter has commenced.

The division was understaffed with two (2) middle managers (1 x Manager: GIS and 1 x Town Planner) and 2 admin personnel for the respective sections. The unit certainly required more human capital in order to ensure that the objective of the spatial development framework vision is realised or achieved by the Municipality.

Section: GIS initiated a process of developing a GIS System which aimed at being a guiding tool during the development of the Integrated GIS of the Municipality. The system is a necessity, as it serves to be a central system for storage and maintenance of the Municipal Cadastral Data. The system comprises of various modules aiming to change how public/applicants interact with the Municipality either for information or permits purposes. The Municipality have allocated budget for the development of the integrated Geo-Information System.

Statistic Table: Applications for Land Use Development

Application for Land Use Development									
		Township Establishment		Rezoning		Consent		Consolidation and Subdivision	
		2021//2022	2022/2023	2021//2022	2022/2023	2021//2022	2022/2023	2021//2022	2022/2023
1	Application Received	1	1	1	3	4	5	0	0
2	Determination made in year of receipt	0	0	1	1	4	5	0	0
3	Determination	0	0	3	1	0	0	0	0

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	made in following year								
4	Application withdrawn	0	0	0	1	0	0	0	0
5	Application outstanding at year end	1	1	1	1	0	0	0	0

### BUILDING CONTROL, LAND AND HUMAN SETTLEMENT

This division is comprised of the following sections, Building Control, Land (Property management) and Human Settlement. The division administer the disposal and acquisition of Council Land through the Land Disposal and Acquisition Policy, Municipal Finance Management Act and Municipal Asset Transfer Regulations. The division also manages the building activities within the Municipality in order to promote a healthy and safe environment. This is achieved by conforming to the National Building Regulations and Standards as a principal instrument for regulating the building activities with the Municipality. Lastly, the division is responsible for the Human Settlement Component, which entails facilitation for provisions of adequate housing for residents of the Municipality.

#### Building Control Section

This section is responsible for regulating how buildings are erected within the boundaries of the Municipality. This is achieved through the application of the National Building Regulation and Standard Act 1977, Regulations and the South African Standard Code of Practice (SANS 10400) on new buildings, additions and alterations to existing buildings/structures.

The National Building Regulation and Standard clearly contemplates that no person shall without the prior approval in writing of the local authority in question, erect any building. As a result, the section is responsible for processing building plans applications, conduct inspections during the construction of the building and issue out occupation certificate when satisfied with the final product.

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The section required a plotter machine in order to electronically safe/archive the submitted and considered building plans. And also, to be able to provide applicants with copies of their plans.

Statistic Table: Approved Building Plans Applications

Building Plans Applications							
		2021/2022			2022/2023		
	Application Type	Total	%	Value	Total	%	Value
1	Residential	82	100	R 21 566 962.00	22	100	R3 740 000,00
2	Non-Residential	3	100	R 1 808 900.00	13	100	R650 190 000,00
3	Total	85	100	R 23 375 862.00	35	100	R653 930 000.00

### Property Management

Property Management Section manages the disposal and acquisition processes of Council's immovable assets, and to ensure that the following objectives are achieved: -

- Guide on procedures to be followed on the alienation of Municipal Land and acquisition of land by the Municipality;
- Ensure compliance with the applicable legislations, regulations and policies; and
- Ensure fairness, equitable, transparency, cost effectiveness and competitiveness

In the financial year 2021/2022, the section was able to alienate various pockets of land through Council Resolutions and prescribed processes.

Statistic Table: Land disposed 2021/2022

	2021/2022		2022/2023	
	Number of Pocket of Land Disposed	Total Area (Ha)	Number of Pocket of Land Disposed	Total Area (Ha)
Disposal of Farm Land	0	0	2	17 Ha
Disposal of Township Erven	0	0	3	0.3404 Ha
Acquisition of Land	0	0	0	0

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### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Municipality has a number of economic opportunities that range from agriculture, mining, tourism and rural development. Job creation has been facilitated through the establishment and supporting of cooperatives and marketing its municipality through its information centre. Skills transfer through tourism buddies. Monitoring the implementation of SLPs in the mining sector.

### COMMENT ON LOCAL JOB OPPORTUNITIES:

The mining sector is a very important sector that contributes significantly towards both the employment and economic growth of the local municipality. This sector was identified as having a comparative advantage and it was classified as being the current strength of the local economy.

The mining sector is the main contributor towards the total GGP for the local municipality. The finance sector (19.5%), the transport sector (10.9%) and the general government sector (10.0%) are also significant contributors to the local economy.

In order to improve upon the local procurement of the mines, a review of the main products purchased by the mines should be conducted. Whilst it is acknowledged that the local municipality would not be able to provide all the required goods and services to the mines, there are number of consumable goods as well as services that can be provided from the local municipal area.

The tourism sector is unfortunately not classified as a sector on its own, and thus the contribution that tourism makes towards the local municipality cannot be easily quantified. It is one of the key economic sectors which gives the Municipality a comparative advantage over the other municipalities within the NW Province. 3 international icons (Sun City, Madikwe and Pilanesberg Game Reserves) are housed within the municipalities and as such have an impact in terms of job creation of local people. The sector contributes highly to the country's GDP and plays a crucial role in municipal economic growth. It is in this sector where you find street traders / crafters who produce artefacts which are sold to tourists and locals. Most of these traders are located within the game reserves and around the CBD. The traders' activities are done on a full time basis and used to sustain their livelihoods. It is therefore imperative to formalise these traders so as to implement proper regulatory framework/mechanisms for them. Some of the crafters are generating enough income and fall within taxable bracket.

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The agricultural sector within the Moses Kotane Local Municipality experienced erratic economic growth during the 1995 – 2010 period. Employment within the agricultural sector has experienced a downturn over the years as employment between the 1995 – 2009 period shrank at an estimated average rate of -9.1%.

Farming activities within the local municipality are subsistence farming activities and the main agricultural produce within the local municipality is: maize, sorghum, and sunflower, game farming and livestock farming (cattle & goats)

The reason for the limited contribution and relatively poor performance of the agricultural sector is the limited water supply within the local municipality. Furthermore, the constraints facing the agricultural sector include: market & marketing information, transport, storage facilities, and grading and product standards. The lack of agricultural infrastructure prohibits/restricts the type of agricultural activities that can occur within the local municipality.

The following opportunities have been identified for the agricultural sector within the local municipality that could lead to economic growth:

- Support commercialization of small-scale/subsistence farming activities, and
- Support the development of a vibrant agro-processing sector.

These could be achieved through the establishment and support of cooperatives.

The manufacturing sector within the Moses Kotane LM has been growing at an average annual growth rate of 1.0% during the 1995 – 2009 period, whilst the level of employment has been decreasing at an average annual rate of 3.4%.

The main area in which manufacturing activities occur within the Moses Kotane LM is the Bodirelo Industrial Park. There is no real clustering of activities within the Bodirelo Industrial area. It is encouraging that some businesses linked to the mining sectors are located within this industrial area. It should be noted that a number of stands within the local municipality are vacant and the attraction of investment to these areas could be further investigated.

The trade sector in the Moses Kotane LM appears to be underdeveloped. This is illustrated by limited growth in this sector whilst the decline in employment also highlights the challenges experienced within this sector.

Key elements that could be implemented to further develop MKLM economy:

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- Agriculture, mining, manufacturing, tourism and utilities are the key sectors that could assist in the development of the local economy,
- The key to ensuring greater economic development is increasing linkages between the various sectors, businesses and communities,
- Government has a key role to play through skills development, information sharing and partnership building

Commented [EK4]: Spelling

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The key to ensuring greater economic growth and development is increasing linkages between the various sectors of the economy.

Job creation through EPWP* projects	
Jobs created through EPWP projects	
Details	No.
2020/2021	686
2021/2022	729
2022/2023	573



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### INTRODUCTION TO LIBRARIES

The library function has devolved to the Moses Kotane Local Municipality through the annual memorandum of agreement with the Department of Arts, Culture Sports & Recreation and the municipality is hosting four libraries (Mabieskraal, Mogwase, Tlokweng, Manamela libraries) and the department is still responsible for the function.

The library strives to provide, in cooperation with the relevant governing bodies on local and provincial level, dynamic library and information services that meet the educational, informational, cultural, economical, technological and recreational needs of the community at large. Each person must have free access to resources and facilities for information, lifelong learning, culture and recreation.

The service aims to promote the library service and instill a reading culture, improving literacy levels and provide free and open access to information as well as survival information. Present programs include story hours, book talks, life skill training course, literacy training and free public internet access.

Reading of literature is promoted to contribute to the upliftment of the community e.g. (Toy programmes and reading awareness programmes etc.)

Library staff receives relevant training and attends workshops and libraries hosts workshops relevant to the community needs.

### SERVICE STATISTICS FOR LIBRARIES;

Number of books 30500

Number of users- 93500

Toy programmes - 12 per year

Library awareness & marketing programs- 8 per year

### COMMENT ON THE PERFORMANCE OF LIBRARIES

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations and repairs to Municipal Facilities Most community halls and municipal buildings and facilities required structural analysis and assessment to comply with the national building regulations and building standards and other pieces of legislations.

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### **INTRODUCTION TO COMMUNITY FACILITIES**

The municipality through MIG provides community facilities and through its operational budget undertakes maintenance, renovations and repairs to Municipal facilities.

### **SERVICE STATISTICS FOR COMMUNITY FACILITIES**

During the period under review the municipality carried out routine maintenance in Community Halls, Parks, and Sports Facilities. The Municipality has 106 facilities (inclusive of municipal offices, community halls, sports facilities and libraries). The Municipal Buildings & Facilities undertakes or provide routine maintenance. The Municipal Buildings maintenance plan has been developed for Municipal offices, excluding community and sports facilities, however the structural Assessment for Community halls and facilities has been done.

### **INTRODUCTION TO CEMETERIES**

The municipality provides for and maintains gravesites in Mogwase and Madikwe. The municipality gives service in the rural villages as may be requested from time to time with particular reference to fencing of graveyards.

### **INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

The municipality through the Mayoral special programmes provides support to the aged, the disabled, people living with HIV/Aids, orphans and other vulnerable groups.

### **SERVICE STATISTICS FOR CHILD CARE**

The child care function is the responsibility of the Department of Social Development. However, the Municipality assists annually with school uniforms and food parcels for vulnerable children.

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

Mayoral support is provided to all vulnerable groups through the special projects programme.

### **INTRODUCTION TO POLLUTION CONTROL**

The Municipality has a constitutional mandate to ensure that it guarantees everyone the right to an environment that is not harmful to their health or wellbeing and to have the

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environment protected for the benefit of present and future generation through reasonable legislative and other measures that prevent pollution, ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The Municipality achieves this through

- ✚ Waste Management
- ✚ Biodiversity Management
- ✚ Environmental Education and Awareness
- ✚ Enforcement and compliance

### **COMPONENT F: PUBLIC SAFETY AND SECURITY**

This component includes: disaster management coordination and relief materials public nuisances, etc.

#### **INTRODUCTION TO PUBLIC SAFETY AND SECURITY**

Promotion of road safety through effective law enforcement and road safety education.  
Provision of Security services in all Municipal facilities and buildings  
Coordination of disaster management programs

#### **INTRODUCTION TO DISASTER MANAGEMENT**

The Disaster Management Services part of responsibilities are as follows:

- ✚ Provide and undertake a consultation, training, research, project management, client services for the disaster management of the municipality (institutional Capacity)
- ✚ Ensure effective and quick response to incident / disaster affecting vulnerable communities
- ✚ Ensure minimization of risk measures in the municipality through risk reduction programme
- ✚ Compile contingency plan for events as required Disaster Management Act 57 of 2002 and National Disaster Management Framework.

#### **POSSIBLE INCIDENTS IN THE MUNICIPALITY**

The following are hazards prevails in the municipality though can be classified into different categories: natural disaster, man-made situations and technological:

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- ✚ Natural Disasters i.e. House Fires, Drought and Flash Floods
- ✚ Severe weather- Heavy storm
- ✚ Explosions and Bomb threats
- ✚ Vehicle accidents
- ✚ Stampeding at stadium during events
- ✚ Health Hazards i.e. Food and water contamination, Poisoning
- ✚ Political stability: Terrorist, Hostage situation, political attacks
- ✚ Crime: looting Robbery, Hijacking
- ✚ Power and communication Failures
- ✚ Interruption of water supply and electrical outages
- ✚ Chemical spillages - hazardous incidents

### **COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT**

Disaster Management is a core function of the District Municipality though Moses Kotane Local Municipality facilitates the implementation of the Disaster Management KPI's in line with the District Disaster Management Plan.

The Disaster Management relief that we assist the vulnerable communities are as follows:

- ✚ Tents
- ✚ Salvage sheets
- ✚ Mattresses
- ✚ Liaise with other line department (SASSA) for social relief of distress.
- ✚ Blankets

### **COMPONENT H: SPORT AND RECREATION**

This component includes: community parks; sports field; stadiums and swimming pools

#### **INTRODUCTION TO SPORT AND RECREATION**

This component supports and promotes sport within the municipality. It has formed a sports council and been involved in the development of netball teams where leagues compete on weekends and a team represents Moses Kotane at provincial and national levels. The athletics club is affiliated to Athletics North west North

### **COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:**

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No capital expenditure was incurred during the financial year. Apart from salaries expenditure incurred was mainly for maintenance of the Mogwase and Madikwe stadiums.

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### 3.15 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet, tightening the credit control and continued improved revenue collection or enhancement strategy.

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### 3.16. HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

The human resources unit is responsible for the provision of effective HR to the entire municipality. The priorities were recruitment of staff, occupational health and safety, labour relations and training and development. Appointment of temporary workers and other HR staff was done to improve performance.

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### INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The unit is responsible for the support function of ICT to the entire municipality. Provision of ICT equipment and computer networks. An ICT assessment was conducted and the strategy was developed and approved by council.

## Chapter 3

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### **PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**

The legal service is responsible for provision of legal services for the municipality. This would include development of by- laws, service level agreements, legal opinions and compilation and maintenance of a valuation roll. Supplementary valuation roll was reviewed and implemented during the year under review. There were no measures taken as no underperformance was experienced.

Employees: Solid Waste Management Services					
Job Level	(2021/2022)	(2022/2023)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1-5	0	16	0	16	100%
6-8	0	4	0	4	0%
10-12	0	9	0	9	0%
12-14	0	10	1	9	100%
15 - 16	4	5	5	0	100%
17 – 18	0	3	0	3	0%
18 - 25	0	1	0	1	0%
<b>Total</b>	<b>4</b>	<b>48</b>	<b>6</b>	<b>42</b>	<b>90%</b>

# Chapter 4

## COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD/ ANNUAL PERFORMANCE REPORT 2022/2023

### 1. INTRODUCTION

Section 40 of the Municipal Systems Act of 2000 stipulate that Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, evaluate and improve performance at organisational, departmental and employee levels.

### 2. LEGISLATIVE REQUIREMENTS

Annual Performance Report for 2022/2023 financial year is in line with section 46 of the Municipal Systems Act of 2000 which stipulates the following

- (1) A municipality must prepare for each financial year an annual report consisting of - (a) a performance report reflecting;
- (2) The municipality's, and any service providers, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
- (3) The development and service delivery priorities and the performance targets set by the municipality for the following financial year;
- (4) Measures that were or are to be taken to improve performance

### 3. PURPOSE OF THE INSTITUTIONAL ANNUAL PERFORMANCE REPORT

A report on Institutional Annual Performance information for predetermined objectives and the assessments of external service providers Seeks to attain the following purposes;

- ✓ The provision of a report on performance in service delivery and budget implementation plan for the 2022/2023 financial year.
- ✓ To promote transparency and accountability for the activities and programs of the municipality implemented within all six key performance areas.
- ✓ To provide a record of activities of the municipality for the 2022/2023 financial year to which this report relates.

### 4. MUNICIPAL ANNUAL PERFORMANCE REPORT REVIEW

Moses Kotane Local Municipality consists of seven departments, (1) Budget and Treasury Office; (2) Corporate Services; (3) Community Services, (4) Local Economic Development; (5) Technical and Infrastructure Services; (6) Planning and Development and (7) Office of the Municipal Manager. The Annual Performance Report for pre-determined objectives is developed in line with the approved 2022/2023 Reviewed Service Delivery and Budget Implementation plan and as per the following Key Performance Area;

- ✓ Basic Delivery and Infrastructure Development
- ✓ Municipal Financial Viability
- ✓ Municipal Transformation and Organizational Development
- ✓ Local Economic Development
- ✓ Good Governance and Public Participation
- ✓ Spatial Development



## Chapter 4

Overall annual performance review depicts the following;

2022/2023 Draft Annual Performance Report					
Key Performance Area	Total No of KPIs	Achieved	Not Achieved	Achieved %	Not achieved %
KPA 1: Basic Service Delivery and Infrastructure Development	48	29	19	60%	40%
KPA 2: Municipal Financial Viability	9	4	5	44%	56%
KPA 3: Municipal Transformation and Organisational Development	16	11	5	67%	33%
KPA 4: Local Economic Development	5	3	2	60%	40%
KPA 5: Good Governance and Public Participation	12	12	0	100%	%
KPA 6 Spatial Development	2	2	0	100%	%
Draft Overall 2022/2023 Annual Performance	92	61	31	66%	37%

2022/2023 Annual Performance Report					
Department	Total No of KPIs	Achieved	Not Achieved	Achieved %	Not achieved %
Infrastructure and Technical Services	41	23	18	56%	44%
Community Services	7	6	1	86%	14%
Budget and Treasury Office	9	4	5	44%	56%
Local Economic Development	5	3	2	60%	40%
Planning and Development	2	2	0	100%	%
Corporate Support Services	8	4	4	50%	50%
Office of the Municipal Manager	20	19	1	95%	5%
Draft Overall 2022/2023 Annual Performance	92	61	31	66%	37%

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
KPI 1 % of Manamakgotheng Reservoir and Bulk Water Supply constructed	100% of Manamakgotheng Reservoir and Bulk Water Supply constructed by June 2023	New	100% of Manamakgotheng Reservoir and Bulk Water Supply constructed	Achieved	R746 225.52	R746 219.36	None	None	Completion certificate
KPI 2 % of Manamakgotheng Reservoir and Bulk Water Supply constructed (Phase II)	100% of Manamakgotheng Reservoir and Bulk Water Supply (Phase II) constructed by June 2023	Phase I	100% of Manamakgotheng Reservoir and Bulk Water Supply (Phase II) constructed	Achieved	R 8 356 739,21	R8 352 383	None	None	Completion Certificate
KPI 3 % of Lerome Water supply (Thabeng Section) constructed	70% of Lerome Water supply (Thabeng Section) constructed by June 2023	New	71% of Lerome Water supply- (Thabeng Section) constructed	Achieved	R13 440 273,70	R12 545 991.14	None	None	Progress Report
KPI 4 % of Mahobieskraal Bulk Water Supply and Reticulation constructed	50% of Mahobieskraal Bulk Water Supply and Reticulation constructed by June 2023	New	52% of Mahobieskraal Bulk Water Supply and Reticulation constructed	Achieved	R13 256 912, 88	R 14 356 181.85	None	None	Progress Report
KPI 5 % of Tweelagte water supply (Phase II) constructed	100% of Tweelagte water supply (Phase II) constructed by June 2023	Phase 1	100% of Tweelagte water supply (Phase II) constructed	Achieved	R2 983 341,53	R2 972 727.10	None	None	Completion Certificate

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
KPI 6 % of Tweelagte water supply (Phase III) constructed	10% of Tweelagte water supply (Phase III) constructed by June 2023	Phase 2	0% of Tweelagte water supply (Phase III) constructed, Technical report finalised.	Not achieved	R1 739 755,99	R1 737 837.19	Delay in confirmation of sufficient groundwater source.	Drilling additional two boreholes to obtain sufficient source of underground water.	Progress Report
KPI 7 % of Sandfontein Water Supply constructed	100% of Sandfontein Water Supply constructed by June 2023	New	92% of Sandfontein Water Supply constructed	Not achieved	R12 722 555,10	R11 462 863,03	Slow progress by the contractor on completing the identified works in the snag list.	Continuously monitor the contractor to complete the snag list before issuing the completion certificate.	Completion Certificate
KPI 8 % of Ledig Water Supply (Various Sections) constructed	40% of Ledig Water Supply completed (various sections) constructed by June 2023	Design	47% of Ledig Water Supply (various section) constructed	Achieved	R22 234 674,07	R20 609 114.85	None	None	Progress Report
KPI 9 % of Madikwe Water Treatment Plant (Phase II) (Vrede, Seshibitswe ) upgraded	100% of Madikwe Water Treatment Plant (Phase II) (Vrede, Seshibitswe ) upgraded by June 2023	Phase 1	60% of Madikwe Water Treatment Plant (Phase II) (Vrede, Seshibitswe ) upgraded	Not achieved	R10 665 989,96	R7 782 657.19	Slow progress by the contractor due to late procurement and delivery of required materials.	Obtain confirmation letter from the supplier. The Project will be completed in	Completion Certificate

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
								2023/24 financial year.	
KPI 10 Design of Maeraneng Water Supply finalised	Design of Maeraneng Water Supply finalised by June 2023	New	Design of Maeraneng Water Supply finalised	Achieved	R2 000 000,00	R1 999 954.62	None	None	Completed Designs Report
KPI 11 Design of Segakwaneng Water Supply finalised	Design of Segakwaneng Water Supply finalised by June 2023	New	Design of Segakwaneng Water Supply finalised	Achieved	R2 400 000,00	R2 374 365.6	None	None	Completed Designs Report
KPI 12 Design for Manamakgotheng Water Reticulation finalised	Design for Manamakgotheng Water Reticulation finalised by June 2023	New	Design for Manamakgotheng Water Reticulation finalised	Achieved	R4 780 000,00	R4 780 000,00	None	None	Completed Designs
KPI 13 % of Mabeskraal to Uitkyk Bulk Water Pipeline constructed	15% of Mabeskraal to Uitkyk Bulk Water Pipeline constructed by June 2023	Design for Mabeskraal to Uitkyk Bulk Water Pipeline	5% of Mabeskraal to Uitkyk Bulk Water Pipeline constructed	Not achieved	R5 907 896,82	R5 904 606.16	Late approval from Magalies Water for confirmation of the bulk water supply.	Project to be implemented on a multi-year basis and completed in the 2023/24 financial year.	Progress Report

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Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
KPI 14 % of Magong Water Augmentation constructed	100% of Magong Water Augmentation constructed by June 2023	New	0% of Magong water Augmentation not constructed	Not achieved	R825 615,58	R823 634.66	Project description not aligned with the KPI.	The scope of work includes refurbishment of 2 boreholes and augmentation of 305kl of elevated still tanks	Completion certificate
KPI 15 % of Lerome Water Supply constructed	100% of Lerome Water Supply constructed by June 2023	New	98% of Lerome Water supply constructed	Not achieved	R2 375 660,35	R2 373 029.42	Contractor delayed in completing the snag list	Contractor to complete the snag list within 14 days.	Completion Certificate
KPI 16 % of households with access to water (Mogwase & Madikwe)	100% of households with access to water (Mogwase & Madikwe) by June 2023	new	100% of households with access to water (Mogwase & Madikwe) by June	Achieved	Operational	operational	None	None	Billing report
KPI 17 % of villages with access to water	100 % of villages with access to water by June 2023	100 % of villages with access to water	% of villages with access to water	Not achieved	Operational	Operational	Majority of villages are supplied by boreholes that are not metered.	An assessment will be conducted by the end of the 1 <sup>st</sup> quarter per village on boreholes that have meters and	Report on water consumed per household

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Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
								those that do not have.	
KPI 18 % of Mogwase Waste Water Treatment Plant upgraded	10% of Mogwase Waste Water Treatment plant upgraded by June 2023	New	0% of Mogwase Waste Water Treatment plant upgraded	Not achieved	R10 270 261,16	R10 270 261.17	Delay in the finalization of the design and recommendation from DWS.	Implementation to commence in the 2023/2024 financial year.	Progress Report
KPI 19 Number of VIDP toilets in Sandfontein Supplied and Installed (rural sanitation programme)	250 VIDP toilets in Sandfontein Supplied and Installed (rural sanitation programme) completed by June 2023	New	305 VIDP toilets in Sandfontein Supplied and Installed (rural sanitation programme)	Achieved	R7 136 525	R6 820 315.51	None	None	Completion Certificate
KPI 20 Number of VIDP toilets in Mabeskraal ward 23 and 24 Supplied and Installed (rural sanitation programme)	500 VIDP toilets in Mabeskraal ward 23 and 24 Supplied and Installed (rural sanitation programme) by June 2023		600 VIDP toilets in Mabeskraal ward 23 and 24 Supplied and Installed (rural sanitation programme)	Achieved	R13 872 756.00	R13 871 827.72	None	None	Completion Certificate
KPI 21 % of Oudekkers Road constructed	50% of Oudekkers Road constructed by June 2023	New	32.2 % construction of Oudekkers Road constructed by June 2023	Not achieved	R16 646 718,88	R16 656 383.43	Disruption by community due to subcontracting works	Court interdict has been issued and the main contractor to	Progress Report

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Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
								accelerate the works.	
KPI 22 % of Mabele a Podi Internal Road and Stormwater rehabilitated	10% of Mabele a Podi Internal Road and Stormwater rehabilitated by June 2023	New	0% of Mabele a Podi Internal Road and Stormwater rehabilitated	Not achieved	R2 116 479.91	R2 116 479.91	The project budget affected by reduction of grants whilst it was on the design stage.	The project budget relocated to the 2023/24 financial year for implementation.	Progress Report
KPI 23 % of Paving of Lerome (Thabeng section) internal road constructed	100% of Paving of Lerome (Thabeng section) internal road constructed by June 2023	New	100% of Paving of Lerome (Thabeng section) internal road constructed	Achieved	R661 767.00	R0	None	None	Completion Certification
KPI 24 % of Paving of Phalane Internal Road constructed	100% of Paving of Phalane Internal Road constructed by June 2023	New	100% of Paving of Phalane Internal Road constructed	Achieved	R1 345 040.43	R1 152 514.68	None	None	Completion Certificate
KPI 25 % of Paving of Mononono internal Road constructed	100% Paving of Mononono internal Road constructed by June 2023	New	100% Paving of Mononono internal Road constructed	Achieved	R2 098 776.85	R2 055 955.97	None	None	Completion Certificate
KPI 26 % of Vrede Storm Water Management Phase II constructed	100% of Vrede Storm Water Management Phase II constructed by June 2023	Phase 1	100% of Vrede Storm Water Management Phase II constructed	Achieved	R2 988 848.56	R4 245 885.95	None	None	Completion Certificate

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
KPI 27 % of Vrede Storm Water Management Phase III constructed	70% of Vrede Storm Water Management Phase III constructed by June 2023	Phase 2	80% of Vrede Storm Water Management Phase III constructed	Achieved	R20 224 865,21	R20 224 865,21	None	None	Progress Report
KPI 28 Number of high mast lights installed in Dinokaneng	5 high mast lights installed in Dinokaneng by June 2023	New	5 high mast lights installed in Dinokaneng	Achieved	R2 884 077	R2 626 617,88	None	None	Completion Certificate
KPI 29 Number of high mast lights Installed in Uitkyk	3 high mast lights installed in Uitkyk by June 2023	New	3 high mast lights installed in Uitkyk	Achieved	R1 814 589,00	R1 685 756,40	None	None	Completion Certificate
KPI 30 Number of high mast lights Installed in Molorwe	4 of high mast lights installed in Molorwe by June 2023	New	0 high mast lights installed in Molorwe	Not achieved	R2 353 184	R2 377 991,80	Poor performance by the contractor, 4 footings completed & materials procured.	Contractor terminated, the Engineer to complete the remaining works	Completion Certificate
KPI 31 Number of high mast lights installed in Mapaputle	3 high mast lights installed in Mapaputle by June 2023	New	3 high mast lights installed in Mapaputle	Achieved	R1 812 401	R1 683 774,42	None	None	Completion Certificate
KPI 32 Number of high mast lights installed in Ntswanalemetising	3 high mast lights installed in Ntswanalemetising by June 2023	New	0 high mast lights installed in Ntswanalemetising	Not achieved	R1 677 937	R1 850 399,70	Poor performance by the contractor, 3 footings completed &	Contractor terminated, Engineer to complete the remaining works	Completion Certificate



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Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
							materials procured.		
KPI 33 Number of high mast lights installed in Lerome	4 of high mast lights installed in Lerome June 2023	New	0 of high mast lights installed in Lerome	Not achieved	R2 230 242	R2 262 438.38	Poor performance by the contractor, 4 footings completed & materials procured.	Contractor terminated, Engineer to complete the remaining works	Completion Certificate
KPI 34 Number of high mast lights installed in Masekoloane	2 High mast lights installed in Masekoloane by June 2023		2 High mast lights installed in Masekoloane	Achieved	R160 546,30	R157 229.81	None	None	Completion certificate
KPI 35 Number of high mast lights installed in Ledig by Greater Ledig	17 high mast lights installed in Ledig by June 2023	New	17 high mast lights installed in Ledig	Achieved	R226 822,49	R0,00	None	None	Completion certificate
KPI 36 Number of high mast lights installed in Molatedi	2 high mast lights installed in Molatedi by June 2023	new	2 high mast lights installed in Molatedi	Achieved	R574 647,86	R382 651.31	None	None	Completion certificate
KPI 37 Number of high mast lights installed in Bapong	4 high mast lights installed in Bapong by June 2023	New	4 high mast lights installed in Bapong	Achieved	R 534 188	R274 716.83	None	None	Completion certificate

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Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	Adjusted Budget 2022/2023	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and maintain infrastructure to provide basic services.</b>									
KPI 38 Number of high mast lights installed in Pella	4 high mast lights installed in Pella by June 2023	New	4 high mast lights installed in Pella	Achieved	R498 005,15	R303 913.57	None	None	Completion certificate
KPI 39 % of Madikwe Sports facility upgraded	100% of Madikwe Sports facility upgraded by June 2023	Madikwe Sports Park	100% Upgrading of Madikwe sports park completed	Achieved	R3 237 887,63	R3 237 887.69	None	None	Completion Certificate
KPI 40 Feasibility study for Mogwase Fresh Produce Market	Feasibility study for Mogwase Fresh Produce Market finalised by June 2023	New	Feasibility study for Mogwase Fresh Produce Market finalised	Achieved	R1 351 617,27	R 1 351 617.26	None	None	Feasibility Study
KPI 41 % of Mogwase Sports facility (Phase III) upgraded	100% of Mogwase Sports facility (Phase III) upgraded by June 2023	Phase 2	96% of Mogwase Sports facility (Phase III) upgraded	Not achieved	R16 456 870	R16 261 016.28	Transformer stolen which delayed testing due to lack electricity.	Continuous follow ups with Eskom concerning reconnection of the transformer.	Completion Certificate

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	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
<b>KPA NO 1: Basic Service Delivery and Infrastructure Development</b>									
<b>Strategic objective: To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.</b>									
KPI 42 Number of Road Safety Campaigns conducted	12 Road Safety Campaigns conducted by June 2023	12 Road Safety Campaigns conducted	14 Road Safety Campaigns conducted	Achieved	Operational	None	None	None	Road safety Campaigns Reports
KPI 43 % of households provided with access to solid waste removal (Madikwe & Mogwase)	100% of households provided with access to solid waste removal (Madikwe & Mogwase) by June 2023	75% of household ds refuse collected	0% of households provided with access to solid waste removal  Detailed monthly waste collection report was attached indicating waste collection at Madikwe and Mogwase	Not Achieved	Operational	Operational	A total number of households provided with solid waste removal could not be determined by the municipality	An assessment will be conducted in collaboration with ITS, by the end of the 1st quarter per village on water provision and solid waste removal services	Report on Waste Collected
KPI 44 % of Villages provided with access to solid waste removal	100% of Villages provided with access to solid waste removal by June 2023	75% of households refuse collected	100% of Villages provided with access to solid waste removal	Achieved	Operational	None	None	None	Collection Report
KPI 45 Number of safe and clean campaigns conducted	12 safe and clean campaigns conducted by June 2023	12 safe and clean campaigns conducted	12 safe and clean campaigns	Achieved	Operational	None	None	None	Cleaning Campaign Report and Attendance Registers
KPI 46 Number of landfill site external audits	2 landfill site external audits conducted in	8 Landfill site external	0 Landfill site external environmental		Operational	None	The KPI was not aligned to the	Landfill site external audit will be	Completed Designs

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conducted in Mogwase and Madikwe	Mogwase and Madikwe by June 2023	environmental audits	audit conducted in Mogwase and Madikwe	Not Achieved			requirements of the licence of the Landfill site which requires audit after every two years	conducted in the 2023/2024 financial year.	
KPI 47 Number of reports on maintenance of Madikwe Landfill site	4 reports on maintenance of Madikwe Landfill site by June 2023	4 reports	4 Report on Maintenance of Madikwe Landfill Site	Achieved	Operational	None	None	None	4 quarterly reports on maintenance of Madikwe Landfill site
KPI 48 Number of reports on maintenance of Mogwase landfill sites	4 reports on maintenance of Mogwase Landfill site by June 2023	4 reports	4 Report on Maintenance of Mogwase Landfill Site	Achieved	Operational	None	None	None	4 quarterly reports on maintenance of Mogwase Landfill site

### KPA 2: MUNICIPAL FINANCIAL VIABILITY

## Chapter 4

Key Performance Indicators	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence (POE)
<b>KPA 2: Municipal Financial Viability</b>									
<b>Sound financial management: adherence to all laws and regulations as prescribed to local government</b>									
KPI 49 Draft budget approved by Council	2023/2024 Draft budget approved by Council by 31 March 2023	2022/2023 Draft Budget approved	2023/2024 Draft budget approved by Council	Achieved	Operational	None	None	None	Council Resolution
KPI 50 2023/2024 Final budget approved by Council	2023/2024 final budget approved by Council by 31 May 2023	2022/2023 Final Budget approved	Approved 2022/2023 final budget	Achieved	Operational	None	None	None	Council Resolution
KPI 51 2021/2022 Annual Financial statements submitted to Auditor General	2021/2022 Annual Financial statements submitted to Auditor General by 31 August 2022	2019/2020 Financial statements submitted	2021/2022 Annual Financial statements submitted to Auditor General	Achieved	R3 500 000.00	R4 476 626.00	None	None	Acknowledge Letter
KPI 52 Number of	4 MFMA Section 52	2021/2022 MFMA	4 MFMA Section 52	Achieved	Operational	None	None	none	Council Resolution

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Key Performance Indicators	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence (POE)
<b>KPA 2: Municipal Financial Viability</b>									
<b>Sound financial management: adherence to all laws and regulations as prescribed to local government</b>									
MFMA Section 52 Reports approved Council	Reports approved by Council by 30 June 2023	Section 52 reports	Reports not submitted						
KPI 53 % of competitive bids awarded within 90 days of advert	100% of competitive bids awarded within 90 days of advert by 30 June 2023	100% of competitive bids awarded within 90 days of advert by June 2022	62.50% advertised bids awarded within 90 days of advert	Not Achieved	Operational	Operational	High number of submissions already at evaluation stage and Four (04) tenders closing in July	Compliance and adherence to the procurement plan	Adverts and appointment letters
KPI 54 % of request for quotations (RFQ) awarded within 30 days of advert	100% of request for quotations awarded within 30 days of advert by 30 June 2023	100% of RFQ awarded within 30 days of advert by June 2022	72,72% of RFQ awarded within 30 days of advert	Not Achieved	Operational	Operational	Notices closed towards closure of requisition books	Date of notice request closure will be set for first week June 2024	Adverts and purchase orders

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Key Performance Indicators	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence (POE)
<b>KPA 2: Municipal Financial Viability</b>									
<b>Sound financial management: adherence to all laws and regulations as prescribed to local government</b>									
KPI 55 % of indigent register updated	100 % of indigent register updated by 30 June 2023	New	100% indigent register updated	Achieved	Operational	Operational	Non-Renewal of Indigent Applications and Collections OF FBE 50kwh of electricity at Eskom	Recruitment of New Indigents registration/Councillors/ Ward Councilors to assist in identifying indigents households	Updated indigent register
KPI 56 % of revenue growth	10% of revenue growth by 30 June 2023	2021/2022 Revenue collected	278% of revenue growth	Achieved	Operational	Operational.	Challenges with inconsistency of SAPO Mogwase in delivering of consumer statement of account to consumers. On payment of services rendered by the	Delivering of account be done in house to remind our consumers to pay for services. Educate and Training to our communities for the need/importance of paying services. Recruitment drive, road shows and Talk shows on Local radio station to promote awareness.	90-day age analysis report

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Key Performance Indicators	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence (POE)
<b>KPA 2: Municipal Financial Viability</b>									
<b>Sound financial management: adherence to all laws and regulations as prescribed to local government</b>									
							Municipality, Credit Control not implemented fully due to water consistency		
KPI 57 % of asset register updated	100% of asset register updated by 30 June 2023	1 report on Immovable and movable Asset Verification by June 2021	1 report on Immovable and movable Asset Verification updated	Achieved	Operational	Operational	None	None	Stock count Report Asset verification report Council resolution

### KPA 3: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT



## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA NO 3: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
KPI 58 Communication strategy approved by council	Communication strategy approved by council by 30 June 2023	2021/2022 Communication strategy not approved	Communication strategy not approved	Not Achieved	Operational	None	Referred back form council to review financial implication attached	To be reviewed and sent back to council for adoption	Council resolution
KPI 59 Number of Newsletters Published	4 newsletters published by 30 June 2023	3 newsletters published	4 Newsletter published	Achieved	operational	None	None	None	Copy of the Newsletter attached
KPI 60 Employment Equity Report submitted to Department of Labour	2022/2023 Employment Equity Report submitted to Department of Labour by 15 January 2023	2021/2022 Employment Equity Report submitted	EE report submitted to DOL not approved	Not Achieved	Operational	None	Employment Equity Plan not developed and approved	Report to be submitted in the next financial year.	Acknowledgement letter from Department of Labour.
KPI 61 Workplace Skills Plan submitted to LG_SETA	2022/2022 Workplace Skills Plan submitted LG SETA by 21 April 2023	2021/2022 WSP submitted	Work Skills Plan submitted	Achieved	Operational	Operational	None	None	Acknowledgement letter from LGSETA

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA NO 3: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
KPI 62 Number of Local Labour Forum meetings held	LLF meetings held by 30 June 2023	2 LLF meetings held	No meeting held	Not Achieved	Operational	Operational	The LLF training was prioritised	Meeting will be held in the new financial year	Agenda, Attendance register and minutes
KPI 63 % of grievances resolved within 30 days of receipt	100% of grievances resolved within 30 days of receipt by 30 June 2023	100% of grievances resolved within 30 days of receipt.	Received grievances not resolved within 30 days of receipt.	Not Achieved	Operational	operational	Delay in gathering the required evidence on time form Department	HOD's to ensure that they gather the required evidence prior submission of a grievance	Agenda, Attendance register and minute
KPI 64 Organizational Structure reviewed and approved by council	Organizational structure Reviewed and approved by March 2023	2021 Reviewed organizational structure approved	Reviewed organizational structure Approved	Achieved	Operational	None	None	None	Council resolution
KPI 65 Number of OHS meetings held	4 OHS meetings held by 30 June 2023	2 OHS meetings held	4 OHS meeting held.	Achieved	Operational	None	None	None	Minutes, agenda , reports

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA NO 3: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
KPI 66 2023/2024 Institutional performance management framework approved by Council	2023/2024 institutional performance management framework approved by Council by 30 June 2022	2021/2022 Performance Management framework approved	Performance management framework approved	Achieved	Operational	None	None	None	Council Resolution
KPI 67 2021/2022 annual performance report submitted to Auditor General	2021/2022 annual performance report submitted to Auditor General by 30 August 2022	2020/2021 annual performance report	2021/2022 annual performance report submitted to Auditor General	Achieved	Operational	None	None	None	Council Resolution
KPI 68 2021/2022 Annual report approved by Council	2021/2022 annual report approved by council by January 2023	2020/2021 Annual Report	2021/2022 annual report approved by council	Achieved	Operational	None	None	None	Council Resolution

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA NO 3: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
KPI 69 Number of performance agreements for 2022/2023 signed by Municipal Manager and Section 56 managers	7 performance agreements for 2022/2023 signed by Municipal Manager and Section 56 managers by July 2022	6 signed 2021/2022 Performance Agreements	7 performance agreements for 2022/2023 signed by Municipal Manager and Section 56 managers signed	Achieved	Operational	None	None	None	Copies of signed Performance Agreements
KPI 70 2022/2023 mid-term performance report developed and submitted to council	2022/2023 mid-term performance report developed and submitted to council by 28 January 2023	2021/2022 mid-term performance report developed	2021/2022 mid-term performance report developed	Achieved	Operational	None	None	None	Copies of approved mid-term performance report
KPI 71 Quarterly institutional performance reports developed and submitted to council	4 Quarterly institutional performance reports developed and submitted to council by June 2023		2 Quarterly institutional performance reports developed awaiting council approval	Not Achieved	Operational	Operational	3 <sup>rd</sup> and 4th Quarterly institutional performance reports developed but not tabled in	3 <sup>rd</sup> and 4th Quarterly institutional performance reports to be tabled in	Council resolution and copies of quarterly performance reports

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA NO 3: Municipal Transformation and Organizational Development									
Strategic Objective: To Promote Accountability, Efficiency and Professionalism Within the Organization									
							council due to late submission of reports	council in next council meeting	
KPI 72 Turnaround time for providing legal opinion on by-laws upon request within 14 days	Turnaround time for providing legal opinion on by-laws within 14 days upon request by 30 June 2023	Legal opinion provided with 14 days upon request	N/A	Achieved	Operational	Operational	N/A	N/A	Legal opinion Register
KPI 73 Turnaround time for development of service level agreements within 14 days upon request	Turnaround time for development of service level agreements within 14 days upon request by 30 June 2023	Service level agreement developed within 14 days	13 service level agreements developed within 14 days upon request	Achieved	Operational	None	None	None	Service level agreements register

## Chapter 4

### KPA 4: LOCAL ECONOMIC DEVELOPMENT

Key Performance Indicator	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measure	Portfolio of Evidence
KPA 4: Local Economic Development									
Strategic Objective: To create an enabling environment for social development and economic growth									
KPI 74 Number of SMME's, Tourism and Agricultural Programmes facilitated	6 SMME's, Tourism and Agricultural Programmes facilitated by June 2023	Approved LED Strategy	7 SMME's, Tourism and Agricultural Programmes facilitated	Achieved	Operational	None	None	None	Agenda and attendance registers
KPI 75 Number of Arts and Culture programmes facilitated	7 Arts and Culture programmes facilitated by June 2023	Arts and Culture Masterplan	6 Arts and Culture programmes facilitated	Not Achieved	Operational	Operational	Budget constraints	To report about the KPI target in the next quarter	Agenda and attendance registers
KPI 76 Number of job opportunities created through, CWP, EPWP and capital projects	1 500 Job opportunities created through, CWP, EPWP and capital projects by 30 June 2023	1553 Job opportunities created	1353 job opportunities EPWP (IG)- CWP -	Not Achieved	EPWP - R1 652 000 CWP - R13m	R1 652 000	Lack of coordination within the municipality	Proper engagement with departments through EPWP steering	EPWP Beneficiaries' list and contracts/ EPWP/CWP comprehensive report

## Chapter 4

Key Performance Indicator	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Reported	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measure	Portfolio of Evidence
KPA 4: Local Economic Development									
Strategic Objective: To create an enabling environment for social development and economic growth									
KPI 77 Number jobs created through municipality's local economic development initiatives	200 jobs created through municipality's local economic development initiatives by 30 June 2023	242 jobs	455 jobs created through municipality's local economic development initiatives	Not achieved	Operational	None	None	None	Beneficiaries list and comprehensive report
KPI 78 Number of LED projects financially supported	2 LED projects financially supported by 30 June 2023	projects	2 LED projects financially supported	Achieved	Operational	Operational	None	None	Comprehensive Report

### KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA 5 Good Governance and Public Participation									
Strategic Objectives: To ensure ethical and transparent government that is responsive to community needs and encourage public participation									
KPI 79 2022/2023 Risk Based Audit Plan (RBAP) approved by audit committee	2022/2023 risk-based Audit Plan (RBAP) approved by audit committee by 30 September 2022	2021/2022 Approved Risk Based Audit Plan (RBAP)	2022/2023 risk-based Audit Plan (RBAP) approved by audit committee	Achieved	Operational	Operational	None	None	Agenda, Minutes and Attendance Register
KPI 80 Number of audit committee meetings held	4 audit committee meetings held by 30 June 2023	4 audit committee meetings held	4 audit committee meeting held	Achieved	operational		None	None	Agenda, minutes and attendance register.
KPI 81 Number of audit committee reports submitted to Council	2 audit committee reports submitted to Council by 30 June 2023	2 audit committee reports	2 audit committee reports submitted to Council	Achieved	Operational	Operational	None	None	Council Resolution
KPI 82 2022/2023 valuation roll approved by Council	2022/2023 evaluation roll approved by Council by 30 June 2023	Approved valuation roll for 2021/2022	Valuation roll approved	Achieved	operational		None	None	Council Resolution



## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA 5 Good Governance and Public Participation									
Strategic Objectives: To ensure ethical and transparent government that is responsive to community needs and encourage public participation									
KPI 83 2023/2024 IDP, PMS and Budget process plan approved by Council	2023/2024 IDP, PMS and Budget process plan approved by Council by 31 August 2022	2022/2023 Approved Process Plan	2023/2024 Approved Process Plan	Achieved	Operational		None	None	Council Resolution
KPI 84 2023/2024 draft IDP and approved by Council	2023/2024 Draft IDP approved by Council by 31 March 2023	2021/2022 Draft IDP	2023/2024 Draft IDP approved by Council	Achieved	Operational	None	N/A	N/A	Council Resolution
KPI 85 2023/2024 Final IDP approved by Council	2023/2024 Final IDP approved by Council by 31 May 2023	2022/2023 Amended IDP	2023 /2024 Final IDP approved	Achieved	Operational	None	None	None	Council Resolution
KPI 86 Number IDP public participation meetings held	2 IDP public participation meetings held by 30 June 2023	Briefing sessions were conducted with councilors for councilors to engage with communities to analyze their need.	2 IDP public participation meeting conducted	Achieved	Operational	None	None	None	Attendance register and report

## Chapter 4

Key Performance indicator	Annual Targets 2022/2023	2021/2022 Baseline	2022/2023 Annual Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of Evidence
KPA 5 Good Governance and Public Participation									
Strategic Objectives: To ensure ethical and transparent government that is responsive to community needs and encourage public participation									
KPI 87 Number of IDP representative forum held by 30 June 2022	3 IDP representative forum held 30 June 2023	1 IDP representative forum held	3 IDP representative forum held	Achieved	Operational	Operational	None	None	Agenda and Attendance register
KPI 88 Risk Management Strategy approved by council	Risk Management Strategy approved by council by 30 June 2023	New	Risk Management Strategy approved by council	Achieved	Operational	Operational	None	None	Council Resolution
KPI 89 Risk Management Policy approved by council	Risk Management Policy approved by council 30 June 2023	New	Risk Management Policy approved by council	Achieved	Operational	Operational	None	None	Council Resolution
KPI 90 Risk Identification & Assessment conducted	by 30 June 2023	New	Risk Identification & Assessment conducted	Achieved	Operational	Operational	None	None	Strategic risk register, Fraud risk and ICT Register

### KPA 6: SPATIAL DEVELOPMENT

## Chapter 4

Key Performance Indicator	Annual Target 2022/2023	2021/2022 Baseline	2022/2023 4 <sup>th</sup> Quarter Actual Performance Report	Achieved/Not Achieved	2022/2023 Adjusted Budget	Annual Expenditure	Challenges	Corrective Measures	Portfolio of evidence (POE)
KPA6: Spatial Rationale									
To support and coordinate spatial transformation									
KPI 91 % of Building inspections attended to within 24 hours of request	100% of Building inspections attended to within 24 working hours of request by 30 June /2023	100% of building inspections attended to within 24 hours	100% of Building inspections attended to within 24 hours of request	Achieved	Operational	Operational	None	None	Inspection register
KPI 92 % of Building plans approved within 4 weeks of request	100% of Building plans approved within 4 weeks of request by 30 June 2023	100% of Building Plans were approved	100% of Building Plans approved within 4 weeks of request	Achieved	Operational	Operational	None	None	Building Plans Register

## Chapter 4

### ASSESSMENT OF EXTERNAL SERVICE PROVIDERS

2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
KPI 1	Manamakgothe ng reservoir and bulk water supply constructed	Entle projects and Construction Pty Ltd	10,106,819.66	-	10,935,857.54	9,601,477.24	Construction completed	Set target achieved, performance met expectations	-	-
		MER Consulting Engineers	3,101,488.34	-	3,101,488.34	3,101,484.33				
KPI 2	Manamakgothe ng reservoir and bulk water supply phase II constructed	JTZ Family Trading Enterprise	5,925,296.74	253,063.13	6,178,359.87	5,556,705.00	Construction completed	Set target achieved, performance met expectations	-	-
		MER Consulting Engineers	1,795,589.52	382,789.81	2,178,379.33	2,178,266.36				
KPI 3	70% Lerome water supply constructed Thabeng section	Toro Ya Bakwenal Civic Engineering	27,161,450.66	-	27,161,450.66	11,089,219.35	71% constructed	Set target achieved, performance met expectations	-	-
		NFM Multi Consulting	4,918,115.81	-	4,918,115.81	1,456,771.79				
KPI 4	50% Mahobieskraal bulk water supply and reticulation constructed	Zozimus 501 Trading	19,164,886.98	-	19,164,886.98	9,676,307.70	52% constructed	Set target achieved, performance met expectations	-	-
		Korone Engineers cc	3,619,214.42	-	3,619,214.42	3,056,010.03				
KPI 5	100% Tweelagte water supply phase II constructed	Zozimus 501 Trading session with Rainbow	8,393,312.95	-	8,393,312.95	7,963,726.84	Construction completed	Set target achieved, performance	-	-

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
		Reservoirs Pty Ltd						met expectations		
		Hlanganani Engineers and Project Management Pty Ltd	2,362,731.95	-	2,362,731.95	2,362,559.22				
KPI 6	10% Tweelagte water supply phase III constructed	Hlanganani engineers and project managers Pty Ltd	1,737,837.19	-	1,737,837.19	1,737,837.19	Work in progress, consultancy services	Set target not achieved, performance did not met expectations	Delay in confirmation of sufficient groundwater source	Drilling additional two boreholes to obtain sufficient source of underground water
KPI 7	100% Sandfontein water supply constructed	Lethabo Projects Solutions	19,693,486.77	-	19,693,486.77	17,556,929.11	Work in progress 92% constructed	Set target not achieved, performance did not met expectations	Slow progress by the contractor on completing the identified works in the snag list	Continuously monitor the contractor to complete the snag list before issuing the completion certificate
		MER Consulting Engineers	4,830,372.34	670,000.01	5,500,372.35	5,497,108.96				
KPI 8	40% Ledig water supply constructed Various sections	JTZ Family Trading Enterprise	45,301,622.73	-	45,301,622.73	18,918,219.70	47% constructed	Set target achieved, performance met expectations	-	-
		Phamela Engineering Services	4,403,161.88	-	4,403,161.88	1,414,785.54			Project contract end date 31-Dec-2024	
KPI 9	100% Madikwe water treatment plant	Excellence Business Academy	7,875,067.75	2,006,943.66	9,882,011.41	5,756,225.07	Work in progress 60%	Set target not achieved, performance	Slow progress by the contractor due	Obtain confirmation letter from

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO .	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTE D VALUE	VARIATION ORDER	CONTRACTE D & VARIATION VALUE	CUMULATIV E EXPENDITU RE	PROJECT STATUS	PERFORMAN CE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
	phase II upgraded and Seshibitswe	MWB Consulting Engineers	1,917,993.56	91,080.00	2,009,073.56	1,518,302.04	constructe d	did not met expectations	to late procurement and delivery of required materials.	the supplier. The Project will be completed in 2023-2024 financial year.
KPI 10	Design of Maeraneng water supply finalised	Letsheng Consultants	2,000,000.00	-	2,000,000.00	199,954.62	Design finalized	Set target achieved, performance met expectations	-	-
KPI 11	Design of Segakwaneng water supply finalised	Thamala Consulting Project Management	2,400,000.00	-	2,400,000.00	2,374,368.00	Design finalized	Set target achieved, performance met expectations	-	-
KPI 12	Design for Manamakotheng water reticulation finalised	MER Consulting Engineer	4,780,000.00	-	4,780,000.00	4,780,000.00	Design finalized	Set target achieved, performance met expectations	-	-
KPI 13	15% Mabeskraal to Uitkyk bulk water pipeline constructed	Lacamorra Pty Ltd	40,085,208.68	-	40,085,208.68	3,283,537.50	Work in progress 5%	Set target not achieved, performance did not met expectations	Late approval from Magailes Water for confirmation of the bulk water supply	Project to be implemented on a multi-year basis and completed in the 2023/24 financial year
		Baitsanape Consulting Engineering	8,135,854.15	-	8,135,854.15	2,256,321.16	constructe d			
		Project contract end date 10-March-2024								
KPI 14	100% Magong water	Boffin and Fundi Pty Ltd Turnkey	3,597,043.95	-	3,597,043.95	3,412,179.73	Constructi on completed	Set target achieved, performance	-	-

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
	augmentation constructed							met expectations		
KPI 15	100% Lerome water ward 17 supply constructed	Two Boys Two Girls JV	6,299,949.52	822,277.42	7,122,226.94	6,140,006.34	Work in progress 98% constructed	Set target not achieved, performance did met expectations	Contractor delayed in completing the snag list	Contractor to complete the snag list within 14 days
		Marumo Consulting Engineers	1,700,050.48	425,000.00	2,125,050.48	2,122,419.55				
KPI 18	10% Mogwase waste water treatment plant upgraded	Lwazi Engineering	10,270,261.17	-	10,270,261.17	10,270,261.17	Work in progress, consultancy services	Set target not achieved, performance did not met expectations	Delay in the finalisation of the design and recommendation from DWS	Implementation to commence in the 2023/24 financial year
KPI 19	250 VIDP toilets in Sandfontein supplied and installed rural sanitation programme	Baithusi Trading 119 cc cession agreement with Eldocrete Pty Ltd	4,914,945.47	982,989.09	5,897,934.56	5,600,398.78	Installation Completed	Set target achieved, performance met expectations	-	-
		Phatwe Consulting Engineers cc	1,142,554.53	96,035.66	1,238,590.19	1,238,564.95				
KPI 20	500 VIDP toilets in Mableskraal ward 23 and 24 supplied and installed rural sanitation programme	Bengu - MPJ Nice JV cession with Eldocrete Pty Ltd	9,397,731.71	1,879,546.35	1,277,278.06	10,712,537.54	Installation Completed	Set target achieved, performance met expectations	-	-
		Phatwe Consulting Engineers cc	2,410,494.07	184,983.83	4,290,040.42	2,595,472.43				

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
KPI 21	50% Oudekkers road constructed	Promptique Trading	31,114,383.40	-	31,114,383.40	12,417,923.58	Work in progress 32.2% constructed	Set target not achieved, performance did not met expectations	Disruption by community due to subcontracting works	Court interdict has been issued and the main contractor to accelerate the works
		Morula Consulting Engineers	5,947,328.46	-	5,947,328.46	3,412,694.01			Project contract end date 13-Dec-2023	
KPI 22	10% Mabele A Podi internal road and stormwater rehabilitated	Maswika Consulting Engineers	2,116,479.91	-	2,116,479.91	2,116,479.91	Work in progress, consultancy services	Set target not achieved, performance did not met expectations	The project budget affected by reduction of grants whilst it was on the design stage	The project budget relocated to the 2023/24 financial year for implementation
KPI 23	100% Paving of Lerome internal road constructed Thabeng section	Mmolawa Investment Pty Ltd cession with Cemblocks Pty Ltd	12,089,541.75	853,361.81	12,942,903.56	12,330,498.79	Construction completed	Set target achieved, performance met expectations	-	-
		Kabe Consulting Engineering	2,517,270.08	853,361.81	3,370,631.89	2,444,038.41				
KPI 24	100% Paving of Phalane internal road constructed	Toro Ya Bakwena Civil Engineering	13,621,732.04	-	13,621,732.04	12,757,731.45	Construction completed	Set target achieved, performance	-	-



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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
		cc cession with Cemblocks Pty Ltd						met expectations		
		Morula Consulting Engineers & Projects Managers	2,915,783.20	-	2,915,783.20	2,915,785.15				
KPI 25	100% Paving of Mononono internal road constructed	Lacamorra Pyt Ltd cession with Cemblocks Pty Ltd	14,135,749.78	-	14,135,749.78	12,951,358.58	Construction completed	Set target achieved, performance met expectations	-	-
		KTN Consulting Engineers & Project Managers	3,298,468.12	449,454.50	3,747,922.62	3,747,922.62				
KPI 26	100% Vrede storm water management phase II constructed	Botlhabatsa Trading and Projects 71 JV Retshepaone Trading and Projects cession with	8,475,738.94	-	8,475,738.94	6,880,048.89	Construction completed	Set target achieved, performance met expectations	-	-

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
		Abacus precast cc and Hydromulch Pty Ltd								
		Maranje Consulting Engineers	1,087,288.13	436,584.77	1,523,872.90	1,523,872.90				
KPI 27	70% Vrede storm water management phase III constructed	Thina ZJ Construction and Projects	22,170,238.85	-	22,170,238.85	16,789,513.19	Work in progress 80% constructed	Set target achieved, performance met expectations	-	-
		Maranje Consulting	2,111,418.83	-	2,111,418.83	1,838,527.11				
KPI 28	5 high mast lights installed in Dinokaneng	Tshwantshwa Construction	5,373,403.75	-	5,373,403.75	4,558,036.00	Practical certificate issued	Set target achieved not, performance did not met expectations	High mast lights waiting energizing by Eskom	Energizing will be finalized in the 2023/24 financial year
KPI 29	3 mast lights installed in Uitkyk	Booda Consulting	1,701,917.90	-	1,701,917.90	931,404.13				
KPI 31	3 high mast lights installed in Mapaputle									

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2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23														
KPI NO .	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTE D VALUE	VARIATION ORDER	CONTRACTE D & VARIATION VALUE	CUMULATIV E EXPENDITU RE	PROJECT STATUS	PERFORMAN CE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES				
KPI 30	4 high mast lights installed in Molorwe	TM Consortium	1,543,459.89	-	1,543,459.89	1,543,459.89	Contract was terminated	Set target achieved not, performance did not met expectations	Poor performance by the contractor, 4 footings completed & materials procured	Contractor terminated, the consultant was appointed on turnkey to complete the project				
		Math Consulting Engineer	1,155,534.75	-	1,155,534.75	1,155,486.75								
KPI 32	3 high mast lights installed in Ntswana-Le-Metsing	Math Consulting Engineer Turnkey	3,620,387.70	-	3,620,387.70	3,258,348.92	Work in progress, 32% constructe d			Revised project contract end date 27-Sep-2023				
KPI 33	4 high mast lights installed in Lerome													
KPI 34	2 high mast lights installed in Masekolane	o18 Bokamoso Engineers Pty Ltd	5,114,632.69	-	5,114,632.69	3,321,579.80	Practical certificate issued	Set target achieved not, performance did not met expectations	High mast lights waiting energizing by Eskom	Energizing will be finalized in the 2023/24 financial year				
KPI 36	2 high mast lights installed in Molatedi	Math Engineering	957,548.58	282,619.40	1,240,167.98	1,234,948.72								
KPI 37	4 high mast lights installed in Bapong													
KPI 38	4 high mast lights installed in Pella													

## Chapter 4

2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO.	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
KPI 35	17 high mast lights installed in Greater Ledi	Tshwatshwa Construction	7,266,254.88	-	5,373,403.75	5,641,865.23	Practical certificate issued	Set target achieved not, performance did not met expectations	High mast lights waiting energizing by Eskom	Energizing will be finalized in the 2023/24 financial year
		Booda Consulting Engineers	1,525,913.52			1,194,586.19				
KPI 39	100% Madikwe sports facility upgraded	OTM Industrial Solutions	7,472,060.93	-	7,472,060.93	7,098,452.67	Upgrade completed	Set target achieved, performance met expectations	-	-
		Maranje Consulting	1,529,261.92	-	1,529,261.92	1,529,261.93				
KPI 40	Feasibility study for Mogwase fresh produce market	Mbonyana and Associates Engineers	1,351,617.26	-	1,351,617.26	1,351,617.26	Project was discontinued	Set target not achieved, performance met did not expectations		
KPI 41	100% Mogwase sports facility phase III upgraded	Molotlegi Construction and Projects	13,816,577.25	-	13,816,577.25	12,258,651.77	Work in progress 96% constructed	Set target achieved, performance met expectations	Transformer stolen which delayed testing due to lack electricity	Continuous follow ups with Eskom concerning reconnection of the transformer
		TT Holdings	2,640,292.63	-	2,640,292.63	2,640,292.63				
KPI 43-44	100% of households provided with access to solid waste removal (Madikwe, Mogwase and Villages)	Lethabo Projects Solutions	67,005,900.00	-	67,005,900.00	5,583,825.00	Progress reports compiled	Set target achieved, performance met expectations	-	
			17,391,273.36	-	17,391,273.36				Contracted for 36 months end date 1-Apr-2026	
									-	-

## Chapter 4

2022-2023 SERVICE PROVIDERS ANNUAL PERFORMANCE ASSESSMENT AT 30 JUNE 23										
KPI NO .	KEY PERFORMANCE INDICATOR	APPOINTED BIDDER	CONTRACTED VALUE	VARIATION ORDER	CONTRACTED & VARIATION VALUE	CUMULATIVE EXPENDITURE	PROJECT STATUS	PERFORMANCE OUTCOME AND RATING	CHALLENGES	CORRECTIVE MEASURES
KPI 47	4 reports on maintenance of Madikwe Landfill site by June 2023	Vick Pule Construction and Projects				10,585,554.44	Progress reports compiled	Set target achieved, performance met expectations	Contracted for 36 months end date 30-Aug-2024	
KPI 48	4 reports on maintenance of Mogwase Landfill site by June 2023	Mineco mining and consulting	21,093,120.00	-	21,093,120.00	1,757,760.00	Progress reports compiled	Set target achieved, performance met expectations	-	-
									Contracted for 36 months end date 1-Apr-2026	

## Chapter 4

### INTRODUCTION

Turnover experienced in scarce skills areas such as town planning due to the municipality's inability to compete with alternative opportunities in terms of benefits. The matter will be addressed through the benchmarking exercise.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees				
Description	2020/2021	2021/2022		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.
Water	31	46	34	12
Waste Water (Sanitation)	149	417	174	243
Electricity	9	16	9	7
Waste Management	6	35	7	28
Housing	5	9	5	4
Roads (Storm water Drainage)	25	52	23	29
Transport	13	36	20	16
Planning	8	24	14	10
Local Economic Development	5	11	5	7
Planning (Sport creative industry)				
Local Economic Development	6	22	13	9
Community & Social Services	13	108	82	26
Budget and Safety	83	150	82	68
Security and Safety	3	22	01	21
Sport and Recreation				
Corporate Policy Offices and				
Other	137	231	143	88
<b>Totals</b>	<b>574</b>	<b>959</b>	<b>612</b>	<b>568</b>

Commented [TM6]: Is it correct to have this in RED?

Commented [JS7R6]: Rectified

## Chapter 4

Vacancy Rate: 2022/2023			
Designations	*Total Approved Posts  No.	*Vacancies (Total time that vacancies exist using fulltime equivalents)  No.	*Vacancies (as a proportion of total posts in each category)  %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	5	5	0.00
Senior management:HOU Levels 19-25 (excluding Finance Posts)	28	12	42.9
Highly skilled supervision: MANAGERS levels 17-18 (excluding Finance posts)	61	29	47.5
Highly skilled supervision: SUPERVISORS levels 15-16 (Finance posts)	133	72	54.14
<b>Total</b>	<b>229</b>	<b>118</b>	<b>52%</b>

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year  No.	Terminations during the Financial Year  No.	Turn-over Rate*
2018/2019	14	15	93%
2019/2020	15	13	87%
2021/2022	17	28	61%
2022/2023	32	38	84%
<b>Total</b>	<b>78</b>	<b>94</b>	<b>83%</b>

## Chapter 4

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The municipality had an Employment Equity Plan, which seeks to address the above.

The only underachievement relates to the employment of persons with disabilities.

#### POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Leave encashment	100	100	Policy adopted by Council
2.	Occupational Health and Safety	100	100	Policy adopted by Council
3.	Recruitment, Selection and Appointments	100	100	Policy adopted by Council
4.	Policy on imprisoned employees	100	100	Policy adopted by Council
5.	Travelling & Subsistence policy	100	100	Policy reviewed are still in a draft and not yet approved by Council
6.	Bursary policy	100	100	Policy adopted by Council
7.	Policy on attendance of employees	100	100	Policy reviewed are still in a draft and not yet approved by Council
8.	Legal aid policy	100	100	Policy Adopted by Council

#### COMMENT ON INJURY AND SICK LEAVE:

The municipality did not experience any permanent disability or death as a result of injury on duty. The municipality does not have an appointed Medical doctor however when a need arises the approval of the municipal manager for any referrals is done.

#### COMMENT ON PERFORMANCE REWARDS:

No performance bonuses have been awarded by the municipality



## Chapter 4

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality budgets 1% of its workforce as required and employees are taken through skills development programmes. The municipality budgets for Bursaries over and above this budget. Opportunities presented by SALGA are also utilized for workforce capacity development.

#### SKILLS DEVELOPMENT AND TRAINING

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	0	1	0	1	1
Chief financial officer	1	0	1	0	1	1
Senior managers	03	0	3	0	3	3
Any other financial officials	44	0	44	0	0	44
<b>Supply Chain Management Officials</b>						<b>0</b>
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	1	0	1
<b>TOTAL</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>1</b>	<b>5</b>	<b>50</b>

## Chapter 4

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

The municipality does plan for training in that it submits a WSP every year. The only challenge is that accommodation for training is also funded in the same budget. This affects the achievement of training planned for the year. Expenditure normally exceeds the budget. We did not manage to spend all what we budgeted due to non-availability of funds.

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

#### **INTRODUCTION TO WORKFORCE EXPENDITURE**

It is important to manage the workforce so that the municipality does not waste financial resources at the expense of service delivery. The procedure for filling of vacancies ensures that only budgeted positions are filled. This is done by filling a request which should be confirmed on the budget for the expected position by the budget and treasury department and approval by the municipal manager.

#### **4EMPLOYEE EXPENDITURE**

##### **COMMENT ON WORKFORCE EXPENDITURE:**

The municipality has no positions budgeted for resulting in savings. A high number of positions resulted from the review of the structure in 2017. Positions will be filled as per priority list.

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 2022/2023										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands	1	2	3	4	5	6	7	8	9	10	11
<b>Financial Performance</b>											
Property rates	124 143	0	124 143			124 143	124 807		-664	101	101
Service charges	243 218	0	243 218			243 218	194 582		47 736	80	80
Investment revenue	5 438	0	5 438			5 438	3 385		2 053	62	62
Transfers recognised - operational	538 131	6 553	544 684			544 684	537 931		6 753	99	100
Other own revenue	91 834	0	91 834			91 834	112 168		-20 334	122	122
<b>Total Revenue (excluding capital transfers and contributions)</b>	1 002 765	6 553	1 009 317			1 127 439	973 773		35 544	100,2	100,2
Employee costs	(275 251)	(100)	(275 351)			(275 351)	(282 405)		7 045	103	103
Remuneration of councillors	(26 992)	0	(26 992)			(26 992)	(29 270)		2 278	108	108
Debt impairment	(276 957)	0	(276 957)			(276 957)	(147 426)		-129 531	53	53
Depreciation & asset impairment	(150 878)	0	(150 878)			(150 878)	(132 550)		18 328	88	88
Finance charges	(3 687)		(3 687)			(3 687)	(5 619)		1 932	152	152
Inventory consumed and bulk purchases	(129 720)	(1 261)	(130 981)			(130 981)	(131 138)		157	100	101
Transfers and grants	-	-	-			-	-		-		
Other expenditure	(222 635)	(2 354)	(224 989)			(224 989)	(296 256)		71 267	132	133
<b>Total Expenditure</b>	(1 086 051)	(3715)	(1 089 766)			(1 089 766)	(1 024 664)		65 102	94	94
<b>Surplus/(Deficit)</b>	(83 286)	1 553	(81 733)			(81 733)	(50 891)		(30 842)	62	62
Transfers recognised - capital	231 040	11 882	219 158			219 158	217 386		(1 772)	99	94
Contributions recognised - capital & contributed assets						-					
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	147 754	(10 329)	137 425			137 425	166 496		29 071	121	113
Share of surplus/ (deficit) of associate			-			-					

## Chapter 5

Description	Year 2022/2023										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands											
	1	2	3	4	5	6	7	8	9	10	11
Surplus/(Deficit) for the year	147 754	(10 329)	137 425			137 425	166 496		29 071	121	113
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>											
Transfers recognised - capital	(231 040)	11 882	(219 158)			(219 158)	(217 386)		(1 772)	99	94
Public contributions & donations/Provincial											
Borrowing	–	–	–			–					
Internally generated funds	(3 500)	(2 000)	(5 500)			(5 500)					
<b>Total sources of capital funds</b>	(234 540)	9 882	(224 658)			(224 658)	(217 386)		(7 272)	97	93
<b>Cash flows</b>											
Net cash from (used) operating	255 702	0	255 702			255 702	206 436		(49 266)	81	81
Net cash from (used) investing	(234 540)	0	(234 540)			(234 540)	(194 775)		(39 765)	83	83
Net cash from (used) financing	(15 000)	0	(15 000)			(15 000)	(9 686)		(5 314)	65	65
<b>Cash/cash equivalents at the year end</b>	103 606	0	103 606			103 606	38 855		(64 751)	38	38

## Chapter 5

### 5.2 GRANTS

Grant Performance						
Description	2021/2022	2022/2023		Year to Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustment s Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>480 349</b>	<b>532 204</b>	<b>536 587</b>	<b>531 937</b>	0,06	-0,87%
Equitable share	476 801	528 602	527 985	527 985		
Municipal Systems Improvement	-	-	-	-	0,00%	0,00%
Department of Water Affairs	-	-	-	-	0,00%	0,00%
Levy replacement						
Energy Efficiency & Demand Side Management	-	-	5 000	350	0,00%	-93%
Finance Management Grant						
Expanded Public Works Programme	1 849	1 950	1 950	1 950	100%	100%
	1 699	1 652	1 652	1 652	100%	100%
<b>Provincial Government:</b>	<b>440</b>	<b>-</b>	<b>2 170</b>	<b>735</b>	0,00%	-66,13
Health subsidy						
Housing						
Ambulance subsidy	-	-	-	-	0,00%	0,00%
Sports, Arts and Culture	440	-	2170	735	0,00%	-66,13%
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	0,00%	0,00%
[insert description]						
<b>Other grant providers:</b>	<b>4 504</b>	<b>5 927</b>	<b>4 642</b>	<b>4 642</b>	-21,68%	100%
Project Management Unit	4 504	5 927	4 642	4 642	-21,68%	100%
<b>Total Operating Transfers and Grants</b>	<b>485 293</b>	<b>538 131</b>	<b>543 399</b>	<b>537 314</b>	-0,04	-1,12%

## Chapter 5

Financial Performance of Operational Services						
Description	R '000					
	Year 2021/2022	2022/2023			Year to Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	474 769	493 336	493 336	430 532	-12.7%	-12.7%
Waste Water (Sanitation)	38 045	24 596	24 596	44 560	81.2%	81.2%
Electricity	10 338	14 247	14 247	10 163	-28%	-28%
Waste Management	54 249	54 362	54 362	44 560	-18%	-18%
Housing	5 941	6 217	6 217	6 336	1.9%	1.9%
Component A: sub-total	583 343	592 758	592 758	536 151	-9.5%	9.5%
Waste Water (Stormwater Drainage)	-	-	-			
Roads	49 281	70 015	70 015	55 619	-20.6%	-20.6%
Transport	17 969	27 975	27 975	22 194	-20.7%	-20.7%
Component B: sub-total	67 250	97 989	97 989	77 812	-20.6%	20.6%
Planning						
Local Economic Development	1 650	1 641	1 641	1 945	0.1%	0.1%
Component B: sub-total	1 650	1 641	1 641	1 945	0.1%	0.1%
Planning	3 334	5 614	5 614	4 473	-20%	-20%
Local Economic Development						
Component C: sub-total	3 334	5 614	5 614	4 473	-20%	-20%
Community & Social Services	14 075	20 998	20 998	16 340	-22.2%	22.2%
Environmental Protection	-	-	-	-	-	-
Health	-	-	-	-	-	-
Security and Safety	21 746	22 537	22 537	25 955	15.2%	15.2%
Sport and Recreation	47 993	46 036	46 036	57 945	25.9%	25.9%
Corporate Policy Offices and Other	369 778	298 478	302 193	304 043	1.86%	0.6%
Component D: sub-total	453 592	388 049	391 764	404 283	4.2%	3.2%
<b>Total Expenditure</b>	<b>1 109 168</b>	<b>1 086 051</b>	<b>1 089 766</b>	<b>1 024 664</b>	<b>-60%</b>	<b>-6%</b>

## Chapter 5

### 5.3 ASSET MANAGEMENT

#### INTRODUCTION TO ASSET MANAGEMENT

Over the years Moses Kotane Local Municipality has been dependent in the service providers for the performance of this function. In the year under review with an environment that is vast in nature containing ±30 000 assets in the registers the municipality only allocated two officials to manage the assets. That did not yield good result in the municipality compelling management to review the structure and create dedicated unit that will be entrusted with the assets management function. The appointment could not be made due to the moratorium issued by the office of the premier. Once the moratorium is lifted the Municipality fill vacant positions, capacitate this unit by ensuring hands on training and other relevant training that are necessary for the assets management such as GRAP trainings.

Repair and Maintenance Expenditure: Year o				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	53985	56985	14489	42496

## Chapter 5

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2022/2023			Variance: Current 2022//2023	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Sanitation Mabieskraal	13 872	13 872	13 872	0	0
Upgrading Mogwase Sports Park	16 457	16 457	16 260	(197)	(197)
Oudekkers Roads	16 647	16 647	16 656	9	9
Storm Water Vrede Phase 3	20 225	20 225	20 225	0	0
Ledig Water Supply	22 235	22 235	22 235	0	0

### 5.4 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipality experiences service backlogs in water, electrification of households by Eskom, internal and external roads by provincial departments. This is a moving target due to the increase in the number of households in different areas.

### COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.5 CASH FLOW

Cash Flow Outcomes				
Description	2021/2022	2022/2023		
	Audited Outcome	Original Budget	Audited Outcome	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Sale of goods and services	88 895	140 374	146 396	146 396
Grants	670 651	769 171	750 516	750 516
Interest income	11 854	4 372	20 013	20 013
<b>Payments</b>				
Cash paid to Suppliers and employees	(606 792)	(658 215)	(707 256)	(707 256)
Finance charges	(2 095)	-	(3 214)	(3 214)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>162 513</b>	<b>255 700</b>	<b>206 437</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Purchase of property plant and equipment	(177 527)	(234 540)	(193 138)	(193 138)

**Commented [EK8]:** This is not consistent with the cash flow audited

**Commented [JS9R8]:** Cash flow audited depicts the following  
Taxes rates and fines 87 321 982  
Sale of goods and services 59 074 453

**Commented [JS10R8]:** Total of the two is 146 396 which is consistent with the cash flow



## Chapter 5

Cash Flow Outcomes					R'000
Description	2021/2022	2022/2023			
	Audited Outcome	Original Budget	Audited Outcome	Actual	
Proceeds from sale of Property Plan and Equipment	310		392	392	
Proceed from sale of Non-Current Assets held for sale			550	550	
Purchase of other Intangible assets	(1 943)		(2 579)	(2 579)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(179 160)</b>	<b>(234 540)</b>	<b>(194 775)</b>	<b>(194 775)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Payments</b>					
Repayment of other financial liabilities	(8 070)	(15 000)	(5 789)	(5 789)	
Finance Lease Payments			(3 898)	(3 898)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8 070)</b>	<b>(15 000)</b>	<b>(9 686)</b>	<b>(9 686)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(24 717)</b>	<b>6 162</b>	<b>1 975</b>	<b>1 975</b>	
Cash/cash equivalents at the year begin:	61 597	97 444	36 880	36 880	
Cash/cash equivalents at the year end:	36 880	103 606	38 855	38 855	

## Chapter 5

### 5.6 BORROWING AND INVESTMENTS

The municipality is currently financing its capital projects and vehicle through loans, grants, own revenue and leases.

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	20/21	21/22	22/23
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	14 636	4 071	8 844
Short-Term Loans (non-annuity)	8 063	4 770	5 785
Local registered stock			
Instalment Credit			
Financial Leases			22 441
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>22 699</b>	<b>8 841</b>	<b>37 070</b>
<b>Municipal Entities</b>			
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			
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Chapter 5

Municipal and Entity Investments			
Investment* type	20/21	21/22	22/23
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	53 726	19 145	32 833
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			
<b>Municipality sub-total</b>	53 726	32 833	19 145
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	53 726	32 833	19 145

### COMMENT ON BORROWING AND INVESTMENTS:

The municipality's investments were done in accordance to Cash and Management Policy of the Municipality however the investment portfolio has not been diversified, the Municipality believes that ABSA is a safe and secure institution for municipal investment.

## Chapter 5

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### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.7 SUPPLY CHAIN MANAGEMENT

##### SUPPLY CHAIN MANAGEMENT

All bid committees were functional during the financial year under review, for the first time all tender documents were submitted for audit purposes. There were no councillors that are part of any SCM committees in the year under review. The SCM officials are all competent in terms of the regulations.

#### 5.8 GRAP COMPLIANCE

##### GRAP COMPLIANCE

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

The financial statements were prepared in terms of GRAP standards and practices

## Chapter 6

### AUDITOR GENERAL AUDIT FINDING

### Report of the auditor-general to North West Provincial Legislature and the council on Moses Kotane Local Municipality

#### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Moses Kotane Local Municipality set out on pages 219 to 317, 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 information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Moses Kotane Local Municipality as at 30 June 2023, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA)

#### Basis for qualified opinion

##### General expense

3. I was unable to obtain sufficient appropriate audit evidence that fuel and oil for the current year occurred, due to the status of the accounting records. I was unable to confirm these fuel and oil transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to fuel and oil expenses of R21 473 131, included in general expenses of R213 393 678 disclosed in note 33 to the financial statements.

#### Context for opinion

4. 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.

## Chapter 6

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5. 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.
  6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Emphasis of matter

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

#### Unauthorised, Irregular and Fruitless and wasteful Expenditure

8. As disclosed in note 43 to the financial statements, unauthorised expenditure of R9 119 548 was incurred in the current year and the unauthorised expenditure of R432 098 829 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
9. As disclosed in note 45 to the financial statements, irregular expenditure of R77 310 514 was incurred in the current year and irregular expenditure of R1 473 035 971 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
10. As disclosed in note 44 to the financial statements, fruitless and wasteful expenditure of R2 794 144 was incurred in the current year and fruitless and wasteful expenditure of R131 116 581 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

#### Material losses

11. As disclosed in note 31 to the financial statements, the municipality incurred water losses of R17 869 356.

#### Restatement of corresponding figures

12. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality for the year ended 30 June 2023.

### Other matters

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

## Chapter 6

### Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of noncompliance 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

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. 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

17. 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.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.
19. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

**Commented [TM11]:** There is a space that has been added here. May we consider deleting it.

**Commented [JS12R11]:** Corrected

## Chapter 6

### Report on the audit of the annual performance report

20. 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 area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

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

Key performance area	Page numbers	Purpose.
Key Performance Area 1: Basic service delivery and infrastructure development	[153]	To accelerate the provision of basic services

22. I evaluated the reported performance information for the selected key performance area 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.

23. 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 .



## Chapter 6

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

25. The material findings on the reported performance information for the selected key performance area are as follows:

### Basic service delivery and infrastructure development

#### Various indicators

26. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators are well defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievements reported in the annual performance report of the listed indicators.

Indicator Number	Indicator description	Target	Reported achievement
KPI 16	% of households with access to water	100%	100%
KPI 17	% of villages with access to water	100%	0%
KPI 43	% of households provided with access to solid waste removal (Madikwe & Mogwase)	100%	0%

#### Various indicators

27. The reasons for under achievements reported against planned targets in the annual performance report were not explained for the following indicators:

- % of villages with access to water
- % of households provided with access to solid waste removal(Madikwe & Mogwase)

#### Various indicators

28. I could not determine if the reasons for the differences between the reported achievements against the planned targets were correct, as adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reasons for the reported under achievements.

## Chapter 6

Indicator Number	Indicator description	Target	Reported achievement
KPI 14	% of Magong Water Augmentation constructed by 30 June 2023	100%	0%
KPI 41	% of Mogwase Sports facility (Phase III) upgraded	100%	96%

KPI 43 - % of households provided with access to solid waste removal (Madikwe & Mogwase)

29. The indicator was included in the approved service delivery and budget implementation plan and integrated development plan but then not clearly defined during planning processes. It was also not determined how the related target would be measured and what evidence would be needed to support the achievement. Consequently, the information might be less useful for measuring performance.

### Other matters

30. I draw attention to the matters below.

### Achievement of planned targets

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

### Material misstatements

32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management did not correct the misstatements and I reported material findings in this regard.

### Report on compliance with legislation

33. 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.

## Chapter 6

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34. 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.
35. 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.
36. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Annual financial statements, performance and annual reports**

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of consumer debtors, payables from exchange transactions and irregular expenditure identified by the auditors in the submitted financial statements were subsequently corrected, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
38. The oversight report adopted by the council on the 2021/22 annual report was not made public, as required by section 129(3) of the MFMA.

### **HR management**

39. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

### **Expenditure management**

40. Reasonable steps were not taken to prevent irregular expenditure amounting to R77 310 514 as disclosed in note 45 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by deviations which are not in line with legislation.
41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2 794 144, as disclosed in note xx 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 penalties charged on late payments.

## Chapter 6

42. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R9 119 548, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on certain votes within the budget.

### Asset management

43. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services, as required by section 14(2)(a) of the MFMA.

### Consequence management

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

### Procurement and contract management

45. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

### Other information in the annual report

46. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
47. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
48. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Chapter 6

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49. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Chapter 6

### Internal control deficiencies

50. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
51. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
52. The accounting officer did not develop and implement a records management system and internal controls to ensure that accurate records are kept, which resulted in the material limitation.
53. The accounting officer did not monitor compliance with laws and regulations during the year line with the prior year action plan resulting in repeat findings being reported in the current year.
54. The availability of information to support the reported performance information continues to be a challenge due to quarterly/regular reconciliations reported targets not being performed by management.
55. Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality was not investigated due to delayed implementation of recommendations to capacitate MPAC.

*Auditor General*

Rustenburg

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**Annexure to the auditor's report**

## Chapter 6

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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 area 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.

## Chapter 6

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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.



## Chapter 6

### 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)

## Chapter 6

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)  <b>Parent municipality with ME:</b> Sections 93B(a), 93B(b)

Legislation	Sections or regulations
	<b>Parent municipality with shared control of ME:</b> 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)

## Chapter 6

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)

## Chapter 6

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### ANNUAL FINANCIAL STATEMENT



Moses Kotane Local Municipality  
Annual Financial Statements  
for the year ended 30 June 2023

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### General Information

<b>Nature of business and principal activities</b>	<p>The municipality is, within its financial and administrative capacity to:</p> <ul style="list-style-type: none"> <li>-Provide democratic and accountable government for the community;</li> <li>-To ensure the provision of services to the community in a sustainable manner;</li> <li>-To promote social and economic development;</li> <li>-To promote a safe and healthy environment, and</li> <li>- To encourage the involvement of the community and community organisations in the matters of the municipality.</li> </ul>
<b>Mayoral committee</b>	
Executive Mayor	Cllr MN Nkotswe
Councillors	<p>Cllr. Stephina Mashishi (Finance and BTO)</p> <p>Cllr. Mosweu Manganye (Portfolio Head Community Services &amp; Public Safety)</p> <p>Cllr. Motsisi Mogape (Portfolio Head Local Economic Development)</p> <p>Cllr Dithotho Tshetlane (Portfolio Head Corporate Services)</p> <p>Cllr. Thapelo Thobokwe (Planning and Development)</p> <p>Cllr. Tshepang Madisa</p> <p>Cllr. Nthabiseng Mollo</p> <p>Cllr. Zipporah Motswenyane</p> <p>Cllr. Hazel Molefe (Portfolio Head Infrastructure and Technical Services)</p>
<b>Accounting Officer</b>	Mr. MV. Letsoalo
<b>Acting Chief Finance Officer (CFO)</b>	Ms B Kutumela
<b>Registered office</b>	<p>Stand No.933</p> <p>Station Road</p> <p>Unit 3</p> <p>Mogwase Shopping Complex Mogwase</p> <p>0314</p>
<b>Business address</b>	<p>Stand No.933</p> <p>Station Road</p> <p>Unit 3</p> <p>Mogwase Shopping Complex Mogwase</p> <p>0314</p>
<b>Postal address</b>	<p>Private Bag X1011</p> <p>Mogwase</p> <p>0314</p>
<b>Bankers</b>	Standard bank ABISA
<b>Auditors</b>	The Auditor General of South Africa

## Chapter 6

### Moses Kotane 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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#### Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of Southern Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

## Chapter 6

### Moses Kotane 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 judgements and estimates.

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 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.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The annual financial statements set out from page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed by:



Accounting Officer  
Mr. M.V. Letsoalo

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Audit Committee Report

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

#### Audit committee members and attendance

The audit committee consists of the listed members hereunder and should meet 4 times per annum as per its approved audit committee charter and section 166(4)(b) of the MFMA. During the financial period under review 7 meetings were held and attendance of members was as follows

Name	Number of meetings
Mr B Seabela (Chairperson)	7
Mr T Zororo	4
Mrs L Moyo	6
Mr I Mogotsi	6
Mr Tshimomola	4

Over and above scheduled meetings, some members of the Audit Committee and the Chairperson participated in the following meetings meant for oversight purposes and stakeholder engagements:

Meeting	Number of Meetings
Municipal Council	2
Auditor General South Africa	1
Provincial Treasury	4

#### Audit committee responsibility

The Audit Committee reports that it has carried out its responsibilities and it has acted in conformance to sections 165 and 166 of the MFMA and MFMA Circular 65. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, which codifies specific responsibilities entrusted and delegated to it by the Municipal Council, and details the manner in which the Audit Committee operates. The unaudited Annual Financial Statements and Annual Performance Report for the 2022/2023 financial year were reviewed Audit Committee..

The Audit Committee expresses its satisfaction that the Internal Audit function is operated independently, efficiently and effectively, and that they were involved in addressing the risks pertinent to the Municipality during the financial period under review. It is confirmed that the Internal Audit activity was also afforded the opportunity to review the unaudited Annual Financial Statements and Annual Performance Report.



Chairperson of the Audit Committee

Date: 30 November 2023



# Chapter 6

## Moses Kotane 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 service delivery to the surrounding community of Moses Kotane and operates under the Bojanala Platinum District Municipality.

Net surplus of the municipality is 148 708 476 (2022: surplus 16 057 179).

#### 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.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

#### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

#### 4. Accounting policies

The annual financial statements 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.

#### 5. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Changes
Mr. B Maseloane	Acting from 01 August 2022- 31 October 2022
Mr V Letsoalo	Appointed 01 November 2022

#### 6. Corporate governance

##### General

The accounting officer is committed to business integrity, transparency and professionalism in all Municipality's activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The Municipality confirms and acknowledges its responsibility to exercise the Municipality's executive and legislative authority within the constitutional system of cooperative governance envisaged in Section 41 of the Constitution, as stated in the Local Government Municipal Systems Act . The accounting officer discuss the responsibilities of management in this respect, at Council meetings and monitor the municipality's compliance with the MSA on a three monthly basis.

##### Remuneration

The upper limits of the remuneration, allowances and benefits of the Accounting Officer, the Head of Departments and the Councillors of the municipality, as disclosed in note 26 and in note 27 of the financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of the Public Office Bearers Act and the Minister of the Provincial and Local Governments determination in accordance with the Act.

**Commented [TM13]:** Under Point 1, we noted that the Net surplus was stated as R148 708 476 However, based on the adjusted AFS, the amount should have been R143 773 463.

Furthermore, the we noted that the difference is as a result of an adjustment made on debt impairment which on the adjusted AFS IS R(152 361 114) and in the Annual Report is R(147 426 101).

**Commented [JS14R13]:** The adjusted surplus is 148 708 476. After the adjustment impairment decreased by 4 935 012 which resulted in an increase in surplus from 143 773 463 to 148 708 476'

**Commented [JS15R13]:** The annual report is aligned to the adjusted AFS and the amounts are correct

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	8	15 982 281	13 940 065
Receivables from exchange transactions	9	282 695	178 369
Receivables from non-exchange transactions	10	1 579 026	1 698 376
VAT receivable	11	24 035 455	11 920 909
Consumer debtors	12	250 856 690	125 878 077
Non current assets held for sale	35	559 696	445 196
Cash and cash equivalents	13	38 855 226	36 880 131
		<b>332 151 069</b>	<b>190 941 123</b>
<b>Non-Current Assets</b>			
Investment property	3	150 663 784	150 684 493
Property, plant and equipment	4	2 988 386 190	2 937 071 178
Intangible assets	5	13 393 410	13 175 320
Heritage assets	6	14 000	14 000
Receivables from non-exchange transactions	10	16 634 382	15 416 336
Other receivables	53	2 673 590	-
		<b>3 171 765 356</b>	<b>3 116 361 327</b>
<b>Total Assets</b>		<b>3 503 916 425</b>	<b>3 307 302 450</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	15	4 769 628	5 784 650
Accrued interest payable	55	254 073	-
Finance lease obligation	50	12 058 237	-
Payables from exchange transactions	17	253 768 271	233 677 845
Employee benefit obligation	7	3 559 000	2 020 000
Unspent conditional grants and receipts	14	8 099 389	12 900 031
		<b>282 508 598</b>	<b>254 382 526</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	15	4 070 550	8 844 377
Finance lease obligation	50	22 440 867	-
Employee benefit obligation	7	17 802 000	17 014 000
Provisions	16	21 572 627	20 279 786
Consumer deposits	54	590 793	559 245
		<b>66 476 837</b>	<b>46 697 408</b>
<b>Total Liabilities</b>		<b>348 985 435</b>	<b>301 079 934</b>
<b>Net Assets</b>		<b>3 154 930 990</b>	<b>3 006 222 516</b>
Accumulated surplus		3 154 930 990	3 006 222 516
<b>Total Net Assets</b>		<b>3 154 930 990</b>	<b>3 006 222 516</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	19	194 581 545	215 300 000
Other income	22	1 951 061	3 800 000
Interest from exchange transactions	23	77 789 538	60 500 000
<b>Total revenue from exchange transactions</b>		<b>274 322 144</b>	<b>279 600 000</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	24	124 807 120	125 637 126
Interest from non exchange transactions	21	32 300 403	26 873 644
<b>Transfer revenue</b>			
Government grants & subsidies	25	755 316 780	685 483 247
Public contributions and donations		-	983 124
Fines, Penalties and Forfeits		1 028 400	1 308 200
Interest - Bank	21	3 384 682	3 186 551
<b>Total revenue from non-exchange transactions</b>		<b>916 837 385</b>	<b>843 471 892</b>
<b>Total revenue</b>	18	<b>1 191 159 529</b>	<b>1 123 248 431</b>
<b>Expenditure</b>			
Employee related costs	26	(282 405 159)	(269 152 007)
Remuneration of councillors	27	(29 270 187)	(28 555 113)
Depreciation and amortisation	28	(132 550 069)	(131 240 302)
Finance costs	29	(5 618 973)	(4 035 520)
Lease rentals on operating lease	20	(2 154 791)	(1 826 087)
Debt Impairment	30	(147 426 101)	(316 071 437)
Bulk purchases	31	(131 138 032)	(106 418 850)
Contracted services	32	(80 706 957)	(92 669 695)
General Expenses	33	(213 393 678)	(143 559 147)
<b>Total expenditure</b>		<b>(1 024 663 947)</b>	<b>(1 093 528 158)</b>
<b>Operating surplus</b>		<b>166 495 582</b>	<b>29 720 273</b>
Loss on disposal of assets and liabilities		(17 418 903)	(14 629 809)
Loss on foreign exchange		(44 192)	(391 542)
Fair value adjustments		743 761	1 346 276
Impairment loss	52	(991 937)	-
Inventories losses/write-downs		(75 835)	11 981
		<b>(17 787 106)</b>	<b>(13 663 094)</b>
<b>Surplus for the year</b>		<b>148 708 476</b>	<b>16 057 179</b>

**Commented [TM16]:** Under Point 1, we noted that the Net surplus was stated as R148 708 476 However, based on the adjusted AFS, the amount should have been R143 773 463.

Furthermore, the we noted that the difference is as a result of an adjustment made on debt impairment which on the adjusted AFS IS R(152 361 114) and in the Annual Report is R(147 426 101).

**Commented [JS17R16]:** The adjusted surplus is 148 708 476. After the adjustment impairment decreased by 4 935 012 which resulted in an increase in surplus from 143 773 463 to 148 708 476. In addition the annual report is aligned to the adjusted AFS and the amounts are correct

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Statement of Changes in Net Assets for the period ended 30 June 2023

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	3 005 045 233	3 005 045 233
Adjustments		
Correction of errors	(14 879 896)	(14 879 896)
Balance at 01 July 2021 as restated*	2 990 165 337	2 990 165 337
Changes in net assets		
Surplus for the year	16 057 179	16 057 179
Total changes	16 057 179	16 057 179
Restated* Balance at 01 July 2022	3 006 222 514	3 006 222 514
Changes in net assets		
Surplus for the year	148 708 476	148 708 476
Total changes	148 708 476	148 708 476
Balance at 30 June 2023	3 154 930 990	3 154 930 990

**Commented [TM18]:** Net surplus should be updated based on the above note

**Commented [JS19R18]:** Refer to the comments above. The Net surplus is correct

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxes, rates and fines		87 321 982	64 960 058
Sale of goods and rendering of services		59 074 453	23 935 027
Grants and subsidies		750 516 138	670 651 317
Interest income		20 013 003	11 854 341
		<u>916 925 576</u>	<u>771 400 743</u>
<b>Payments</b>			
Cash payments to and on behalf of employees		(707 275 518)	(606 792 379)
Finance costs		(3 213 519)	(2 095 248)
		<u>(710 489 037)</u>	<u>(608 887 627)</u>
<b>Net cash flows from operating activities</b>	<b>34</b>	<b><u>206 436 539</u></b>	<b><u>162 513 116</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(193 138 294)	(177 527 353)
Proceeds from sale of property, plant and equipment	4	391 860	310 394
Proceeds from sale of Non Current Assets Held for sale	3	550 000	-
Purchase of other intangible assets	5	(2 578 644)	(1 942 891)
<b>Net cash flows from investing activities</b>		<b><u>(194 775 078)</u></b>	<b><u>(179 159 850)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(5 788 849)	(8 069 866)
Finance lease payments		(3 897 517)	-
<b>Net cash flows from financing activities</b>		<b><u>(9 686 366)</u></b>	<b><u>(8 069 866)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>1 975 095</u></b>	<b><u>(24 716 600)</u></b>
Cash and cash equivalents at the beginning of the year		36 880 131	61 596 731
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b><u>38 855 226</u></b>	<b><u>36 880 131</u></b>

The accounting policies on pages 13 to 35 and the notes on pages 36 to 100 form an integral part of the annual financial statements.

## Chapter 6

### Moses Kotane 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						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	243 218 106	(19 554)	243 198 552	194 581 545	(48 617 007)	49.13
Rental income	126 532	-	126 532	152 216	25 684	49.1
Other income - (rollup)	4 113 228	19 554	4 132 782	1 798 845	(2 333 937)	49.3
Interest received - investment	61 583 333	2 000 000	63 583 333	81 174 220	17 590 887	49.2
<b>Total revenue from exchange transactions</b>	<b>309 041 199</b>	<b>2 000 000</b>	<b>311 041 199</b>	<b>277 706 826</b>	<b>(33 334 373)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	124 143 338	-	124 143 338	124 807 120	663 782	49.1
Interest - Taxation revenue	29 449 174	(2 000 000)	27 449 174	32 300 403	4 851 229	49.4
<b>Transfer revenue</b>						
Government grants & subsidies	769 171 000	(6 614 161)	762 556 839	755 316 779	(7 240 060)	49.5
Fines, Penalties and Forfeits	2 000 000	-	2 000 000	1 028 400	(971 600)	49.1
<b>Total revenue from non-exchange transactions</b>	<b>924 763 512</b>	<b>(8 614 161)</b>	<b>916 149 351</b>	<b>913 452 702</b>	<b>(2 696 649)</b>	
<b>Total revenue</b>	<b>1 233 804 711</b>	<b>(6 614 161)</b>	<b>1 227 190 550</b>	<b>1 191 159 528</b>	<b>(36 031 022)</b>	
<b>Expenditure</b>						
<b>Employee related costs</b>						
Employee related costs	(275 250 847)	1 192 881	(274 057 966)	(282 405 159)	(8 347 193)	49.6
Remuneration of councillors	(26 922 372)	(3 292 738)	(30 215 110)	(29 270 186)	944 924	49.1
Depreciation and amortisation	(150 878 394)	-	(150 878 394)	(132 550 069)	18 328 325	49.7
Finance costs	(3 687 184)	-	(3 687 184)	(5 618 973)	(1 931 789)	49.14
Lease rentals on operating lease	(25 000 000)	23 000 000	(2 000 000)	(2 154 791)	(154 791)	49.1
Debt impairment	(276 957 149)	-	(276 957 149)	(147 426 101)	129 531 048	49.8
Bulk purchases	(100 000 000)	-	(100 000 000)	(131 138 032)	(31 138 032)	49.9
Contracted Services	(127 587 252)	47 156 752	(80 430 500)	(80 706 957)	(276 457)	49.1
General Expenses	(99 767 642)	(71 771 894)	(171 539 536)	(213 393 678)	(41 854 142)	49.11
<b>Total expenditure</b>	<b>(1 086 050 840)</b>	<b>(3 714 999)</b>	<b>(1 089 765 839)</b>	<b>(1 024 663 946)</b>	<b>65 101 893</b>	
<b>Operating surplus</b>	<b>147 753 871</b>	<b>(10 329 160)</b>	<b>137 424 711</b>	<b>166 495 582</b>	<b>29 070 871</b>	
Loss on disposal of assets and liabilities	-	-	-	(17 418 903)	(17 418 903)	49.12
Impairment loss	-	-	-	(991 937)	(991 937)	49.1
Fair value adjustments	-	-	-	743 761	743 761	49.1
Loss on foreign exchange	-	-	-	(44 192)	(44 192)	49.1
Inventory losses/ write downs	-	-	-	(75 835)	(75 835)	49.1
	-	-	-	(17 787 106)	(17 787 106)	
<b>Surplus before taxation</b>	<b>147 753 871</b>	<b>(10 329 160)</b>	<b>137 424 711</b>	<b>148 708 476</b>	<b>11 283 765</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>147 753 871</b>	<b>(10 329 160)</b>	<b>137 424 711</b>	<b>148 708 476</b>	<b>11 283 765</b>	

**Commented [TM20]:** Adjustment to debt impairment should be corrected based on the note above

**Commented [JS21R20]:** Refer to the above comments

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Final budget council approved policy)	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2023</b>										
<b>Financial Performance</b>										
Property rates	124 143 338	-	124 143 338	-		124 143 338	124 807 120	663 782	101 %	101 %
Service charges	243 218 106	(19 554)	243 198 552	-		243 198 552	194 581 545	(48 617 007)	80 %	80 %
Investment revenue	91 032 507	-	91 032 507	-		91 032 507	113 474 623	22 442 116	125 %	125 %
Transfers recognised - operational	538 131 117	5 267 528	543 398 645	-		543 398 645	537 930 661	(5 467 984)	99 %	100 %
Other own revenue	6 239 760	19 554	6 259 314	-		6 259 314	2 979 461	(3 279 853)	48 %	48 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 002 764 828</b>	<b>5 267 528</b>	<b>1 008 032 356</b>	<b>-</b>		<b>1 008 032 356</b>	<b>973 773 410</b>	<b>(34 258 946)</b>	<b>97 %</b>	<b>97 %</b>
Employee costs	(275 250 847)	1 192 881	(274 057 966)	-	-	(274 057 966)	(282 405 159)	-	103 %	103 %
Remuneration of councillors	(26 922 372)	(3 292 738)	(30 215 110)	-	-	(30 215 110)	(29 270 186)	-	97 %	109 %
Depreciation and asset impairment	(150 878 394)	-	(150 878 394)	-	-	(150 878 394)	(132 550 069)	-	88 %	88 %
Debt Impairment	(276 957 149)	-	(276 957 149)	-	-	(276 957 149)	(147 426 101)	-	53 %	53 %
Finance charges	(3 687 184)	-	(3 687 184)	-	-	(3 687 184)	(5 618 973)	-	152 %	152 %
Lease on rentals on operating lease	(25 000 000)	23 000 000	(2 000 000)	-	-	(2 000 000)	(2 154 791)	-	108 %	9 %
Inventory consumed and bulk purchases	(100 000 000)	-	(100 000 000)	-	-	(100 000 000)	(131 138 032)	-	131 %	131 %
Contracted Services	(127 587 252)	47 156 752	(80 430 500)	-	-	(80 430 500)	(80 706 959)	-	100 %	63 %
Other expenditure	(99 767 642)	(71 771 694)	(171 539 336)	-	-	(171 539 336)	(213 393 678)	-	124 %	214 %

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

Total expenditure	(1 086 050 840)	(3 714 999)	(1 089 765 839)	-	-	(1 089 765 839)	(1 024 663 948)	-	65 101 891	94 %	94 %
Surplus/(Deficit)	(83 286 012)	1 552 529	(81 733 483)	-	-	(81 733 483)	(50 890 538)	-	30 842 945	62 %	61 %
Gain(loss) on disposal of assets and liabilities	-	-	-	-	-	-	(18 530 867)	-	(18 530 867)	DIV/0 %	DIV/0 %
Fair value adjustments	-	-	-	-	-	-	743 761	-	743 761	DIV/0 %	DIV/0 %
Surplus (Deficit) before capital transfers and contributions	(83 286 012)	1 552 529	(81 733 483)	-	-	(81 733 483)	(68 677 644)	-	13 055 839	84 %	82 %
Transfers recognised- Capital	(231 039 683)	11 881 689	(219 158 194)	-	-	(219 158 194)	(217 386 118)	-	1 772 076	99 %	94 %
Surplus/(Deficit) for the year	147 753 871	(10 329 160)	137 424 711	-	-	137 424 711	148 708 474	-	11 283 763	108 %	101 %



## Chapter 6

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1. Significant accounting policies

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

##### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

##### 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 judgement 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 judgements include:

- Debt impairment
- Useful life Property Plant and Equipment
- Fair Value of Investment Property
- Effective Interest rate for Finance leases
- Provision for slow moving/ obsolete inventory
- Actuarial gains and loss

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

##### 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 16 - Provisions.

##### Employee Benefit Obligation

The present value of the Employee benefit 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 employee benefit obligations.

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

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

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.3 Significant judgements and sources of estimation uncertainty (continued)

##### Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

An impairment loss recognised in prior periods for a statutory receivable are 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.

#### 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.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, 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 through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

##### Derecognition

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 entity 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 reliably 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 entity 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 entity measures 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 entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably 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.

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.

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 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.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight-line	5 - 100 years
Infrastructure - Electricity	Straight-line	10 - 100 years
Infrastructure - Roads	Straight-line	5 - 100 years
Infrastructure - Water	Straight-line	5 - 100 years
Infrastructure - Stormwater	Straight-line	5 - 50 years
Infrastructure - Sewerage	Straight-line	15 - 100 years
Infrastructure - ICT	Straight-line	10 - 50 years
Infrastructure - Airports	Straight-line	20 years
Access control security measures	Straight-line	3 - 5 years
Recreation facilities	Straight-line	10 - 100 years

# Chapter 6

## Moses Kotane Local Municipality Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.5 Property, plant and equipment (continued)

Furniture and Fittings	Straight-line	7 years
Motor Vehicles	Straight-line	5 - 15 years
Office equipment	Straight-line	5 - 7 years
Plant and Equipment	Straight-line	4 - 15 years

For the detailed useful lives of assets, refer to the municipality's asset management policy.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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.

The depreciation charge for each period is recognised 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.

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. 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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

#### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

# Chapter 6

## Moses Kotane Local Municipality Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.6 Intangible assets (continued)

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	1 - 15 years

Intangible assets are derecognised:

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

#### 1.7 Heritage assets

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.

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

##### 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.

##### Initial measurement

Heritage assets are measured at cost.

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

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.7 Heritage assets (continued)

##### Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

##### Impairment

The municipality assesses 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 included in surplus or deficit when the item is derecognised.

#### 1.8 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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 entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.8 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash;
- a residual interest in 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 entity.

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

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 6

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

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##### 1.8 Financial instruments (continued)

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.8 Financial instruments (continued)

###### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non exchange transactions	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Trade payables	Financial liability measured at amortised cost
Finance lease liabilities	Financial liability measured at amortised cost
Other payables	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.8 Financial instruments (continued)

##### Initial recognition

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

The entity recognises financial assets using trade date accounting.

##### Subsequent measurement of financial assets and financial liabilities

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

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

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

##### Impairment and uncollectibility of financial assets

The entity 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 original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

##### 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed.

##### Derecognition

##### Financial assets

The Municipality derecognises financial assets using trade date accounting.

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 entity 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 entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.8 Financial instruments (continued)

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 entity 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 obligation for retentions is considered to have expired when the retention is unclaimed for more than 3 years from the date the defect liability period expired.

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, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

##### 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. Dividends or similar distributions 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 in cash or another financial asset.

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.

##### Subsequent measurement

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## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.9 Statutory receivables (continued)

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.

##### 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 is 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 entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

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

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

##### Derecognition

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

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

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## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.9 Statutory receivables (continued)

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.

#### 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 is recognised in surplus or deficit.

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

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

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

#### Derecognition

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

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

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.9 Statutory receivables (continued)

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

#### 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 entity assesses the classification of each element separately.

##### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

##### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 1.11 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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 of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.



## Chapter 6

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

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#### 1.11 Inventories (continued)

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.

#### 1.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

#### 1.13 Employee benefits

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

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

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



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## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.13 Employee benefits (continued)

###### 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.

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 entity during a reporting period, the entity recognises 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 entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

###### Employee benefit Obligation

The municipality's obligation for Long Service Awards is a defined benefit plan. This plan is wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for). The municipality, in substance, underwrites the actuarial and investment risks associated with the plan.

Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service awards is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates

##### 1.14 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.14 Provisions and contingencies (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 surplus.

If an entity 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 an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Policies

#### 1.14 Provisions and contingencies (continued)

##### 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 entity 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 entity tests 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 .

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

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.

#### 1.15 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Capital commitments are disclosed in the financial statements and they represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Commitments for which disclosure is necessary to achieve a fair presentation are 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 ; and
- Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

#### 1.16 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.

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.16 Revenue from exchange transactions (continued)

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.

##### Measurement

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

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

##### Sale of goods

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

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

##### Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

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##### 1.16 Revenue from exchange transactions (continued)

###### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

##### 1.17 Revenue from non-exchange transactions

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

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

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

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

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

Fines are economic benefits or service potential received or receivable by entities, 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.

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

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

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

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

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



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.17 Revenue from non-exchange transactions (continued)

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

##### Recognition

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

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

##### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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

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

##### Taxes

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 degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

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. It is not reduced for expenses paid through the tax system.

Taxation revenue are not grossed up for the amount of tax expenditures.

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.17 Revenue from non-exchange transactions (continued)

###### Fines

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.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

###### Gifts and donations, including goods in-kind

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

##### 1.18 Investment income

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

##### 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

##### 1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

##### 1.21 Unauthorised expenditure

Unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with this Act;

##### 1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

##### 1.23 Irregular expenditure

irregular expenditure", in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
  - (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
  - (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
  - (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law,
- but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

##### 1.24 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

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.

##### 1.25 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

##### 1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

## Chapter 6

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Accounting Policies

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##### 1.26 Related parties (continued)

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

##### 1.27 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.

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### Moses Kotane 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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#### 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:
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material 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
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	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

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 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	150 663 784	-	150 663 784	150 684 493	-	150 684 493

#### Reconciliation of investment property - 2023 - Opening Balance

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	150 684 493	(764 470)	743 761	150 663 784

#### Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Total
Investment property	149 338 217	1 346 276	150 684 493

## Chapter 6

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### Moses Kotane 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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#### 3. Investment property (continued)

##### Pledged as security

Investment property was not pledged as security for financial liabilities.

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.

##### Details of valuation

The value indicated is established by comparing the subject property with similar properties, called comparable sales.

Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value.

These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property's value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 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	17 290 211	-	17 290 211	17 290 211	-	17 290 211
Buildings	215 740 127	(115 115 240)	100 624 887	215 740 127	(108 601 316)	107 138 811
Plant and machinery	4 550 151	(3 851 915)	698 236	4 756 829	(3 791 933)	964 896
Furniture and Fixtures	50 443 507	(43 555 049)	6 888 458	50 947 590	(42 161 140)	8 786 450
Motor vehicles	67 312 290	(30 741 948)	36 570 342	36 439 468	(26 464 358)	9 975 110
Infrastructure	4 093 323 330	(2 571 038 184)	2 322 285 146	4 805 463 231	(2 486 725 979)	2 318 737 252
Community	543 622 233	(291 348 196)	252 274 037	533 056 106	(280 908 871)	252 147 235
Building WIP	753 272	-	753 272	753 272	-	753 272
Infrastructure WIP	236 861 587	-	236 861 587	207 338 334	-	207 338 334
Community assets WIP	14 140 014	-	14 140 014	13 939 607	-	13 939 607
<b>Total</b>	<b>6 044 036 722</b>	<b>(3 055 650 532)</b>	<b>2 988 386 190</b>	<b>5 885 724 775</b>	<b>(2 948 653 597)</b>	<b>2 937 071 178</b>

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 4. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Change in provision for landfill site	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	17 290 211	-	-	-	-	-	-	17 290 211
Buildings	107 138 811	-	-	-	-	(6 513 924)	-	100 624 887
Plant and machinery	964 896	28 755	-	(26 138)	-	(269 277)	-	698 236
Furniture and fixtures	8 786 450	1 729 375	-	(216 013)	-	(3 411 354)	-	6 888 458
Motor vehicles	9 975 110	30 872 822	-	-	-	(4 277 590)	-	36 570 342
Infrastructure	2 318 737 252	122 050 663	(858 540)	(15 120 340)	-	(101 531 952)	(991 937)	2 322 285 146
Community	252 147 235	16 755 162	-	(2 442 941)	-	(14 185 419)	-	252 274 037
Building WIP	753 272	-	-	-	-	-	-	753 272
Infrastructure WIP	207 338 334	172 214 517	-	(30 090 888)	(112 600 376)	-	-	236 861 587
Community WIP	13 939 607	16 955 569	-	-	(16 755 162)	-	-	14 140 014
	<b>2 937 071 178</b>	<b>360 606 863</b>	<b>(858 540)</b>	<b>(47 896 320)</b>	<b>(129 355 538)</b>	<b>(130 189 516)</b>	<b>(991 937)</b>	<b>2 988 386 190</b>

##### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Changes in provision for landfill site	Disposals	Transfers	Depreciation	Total
Land	17 291 253	-	-	(1 042)	-	-	17 290 211
Buildings	113 329 019	-	-	(154 323)	-	(6 035 885)	107 138 811
Plant and machinery	1 325 204	-	-	(30 545)	-	(329 763)	964 896
Furniture and fixtures	10 565 720	2 783 266	-	(470 536)	-	(4 092 000)	8 786 450
Motor vehicles	11 213 880	983 124	-	(139 434)	266 215	(2 348 675)	9 975 110
Infrastructure	2 337 306 579	102 246 140	(3 650 307)	(14 947 162)	-	(102 217 998)	2 318 737 252
Community	250 238 549	16 366 787	-	(472 965)	-	(13 985 136)	252 147 235
Building WIP	753 272	-	-	-	-	-	753 272
Infrastructure WIP	170 578 753	154 301 778	-	(15 260 469)	(102 281 728)	-	207 338 334
Community WIP	8 573 011	21 697 743	-	-	(16 331 147)	-	13 939 607
	<b>2 921 175 240</b>	<b>298 378 838</b>	<b>(3 650 307)</b>	<b>(31 476 476)</b>	<b>(118 346 660)</b>	<b>(129 009 457)</b>	<b>2 937 071 178</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>4. Property, plant and equipment (continued)</b>		
<b>Pledged as security</b>		
Motor Vehicles	28 842 756	-
The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets		
The mayoral house is pledged as security for the mortgage bond for R 1 520 000 with ABSA bank.		
<b>Property, plant and equipment in the process of being constructed or developed</b>		
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Koffiekraal Highmast Lights	1 273 213	1 273 213
Manamela Highmast Lights	1 369 365	1 369 365
Ratau Highmast Lights	476 245	476 245
Legkraal Highmast Lights	1 126 266	1 126 266
Koffiekraal Highmast Lights Phase 2	1 001 507	1 001 507
Mononono Highmast Lights Phase 2	583 084	583 084
Mononono Highmast Lights Phase 2	320 915	320 915
Weldverdien Highmast Lights	1 247 575	1 247 575
Nkogolwe Highmast Lights Phase 2	735 640	735 640
Moruleng Renovate Testing Station	753 272	-
	<b>8 887 082</b>	<b>8 133 810</b>

Included in property, plant and equipment are high mast lights that have been identified as taking significantly longer period of time to complete than expected, due to the delay in connection of the high mast lights to the eskom power grid.

#### Reconciliation of Work-in-Progress 2023 - Opening Balance

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	207 338 341	13 939 607	753 272	222 031 220
Additions/capital expenditure	172 214 603	16 955 569	-	189 170 172
Disposals	(30 090 888)	-	-	(30 090 888)
Transferred to completed items	(112 600 376)	(16 755 162)	-	(129 355 538)
	<b>236 861 680</b>	<b>14 140 014</b>	<b>753 272</b>	<b>251 754 966</b>

#### Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	170 578 753	8 573 011	753 272	179 905 036
Additions/capital expenditure	154 301 779	21 697 743	-	175 999 522
Disposals	(15 260 463)	-	-	(15 260 463)
Transferred to completed items	(102 281 728)	(16 331 147)	-	(118 612 875)
	<b>207 338 341</b>	<b>13 939 607</b>	<b>753 272</b>	<b>222 031 220</b>

#### Expenditure incurred to repair and maintain property, plant and equipment

The municipality spent an amount of R35 974 013 ((2021-22) R39 952 271) on repairs and maintenance for the financial year. In determining the repairs and maintenance amount the municipality has exclusively disclosed amounts charged by service providers.



# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 5. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	31 919 418	(18 526 008)	13 393 410	31 283 664	(18 108 344)	13 175 320

#### Reconciliation of intangible assets - 2023 - Opening Balance

	Opening balance	Additions	Amortisation	Total
Computer software, other	13 175 320	2 578 644	(2 360 554)	13 393 410

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	13 463 274	1 942 890	(2 230 844)	13 175 320

#### Pledged as security

Intangible assets were not pledged as security for financial liabilities

# Chapter 6

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 6. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	14 000	-	14 000	14 000	-	14 000

#### Reconciliation of heritage assets 2023 - Opening Balance

	Opening balance	Total
Historical monuments	14 000	14 000

#### Reconciliation of heritage assets 2022

	Opening balance	Total
Historical monuments	14 000	14 000

#### Pledged as security

Heritage assets was not pledged as a security for financial liabilities

#### Expenditure incurred to repair and maintain heritage assets

There were no expenditure incurred to repair and maintain heritage assets during the year under review

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>7. Employee benefit obligations</b>		
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation-wholly unfunded	(21 361 000)	(19 034 000)
<b>Non-current liabilities</b>	(17 802 000)	(17 014 000)
<b>Current liabilities</b>	(3 559 000)	(2 020 000)
	<b>(21 361 000)</b>	<b>(19 034 000)</b>

The municipality's obligation for Long Service Awards is a defined benefit plan. This plan is wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for). The municipality, in substance, underwrites the actuarial and investment risks associated with the plan.

Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service awards is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates.

The calculation is performed by registered actuaries using the projected unit credit method. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 30 June 2023.

There are 589 employees that are currently entitled to Long Service Awards.]

**Changes in the present value of the defined benefit obligation are as follows:**

Opening balance	19 034 000	17 814 000
Benefits paid	(1 868 226)	(2 121 275)
Net expense recognised in the statement of financial performance	4 195 226	3 341 275
	<b>21 361 000</b>	<b>19 034 000</b>

**Net expense recognised in the statement of financial performance**

Current service cost	1 798 000	1 711 000
Interest cost	1 991 000	1 544 000
Actuarial (gains) losses	406 226	86 275
	<b>4 195 226</b>	<b>3 341 275</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>7. Employee benefit obligations (continued)</b>		
<b>Key assumptions used</b>		
Assumptions used at the reporting date:		
Discount rates used	11,26 %	11,03 %
Expected rate of return on assets	6,54 %	7,33 %
Expected rate of return on reimbursement rights	4,43 %	3,45 %

The earnings are inclusive of the corresponding 1 July general increase. The next general earnings increase was assumed to take place on 1 July 2024.

In estimating the unfunded liability for LSA of Moses Kotane Local Municipality a number of assumptions are required. GRAP 25 requires the actuarial assumptions to be unbiased (i.e. neither imprudent nor excessively conservative) and mutually compatible (i.e. reflective of the economic relationships between factors such as return on assets and inflation rates).

##### Discount Rate

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.26% per annum has been used. The corresponding liability-weighted index-linked yield is 4.94%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2023. These yields were obtained by calculating the duration of the total liability and then taking the fixed-interest and index-linked yields from the respective yield curves at that duration using an iterative process (because the yields depend on the duration, which in turn depends on the liability). The duration of the total liability was estimated to be 8.5 years.

##### Earnings Inflation Rate

This assumption is required to reflect the estimated growth in earnings of the eligible employees until retirement. It is important in that the LSA are based on an employee's earnings at the date of the award.

The assumption is traditionally split into two components, namely General Earnings Inflation and Promotional Earnings Escalation. The latter is considered under demographic assumptions.

##### General Earnings Inflation Rate

This assumption is more stable relative to the growth in Consumer Price Index (CPI) than in absolute terms. In most industries, experience has shown, that over the long-term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The CPI inflation assumption of 5.54% was obtained from the differential between market yields on index-linked bonds (4.94%) consistent with the estimated terms of the liabilities and those of nominal bonds (11.26%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). Therefore, expected inflation is determined as  $((1+11.26\%-0.50\%)/(1+4.94\%))-1$ .

Thus, a general earnings inflation rate of 6.54% per annum over the expected term of the liability has been assumed, which is 1.00% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 4.43%. It was assumed that the next general earnings increase will take place on 1 July 2024.

##### Demographic Assumptions

Demographic assumptions are required about the future characteristics of current employees who are eligible for LSA.

##### Promotional Earnings Scale

The annual inflation rates below are in addition to the General Earnings Inflation assumption of 6.54% per annum for all employees.

<u>Promotional earnings scale</u>	
Age Band	Additional Promotional Scale
20 – 24	5.0%
25 – 29	4.0%
30 – 34	3.0%
35 – 39	2.0%
40 – 44	1.0%
> 44	0.0%

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### Moses Kotane 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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#### 7. Employee benefit obligations (continued)

##### Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

##### Pre-Retirement Mortality

SA85-90 ultimate table, adjusted for female lives.

##### Withdrawal from Service

If an employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates. The assumed rates are set out below.

Age Band	Withdrawal rate
20 – 24	9.0%
25 – 29	8.0%
30 – 34	6.0%
35 – 39	5.0%
40 – 44	5.0%
45 – 49	4.0%
50 – 54	3.0%
>55	0.0%

##### Other assumptions

Assumed general earnings rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general earnings rate would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	261 000	(236 000)
Effect on defined benefit obligation	1 160 000	(1 062 000)

Amounts for the current and previous four years are as follows:

	2023	2022	2021	2020	2019
Defined benefit obligation	21 361 000	19 034 000	17 814 000	16 651 000	15 390 122

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>8. Inventories</b>		
Maintenance materials	15 985 904	13 879 271
Water for distribution	72 522	60 794
	<u>16 058 426</u>	<u>13 940 065</u>
Inventories (write-downs)	(76 145)	-
	<u>15 982 281</u>	<u>13 940 065</u>
As at 30 June 2023 no inventory was pledged as security for financial liabilities.		
Inventories recognised as an expense during the year	6 834 506	4 903 897
<b>9. Receivables from exchange transactions</b>		
Gross Balances	3 185 430	3 149 238
Less: Impairment allowance	(2 902 735)	(2 970 869)
	<u>282 695</u>	<u>178 369</u>
Other non-financial asset receivables included in receivables from exchange transactions above are as follows:		
Gross balances	2 443 422	2 443 422
Less: Allowance for impairment	(2 443 422)	(2 443 422)
	<u>-</u>	<u>-</u>
Financial asset receivables included in receivables from exchange transactions above	<u>282 695</u>	<u>178 369</u>
<b>Total receivables from exchange transactions</b>	<u>282 695</u>	<u>178 369</u>
<b>Trade and other receivables pledged as security</b>		
There are no trade and other receivables pledged as security at the end of the year.		
<b>Fair value of trade and other receivables</b>		
Trade and other receivables	238 599	160 970
<b>Sundry debtors aging</b>		
The ageing of sundry debtors is as follows:		
Between 0-30 days	6 597	8 670
Between 31-60 days	4 599	3 335
Between 61-90 days	3 933	3 613
Above 91 days	677 378	629 426
<b>Other receivables aging</b>		
The ageing of other receivables is as follows:		
91 days and above	2 443 422	2 443 422

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>10. Receivables from non-exchange transactions</b>		
Fines	116 176	535 526
Other receivables from non exchange transactions	628 970	328 970
Deposits	16 634 382	15 416 336
Sakkie Smith	833 880	833 880
	<b>18 213 408</b>	<b>17 114 712</b>
Non-current assets	16 634 382	15 416 336
Current assets	1 579 026	1 698 376
	<b>18 213 408</b>	<b>17 114 712</b>
<b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>		
Fines	116 176	535 526
	<b>116 176</b>	<b>535 526</b>
<b>Other non-financial asset receivables included in receivables from non-exchange transactions above are as follows:</b>		
Other receivables	628 970	328 970
	<b>628 970</b>	<b>328 970</b>
<b>Financial asset receivables included in receivables from non-exchange transactions above</b>	<b>17 468 262</b>	<b>16 250 216</b>
<b>Total receivables from non-exchange transactions</b>	<b>18 213 408</b>	<b>17 114 712</b>

## Chapter 6

### Moses Kotane 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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#### 10. Receivables from non-exchange transactions (continued)

##### Statutory receivables general information

##### Transaction(s) arising from statute

Fines are issued in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996.

##### Determination of transaction amount

All fines are governed by the specific regulation which is applicable to the offence

##### Interest or other charges levied/charged

Fines - No interest or other charges are charged on outstanding fines.

No discount rate is applied on the above mentioned statutory receivables to estimate future cash flows

##### Basis used to assess and test whether a statutory receivable is impaired

Fines - Payment percentage of fines is used to assess whether fines are impaired.

There are no trade and other receivables from non exchange pledged as security during the year.

The aging-2023	Fines	Deposits	Other receivables	Total
121 days and above	116 176	16 910 097	1 162 850	18 189 123
<b>The aging-2022</b>	<b>Fines</b>	<b>Eskom</b>	<b>Other receivables</b>	<b>Total</b>
Current (0-30 days)	62 050	-	-	62 050
31-60 days	19 700	-	-	19 700
61-90 days	88 310	-	-	88 310
91-120 days	77 550	-	-	77 550
121 days and above	13 258 525	15 416 336	1 162 850	29 837 711
Less: Allowance for impairment	(12 970 616)	-	-	(12 970 616)
	<b>535 519</b>	<b>15 416 336</b>	<b>1 162 850</b>	<b>17 114 705</b>

There are no receivables from non exchange transactions pledged as security as at 30 June 2023

#### 11. VAT receivable/payable

VAT	24 035 455	11 920 909
<b>Vat Receivable reconciliation</b>		
VAT Receivable from SARS	20 381 385	8 594 419
VAT input provision	11 945 428	12 635 174
Output Provision	(8 291 358)	(9 308 684)
	<b>24 035 455</b>	<b>11 920 909</b>

The Municipality claims VAT in terms of the VAT Act 89 of 1991

VAT output is charged on taxable services and VAT input is claimed for goods and services received from suppliers who are registered as VAT vendors. The VAT receivable or payable at the end of the financial year is based on the difference between input VAT charged on operational goods and services supplied to the Municipality, input VAT charged on capital goods and services and the output VAT charged for services rendered by the Municipality.

The current VAT rate used, as determined by National Government is, 15% The municipality is registered for VAT on the Payment Basis



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>12. Consumer debtors</b>		
<b>Gross balances</b>		
Rates	625 244 459	541 664 465
Water	1 286 905 359	1 137 496 914
Sewerage	26 212 364	24 223 473
Refuse	143 683 151	124 906 357
Water consumption from the last readings	4 102 310	1 855 508
	<b>2 086 147 643</b>	<b>1 830 146 717</b>
<b>Less: Allowance for impairment</b>		
Rates	(450 440 431)	(481 571 040)
Water	(1 219 860 989)	(1 076 791 889)
Sewerage	(21 974 950)	(21 127 722)
Refuse	(143 014 583)	(124 777 989)
	<b>(1 835 290 953)</b>	<b>(1 704 268 640)</b>
<b>Net balance</b>		
Rates	174 804 028	60 093 425
Water	67 044 370	60 705 025
Sewerage	4 237 414	3 095 751
Refuse	668 568	128 368
Water consumption from the last readings	4 102 310	1 855 508
	<b>250 856 690</b>	<b>125 878 077</b>
<b>Statutory receivables included in consumer debtors above are as follows:</b>		
Rates	174 804 028	60 093 425
<b>Other non-financial asset receivables included in consumer debtors above are as follows:</b>		
Water consumption from the last readings	4 102 310	1 855 508
<b>Financial asset receivables included in consumer debtors above</b>	<b>71 950 352</b>	<b>63 929 144</b>
<b>Total consumer debtors</b>	<b>250 856 690</b>	<b>125 878 077</b>
<b>Included in above is receivables from exchange transactions</b>		
Water	67 044 370	60 705 025
Sewerage	4 237 414	3 095 751
Refuse	668 568	128 368
Water consumption from the last readings	4 102 310	1 855 508
	<b>76 052 662</b>	<b>65 784 652</b>
<b>Included in above is receivables from non-exchange transactions (taxes and transfers)</b>		
Rates	174 804 028	60 093 425
	<b>174 804 028</b>	<b>60 093 425</b>
<b>Net balance</b>	<b>250 856 690</b>	<b>125 878 077</b>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>12. Consumer debtors (continued)</b>		
<b>Rates</b>		
Current (0 -30 days)	18 537 659	13 944 088
31 - 60 days	12 704 224	11 340 941
61 - 90 days	12 526 837	11 097 658
91 - 120 days	12 359 352	10 657 712
121 - 365 days	569 116 387	494 624 066
Debt impairment	(450 440 431)	(481 571 040)
	<u>174 804 028</u>	<u>60 093 425</u>
<b>Water</b>		
Current (0 -30 days)	24 076 343	21 231 500
31 - 60 days	24 348 097	23 830 877
61 - 90 days	23 919 243	27 419 392
91 - 120 days	24 556 434	23 376 908
121 - 365 days	1 190 005 244	1 041 638 237
Debt impairment	(1 219 860 991)	(1 076 791 889)
	<u>67 044 370</u>	<u>60 705 025</u>
<b>Sewerage</b>		
Current (0 -30 days)	540 907	1 052 445
31 - 60 days	513 547	408 046
61 - 90 days	496 213	403 045
91 - 120 days	460 267	338 073
121 - 365 days	24 201 430	22 021 864
Debt impairment	(21 974 950)	(21 127 722)
	<u>4 237 414</u>	<u>3 095 751</u>
<b>Refuse</b>		
Current (0 -30 days)	1 702 686	1 595 434
31 - 60 days	1 688 621	1 786 094
61 - 90 days	1 681 950	1 522 516
91 - 120 days	1 673 654	1 508 029
121 - 365 days	136 936 240	118 494 284
Debt impairment	(143 014 583)	(124 777 989)
	<u>668 568</u>	<u>128 368</u>
<b>Other (specify)</b>		
Current (0 -30 days)	<u>4 102 310</u>	<u>1 855 508</u>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(1 690 944 511)	(1 372 168 449)
Bad debts written off against allowance	18 917 338	5 723 871
Debt impairment increase during the year	(163 263 780)	(337 824 062)
	<u>(1 835 290 953)</u>	<u>(1 704 268 640)</u>

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### Moses Kotane 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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##### 12. Consumer debtors (continued)

###### Statutory receivables general information

###### Transaction(s) arising from statute

Municipal Property Rates Act (MRP Act) section 2 states that a metropolitan or local municipality may levy a rate on property in its area.

###### Determination of transaction amount

Rates amounts are determined in terms of section 11 of the MRP Act and the approved rates policy of the municipality

###### Interest or other charges levied/charged

Interest is charged on past due balances

###### Basis used to assess and test whether a statutory receivable is impaired

Payment history of receivables is used to assess whether the receivable is impaired

###### Discount rate applied to the estimated future cash flows

No discount rate is applied on above mentioned statutory receivables to estimate future cash flow

###### Credit quality of consumer debtors

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

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#### 13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20 000	-
Bank balances	6 002 201	17 734 851
Short-term deposits	32 833 025	19 145 280
	<u>38 855 226</u>	<u>36 880 131</u>

Cash and cash equivalents held by the entity that are not available for use by the economic entity	107 700	107 700
--	---------	---------

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
Standard Bank-Current Account- 41980182	4 677 337	11 140 035	5 059 333	4 677 537	11 130 390	5 123 737
Call MIG Standard Bank Account Number 228810957004	10 683 660	12 250 721	23 884 598	10 683 660	12 250 721	23 884 598
Call MKLM Standard Bank 228810957002	5 160 909	982 553	8 928 986	5 160 909	982 553	8 928 986
WSIG Account MKLM MUNICINFRA- Account number -228810957003	11 690 577	5 317 732	18 504 336	11 690 577	5 317 732	18 504 336
ABSA Rustenburg Branch - Account Number - 4050414471	377 515	1 047 601	104 270	367 426	1 047 609	104 281
ABSA Fixed Deposit- 12 months Eskom-Account Number -2062250801	425 755	406 398	384 187	455 187	424 010	404 461
Standard BANK Barongwa Traffic Registration Account Number - 41980255	46 681	629 038	641 081	37 980	629 038	641 081
Traffic- Account Number - 41980247	586 380	4 927 813	1 981 689	586 380	4 927 813	1 981 689
Standard Bank - Fleet-Account Number- 228810957001	4 842 692	170 265	2 003 562	4 842 692	170 265	2 003 562
Standard Bank Traffic Licensing - Account Type - 33099936	332 887	-	-	332 887	-	-
<b>Total</b>	<b>38 824 393</b>	<b>36 872 156</b>	<b>61 492 042</b>	<b>38 835 235</b>	<b>36 880 131</b>	<b>61 576 731</b>

#### 14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant	179 418	8 438 909
Library Grant	1 434 206	1 440 274
Water Service Infrastructure Grant	1 834 540	2 403 400
EPWP Grant	327	8 826
Financial Management Grant	898	898
PMU Grant	-	607 724
Energy, Efficiency Demand Side Management (EEDSM)	4 650 000	-
	<u>8 099 389</u>	<u>12 900 031</u>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>14. Unspent conditional grants and receipts (continued)</b>		
<b>Movement during the year</b>		
Balance at the beginning of the year	12 900 031	27 731 961
Additions during the year	222 950 883	206 608 318
Income recognition during the year	(226 715 230)	(208 682 415)
Roll over denied	(1 036 295)	(12 757 833)
	<b>8 099 389</b>	<b>12 900 031</b>
<b>15. Other financial liabilities</b>		
<b>At amortised cost</b>		
INCA annuity loan	4 833 988	5 937 790
ABSA annuity loan	590 110	696 687
DBSA	3 416 080	7 994 550
	<b>8 840 178</b>	<b>14 629 027</b>
<b>Total other financial liabilities</b>	<b>8 840 178</b>	<b>14 629 027</b>
<b>DBSA Streetlighting and roads and stormwater</b>		
Type of loan	Annuity loan	
Original amount	R15 767 612	
Period of loan	20 years	
Date loan received	June 2004	
Redemption date	June 2024	
Interest rate	Fixed 11.44%	
Purpose of loan	Roads and Streetlights	
Terms and conditions	Payable half yearly December and June	
<b>DBSA Water</b>		
Type of loan	Annuity loan	
Original amount	R27 123 463	
Period of loan	15 years	
Date loan received	December 2008	
Redemption date	December 2023	
Interest rate	Fixed 8.80%	
Purpose of loan	Water Projects	
Terms and conditions	Payable half yearly December and June	
<b>INCA Civic Ext 2</b>		
Type of loan	Annuity loan	
Original amount	R10 000 000	
Period of loan	20 years	
Loan raised	January 2008	
Redemption date	December 2027	
Interest rate	9.48%	
Purpose of loan	Extension Civic Centre	
Terms and conditions	Payable half yearly December and June	

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>15. Other financial liabilities (continued)</b>		
<b><u>INCA Paypoint</u></b>		
Type of loan	Annuity loan	
Original amount	R3 000 000	
Period of loan	15 years	
Loan raised	March 2009	
Redemption date	March 2024	
Interest rate	8.36%	
Purpose of loan	Community Halls	
Terms and conditions	Payable half yearly March and September	
<b><u>Mayoral House bond</u></b>		
Type of loan	Mortgage Bond	
Original amount	R1 520 000	
Period of loan	20 years	
Date loan received	June 2007	
Redemption date	June 2027	
Interest rate	variable	
Purpose of loan	Mayoral house	
Terms and conditions	Debit order monthly	
<b>Non-current liabilities</b>		
At amortised cost	4 070 550	8 844 377
<b>Current liabilities</b>		
At amortised cost	4 769 628	5 784 650

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

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#### 16. Provisions

##### Reconciliation of provisions - 2023

	Opening Balance	Additions	Adjustments during the year	Reversed during the year	Payment during the year	Total
Environmental rehabilitation	20 279 786	1 292 841	-	-	-	21 572 627
Workmen's compensation	-	2 231 986	2 142 707	(1 706 637)	(2 668 056)	-
	<u>20 279 786</u>	<u>3 524 827</u>	<u>2 142 707</u>	<u>(1 706 637)</u>	<u>(2 668 056)</u>	<u>21 572 627</u>

##### Reconciliation of provisions - 2022

	Opening Balance	Utilised during the year	Reversed during the year	Change in discount factor	Total
Environmental rehabilitation	21 989 821	-	1 940 272	(3 650 307)	20 279 786
Workmen's compensation Provision	1 840 995	(1 840 995)	-	-	-
	<u>23 830 816</u>	<u>(1 840 995)</u>	<u>1 940 272</u>	<u>(3 650 307)</u>	<u>20 279 786</u>

Non-current liabilities		<u>21 572 627</u>	<u>20 279 786</u>
		<u>21 572 627</u>	<u>20 279 786</u>

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## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>16. Provisions (continued)</b>		
<b>Environmental rehabilitation provision</b>		
<u>Unit Costs</u>		
Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.		
<u>CPI</u>		
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%		
<u>Discount Rate</u>		
GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material. GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality). Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation linked rates are used. The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was 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 of 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.		
<u>Assumption</u>		
CPI	6.1716%	
Discount rate	11.4216%	
Net effective discount rate	5.2500%	



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### Moses Kotane Local Municipality

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#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>17. Payables from exchange transactions</b>		
Trade payables	75 133 448	70 745 800
Payments received in advance	87 393 272	71 305 572
Other payables	1 323 152	2 330 183
Accrued leave pay	42 221 971	42 166 361
Retentions	32 700 203	31 895 527
Unallocated receipts	8 132 111	6 046 160
Accrued Bonus	6 864 114	7 188 242
	<b>253 768 271</b>	<b>233 677 845</b>
<b>18. Revenue</b>		
Service charges	194 581 545	215 326 836
Other income	1 951 061	3 909 995
Interest charged on receivables	77 789 538	60 539 708
Property rates	124 807 120	125 637 126
Interest on non exchange receivables	32 300 403	26 873 644
Government grants & subsidies	755 316 780	685 483 247
Interest on Bank	3 384 682	3 186 551
Public contributions and donations	-	983 124
Fines, Penalties and Forfeits	1 028 400	1 308 200
	<b>1 191 159 529</b>	<b>1 123 248 431</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	194 581 545	215 326 836
Other income	1 951 061	3 909 995
Interest received - investment	77 789 538	60 539 708
	<b>274 322 144</b>	<b>279 776 539</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	124 807 120	125 637 126
Interest on receivables from non exchange transactions	32 300 403	26 873 644
<b>Transfer revenue</b>		
Government grants & subsidies	755 316 780	685 483 247
Interest - non exchange transactions	3 384 682	3 186 551
Public contributions and donations	-	983 124
Fines, Penalties and Forfeits	1 028 400	1 308 200
	<b>916 837 385</b>	<b>843 471 892</b>
<b>19. Service charges</b>		
Sale of water	178 958 527	198 691 897
Sewerage and sanitation charges	3 863 936	5 259 293
Refuse removal	11 759 082	11 375 646
	<b>194 581 545</b>	<b>215 326 836</b>
<b>20. Lease rentals on operating lease</b>		
<b>Equipment</b>		
Contractual amounts	2 154 791	1 826 087

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### Moses Kotane Local Municipality

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#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>21. Interest from non-exchange receivables</b>		
Outstanding debtors	32 300 403	26 873 644
Interest - Bank	3 384 682	3 186 551
	<u>35 685 085</u>	<u>30 060 195</u>
<b>22. Other income</b>		
Clearance certificates	147 793	57 907
Drainage fees	252	366
Sale of tender documents	424 152	622 938
Valuation services	3 589	3 058
Cemetery	17 934	19 909
Town planning	135 564	71 912
Recoveries	203 886	4 185
Photocopies and faxes	20 104	28 808
Water connections	22 160	10 231
Skills Development Fund	429 052	427 100
Licence fees	336 120	2 429 535
Skip Bin - Waste removal	58 239	-
Rental income	152 216	234 046
	<u>1 951 061</u>	<u>3 909 995</u>
The amounts disclosed above for other income are in respect of services rendered which are billed to or paid for by the users of the services as required according to approved tariffs.		
<b>23. Interest Income - Exchange items</b>		
Interest revenue		
Bank	6 360 321	2 478 898
Interest charged on receivables	71 429 217	58 060 810
	<u>77 789 538</u>	<u>60 539 708</u>

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### Moses Kotane 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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#### 24. Property rates

##### Rates received

Commercial	44 156 674	44 158 481
State	70 300 217	70 809 566
Residential: Developed	1 400 154	1 448 847
Agricultural properties	244 187	288 611
Vacant Land	1 837 671	1 991 824
Mining	6 048 408	6 255 459
Industrial	953 558	753 686
Less: Income forgone	(133 749)	(69 348)
	<u>124 807 120</u>	<u>125 637 126</u>

Assessment rates are levied on the total value of property of which the valuation must be performed every four years in terms of the Municipal Property Rates Act. Interim valuations are processed on a monthly basis to take into account changes in individual property value due to alterations, completions, consolidations and subdivisions.

Rates are levied monthly on property owners and are payable at the end of each month. Owners are allowed to pay the 12 monthly instalments annually by 30 September each year. Interest is levied on outstanding rates amounts.

The new general valuation was implemented on 01 July 2021.

##### Valuations

Residential	2 124 068 400	1 670 405 073
Commercial	513 797 002	1 381 454 407
Industrial	132 761 000	146 984 720
State	2 046 753 600	1 708 904 034
Church and parks	2 600 000	17 490 000
Mining	71 280 000	72 885 000
Public Benefit Organizations	419 800	419 800
Agriculture	1 568 358 600	1 456 812 162
Municipal (non taxable valuations)	76 265 100	125 285 700
Public Service infrastructure	30 184 100	17 540 000
Vacant Land	31 671 000	66 856 000
	<u>6 598 158 602</u>	<u>6 665 036 896</u>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>25. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	528 601 550	476 800 833
Expanded Public Works Grant	1 651 673	1 699 174
Project Management Unit Grant	4 642 116	4 504 202
Financial Management Grant	1 950 000	1 849 102
Library Grant	735 322	440 051
Energy, Efficiency Demand Side Management	350 000	-
	<b>537 930 661</b>	<b>485 293 362</b>
<b>Capital grants</b>		
Municipal Infrastructure Grant	157 450 376	146 774 213
Water Service Infrastructure Grant	59 693 860	43 802 353
Provincial Infrastructure Grant	241 683	9 613 319
	<b>217 386 119</b>	<b>200 189 885</b>
	<b>755 316 780</b>	<b>685 483 247</b>
<b>Municipal Infrastructure Grant</b>		
Balance unspent at beginning of year	8 438 909	25 369 253
Current-year receipts	149 190 884	142 543 870
Conditions met - transferred to revenue	(157 450 375)	(146 774 214)
Roll over denied	-	(12 700 000)
	<b>179 418</b>	<b>8 438 909</b>
The grant was utilised to construct roads, streetlighting, water and sewerage infrastructure. Conditions still to be met - remain liabilities (see note 14).		
<b>Library Grant</b>		
Balance unspent at beginning of year	1 440 274	1 014 325
Current-year receipts	1 149 000	866 000
Conditions met - transferred to revenue	(735 323)	(440 051)
Roll over denied	(419 745)	-
	<b>1 434 206</b>	<b>1 440 274</b>
Conditions still to be met - remain liabilities (see note 14).		
<b>Water Services Infrastructure Grant</b>		
Balance unspent at beginning of year	2 403 400	1 205 753
Current-year receipts	59 125 000	45 000 000
Conditions met - transferred to revenue	(59 693 860)	(43 802 353)
	<b>1 834 540</b>	<b>2 403 400</b>
Conditions still to be met - remain liabilities (see note 14).		
<b>Expanded Public Works Grant</b>		
Balance unspent at beginning of year	8 826	57 833
Current-year receipts	1 652 000	1 708 000
Conditions met - transferred to revenue	(1 651 673)	(1 699 174)
Repayment of unspent	(8 826)	(57 833)
	<b>327</b>	<b>8 826</b>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>25. Government grants &amp; subsidies (continued)</b>		
Conditions still to be met - remain liabilities (see note 14).		
<b>Financial Management Grant</b>		
Balance unspent at beginning of year	898	-
Current-year receipts	1 950 000	1 850 000
Conditions met - transferred to revenue	(1 950 000)	(1 849 102)
	<u>898</u>	<u>898</u>
Conditions still to be met - remain liabilities (see note 14).		
<b>Provincial Infrastructure Grant (PIG)</b>		
Current-year receipts	241 883	9 613 319
Conditions met - transferred to revenue	(241 883)	(9 613 319)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		
<b>MIG (PMU) Grant</b>		
Balance unspent at beginning of year	607 724	84 797
Current-year receipts	4 642 116	5 027 130
Conditions met - transferred to revenue	(4 642 116)	(4 504 203)
Roll Over denied	(607 724)	-
	<u>-</u>	<u>607 724</u>
Conditions still to be met - remain liabilities (see note 14).		
<b>Energy, Efficiency Demand Side Management Grant</b>		
Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(350 000)	-
	<u>4 650 000</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 14).		

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>26. Employee related costs</b>		
Basic	185 537 150	180 784 148
Bonus	12 607 404	14 569 935
Medical aid - company contributions	15 061 193	13 946 078
UIF	1 230 238	1 214 680
SDL	2 386 555	2 188 670
Leave pay provision charge	719 327	2 471 472
Bargaining council	77 371	73 015
Travel, motor car, accommodation, subsistence and other allowances	1 633 548	1 398 593
Overtime payments	19 926 808	13 467 630
Long-service awards	4 195 226	3 341 276
Acting allowances	1 263 980	801 955
Housing benefits and allowances	631 284	552 820
Standby allowances	2 798 773	2 832 513
Pension fund company contributions	34 053 480	31 210 028
Shift allowance	282 822	297 194
	<b>282 405 159</b>	<b>269 152 007</b>
<b>Remuneration of Municipal Manager</b>		
Annual Remuneration	977 149	1 248 674
Car Allowance	173 133	222 593
Bonus	-	104 056
Contributions to UIF, Medical and Pension Funds	182 582	282 180
	<b>1 332 864</b>	<b>1 857 503</b>
<b>Remuneration for the Acting Municipal Manager</b>		
Annual Remuneration	83 115	54 000
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	1 181 673	1 121 450
Car Allowance	216 000	216 000
Bonus	98 473	93 156
Contributions to UIF, Medical and Pension Funds	269 035	253 226
	<b>1 765 181</b>	<b>1 683 832</b>
<b>Remuneration of Acting CFO</b>		
Acting Allowance	9 749	-
<b>Remuneration of HOD Community Services</b>		
Annual Remuneration	1 248 880	1 189 734
Car Allowance	240 000	240 000
Bonus	60 000	60 000
Contributions to UIF, Medical and Pension Funds	2 255	2 249
	<b>1 551 135</b>	<b>1 491 983</b>
<b>Remuneration of HOD Technical Services</b>		
Annual Remuneration	1 574 172	1 430 544
Car Allowance	60 000	60 000
Contributions to UIF, Medical and Pension Funds	2 255	2 249

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### Moses Kotane Local Municipality

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#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
26. Employee related costs (continued)	<u>1 636 427</u>	<u>1 492 793</u>

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### Moses Kotane Local Municipality

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#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>26. Employee related costs (continued)</b>		
<b>Remuneration of Acting HOD: Technical Services</b>		
Annual Remuneration	121 410	158 639
<b>Remuneration of HOD Planning and Development</b>		
Annual Remuneration	515 790	353 261
Car Allowance	228 366	60 000
Bonus	52 927	60 000
Contributions to UIF, Medical and Pension Funds	94 158	62 425
	<b>891 241</b>	<b>535 686</b>
<b>Remuneration for Acting HOD: Planning and Development</b>		
Annual Remuneration	55 854	189 438
<b>Remuneration of HOD: Economic development</b>		
Annual Remuneration	323 421	1 227 149
Car Allowance	60 000	240 000
Bonus	30 000	30 000
Contributions to UIF, Medical and Pension Funds	563	2 249
	<b>413 984</b>	<b>1 499 398</b>
<b>Remuneration of Acting HOD: Local economic Development</b>		
Annual Remuneration	308 820	-
<b>Remuneration of HOD: Corporate Services</b>		
Annual Remuneration	821 437	-
Contributions to UIF, Medical and Pension Funds	1 503	-
Acting Allowance	178 113	-
	<b>1 001 053</b>	<b>-</b>
<b>27. Remuneration of councillors</b>		
Mayor	781 659	785 604
Single WHIP	583 944	484 921
Executive Committee	5 457 397	5 013 584
Speaker	677 051	565 072
Councillors	14 187 027	12 952 088
Councillors pension and medical aid contributions	3 396 492	3 211 585
Traveling allowance	1 169 544	2 513 661
Cell phone allowance	3 017 073	3 028 598
	<b>29 270 187</b>	<b>28 555 113</b>



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Remuneration of councillors (continued)</b>		
<b>In-kind benefits</b>		
The Mayor, Speaker, Single Whip and Mayoral Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor is entitled to stay at the mayoral residence owned by the Municipality. The Executive Mayor has use of a Council owned vehicle for official duties.		
The Council has complied with the provision of Section 7(3) of the Remuneration of Public Office Bearers Act, and in line with the government gazette number 45420, dated 2 November 2021. It should be noted that there was no increase of councillor allowances therefore gazette no 43246 dated 24 April 2020 is still applicable while still awaiting concurrence.		
<b>28. Depreciation and amortisation</b>		
Property, plant and equipment	130 189 515	129 009 457
Intangible assets	2 360 554	2 230 845
	<b>132 550 069</b>	<b>131 240 302</b>
<b>29. Finance costs</b>		
Non Current Borrowings	3 467 592	2 095 248
Finance cost from landfill site provision	2 151 381	1 940 272
	<b>5 618 973</b>	<b>4 035 520</b>
<b>30. Debt impairment</b>		
Consumer Debtors	146 086 131	314 478 513
Traffic Fines	1 330 629	1 746 240
Sundry Debtors	9 341	(153 316)
	<b>147 426 101</b>	<b>316 071 437</b>
<b>31. Bulk purchases</b>		
Water	131 138 032	106 418 850
<b>Water losses</b>		
Units purchased	15 230 215	15 483 347
Units sold	(13 185 643)	(14 543 701)
Total loss	<b>2 044 572</b>	<b>939 646</b>
Value of loss	<b>17 869 356</b>	<b>7 178 895</b>
Percentage Loss	<b>13 %</b>	<b>6 %</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>32. Contracted services</b>		
<b>Outsourced Services</b>		
Accounting fees	16 148 376	9 956 502
Vat consultants fees	4 924 365	7 369 811
Debt collection fees	2 465 329	8 557 808
Call Centre	-	4 911 652
Refuse Removal	23 200 991	23 814 045
<b>Contractors</b>		
Electrical	572 870	-
Maintenance of Buildings and Facilities	955 412	624 686
Maintenance of motor vehicles	5 305 937	7 593 769
Maintenance of infrastructure	27 133 678	29 841 422
	<b>80 706 958</b>	<b>92 669 695</b>

Contracted services are expenditure relating to mandated services in terms of the Structures Act, a municipal by-law or the IDP where the municipality is expected to have the capacity and expertise to carry out these services, but is outsourcing these services.

#### 33. General expenses

Accounting fees	4 476 626	3 204 596
Cleaning	2 234 717	1 538 826
Consulting and professional fees	2 079 997	1 590 503
Consumables	5 319 480	15 750
Entertainment	76 615	-
Fines and penalties	947 941	629 050
Insurance	4 713 274	3 562 667
IT expenses	7 453 366	7 573 871
Horticulture	37 223	52 456
Promotions and sponsorships	8 419 749	-
Valuation Fees	-	131 550
Fuel and oil	21 431 731	11 790 522
Local economic development	761 616	128 339
Repairs and maintenance	14 489 367	3 922 682
Security (Guarding of municipal property)	25 954 516	23 037 586
Workmen's compensation fund	2 668 056	1 659 235
Subscriptions and membership fees	2 993 050	3 054 075
Telephone and fax	7 028 925	10 083 228
Training	405 922	107 391
Travel - local	2 192 767	1 024 816
Water Tankering	14 270 516	13 181 002
Rural Sanitation	22 846 458	15 260 469
Electricity	33 007 250	19 981 853
Uniforms	1 589 175	1 363 180
Maintenance plan - write down	530 224	-
Ward committee fees	14 264 363	9 151 985
Water quality and chemicals	4 401 191	2 077 520
Other expenses	8 799 563	9 435 995
	<b>213 393 678</b>	<b>143 559 147</b>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>34. Cash generated from operations</b>		
Surplus	148 708 476	16 057 179
<b>Adjustments for:</b>		
Depreciation and amortisation	132 550 069	131 240 302
Gain on sale of assets and liabilities	17 418 903	14 629 809
Public donations	-	(983 124)
Inventory write off	75 835	(11 981)
Maintenance plan- Write down	530 224	-
Fair value adjustments	(743 761)	(1 346 276)
Finance costs	2 151 381	1 940 272
Impairment loss	991 937	-
Debt impairment	147 426 101	316 071 437
Movements in employee benefits	4 195 226	3 341 276
Movements in provisions	-	(722 012)
Movements in provisions for water in pipes	(2 246 802)	-
Movement in accrued leave	719 327	2 471 472
Movement in accrued bonus	(324 128)	2 115 471
VIP toilets	22 846 458	15 260 469
<b>Changes in working capital:</b>		
Inventories	(2 118 051)	(2 423 082)
Receivables from exchange transactions	(113 918)	(16 182)
Consumer debtors	(282 366 512)	(337 205 983)
Other receivables from non-exchange transactions	(2 429 325)	(12 091 354)
Payables from exchange transactions	19 821 110	(5 836 610)
VAT	5 727 236	38 753 229
Accrued Interest payable	254 073	-
Unspent conditional grants and receipts	(4 800 642)	(14 831 930)
Consumer deposits	31 548	63 015
Provisions	-	(1 841 006)
Employee benefits obligation	(1 868 226)	(2 121 275)
	<b>206 436 539</b>	<b>162 513 116</b>

### 35. Non Current Assets Held for sale

Management took a decision to dispose vacant land and a fleet of transport assets.

Management took a decision to dispose the transport assets as these assets had become expensive to maintain, the mileage of the assets was very high and the physical condition of the assets had deteriorated.

Reconciliation - 2023	Opening Balance	Additions	Transfers	Total
Unsold Properties held for sale	320 300	764 470	(649 970)	434 800
Vehicles held for sale	124 896	-	-	124 896
	<b>445 196</b>	<b>764 470</b>	<b>(649 970)</b>	<b>559 696</b>
Reconciliation - 2022	Opening Balance	Additions	Transfers	Total
Unsold Properties held for sale	320 300	-	-	320 300
Vehicles held for sale	370 740	20 371	(266 215)	124 896
	<b>691 040</b>	<b>20 371</b>	<b>(266 215)</b>	<b>445 196</b>

### 36. Financial instruments disclosure

#### Categories of financial instruments

2023

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>36. Financial instruments disclosure (continued)</b>		
<b>Financial assets</b>		
	<b>At cost</b>	<b>Total</b>
Receivables from exchange transactions	282 695	282 695
Receivables from non exchange transactions	17 468 262	17 468 262
Consumer debtors	71 950 352	71 950 352
Cash and cash equivalents	38 855 226	38 855 226
	<b>128 556 535</b>	<b>128 556 535</b>
<b>Financial liabilities</b>		
	<b>At cost</b>	<b>Total</b>
Other financial liabilities	(8 840 178)	(8 840 178)
Trade and other payables from exchange transactions	(116 020 918)	(116 020 918)
Finance lease obligations	(34 499 104)	(34 499 104)
Accrued interest payable	(254 073)	(254 073)
	<b>(159 614 273)</b>	<b>(159 614 273)</b>
<b>2022</b>		
<b>Financial assets</b>		
	<b>At cost</b>	<b>Total</b>
Trade and other receivables from exchange transactions	178 369	178 369
Other receivables from non-exchange transactions	16 250 216	16 250 216
Consumer debtors	63 929 144	63 929 144
Cash and cash equivalents	36 880 131	36 880 131
	<b>117 237 860</b>	<b>117 237 860</b>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>36. Financial instruments disclosure (continued)</b>		
<b>Financial liabilities</b>		
Other financial liabilities	At cost (14 629 027)	Total (14 629 027)
Trade and other payables from exchange transactions	(112 159 752)	(112 159 752)
	<u>(126 788 779)</u>	<u>(126 788 779)</u>
<b>37. Commitments</b>		
<b>Authorised capital expenditure</b>		
Already contracted for but not provided for		
• Property, plant and equipment	<u>202 243 409</u>	<u>155 058 958</u>
<b>Total capital commitments</b>		
Already contracted for but not provided for	<u>202 243 409</u>	<u>155 058 958</u>
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	<u>202 243 409</u>	<u>155 058 958</u>
This committed expenditure relates to infrastructure projects and will be financed by grants from National and Provincial Treasury.		
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	1 555 758	2 100 000
- in second to fifth year inclusive	-	1 225 000
	<u>1 555 758</u>	<u>3 325 000</u>
Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.		
<b>Rental expenses relating to operating leases</b>		
Minimum lease payments	<u>2 154 791</u>	<u>1 826 087</u>

Operating leases relate to property, plant and equipment with lease terms not longer than 5 years with an option to extend for a further period. The operating lease contract contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the leased period.

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>38. Contingencies</b>		
<b>Claims against the municipality</b>		
Van Heerden Construction	1 078 782	1 078 782
Enigma Chartered Accountants	5 211 874	5 211 874
Mr. P.N Makganya	34 764	-
Norman Montshiwa & 33 others V MKLM	12 000 000	12 000 000
Sandra Mafisa V MKLM	2 400 000	2 400 000
SAMWU obo TKL V MKLM	300 000	300 000
Tsholo Moloi V MKLM	754 481	754 481
R.I Mogotsi	8 000 000	-
	<b>29 779 901</b>	<b>21 745 137</b>

#### Norman Montshiwa & 33 others V MKLM

Claim for payment in respect of leave encashment, the matter is pending before Labour Court. The claim against the municipality is estimated to be above R12 million however, there are no prospects of success.

#### Sandra Mafisa V MKLM

Claim of unfair dismissal, the employee seek reinstatement. The matter is pending before the Labour Court. There is no prospects of success. The employee concerned has reached retirement age. The financial exposure is estimated at R2,4 million

#### SAMWU obo TKL Matlapeng V MKLM

Claim for unfair Labour Practice. The matter is pending before the Labour Court. Employee does not have prospects of success, however the municipality is exposed to a financial claim in excess of R300 000.

#### Tsholo Moloi V MKLM

Claim for unfair dismissal. The matter is before the Labour Appeal Court. The claim could be estimated as per her salary from the period of dismissal. However there are no prospects of success

#### Van Heerden Construction

Van Heerden Construction is a sub-contractor of Lefika La Thaba, a contractor that was appointed by the Municipality. Van Heerden is claiming R 1 078 782. Van Heerden obtained a Court order and Writ of execution against Lefika La Thaba, Dr. Mokgothu, the owner of Lefika La Thaba as well as the Municipality. It was established that the Municipality has an amount of R 833 000 left on the project. The amount was paid over to the trust account of Sakkie Smith Attorneys for safekeeping pending finalisation of the matter. The case is handled by Sakkie Smith Attorneys in Mogwase and is still in progress.

#### Mr. P.N. Makganya

Claim by Mr. Makganya for damages sustained due to alleged accident with municipal employee, Mr. Z. Mooketsi, to the amount of R 34 763.73. Sheriff with execution order at Moses Kotane municipal offices – attached assets but not removed. Case defended on basis that last correspondence was received in 2016 and no notices were since delivered to the execution debtors, MKLM and Mooketsi. The case is handled by Sakkie Smith Attorneys in Rustenburg. In the current year the possibility of outflow of resources has been considered to be remote because there was no movement on the case for the last 3 years.

#### Enigma Chartered Accountants

Claim by Enigma for R 5 211 872.84. The Municipality appointed Enigma to investigate and claim back VAT paid. Enigma would then be entitled to 20% commission on recovered amount. Notice of Motion received in October 2019. Proposal for settlement is under review. Case has some probability of succeeding. The case is being handled by Setshedi, Makgale and Matlapeng Attorneys in Rustenburg.

#### R.I Mogotsi

Mr Mogotsi claims to have bought stands from the Municipality which are burdened by servitudes. He claims compensation and loss of rental income.

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### Moses Kotane 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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#### 39. Related parties

##### Relationships

The services rendered to related parties are charged at approved tariffs that were advertised to the public. The amounts outstanding are unsecured and will be settled in cash .

##### Remuneration of management

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 39. Related parties (continued)

##### Remuneration of Head of Departments

2023

Name	Basic salary	Acting Allowance	Travel Allowance	UIF	Medical Aid	Pension	Bargaining Council	Bonus	Total
Acting Corporate Services (Mr F Radiokana)	-	178 113	-	-	-	-	-	-	178 113
Corporate Services (Mr F Radiokana)	821 437	-	-	1 417	-	-	86	-	822 940
Acting Municipal Manager( Mr B Maseloane)	-	83 115	-	-	-	-	-	-	83 115
Municipal Manager( Mr. MV Letsoalo)	977 149	-	173 133	1 594	5 004	175 887	97	-	1 332 864
CFO (MR Mkhize)	1 181 673	-	216 000	2 125	54 079	212 701	130	98 473	1 765 181
Acting CFO (Ms B Kutumela)	-	9 749	-	-	-	-	-	-	9 749
Technical Services Director (Mr BS Maseloane)	1 574 172	-	60 000	2 125	-	-	130	-	1 636 427
Acting Technical Services Director( Mr J Sifunda)	-	121 410	-	-	-	-	-	-	121 410
Community Services Director (Mr SS Kotsedi)	1 248 880	-	240 000	2 125	-	-	130	60 000	1 551 135
Acting Planning and Development Director( Mr. V Mmope)	-	55 854	-	-	-	-	-	-	55 854
Planning and Development Director( Mr M Tshitereke)	515 790	-	228 366	1 240	-	92 842	76	52 926	891 240
Acting Local Economic Development( Mr. A Mogashoa)	-	308 820	-	-	-	-	-	-	308 820
Local Economic Development( Ms R Madikela)	323 421	-	60 000	531	-	-	32	30 000	413 984
	6 642 522	757 061	977 499	11 157	59 083	481 430	681	241 399	9 170 832



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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand

#### 39. Related parties (continued)

2022

Name	Basic salary	Acting Allowance	Travel Allowance	UIF	Medical Aid	Pension	Bargaining Council	Bonus	Total
Municipal Manager(Mr. M/V Letsoalo)	1 248 674	-	222 593	2 125	57 277	222 654	124	104 056	1 857 503
Acting Municipal Manager (Mr SS Kotsedi)	-	23 077	-	-	-	-	-	-	23 077
Acting Municipal Manager (Mr M Mkhize)	-	7 646	-	-	-	-	-	-	7 646
Acting Municipal Manager (Mr MS Makgoba)	-	23 077	-	-	-	-	-	-	23 077
CFO (MR Mkhize)	1 121 450	-	216 000	2 125	51 696	199 281	124	93 156	1 683 832
Community Services Director (Mr SS Kotsedi)	1 189 734	-	240 000	2 125	-	-	124	-	1 431 983
Technical Service Director(Mr. BS Maseloane)	1 430 544	-	60 000	2 125	-	-	124	-	1 492 793
Planning and Development (Mr MS Makgoba)	353 261	-	60 000	708	-	61 675	41	60 000	535 685
Acting Planning and Development (Mr AT Mogashoa)	-	108 300	-	-	-	-	-	-	108 300
Acting Planning and Development (Mr BS Maseloane)	-	28 381	-	-	-	-	-	-	28 381
Acting Planning and Development (Mr MV Mmope)	-	52 757	-	-	-	-	-	-	52 757
Economic Development (Ms GR Madikela)	1 227 149	-	240 000	2 125	-	-	124	30 000	1 499 398
Acting Corporate Services (Ms G MadikelaR)	-	28 381	-	-	-	-	-	-	28 381
Acting Corporate Services (Mr FD Radiokana))	-	100 278	-	-	-	-	-	-	100 278
Acting Corporate Services (Ms B Moselane)	-	34 980	-	-	-	-	-	-	34 980
	6 570 812	407 077	1 038 593	11 333	108 973	483 610	661	287 212	8 908 271

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand

##### 39. Related parties (continued)

Management class: Councillors

2023

Name	Basic salary	Pension	Medical Aid	Travel Allowance	Phone Allowance	Total
Mayor	781 659	117 249	17 280	-	3 600	919 788
Speaker	677 051	38 623	17 280	-	44 400	777 354
Whip	583 944	67 230	17 280	-	42 900	711 355
Executive Committee	5 457 397	765 763	103 680	619 811	441 682	7 388 333
Councillors	14 187 027	2 011 626	240 480	549 733	2 484 491	19 473 357
	<b>21 687 078</b>	<b>3 000 491</b>	<b>396 000</b>	<b>1 169 544</b>	<b>3 017 073</b>	<b>29 270 187</b>

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## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 39. Related parties (continued)

2022

Name	Basic salary	Pension	Medical Aid	Travel Allowance	Phone Allowance	Other benefits received	Total
Mayor	785 604	114 007	1 081	-	3 682	287 212	913 374
Speaker	565 072	84 761	7 200	63 689	42 009	-	762 731
Whip	484 921	66 065	18 592	55 173	39 609	287 212	664 359
Executive Committee	5 013 584	745 364	89 280	899 488	443 782	-	7 191 499
Councillors	12 952 088	1 770 063	306 174	1 495 313	2 499 512	287 212	19 023 150
	19 801 269	2 780 260	422 327	2 513 663	3 028 594	861 636	28 555 113

## Chapter 6

### Moses Kotane 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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#### 40. Prior period errors and reclassifications

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

##### Payables from exchange transactions

In the current year it came to management attention that insurance claimed received in 2019 was incorrectly recorded as other payables resulting in overstatement of payables from exchange transactions by R333 320,50 and understatement of accumulated surplus by R333 320,50

In the prior year, it was noted that a trade payable was erroneously classified as a contingent liability which resulted in overstatement of accumulated surplus of R 470 426.30 and an understatement of trade payables of R 470 426.30

In the current year it was noted that trade payables relating to 2021 financial year was not accrued for in the correct period which resulted in payment being made in an incorrect period in the 2022 financial year. The error had understated trade payables by R 438 286,60 and accumulated surplus overstated by R 438 286.60.

In the current year it was noted that accruals on Eskom were incorrectly quantified and incorrectly accounted for, this resulted in overstatement of payables from exchange transactions R2 743 944,48 accumulated surplus R2 587 598,67 and understatement of general expenses R2 587 598,67 and understatement of VAT receivable of R156 345,81

During the year under review it was noted that foreign exchange losses were incorrectly accounted for, this resulted in overstatement of payables received in advance by R 280 041,33 and overstatement of Forex losses by R280 041,33 as well as understatement of Accumulated surplus by the same amount

During the year under review it was noted that the invoice for purchase of computer software was incorrectly expensed after the same invoice had been capitalised to intangible assets. This resulted in overstatement of payables from exchange and overstatement of general expenses by R2 234 324,03

##### Expenditure

In the current year it was noted that trade payables of R 3 868,51 was not accrued for in the prior year which resulted in understatement trade payables by R3 868,51, general expenses by R600, Contracted services by R3 268,51 and overstatement of Accumulated surplus by R3 868,51

##### Contingent Liabilities

In the prior year, it was noted that a trade payable was erroneously classified as a contingent liability which resulted in overstatement of contingent liabilities of R 470 426.30 and an understatement of trade payables of R 470 426.30

##### Irregular Expenditure

It was noted in the prior year AGSA identified through CAATS that some of the suppliers did not declare their conflict of interest status resulting in understatement of irregular expenditure by R 126 237.

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## Moses Kotane 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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#### 40. Prior period errors and reclassifications (continued)

##### Property Plant and Equipment and Retentions

It was noted that there was an overstatement on the Property, Plant and Equipment by R498 562,47, the Retentions by R573 346,84 , VAT Receivable by R74 784,37 and, general expenses by R 127 550,62 and Accumulated surplus by R127 550.62

##### Rental income reclassification

During the financial year under review, it was noted that rental income is not a significant revenue category and was therefore reclassified to other income. The effect of reclassification is the decrease of rental income by R234 046 and an increase of other income by the same amount

##### Insurance Claim received

In the current year it was noted that insurance claim received was accounted for as other income instead of treated as proceeds from disposal of assets. This resulted in overstatement of revenue from exchange transactions by R310 394,42 as well as the overstatement of loss on disposal of assets and liabilities by the same amount.

##### Property rates and consumer debtors

During the year under review it was noted that supplementary valuation rolls were implemented retrospectively instead of prospectively resulting in overstatement of Property rates income by R4 963 077,60, overstatement of debt impairment by R4 963 077,60.

##### Water and consumer debtors

During the period under review it was noted there was an incorrect billing for water in the 2021/22 financial year. The error resulted in overstatement service charges, accumulated surplus by R666 643.30 and understatement of VAT receivable by R99 999,5 overstatement of Consumer debtors by R 766 641

##### Consumer deposits

During the audit for 2021/22 financial statements, it was noted that deposits received from consumers were accounted for as water connections fees instead of deposits payables, this resulted in overstatement of Accumulated Surplus by R489 286.69, VAT input by R69 957.71, other income R54 795.73 and understatement of Consumer deposits by R559 244.60

##### Contingent liabilities

During the period under review it was noted that contingent liabilities was overstated by R15 000 000, this was due to the fact that Employees affected by the structure as well as 'Wageng Mokgosi and 17 others' forms were not fully completed and authorised by signatories

##### Bulk Purchases - Deposits

During the year under review it was noted that deposits paid to Magalies were incorrectly accounted for as bulk purchases instead of deposits paid. This resulted in Overstatement of bulk purchases by R7 007 532.94, Accumulated Surplus by R9 245 368.61 and understatement of Receivables from non exchange transactions by R9 245 368.61

##### Employee related costs

During the period under review it was noted that leave and accrued to a deceased employee before his/ her death was not accounted for in the financial books of the Municipality. This resulted in understatement of leave expense by R86 333.41 and bonus expense by R22 623.59, understatement of other payables by R108 957 and overstatement of accumulated surplus by R108 957

##### VAT Receivables

During the year under review it was noted that VAT input was claimed on non claimable expenses resulting in overstatement of VAT Receivable by R 32 998,98 and overstatement of general expenses by the same amount as well as overstatement of accumulated surplus by the same amount

##### Commitments

In prior year Lerome water supply (Thabeng Section) projects service level agreement was based on total budget of R47 227 527.10 instead of R2 798 879.66 which was for the Consultation thus resulted in commitments being overstated by R44 428 647.44

##### Non Current Assets Held for Sale

During the year it was noted that some vehicles included as Non current assets held for sale were no longer available for sale as the municipality was using them for administrative purposes. This resulted in overstatement Non current assets held for sale and understatement of Property, Plant and Equipment Cost by R3 191 462, 90 and accumulated depreciation by R2 925 247,90. and

## Chapter 6

### Moses Kotane 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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##### 40. Prior period errors and reclassifications (continued)

understatement of depreciation by R418 175,62 and understatement of accumulated surplus by R 418 175,62

During the year under review it was noted that some vehicles transferred to Non current assets held for sale were not accounted for. The error resulted in overstatement of Property, Plant and Equipment cost by R203 500 and Accumulated depreciation by R183 128,66. understatement of Non Current assets held for sale by R20 371,34. Depreciation was overstated by R247 617,20

##### Intangible Assets

During the period under review it was noted that the VAT amount was included in the cost of the intangible assets, this resulted in overstatement of Intangible asset cost by 291 433,63 and accumulated amortisation, amortisation of R 72 662,20 and understatement of accumulated surplus by R72 662,20 and understatement of VAT Receivable by R291 433,63

##### Property, Plant and Equipment

During 2021/22 audit, some asset components could not be found and therefore needed to be derecognised, the correction was done by removing an asset component that did not exist, this caused a decrease in community assets cost of R713 074,06 a decrease in accumulated depreciation of R356 471 and a decrease of the depreciation expense of R23 769,14 and an increased accumulated surplus of R 356 603,05.

During 2021/22 audit, it was noted that some asset components were omitted from the Fixed Asset Register, their inclusion resulted in increase in Property Plant and Equipment Cost by R880 657, accumulated depreciation by R542 316,61 and depreciation expense by R43 561,09 and an increase in Accumulated surplus by R338 340,38

During the year under review it was noted that some assets components were incorrectly included in the fixed asset register of Moses Kotane Local Municipality, that should form part of Human Settlements. These asset components were derecognised, this caused a decrease of Property, Plant and Equipment cost by R29 080 683,14 and a decrease of Property, Plant and Equipment accumulated depreciation by R15 400 095,48 and a decrease in depreciation expense by R497 002,21 and a decrease in accumulated surplus by R13 680 587,66

During the year under review it was noted that some asset components were previously incorrectly included in the Fixed Asset Register and were therefore subsequently removed, this caused a decrease in Property, Plant and Equipment Cost by R3 975 047,40 Property, Plant and Equipment accumulated depreciation by R2 189 138,70 and the depreciation expense by R145 879,22 and an increase in Accumulated surplus by R1 785 908,70

During the year under review it was noted that a vehicle was no longer in good condition and therefore needed to be scrapped or disposed. Further investigation revealed that the vehicle was supposed to be scrapped in the prior period. The cost of Property, Plant and Equipment was overstated by R219 939,49 and accumulated depreciation was overstated by R195 939,99. Losses on disposal was understated by R23 999,50 resulting accumulated surplus being overstated by R23 999,50.

During the year under review it was noted that some vehicles transferred to Non current assets held for sale were not accounted for. The error resulted in overstatement of Property, Plant and Equipment cost by R203 500 and Accumulated depreciation by R183 128,66. understatement of Non Current assets held for sale by R20 371,34. This error and the above error resulted in overstatement of depreciation by R247 617,20

##### Eskom deposits

During the year under review it was noted that it was noted that Eskom Consumer deposits were not accounted for. This resulted in understatement of Receivables from non exchange transactions and overstatement of General expenses by R3 495 910,10 and understatement of accumulated surplus by the same amount

##### Segment Reporting

The above stated prior period errors had the following effect on the following segments:

Revenue decreased for Finance and Administration by R5 298 454 and Water Management by R666 665

Expenditure decreased for Finance and Administration by 9688053, Water Management by R7 896 735, Waste Water Management by R127 549, waste Management by R9 775 and an increase for Community and Public Safety by R2 443 746

##### Statement of financial position

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022		
40. Prior period errors and reclassifications (continued)				
2022 - Opening balance				
	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions		(234 325 099)	(575 393)	(234 900 492)
Receivables from non exchange transactions		4 531 762	2 237 836	6 769 598
VAT Receivable		23 543 191	61 739	23 604 930
Accumulated Surplus		(3 005 045 233)	14 879 897	(2 990 165 336)
Consumer deposits		-	(496 230)	(496 230)
Property, Plant and Equipment		2 937 283 131	(16 107 849)	2 921 175 282
		<u>(274 012 248)</u>	<u>-</u>	<u>(274 012 248)</u>
2023 - Opening Balance				
	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions		(233 333 387)	(317 437)	(233 650 824)
Receivables from non exchange transactions		4 373 433	12 741 279	17 114 712
Property Plant and Equipment		2 952 875 661	(15 804 485)	2 937 071 176
Intangibles		13 463 274	(218 772)	13 244 502
Non Current assets held for sale		691 040	(245 844)	445 196
Consumer debtors		126 644 718	(766 641)	125 878 077
Consumer deposits		-	(559 245)	(559 245)
VAT Reacivable		11 753 460	89 358	11 842 818
Accumulated Surplus		(3 011 253 230)	5 081 787	(3 006 171 443)
		<u>(134 785 031)</u>	<u>-</u>	<u>(134 785 031)</u>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand		2023	2022		
40. Prior period errors and reclassifications (continued)					
Statement of financial performance					
2022					
	Note	As previously reported	Correction of error	Re-classification	Restated
Other income		4 041 439	(54 796)	(76 348)	3 910 295
Service charges		215 993 501	(666 665)	-	215 326 036
Property rates		130 570 391	(4 933 265)	-	125 637 126
Depreciation and Amortisation		(131 765 495)	525 193	-	(131 240 302)
Employee related costs		(269 043 049)	(108 957)	-	(269 152 006)
Debt impairment		(321 004 723)	4 933 286	-	(316 071 437)
Bulk purchases		(113 426 383)	7 007 533	-	(106 418 850)
Contracted services		(92 666 427)	(3 268)	-	(92 669 695)
Gains and losses on disposal		(14 916 203)	(24 000)	310 394	(14 629 809)
Forex gains and losses		(280 041)	(111 500)	-	(391 541)
Rental Income		234 046	-	(234 046)	-
General expenditure		(146 844 770)	3 234 554	-	(143 610 216)
Surplus for the year		(739 107 714)	9 798 115	-	(729 310 399)

#### Cash flow statement

2022

	Note	As previously reported	Re-classification	Restated
<b>Cash flow from operating activities</b>				
Cash receipts from taxes, levies and fines		-	64 960 058	64 960 058
Cash receipts from charges for goods and services		93 183 309	(69 248 282)	23 935 027
Interest received		5 935 449	5 918 892	11 854 341
Other income		4 275 185	(4 275 185)	-
Cash paid to suppliers and employees		(607 061 072)	580 124	-
		<b>(503 687 129)</b>	<b>(2 064 393)</b>	<b>100 749 426</b>

#### Prior Period Error from disclosure notes

##### Fruitless and wasteful expenditure

Opening balance	131 116 581	114 765 868
Adjustment made	365 136	14 826 205
<b>Restated opening balance</b>	<b>131 481 717</b>	<b>129 592 073</b>

During the year under review it was noted that there was an omission of R365 135,91 for remuneration paid to director of Local Economic Development in the prior year whilst employed by another institution, a case was reported to SAPS and the Municipality has initiated a disciplinary process against the director.

##### Irregular expenditure

Opening Balance	1 473 035 971	1 360 046 938
Adjustment made	126 237	30 321 273
<b>Restated opening balance</b>	<b>1 473 162 208</b>	<b>1 390 368 211</b>

During the year under review it was noted that there were some conflicts of interest from suppliers for R126 236,68 that were not declared. The error was identified by Auditor General South Africa (AGSA) through the Computer Assisted Audit Techniques (CAATs) procedures.



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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

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#### 41. Risk management

##### Financial risk management

##### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's 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 in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2023	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
Trade and other payables from exchange transactions	116 020 918	-	-	116 020 918
Other financial liabilities	4 769 628	4 070 550	-	8 840 178
Consumer deposits	-	-	590 793	590 793
Finance lease obligations	12 058 237	22 440 867	-	34 499 104
	<u>132 848 783</u>	<u>26 511 417</u>	<u>590 793</u>	<u>159 950 993</u>
At 30 June 2022	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
Trade and other payables from exchange transactions	112 159 752	-	-	112 159 752
Other financial liabilities	5 784 650	8 844 377	-	14 629 027
Consumer deposits	-	-	559 245	559 245
	<u>117 944 402</u>	<u>8 844 377</u>	<u>559 245</u>	<u>127 348 024</u>

##### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Receivables from non exchange	1 768 262	16 250 216
Cash and Cash equivalents	38 833 025	36 880 131
Consumer Debtors	71 950 352	63 929 144
Receivables from exchange	282 695	178 369

##### Market risk

##### Interest rate risk

Interest rate risk is defined as that fair value of future cashflows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

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.

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## Moses Kotane 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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#### 41. Risk management (continued)

##### Foreign exchange risk

The municipality does not hedge foreign exchange fluctuations.

##### Price risk

The effect of any price risk in the foreseeable future is regarded as minimal given the fact that amounts receivable from the municipality's customers are levied in terms of the relevant statutes. It is not anticipated that given the nature of the municipality's business that changes in market prices will have a material impact on the trading results of the municipality. There has been no change, since the previous financial year, to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

#### 42. 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.

The municipality is experiencing cashflow challenges as a result of low debtors collection rate which has an impact on the municipality's ability to pay creditors timeously. This will not result in any material uncertainty for the municipality to continue as going concern since it also relies on grants from national government in order to fund its operations. The municipality is a service delivery vehicle of government and there has not been any indication from National Government to discontinue the operation of the municipality and the medium term revenue and expenditure framework has made allocations to the municipality. The most significant of these is that the accounting officer will continue to procure funding for the ongoing operations of the municipality.

#### 43. Unauthorised expenditure

Opening balance as previously reported	432 098 829	232 530 644
Add: Unauthorised expenditure - current	9 119 548	197 642 625
Add: Unauthorised expenditure - prior period	-	1 925 560
Less: Amount written off - current	(232 287 148)	-
Closing balance	<u>208 931 229</u>	<u>432 098 829</u>

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	-	117 179 550
Cash	9 119 548	80 463 075
	<u>9 119 548</u>	<u>197 642 625</u>

The write off refers to Non Cash items which were condoned by council per Item 96/01/2023 (R117 179 550) and Item 97/01/2023 (R71 803 283). Item 97/01/2023 also refers to Cash Items regarding Sanitation (VIP Toilets) R43 304 315 which is funded by MIG and provided under the capital budget

##### Analysed as follows: non-cash

Depreciation and amortisation	-	1 419 097
Long term leave provision	-	3 341 276
Loss on disposal of property, plant and equipment	-	10 252 979
Provision of impairment	-	101 670 182
Interest Provision	-	496 016
	<u>-</u>	<u>117 179 550</u>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>43. Unauthorised expenditure (continued)</b>		
<b>Analysed as follows: cash</b>		
Bulk purchases	-	43 298 984
Sanitation VIP Toilets	-	15 383 019
Provision for medical	-	33 931
Audit fees	976 626	203 996
Refuse removal contract	-	3 814 045
Transport	-	205 940
Business Management Fees	5 291 240	5 799 064
Insurance	-	2 062 667
IDP Process	-	1 465 849
Fuel and Oil	-	5 790 522
Security services	999 422	1 633 003
Lease of Office Equipment	-	426 087
Advertising	345 517	-
Fresh Produce Market	334 460	-
Salaries	1 172 283	-
Legal Fees	-	345 969
	<b>9 119 548</b>	<b>80 463 076</b>

#### Unauthorised expenditure: Budget overspending – per municipal department:

Municipal Council	-	3 040 663
Municipal Manager	2 494 426	5 045 052
Budget and Treasury	5 291 240	29 393 107
Corporate Services	-	496 016
Community Services	999 422	16 317 810
Technical and Infrastructure	-	143 349 977
Local Economic Development	334 460	-
	<b>9 119 548</b>	<b>197 642 625</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>44. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	131 116 581	114 765 868
Add: Fruitless and wasteful expenditure identified - current	2 794 144	1 524 508
Add: Fruitless and wasteful expenditure identified - prior period	365 136	14 826 205
Closing balance	<u>134 275 861</u>	<u>131 116 581</u>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
44. Fruitless and wasteful expenditure (continued)		
Details of fruitless and wasteful expenditure		
Expenditure identified include those listed below		
ICT Expenditure	114 938 123	114 938 123
Interest on Overdue accounts	11 737 272	11 476 500
Reversal of recoverable amount (not yet recovered)	1 218 685	1 218 685
Hall construction expenditure	385 825	385 825
Fines	20 000	20 000
Unearned remuneration	778 557	-
Penalties	3 344 052	3 077 448
Fuel Transactions	1 853 348	-
	<u>134 275 862</u>	<u>131 116 581</u>

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## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>45. Irregular expenditure</b>		
Opening balance as previously reported	1 473 035 971	1 360 046 937
Add: Irregular expenditure - current	89 569 166	82 667 761
Add: Irregular expenditure - prior period	126 237	30 321 273
Closing balance	<u>1 562 731 374</u>	<u>1 473 035 971</u>

Incidents/cases identified/reported in the current year include those listed below:

Competitive bidding not invited	43 031 680	45 563 724
Three written quotations not invited	-	23 300
SCM processes not followed	5 825 821	8 290 996
Deviations	18 619 403	19 948 933
Non-disclosure of interest	22 092 262	8 840 808
	<u>89 569 166</u>	<u>82 667 761</u>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>46. Deviation from supply chain management regulations</b>		
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.		
<b>Description</b>		
Deviation as per section 36(1)(i) of the SCM regulations (Emergencies in urgent procurements)	22 445 257	1 477 200
Deviation as per section 36(1)(ii) of the SCM regulations (Sole supplier)	2 938 887	5 548 278
Deviation as per section 36(1)(v) of the SCM regulations (Exceptional case where it is impractical to follow the official procurement process)	11 841 826	15 835 384
	<b>37 225 970</b>	<b>22 860 862</b>
<b>Supplier</b>	<b>Reason</b>	<b>Amount</b>
Exila Travel Center (Pty) Ltd	Emergencies and urgent procurements	536 570
Boffin and Fundi	Any exceptional case where it is impractical or impossible to follow the official procurement process	559 543
Booda Consulting (Pty) Ltd	Any exceptional case where it is impractical or impossible to follow the official procurement process	931 664
Ifunda Online Publications	Any exceptional case where it is impractical or impossible to follow the official procurement process	48 450
Government Printing Works	Sole supplier	6 053
Lapos Construction and Projects	Any exceptional case where it is impractical or impossible to follow the official procurement process	210 000
Magome Incorporated	Any exceptional case where it is impractical or impossible to follow the official procurement process	391 100
Mokoka and Partners Attorneys	Any exceptional case where it is impractical or impossible to follow the official procurement process	334 068
Early Worx T/A FPSA	Sole supplier	5 585
MWB Consulting Engineers	Any exceptional case where it is impractical or impossible to follow the official procurement process	2 005 046
Ndulamiso Aqua Solutions	Any exceptional case where it is impractical or impossible to follow the official procurement process	381 324
Setshedi Makgale & Matlapeng Incorporated	Any exceptional case where it is impractical or impossible to follow the official procurement process	235 120
Southern Sun Bloemfontein	Emergencies and urgent procurements	19 269
The Assessment Toolbox	Any exceptional case where it is impractical or impossible to follow the official procurement process	36 457
Tlou Intergrated Tech	Any exceptional case where it is impractical or impossible to follow the official procurement process	490 406
Total Computer Services	Any exceptional case where it is impractical or impossible to follow the official procurement process	113 850
Vick Pule Construction	Emergencies and urgent procurements	1 237 320
OTM Industrial Solutions	Emergencies and urgent procurements	1 845 261
Katlego Baphiring Trading JV Lethabo Projects	Emergencies and urgent procurements	11 512 780
Ingwe Waste Management	Emergencies and urgent procurements	4 640 681
South African Post Office	Sole supplier	2 670
Zozimus 501 Trading CC	Emergencies and urgent procurements	986 547
Blink Africa Group of Companies	Emergencies and urgent procurements	1 666 829
Synergy Business Events	Sole supplier	57 854
Kgatlang FM Community Radio	Sole supplier	30 210
Motswako Media group	Any exceptional case where it is impractical or impossible to follow the official procurement process	137 080
Math Engineering	Any exceptional case where it is impractical or impossible to follow the official procurement process	3 258 350

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>46. Deviation from supply chain management regulations (continued)</b>		
Village FM Community Radio	Any exceptional case where it is impractical or impossible to follow the official procurement process	27 220
Adapt IT (Pty) Ltd	Any exceptional case where it is impractical or impossible to follow the official procurement process	95 541
Africa Competency Development (Pty) Ltd	Any exceptional case where it is impractical or impossible to follow the official procurement process	6 900
Bophirima Print & Marketing (Pty) Ltd	Any exceptional case where it is impractical or impossible to follow the official procurement process	79 166
Rushreeds Holdings	Any exceptional case where it is impractical or impossible to follow the official procurement process	2 427 942
Microsoft Ireland Operations Limited	Sole supplier	2 836 515
Shuping Attorneys	Any exceptional case where it is impractical or impossible to follow the official procurement process	65 350
Panel Beating Unlimited	Any exceptional case where it is impractical or impossible to follow the official procurement process	7 249
	-	37 225 970
<b>47. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government-SALGA</b>		
Current year fee	2 991 950	3 054 075
Amount paid - current year	(2 991 950)	(3 054 075)
	-	-
<b>Audit fees</b>		
Opening balance	-	1 175 130
Current year subscription / fee	5 148 810	3 203 995
Amount paid - current year	(5 148 810)	(4 379 125)
	-	-
<b>PAYE and UIF</b>		
Current year subscription / fee	49 287 334	47 726 696
Amount paid - current year	(49 287 334)	(47 726 696)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	49 114 673	45 158 106
Amount paid - current year	(49 114 673)	(45 158 106)
	-	-



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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

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#### 47. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2023:

30 June 2023	Outstanding more than 90 days	Total
Councillor MS Motsoalsele	10 145	10 145
Councillor S S Mosako	42 803	42 803
Councillor M Motsoenyane	29 931	29 931
Councillor ET Modisakeng	122 249	122 249
Councillor C Motshabi	24 565	24 565
Councillor GD Minte	73 762	73 762
Councillor D Radiokana	20 480	20 480
Councillor A Letsoalo	150 390	150 390
Councillor S Sekobane	7 087	7 087
Councillor E Aphiri	12 697	12 697
Councillor EN Mataboge	49 306	49 306
Councillor RJ Manganye	32 218	32 218
Councillor P Thoboke	53 225	53 225
Councillor N Nkotswe	22 886	22 886
Councillor BJ Semakane	32 294	32 294
Councillor E Lentswe	153 601	153 601
Councillor M Magoleng	33 108	33 108
Councillor LM Pitso	39 207	39 207
Councillor JN Maretele	3 293	3 293
Councillor AM Mathe	7 087	7 087
	<b>920 334</b>	<b>920 334</b>

30 June 2022	Outstanding more than 90 days	Total
Councillor Radiokana DH	18 265	18 265
Councillor Aphiri E	10 994	10 994
Councillor Manganye RJ	28 778	28 778
Councillor Motsoenyane Mz	12 207	12 207
Councillor Semakane BJ	27 562	27 562
Councillor Motshabi CN	20 693	20 693
Councillor Lentswe E	9 021	9 021
Councillor Sekobane S	6 376	6 376
Councillor Mataboge EN	43 593	43 593
Councillor Modisakeng ET	110 849	110 849
Councillor Magoleng MH	27 527	27 527
Councillor Minte GD	69 574	69 574
Councillor Mosako TG	38 396	38 396
Councillor Letsoalo A	6 376	6 376
Councillor Nkotswe M	20 836	20 836
Councillor Motsoalsele M	42 350	42 350
Councillor Thoboke P	107 205	107 205
	<b>600 602</b>	<b>600 602</b>

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand					2023	2022
47. Additional disclosure in terms of Municipal Finance Management Act (continued)						
Purchase from relatives of persons in service of the state						
In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.						
Supplier name	Related person	Organ of state	Capacity at Municipality	Relationship	2023	2022
Mo Kasi Creations and Media Pty Ltd	Mr MS Magoro	Moses Kotane Local Municipality	Supplier	State Employee & Partner	997 939	2 864 550
Salani Group	Ms SD Rasepae		Supplier	State Employee & Associate	-	576 258
Kamogelo Investments	Mr M Ramagaga	Moses Kotane Local Municipality	Supplier	State Employee & Brother	1 170 516	1 386 417
Mmolawa Investments	Mr D Mmolawa	Moses Kotane Local Municipality	Supplier	Municipal Councillor & Brother	3 125 097	9 775 688
Oarabile Projects Pty Limited	MI Ramasodi	Moses Kotane Local Municipality	Supplier	State Employee & Associate	86 350	-
Bothlale Consulting	Ms B Molefe	Moses Kotane Local Municipality	Supplier	State Employee & Spouse	383 516	-
Fetso Wa Gaoratwe (Pty) Ltd	Mr JF Koloane	Moses Kotane Local Municipality	Supplier	State Employee & Associate	30 000	-
Dilo Difa Entertainment	Mr PC Thakadu	Moses Kotane Local Municipality	Supplier	State Employee & Partner	68 205	-
Mo Kasi Corporate (Pty) Ltd	Mr MS Magoro	Moses Kotane Local Municipality	Supplier	State Employee & Partner	2 600	-
Tsele Services (Pty) Ltd	Mr P Dantye	Moses Local Municipality	Supplier	State Employee & Partner	13 000	-
Lerako Resources (Pty) Ltd	Mr D Lekalakala	Moses Kotane Local Municipality	Supplier	State Employee & Partner	6 700	-
Kgosana Motlokwa Projects	Mr HK Tau	Moses Kotane Local Municipality	Supplier	State Employee & Partner	343 622	-
Frigate bird Holdings (Pty) Ltd	Mr EL Kgoroba	Moses Kotane Local Municipality	Supplier	State Employee & Partner	151 920	-
Kgame Mogokare Enterprise (Pty) Ltd	Mr TJ Mmope	Moses Kotane Local Municipality	Supplier	State Employee & Partner	8 800	-
					6 388 265	14 602 913

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### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand					2023	2022
47. Additional disclosure in terms of Municipal Finance Management Act (continued)						
Purchases from persons in service of state						
Supplier name	Person in service of state	Organ of state	Capacity at municipality	Relationship	2023	2022
Segoje 48 Trading and Projects	VT Modimokwane	NW: Education & Training	Supplier	State Employee	13 900	29 500
Re a Lema Enterprise (Pty) Ltd	MK Moyawa	NW: Education & Training	Supplier	State Employee	26 222	25 000
TK Elroy (Pty) Ltd	KJ Monnakgotla	NW: Econ Dev, Conserv, Env & Tourism	Supplier	State Employee	8 600	11 000
Akim Holdings (Pty) Ltd	OS Marobe	NAT: Basic Education	Supplier	State Employee	-	14 005
RTK Boerdery (Pty) Ltd	KT Ramoitheki	South African Broadcasting Corporation	Supplier	State Employee	204 700	25 500
Tshimola Trading and Projects (Pty) Ltd	ML Molathlegi	NW: Education & Training	Supplier	State Employee	8 800	26 730
JTZ Family Trading Enterprise	PF Zwane	IDC of SA (Seta SC)	Supplier	State Employee	18 918 220	-
Nteka Platinum Group (Pty) Ltd	M Nokwane	Golden Leopard Resourts	Supplier	State Employee	58 020	-
					<u>19 238 462</u>	<u>131 735</u>

## Chapter 6

### Moses Kotane 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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#### 48. Segment information

##### General information

##### Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. 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.

##### Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment are not required to be disclosed.

##### Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

Reportable segment	Goods and/or services
Unallocated	Relates all amounts which do not meet the definition of a segment
Finance & Administration	Provision of financial and administrative services to other segments of the municipality.
Economic & Environmental Services	Provision of economic development activities in the municipality.
Community & Public Safety	Construction and maintenance of community facilities owned and ensuring safety and security to the communities by the municipality.
Water management	Provision of water basic services
Waste water Management	Provision of Sanitation basic services
Waste Management	Provision of refuse removal basic services

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 48. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2023

	Unallocated	Finance & Administrative Services	Economic & Environmental Services	Community & Public Safety	Water management	Waste water management	Waste management	Total
Revenue								
Service charges	-	-	-	-	178 958 527	3 863 936	11 759 082	194 581 545
Interest earned on outstanding debtors-(trading)	-	81 174 220	-	-	-	-	-	81 174 220
Rental Income	-	152 216	-	-	-	-	-	152 216
Other Income	-	1 208 723	135 564	374 159	22 160	-	58 239	1 798 845
Property Rates	-	124 807 120	-	-	-	-	-	124 807 120
Interest earned on outstanding debtors-(taxation revenue)	-	32 300 403	-	-	-	-	-	32 300 403
Government grants and subsidies	88 906 130	274 482 366	-	3 735 533	263 261 364	43 541 704	81 389 683	755 316 780
Fines	-	-	-	1 028 400	-	-	-	1 028 400
Total segment revenue	88 906 130	514 125 048	135 564	5 138 092	442 242 051	47 405 640	93 207 004	1 191 159 529
Entity's revenue								1 191 159 529

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

	Unallocated	Finance & Administrative Services	Economic & Environmental	Community & Public Safety	Water management	Waste water management	Waste management	Total
48. Segment information (continued)								
Expenditure								
Employee costs	(48 349 352)	(107 644 951)	(18 787 108)	(37 204 532)	(48 474 939)	(17 583 062)	(4 361 215)	(282 405 159)
Remuneration of councillors	(29 270 186)	-	-	-	-	-	-	(29 270 186)
Depreciation and amortisation	(40 405 969)	(6 638 144)	-	(26 696 388)	(55 241 293)	(2 733 743)	(834 532)	(132 550 069)
Finance costs	(358 927)	(2 043 449)	-	(2 884 714)	(331 883)	-	-	(5 618 973)
Lease rentals	(2 154 791)	-	-	-	-	-	-	(2 154 791)
Debt impairment	-	(27 980 449)	-	(1 873 867)	(111 286 906)	(982 244)	(5 292 635)	(147 426 101)
Bulk purchases	-	-	-	-	(131 138 032)	-	-	(131 138 032)
Fair Value adjustment	-	-	-	743 761	-	-	-	743 761
Contracted services	(572 870)	(28 844 007)	-	(955 413)	(15 972 459)	(324 298)	(34 037 912)	(80 706 959)
General expenses	(38 266 743)	(33 171 094)	(1 938 036)	(48 291 681)	(68 010 083)	(23 682 040)	(33 991)	(213 393 678)
Loss on disposal of assets	(580 164)	1 030 200	-	(2 442 941)	(5 122 620)	(10 303 378)	-	(17 418 903)
Loss foreign exchange	-	(44 192)	-	-	-	-	-	(44 192)
Impairment loss	-	(75 835)	-	-	-	-	-	(75 835)
Impairment of assets	-	-	-	-	(991 937)	-	-	(991 937)
Total segment expenditure	(159 959 002)	(205 411 921)	(20 725 144)	(119 605 775)	(436 570 162)	(55 618 765)	(44 560 285)	(1 042 451 054)
Total segmental surplus/(deficit)	(71 052 872)	308 713 127	(20 589 580)	(114 467 68)	5 671 889	(8 213 125)	48 646 71	148 708 475

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 48. Segment information (continued)

2022

	Unallocated	Finance and administration	Community and Public safety	Economic and Environment al services	Water Management	Waste Water Management	Waste Management	Total
<b>Revenue</b>								
Service charges	-	-	-	-	198 691 896	5 259 293	11 375 646	215 326 835
Interest received on outstanding debtors	-	60 539 708	-	-	-	-	-	60 539 708
Rental income	-	234 046	-	-	-	-	-	234 046
Other income	-	1 100 323	2 478 251	71 912	25 463	-	-	3 675 949
Property rates	-	125 637 125	-	-	-	-	-	125 637 125
Interest earned on outstanding debtors-(taxation revenue)	-	30 060 195	-	-	-	-	-	30 060 195
Government grants and subsidies	81 016 841	257 968 086	16 494 544	4 504 202	223 628 441	29 432 143	73 422 116	686 466 373
Fines, Penalties and Forfeits	-	-	1 308 200	-	-	-	-	1 308 200
<b>Total segment revenue</b>	<b>81 016 841</b>	<b>475 539 483</b>	<b>20 280 995</b>	<b>4 576 114</b>	<b>422 345 800</b>	<b>34 691 436</b>	<b>84 797 762</b>	<b>1 123 248 431</b>
<b>Entity's revenue</b>	<b>1 123 248 431</b>							
<b>Expenditure</b>								
Employee related cost	(48 840 552)	(93 692 111)	(35 395 918)	(22 747 411)	(49 647 829)	(15 787 817)	(3 040 370)	(269 152 008)
Remuneration of councillors	(28 555 113)	-	-	-	-	-	-	(28 555 113)
Depreciation and amortisation	(41 783 691)	(4 579 520)	(26 681 140)	-	(54 304 571)	(2 750 114)	(1 141 266)	(131 240 302)
Finance cost	(533 608)	-	(2 930 880)	-	(571 032)	-	-	(4 035 520)
Lease rentals on operating lease	(1 826 087)	-	-	-	-	-	-	(1 826 087)
Debt Impairment	-	(100 301 496)	(1 746 240)	-	(194 275 600)	(3 417 867)	(16 330 234)	(316 071 437)
Bulk purchases	-	-	-	-	(106 418 850)	-	-	(106 418 850)
Contracted services	(1 268)	(38 388 274)	(624 686)	-	(20 009 464)	-	(33 646 003)	(92 669 695)
General Expenses	(22 849 401)	(26 711 551)	(36 136 352)	(163 919)	(41 645 372)	(15 961 422)	(91 130)	(143 559 147)
Loss/Gains on disposal of assets and liabilities	(5 448 232)	1 071 402	(483 782)	-	(9 155 648)	(613 549)	-	(14 629 809)
Fair value adjustment	-	1 346 276	-	-	-	-	-	1 346 276
Inventory losses	-	11 981	-	-	-	-	-	11 981
Loss on foreign exchange	-	(391 542)	-	-	-	-	-	(391 542)
<b>Total segment expenditure</b>	<b>(149 837 952)</b>	<b>(261 634 835)</b>	<b>(103 998 998)</b>	<b>(22 911 330)</b>	<b>(476 028 366)</b>	<b>(38 530 769)</b>	<b>(54 249 003)</b>	<b>(1 107 191 253)</b>

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

	Unallocated	Finance and administration	Community and Public safety	Economic and Environment Management al services	Water Management	Waste Water Management	Waste Management	Total
48. Segment information (continued)								
Total segmental surplus/(deficit)	(68 821 111)	213 904 648	(83 718 003)	(18 335 216)	(53 682 566)	(3 839 333)	30 548 759	16 057 178

#### Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment are not required to be disclosed.

#### Information about geographical areas

The Municipality covers an area of approximately 5220km<sup>2</sup> and is mostly rural in nature, comprising of 107 villages and 2 formal towns of Mogwase and Madikwe. The necessary information per geographical area is not available and the cost to develop it will be to excessive. All geographical information are indicated under Mogwase.

2023

	External revenues from exchange transactions	External revenues from non exchange transactions	Total expenditure	Non-current assets <sup>†</sup>
Mogwase	274 322 144	916 837 385	(1 042 451 052)	3 171 765 356

2022

	External revenues from exchange transactions	External revenues from non exchange transactions	Total expenditure	Non-current assets <sup>†</sup>
Mogwase	279 776 539	843 471 892	(1 107 191 252)	3 116 361 327



## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>49. Budget differences</b>		
<b>Material differences between budget and actual amounts</b>		
49.1 Differences below R 1 000 000 have been considered to be immaterial		
49.2 More interest received on investments than budgeted for and interest charged on water accounts due to non payment of service rendered to consumers		
49.3 The variance is mainly due to network problems when issuing vehicle licenses as the budget was estimated at R2 million and only R333 120 was received.		
49.4 The variance is due to the non payment of property rates which resulted in increase in outstanding debtors and the charge of interest on these accounts		
49.5 The difference is due to the underspending on projects and the non appointment of service providers for certain projects.		
49.6 The variance is due to the filling of vacancies earlier than what was budgeted for and the provision for long service awards		
49.7 The variance is due to less projects being completed than budgeted for		
49.8 The variance is due to the payment of outstanding accounts by government as well the impairment of debtors in the prior year		
49.9 The variance in bulk purchase for water is due to the insufficient provision on the budget as well as the increase in the water tariff,		
49.11 The reason for the variance is due to the transfer of the construction of VIP toilets from capital to general expenses R22 846 458, the increase in fuel consumption R10.87m. This overspending is also due to the unbudgeted fuel consumption to cater for the transformer that was not working for more than 3 months and consumption of electricity on boreholes and municipal buildings that amount to 12.3 million.		
49.13 The variance is mainly due to the over provision for free basic services on the budget resulted in the reducing of the sale of water. Only registered indigents qualifies for the 6 kilolitres of water.		
49.14 The variance is due to the provision for the landfill site		

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

#### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>50. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	15 349 180	-
- in second to fifth year inclusive	24 718 811	-
	<u>40 067 991</u>	-
less: future finance charges	(5 568 887)	-
<b>Present value of minimum lease payments</b>	<u>34 499 104</u>	-
<b>Present value of minimum lease payments due</b>		
- within one year	12 058 237	-
- in second to fifth year inclusive	22 440 867	-
	<u>34 499 104</u>	-
Non-current liabilities	22 440 867	-
Current liabilities	12 058 237	-
	<u>34 499 104</u>	-

The average lease term is 3 years and the average effective borrowing rate was 12% (2022: -%).

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 are secured by the lessor's charge over the leased assets. Refer to note 4.

#### 51. Events after the reporting date

The council approved the write off of 50% of the qualifying outstanding debtors as at 31 May 2023 on the 7th of July 2023. Management is of the view that since this was approved after year end, no adjustment should be done in the current year financial statements. The effect of the resolution is the decrease of Gross consumer debtors by about R700 000 000 and a decrease in accumulated allowance for impairment by the respective amount.

#### 52. Impairment of assets

<b>Impairments</b>		
Property, plant and equipment	<u>991 937</u>	-

The main classes of assets affected by impairment losses are:

Transport assets held for sale

##### Value in use

The value in use for the high mast lights impaired is Nil as these assets are not in use..

##### Fair value less cost to sell

The fair value less cost to sell for the high mast lights is nil because there is no active market to sell the assets.

##### Value in use

The value in use for the high mast lights impaired is Nil as these assets are not in use.

##### Fair value less cost to sell

The fair value less cost to sell for the high mast lights is nil because there is no active market to sell the assets.

#### 53. Other receivables

Other receivables relates to the maintenance plan of leased vehicles from Standard Bank.

## Chapter 6

### Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 53. Other receivables (continued)

		Original cost	Accumulated Amortisation	Total
Maintenance plan		3 203 814	(530 224)	2 673 590
Reconciliation 2023	Opening balance	Additions	Amortisation	Total
Maintenance plan	-	3 203 814	(530 224)	2 673 590

#### 54. Consumer deposits

Consumer water deposit received	590 793	559 245
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Consumer deposits relates the security amounts charged and held by the Municipality for water connections

#### 55. Accrued interest payable

The Municipality acquired Motor vehicles on financial leases. Instalments (Capital and interest) is paid on the 1st day of the month in arrears. As 30 June 2023 the an interest amount of R254 073 had been incurred but not yet paid

Accrued interest payable	254 073	-
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#### 56. Change in accounting estimates

The remaining useful life (RUL) is an estimation of the amount of years that the asset will be able to safely perform its intended function. During the 2022/2023 financial year, physical verification of assets occurred and part of the procedures regarding physical verification is the condition assessment of assets. The condition of an asset has a direct impact on the remaining useful life of an asset. The impact of the condition assessment performed resulted in a decrease in depreciation by R2 772 742

## Chapter 6

### Moses Kotane Local Municipality Appendix A June 2023

#### Schedule of external loans as at 30 June 2023

Loan Number	Redeemable	Balance at Thursday, 30 June 2022	Accrued Interest	Redeemed written off during the period	Balance at Friday, 30 June 2023	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
<b>Loans</b>							
Civic centre extension 3	10202511024 01	10,97%	1 891 833	-	1 891 833	-	-
			<b>1 891 833</b>	<b>-</b>	<b>1 891 833</b>	<b>-</b>	<b>-</b>
<b>Development bank of South Africa</b>							
Roads & Stormwater	100840/1	11,44%	1 960 723	-	916 946	1 043 777	-
Street lighting - Sun City	100840/1	11,44%	1 569 823	-	750 229	819 594	-
Water	10248/1	8,80%	4 464 004	-	2 911 295	1 552 709	-
			<b>7 994 550</b>	<b>-</b>	<b>4 578 470</b>	<b>3 416 080</b>	<b>-</b>
<b>INCA</b>							
Civic Centre Extension 1	6457	11,4%	-	-	-	-	-
Civic Centre Extension 2	9078	11,48%	5 092 784	-	709 674	4 383 110	-
INCA Paypoints (Community Halls)	18721	13,85%	845 007	15 050	409 179	450 878	-
			<b>5 937 791</b>	<b>15 050</b>	<b>1 118 853</b>	<b>4 833 988</b>	<b>-</b>
<b>Bonds</b>							
Mayoral house	8065717250	7%	696 687	-	106 577	590 110	-
			<b>696 687</b>	<b>-</b>	<b>106 577</b>	<b>590 110</b>	<b>-</b>
Total external loans			<b>16 520 861</b>	<b>15 050</b>	<b>7 695 733</b>	<b>8 840 178</b>	<b>-</b>

# Chapter 6

## Moses Kotane Local Municipality

## Moses Kotane Local Municipality

## Appendix B

June 2023

### Analysis of property, plant and equipment as at 30 June 2023

#### Cost/Revaluation

#### Accumulated depreciation

	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Disposal Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Vacant land and Servitudes	17 290 211	-	-	-	-	17 290 211	-	-	-	-	-	-	-	17 290 211
Assets under construction	753 272	-	-	-	-	753 272	-	-	-	-	-	-	-	753 272
Operational Facilities	205 179 076	316 572	-	-	-	205 495 648	102 135 248	(35 200)	610 523	(6 862 246)	-	-	95 848 325	301 343 973
Housing	10 877 523	-	-	-	-	10 877 523	(6 430 958)	-	-	(252 201)	-	-	(6 683 063)	4 184 554
	<b>204 100 182</b>	<b>316 572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204 416 754</b>	<b>95 704 390</b>	<b>(35 200)</b>	<b>610 523</b>	<b>(7 124 447)</b>	<b>-</b>	<b>-</b>	<b>89 155 256</b>	<b>323 572 010</b>
<b>Infrastructure</b>														
Assets under construction	207 709 353	(371 012)	(112 600 376)	172 214 603	(30 090 888)	236 861 680	-	-	-	-	-	-	-	236 861 680
Electricity Network - LV networks	157 417 792	-	271 571	-	-	157 689 363	(69 282 531)	-	-	(3 449 424)	-	-	(72 731 955)	84 957 408
Electricity - MV substations	538 234	-	915 636	-	-	1 453 870	(130 249)	-	-	(16 476)	-	-	(146 725)	1 307 145
Electricity Network - MV Network	543 766	56 864	-	-	-	600 630	(8 550)	(35 413)	-	(13 347)	-	-	(57 316)	543 320
ICT	29 396 084	-	-	-	-	29 396 084	(11 952 953)	-	-	(2 968 107)	-	-	(14 921 060)	14 475 024
Road Network	1 239 999 953	(19 702 413)	40 080 616	-	(2 054 799)	1 258 323 267	(565 710 501)	9 408 503	69 128	(31 715 923)	-	1 516 045	(606 432 746)	651 890 519
Sanitation Network	157 511 773	-	3 534 796	-	(25 690 417)	135 356 152	(80 422 025)	-	-	(2 733 743)	-	15 347 039	(97 808 730)	67 597 422
Stormwater Network	109 885 067	(7 151 322)	11 969 584	-	-	114 703 229	(51 759 331)	5 212 732	124 686	(4 636 357)	-	-	(51 098 310)	63 664 419
Water Supply Network Distribution	656 741 576	(4 395 215)	37 266 119	-	-	728 632 480	(361 096 402)	2 186 211	120 123	(10 486 112)	-	-	(969 276 180)	359 355 300
Water Supply Network Reservoirs	191 572 837	-	17 507 856	-	(35 577)	209 045 116	(92 932 425)	-	-	(8 139 637)	-	26 678	(101 045 384)	107 999 732
Water Supply Network Boreholes	92 641 011	(574 690)	7 839 233	-	(4 308 637)	95 596 917	(28 996 862)	169 315	-	(3 482 594)	(394 699)	1 015 441	(31 699 396)	63 897 518
Water Supply Network - Pump station	29 561 011	-	985 390	-	(1 091 741)	29 454 660	(6 888 557)	-	-	(1 016 252)	(597 238)	268 669	(8 233 378)	21 221 282
Water Supply Network - Bulk Mains	2 033 593 046	(158 407)	1 164 711	-	-	2 004 599 350	(1 167 764 391)	127 270	-	(31 072 221)	-	-	(1 198 709 342)	635 890 008
Water Supply Network - Water	29 736 776	-	240 007	-	(190 854)	29 785 929	(13 932 397)	-	2 174	(1 156 308)	-	35 030	(15 051 501)	14 734 428
Solid Waste Facilities	33 636 214	-	(858 540)	-	-	32 777 674	(17 086 256)	-	-	(834 532)	-	-	(17 920 788)	14 856 886
Bridges	35 775 458	(162 916)	-	-	-	35 612 542	(15 964 712)	143 366	-	(516 523)	-	-	(16 337 668)	19 274 673
Water supply Network - PVR Stations	-	-	225 743	-	-	225 743	-	-	-	(466)	-	-	(466)	225 277
	<b>5 045 259 861</b>	<b>(32 459 111)</b>	<b>8 591 746</b>	<b>172 214 603</b>	<b>(63 422 913)</b>	<b>5 130 184 186</b>	<b>(2 503 938 143)</b>	<b>17 211 984</b>	<b>316 111</b>	<b>(101 848 062)</b>	<b>(591 937)</b>	<b>18 208 902</b>	<b>2 571 041 145</b>	<b>2 559 143 041</b>
<b>Community Assets</b>														
Assets under construction	13 939 607	-	(16 755 162)	16 955 569	-	14 140 014	-	-	-	-	-	-	-	14 140 014
Community facilities	432 497 759	(483 476)	-	-	(1 060 865)	430 953 418	(230 785 945)	226 607	634 320	(11 430 949)	-	666 910	(240 689 057)	190 264 361
Libraries	41 406 659	-	-	-	(2 029 250)	39 377 409	(15 990 609)	-	-	(1 362 394)	-	567 946	(16 788 057)	22 592 352
Sport and recreation facilities	56 676 569	-	16 755 162	-	(3 098 919)	70 332 812	(32 621 718)	-	-	(1 957 081)	-	2 511 238	(32 067 561)	38 265 251
Social Facilities	2 959 596	-	-	-	-	2 959 596	(1 737 207)	-	-	(69 315)	-	-	(1 806 522)	1 152 074
	<b>547 479 190</b>	<b>(483 476)</b>	<b>-</b>	<b>16 955 569</b>	<b>(6 189 034)</b>	<b>557 762 249</b>	<b>(281 135 479)</b>	<b>226 607</b>	<b>634 320</b>	<b>(14 819 739)</b>	<b>-</b>	<b>3 746 094</b>	<b>(291 348 197)</b>	<b>266 414 652</b>

## Chapter 6

Moses Kotane Local Municipality

Moses Kotane Local Municipality

Appendix B

June 2023

### Analysis of property, plant and equipment as at 30 June 2023

	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Disposal Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Monumental Statue	14 000	-	-	-	-	14 000	-	-	-	-	-	-	-	14 000
	14 000	-	-	-	-	14 000	-	-	-	-	-	-	-	14 000
Other assets														
Furniture and fittings	15 591 135	-	-	-	(656 333)	14 934 802	(12 133 328)	-	111 880	(1 162 677)	2 331	572 998	(12 608 796)	2 326 005
Motor Vehicles	33 671 449	2 768 023	-	30 872 822	-	67 312 294	(23 747 620)	(2 716 738)	187 391	(4 464 981)	-	-	(30 741 948)	36 570 346
Office Equipment	35 356 365	-	-	1 729 376	(1 577 125)	35 508 646	(30 027 760)	-	854 132	(3 214 688)	5 667	1 436 449	(30 946 200)	4 562 446
Plant and equipment	4 756 829	-	-	28 755	(235 433)	4 550 151	(3 791 934)	-	58 386	(327 663)	365	208 930	(3 851 916)	698 235
	89 375 808	2 768 023	-	32 630 953	(2 468 891)	122 305 893	(69 700 642)	(2 716 738)	1 211 789	(9 170 009)	8 363	2 218 377	(78 148 860)	44 157 033

## Chapter 6

Moses Kotane Local Municipality  
Moses Kotane Local Municipality  
Appendix B  
June 2023

Analysis of property, plant and equipment as at 30 June 2023  
Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Prior Year Error Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Disposal Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	234 100 182	316 572	-	-	-	234 416 754	96 704 380	(35 200)	610 523	(7 124 447)	-	-	89 155 256	323 572 010
Infrastructure	5 045 259 861	(32 459 111)	8 591 746	172 214 603	(63 422 913)	5 130 184 186	(2 503 938 143)	17 211 984	316 111	(101 848 052)	(991 937)	18 208 602	2 571 041 145	2 559 143 041
Community Assets	547 479 190	(483 478)	-	16 955 569	(6 189 034)	567 752 249	(281 135 479)	226 607	634 320	(14 819 739)	-	3 746 094	(281 348 197)	266 414 052
Heritage assets	14 000	-	-	-	-	14 000	-	-	-	-	-	-	-	14 000
Other assets	89 375 608	2 768 023	-	32 630 953	(2 468 891)	122 305 689	(69 700 642)	(2 716 738)	1 211 789	(9 170 009)	8 363	2 218 377	(78 148 890)	44 157 033
	5 916 229 041	(28 857 992)	8 591 746	221 801 125	(72 080 838)	5 044 683 082	(2 759 069 884)	14 686 653	2 772 743	(132 962 257)	(983 574)	24 173 373	2 651 382 945	3 193 300 136
Intangible assets														
Computers Software	31 575 099	291 434	-	2 578 645	-	34 445 178	(18 181 006)	72 662	-	(2 360 554)	-	1 942 890	(18 526 008)	15 919 170
	31 575 099	291 434	-	2 578 645	-	34 445 178	(18 181 006)	72 662	-	(2 360 554)	-	1 942 890	(18 526 008)	15 919 170
Investment properties														
Land	150 684 493	-	-	-	-	150 684 493	-	-	-	-	-	-	-	150 684 493
	150 684 493	-	-	-	-	150 684 493	-	-	-	-	-	-	-	150 684 493

## Chapter 6

Moses Kotane Local Municipality  
Moses Kotane Local Municipality  
Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Impairment reversal Rand	Closing Balance Rand	Carrying value Rand



# Chapter 6

Moses Kotane Local Municipality  
Moses Kotane Local Municipality  
Appendix B  
June 2023

Analysis of property, plant and equipment as at 30 June 2011  
Cost/Revaluation                      Accumulated depreciation

Opening Balance	Additions	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Impairment reversal	Closing Balance	Carrying value
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand

## Chapter 6

Moses Kotane Local Municipality  
Moses Kotane Local Municipality  
Appendix B  
June 2023

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
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Opening Balance Rand	Additions Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Impairment reversal Rand	Closing Balance Rand	Carrying value Rand
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# Chapter 6

Moses Kotane Local Municipality  
Appendix F  
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003  
June 2023

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure					Grants and Subsidies delayed / withheld	Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Jul	Oct	Jan	Apr	Jul	Oct	Jan	Apr	Jan				
FMS	MKLM	1 950	-	-	-	1 950	(382)	(690)	(570)	(1 950)	-	-	Yes	n/a
Water Infr. Grant	MKLM	15 000	25 000	19 125	-	59 125	(5 915)	(9 376)	(15 920)	(28 481)	5 875	-	Slow spending	Yes
EPWP	MKLM	413	744	495	-	1 652	(384)	(501)	(330)	(1 651)	-	-	Yes	n/a
Library	MKLM	1 149	-	-	-	1 149	(86)	(216)	(179)	(252)	-	-	-	n/a
Equitable Share	MKLM	206 155	174 439	148 008	-	528 602	(206 155)	(174 439)	(148 008)	-	(528 602)	-	-	n/a
MIG	MKLM	20 653	51 850	81 330	-	162 271	(22 581)	(53 528)	(43 589)	(42 391)	(162 092)	-	Slow spending	Yes
Disaster Grant	MKLM	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Provincial Infrastructure Grant	MKLM	-	-	241	-	241	-	-	(241)	-	(241)	-	-	n/a
Energy, Efficient and Demand Management Grant		-	4 000	1 000	-	5 000	-	-	(350)	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
		245 320	256 033	250 199	-	759 990	(235 503)	(238 750)	(208 837)	(72 056)	(754 964)	5 875	-	-

The financial figures above have been rounded to the nearest one thousand Rand (R'000).

## Chapter 6

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## Chapter 6

### AUDIT ACTION PLAN

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 15: ISS.50	Contrary to the requirements listed the municipality does not implement the monitoring, measuring and evaluating of performance of the staff	Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.	Management must ensure that monitoring, measuring and evaluating of performance of staff are implemented as required by the legislation.	Like most Municipalities in the Northwest, the municipality does not have approved systems to deal with performance management of staff below senior Managers. Chapter 4 of The New Municipal Staff regulations promulgated in September 2021 is now giving guidance to municipalities on how to deal with the PMS of employees below senior managers. Municipalities were expected to implement the system from the 01st July 2023. So far the municipality has started to review the PMS Framework which should now include all other employees and should be in line with the regulations.	Management will finalise the framework which will also deal with the processes of the PMDS in line with the new staff regulations.	08/01/2024	30/06/2024	0%
COMM 17: ISS.52	Contrary to the above it was noted that the municipality did not prepare/update and adopt a Water Services Development Plan (WSDP) within the last 5 years, as part of the integrated development plan of the municipality as required in terms of paragraphs 12 to 16 of the Water Services Act, Act No 108 of 1997.	Management did not review and monitor compliance with applicable laws and regulations.	Management should engage the relevant stakeholders at the Department of Water and Sanitation with regards to the progress of the WSDP to ensure that timelines are put in place and adhered to regarding the development of the WSDP.	Department of Water and Sanitation had indicated that assistance would be given through the 5 Year Reliability Plan Programme which could not be concluded in the 2022-2023 financial year. due to budgetary constraints. The municipality has requested assistance from Anglo Platinum Mine through their Municipal Capacity and Partnership Programme (MCPPE).	Management will ensure compliance to the drafted WSDP and maintaining infrastructure efficiently in compliance with the Act.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 17: ISS.53	During the audit it was noted that, no water infrastructure maintenance plan was established for the year under review, including preventative maintenance for water infrastructure for the municipality. There is an underspending on the maintenance of water and sanitation infrastructure from unutilised budget due to lack of planning on maintenance or monitoring of the budget.	This is due to a lack of planning on maintenance or monitoring of the budget.	Management should further establish water infrastructure plan, track expenditure to avoid underspending and overspending and perform conditional assessment on infrastructure.	The municipality currently relies on reports given by the operational and maintenance teams to draft programmes to be done.	Management will ensure compliance to the drafted WSDP and maintaining infrastructure efficiently in compliance with the Act.	08/01/2024	30/06/2024	0%
COMM 17: ISS.56	During the audit, it was noted that for the year 2022/23 the provincial treasury has declared the budget for Moses Kotane Local Municipality as that which is unfunded.	Management did not adequately draft a funded budget in line with the requirement of section 18 of the MFMA. Management did not review and monitor compliance with section 18 of the MFMA as the anticipated revenue collection was not realistic considering the challenges the Municipality is experiencing challenges with the debt collection. Some consumers are not willing to pay due to the bad quality of water, frequent water interruptions and incorrect billing.	Management should ensure that the budget guidelines are followed and that a realistic budget is drafted. Internal audit must perform procedures on budget planning, in order to improve internal control measure surrounding the budget process.	Inadequate financial.	Management will ensure implementation of budget guidelines and the funding plan, Management has developed a funding plan which was approved by Council. The funding plan seeks to improve the internal control deficiencies that is leading to the unfunded budget such as poor revenue collection and growth on creditors. The funding plan together with Council resolution is attached with the response.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 18: ISS.27	During the audit of overtime the following discrepancies were identified:- • That employee listed below has works more than 10 hours in a week. That the overtime worked by SL Legwale employee no. 1574 on the 30/5/2023 was authorised/approved on the 2/6/2023. That the following employees listed below worked overtime, however they do not appear on the pre-approval authorization form	Management failed to implement controls to ensure that all the required legislations are complied with as it pertains to ensuring that overtime is pre-approved before being worked.	Management must ensure that prior for overtime to be effected a written authorisation must be availed at all times.	Employees are sometimes required to work emergency overtime and the HOD might not always be available to pre-approve the overtime. The supervisor however will sign to allow the employee to attend to the emergency and HOD signs later.	Management will develop overtime policy and a checklist template to ensure compliance before processing any claims. Departments will be advised to submit their documents on time to allow sufficient time to check of submitted documents. The overtime policy and action plan will be shared with departments.	08/01/2024	30/06/2024	0%
COMM 20: ISS.64	During the audit of compliance, it came to our attention that the oversight report adopted by the council on the 2021/22 annual report was not made public, as required by section 129(3) of the MFMA.	Municipal Manager did not monitor the requirements of the section 129 (2) of the MFMA to ensure compliance.	Management must ensure that the oversight report is made public by putting the notice on local newspapers and around the municipality.	Management did not ensure that the oversight report was made public by publishing the notice in the local newspapers and making the report available around the municipality.	Management will ensure compliance with applicable laws and regulations. Publishing the notice on the local newspapers and making the report available around the municipality.	08/01/2024	30/06/2024	0%
COMM 21: ISS.9	During the testing of expenditure, it was noted that the following suppliers were not paid for within 30 days: 1. WH1001 : WHITE LEOPARD SECURITY , 2. WATER TANKERING SERVICES etc.	The municipality does not have adequate financial resources to ensure that payments are made timeously. This is as a result of a low debt collection rate by the municipality (2%).	The Accounting officer and CFO should ensure that the municipality has sufficient resources to pay all the creditors of the municipality within 30 days of receiving the invoice as required.	Inadequate financial resources to make payments on time.	Financial control measures will be put in place to ensure that all invoices are paid within 30 days from date of the receipt of invoice when funds are available.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 03: ISS 5	That an error was identified under note 13 of Cash & Cash Equivalent in the Annual Financial Statement whereby the Barongwa Traffic Registration and Traffic Licensing standard bank account number share the same bank account number 41980255, . However the correct account number for Traffic Licensing is 33099936.Lack of management review on the Annual financial Statement prior to the submission. Incorrect accounts balances may be recorded in the annual financial statements.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	It is recommended that the review on the annual financial statements be performed prior to the submitted for auditing	Lack of review of Annual Financial Statements prior to submission.	Management will ensure thorough reviews are conducted to the AFS before final submission.	29/11/2023	30/06/2024	100%
COMM 05: ISS.18	During the walkthrough of employee cost it was noted that:-Finance officials at middle management do not have the required minimum competency levels in unit of standards for a competency area.	Non adherence with the requirements as stipulated in the MFMA.As a result the Municipality did not comply with section 83 and 107 of the MFMA.	Management must ensure that the municipalities policies are updated with the legislated requirements te. ensure effective implementation.	Non adherence with the requirements as stipulated in the MFMA.	Management undertakes to ensure that the required competencies are obtained within the timeframes as indicated in the internal control deficiency.	08/01/2024	30/06/2024	0%



## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 07: ISS.11	Although the municipal manager and managers directly accountable to the municipal managers have signed performance agreements in place, performance assessments were not performed despite the fact that the legislation requires assessments to be performed quarterly. It should further be noted that this is a re-curing issue. There is a lack of commitment by management to ensure that an adequate performance management system is in place.	Management did not exercise oversight responsibility regarding compliance and related internal controls to ensure that all the section 56 & 57 directors have completed their performance evaluation as required.	Management should ensure an adequate performance management system is implemented and that senior manager are evaluated quarterly.	The lack of a performance management system limits the municipality from holding non-performing employees accountable.	Management will ensure the evaluation template is developed and approved by management Establish evaluation committees Conduct evaluation every quarter as required by the regulations. Implementation of performance management system,	08/01/2024	30/06/2024	0%
MCOMM 11: ISS.28	During the audit of employee related costs it was noted that reconciliations between the payroll and the general ledger accounts for employee cost are not reviewed timeously. Payroll reconciliation are not reviewed/approved due to the fact that the HOU Expenditure post was frozen in 2013. As a result the municipality did not comply with Section 62 (1) (c)(i) of the MFMA.	Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls by ensuring that an employee is allocated the responsibility to review in the interim.	Management should assign responsibilities of HOU expenditure to another employee to ensure that payroll reconciliations are reviewed timeously, for confirmation of completeness of reconciling items.	Lack of adequate employees	Management should assign responsibilities of HOU expenditure to another employee to ensure that payroll reconciliations are reviewed timeously, for confirmation of completeness of reconciling items.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 02 : ISS 3	<p>The information was requested in RFI No. 3 &amp; 4 of 2023, which was due on 4 September 2023 was is still outstanding:-</p> <p>1. The following information relating to the confirmation of the business processes as to whether the process is still the same or not and then if there is any changes please amend using a red font to indicate the changes made in the processes. In some business processes working papers there is more than one business process please complete all the sheets the business processes was not confirmed.</p> <p>2. Fraud questionnaire under annexure A, B and C are not completed</p> <p>3. The information was requested in RFI No. 4 of 2023, which was due on 4 September 2023: May you please ensure that the personnel that is listed below complete the applicable fraud questionnaire?</p>	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Management should ensure that they implement proper record keeping system to ensure that complete, relevant and accurate information is accessible and submitted to the auditors within the agreed timeframe.	Management did not implement proper controls to ensure that the information requested by auditors are received within the agreed-upon date.	Management wil ensure that all requested documents are provided on time.	08/01/2024	30/06/2024	0%

## Chapter 6

COMM 03 : ISS12	<p>Registers review and approval</p> <p>As part of the audit planning procedures, we noted the following deficiencies with regards to Unauthorised Expenditure, Fruitless &amp; Wasteful Expenditure, Irregular expenditure, Accruals, Contingencies, Commitments and related parties:</p> <ul style="list-style-type: none"> <li>- Commitment register is not reviewed and approved by the HOU SCM</li> <li>- The litigation report or Contingencies register is not reviewed by the HOU: Legal Services</li> <li>- The accrual register is not reviewed and not approved by manager creditors once a year at year end</li> <li>- The irregular expenditure register is not reviewed by SCM manager monthly and not approved by the CFO</li> <li>- The fruitless and wasteful expenditure register is not reviewed by manager creditors monthly and not approved by the CFO</li> <li>- The CFO did not review the unauthorised expenditure register</li> <li>- The register is not submitted to council to discuss and condone</li> <li>- The Related party Register is not reviewed and approved by SCM HOU</li> </ul>	Improper implementation of the review and approval controls	It is recommended that the designed controls be implemented and it be ensured that they are operating effectively as per the design	Registers not timeously reviewed and signed by management,	Management will ensure that all registers are reviewed and filed on time.	08/01/2024	30/06/2024	0%
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## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
	Per review of the registers stated above, noted that there was no evidence of review thereon.							
COMM 05: ISS.15	During the planning stage of the audit, it was identified that there is a lack of segregation of duties as a result of employees acting in higher positions while still fulfilling the duties of their permanent positions due to high vacancy rate. E.g SCM manager served as a compliance manager and HOU simultaneously. This is due to a lack of adequate financial resources to enable funding of some posts.	Management did not implement controls over daily and monthly processing and reconciling of transactions.	The Chief Financial Officer should ensure proper prioritisation of filling of vacant posts with the budget allocated to the HR unit	Lack of segregation of duties as a result of employees acting in higher positions while still fulfilling the duties of their permanent positions due to high vacancy rate.	HR will ensure that after finalisation of the budgets, departments are notified of prioritised position resulting from budget constraints so they can commence with the filling of vacancy requests.	08/01/2024	30/06/2024	0%
COMM 09: ISS.16	While performing the audit procedures on the use of consultants, it was noted that management had performed a GAP analysis regarding the need for consultants in order to compile the Annual Financial statements. In the GAP analysis prepared by Ms T Mogorosi (Manager: AFS) and recommended by Mr M Mkhize (CFO) it was stated that "... the municipality has insufficient skills and resources.." to compile the AFS and see the audits through	Management did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.	Management should ensure that a performance management system is in place so that non-performing employees can be identified formerly and held accountable or implement appropriate remedial actions to capacitate unskilled staff.	The municipality has insufficient skills and resources.." to compile the AFS and see the audits through	Management will implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 23: ISS.43	Contrary to the above requirement assets were disclosed as disposals under Note 4 of property, plant and equipment, however council did not approve the disposal of the assets:	There is a lack of planning from management to submit the list of assets to be disposed off to council timeously for council to approve before financial year end.	Management should ensure monitor requirements of legislation and the Asset management policy to ensure that there is correct interpretation and application of the requirements. Council should approve disposal of assets before they are removed from the Fixed Asset Register and PPE in the financial statements	The report was not timeously presented to council as the sitting was only end of August.	As a control measure verifications will be conducted earlier in the year and disposal sent for approval by council as when such cases arise.	08/01/2024	30/06/2024	0%
COMM 12: ISS.21	During the testing of fuel and oil under general expenditure, we selected a sample of transactions from the General Ledger (GL), upon discussion with management on 07 November 2023, it was noted that the amounts on the GL are in bulks .The following discrepancies between the GL amounts and the breakdown	This is as a result of: 1. The fleets department does not keep records and reconcile with the bank invoices regularly, to keep the GL breakdown updated with all the transactions that occurred. 2. The fleets' department does not have any system in place to manage the usage of petrol cards, monitor the transactions to ensure that they are only used for authorised trips and recorded accordingly.	1. The fleets manager should prepare a register to reconcile with the bank invoices regularly, to keep the GL breakdown updated with all the transactions that occurred. 2. The fleets manager should have a system in place to manage the usage of petrol cards, monitor the transactions by keeping track of trip logs and relevant slips to ensure that they are for authorised trips and recorded accordingly.	Lack of proper record keeping	Fleet management system will be improved to manage the usage of petrol cards, monitor the transactions by keeping track of trip logs and relevant slips to ensure that they are for authorised trips and recorded accordingly.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 19: ISS 63	<p>The following Request for Information were communicated to management on the respective dates, but were not submitted within the required time frame &amp; still outstanding:</p> <p>RFI 69 of 2023 - Issued 31 October 2023 due date 03 November 2023.</p> <p>RFI 109 of 2023 - Issued 16 November 2023 due date 20 November 2023.</p> <p>Information requested RFI 69 - Please provide the below information requested.</p> <p>1. 2022/2023 Logbook/register for issued petrol cards to municipal official.</p> <p>RFI 109 - Kindly provide the following supporting documentation for fuel and oil transactions on the</p>	<p>No controls in place to ensure that information is timeously available. Fleet logbooks are not electronically backed-up.</p> <p>There are no controls to mitigate risks of loss of information caused by natural disaster.</p>	<p>Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available. Management should ensure that information is stored on cloud and regularly backed-up to mitigate risks of loss of information caused by natural disasters.</p>	<p>Information requested RFI 69 - Please provide the below information requested.</p> <p>1. 2022/2023 Logbook/register for issued petrol cards to municipal official.</p> <p>1. Management was not able to submit the 2022/2023 petrol cards register due to some information that was damaged by the natural disaster that happened on the 19th of September 2023, whereby bulk of the documents were destroyed including the fuel cards register for 2022/2023.</p>	<p>Management will ensure that all invoices, fuel authorisations, log books are scanned and backed up on the server on regular basis</p>	08/01/2024	30/06/2024	0%
	<p>sample selected as per attached annexure:</p> <ul style="list-style-type: none"> <li>• Supplier Invoices/ Slips</li> <li>• Trip authorization forms,</li> <li>• and other relevant supporting documentation</li> </ul>							

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 20: ISS.61	<p>During the testing of general expenditure, it was noted that the following transaction recorded on the GL was incurred in the prior year:</p> <p>Information as per the General Ledger Period Vote description Reference TranDate Debit Amt Invoice date Payment date 202208 IT expenses BR 00446161Z 20220901 328 970,00 2022/01/31 2022/02/02</p> <p>Management did not perform thorough review of the transactions recorded on the General ledger to ensure that general expenditure is recorded in</p>	The accounting officer and management did not prepare regular, accurate financial reports that are supported and evidenced by reliable information.	Management should perform thorough review of the transactions recorded on the General ledger to ensure that general expenditure is recorded in the correct financial year it was incurred.	Internal control deficiencies, Management not performing monthly reviews of the general ledger	<p>Management agrees with the finding and will ensure that transactions are recorded in the correct periods. Management has revisited the whole population for general expenses and noted that this was isolated case, relating to billing integration for transactions until 31/08/2022. Therefore, management disagrees with the projected misstatement of R918 330.39 as this was a once-off error and should be factual misstatement of R328 970,00.</p> <p>Monthly reviews of the general ledger shall be performed on a monthly basis to identify and investigate unusual</p>	08/01/2024	30/06/2024	0%
	the correct financial year it was incurred.This will result in a projected mistatement of R 918 330,39 on general expenses.				transactions			

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 13 : ISS 17	<p>It was noted during the audit of accrued leave that the municipality did not have leave policy in place to ensure effective controls over the application, the approval and the monitoring of leave. Furthermore, the following were noted as a result of the policy not being in place.</p> <p>1. Leave forms are not filed timeously in the employee leave files for vacation leave taken. Leave forms were only filed in the employee files during the audit.</p> <p>2. Differences were noted between total leave taken and leave captured. The days calculated (16 and 4 days) include the 3 days compulsory leave taken in December.</p>	<p>Differences in leave taken and the leave report are as a result of the municipality not having an approved leave policy in place.</p> <p>Management did not implement controls over daily and monthly processing and reconciling of transactions.</p>	<p>Management must ensure a leave policy is developed, approved and implemented and ensure controls over the monitoring of leave are effective.</p>	<p>Management agrees with the finding however, leave administration in the municipality relies on manual leave books which have been very difficult to control. Late submission of books resulting to late capturing of leave.</p>	<p>Management will develop a leave policy and ensure that leave administration process is appropriately enforced throughout the financial period.</p> <p>Management will on a regular basis request leave books from all directorates for reviewing and reconciling of leave calculated and to be captured on the system.</p>	08/01/2024	30/06/2024	0%



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COMM 09: ISS.14	<p>Contrary to the above requirement, during the SCM business process, it was noted that the municipality does not have the following controls with regard to procurement of goods consisting of local content:</p> <ul style="list-style-type: none"> <li>• There are no controls in place to ensure that suppliers contracted to provide local content product are indeed providing local content products.</li> </ul> <p>Furthermore, upon enquiry with the SCM acting HOU(Mr T. Pitse), confirmed that the bid documents relating to local content are submitted to the Department of Trade and Industry, however, no evidence supporting the statement could be obtained.</p> <p>There was no review and monitoring of compliance with applicable laws and regulations.</p> <p>As a result the municipality did not comply with SCM regulations relating to procurement of designated commodities which may result in irregular expenditure.</p>	<p>Management did not review and monitor compliance with applicable laws and regulations as per SCM requirements.</p> <p>Management did not exercise oversight responsibility regarding compliance and related internal controls.</p>	<p>The accounting officer and SCM manager should ensure proper review and monitoring of compliance with applicable laws and regulations.</p>	<p>Inadequate review of deviations register before submission of financial statements.</p>	<p>Management will ensure oversight is done. However, it must be further noted that local content has been omitted from the current procurement regulations of 2022.</p>	08/01/2024	30/06/2024	0%
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## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 16: ISS.32:	<p>1. The following individual was identified as being in the employ of other state institutions and whom through their respective businesses have supplied services to the municipality. It was noted that these suppliers had completed the necessary MBD4 form but did not declare their interest on the MBD4 form.</p> <p>2. For the following suppliers, the interest was not declared in the MBD 4:</p> <p>3. For the following, there was no MBD4 attached on the payment voucher:</p>	Management did not review and monitor compliance with applicable laws and regulations	<p>Management should ensure that the directors, shareholders or members of the supplier have fully declared their interest and whether they are working for the state. Management should ensure that the awards are not given to people who are working for state as it can possibly create corruption or any allegation of favouritism when the award is given to persons employed by the institution or to persons connected with or related to them. Management should ensure that all irregular expenditure is disclosed. Furthermore, management should provide information to auditors to enable auditors to perform necessary procedures.</p>	Management do not have a system (CAATS) to identify false declarations, only relies on CSD report and MBD4 forms from suppliers.	<p>Management will ensure that all suppliers identified by CAATS system are all included in the irregular register. Management will ensure that the directors, shareholders or members of the supplier have fully declared their interest and whether they are working for the state and will ensure that the awards are not given to people who are working for state. Management will also put measures to disclose all irregular expenditure.</p>	08/01/2024	30/06/2024	100%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 16: ISS.39	<p>During the testing of Supply Chain Management: Deviations, we noted the following issues:</p> <p>1. There is no evidence that ALL deviations from inviting quotations/ competitive bids was reported to the next council/ board meeting.</p> <p>2. For the below suppliers, the reasons to deviate were not valid:</p>	<p>This is as a result of lack of planning by the Contract Management and Supply chain Management Directorates. This will result in irregular expenditure. Management did not ensure that they Review and monitor compliance with applicable legislation</p>	<p>It is recommended that:</p> <p>1. Management ensure that at least 6 months before a contract ends, the process to procure a new supplier is started to ensure that the municipality has sufficient time to appoint a new supplier.</p> <p>2. Management ensure that all deviations are communicated to the council for their consideration.</p>	<p>Deviations were due to unforeseen delays on SCM processes and inadequate planning. However all deviations for 2022/2023 financial year were reported to Council and disclosed as irregular on the register and AFS.</p>	<p>Management will continue to comply with section 6 (2) and 6 (3) of Municipal Finance Management Act of 2003 read together with section 36 (2) &amp; 36(1)(a). Management will ensure timeous inception of procurement processes prior to end of an existing contract.</p>	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 16: ISS.40	During the audit of SCM: Deviations, we noted that the following: the CSD report is dated 28 June 2022 and the award was made on 13/05/2022, therefore, there is no evidence to show that at the time of award the supplier was tax compliant. There's a lack of monitoring of SCM regulation and implementation of adequate checklist to ensure compliance with SCM prescripts. This will result in non-compliance with SCM regulation 13(b) & 43. Furthermore, this will result in irregular expenditure. Furthermore, the CSD for Lethabo Projects solutions was not attached.	Management did not ensure that they review and monitor compliance with applicable legislation	Its recommended that: 1. Where a supplier is a joint venture, both the CSD reports of the JV members should be considered before the appointment of a supplier. 2. The CSD reports attached should be dated before the municipal manager's date of approval. 3. All suppliers that have been declared non-tax compliant should be disqualified and not awarded any bid/quote. 4. Management should ensure that CSD reports are attached on payment vouchers.	The municipality is guided by circular 90 of MFMA when implementing tax matters on service providers. All listed deviations derived from contracts that expired. The circular advises municipalities to not hold payment after compliant appointment and further states that 'where goods or services have been delivered satisfactorily without any dispute, accounting officers should not delay processing payment of invoices due to outstanding tax matters.	Management will ensure that CSD reports are generated prior to any appointment and compliance with MFMA circular 90	08/01/2024	30/06/2024	0%

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COMM 16: ISS.49	During the testing of quotations, we noted that management did not attach the invitation/Request for quote for the below suppliers: PO: 90070676 Suhlangane 4 u Accomodation for Mr. U Mmope, PO: 90072372 Reatlegile Trading SUPPLY AND DELIVERY OFFLOADING OF BRICKS R146 793,00, White Cub Service Caterring for IDP on the 04/11/2022 R12 000,00, Tsogang Farmers Association - R15 000,00, PO: 90070285 Barney101 Trading and Projects - R24 000,00 Chairs, tables with cloth ,toilet hire and tent for people attending ipd , PO: 0001047570 Semelo Projects - R198 760,00 SUPPLY, DELIVERY AND OFFLOADING OF ROADS AND STORMWATER MATERIAL, PO: 90073716 OARABILE PROJECTS SUPPLY & DELIVERY OF SANITARY TOWELS FOR YOUNG GIRLS @ VARIOUS PRIMARY SCHOOLS R13 600,00, Total Computer Services (Pty) Ltd - Traffic Back Office System (Traffic Admin System), Lethowe Confectionary - R25 000,00 R29 834,45	There's a lack of monitoring of SCM regulation and implementation of adequate checklist to ensure compliance with SCM prescripts.	It is recommended that on every payment voucher, management ensure that they attach evidence of the request for quote.	The threshold for this procurement required the municipality to request at least three quotations. Three quotations are attached to the voucher attached to this response. Management have still not provided the auditors with the request for quote/invitation. Therefore, the auditor cannot confirm compliance with SCM regulation 2(1) (b).	Management will attach evidence relating to each and every procurement and ensure proper record keeping	08/01/2024	30/06/2024	0%
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## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 25: ISS.51	During the testing of quotations, we noted that the 3 quotations were not sourced for the below orders: Total Computer Services - Traffic Back Office System (Traffic Admin System) - R147 698,50(90072881) Furthermore, there is no deviation attached to the voucher to substantiate why management did not obtain 3 quotations.	Management did not review and monitor compliance with applicable laws and regulations This will result in non-compliance with SCM reg. 12(1)(c), 16(a) & 17(a). Furthermore, this will result in irregular expenditure of R147 698,50.	It is recommended that management obtain 3 quotations for all procurement that is below R200 000,00.	Management issued a 7 days notice to invite bidders for goods and services. Only 2 bidders responded.	Management will ensure that 3 quotes are sourced for procurement of goods and services.	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 25: ISS.68	For the below, the contract value was more than R10 million and upon inspection of the advertisement, the tender was not advertised for more than 30 days - 002/MKLM/2022/2023 - Molotlegi Construction and Projects - R13 816 577,25 The supply chain Directorate did not ensure that they monitor compliance with supply chain regulations pertaining to adverts.	Management did not review and monitor compliance with applicable laws and regulations	It is recommended that management ensure that all adverts that are published, are in compliance with SCM regulation and adhere to the minimum times based on the applicable thresholds	002/MKLM/2022/2023 - Molotlegi Construction and Projects – The tender was advertised on 07/06/2022 with the closing date to be 24/06/2022 which was 18 days. The tender advertised based on the budget of R9 673 333,68 and was appointed at R13 816 577,25, there was a shortfall of R6 467 176,97 which was the commitment obtained from COGTA before appointment of the contractor. Therefore, supply chain Directorate did comply with supply chain regulations pertaining to adverts.	Management will ensure that SCM regulations are complied with during tender evaluation and adjudication statges.	08/01/2024	30/06/2024	100%

## Chapter 6

COMM o8: ISS.13:	<p>Through inspection of the registers, it was noted that there were no investigations conducted for Unauthorised, Irregular and Fruitless and wasteful expenditure incurred in the current and prior years. Also through inspection of the council minutes, for the current year it was also confirmed that the current year unauthorised, irregular and fruitless and wasteful and expenditure was not reported to the council in terms of section 32.MPAC has not been able to conduct investigation as they are not yet capacitated to deal with UIFWE investigations.</p> <p>The action plan towards capacitating MPAC is still in progress. Although MPAC has attended a training conducted by PPAC in April 2023, the positions of MPAC researchers, who are key role players in the process, are still not filled.</p>	<p>Management did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place as the vacancies of MPAC researcher are still not filled.</p>	<p>The accounting officer should ensure that all action plans developed to capacitate MPAC are implemented timeously and that vacancies of MPAC support staff are filled.</p>	<p>MPAC has recently started with the UIF&amp;W expenditure investigations and the focus currently is on unauthorised cash items. Coghsta is also assisting MPAC on ensuring that investigations are conducted in terms of MFMA. The vacancy for the MPAC Researcher will be filled before council recess since it was advertised few months ago. The re-establishment of the Disciplinary Board will be undertaken by the Council in January 2024 since the Former CFO of Moretele resigned and the Board term also expired.</p>	<p>Municipality will ensure that all action plans developed to capacitate MPAC are implemented timeously and that vacancies of MPAC support staff are filled. On a quarterly basis council should receive progress report on investigations by the MPAC</p>	08/01/2024	30/06/2024	0%
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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 03:ISS.12	As part of the audit planning procedures, we noted the following deficiencies with regards to related parties: The UIF&W register is not submitted to council to discuss and condone - The Related party Register is not reviewed and approved by SCM HOU.	Improper implementation of the review and approval controls may impact the accuracy and/or completeness of the supporting schedules and what is disclosed in the AFS.	It is recommended that the designed controls be implemented and it be ensured that they are operating effectively as per the design.	The unauthorised expenditure for the year under review will be submitted to council in January 2024 with the special adjustment budget. while the unauthorised expenditure for 2021/2022 was submitted in January 2023	The unauthorised expenditure for the year under review will be submitted to council in January 2024 with the special adjustment budget. while the unauthorised expenditure for 2021/2022 was submitted in January 2023	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 05: ISS.15	During the planning stage of the audit, it was identified that there is a lack of segregation of duties as a result of employees acting in higher positions while still fulfilling the duties of their permanent positions due to high vacancy rate. E.g SCM manager served as a compliance manager and HOU simultaneously. This is due to a lack of adequate financial resources to enable funding of some posts.	Management did not implement controls over daily and monthly processing and reconciling of transactions.	The Chief Financial Officer should ensure proper prioritisation of filling of vacant posts with the budget allocated to the HR unit.	Compensating controls are always observed in that the HOD reviews work done by official in cases where the acting resulted from a vacancy. In the case of SCM, the authorisation function always rested with the CFO for which due diligence was done prior to authorisation.	HR will ensure that after finalisation of the budgets, departments are notified of prioritised position resulting from budget constrains so they can commence with the filling of vacancy requests.	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 09: ISS.24	During the audit of indigents, we obtained an Indigents report and it was noted that the following listed individuals below do not meet the qualifying criteria's of being and indigents.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Management should ensure that effective controls are designed and implemented to further confirm the accuracy of the indigent applicant information by further searching on other databases (e.g NPR) to mitigate the risk of under billing due to invalid indigents applicants.	Management does not have the technology to search all other platforms to confirm the accuracy of the information provided by applicants.	Management will ensure that controls are improved and implemented to further confirm the accuracy of the register. Indigent register will be updated and reviewed on a regular basis.	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 11: ISS.33	In terms of Section 100(a) of the MFMA: "The accounting officer of a municipal entity is responsible for implementing the entity's budget, including taking effective and appropriate steps to ensure that the spending of funds is in accordance with the budget." Contrary to the above mentioned, a reasonability test on the budgeted indigent amount/list was performed and it was noted that the municipality submitted an excessive indigent list to treasury which resulted in only 17% of the allocated indigent budget used to benefit the indigents and 80% not used for indigents.	Management did not ensure that accurate and complete indigent listing is submitted to treasury for budgeting. The impact of this exception will result in an overstatement of revenue and could result in unauthorized expenditure if the R15 799 410,91 is used for other purposes either than for indigent.	The Accounting Officer should ensure that the indigent list sent to treasury to budget for the allocation of indigents is updated regularly and previous actual indigent data is used alongside current applications of indigents to determine a more reasonable budget and avoid using the remainder of the budget for other purposes.	Municipalities do from time to time budget more than they actually spend and those savings can be used to fund other areas of the municipality, this does not equate to spending money that was allocated to a specific function for another purpose. The finding would have been valid had the municipality used money that was in the indigent vote for some other purpose but that is not the case.	Management will ensure that accurate and complete indigent listing is submitted to treasury for budgeting. However, the budgeted amount of R19 050 000 also includes the amount of R8 400 000 for free basic electricity. The total amount spent on free basic electricity amounts to R9 861 282 which is included in the electricity line item under note 33 General expenses.	08/01/2024	30/06/2024	0%

## Chapter 6

COMM 13: ISS.37	During the audit of customer debtors' impairment allowance, the following were noted: 1(a) Management does not have a documented and approved criteria, procedure or methodology for the impairment of individually assessed customer debtors. Thus there is no evidence that an appropriate assessment is conducted on the loss events identified or present and consequently this impacts estimation on future cash flows. (b). Furthermore, inconsistencies were noted in the application of the standard that arise from there not being a documented assessment procedure for the individually assessed customer debtors. 2. Management has not impaired some significant customer debtors whom were individually assessed, despite there being objective evidence and indicators that these financial assets may be impaired as a result of the presence of at least 2 loss events (i.e. default on payments & adverse change in payment status since inception) thus affecting - GRAP104.58(b) & 58(f)(i)	Management did not review and monitor compliance with applicable laws and regulations by ensuring that consumer debtors are impaired in accordance with GRAP 104.	This is an area of significant management judgement and procedures to ensure compliance with the reporting standards (GRAP104) need to be applied consistently and the necessary governance reviews and approvals on the said criteria, methodology and procedures performed regularly.	Management have demonstrated that there is no objective evidence suggesting that the gross debt value not impaired is not correctly represented in the annual financial statements. Additionally the impairment of debt and write-off policy does provide for impairment of individual debtors if significant enough, but due to the fact that each individual debtor's circumstances are unique it would be inappropriate to have a blanket approach, this does not in any way affect the correctness of the assessment performed by management.	Management will ensure that the impairment calculation is thoroughly reviewed prior to submission to the auditors. Management will revisit the population and quantify the total errors and request for an adjustment	08/01/2024	30/06/2024	100%
COMM 18: ISS.38	During the audit of the debt impairment, the reviewed debt impairment policy and council resolution for	Management did not exercise oversight responsibility regarding	Management should ensure controls in place are effective to confirm regular review and	The budget together with budget policies were simultaneously approved by the Council. The resolution number	Management will ensure controls in place are effective to confirm regular review and approval of the	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
	<p>evidence of approval were requested from management and the two documents were submitted but, the following were noted:</p> <p>(i) the resolution for the approval of the debt impairment policy submitted was dated 9 November 2023.</p> <p>(ii) Council minutes for the meeting held on the 31 May 2022 for the approval of the impairment policy was submitted but there was no evidence that the Debt impairment policy was discussed and approved. Furthermore, information relating to the historical data used for the determination of impairment percentages (namely: 10%, 20% and 30%) utilised for the provision matrix applied in the policy for the portfolio assessments, as well as the percentages applied on the individually assessed customers (namely: 0% and 10%) could not be provided. Internal controls in place at the municipality are not effective to ensure there is a clear evidence that the debt impairment policy was reviewed regularly and that</p>	financial reporting and related internal controls	approval of the policy and to ensure the percentages applied for the determination of debt impairment, are supported.	<p>114/05/2022 and the accompanying minutes indicates that the budget for 2022/23 financial year was approved and automatically the budget related policies were approved.</p> <p>The impairment percentage applied reflects the risk of the debtors' ability and willingness to pay – Refer to attached Management representation letter. (RFI 101 of 2023)</p>	<p>policy and to ensure the percentages applied for the determination of debt impairment, are supported. The budget is reviewed annually and brought to the Council for approval before the beginning of the new financial year.</p>			

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
	evidence is kept to support the determination of impairment percentages applied.							

## Chapter 6

COMM 24: ISS.67	<p>GRAP 1.5 - Defines the assets and liabilities as follows:</p> <ul style="list-style-type: none"> <li>• "Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.</li> <li>• Liabilities are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential."</li> </ul> <p>Contrary to the above, the municipality did not credit some of the payments made by some customers against other accounts of the same customers.</p>	<p>The municipality does not liaise with customers to ensure that payments are followed up on and allocated correctly. Further there is an incorrect interpretation of the GRAP. Management did not implement controls over daily and monthly processing and reconciling of transactions by following up payments with customers to ensure that payments are allocated accurately. Management did not review and monitor compliance with GRAP to ensure that payments are accounted for and recorded correctly.</p>	<p>Management should perform monthly reconciliations to ensure that a customer is not disclosed as a debtor while there is or are payments made in advance by the same customer as the municipality will have to disclose the customer at the end of the reporting period. It is recommended that management must inform or make the customer aware of the situation where the other accounts are paid in advance while others are in arrears.</p>	<p>Management relied on consumers for payments allocation where overpayments or payments in advance were identified.</p>	<p>Management will liaise with consumers to ensure that payments are followed up on and allocated correctly.</p>	08/01/2024	30/06/2024	0%
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## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 08: ISS.19	During the audit of water losses, it was noted that the municipality does not have adequate controls in place to mitigate risks relating to water losses caused by illegal connections and water theft.	Management does not have the proper security to safeguard water infrastructure and technology to measure losses for each category.	It is recommended that management should design and put controls in place to mitigate risks relating to water losses caused by illegal connections and water theft such as; <ul style="list-style-type: none"> <li>• Tight 24/7 security personnel where the water is stored.</li> <li>• Strict entry point controls e.g access registers</li> <li>• Management should capture data of how many unmetered stand pipes they have and install meters on the communal stand pipes and water tankers stand pipes and secure the area to stop unauthorized personnel from drawing water from municipal stand pipes. To capture data for illegal or unauthorized connections.</li> </ul>	Management notes the finding, although it is impractical to monitor water pipes where leakages and theft happens. Furthermore, the municipality could not quantify water losses per category as it is highly impractical to determine accurate values relating to leakages and theft.	Management will implement reasonable and practical controls to mitigate risks relating to water theft and illegal connections in future financial periods.	08/01/2024	30/06/2024	0%

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MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 08: ISS.20	<p>The following Request for Information was communicated to management on the respective dates, and was not submitted within the required time frame &amp; still outstanding:</p> <p>RFI 23 of 2023 - Issued 11 October 2023 due date 16 October 2023</p> <p>Information requested</p> <p>Kindly provide us with the detailed breakdown of the Water Losses between the following categories:</p> <ul style="list-style-type: none"> <li>• Losses caused by leakage</li> <li>• Losses caused by illegal connections (Theft)</li> </ul>	<p>Management does not have the resources/technology to capture data relating to the different categories causing water losses.</p> <p>Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.</p>	<p>Management must ensure that water losses are adequately tracked and that the relevant data is kept and readily available.</p>	<p>Management notes the finding, although it is highly impractical to determine accurate values for the detailed breakdown as requested by auditors.</p> <p>Management could only provide the total value of water losses for the financial year, as disclosed in the annual financial statement.</p>	<p>Management will implement tighter controls to minimise water losses in future.</p>	08/01/2024	30/06/2024	0%

## Chapter 6

COMM 07: ISS.22:	<p>During the understanding for the process relating to KPI 16 - % of households with access to basic level of water, we requested the water consumption reports by households as per the TDI source/data collection, management provided us with a billing report which does not indicate the areas e.g. Mogwase or Madikwe, name of account holder and the billing address of the households having access to basic water.</p> <p>During the understanding for the process relating to KPI 17 - % of villages with access to basic level of water , we requested the water consumption reports by villages as per the TDI source/data collection, management provided us with a report on water consumed by households which is an excel document with number of villages per month with water consumption.</p>	<p>This is due to inadequate reviews and reconciliation being performed while compiling the Annual Performance Report resulting in unreliable evidence provided for audit.</p>	<p>The PMU manager should submit information supporting the reported achievement for this indicator. Management should ensure that the actual achievement reported is supported by valid supporting evidence. Management must ensure that an adequate validation process is implemented to ensure the reported achievements are supported by credible evidence.</p>	<p>Inadequate reviews of performance information reports by management. No accurate calculations performed to determine the total number of households provided by basic services.</p>	<p>Management will ensure that performance reports are reviewed on a quarterly basis. Management should implement a verification process with ward councillors including the Traditional Leaders in order to count households that have access to both water and waste removal. Further utilise happy letters for VIDP including implementation of the satisfaction register for services provided on both roads and water projects including High mast lights. Management should also utilise the Valuation roll to determine the number of households for Mogwase and Madikwe.</p>	08/01/2024	30/06/2024	0%
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## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 10: ISS.30	During the audit of the predetermined objectives, it was noted that the following targets were not achieved, evidence for measures taken to improve performance was either not submitted or not reliable.	<p>This is due to management's lack of monitoring and reviewing processes to ensure accurate and complete performance reporting.</p> <ul style="list-style-type: none"> <li>• Non-submission of the supporting schedules may result in a limitation of scope as the audit team cannot confirm the accuracy of the measures taken to improve achievements.</li> <li>• Unreliable information submitted may lead to the municipality not being able to improve its reported performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Management should improve their review processes around preparation of the APR to ensure the information reported in the APR are supported by reliable evidence.</li> <li>• Management should also ensure all role-players understand their role and responsibilities with regards to the reporting on performance information so to enable accountability.</li> </ul>	Inadequate reviews of performance information reports by management.	Management will ensure that performance reports and measures taken to improve performance are reviewed on a quarterly basis. Management will ensure accurate technical indicator descriptions and Portfolio of Evidence is available for all KPIs.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
COMM 15: ISS.50	In terms of section 67(d) the Municipal Systems Act: "A municipality, in accordance with the Employment Equity Act, 1998, must develop and adopt appropriate systems and procedures to ensure fair, efficient and effective and transparent personnel administration, including the monitoring, measuring and evaluating of performance of staff." Contrary to the requirements listed the municipality does not implement the monitoring, measuring and evaluating of performance of the staff.	Leadership did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.	Management should ensure that performance reviews for Section 56 and 57 are performed as a measure against their indicator and targets set for the year. Management must ensure that monitoring, measuring and evaluating of performance of staff are implemented as required by the legislation.	The municipality has not yet adopted a process to deal with the performance management of staff especially below section 56 employees. The reviewed PMS framework will be presented to management and to council for approval. The implementation of the framework will start as soon as the reviewed framework is approved.	Management is in the process to forward an item to council to resolve on the establishment of performance evaluation management committee that will ensure that performance reviews for 56 and 57 are performed in line with the regulations. Management will finalise the framework which will also deal with the processes of the PMDS in line with the new staff regulations.	08/01/2024	30/06/2024	0%
COMM 20: ISS.64:	During the audit of compliance, it came to our attention that the oversight report adopted by the council on the 2021/22 annual report was not made public, as required by section 129(3) of the MFMA.	Municipal Manager did not monitor the requirements of the section 129 (2) of the MFMA to ensure compliance.	Management must ensure that the oversight report is made public by putting the notice on local newspapers and around the municipality.	Management did not review, monitor and ensure compliance with applicable laws and regulations	Management will ensure that the oversight report is made public by publishing the notice on the local newspapers and making the report available around the municipality.	08/01/2024	30/06/2024	0%

## Chapter 6

MOSES KOTANE LOCAL MUNICIPALITY AUDIT ACTION PLAN (AAP) 2023/2024								
PERIOD : 30 JUNE 2023								
Finding number	Detail Audit Findings	AGSA Root Cause	AGSA Recommendations	Management Root Cause	Managements proposed solution	Start Date	End Date	Progress to date
,COMM 22: ISS.66:	During the audit of predetermined objectives, it came to our attention that the Municipality reported 0% achievement for KPI 43 - % of households provided with access to solid waste removal, as per the TID source/data collection is "solid waste removal report" challenges reported as a reason for non-achievement is "A total number of households provided with solid waste removal could not be determined by the municipality", we then came to the conclusion that the indicator is not well defined as data could not be collected consistently, however Lethabo Project Solutions was paid for these services which the municipality reported as 0 %	There is a lack of management's proper planning on realistic and practical measurable outcomes.	Management must ensure that an adequate validation process is implemented to ensure the reported achievements are supported by credible evidence. The TID must be clear relating to source/collection of data e.g valuation roll or billing report for accurate reporting.	Inadequate reviews of performance information reports by management.	Management will ensure that performance reports are reviewed on a quarterly basis. Management will ensure accurate reporting of the actual performance information (POE) to prevent nonconformities or inconsistencies. Management will ensure adequate validation process is undertaken to ensure accurate performance reporting which correlates with the supporting performance information.	08/01/2024	30/06/2024	0%

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.

## GLOSSARY

<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the



## GLOSSARY

municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a “vote” as:

*a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*

*b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

# APPENDICES

## APPENDIX A – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Bid specification committee	Determine the specifications of goods and services to be procured by the municipality in line with municipal supply chain management policy and other relevant statute
bid evaluation committee	Evaluate bids in line with the published specifications, municipal supply chain management policy and other relevant statute.
Bid adjudication committee	Adjudicates bid in line with municipal supply chain management policy and other relevant statute
Assets management and disposal committee	Plan and report to council on disposal of municipal assets.

# APPENDICES

## APPENDIX B –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Department	Head of Department/Manager (State title and name)
Municipal Manager's Office	Municipal manager: Mr M.V Letsoalo
Corporate Services	Head of Department: Mr F. Radiokana
Planning and Development	Head of Department: Mr G. Masheleni
Local Economic Development	Acting Head of Department: Mr A. Mogashoa
Budget and Treasury Office	Head of Department: Mr M Mkhize
Community Services & Public Safety	Head of Department: Mr S. Kotsedi
Infrastructure and Technical Services	Head of Department: Mr B. Maseloane

# APPENDICES

## APPENDIX C

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

## APPENDICES

Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No

# APPENDICES

## APPENDIX D – WARD REPORTING

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Victor Kheswa (EXCO Member)	1.Jacoline Pitso 2.Ipeleng Segale 3.Mandisa Tunzi 4.Wendy Matlapeng 5.Reginald Nkele 6.Xolile Vetshe 7.Ntombizakhe Dayele 8.Motlogelwa Ramokoka 9.Botshelo Nageng 10.KaraboSegakweng	Yes	12	12	
2	Poloko Lesomo	1.Elizabeth Motaung 2.Mmaphefo Mothibi 3.Dinah Ditsele 4.Idah Dinake 5.Dipolelo Molefe 6.Lillian Ndlovu 7.Matheo Ramatlhape 8.Kgomotso Maotoe 9.Thapelo Ntshabele 10.Tebogo Mokoka	Yes	12	12	
3	Solomon Tladi	1.Mpho Mokgosi 2.Tumisang Sole 3.Hannah Legoale 4.Maria Nokwane 5.Baneeleng Dibobo 6.Dinah Ramalosa 7.Dorcas Tlholoe 8.Gladys Xhale	Yes	12	12	

## APPENDICES

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
		9.Nthathi Magano 10.Ziphora Legoale				
4	Bertha Ponosho	1.Lenah Mokale 2.Dipuo Molosiwa 3.Morwe Mokemong 4.Ellen Ntsileng 5.Sophy Mooketsi 6.Motheo Mokale 7.Gloria Nyamane 8.Godfrey Sedirol 9.Sekgele Ngakane	Yes	12	12	
5	Thato Motshegare	1.Norah Monageng 2.Kefilwe Pholo 3.Banyana Pheyaga 4.Rapula Masilo 5.Catherine Mocomela 6.Solomon Banda 7.Suzan Makete 8.Moses Blom 9.ltereleng Sesinyi 10.Jeffery Sedumedi	Yes	12	12	

## APPENDICES

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
6	Karel Sedile	1.Jimmy Khunou 2.Wilson Mtengozo 3.Christopher Moalusi 4.Mothusi Rakuba 5.Joyce Tshabalala 6.Simphiwe Kalela 7.Tshegofatso Mula 8.Emily Segogoana 9.Jabulile Matsepe 10.Moses Dichabe	Yes	12	12	
7	No ward committees					
8	Rebecca Moeng	1.Phiri Tau 2.Balebetse Ramagogodi 3.Oratile Medupe 4.Isaac Molemane 5.Roselina Maine 6.Olefile Pilane 7.Patrick Mosime 8.Sonyanalisa Raikane 9.Thateng Menyatswe 10.Edna Sikayi	Yes	12	12	



## APPENDICES

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
9	Phadie Nquthula	1.Caroline Malapile 2.Mavis Pilane 3.Nyana Makaudi 4.Patricia Teke 5.Realinda Kotsedi 6.Linda Khunou 7.Africa Tlhasi 8.Lebogang Makanye 9.Patrick Matsila 10.Oupa Pilane	Yes	12	12	
10	George Moatshe	1.Stunford Nkomo 2.Salamina Khunou 3.Rapholo Makgamatha 4.Hilda Maupi 5.Boitumelo Matabane 6.Kija Nyirenda 7.Daphney Moabi 8.Dikgang Seleka 9.Francina Kgwale 10.	Yes	12	12	

## APPENDICES

Functionality of Ward Committees						
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11	Efesia Matshereng	1.Sinah Ditsele 2.Mamiki Mphela 3.Seth Tshintso 4.Maalosa Ramokoka 5.Modiegi Selokelo 6.Stemmie Ratlala 7.Oupa Moleswa 8.Violet Mphela 9.Dikeledi Maledu 10.Mmaleso Kekana	Yes	12	12	
12	Aaron Ramokoka	1.Bontle Bosielo 2.Welcome Matshoga 3.Mmalekgoa Ramokoka 4.Esrom Botsi 5.Caroline Maema 6.David Lekoto 7.Lebogang Sito 8.Asaph Makinita 9.Jonas Mogale 10.Mosidi Tshoma	Yes	12	12	

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Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
13	Patrick Tame	1.Nthathi Ntwape 2.Dineo Letsholo 3.Elias Letsholo 4.Gabriel Thoka 5.Monti Khumalo 6.Dumisani Jentile 7.Phulane Botlhokwane 8.Leoko Mangwegape	Yes	12	12	
1422	Lizzy Kgame	1.Thabo Morake 2.Matsheko Masilo 3.Elizabeth Xaba 4.Pouline Lesele 5.Boniswa Matshini 6.Kgomotso Leteane 7.Odirile Lekgetho 8.Edward Makgale 9.Sannah Mokgosi 10.Tsietso Tseladimitlwa	Yes	12	12	

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Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
15	Solomon Mabitsela	1.Modikela Segoe 2.Mathibela Molefe 3.Onkutlwile Matlhola 4.Johannes Mantyio 5.Kingsley Moteane 6.Thato Mosako 7.Johanna Mfi 8.Tshidi Kgotlang 9.Boruthwane Hlungwane 10. Moses Rakoma	Yes	12	12	
16	David Chaka	1.Freda Mqhushekiwe 2.Daniel Molapisi 3.Nome Sebego 4.Mary Marumagae 5.Ofentse Loeto 6.Dikgang Khumalo 7.Thabo Rampete 8.Pauline Motsomane 9.Motsamai Ndlovu 10.Johannes Molemane	Yes	12	12	

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Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
17	Bushy Solomon Manganye (EXCO Member)	1.Katlego Masimong 2.Reginald Letsholo 3.Evelyn Nkoane 4.Mmamokete Njoro 5.Kegopotswe Mokwena 6.Petrus Motlhatswi 7.Katlego Madiseng 8.Claudina Serole 9.Kopano Khunou 10. Peter Seemise	Yes	12	12	
18	Mamikie Radiokana	1.Hannah Lesesjane 2.David Moletsane 3.Elsie Madubung 4.Tshepang Khoza 5.Mpole Nkwe 6.Richard Motlhabane 7.Carol Mosome 8. Ben Kotane 9. 10.	Yes	12	12	

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Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
19	Harry Kodongo	1.Patience Mekgwe 2.Elzonia Motlhako 3.Doris Maotoe 4.Daniel Lesejane 5.Tiny Van Vuur 6.Kagiso Modikwe 7.Mamaki Kgatshe 8.Julia Kgosimang 9.David Moatle 10	Yes	12	12	
20	Obed Motsisi	1.Lebogang Kgaswane 2.Mmamosiane Nkwe 3.Petrus Motlhabi 4.Esther Kgaswane 5.Mittah Tlholwe 6.Samson Kgaswane 7.Mpipo Tlholoe 8.Stephen Mashabela 9.Itumeleng Kgaswane 10.Mmadikeledi Bogatsu	Yes	12	12	

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21	Tshepo Khumalo	1.Pauline Mfati 2.Martius Kekae 3.Tebogo Semakane 4.Daniel Molete 5.Sidwell Leso 6.Rosina Moime 7.John Motseokae 8.Mpho Motsatsi 9.Tsholofelo Phiri 10.Simon Mabe	Yes	12	12	
22	Mita Khutsafalo Khunou	1.Mpho Ramatlhape 2.Motsei Khunou 3.Mpho Molefe 4.Tumelo Mokone 5.Matshidiso Phefo 6. Motshwere Motlhanka 7.Johannes Masilo 8.Dikeledi Rapole 9.Ralikeleko Sefotho 10.Kegomoditswe Ramoabi	Yes	12	12	

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23	Nketu Nkotsoe (Exco Member)	1.Hilda Mosime 2.Violet Mpangeva 3.Kerileng Sebole 4.Johanna Masiangoako 5.Jane Mokgoebi 6.Lizzie Bogatsu 7.Jane Mopedi 8.Daphney Thondwane 9.Lesego Ramokgadi 10.Solomon Dirole	Yes	12	12	
24	Abish Magodielio	1.Mary Dibodu 2.Tshepo Moilwa 3.Linki Motsisi 4.Eva Mosimanyana 5.Mogomotsi Mpangeva 6.Anna Koitsiwe 7.Rahab Mathulwe 8.Kebonyeng Madikela 9.Irene Mosimanyana 10.Phillip Sekao	Yes	12	12	



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25	Johannes Mosito	1.Sello Segone 2.Thabo Mabale 3.Onnica Mabakeng 4.Solomon Letlape 5.Mpoko Rakhudu 6.Ben Tawana 7.Gift Mongwe 8.Mary Modise 9.Mpho Matshego 10.	Yes	12	12	
26	Hendrick Sekao	1.Poppy Masike 2.Catherine Toobi 3.Matlakala Ramela 4.Mogotsi Moruane 5.Thabo Mokone 6.Priscilla Moloana 7.Bakang Siko 8.Patricia Machete 9.Mmapula Marobe 10Lebogang Mothoane	Yes	12	12	

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27	Joseph Sibanda	1.Mpho Mabele 2.Beauty Chibelu 3.Kgomotso Sibanda 4.David Koitsewe 5.Judith Sojane 6.Josephine Rachomanyane 7.Maphefo Tlagadi 8.Tryphina Mabue 9.Rosina Mogoma 10Jane Nhasengo	Yes	12	12	
28	Rose Lukhele	1.Marea Tekana 2.Martha Shaai 3.Tebogo Disetlhe 4.Sipho Mzelem 5.Tshireletso Maphosa 6.Mapula Ramosunya 7.Elizabeth Moutloatse 8.Sophie Moroalla 9.Mosiako Ditlhasi 10Thabo Letshwiti	Yes	12	12	

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29	Kagiso Bubisi	1.Leatile Ratsoga 2.Phola Matlala 3.Thabang Maime 4.Thekwe Modise 5.Aaron Kgabo 6.Ishmael Mogapi 7.Neo Phofu 8.Maikano Mataboge 9.Maria Kwenaitse 10. Boitumelo Morero	Yes	12	12	
30	Chonko Tryphosa Botlhokwane (EXCO Member)	1.Jabulile Mbele 2.Anna Monye 3.Regina Tshabalala 4.Patricia Mokobane 5.Innocentia Mkhwanazi 6.Martha Phiri 7.Joseph Mmope 8.Modisa Kekana 9.Emily Sibeko 10 Bishop Mathibedi	Yes	12	12	

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Functionality of Ward Committees						
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31	Orepa Kgarimetsa	1.Morena Thale 2.Keneilwe Motswasele 3.Mesejeng Pilane 4.Ipeleng Moeti 5.Alice Kgosi 6.Lebogang Meselane 7.Sina Modibe 8.Baatseba Gouwe 9.Kagiso Mokwena 10Elson Kgarimetsa	Yes	12	12	
32	Thapelo Thoboke (EXCO Member)	1.Doreen Mokoka 2.Amelia Mafilika 3.Tshegofatso Seake 4.Ditshele Maloba 5.Petrus Maungwa 6.Bennedid Ledoaba 7Jane Tshite 8.Jane Ntsoe 9.Joshua Phiri 10Patrick Segone	Yes	12	12	

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Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Ward Committee Members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
33	Diphetogo Mmolawa	1.Lerato Mfolwe 2.Thabang Kgwakgwa 3.Nelly Mokgobu 4.Bosekilwe Rakobane 5.Badanile Jezile 6.John Ncube 7.Josiah Tsholo 8.Lucky Molapo 9.Mmabatho Moanakwena 10.Absalom Mataboge	Yes	12	12	
34	Dipuo Tau	1.Stanley Moatshe 2.Rebaemetse Otukile 3.Emily Motshegwa 4.Masego Segone 5.Elizabeth Mamadi 6.Galeboe Diale 7.Shimankie Ramokoka 8.Modise Sibanda 9.Bachipile Mahuma 10.Rosina Moloko	Yes	12	12	

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/2023

Municipal Audit Committee Recommendations		
Dates of Committee Meetings	Committee recommendations during 2018/19	Recommendations adopted (enter Yes) If not adopted (provide explanation)
26 August 2022 29 August 2022 14 October 2022 28 November 2022 29 January 2023 19 May 2023	Audit Committee recommended that management must implement recommendations made by Internal Audit, External Audit and the Audit Committee, to strengthen and improve the control environment so that emerging and identified risk can managed and mitigated timeously.	YES