











# ANNUAL REPORT

**1 JUL 2021 – 30 JUN 2022**

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD



16 Nov-2021- current

On behalf of Midvaal Local Municipality, it is my privilege to present the 2021/2022 Midvaal Local Municipality Annual Report. This report reviews the municipality’s performance and achievements for the past financial year.

I am excited to announce that all our hard work and dedication have culminated in our 9<sup>th</sup> consecutive unqualified audit.

These audit results confirm the hard work that our administrative staff and public representatives put into keeping this municipality on track.

Whilst we celebrate this achievement, we must also ensure that these clean audits translate into actual services that our people can see, feel and touch.

Clean audits mean we are managing public money efficiently and leaving no room for corruption. As we all know, corruption is not a victimless crime, it has a direct and negative impact on the lives of our people.

Midvaal Local Municipality will continue to hold its leaders to a high standard by not tolerating corruption and any form of mismanagement. Money collected through rates and taxes will be used towards improving service delivery.

I would be remiss if I did not mention the solid foundation of sound financial management practices and principles of good governance that were laid by our predecessors. As a new administration, we will continue to build on this legacy.

We have implemented strong performance management systems for our staff and public representatives, to ensure that everyone performs their duties adequately.

Our councillors must be available in their communities and see to the implementation of service delivery programmes. They must hold regular meetings and engagements outside of legislative engagements such as IDPs.

Midvaal Local Municipality continues to prosper due to the unwavering support and commitment of our residents. Through your support, we have kept our yearly collection rate at 90% and above.

The OPEX Budget has increased to R1,55 billion for the 2022/2023 financial year and will increase to R1,76 billion in the next three financial years. The CAPEX budget for the 2022/23 financial year is R180 million.

Some of the service delivery achievements for the year included:

- Installing a 16 kW-p-p PV plant at the Randvaal Offices as well as our Customer Care building site to save energy and embrace green technology.
- Developing a 5-Year Water Demand Management Strategy, in order to reduce Non-Revenue water.
- Achieved 100% compliance for our Bantu Bonke and Ohenimuri Wastewater Treatment site.
- Completion of a 10 Megalitre Reservoir.
- Completed the Sicelo Library Upgrade project, which cost more than R2.3 million.
- Work has begun for the R10 million construction project which includes informal trading stalls, ablution facilities and the rolling out of Wifi in public spaces in Meyerton.
- Launched the Blue Shield Task Team to promote safety and adherence to law and order in the CBD.
- The continued success of the Sebenza Mbokodo Programme which to date has assisted more than 150 women to have access to funding and business development support services worth over R1.7 million. This has led to the creation of an additional 305 jobs.

We are proud to work with our residents to develop our communities even further. We hope our residents will continue to engage us without fear or favour.

For the next five years we are committed to implement the following priorities, which is to:

1. Enhance service delivery through innovative technologies
2. Enable a safe, healthy community and environment
3. Promote local economic development and tourism
4. Adopt clean, renewable energy
5. Build strong partnerships
6. Be a people-centred, compassionate institution

These priorities have found expression in the IDP document, the budget process, as well as the strategic framework and the key performance outputs of every department. We are committed to achieving each of these priorities and taking Midvaal to the next level.



**ALDERMAN P. TEIXIRA**  
**EXECUTIVE MAYOR**

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 MUNICIPAL MANAGER'S OVERVIEW**



Management worked hard to entrench the principles of good governance and dedication within our organisation. Midvaal is reporting on the financial and key performance indicators knowing that the standard of the previous eight clean audits will create huge expectations on the governance structures of Midvaal. We are proud to say that we have achieved exceptional performance under very difficult circumstances.

Midvaal, due to the change in the environment of local government and lessons learnt, has realised that we will in future, be under more pressure from the environment and will have to become more efficient in our use of natural resources. Unwanted wastage cannot be afforded. The municipality is in the process to engage with relevant stakeholders for a Public Private Partnership (PPP), for the management and distribution of electricity and the maintenance of the electrical infrastructure to ensure that the municipality will be able to provide sustainable services to our ever-increasing number of households.

The municipality decreased some of the shared services, ICT in particular, from the Sedibeng District Municipality. Midvaal also had the pressure to move to the new Municipal Standard Chart of Accounts (mSCOA), reporting framework of National Treasury. The procurement of new software and hardware was required. The big issue was financing and uncertainty in relation to which service provider would be used from the transversal tenders of National Treasury. Midvaal couldn't risk non-compliance and proceeded to ensure implementation.

The shared services remained the same with the Emfuleni Local Municipality providing water, electricity and sewer services to the Risiville residents. The Ekurhuleni Metropolitan Council provides sewer services to the Kliprivier Business Park.

#### **RISK MANAGEMENT**

Enterprise-wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and was approved on 25 August 2021.

The Strategic Risk Register is aligned to the objectives of the Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the municipality.

The Chief Risk Officer submits progress reports to the Ethics and Risk Management Committee (oversight) on a quarterly basis, indicating progress made to mitigate the identified risks. A member of the Performance and Audit Committee is appointed as the Chairperson of the Ethics & Risk Management Committee and reports back to the Performance & Audit Committee on Risk Management. Quarterly progress reports are submitted to Council on the mitigation of Strategic and Operational Risks. Risk Management is audited by the internal auditors for completeness and effectiveness on a quarterly basis.

The five top strategic risks identified were:

1. Inefficiencies in SCM controls
2. Service interruptions caused by Load shedding
3. Land Invasion
4. Damage to properties and service infrastructure
5. Bulk Water supply insecurity

## **FINANCIAL SUSTAINABILITY**

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis.

During the financial year under review, various initiatives were embarked upon to improve the financial management.

These include:

1. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality has adopted its own cost curtailment policy and has now further strengthened policies in support of cost curtailment in line with the amended regulations. Cost curtailment is now an entrenched principle and is no longer seen as a short-term intervention, but rather part of the organisational culture.
2. Ongoing cash management: Cash balances increased from R451 m at 30 Jun 2021 to R487 m at 30 Jun 2022. An amount of R294 m was generated from operations against the R226 m (restated) in the previous financial year. A current ratio of 2.80 (2021: 3.06) and a cost coverage ratio of 4.33 months (2020: 4.36 months) was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.
3. Improvement in the completeness of revenue reconciliations as standard operating procedure, MFMA Circular 64, describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received. Property owners are levied the correct property rates in accordance with the Local Government Municipal Systems Act, Act 32 of 2000 and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to identify, record and manage all its revenue sources accurately and comprehensively. Quarterly reconciliations are performed between the valuation roll and the billing system, as well as regular data verification tests to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services has also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

## **ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR**

### **Statement of Financial Performance for the year ended 30 Jun 2022**

The Municipality had a surplus of R77 724 787.00 m for the year under review (a decrease from the previous year's R207 m). During the year, the total revenue decreased by 1.48%. Expenditure has increased by 9.07% during the year. There is no cost of free basic services for non-indigent households.



## **Statement of Financial Position as at 30 Jun 2022**

The growth in total assets was 4.10% with total assets of R2.97 billion at the close of the financial year. Current assets have increased by 10.43% from the 2020/2021-financial year, mainly as a result of increased cash and cash equivalents as well as receivables from exchange transactions. The cash collection rate for the year was 92.6%, which is a decrease from the previous financial year.

Non-current assets have increased by 1.94% from the previous year. Intangible assets (servitudes) increased by R1.3m. The condition of the assets is still such that a good level of services is rendered. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years.

The repairs and maintenance budget of the municipality is exceeding the National Treasury norm of 8% of the budget. The actual amount spent on repairs and maintenance was 4.18% of the budget. The protection of the municipality's asset base is regarded as a high priority, as it is both the core of our service delivery mandate and underpins our revenue base.

Current liabilities have increased by 20.41% due to creditor accruals. The municipality is up to date with both its Eskom and Rand Water accounts at year-end.

Non-current liabilities have decreased by 1.95%. This is mainly attributable to the decrease in the provision for the rehabilitation of the landfill sites and repayment of loans.

## **GENERAL KEY PERFORMANCE INDICATORS**

The Local Government Municipal Systems Act, Act 32 of 2000, prescribes certain general key performance indicators to be included in the Performance Management System.

The results of these ratio's are as follows:

Section	Indicator	2021	2022
10(a)	<b>Percentage of households with access to basic level of: Total Number of Households</b> (Access = Total Number of properties on Valuation Roll versus Total Number of properties Billed per relevant services)	<b>38 046</b>	<b>38 046</b>
	Water	82.47%	83.70%
	Sanitation	66.93%	67.84%
	Electricity	62.08%	63.88%
	Solid Waste Removal	86.03%	86.50%
10(b)	Percentage of households earning less than R1 100 per month with access to free basic services <b>Note:</b> The 100 % refers to number of households who have registered as indigents (earning less than R5 500 per month) and are entitled to free basic services.	99.92% of 5 038 registered indigents (earning less than R5 000 per month)	99.91% of 4 536 registered indigents (earning less than R5 500 per month)
10(c)	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	87.71%	92.34%
10(d)	Number of jobs created through municipality's local economic development initiatives including capital projects <ul style="list-style-type: none"> <li>• Work Opportunities</li> <li>• Full Time Equivalent (FTE)</li> </ul>	1 855	2 759 221.73
10(e)	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	3	5
10(f)	Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan	99.10%	81%
<b>10(g)</b>	<b>Financial Viability</b>		
	Debt Coverage	21.00 Times	21.91 Times
	Total (net) outstanding service debtors to revenue	29.30%	35.48%
	Cost Coverage	5.51 Months	5.32 Months

There were also several results which indicated that Midvaal still ranks as amongst the top performing municipalities in the country. The municipality gave access to basic municipal services to most of its community and is able to assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

## ORGANISATIONAL PERFORMANCE

Council approved a total of 55 Key Performance Indicators including the National Key Performance Indicators. An overall total performance of 89% (49 targets) was achieved.

The following six (6 targets were not fully achieved, namely:

#	RESPONSIBLE DEPARTMENT	KPI NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2017 - 2022			
					TARGET	ACTUAL	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	DP	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	78.00%	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
2	COMM	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	80.69%	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective
3	ENG	KPI 033	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	-30.40%	-36.47%	(1) Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = 32% (2) Continue with the implementation of the Water Loss Reduction Strategy	Not Fully Effective
4	COMM	KPI 056	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	(1) Actions against the 3 identified high risk environmental contraveners, i.e.: (1.1) Inspection, (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Mayoral Committee before 30 Jun 2022	9	9	Compliance outcome report to be submitted to Mayoral Committee for consideration	Not Fully Effective
5	COMM	KPI 065	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	85%	77%	Traffic infringements were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented Feb 2022 and all rejected images are recorded and resolved.	Not Fully Effective
6	COMM	KPI 074	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	1	0	Further engagements with GDARD in process	Not Fully Effective

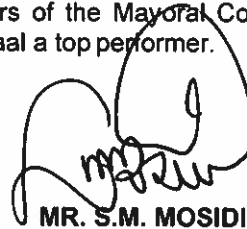
Appropriate remedial actions were agreed upon and have been implemented to ensure that these targets are reached. A detailed report is attached as Annexure T.

## **AUDIT OPINION**

Midvaal has an excellent record of achieving unqualified audit opinions. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audit outcomes in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020 and 2020/2021-financial year. To maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA Task Team continued monitoring its implementation. The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the clean audit.

In my brief overview I have touched on some of the achievements and challenges facing the municipality. The rest of the Annual Report deals in detail with the departments and individual performance of these departments within Council.

Finally, I wish to thank the Executive Mayor, Members of the Mayoral Committee, Councillors, Heads of Department and all our staff members for making Midvaal a top performer.



**MR. S.M. MOSIDI  
ACTING MUNICIPAL MANAGER**

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL

### OVERVIEW INTRODUCTION

In this chapter it is evident that Midvaal has succeeded in enhancing the quality of life of all its citizens, through the improved delivery of basic services in both the urban and rural areas. Working hand in glove with other service providers such as Eskom and Rand Water, Midvaal has further reduced service delivery backlogs. Midvaal also provides other support services such as refuse removal, health facilities, cemeteries, libraries, parks and sports facilities.

The built environment is enhanced through rapid service delivery by the land use and the building control sections through reduced turn-around times in approving land use and building plan applications.

### Population

Midvaal has a total population of 111 612 (Source StatsSA: 2016 Community Survey). The total population grew from 52 679 in 1996 to 95 302 in 2011 and 111 612 in 2016 according to the 1996 and 2011 census data and 2016 Community Survey. The year on year growth for the total population for the period between 2011 and 2016 was 3.6% per year.

### Housing, LED and local planning approvals

The municipality has engaged in a rigorous process to implement the Midvaal SPLUMA By-laws and Single Land Use Scheme in an effort to improve efficiency in service delivery, promoting economic growth and creating jobs.

The housing backlog surveys conducted by the Red Ants, in collaboration with the Informal Settlement Network, has confirmed the housing backlog. Informal settlements are monitored by the Red Ants to avoid growth and illegal land invasion. Midvaal is working closely with the Gauteng Department of Human Settlement in facilitating and co-ordinating housing development. The Human Settlement Plan continues to guide housing developments and the priority areas.

### Sectoral Analysis

#### 1. Primary Sector

The primary sector of the economy consists of the agricultural and mining sectors. Mining contributes 0.3% whilst agriculture contributes 1.34% to the Midvaal GVA\*. The contribution by agriculture towards the GVA is minor, but plays a major role in the provision of food security and the creation of employment for unskilled and semi-skilled workers. Midvaal has recognised the potential that the agricultural sector could contribute and therefore adopted an agricultural policy to protect agricultural land (food security).

**\*Gross value added (GVA)** is the measure of the value of goods and services produced in an area, industry or sector of an economy, in economics. In national accounts **GVA** is output minus intermediate consumption; it is a balancing item of the national accounts' production account.

#### 2. Secondary Sector

The secondary sector of the economy consists of manufacturing, electricity generation and construction. The manufacturing sector has grown to become the largest contributor to Midvaal's GVA, which contributes 24.06% overall.

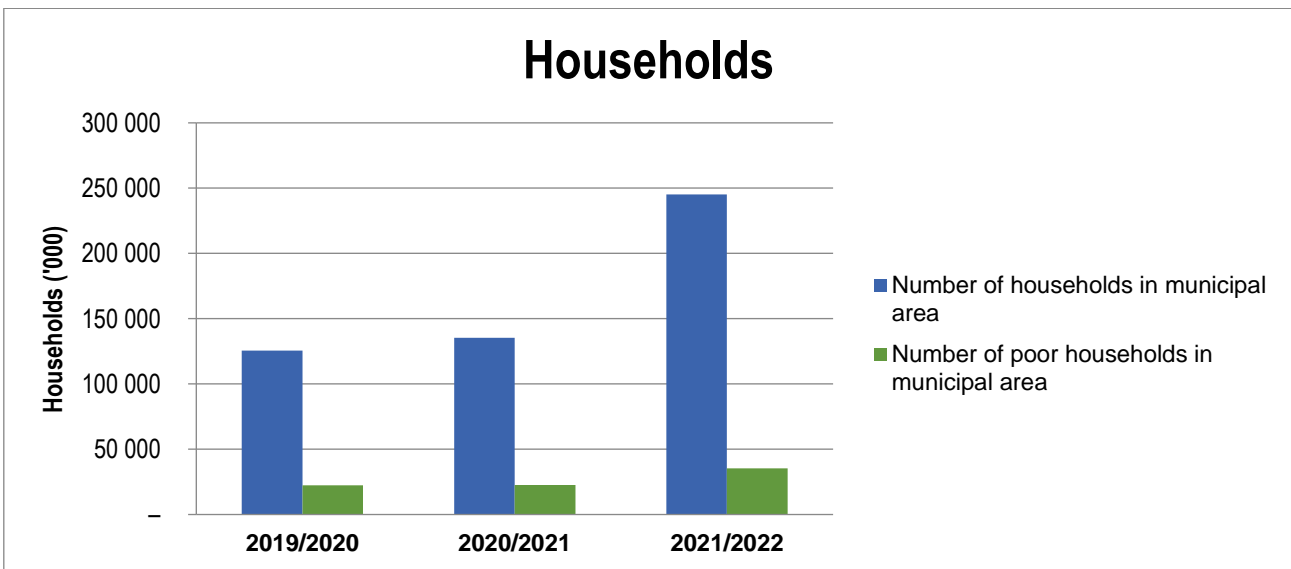
Midvaal recognised the potential of this sector and therefore adopted the R59 Strategic Framework to promote the R59 Development Corridor.

#### 3. Tertiary Sector

The tertiary sector is basically the services sector as well as the governmental sector which contributes 61.59% to the GVA of Midvaal.

Population Details									
Age (Years)	Population '000								
	2019/2020			2020/2021			2021/2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 – 4	4 188	4 137	8 325	4 188	4 137	8 325	4 188	4 137	8 325
5 – 9	4 467	4 825	9 292	4 467	4 825	9 292	4 467	4 825	9 292
10 - 19	8 328	8 282	16 610	8 328	8 282	16 610	8 328	8 282	16 610
20 - 29	10 783	8 918	19 701	10 783	8 918	19 701	10 783	8 918	19 701
30 - 39	8 473	8 198	16 671	8 473	8 198	16 671	8 473	8 198	16 671
40 - 49	8 648	6 948	15 596	8 648	6 948	15 596	8 648	6 948	15 596
50 - 59	6 799	5 722	12 521	6 799	5 722	12 521	6 799	5 722	12 521
60 - 69	3 797	3 623	7 420	3 797	3 623	7 420	3 797	3 623	7 420
70+	2 442	3 034	5 476	2 442	3 034	5 476	2 442	3 034	5 476

**Source: Statistics SA (Community Survey 2016 Data)**

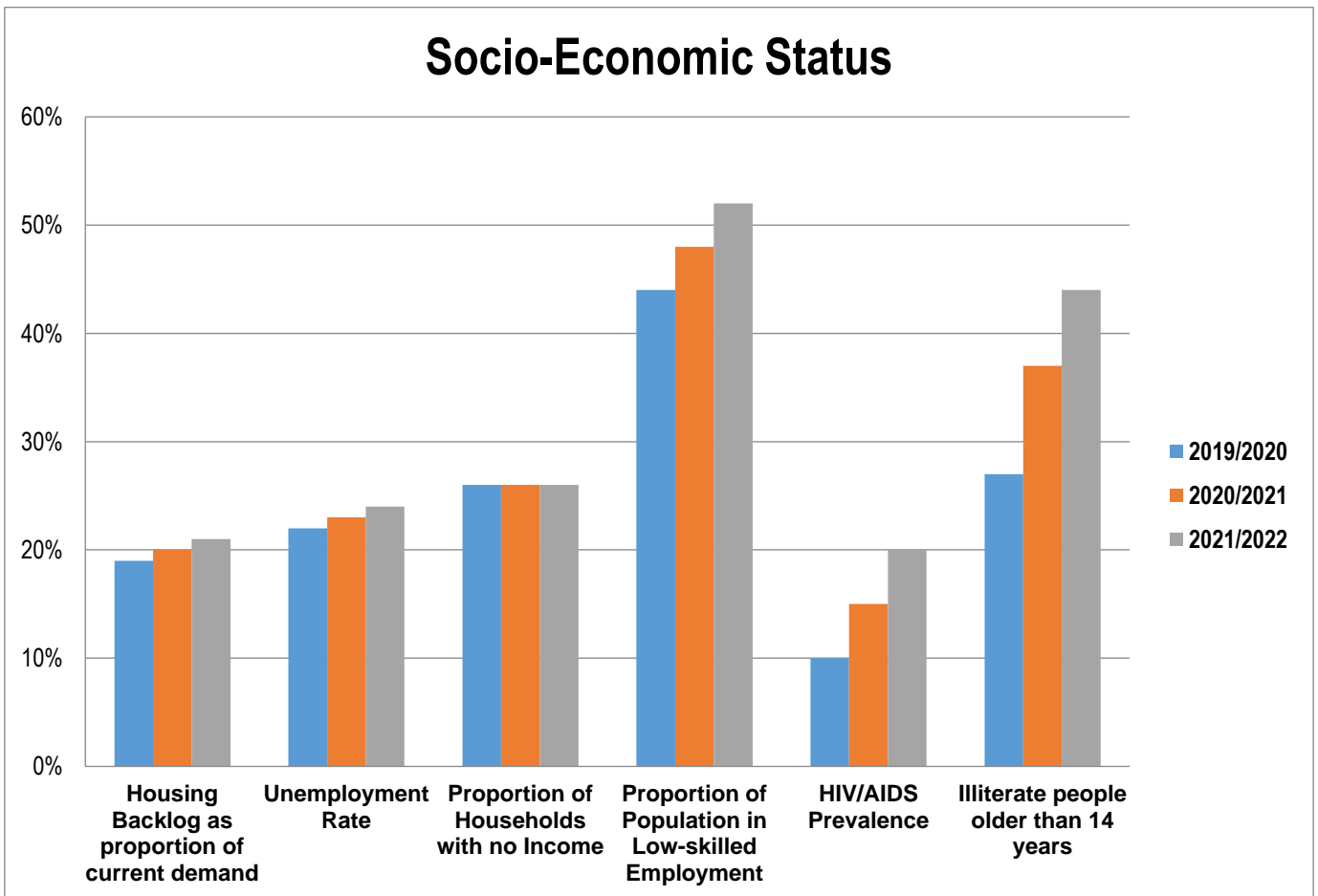


Socio-Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2019/2020	100%	18.8%	15%	*	*	4%
2020/2021	100%	18.8%	15%	*	*	4%
2021/2022	100%	18.8%	15%	*	*	4%

**Source: Stats SA, Census 2011**

\*Note: The statistical information on these matters is not available at the date of compilation of the Annual Report.

MLM Socio Economic Overview	
<b>Population &amp; Household Delivery</b>	Population (2016) - 111 612 Household (2016) - 38 046 High Population Density around R59
<b>Age Profile</b>	70% of Population of Working Age 58% of Population is Youth
<b>Educational</b>	Completed Grade 12 - 48% of Population
<b>Household Income</b>	Majority of Households earn between R 21 350- R 42 698 per annum
<b>Dwelling</b>	The east and center of the municipality composed of greater number of informal settlements
<b>Lifestyle Measures</b>	High LSM areas in the West and around R59
<b>Basic Service Delivery</b>	Reduction in number of households with access to minimum level of service, since 2013. Large disparity between households with premier and non-premier services



PROCLAIMED TOWNS		TYPE	USE
1.	Duncanville Extension 3	Town	Industrial
2.	Eye of Africa Extension 1	Town	Residential
3.	Fleurdal	Town	Residential
4.	Golf Park	Town	Residential
5.	Graceview	Town	Industrial
6.	Henley on Klip	Town	Residential
7.	Highbury	Town	Industrial & Residential
8.	Highbury Extension 1	Town	Residential
9.	Klipriver Business Park Extension 3	Town	Industrial
10.	Klipriver Business Park Extension 4	Town	Industrial
11.	Kliprivier	Town	Residential
12.	Klipwater	Town	Residential
13.	Lakeside Estates	Town	Residential
14.	Lakeside Estates Extension 1	Town	Residential
15.	Mamello	Town	Residential
16.	Meyerton Farms	Town	Residential
17.	Meyerton	Town	Residential
18.	Meyerton Extension 1	Town	Industrial
19.	Meyerton Extension 2	Town	Residential
20.	Meyerton Extension 3	Town	Industrial & Residential
21.	Meyerton Extension 4	Town	Residential
22.	Meyerton Extension 6	Town	Residential
23.	Noldick	Town	Industrial & Residential
24.	Noldick Extension 1	Town	Industrial & Residential
25.	Ohenimuri	Town	Residential
26.	Risiville	Town	Residential
27.	Risiville Extension 2	Town	Residential
28.	Risiville Extension 3	Town	Residential
29.	Riversdale	Town	Residential
30.	Rothdene	Town	Residential
31.	Savanna city Proper	Town	Residential
32.	Savanna City Extension 1	Town	Residential
33.	Savanna City Extension 3	Town	Residential
34.	Savanna City Extension 4	Town	Residential
35.	Sybrand van Niekerkpark	Town	Industrial
36.	The Balmoral Estates	Town	Residential
37.	The Balmoral Extension	Town	Residential
38.	The De Deur Estates Limited	Town	Residential
39.	The Evaton Estate	Town	Residential – Vacant
40.	Vaal Marina Holiday Resort	Town	Residential
41.	Vaal Marina Holiday Resort Extension 6	Town	Residential
42.	Witkop	Town	Industrial & Residential



RURAL SETTLEMENTS (FARMS)		TYPE
1.	Alewynspoort, 145 I.R.	Farm
2.	Badfontein, 438 I.R.	Farm
3.	Blesboklaagte, 181 I.R.	Farm
4.	Blesbokspruit, 465 I.R.	Farm
5.	Boschfontein, 386 I.R.	Farm
6.	Boschhoek, 385 I.R.	Farm
7.	Boschkop, 426 I.R.	Farm
8.	Boschkop, 482 I.R.	Farm
9.	Brakfontein, 425 I.R.	Farm
10.	Bronkhorstfontein, 329 I.Q.	Farm
11.	Chrissiesfontein, 365 I.R.	Farm
12.	De Kuilen, 460 I.R.	Farm
13.	Diepkloof, 182 I.R.	Farm
14.	Doornkuil, 369 I.Q.	Farm
15.	Driefontein, 146 I.R.	Farm
16.	Elandsfontein, 334 I.Q.	Farm
17.	Faroasfontein, 372 I.Q.	Farm
18.	Gardenvale, 148 I.R.	Farm
19.	Goedgedacht, 419 I.R.	Farm
20.	Goedgedacht, 443 I.R.	Farm
21.	Goedverwachting, 442 I.R.	Farm
22.	Green Valley, 154 I.R.	Farm
23.	Grootspruit, 444 I.R.	Farm
24.	Grootvlei, 453 I.R.	Farm
25.	Hartebeestfontein, 473 I.R.	Farm
26.	Hartzenbergfontein, 332 I.Q.	Farm
27.	Keytersrus, 380 I.R.	Farm
28.	Kleinfontein, 446 I.R.	Farm
29.	Klipriviersval, 371 I.R.	Farm
30.	Klipview, 175 I.R.	Farm
31.	Kookfontein, 545 I.Q.	Farm
32.	Koolfontein, 431 I.R.	Farm
33.	Koppiesfontein, 422 I.R.	Farm
34.	Koppiesfontein, 478 I.R.	Farm
35.	Langkuil, 363 I.R.	Farm
36.	McKay, 602 I.Q.	Farm
37.	Modderfontein, 410 I.R.	Farm
38.	Muldersrus, 330 I.Q.	Farm
39.	Nooitgedacht, 176 I.R.	Farm
40.	Nooitgedacht, 177 I.R.	Farm
41.	Orange Farm, 371 I.Q.	Farm
42.	Panfontein, 437 I.R.	Farm
43.	Panvallei, 469 I.R.	Farm
44.	Platkoppie, 420 I.R.	Farm

45.	Rietfontein, 364 I.R.	Farm
46.	Rietfontein, 461 I.R.	Farm
47.	Rietspruit, 152 I.R.	Farm
48.	Rietspruit, 417 I.R.	Farm
49.	Rietspruit, 445 I.R.	Farm
50.	Roodepoort, 149 I.R.	Farm
51.	Schapenvreugd, 370 I.Q.	Farm
52.	Schoongezicht, 378 I.R.	Farm
53.	Slangfontein, 372 I.R.	Farm
54.	Slangfontein, 374 I.R.	Farm
55.	Snowdon, 387 I.R.	Farm
56.	Sterkfontein, 424 I.R.	Farm
57.	Stryfontein, 477 I.R.	Farm
58.	Tamboekiesfontein, 173 I.R.	Farm
59.	The Farm, 381 I.R.	Farm
60.	The Farm, 464 I.R.	Farm
61.	Uitgevallen, 432 I.R.	Farm
62.	Uitvlucht, 434 I.R.	Farm
63.	Vaalbank, 476 I.R.	Farm
64.	Vaalview, 486 I.R.	Farm
65.	Valsfontein, 163 I.R.	Farm
66.	Varkensfontein, 373 I.Q.	Farm
67.	Vischgat, 467 I.R.	Farm
68.	Vlakfontein, 466 I.R.	Farm
69.	Vlaklaagte, 178 I.R.	Farm
70.	Vogelfontein, 376 I.R.	Farm
71.	Waldrift, 599 I.Q.	Farm
72.	Waterval, 150 I.R.	Farm
73.	Welverdiend, 379 I.R.	Farm
74.	Wildebeestfontein, 536 I.Q.	Farm
75.	Witkop, 180 I.R.	Farm
76.	Witkoppie, 373 I.R.	Farm
77.	Zoekfontein, 468 I.R.	Farm
78.	Zwartkopjes, 143 I.R.	Farm
79.	Langlaagte, 186, I.R.	Farm



<b>RURAL SETTLEMENTS (SMALL HOLDINGS)</b>		<b>TYPE</b>
1.	Blignautsrus Agricultural Holding	Holding
2.	Boltonwold Agricultural Holding	Holding
3.	Buyscelia Agricultural Holding	Holding
4.	Cooperville Agricultural Holding	Holding
5.	Drumblade Agricultural Holding	Holding
6.	Gardenvale Agricultural Holding	Holding
7.	Garthdale Agricultural Holding	Holding
8.	Glen Donald Agricultural Holding	Holding
9.	Golf View Agricultural Holding	Holding
10.	Hartzenbergfontein Agricultural Holding	Holding
11.	Helderstrome Agricultural Holding	Holding
12.	Homelands Agricultural Holding	Holding
13.	Homestead Apple Orchards Agricultural Holding	Holding
14.	Ironsyde Agricultural Holding	Holding
15.	Mooilande Agricultural Holding	Holding
16.	Nelsonia Agricultural Holding	Holding
17.	New Kentucky Agricultural Holding	Holding
18.	Ophir Agricultural Holding	Holding
19.	Ophir Agricultural Holding, Extension 1	Holding
20.	Pendale Agricultural Holding	Holding
21.	River Park Agricultural Holding	Holding
22.	Schoongezicht Agricultural Holding	Holding
23.	Sherman Park Agricultural Holding	Holding
24.	Tedderfield Agricultural Holding	Holding
25.	Valley Settlements Agricultural Holding, Number 1	Holding
26.	Valley Settlements Agricultural Holding, Number 2	Holding
27.	Valley Settlements Agricultural Holding, Number 3	Holding
28.	Valley Settlements Agricultural Holding, Number 4	Holding
29.	Van der Westhuizenhoogte Agricultural Holding	Holding
30.	Vorster Park Agricultural Holding	Holding
31.	Walkers Fruit Farms Agricultural Holding	Holding
32.	Walkers Fruit Farms Agricultural Holding, Extension 1	Holding
33.	Walkerville Agricultural Holding	Holding
		T 1.2.6

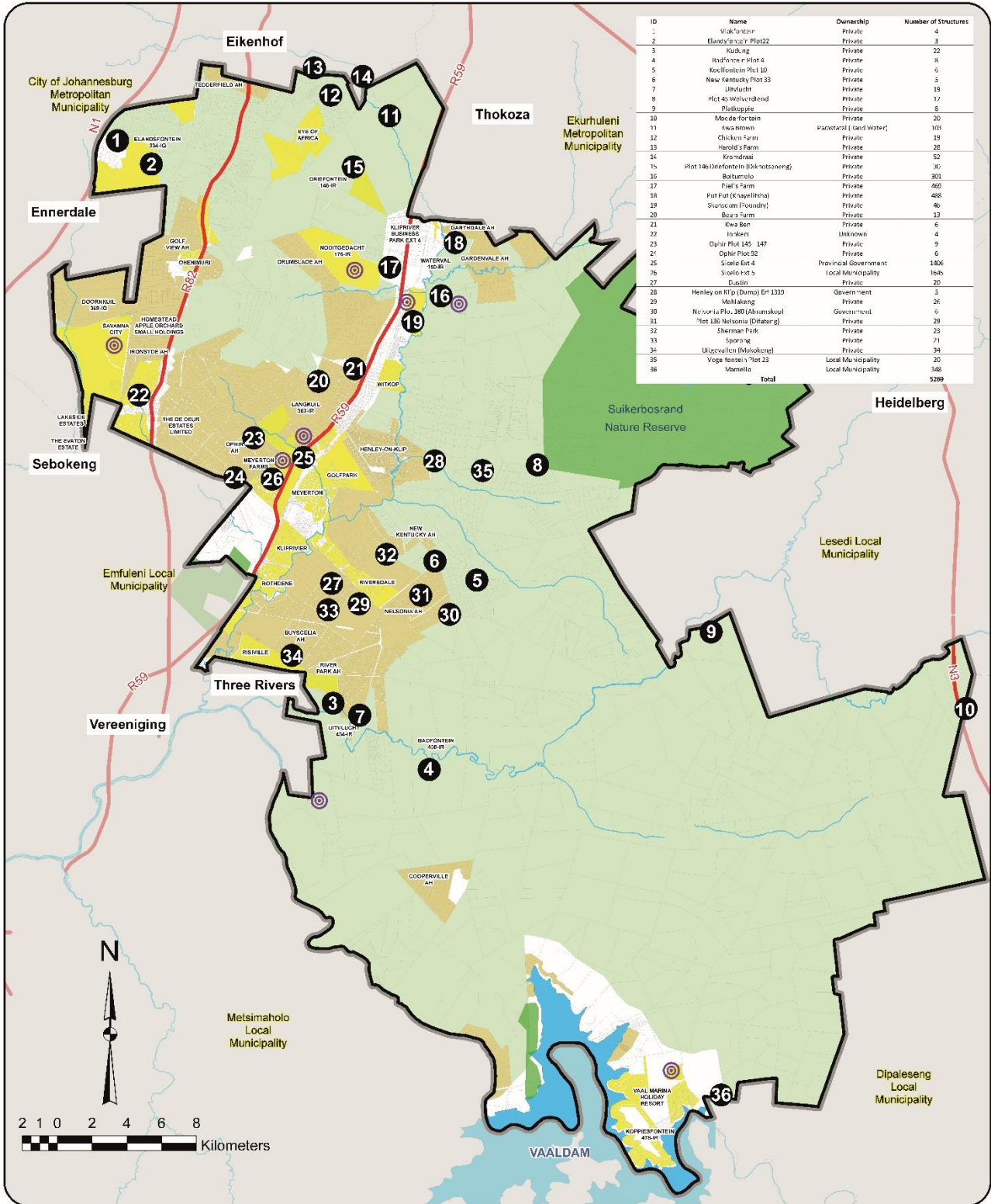
The Community Survey did not cover ward based statistics and no new statistics are available after the StatsSA 2011, but the overall Midvaal Population and number of households.

INFORMAL SETTLEMENTS	OWNERSHIP	NUMBER OF SHACKS
1. Alewynspoort – Harold’s Farm	Private	14
2. Alewynspoort – Kromdraai	Private	56
3. Boitumelo	Private	301
4. Boltonwold, Sporong, Plot 4	Private	20
5. Boltonwold, Dustin, Plot 135	Private	14
6. Chicken Farm	Private	21
7. Driefontein, Dikhotsaneng, Plot 146, I.R.	Private	21
8. Henley on Klip Dump, Erf 1319	Local Government	10
9. Kudung	Private	19
10. Mamello	Local Municipality	681
11. Modderfontein, 410 I.R.	Private	23
12. Vogelfontein, Plot 23	Local Municipality	14
13. Nelsonia, Difateng, Plot 136	Private	26
14. Nelsonia, Abramskop, Plot 180	Local Government	11
15. Langkuil, Portion 47	Parastatal (Rand Water)	250
16. Nooitgedacht, 176 I.R., Kwa Brown	Parastatal (Rand Water)	98
17. Piel’s Farm	Private	491
18. Witkop, Plot 38, Skansdam (Foundry)	Private	43
19. Uitgevallen, Plot 57, Makokong	Private	38
20. Valley Settlements, Plot 35, Bear’s Farm	Private	13
21. Welverdiend, Plot 45, Kwa Sithole	Private	10
22. Varkeng, Put Put (Kayelitsha)	Private	528
23. Sherman Park Agricultural Holding	Private	18
24. Sicelo, Extension 4	Provincial Government	1 406
25. Sicelo, Extension 5	Local Municipality	1 645
26. Uitvlucht	Private	11
27. Mohlakeng	Private	31
28. Jonker’s	Unknown	10
29. Platkoppie	Private	14
<b>TOTAL</b>		<b>5 837</b>

T 1.2

# ANNUAL REPORT 2021 - 2022

## Housing Projects & Informal Settlements Map



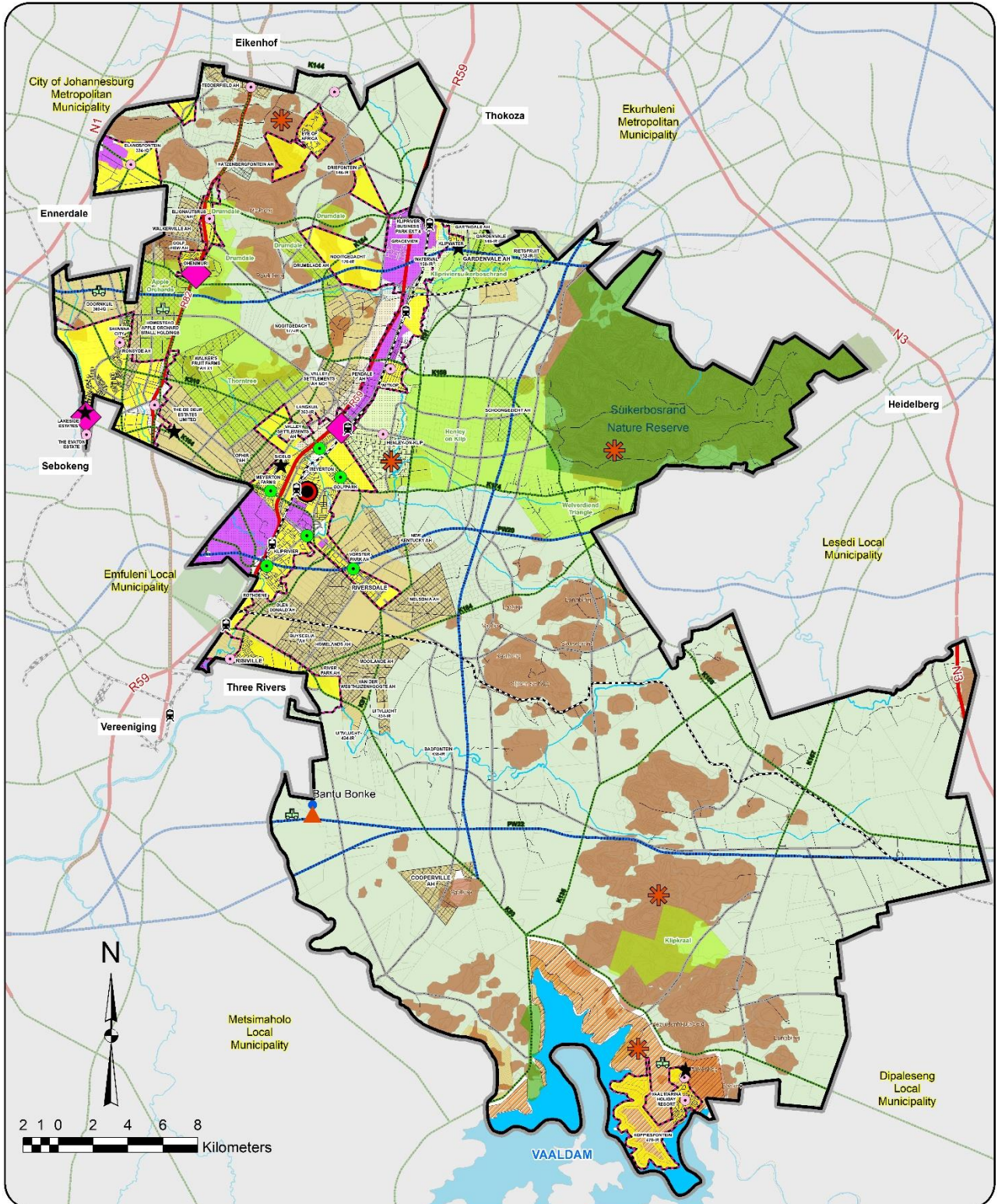
ID	Name	Ownership	Number of Structures
1	Vlakfontein	Private	4
2	Elandsfontein Plot 22	Private	3
3	Kudung	Private	22
4	Koedoesfontein Plot 6	Private	8
5	Koedoesfontein Plot 10	Private	6
6	New Kentucky Plot 33	Private	3
7	Litlouch	Private	19
8	Plot 14 in Vlakfontein	Private	17
9	Pluiskopje	Private	8
10	Moc de fontein	Private	20
11	Kwa Brown	Parastatal (Land Water)	101
12	Chicken Farm	Private	19
13	Magdalen Farm	Private	28
14	Kromdraai	Private	52
15	Plot 14 in Elandsfontein (Skottsoneng)	Private	30
16	Boltarielo	Private	301
17	Piel's Farm	Private	460
18	Piet Prins (Kuyellina)	Private	458
19	Swarcosom (Foundry)	Private	46
20	Bears Farm	Private	13
21	Kwa Ben	Private	6
22	Isakares	Unknown	4
23	Ophir Plot 145 147	Private	9
24	Ophir Plot 32	Private	6
25	S'oolle Ext 4	Provincial Government	1406
26	S'oolle Plot 5	Local Municipality	1646
27	Duinin	Private	20
28	Henley on Klip (Dumps) Erf 1310	Government	3
29	Mohlakeng	Private	26
30	N'ouvo la Pila 180 (Abuamskopi)	Government	6
31	Plot 132 Nelsonia (Ditaberg)	Private	29
32	Sherman Park	Private	23
33	Sporring	Private	21
34	Ulucvafon (Mokkoseneng)	Private	34
35	Vogelfontein Plot 23	Local Municipality	20
36	Mamelle	Local Municipality	348
<b>Total</b>			<b>5289</b>

- Informal Settlements
- Housing Projects
- Major Roads (Existing)
- Rivers
- Extensive Agriculture
- Nature Reserves
- Vaal Dam
- Residential
- Rural Residential
- Cadastre



# MIDVAAL SPATIAL DEVELOPMENT FRAMEWORK

## Composite Map 2021 - 2022




Natural Resources	
Major Natural Resource	Relevance to Community
Dolomite	Active mine Glen Douglas, Artisans programme and employer of several Midvaal residents
Coal	Coal and other mineral deposits in the eastern part of Midvaal and adjoining municipalities Environmental risk, negative impact on Midvaal infrastructure, limited employment potential
Nature	Suikerbosrand Nature Reserve, Ridges. Conservation tourism has the potential to contribute to job creation and combatting unemployment
Water	Kliprivier, Vaal River, Vaal Dam

T 1.2.7

#### COMMENT ON BACKGROUND DATA

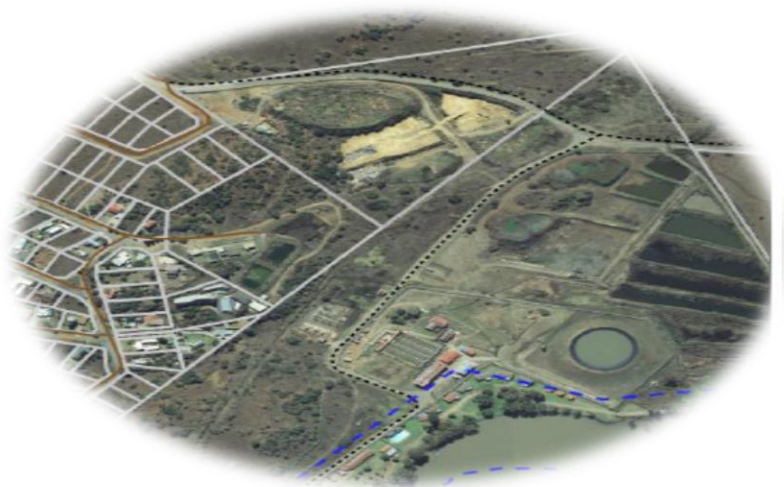
The following challenges are highlighted in the above information:

1. Increase in the unemployment rate;
2. Level of indigency;
3. Population growth of the economically active population and pressure to provide bulk infrastructure.

To address the challenges, Midvaal Local Municipality has:

4. Expanded Public Works Programme (EPWP), Community Works Programme (CWP), Agricultural and Local Economic Development Projects;
5. Adopted the Local Economic Development Strategy (LED) Strategy and Agricultural Growth Strategy;
6. Revised the Indigent Policy;
7. Reached agreements with developers to contribute to bulk infrastructure;
8. Co-ordinated planning to enhance responsiveness;
9. An effective complaints system to address concerns and complaints of residents.

T 1.2.8

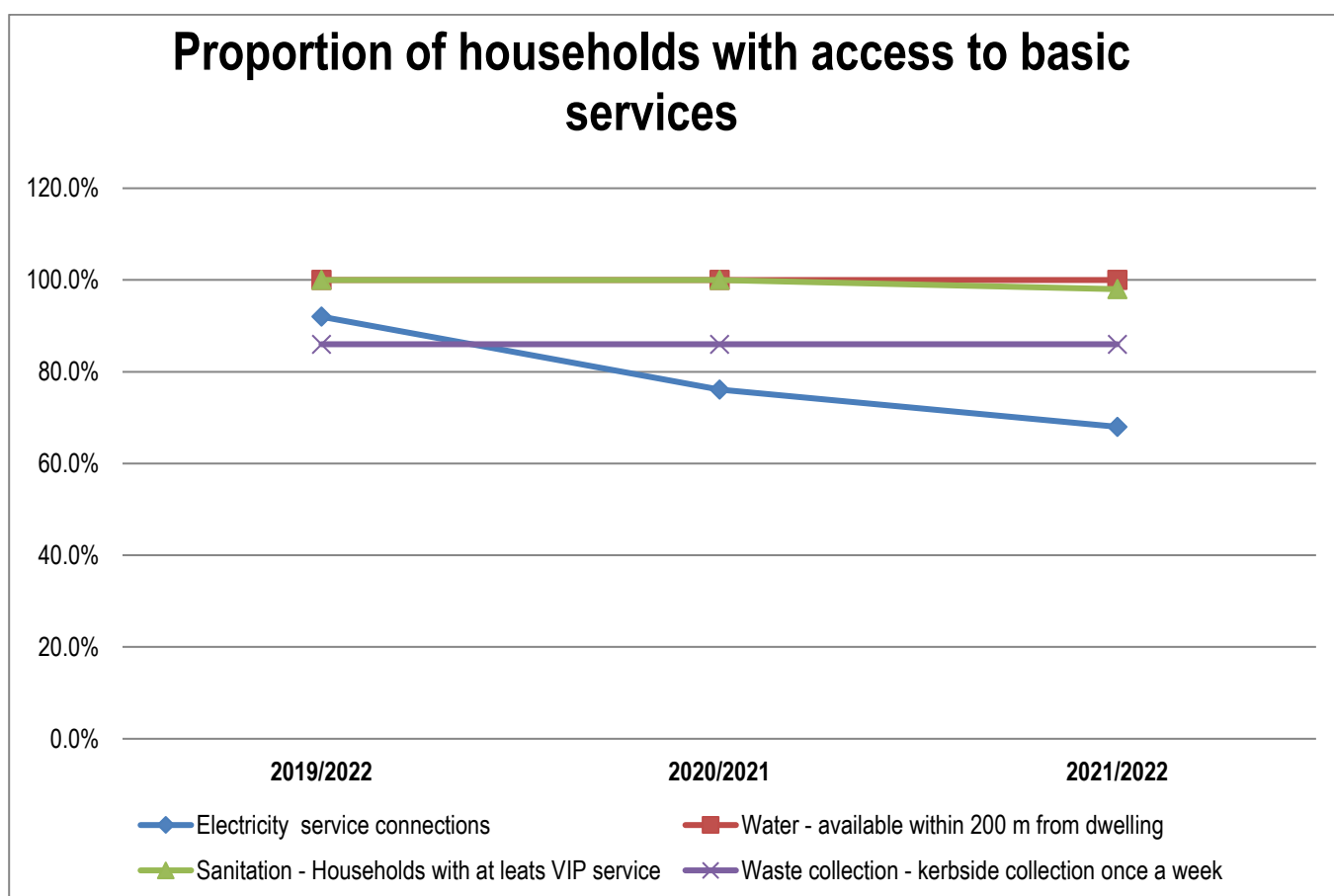


## SERVICE DELIVERY OVERVIEW

### INTRODUCTION

The information on basic service delivery, achievements, and challenges, including information on service delivery to indigents, are dealt with in Chapter 3. Applications for electricity connections to households only came from people who could afford it. All the requests for which payment was made were completed. Indigents in the formal housing areas were given free basic units (50 kWh per month), if they were registered with the municipality. An application for funding of bulk supply to Sicelo and Savana City was made.

Proportion of Households with minimum level of Basic services			
	2019/2022	2020/2021	2021/2022
Electricity service connections	92%	76%	68%
Water - available within 200 m from dwelling	100%	100%	100%
Sanitation - Households with at least VIP service	100%	100%	98%
Waste collection - kerbside collection once a week	86%	86%	86%



### COMMENT ON ACCESS TO BASIC SERVICES

As can be seen from the graph above, there is an improvement in access to basic services by households.

This improvement has been realised in spite the continued negative local, National and International economic climate.

Midvaal approved its indigency threshold at an income level of R5 500.00 per household per month.



### 1.3 FINANCIAL HEALTH OVERVIEW

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis.

During the financial year under review, various initiatives were embarked upon to improve the financial management.

These include:

1. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality has adopted its own cost curtailment policy and has now further strengthened policies in support of cost curtailment in line with the amended regulations. Cost curtailment is now an entrenched principle and is no longer seen as a short-term intervention, but rather part of the organisational culture.
2. Ongoing cash management: Cash balances increased from R451 m at 30 Jun 2021 to R487 m at 30 Jun 2022. An amount of R294 m was generated from operations against the R226 m (restated) in the previous financial year. A current ratio of 2.80 (2021: 3.06) and a cost coverage ratio of 5.32 months (2020: 4.36 months) was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.
3. Improvement in the completeness of revenue reconciliations as standard operating procedure, MFMA Circular 64, describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received. Property owners are levied the correct property rates in accordance with the Local Government Municipal Systems Act, Act 32 of 2000 and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to identify, record and manage all its revenue sources accurately and comprehensively. Quarterly reconciliations are performed between the valuation roll and the billing system, as well as regular data verification tests to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services has also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

#### ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR

##### Statement of Financial Performance for the year ended 30 Jun 2022

The Municipality had a surplus of R74 724 787 m for the year under review (a decrease from the previous year's R207 m). During the year, the total revenue decreased by 1.48%. Expenditure has increased by 9.07% during the year. There is no cost of free basic services for non-indigent households.

##### Statement of Financial Position as at 30 Jun 2022

The growth in total assets was 4.10% with total assets of R2.97 billion at the close of the financial year. Current assets have increased by 10.43% from the 2020/2021 financial year, mainly as a result of increased cash and cash equivalents as well as receivables from exchange transactions. The cash collection rate for the year was 92.6%, which is a decrease from the previous financial year.

Non-current assets have increased by 1.94% from the previous year. Intangible assets (servitudes) increased by R1.3m. The condition of the assets is still such that a good level of services is rendered. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years.

The repairs and maintenance budget of the municipality is exceeding the National Treasury norm of 8% of the budget. The actual amount spent on repairs and maintenance was 4.18% of the budget. The protection of the municipality's asset base is regarded as a high priority, as it is both the core of our service delivery mandate and underpins our revenue base.

Current liabilities have increased by 20.41% due to creditor accruals. The municipality is up to date with both its Eskom and Rand Water accounts at year-end.

Non-current liabilities have decreased by 1.95%. This is mainly attributable to the decrease in the provision for the rehabilitation of the landfill sites and repayment of loans.

## AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020 and 2020/2021-financial years. To maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA Task Team continued monitoring its implementation.

The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the Clean Audit.

Financial Overview: 2021/2022			
R' 000			
Details	Original Budget	Adjustments Budget	Actual
<b>Income:</b>			
Grants (Opex and Capex)	244 023	248 351	238 246
Taxes, Levies and tariffs	1 125 892	1 126 889	1 070 790
Less: Income Foregone	(28 594)	(23 516)	(3 511)
Other	73 214	97 837	109 570
<b>Sub Total</b>	<b>1 443 128</b>	<b>1 473 077</b>	<b>1 418 606</b>
Less: Expenditure	(1 275 813)	(1 267 456)	(1 255 299)
<b>Net Total*</b>	<b>167 314</b>	<b>205 621</b>	<b>163 307</b>
* Note: surplus/(deficit)			T 1.4.2

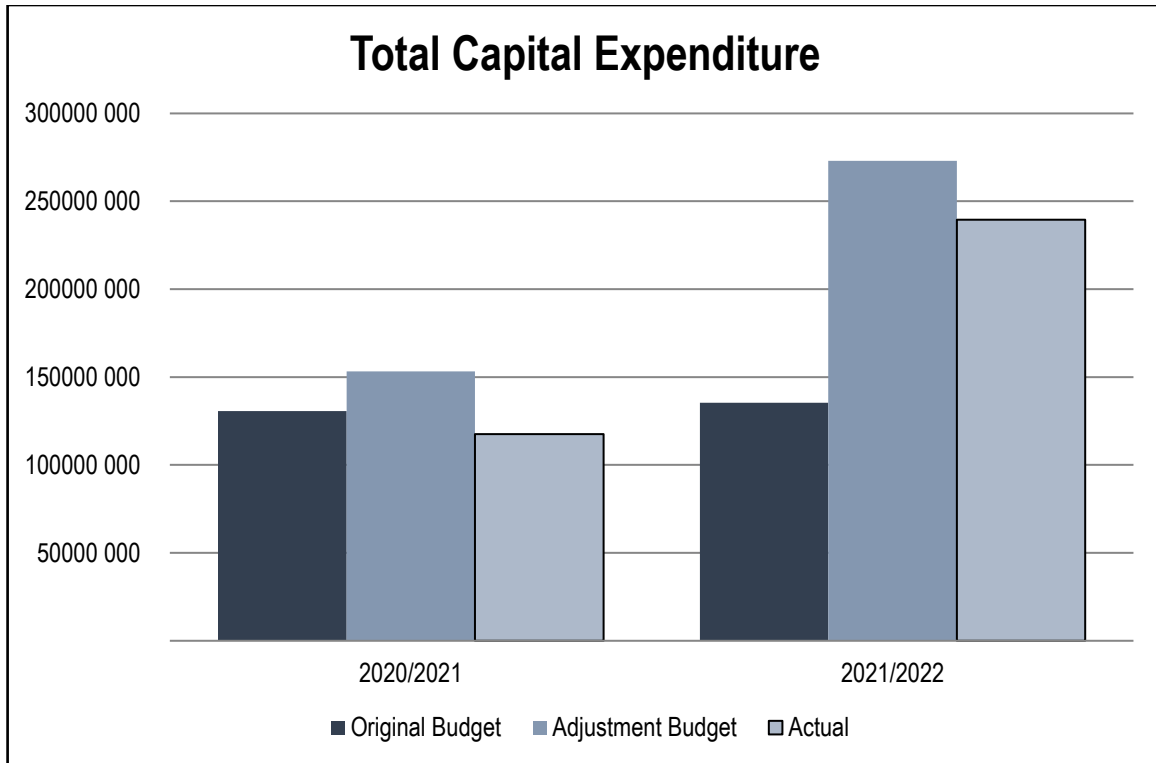
Operating Ratios	
Detail	%
Employee Cost	24.09%
Repairs & Maintenance	10.30%
Finance Charges & Impairment	6.83%
T 1.4.3	

## COMMENTS ON OPERATING RATIOS

Employee costs are within acceptable norms. The Organogram of Council is reviewed on an annual basis and only positions that are affordable are funded on the structure.

As part of the multi-year budget, increased allocations will be made to repairs and maintenance. The National Treasury norm is that 8% of the carrying value of assets must be provided for as repairs and maintenance.

Total Capital Expenditure: 2019/2020 to 2021/2022			
R'000			
Detail	2019/2020	2020/2021	2021/2022
Original Budget	130 616	135 455	239 508
Adjustment Budget	153 277	272 959	144 994
Actual	117 601	239 508	178 121
T 1.4.4			



#### COMMENTS ON CAPITAL EXPENDITURE

R164 627 181 m was spent in the 2021/2022-financial year against R239 m in the previous year.

The municipality achieved a 92.42% spending level on the capital budget against the 87.70% expenditure in the previous financial year.

Projects not completed at financial year end have been carried forward to the 2022/2023-financial year for completion.

#### 1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipal Organisational Structure for 2021/2022 was amended and approved by Council during May 2021.

#### 1.5 AUDITOR-GENERAL REPORT

##### AUDITOR-GENERAL REPORT: 2021/2022 (CURRENT YEAR)

Midvaal achieved its 9<sup>th</sup> consecutive Clean Audit during the 2021/2022-financial year.

## 1.6 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	25 Aug 2021
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting)	1 Jul 2021
3	Finalise the 4 <sup>th</sup> quarter Report for previous financial year	28 July 2021
4	Submit draft 2021/2022 Annual Report to Internal Audit and Auditor-General	31 Aug 2022
5	Municipal entities submit draft annual reports to MM	N/A
6	Performance & Audit Committee considers draft Annual Report of municipality and entities (where relevant)	29 Aug 2022
8	Mayor tables the unaudited Annual Report	24 Aug 2020
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General	31 Aug 2022
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	31 Aug 2022
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and performance data	9 Sept – 30 Nov 2022
12	Municipalities receive and start to address the Auditor-General's comments	30 Nov 2022
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	27 Jan 2023
14	Audited Annual Report is made public and representation is invited	27 Jan 2023
15	Oversight Committee assesses Annual Report	Feb / Mar 2023
16	Council adopts Oversight Report	31 Jan 2023
17	Oversight Report is made public	7 Feb 2023
18	Oversight Report is submitted to relevant provincial councils	31 Jan 2023
19	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	24 Aug 2023

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### COMMENT ON THE ANNUAL REPORT PROCESS

Midvaal endeavours to comply with the requirements of MFMA Circular 63. The performance management processes are alignment between the Integrated Development Plan (IDP), Budget and Service Delivery & Budget Implementation Plans (SDBIP) and the PMS. Planning and monitoring of activities in achieving the municipality's targets and objectives are thus aligned and focussed. This alignment is important in order to comply with legislation.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION

#### 1. The Constitution of South Africa, Act 108 of 1996, Sections 40 and 41 provide:

“40 Government of the Republic

- (1) In the Republic, government is constituted as National, Provincial and local spheres of government which are distinctive, interdependent and interrelated.
- (2) All spheres of government must observe and adhere to the principles in this chapter and must conduct their activities within the parameters that the chapter provides.

#### 41 Principles of co-operative government and intergovernmental relations

- (1) All spheres of government and all organs of state within each sphere must:
  - (a) Preserve the peace, national unity and the indivisibility of the Republic;
  - (b) Secure the well-being of the people of the Republic;
  - (c) Provide effective, transparent, accountable and coherent government for the Republic as a whole;
  - (d) Be loyal to the Constitution, the Republic and its people;
  - (e) Respect the constitutional status, institutions, powers and functions of government in the other spheres;
  - (f) Not assume any power or function except those conferred on them in terms of the Constitution;
  - (g) Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
  - (h) Co-operate with one another in mutual trust and good faith by:
    - (i) Fostering friendly relations;
    - (ii) Assisting and supporting one another;
    - (iii) Informing one another of, and consulting one another on, matters of common interest;
    - (iv) Co-ordinating their actions and legislation with one another;
    - (v) Adhering to agreed procedures; and
    - (vi) Avoiding legal proceedings against one another.
- (2) An Act of Parliament must:
  - (a) establish or provide for structures and institutions to promote and facilitate inter-governmental relations; and
  - (b) provide for appropriate mechanisms and procedures to facilitate settlement of inter-governmental disputes.
- (3) An organ of state involved in an intergovernmental dispute must make every reasonable effort to settle the dispute by means of mechanisms and procedures provided for that purpose and must exhaust all other remedies before it approaches a court to resolve the dispute.
- (4) If a court is not satisfied that the requirements of Sub-section (3) have been met, it may refer a dispute back to the organs of state involved.”

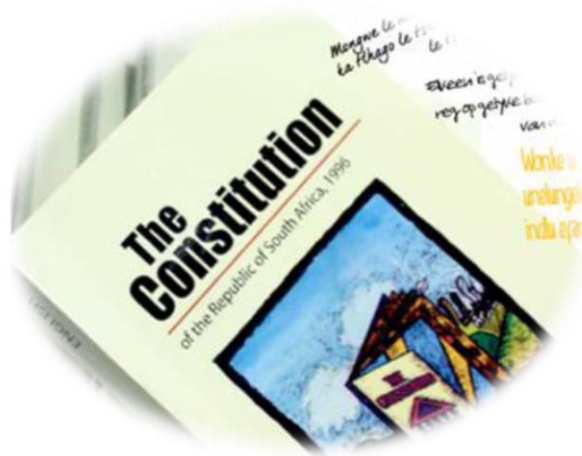
## 2. Broad powers and functions of the municipality:

According to Section 151(2) of the Constitution, the Executive and Legislative authority of a municipality is vested in its municipal council.

According to Section 156(1) of the Constitution, a municipality has executive authority in respect of, and has the right to administer:

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (of the Constitution); and
- any other matter assigned to it by National or Provincial legislation.

According to Section 156(5) of the Constitution, a municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.



3. Governance is about “how” an organisation is run. In the running of Midvaal, a clear distinction is made between the politically elected structure (Councillors serving on the Council which is responsible for the oversight and legislative function of the municipality, as well as those matters which it has retained as its own functions. Other elected Councillors serve as full-time office bearers involved in the day-to-day running of the Municipal Council from the political perspective, namely the Executive Mayor with the Mayoral Committee, Speaker and the administration.

The Council is chaired by the Speaker. The executive is headed by the Executive Mayor with the Mayoral Committee of five (5) members. The structure of Council is set out in greater detail later in this chapter.

The Administration is headed by the Municipal Manager, who is also the organisation’s Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision-making powers are clear and unambiguous.

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

### **INTRODUCTION**

The political and administrative functions in Midvaal operate on a clearly differentiated and identified role clarification basis. The final decision-making processes are also designed to obtain and consider stakeholder inputs, requests and needs within the framework of available resources.

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### **2.1 POLITICAL GOVERNANCE**

Midvaal made extra efforts to include the Ward Committees and Councillors in the maximum of administrative functions and outputs possible at all levels. Any inputs or comments from the committees are reflected or accommodated in the reports pertaining to Council matters.

Ward Committees are also involved in commenting on reports, in order to be kept abreast of (and in turn, to inform the community) changes and developments within the municipality. This ensures a high level of public participation and promotes the principle of accountability. A report has to follow a lengthy process to ensure all role-players are aware and supportive of the recommendations before included in the Council agenda.

Reports are forwarded from the meeting of the Municipal Manager with the Heads of Department to the relevant Ward Councillors and Committees, and if applicable, they may then comment as indicated above. Thereafter reports are submitted to the relevant Section 80-Portfolio Committee, where the full-time Councillors (MMC) chairs the meeting, in consultation with part-time Councillors, who also serve on the relevant Portfolio Committees. After a report has been noted and commented on by the Section 80-Committee, it is then forwarded to the Mayoral Committee for resolution or recommendation to Council, according to the delegated powers.

After final resolution by either the Mayoral Committee or Council, resolutions are captured in the Resolution Register, which is regularly updated. The notification for implementation is sent to the relevant role-player, responsible for execution, and it is continuously followed-up. Feedback of the final resolution to the Ward Committee is the final phase of this process of community participation.

#### **Division of Legislative and Executive Functions**

In terms of Chapter 7 of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested in its Municipal Council. Following the introduction of an Executive Mayoral System, Midvaal initiated the process of splitting the executive and legislative functions by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts Committee (MPAC) and its implied oversight role, there has been a further implied split between the two functions. MPAC as a structure of the legislative function, Council, is expected to assist with oversight over the executive function, Executive Mayor.

The principle of good governance requires that the legislative and oversight function, that is to be exercised by a municipal council, should be independent of the executive function that has been delegated to the Executive Mayor. This is to avoid undue influence and pressure being exerted by one function upon another and to allow each function the opportunity to operate freely within its delegations. It is in pursuance of the notion of having sound checks and balances in place in the governance model.

#### **The Legislative Function of Council**

The legislative and oversight function of Council is vested in the full Council with the Speaker as Chairperson. The adoption of by-laws, approval of the annual budget, policies on functions retained by Council and frameworks within which delegated powers must be exercised, remain the function of the full Council, except where specific delegations have been made.

The Speaker is also responsible for the Whippers, Councillor training and capacitation, Junior Council, specific mentorship programmes (e.g. women's mentorship programme), and Ward Committees, amongst others.

## 1. **Section 79: Ethics and Disciplinary Committee**

The Section 79-Ethics & Disciplinary Committee was established, to assist the Speaker with the performance of the delegated functions relating to investigating misconduct of Councillors, enforcing the Code of Conduct for Councillors and the Standing Orders of Council.

## 2. **Section 79: Municipal Public Accounts Committee (MPAC), Petitions Committee and Public Place Naming Committee**

The Section 79-Municipal Public Accounts Committee (MPAC) was established with specific terms of reference to assist Council with its oversight function.

The Municipal Public Accounts Committee (MPAC) functions as the Oversight Committee of Council in respect of the Annual Report, and its Oversight Report is submitted and published in accordance with the MFMA requirements and guidance. MPAC consists of members of the majority and opposition parties and is chaired by a member of the opposition.

The Section 79-Petitions Committee has been established reporting directly to Council in terms of Council's Petitions Policy.

The Section 79-Public Place Naming Committee considers and advises Council on the names for public places (such as streets, parks, etc.) or the changing of any such names.

## 3. **Powers of and Delegations to Executive Mayor**

Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (the Municipal Systems Act, the Municipal Finance Management Act, and other relevant legislation), the executive function of the Council is delegated to the Executive Mayor as the appointed head of the executive function insofar as the Constitution and practicalities allow. The Executive Mayor exercises political oversight over the administration, except for the administrative unit known as "The Office of the Speaker".

In executing and performing the executive functions of Council and the Municipality, the Executive Mayor is assisted by five Members of the Mayoral Committee each with a particular portfolio. The Section 80- Committees contemplated in Annexure A constitute these specific portfolios.

## 4. **Whippery**

The Council has a Whippery which comprises of the Chief Whip and the Whips of the opposition parties represented in Council. The Whippery mainly deals with inter-party relations, party discipline and issues of mutual interest.

## 5. **Specific Programmes**

Certain projects are championed by the political offices directly, examples are the public participation processes to engage residents in formal structures (e.g. Ward Committees, State of the Municipality Address (SOMA) and Petitions) and less formal personal interaction (public meetings and discussions with interest groups). Another example is the establishment of the Junior Council which comprises scholars from within Midvaal. The Junior Council functions well as a formalised structure and meets regularly to deliberate on issues of concern to the youth. The Junior Council is also a mechanism to expose the scholars to governance issues.

## 6. **Attendance at Meetings** - The attendance at meetings is reflected in Appendix A.

### **Political Decision-Making**

Political decisions are taken in formal Council meetings where all participating political parties have opportunity to deliberate items as per the agenda, after which resolutions are adopted. If consensus cannot be reached, items are, after debate, put to vote.

The Standing Orders of Council, formally adopted and duly promulgated, governs the process.



# POLITICAL OFFICE BEARERS

## 1 Jul 2021 – 3 Nov 2021



**EXECUTIVE MAYOR**  
Ald. BM Baloyi  
PR Councillor-DA  
016 360 7418



**SPEAKER**  
Ald. F.W. Peters  
PR Councillor-DA  
016 360 7680

### MEMBERS OF THE MAYORAL COMMITTEE



**Cllr. MJ Molsamai**  
MMC: Corporate Services  
PR Councillor  
076 316 0007



**Ald. P.D. Hulcheson**  
MMC: Finance Services  
Ward 8-DA  
082 927 7219



**Cllr. H.P. Oosthuysen**  
MMC: Engineering Services  
Ward 9-DA  
072 170 8681



**Cllr. L Parsonson**  
MMC: Development and Planning  
Ward 13-DA  
083 969 1430



**Cllr. P.J. Teixeira**  
MMC: Community Services  
Ward 4-DA  
076 809 9150

### WARD COUNCILLORS



**Cllr. W.F. de Agrella**  
Ward 1-DA  
082 452 9548



**Cllr. SMA Janse van Rensburg**  
Ward 2-DA  
082 212 4520



**Cllr. M.S. Schoeman**  
Ward 3-DA  
073 827 8660



**Cllr. P.J. Teixeira**  
Ward 4-DA  
076 809 9150



**Ald. P.D. Hulcheson**  
Ward 5-DA  
082 927 7219



**Cllr. TS Mofokeng**  
Ward 6-ANC  
083 969 6064



**Ald. L.H. Visser**  
Ward 7-DA  
083 469 7838



**Cllr. MM Ndabete**  
Ward 8-ANC  
078 532 3904



**Cllr. H.P. Oosthuysen**  
Ward 9-DA  
072 170 8681



**Cllr. MM Mahlangu**  
Ward 10-ANC  
063 465 8383



**Cllr. B Hengwa**  
Ward 11-ANC  
079 982 7489



**Cllr. MC Kruger**  
Ward 12-DA  
083 585 6928



**Cllr. S Muithhead**  
Ward 13-DA  
084 297 6190



**Ald. PC Pretorius**  
Chief Whip  
Ward 14-DA  
082 676 9007



**Cllr. L Parsonson**  
Ward 15-DA  
083 969 1430

### PR COUNCILLORS



**Cllr. MJ Molsamai**  
DA  
076 316 0007



**Cllr. A. McLoughlin**  
DA  
060 525 8977



**Ald. BM Baloyi**  
DA  
016 360 7418



**Cllr. MA Myburgh**  
DA  
082 781 7938



**Cllr. A. Tsukudu**  
DA  
082 718 0337



**Ald. F.W. Peters**  
DA  
016 360 7680



**Ald. C.G. Fypers**  
FF+  
082 660 1414



**Cllr. J Mazibuko**  
EFF  
079 426 2124



**Cllr. MJ Mphasawe**  
EFF  
076 192 3397



**Cllr. MGI Ngcobo**  
ANC  
073 226 3391



**Cllr. M Modikeng**  
ANC  
084 883 2423



**Cllr. MM Magagula**  
ANC  
072 020 0042



**Cllr. MB Tabo**  
ANC  
082 496 2342



**Cllr. JM Dlangamandla**  
ANC  
082 998 5545

**POLITICAL OFFICE BEARERS**  
16 Nov 2021 – 30 Jun 2022

# POLITICAL OFFICE BEARERS



**EXECUTIVE MAYOR**  
Ald. F.J. Tebeka  
FR Councillor — DA  
016 360 7418



**SPEAKER**  
Cllr. A.R. McLoughlin  
FR Councillor — DA  
016 360 7680

## MEMBERS OF THE MAYORAL COMMITTEE



**Cllr. M.J. Motlamedi**  
MMC: Development and Planning  
FR Councillor — DA  
074 214 0807



**Ald. P.D. Pretorius**  
MMC: Finance Services  
Ward 8 — DA  
082 927 7219



**Cllr. T.M. Modiba**  
MMC: Community Services  
FR Councillor — DA  
072 670 4830



**Cllr. C.L. Gomes**  
MMC: Corporate Services  
FR Councillor — DA  
083 780 4958



**Cllr. J.G. Viljoen**  
MMC: Engineering Services  
Ward 13 — DA  
083 742 9830

## WARD COUNCILLORS



**Ald. F.W. Fakens**  
WARD 1 — DA  
083 521 3990



**Cllr. S.M.A. Janse van Rensburg**  
WARD 2 — DA  
082 212 4520



**Cllr. B.J. Jordaan**  
WARD 3 — DA  
082 789 4690



**Cllr. M. Myburgh**  
WARD 4 — DA  
082 781 7938



**Ald. P.D. Pretorius**  
WARD 5 — DA  
082 927 7219



**Cllr. T.S. Makokeng**  
WARD 6 — ANC  
083 787 4044



**Cllr. L.H. Visser**  
WARD 7 — DA  
083 484 7836



**Cllr. M.M. Ndlovu**  
WARD 8 — ANC  
078 522 3904



**Cllr. R.J. Hubbard**  
WARD 9 — DA  
079 917 4483



**Cllr. D.T. Moshomo**  
WARD 10 — ANC  
087 924 1464



**Cllr. M.A. Msimene**  
WARD 11 — DA  
074 781 4080



**Cllr. M.C. Enger**  
WARD 12 — DA  
083 582 4928



**Cllr. J.D. Viljoen**  
WARD 13 — DA  
083 742 9830



**Ald. F.C. Pretorius**  
WARD 14 — DA  
083 494 9087



**Cllr. A.R. Dickinson**  
WARD 15 — DA  
082 783 1612

## PR COUNCILLORS



**Cllr. M.J. Motlamedi**  
DA  
074 214 0807



**Cllr. A.R. McLoughlin**  
DA  
040 525 8777



**Cllr. J. Mofokoto**  
EFF  
044 817 4902



**Cllr. G.M. Wase**  
DA  
071 565 1678



**Cllr. S. M. Moyane**  
IFM  
073 361 5082



**Cllr. O. Bets**  
VF+  
083 246 3413



**Cllr. M.L. Kothong**  
DA  
082 484 0732



**Ald. F.J. Tebeka**  
DA  
074 899 9150



**Ald. M.L. Mofokeng**  
ANC  
084 883 2423



**Cllr. P.M. Leloka**  
EFF  
041 428 0300



**Ald. C.G. Pypers**  
VF+  
082 660 1414



**Cllr. M.C. Mboweni**  
ANC  
082 352 1709



**Cllr. C.L. Gomes**  
DA  
083 780 4958



**Cllr. I.P. Ramakho**  
ANC  
044 055 9919

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION

*According to Section 60(b) of the Municipal Finance Management Act, Act 56 of 2003, the Municipal Manager of a municipality is the Accounting Officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.*

The Municipal Manager and the Heads of Department meet formally on a weekly basis to deliberate on service delivery issues and reports to be submitted to the Mayoral Committee or Council in terms of Delegated Powers, as well as organisational and management matters. The management team also engages the Mayoral Committee on a weekly basis to ensure the decision-making process is expedited to enhance service delivery. Each Head of Department also interacts with his/her Member of the Mayoral Committee (MMC) on a more regular basis for the same purpose.

The Executive Directors are appointed on fixed term employment contracts and report to the Municipal Manager in terms of Section 57 of the Municipal Systems Act.

### TOP ADMINISTRATIVE STRUCTURE

#### TIER 1



#### **MUNICIPAL MANAGER**

Mrs. N.S. Mhlanga

(Appointed 1 May 2020 – Resigned 27 Aug 2021)




#### **ACTING MUNICIPAL MANAGER**

Mr. S.M. Mosidi

(28 Aug 2021 – 30 Jun 2022)

**TIER 2**

<p style="text-align: center; font-size: 2em; transform: rotate(-45deg); opacity: 0.5;">Vacant</p>	<p><b>ACTING EXECUTIVE DIRECTOR: CORPORATE SERVICES</b> Vacant</p> <p><b>DIRECTOR: LEGAL &amp; PROPERTIES</b> Mrs. N. Ameer-van Wyk (Acting – 1 Oct 2021 – 31 Dec 2021)</p> <p><b>DIRECTOR: HUMAN RESOURCES</b> Mr. A. Scuttis (Acting - 24 Jun 2021 – 30 Sep 2021) (Acting 1 Apr 2022 – 30 Jun 2022)</p> <p><b>DIRECTOR: ICT</b> Mr. S. Mnguni (Acting – 1 Jan 2022 – 31 Mar 2022)</p>	<ul style="list-style-type: none"> <li>• Secretariat &amp; Committees</li> <li>• Legal Services</li> <li>• ICT Services</li> <li>• Facility Rentals</li> <li>• Archives</li> <li>• Marketing &amp; Communications</li> <li>• Political Offices</li> <li>• Complaints System</li> <li>• Internal Audit</li> <li>• Performance Management</li> <li>• Integrity Management</li> <li>• Occupational Health &amp; Safety</li> <li>• Labour Relations / Local Labour Forum</li> <li>• Disciplinary Action</li> <li>• Human Resources</li> <li>• Training and Development</li> </ul>
<p style="text-align: center; font-size: 2em; transform: rotate(-45deg); opacity: 0.5;">Vacant</p>	<p><b>CHIEF FINANCIAL OFFICER</b> Me. A.R. Ngwenya (Appointed - 7 Feb 2022 – 14 Jun 2022)</p> <p><b>DIRECTOR: EXPENDITURE</b> Mr. F. Jonas (Acting – 1 Oct 2021 – 31 Dec 2021)</p> <p><b>DIRECTOR: INCOME</b> Mr. A. Meiring (Acting – 15 Jun 2022 – 30 Jun 2022)</p> <p><b>DIRECTOR: FINANCIAL REPORTING</b> Ms. K. Desai (Acting – 1 Jul 2021 – 30 Sep 2021)</p> <p><b>DIRECTOR: RISK &amp; COMPLIANCE</b> Mrs. J. Tait (Acting – 1 Jan 2022 – 6 Feb 2022)</p>	<ul style="list-style-type: none"> <li>• Billing &amp; Revenue</li> <li>• Credit Control</li> <li>• Rates &amp; Tariffs</li> <li>• Expenditure</li> <li>• Budget &amp; Financial Reporting</li> <li>• Valuations</li> <li>• Asset Management</li> <li>• Risk Management, Compliance &amp; Insurance</li> <li>• Supply Chain Management</li> </ul>
	<p><b>EXECUTIVE DIRECTOR: ENGINEERING SERVICES</b> Mr. P. Magodi</p> <p><b>DIRECTOR: PMU</b> Mr. P.V. Tshabalala</p> <p><b>DIRECTOR: ELECTRICAL &amp; MECHANICAL</b> Mr. M.V. Sofe</p> <p><b>DIRECTOR: WATER &amp; SANITATION</b> Acting Mr. T. Ncube</p> <p><b>DIRECTOR: TECHNICAL SUPPORT</b> Mr. T. Ncube</p> <p><b>DIRECTOR: ROADS, STORMWATER &amp; LANDFILL</b> Mr. V. Masuka</p>	<ul style="list-style-type: none"> <li>• Roads</li> <li>• Stormwater</li> <li>• Water Provision</li> <li>• Sanitation Services</li> <li>• Electricity</li> <li>• Streetlights</li> <li>• Mechanical Workshop</li> <li>• Facilities Repair &amp; Maintenance</li> <li>• Landfill Sites</li> <li>• Fleet Management</li> </ul>



**EXECUTIVE DIRECTOR: COMMUNITY SERVICES**  
Mr. S. Mosidi

**DIRECTOR: PARKS, MUNICIPAL HEALTH SERVICES & CEMETERIES**  
Mr. J. Venter

**DIRECTOR: WASTE & ENVIRONMENTAL MANAGEMENT**  
Mr. T. Mabula

**HEAD OF PUBLIC SAFETY**  
Mr. E. Lensley

- Clinics & Community Health
- HIV / AIDS
- Designated Groups
- Woman, Elderly, Youth, Disabled
- Waste Management
- Environmental Health
- Libraries
- Indigents
- Sport & Recreation
- Social Development
- Parks & Cemeteries
- Grass & Tree Cutting
- Fire
- Traffic



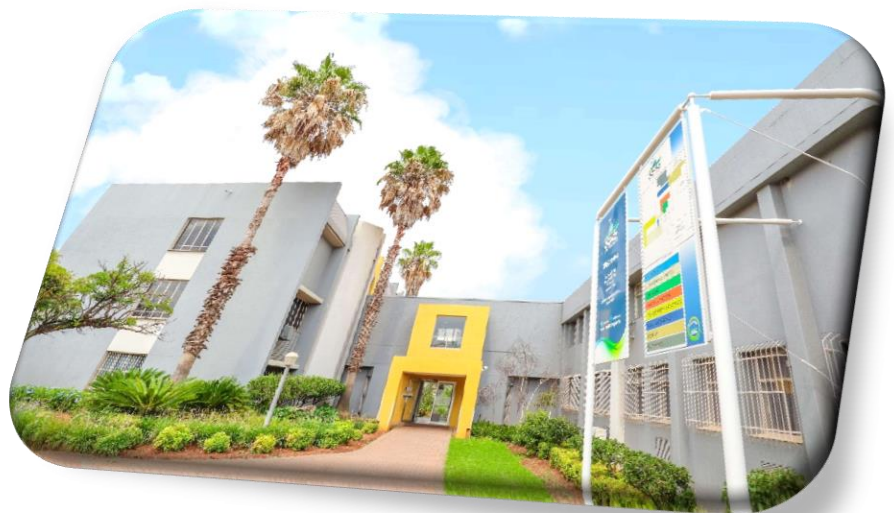
**EXECUTIVE DIRECTOR: DEVELOPMENT & PLANNING**  
Mr. D.K. Chamboko

**DIRECTOR: DEVELOPMENT PLANNING & HOUSING**  
Mr. T. Arlow

**DIRECTOR: LOCAL ECONOMIC DEVELOPMENT**  
Mrs. P. Mguni

**BUILDING CONTROL OFFICER**  
Mr. K. Rasepae

- Town Planning
- Building Control
- Illegal Structures
- Tourism
- Geographic Infrastructure System (GIS)
- Integrated Development Planning (IDP)
- Sale of Council Land
- Environmental Management
- Agricultural Affairs
- LED & MIR
- SMME Development
- Local Agenda 21
- Housing



## COMPONENT B: CO-OPERATIVE GOVERNANCE & INTER-GOVERNMENTAL RELATIONS

### INTRODUCTION

Section 3 of The Municipal Systems Act (MSA) requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution (Section 41)

Midvaal does not function in a vacuum and strives to maintain good inter-governmental relations with its neighbouring municipalities, the Sedibeng District Municipality, the Provincial Authority, National Government and other agencies as well as inter-governmental bodies, such as SALGA, the Premier's Co-ordinating Forum, MEC - MMC - IGR Fora, administrative working committees and so forth. A few of the inter-governmental platforms and meetings attended for the period under review are reflected below.

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### 2.3 INTER-GOVERNMENTAL RELATIONS

NATIONAL INTER-GOVERNMENTAL STRUCTURE	IGR FORA	PURPOSE	FREQUENCY OF MEETINGS
	<b>Three Sphere Meeting (MIG Projects &amp; Policies)</b>	Interaction between Province and National to keep them posted on MIG Projects and policies and other related issues	Monthly
	<b>Gauteng Umbrella Fire Connection Association (GUFPA)</b>	Management meets with Gauteng Umbrella of the Fire Connection Association discussing issues and compliance with the National Veld & Forest Fire Act, Act 101 of 1998	Quarterly
	<b>Disaster Management Advisory</b>	Management meets on District and Provincial level discussing Disaster Management Plans ensuring preparedness and readiness of personnel in case of any disasters	Quarterly
	<b>Technical Task Team Meetings (Fire Safety / Operational / PIER)</b>	Management of difference sections in Fire Department meets with Province ensuring operational functionality of each section	Monthly
	<b>National Key Point (NKP)</b>	Management meets with National Key Point representatives regarding safety and security issues of the Key Points doing evacuation drill	Monthly
	<b>South African Local Government Association National Conference (SALGA)</b>	South African Local Government Association National Conference (SALGA)	Per Invitation

<b>PROVINCIAL INTER-GOVERNMENTAL STRUCTURE</b>	<b>SALGA MM's Forum</b>	All MM's in the Province	Per Invitation
	<b>SALGA Strategic Planning Lekgotla</b>	MM & HOD'S	Per Invitation
	<b>Governance and IGR Working Group Meeting</b>	Governance and IGR Training	Ad Hoc
	<b>SALGA Provincial Members Assembly</b>	Upper limit of salaries	Per Invitation
	<b>COGTA MEC: IGR Forum</b>	Meeting between the MEC for COGTA with Gauteng Mayors	Per Invitation
	<b>Premier's Co-Ordinating Forum</b>	All mayors in Gauteng raise and discuss critical issues with the Premier directly	Quarterly
	<b>Provincial Treasury Mid-Year Reviews /Budget &amp; Compliance Meetings</b>	To evaluate the Annual Budget submission of the municipality as well as to review the mid-year performance of the municipality	Bi-annually
	<b>Premier's Co-Ordinating Forum Technical Working Forum</b>	Premiers & Municipal Managers Forum	Quarterly
	<b>Joint COGTA &amp; Human Settlements IGR Forum Meeting</b>		Per Invitation
	<b>OPCA Provincial Co-ordinating Committee Workshop</b>	Overview of the Audit Process	Per Invitation
	<b>GPL: Gauteng Speakers Forum</b>	Speakers Forum	Quarterly
	<b>Premiers Office IGR Forum</b>	Deputy Director: Speaker Office	Once Off
	<b>COGTA MEC IGR Forum</b>	Meeting between the MEC for COGTA with Gauteng Speakers	Ad Hoc
	<b>COGTA MEC's Office: IGR Coordination Sub-Workstream</b>	To develop COVID-19 battle plans and strengthening of the Ward Based War Room Structures	Bi-weekly
	<b>COGTA Public Participation Forum</b>	Sharing best practice initiatives for measures to improve Participation	Quarterly
	<b>Provincial Treasury Mid-Year Reviews / Budget &amp; Compliance Meetings</b>	To evaluate the Annual Budget submissions of the municipality as well as to review the mid-year performance of the municipality	Bi-annually
	<b>Capex War Room</b>	To monitor progress of capital expenditure	Ad hoc / As per Provincial Treasury invitations
	<b>Provincial Treasury CFO Forum / Provincial Treasury Finance indaba</b>	To interact on a provincial level on matters related to legal compliance, financial reporting, and other financial management issues	Quarterly
<b>Provincial Treasury MMC / MEC Forum</b>	MEC's meeting with MMC's and CFO's regarding Municipal Financial Management matters	Quarterly	

<b>Provincial Treasury Risk Management &amp; Internal Audit Forum</b>	The forum was established during 2010 to assist municipalities in terms of Section 166 of the MFMA to oversee and assist with the functioning of audit committees, internal audit, and various other oversight functions	Bi-annually
<b>Rand Water Board Meeting</b>	To compare the water results from the municipalities in the Gauteng Region (Water Demand Management Meeting)	Quarterly
<b>Fire Safety Working Group (GFSWG)</b>	Fire Safety	Quarterly
<b>Gauteng Waste Forum (GDARD)</b>	To strengthen co-operative governance on waste management in the province and to share information on waste management best practices	Monthly
<b>Gauteng Department of Agricultural &amp; Rural Development (GDARD) Environment &amp; Culture Sector Meeting on the Expanded Public Works programme (EPWP)</b>	Expanded Public Works Programme (EPWP) reporting and management on environment	Quarterly
<b>Gauteng Provincial Government Fire &amp; Emergency Section Heads (FESH)</b>	All fire and emergency sectional heads meet with Gauteng Province on all sections of the Fire & Rescue Services and National issues	Monthly
<b>White Paper / Fire Brigade Act</b>	Chief Fire Officers and Chairman of Task Teams Nationally get together to workshop the White Paper for Standardization of fire Services and amending the Fire Brigade Act	Bi-annually
<b>Training / USAR</b>	Management / training sections met with province ensuring preparedness and readiness of personnel in case of any disasters	Monthly
<b>Gauteng Provincial SPLUMA Forum</b>	Norms & Standard guidelines for SPLUMA	Quarterly
<b>IGR Technical Task Team: Illegal Land &amp; House Invasion</b>	For Municipalities within the province to find solutions in dealing with increase of illegal land and house occupation taking into consideration the legal framework for housing beneficiary allocations	Quarterly
<b>IGR: Climate Change Indaba</b>	Sharing best practice initiatives for measures to mitigate Climate Change	Quarterly
<b>Provincial AMEU Meeting (Amalgamated Municipal Electricity Undertaking)</b>	To interact on matter related to electricity (New Technology, best practices, suppliers etc)	Monthly
<b>Gauteng Provincial Government Norms &amp; Standards</b>	An elected group of managers out of Gauteng working on the Norms & Standards of the fire services.	Monthly
<b>GPL: Gauteng Speaker's Forum (Steering Committee Session)</b>	Deputy Director: Speaker Office	Quarterly
<b>GBL Consultative Workshop for Municipal Town Planners</b>	To discuss Town Planning Schemes, By-Laws and challenges faced	Per Invitation
<b>LIS Meeting</b>	Discuss and monitor expenditure	Quarterly



<b>DISTRICT</b>	<b>Sedibeng District Technical IGR Forum</b>	District IGR Technical Issues	Quarterly
	<b>Sedibeng MM's Forum</b>	Municipal Manager's in the district	Quarterly
	<b>Vaal Dam Forum</b>	To report on the water quality from sewer plants by different stakeholders	Quarterly
	<b>Kliprivier Forum</b>	To report on the water quality by different stakeholders	Quarterly
	<b>Sedibeng District Command Council</b>	To enhance joint planning and implantation of strategies for the development of municipalities in the district	Weekly
	<b>Sedibeng Finance IGR meeting</b>	Meeting between Gauteng Provincial Government, Sedibeng district and Chief Financial Officers within the district to discuss financial Management issues.	Quarterly
	<b>Sedibeng Agri-Park Stakeholders Meeting</b>	Discuss the Sedibeng Agri-Park progress and challenges	Monthly
	<b>IDP Steering Committee Meeting</b>	Alignment of IDP's and presentation of the GDS3	Per Invitation
	<b>EPWP District Forum</b>	Discuss EPWP projects within the municipality	Quarterly
	<b>Projects Steering Committee and Expert Reference group</b>	Developments of minimum standards for the consideration of environmental aspects for the preparation and review of Spatial Development Framework (SDF's)	Quarterly
	<b>IDP Alignment Meeting</b>	Alignment of IDP's and presentation of the One Plan	Per Invitation

The IGR functionality has been disturbed by the declared state of National Disaster for the past financial. The municipality was able to interact with IGR structures through the established Disaster Management Act Command Councils and Provincial Government working streams.

#### **RELATIONSHIPS WITH MUNICIPAL ENTITIES**

Midvaal does not have any municipal entities.

T 2.3.3

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

### **OVERVIEW**

Midvaal actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability.

In summary, on the overview of public accountability and participation, Midvaal embarks extensively on ensuring public participation at ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, the People's Assembly, Petitions Committee and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee (MPAC) is operational and measures are in place to protect personal information.

T 2.4.0

### **2.4 PUBLIC MEETINGS**

#### **COMMUNICATION, PARTICIPATION AND FORUMS**

All documents to be made public are placed on the municipal website. Public meetings are also advertised on the website. This includes Council meetings, Ward Committee Meetings, Budget and IDP meetings, Bid Adjudication Committee meetings, amongst others. The Bid Adjudication Committee meetings (in respect of tenders) are open to the public.

The Council interacts with its stakeholders at Ward Committee, Budget and IDP meetings, the People's Assembly and many other meetings and gatherings. These engagements are ongoing throughout the year. Most meetings are well attended, resulting in meaningful engagement.

T 2.4.1

#### **WARD COMMITTEES**

Ward Committees have been established in all fifteen wards and all the ward committees are functional and meet according to the year planner (which is available on the website [www.midvaal.gov.za](http://www.midvaal.gov.za)).

Appendix E contains more detail on ward committee governance and Appendix F reflects ward information.

T 2.4.2

#### **COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD**

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act (No. 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation. Based on the legislative requirements, public participation forms an integral part of the Midvaal IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities.

Notwithstanding the provisions of the Act, MLM utilises several communication channels to convey information to the community. The approved traditional methods of communication have changed over time; however, MLM adheres as far as possible to the stated provisions of the Act. During January and February 2022, the municipality conducted public engagements with communities to ensure its planning is aligned to community needs to budget accordingly.

During the process, MLM ensured strict adherence to the Covid-19 regulations as the processes involve public gatherings.

In addition to the public engagements, the municipality developed a community needs assessment form. Communities were given the opportunity to complete the forms and submit hardcopies at the Office of the Speaker, Municipal Offices, Halls, Pay Points, Libraries, or via email at [idp@midvaal.gov.za](mailto:idp@midvaal.gov.za). An IDP survey was also enabled on the My Midvaal App for citizen to send through their community needs. All inputs received were captured and filtered.

Operational and customer care related issues were sent to the relevant sections within the municipality. IDP projects were captured in the capital prioritisation model for budget consideration and are listed under Annexure A1 to Annexure A3 of the IDP.

T.2.4.3.1

Public Meetings							
Nature and purpose of meeting	Ward	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Feedback given to community
<b>IDP Public Meetings</b>	All	15 January 2022 - 09 February 2022	30	15	856	IDP	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous plans submitted by the communities
<b>Budget Public Meetings</b>	All	29 March 2022 - 29 April 2022	30	13	670	BUDGET	Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget

## 2.5 INTEGRATED DEVELOPMENT PLAN (IDP) PARTICIPATION & 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
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of Municipal Systems Act 2000	
T 2.5.1	

## **COMPONENT D: CORPORATE GOVERNANCE**

### **OVERVIEW**

In Midvaal, the principles of good corporate governance as expounded in the King IV report are embraced and applied within the organisation. To the extent that these King IV principles are not directed by legislation (e.g. the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA), it is applied as far as possible in the context that these principles indicate the “right way to do things”.

These principles relate to, amongst others, to ethical governance, implementation of controls to prevent fraud, corruption, and management of risk.

T 2.6.0

### **2.6 RISK MANAGEMENT**

Enterprise-wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and was approved on 25 August 2021.

The Strategic Risk Register is aligned to the objectives of the Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the municipality.

The Chief Risk Officer submits progress reports to the Ethics and Risk Management Committee (oversight) on a quarterly basis, indicating progress made to mitigate the identified risks. A member of the Performance and Audit Committee is appointed as the Chairperson of the Ethics & Risk Management Committee and reports back to the Performance & Audit Committee on Risk Management. Quarterly progress reports are submitted to Council on the mitigation of Strategic and Operational Risks. Risk Management is audited by the internal auditors for completeness and effectiveness on a quarterly basis.

The five top strategic risks identified were:

1. Inefficiencies in SCM controls
2. Service interruptions caused by Load shedding
3. Land Invasion
4. Damage to properties and service infrastructure
5. Bulk Water supply insecurity

T 2.6.1

### **2.7 INTEGRITY MANAGEMENT**

#### **INTEGRITY MANAGEMENT STRATEGY & IMPLEMENTATION PLAN**

Council has a very strong attitude towards legislative compliance, specifically supply chain management principles and also the proper functioning of the Performance & Audit Committee, Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board. These meetings are functioning without councillor and/or political interference. Where required, matters are reported to the relevant external authorities for further investigation. The appropriate and relevant consequence management is also institute, as and when required.

The Reviewed Integrity Management Policy & Plan, 2020 has been reviewed and approved by Council per Council Resolution C2359/08/2020 dated 27 Aug 2020.

Council's stance to fraud and corruption is zero tolerance and in line with this, the efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The main principles, upon which this Plan of Midvaal is based, include the following:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action (consequence management), recovery of losses, to the extent required and prosecution; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The components of the Plan include the following:

1. Focus on the Organisation;
2. Focus on Employees;
3. Focus on other stakeholders;
4. Enforcement;
5. Implementation.

All staff, including senior management and councillors, are obliged to declare specific personal assets and private business interests on an annual basis, such as:

1. Shares and other financial interests (not bank accounts with financial institutions);
2. Directorships and partnerships (also those hold by spouse and family members);
3. Remunerated work outside the municipality;
4. Consultancies and retainerships;
5. Sponsorships;
6. Gifts and hospitality from a source other than a family member (exceeding the value of R350 over a 12-month period);
7. Land and property registered in their name;
8. Vehicle(s) owned (vehicles registered in their name);
9. Participation in elections.

The status of reported cases is as follows:

	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
Total Number of Cases reported	31	39	37
Total Number of Cases resolved	31	34	37
Total Number of Cases pending	0	5	0
% Resolved	100%	87%	100%



The primary transgressions are summarized as follows:

1. Illegal water/electricity meter tampering/by-passing;
2. Misuse/Abuse of Council vehicles;
3. Appointment irregularities;
4. Bribery;
5. Theft of Council owned property;
6. Non-compliance to tender specifications;
7. Possible incorrect journal entries;
8. Transgression of the Code of Conduct for Municipal Staff Members;
9. Issuing of fraudulent zoning certificate;
10. Bribery;
11. Theft of Council owned property;
12. Non-compliance with Firearm Control Policy.

Matters referred to the Financial Disciplinary Board, included the following:

1. Overpayment on contracts;
2. Irregular expenditure;
3. Salary overpayment;
4. Erroneous payment.

The relevant remedial actions, according to Council's Policies, were initiated, i.e. disciplinary action, criminal prosecution and recovery of money. Management reviewed controls and internal audit tested the effectiveness of the controls in order to prevent recurrence.

Matters reported to external authorities for further investigations in line with the MFMA are frequently monitored and positive results received.

Midvaal through its fraud hotline takes all matters very seriously by means of its Integrity Management Strategy. As such, Midvaal often receives tip-offs regarding possible irregularities which are not always confined to the definition of unauthorized, irregular, fruitless and wasteful expenditure.

Midvaal subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. Consequently, Midvaal is committed to fighting fraudulent behaviour at all levels within the organisation.

In addition to promoting ethical conduct within Midvaal, the Anti-Fraud and Anti-Corruption Policy and Plan is intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption. This dynamic Policy & Plan details the steps, which have been, and will continually be taken by Midvaal to promote ethical conduct and address fraud and corruption.

The efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

Issues raised by employees, ratepayers, members of the public or providers of goods and/or services, the action taken, will depend on the nature of the concern.

The matters raised will be screened and evaluated and may subsequently:

1. Be investigated internally;
2. Be referred to another law enforcement agency;
3. Be referred to the Financial Disciplinary Board;
4. Be dealt with in terms of the Local Government: Disciplinary Regulations for Senior Managers, 2010.

Fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

1. In case of employees, taking disciplinary action within a reasonable period after the incident has been reported;
2. Instituting civil action to recover losses;
3. Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency;
4. Any other appropriate and legal remedy available and applicable.

The main principle upon which this Policy and Plan of Midvaal is based on and aligned to the Local Government Anti-Corruption Strategy (LGACS) includes:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The above is not intended to detract from the premise that all the components are equally essential for the successful implementation of the Plan.

These preventative controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Midvaal.

Apart from various other departmental related policies and procedures, the following measures are in place to prevent any possible irregular activities:

1. When advertising vacancies, potential candidates are cautioned that only people with the highest level of personal integrity will be considered and that submission to appropriate pre-employment screening processes are obligatory;
2. Compulsory probation periods (minimum of three months) are applicable to all full-time employees;
3. Employee induction programmes are presented to all newly appointed staff on a monthly basis, to introduce the culture and ethos of the organisation;
4. All employees are compelled to take annual leave in terms of the Conditions of Service;
5. Exit interviews are in place, which include the assessment of the perceptions of the business ethics and conduct standards within Midvaal.

Apart from other mechanisms in place for the reporting of any unethical, fraudulent or corrupt activities, is the outsourced fraud reporting hotline, 0860-268-624.

Council demands adherence to legislative compliance, specifically supply chain management principles, and also the proper functioning of the Performance and Audit Committee, without councillor and/or political interference.

Midvaal endeavours to be consistent and efficient in the application of disciplinary measures.

Chapter 4 contains the details of disciplinary action (consequence management) taken in cases of financial misconduct and offences committed.

#### T4.3.6

The Municipal Systems Act, Act 32 of 2000, in Section 83(c), determines the objective to minimise the possibility of fraud and corruption, when service providers are chosen through a process which minimizes the possibility of fraud and corruption.

During the 2021/2022-financial year, 37 incidents were reported via the Anti-Fraud and Corruption Hotline and also other available reporting mechanisms.

The status of the reports received, is as follows:

Number of reports received:	37
Number of reports detected (Finalised)	19
Number of reports undetected (Finalised)	15
Other	3
Under investigation (Internal)	0
Referred to the South African Police Services and/or Directorate for Priority Crime Investigation	0
Initiation of further forensic investigations	0
% Finalised	100%
% Detected	51.35%

During 2015 Council entered into a Memorandum of Understanding 1 with EthicsSA. The objective of the MOU was to capacitate municipalities with ethical leadership and corruption preventative competencies. The main objective of the project was to ensure that the following governance structures, monitoring and reporting processes as well as procedures are in place and if not yet in place, implemented.

The objectives of the MOU1 (Phase 1) were the following:

1. Executive workshops to bring leadership on-board were conducted (councillors, staff and various other role-players);
2. Workshop with the oversight committees;
3. Ethics workshops for councillors;
4. Training of ethics officers on the Ethics Officer Certification Programme;
5. Training municipal trainers to conduct Ethics Workshops;
6. Assessing the current integrity management capacity and provide guidance on improvement;
7. Conducting an Ethics Risk Assessment;
8. Using the outcomes of the risk assessment to inform the municipality' integrity management strategy and related policies;
9. Advising and mentoring ethics officers; and
10. Hosting a procurement workshop for local businesses.

The MOU1 (Phase 2) was entered during January 2016 with The Ethics Institute ended Sep 2019.

The deliverables contained in Phase 2 included the following:

1. Review of the Ethics Risk Assessment (previous assessment conducted in 2015);
2. Review the Ethics Gap Analysis;
3. Review the Integrity Management Strategy;
4. Finalisation of the Implementation Plan;
5. Review the Integrity Management Maturity Assessment.

The identified ethical gaps and opportunities were addressed and quarterly progress reporting was done via the Ethics & Risk Management Committee.

After the finalization of the deliverables contained in the MOU1 (Phase 1 and 2), a self-assessment was conducted during 2015 and repeated during 2018, according to a predefined self-assessment tool supported by a rating key indicating the outcome. The self-assessment tool used in 2018 was more comprehensive than the tool used in 2015, therefore the difference in outcome.






The rating key is included for ease of reference:

RATING KEY	
90-100	Very strong
70-90	Strong
60-70	Reasonable
50-60	Moderate
25-50	Weak
0-25	Very weak



OUTCOME OF SELF ASSESSMENT					
2015			2018		
	INDICATOR	RATING		INDICATOR	RATING
1	LEADERSHIP COMMITMENT	81.3	1	LEADERSHIP COMMITMENT	81.3
2	COMMUNITY OWNERSHIP	100.0	2	COMMUNITY OWNERSHIP	100.0
3	GOVERNANCE	100.0	3	GOVERNANCE	100.0
4	INTEGRITY MANAGEMENT STRATEGY	87.5	4	INTEGRITY MANAGEMENT STRATEGY	100.0
	PREVENTION			PREVENTION	
5	Promote a professional ethical culture	95.8	5	Promote a professional ethical culture	91.7
6	Policies & procedures	100.0	6	Policies & procedures	90.0
7	Corruption risk management	100.0	7	Corruption risk management	100.0
8	Pre-employment screening	100.0	8	Pre-employment screening	100.0
9	Conflict of interest management	100.0	9	Conflict of interest management	90.0
10	DETECTION	93.8	10	DETECTION	95.0
11	INVESTIGATIONS	100.0	11	INVESTIGATIONS	93.8
12	RESOLUTION	75.0	12	RESOLUTION	87.5
13	MONITORING AND REPORTING	100.0	13	MONITORING AND REPORTING	100.0
	PROCESS RATING SCORE	1233.3		PROCESS RATING SCORE	1229.2

The overall rating for Midvaal falls within the rating categories of strong to very strong. The areas not achieving 100%, were as follows:

**1. Leadership Commitment**

-  Council Commitment
-  Espoused Mayoral Committee Commitment
-  Budget for Ethics function

**2. Promote a professional ethical culture**

-  Ethics Training & Workshops
-  Ethics Awareness Campaigns

### 3. Policies and Procedures

- ✚ Conflict of Interest Policy

### 4. Pre-employment Screening

- ✚ Department of Co-Operative Governance Record Check

### 5. Conflict of Interest Management

- ✚ People (to manage the system)
- ✚ Procedures (Annual Declaration of Interest)

### 6. Detection

- ✚ Analysis of Information

### 7. Investigations

- ✚ Multi-agency approach

### 8. Resolution

- ✚ Prevention of Recurrence
- ✚ Communication of Successes

The ethics opportunities, gaps and areas for improvement were identified and the project (MOU1) successfully completed at Midvaal.

The Ethics Institute during 2019 obtained additional funding from the Siemens Integrity Initiative, in order to continue with the project and is in the process to roll-out the Memorandum of Understanding 2 (MOU 2).

The objective of the MOU 2 was to build capacity in the Gauteng Provincial Government (GPG) to support municipalities in improving their ethical culture. The onus was on the Office of the Premier and Gauteng Department of Co-operative Governance & Traditional Affairs to facilitate and drive the interaction with the municipalities.

This required a team of 'ethics support practitioners' within the Office of the Premier and Gauteng Department of Co-operative Governance & Traditional Affairs to remain engaged with the project.

These ethics support staff were to include a core team of "relationship managers" who would each be allocated one or more municipality that they would take responsibility for. Outside of this core team, there would be other GPG staff members that may also be trained to take on specific responsibilities regarding the Gauteng Municipal Integrity Project (GMIP).

The Ethics Institute would be available on a 'consulting' basis for a specific number of days to provide training and group mentoring to these ethics support staff.

Officials from the district municipalities have accompanied GPG and TEI on their engagements with the local municipalities and may also be capacitated as ethics support staff.

The following is an overview of the planned activities:

1. Capacitate GPG ethics support staff through training and mentoring;
2. Co-mentor municipalities (together with GPG) to institutionalize their ethics strategies with a specific focus on establishment of ethics structures and high-risk areas of recruitment and procurement;
3. Thematic learning forums on high risk areas for local government practitioners;
4. Co-develop an ethics management monitoring and reporting tool for municipalities;
5. Conduct a repeat Public Sector Ethics Survey.

The following responsibilities were expected from Council during the implementation of the deliverables, contained in MOU2:

1. Identifying and availing appropriate staff to participate in training events, where spaces are available.
2. Ensuring that the staff identified is from positions that will allow them to utilise the skills obtained.
3. Continuing its commitment for participating in the project and strengthening the integrity management capacity of the municipality.
4. Ensuring access to GPG and TEI staff for engagement with the municipalities.
5. Identifying an appropriate Ethics Champion, i.e. a member of executive management, who will drive the project within the municipality and be the GPGs primary contact.
6. Allocate the strategic direction and oversight of the integrity management programme to an appropriate committee.
7. Identify appropriate contact persons and ethics officers to work with the GPG and TEI for the duration of the project.
8. Avail municipal facilities for workshops and meetings where necessary (free of charge).
9. Identifying and availing appropriate staff to participate in the learning forums.
10. Ensuring that the staff identified are from relevant positions that will allow them to participate constructively in the learning forums, and sufficiently senior to allow them to implement learning from the forums.
11. Identifying and availing appropriate staff to participate in the development of the monitoring and reporting tool.
12. Driving the internal consultation processes within the municipality to ensure the adoption of the tool.
13. Utilising the instrument for internal monitoring and reporting purposes.
14. Providing GPG with reports from the tool in line with agreed reporting cycles.
15. Participating in the public sector ethics survey, which might include:
  - Distributing an electronic link to the survey to all staff with e-mail, from the office of the Municipal Manager.
  - Assisting with logistical arrangements for a paper-based roll-out of the survey to staff members.

The project will also run over a 5-year period, i.e. 1 October 2019 to 30 September 2024.

T 2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT (SCM) OVERVIEW

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Head of SCM complies with the MFMA minimum competency levels. Approximately 85% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

The SCM Policy was again reviewed during the 2021/2022 financial year and was tabled at Council on 27 May 2021. To further strengthen controls. The policy dealing with the acceptance of grants, donations and sponsorships was also reviewed during the year. This policy will guide all SCM role-players relative to Sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of the SCM Policy was submitted to Council on 28 July 2022 as per Regulation 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials.

The structure caters for all elements of SCM with 18 officials within the unit and no vacancies.

An annual stock count was performed during the period under review and discrepancies were reported to Council. No challenges were encountered in implementing the SCM Policy. One finding on contract management was raised by the Auditor-General in the previous report. The finding had since been addressed by the municipality.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are open to the public and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA. There is approximately 3500 suppliers on the SCM database, which is updated regularly.

A total of 44 full bids to the value of R273 783 009.10 were processed during the year under review, keeping in mind that some are rates based and others percentage based. 28 formal written quotations to the value of R3 768 123.04. were processed during the year under review, also keeping in mind that some are rates based. The average turn-around time on the awarding of bids is 90 days. SCM adheres to Circular Number 83 and all tenders above R200 000 are advertised on the e-Tender publication portal.

### **Deviation from the Supply Chain Management Regulations**

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements

The majority of items mentioned, had to be addressed in short notice and the response times did not allow for the complete procurement process, to be followed. The balance of the items was due to emergency circumstances or uneconomic benefits for the municipality.

The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management.

T 2.8.1

Deviations from the policy must comply with the requirements and must be reported to Council. In these cases, it was for justifiable reasons and all such cases were reported to Council. Deviations for 2021/22 were reduced significantly to R6.3 m compared to R8.2 m in the previous year.

Class	2021	2022
Emergency	2 819 174.58	3 192 529.96
Sole Provider / Accredited Agents	1 824 731.27	411 352.79
Arts & Historical Objects	-	-
Impractical or Impossible / Strip & Quote	3 588 689.82	2 627 116.00
Minor Breaches	-	-
<b>TOTAL</b>	<b>R8 232 594</b>	<b>R6 230 997</b>

The definitions, per class, reflected in the above table, are listed below:

**36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES**

**36.1 The accounting officer may –**

- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
  - (i) in an emergency (breakages after hours, situations that may lead to health, safety hazards or death, serious hampering of official service delivery to the community);
  - (ii) if such goods or services are produced or available from a single source or sole provider only (e.g. agents/manufacturer/patent holder or items under guarantee);
  - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iv) acquisition of animals for zoos and/or nature and game reserves; or
  - (v) in any other exceptional case or case of urgency where it is impractical or impossible to follow the official procurement processes (such as strip and quote on rotation basis (36.4), appointment of specialised service providers);
- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

36.2 The accounting officer must record the reasons for any deviations in terms of subparagraphs 36.1(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

36.3 Subparagraph 36.2 does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

**“Strip & quote:”** When it is not certain what repairs and maintenance should be performed on equipment and vehicles and it becomes impractical to obtain quotations, the equipment or vehicle is sent to a supplier who disassembles (strip) it to determine what is wrong with it. Thereafter a quote is issued.

The definitions are explained in detail in the Supply Chain Management Policy.

## 2.9 BY-LAWS

By-Laws Introduced					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
1. <b>Draft Informal Trading By-Law</b> Approved by Council on 29 Aug 2019	No	Not yet started	N/A	No	N/A
2. <b>Draft Dolomite Risk By-Law</b> Approved by Council on 25 Mar 2020	No	Not yet started	N/A	No	N/A

\*Note: See MSA Section 13

T 2.9.1

### COMMENTS ON BY-LAWS

Section 11(3)(m) of the Municipal Systems Act, 32 of 2000, 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.

T 2.9.1.1

TABLE 1: Property rates summary

Description	Ref	2017/18	2018/19	2019/20	2020/21
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome
<b>Valuation:</b>	1				
Date of valuation:		2010/07/01	2000/01/01	2000/01/01	2000/01/01
Financial year valuation used		20112018	20182019	20192020	0
Municipal by-laws s6 in place? (Y/N)	2			Yes	No
Municipal/assistant valuer appointed? (Y/N)				Yes	No
Municipal partnership s38 used? (Y/N)				No	No
No. of assistant valuers (FTE)	3	-	-	3	-
No. of data collectors (FTE)	3	-	-	3	-
No. of internal valuers (FTE)	3	-	-	-	-
No. of external valuers (FTE)	3	-	-	1	-
No. of external valuers (FTE)	4	-	-	-	-
Valuation roll established? (Y/N)				Yes	-
Valuation roll (mths)		-	-	-	-

## 2.10 WEBSITE

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current Annual and Adjustments Budgets and all budget-related documents	Yes	14 Feb 2022 Reviewed SDBIP 2 Jul 2021 Special Adjustments Budget 25 Mar 2022 Public Notice (Draft IDP & SDF (2022/2027)) 27 May 2022 Final IDP 2022 – 2027 28 Mar 2022 Public Notice (Draft Budget 2022/2023) 2 Jul 2021 Final Budget 2021/2022 4 Aug 2021 Tariff Schedule 2021/2022 4 Aug 2021 Draft Property Tariffs 2021/2022 4 Aug 2021 Property Rates 2021/2022 4 Aug 2021 Final Tariffs Schedule 2021/2022
All current budget-related policies	Yes	3 Jun 2022
The previous Annual Report (2019/2020)	Yes	20 Aug 2021
The Annual Report (2020/2021) published/to be published	Yes	26 Aug 2021
All current Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	4 Aug 2022
All service delivery agreements	No	-
All long-term borrowing contracts	Yes	-
All supply chain management contracts above a prescribed value	Yes	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year 1	No	6 Jul 2022
Contracts agreed in Year 0 to which Sub-section (1) of Section 33 apply, subject to Sub-section (3) of that section	No	Not Applicable
Public-private Partnership agreements referred to in Section 120	No	Not Applicable
All quarterly reports tabled in the Council in terms of Section 52(d)		
Quarter 1	Yes	28 Oct 2021
Quarter 2	Yes	24 Jan 2022
Quarter 3	Yes	28 Apr 2022
Quarter 4	Yes	28 Jul 2022

<p>Please also include any other relevant additional documents published on the Midvaal Website</p>		<p>4 Aug 2022 Annual Report on the Implementation of SCM  23 Feb 2022 In-Year Reviewed SDBIP  9 Jul 2021 Final SDBIP 2021/2022  5 Jul 2022 Quarterly report on the Implementation of the SCM Policy for Quarter 3  2 Nov 2021 Quarterly report on the Implementation of the SCM Policy for Quarter 1  6 Dec 2021 Appointment of Performance &amp; Audit Committee Member  28 Jan 2022 Mid-term Reports</p>
		T 2.10.1

**COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS**

Midvaal’s Website complies with all requirements of Section 75 of the MFMA. The Council’s website address is: [www.midvaal.gov.za](http://www.midvaal.gov.za)

All Council’s Libraries have computers with free internet access through which the public has access to Council’s Website and the information at the following libraries:

- Meyerton
- De Deur
- Henley on Klip
- Randvaal
- Lakeside
- Bantu Bonke
- Sicelo

T 2.10.1.1





## 2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

### OVERVIEW

Since 1 October 2020 to 30 June 2021, Midvaal has in sourced the management of its complaint hotline and introduced an integrated Citizen engagement system for incident logging and complaints. The statistics for the above- mentioned period under review are as follows:

CRITERIA	Overall total of Complaints
Complaints received per department	28 261
Number of complaints resolved	18 240
Number of complaints open	10 020
Number of complaints carried over to new Quarter	10 020
% Cases Closed	65%
% Case Open	25%

CORPORATE SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	0	0	0	0	0
Number of complaints resolved	0	0	0	0	0
Number of complaints open	0	0	0	0	0
Number of complaints carried over to new Quarter	0	0	0	0	0
% Cases Closed	0	0	0	0	0
% Case Open	0	0	0	0	0

FINANCE SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	164	153	177	190	684
Number of complaints resolved	124	53	57	47	281
Number of complaints open	40	100	120	143	403
Number of complaints carried over to new Quarter	40	100	120	143	403
% Cases Closed	75%	35%	32%	25%	41%
% Case Open	25%	65%	68%	75%	59%

DEVELOPMENT & PLANNING	Q1	Q2	Q3	Q4	Total
Complaints received per department	351	374	523	356	1 604
Number of complaints resolved	319	315	454	284	1 372
Number of complaints open	32	59	69	72	232
Number of complaints carried over to new Quarter	32	59	69	72	232
% Cases Closed	91%	84%	87%	80%	86%
% Case Open	9%	16%	13%	20%	14%

COMMUNITY SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	301	439	673	919	2 332
Number of complaints resolved	196	94	60	107	457
Number of complaints open	106	345	613	812	1 876
Number of complaints carried over to new Quarter	106	345	613	812	1 876
% Cases Closed	65%	21%	9%	12%	20%
% Case Open	35%	79%	81%	78%	80%

ENGINEERING SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	4 458	6 385	4 401	8 397	<b>23 641</b>
Number of complaints resolved	3 698	5 041	2 286	5 107	<b>16 130</b>
Number of complaints open	760	1 344	2 115	3 290	<b>7 509</b>
Number of complaints carried over to new Quarter	760	1 344	2 115	3 290	<b>7 509</b>
% Cases Closed	83%	79%	52%	61%	68%
% Case Open	17%	21%	48%	39%	32%

Customer satisfaction surveys are undertaken quarterly by the Call Centre and are based on contacting residents who have interacted or lodged incidents through the My Midvaal Call Centre.

The first quarter survey, predominantly focused on six key questions which helped guide the Call Centre in establishing its effectiveness in its first 100 days which are as follows:

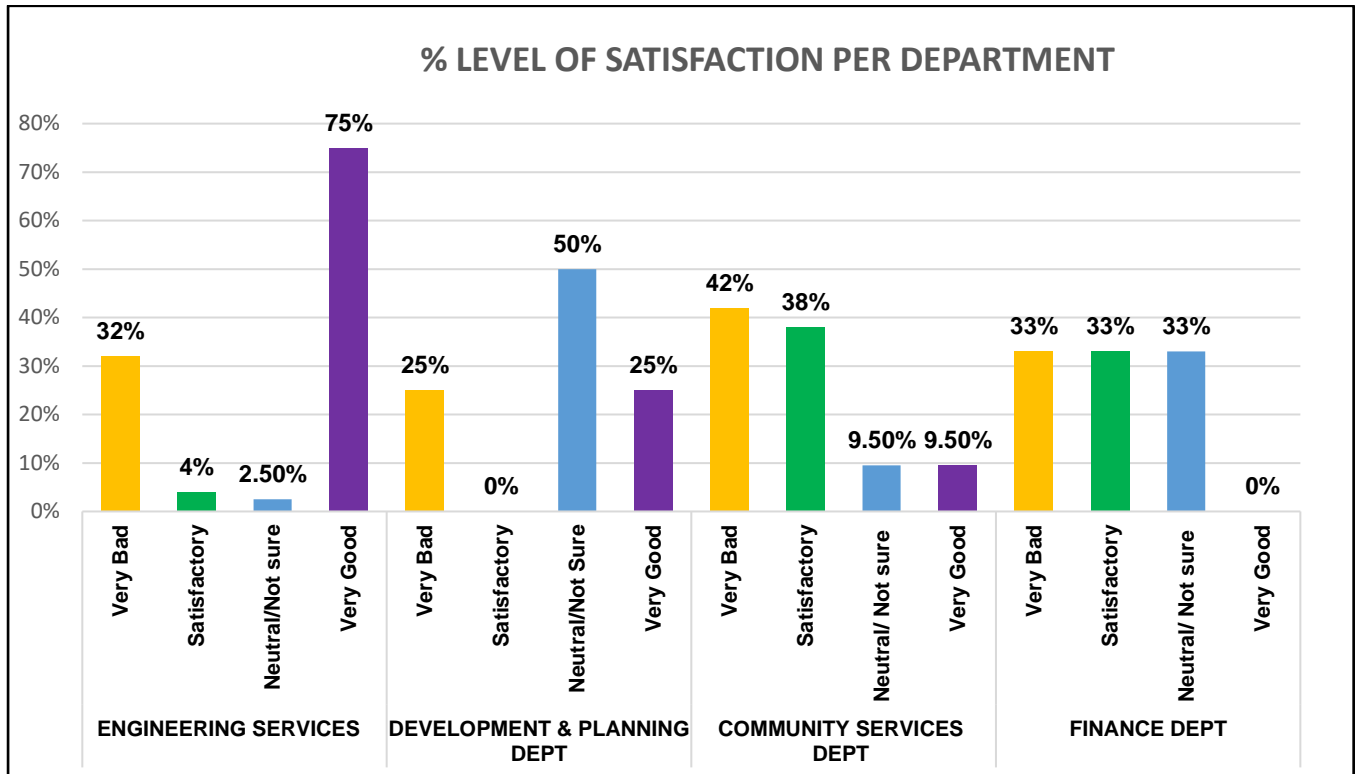
- Did you easily find the Call Centre Number?
- Did you easily find the recently launched My Midvaal App?
- How would you rate the level of service received from the technician
- How would you rate the level of service received by the Call Centre Agent
- How likely are you to recommend the Call Centre or App to your friends and family?

The first survey was distributed via the My Midvaal App to 10 231 residents. Feedback was received from 52 respondents which represents 1% of total users who have been reached.

In the Quarter 2 of the operational running of My Midvaal Call Centre, both the My Midvaal App and Call Centre agents conducted telephonic surveys in addition to the deployment of the survey via the My Midvaal App. This assessed the varying levels of satisfaction in the different departments. The table below represents the satisfaction survey results for Quarter 4 of the 2021/2022-financial year:

Satisfaction Surveys Undertaken during 2021/2022 Survey period: 1 July 2021 – 30 June 2022				
Subject matter of survey	Survey method	Survey date range	Number of people included in survey	Survey results indicating satisfaction or better by respondents (%)*
<b>Satisfaction with:</b>				
(a) Engineering	Complaints Register and Telephony survey	1 Jul 2021 – 30 Jun 2022	44	59%
(b) Community Services	Complaints Register and Telephony survey	1 Jul 2021 – 30 Jun 2022	20	45%
(c) Finance Services	Complaints Register and Telephony survey	1 Jul 2021 – 30 Jun 2022	44	55%
(d) Development and Planning	Complaints Register and Telephony survey	1 Jul 2021 – 30 Jun 2022	25	56%
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				

T 2.11.2



T 2.11.1

1. Sample size of survey is 133 which were approached to participate and only 73 provided actual feedback.
2. The percentage satisfied from collected survey response is: 55%
3. Other service delivery areas include issues such as overgrown stands, non-compliance of illegal businesses and illegal advertising
4. Petitions are also accepted which have been submitted to the Speaker's Office

T 2.11.2.1

### COMMENTS ON SATISFACTION LEVELS

1. Members of the public are invited to complain via the Complaints Desk, the Website, E-mail or Walk-in's
2. Other complaints are received via the Premier's Hotline and Presidential Hotline
3. Complaints/enquiry numbers are listed on Midvaal's Website, external newsletter known as the Midvaal News
4. A quarterly customer satisfaction survey is distributed via the App for residents to provide feedback on their experience of using the Call Centre as well as service delivery.

T 2.11.2.2



## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

### (PERFORMANCE REPORT (PART I))

#### INTRODUCTION

Services rendered by Midvaal include water, wastewater (sanitation), electricity, waste management and housing services.

T 3.0.1

#### COMPONENT A: BASIC SERVICES

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

#### INTRODUCTION

There are many households located in informal areas, where water is delivered by water tanker trucks or standpipes, but sanitation is restricted to bio-chemical installations, chemical toilets and other systems of sanitation. Formal areas should be developed where services can be provided in an economically sustainable way. Some of the rural areas utilise boreholes to provide water for consumption.

T 3.1.0

### 3.1 WATER PROVISION

#### INTRODUCTION

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

#### Water Section Work

The potable water supply services consist of the bulk water abstractions, purifications at the Water Purification Works, bulk water distributions to water storage reservoirs, distributions to different residential and industrial reticulations to different levels of consumers and metering of individual consumer's consumption and customer services.

A water section involves eight categories of operations and maintenance works. These are:

1. Water leak repairs
2. Installation of water meters
3. Responding to water meter leakages,
4. Water pump-stations operations and maintenance
5. Pressure reducing valve operations and maintenance
6. Water storage reservoirs operations and maintenance
7. Water treatment plant operations and maintenance
8. Potable water
9. Quality management

It is also responsible for the water services provision that is measured through the Blue Drop Certification process which is administered by the Department of Water and Sanitation. This feeds into the Blue Drop System (BDS) now known as IRIS (Integrated Regulatory Information System), which informs the Department of Water and Sanitation about the quality of water service provision in Midvaal, as well as the water service provision risk profile. It is also involved in the revenue protection services of the municipality in conjunction with the Finance Department.

Approximately 38 046 households are provided with potable water from the two bulk potable water purification works namely, Vaal Marina Water Purification Works owned by Midvaal Local Municipality and Zuikerbosch Water Purification Plant owned by Rand Water. Raw water is extracted from the Vaal Dam and Vaal River respectively and pumped into two water purification works. Raw water is treated, purified and disinfected to comply with the SANS 0241 standard for the water fit for human consumption.

Midvaal has contracted Rand Water to operate the Vaal Marina Purification Works on its behalf with clear deliverables as per the service level agreement. The Vaal Marina Water Purification Works has a design capacity of 10 ML/day and is currently operating within its design capacity, with the peak demand within the average of 2 mL/day. The Rand Water's Zuikerbosch Plant delivers an average of 30 ML/day to Midvaal's

Meyerton Water Supply Scheme, as per the service level agreement, which is used to evaluate the performance of the service provider. 42 metered connection points are available to measure the water that is pumped from Rand Water into the Midvaal Supply System and monthly billing is taking place per these metered points.

Purified water is pumped into different reservoirs and direct connection owned by Midvaal and reticulated to households through pipelines. All households within developed urban and peri-urban areas are supplied through a water meter, which is used to determine the quantity of water consumed by a particular household. Informal settlements that are not reticulated, receive water through the mobile water tankers and public standpipes. Plastic tanks, positioned around the settlements, are used as a storage point for the informal settlements communities to fetch water. Bigger informal settlements storage tanks and standpipes are supplied through direct metered water pipelines, connected to the water network. Mobile water tankers are measured at filling points to enable accountability of water delivered to informal settlements.

## **Complaints**

The Department: Engineering Services manages and administers public complaints through the Complaints Desk. The complaints received, are escalated to the operating teams for attendance. Operating teams attend to registered complaints, as per priority, depending on the workload for the day. The complaints include pipe bursts, water meter leaks, faulty meters, water interruptions, etc.

## **Water Quality and Risk Management Blue Drop**

Engineering Services has two complementary water quality monitoring sampling programmes. One is done in partnership with Rand Water, which is on the consumer taps, whilst the other is conducted by an external service provider, which includes water quality management from catchment to consumer tap points. The quality of the potable water supplied, conformed to the standards of drinking water quality regulated by the Department of Water and Sanitation.

The average potable water quality compliance is 99 % in terms of SANS 0241.

Other tap samples are analysed by Rand Water in their accredited laboratories while the remainder of the samples are analysed by the service provider in their accredited laboratories. This data is uploaded into the Blue Drop System (BDS) now known as IRIS (Integrated Regulatory Information System) which is administered by the Department of Water and Sanitation (DWS). Meetings are held on a quarterly basis, with Rand Water and DWS to discuss water quality matters as well as Blue Drop Regulatory Framework matters. These fora provide platforms for discussing in detail various issues such as safety of water supply, known as the water safety plan, water quality, water supply infrastructure maintenance programs, service level agreements, chlorine levels, communication protocols and the tap sampling programme.

Midvaal's Blue Drop status is still at 94%.

The Water Safety Plan is reviewed annually. This has a risk register that must be implemented and reported. The maintenance of pump-stations, pressure release valves (PRVs) and reservoir cleaning is sourced from this register.

## **Revenue Protection and Water Conservation**

The Water Section also assists revenue protection by attending to water leaks and maintenance of reservoirs and pressure release valves (PRVs) which further prevents water losses. The Water Section also assists with troubleshooting of water meters.

The approved Five-year Water Demand Management Plan is being implemented and monitored. Below are water loss/non-revenue water reduction plan projects implemented to reduce water losses.

## **Pipe Replacement Programme**

The target for the pipe replacement programme was 17 km and 14.22 km of old asbestos cement water network pipeline ranging from 75 mm diameter to 315 mm were replaced with uPVC pipes. Due to budget constraints the target could not be achieved. Work was done in the following areas:

Project Area	Length of pipeline replaced	Type of pipe replaced	Replaced with (Type of Size)	Project Value in Rand
Sicelo	1 km	N/A	Installation of new uPVC Plastic	R13 000 000.00
Vaal Marina	4 km	Asbestos	uPVC Plastic	
De Deur	9.22 km	Asbestos	uPVC Plastic	
<b>Total</b>	<b>14.22 km</b>			

### Replacements and Refurbishment of Pressure Releasing Valves (PRV's)

A total of 3 out of a target of 5 new Pressure Releasing Valves (PRVs) were installed to improve pressure management in the water network at the following area. The target could not be achieved due to budget constraints.

1. Walkerville (Spioenkop) PRV 01
2. Drumblade PRV 26
3. Walkerville PRV 1B

### Meter installation and replacement project: Bulk Water Meters and Pre-Paid Water Meters project

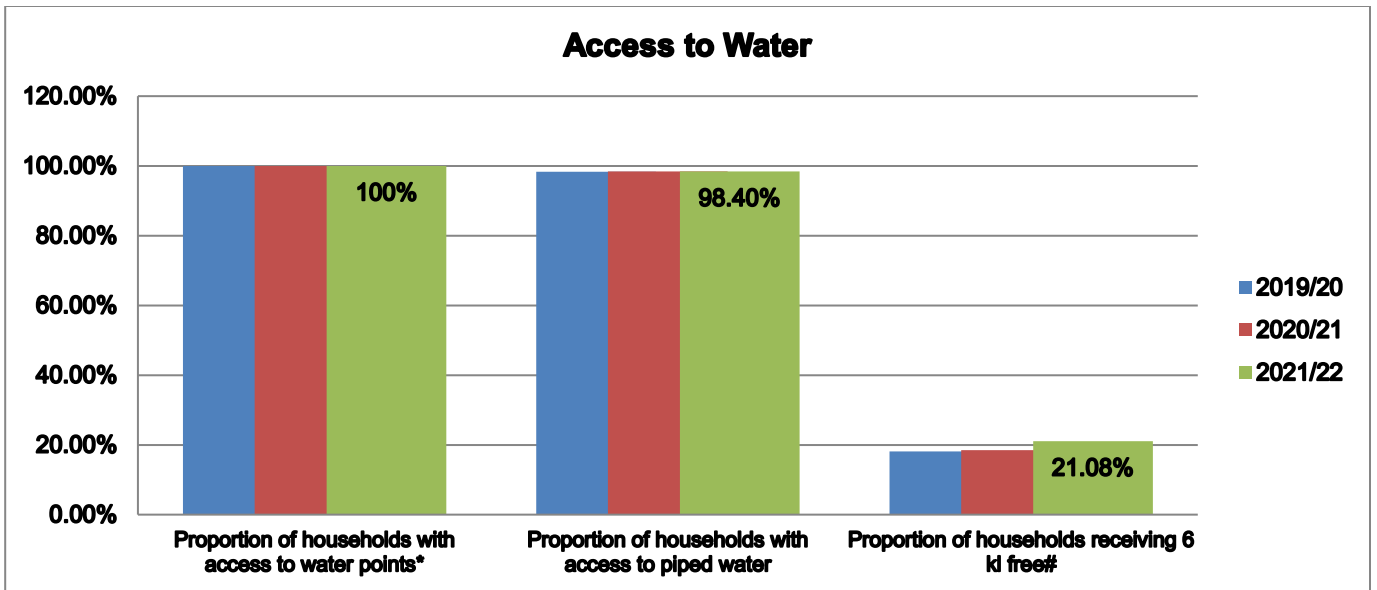
Through the water meter replacement programme, 23 old bulk water meters in Meyerton Town and 2 350 old residential water meters in Savanna City and Lakeside were replaced with prepaid water meters to address the high water-loss challenges as well as water meter inaccuracies. The annual target was 1 800 units.

### Water Reticulation Valves Replacement and Installation

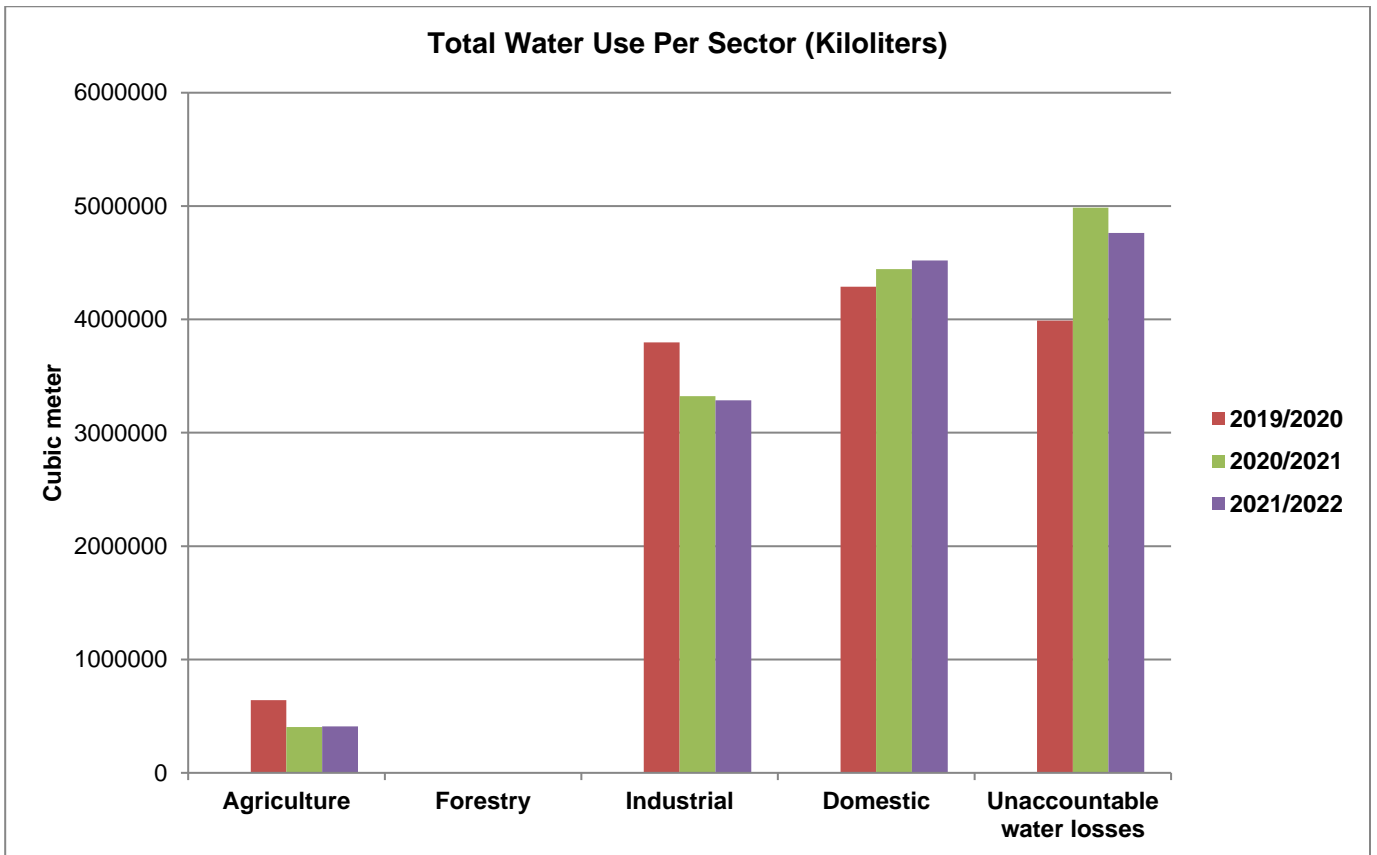
Through the project of valve replacement and installation, 43 new water reticulation valves have been installed across Midvaal Local Municipality areas to assist with operations and maintenance of water reticulation infrastructure. The annual target was 70 valves. The target was not achieved due to budget constraints.

T 3.1.1

Total Use of Water by Sector (kiloLitres (kL))					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable Water Losses
<b>2019/2020</b>	641 705	0	3 797 515	4 287 374	3 990 381
<b>2020/2021</b>	404 049	0	3 323 399	4 444 549	4 986 002
<b>2021/2022</b>	410 802	0	3 286 419	4 518 826	4 763 234
					T 3.1.2



T 3.1.5



T 3.1.2.1

#### COMMENT ON WATER USE BY SECTOR

Although there are many farm portions in Midvaal, most of it is not connected to municipal water networks and use own boreholes or are connected to Rand Water pipelines. The water allocated to agriculture is thus low. The biggest portion of the water demand is evenly spread between domestic and industrial. Water demand for these sectors will be rising in near future seeing that there are plans for both industrial and housing developments, especially the R59-Corridor and Savanna City Developments.

T 3.1.2.2

Water Service Delivery Levels			
Description	Households		
	2019/20200	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number
<b><u>Water: (above min level)</u></b>			
Piped water inside dwelling	28 282	29 046	29 322
Piped water inside yard (but not in dwelling)	9 132	103	103
Using public tap (within 200 m from dwelling)	509	123	123
Other water supply (within 200 m)	38 046	38 046	38 046
<b>Minimum Service Level and Above sub-total</b>	<b>75 969</b>	<b>67 318</b>	<b>67 594</b>
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%
<b><u>Water: (below min level)</u></b>			
Using public tap (more than 200 m from dwelling)			
Other water supply (more than 200 m from dwelling)	0	0	0
No water supply			
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%
<b>Total number of households*</b>	<b>76</b>	<b>67</b>	<b>68</b>

\*To include informal settlements

T 3.1.3

Households - Water Service Delivery Levels below the minimum					
Description	Households				
	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Original Budget Number	Adjustments Budget Number	Actual Number
<b>Formal Settlements</b>					
Total households	38 046	38 046	38 322	38 322	38 322
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%
<b>Informal Settlements</b>					
Total households	509	509	509	509	509
Households below minimum service level	509	509	509	509	509
Proportion of households below minimum service level	100%	100%	100%	100%	100%

T 3.1.4



Water Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T 3.1.6							

Employees: Water Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 – 3	1	1	0	1	100%
4 – 6	5	5	5	0	0%
7 – 9	12	15	12	3	12.5%
10 – 12	6	6	6	0	0%
13 – 15	29	32	28	4	0.87%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>53</b>	<b>59</b>	<b>51</b>	<b>08</b>	<b>86.4%</b>
T 3.1.7					

Financial Performance 2021/2022: Water Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	286 827	291 005	282 084	247 129	-12%
<b>Expenditure:</b>					
Employees	19 693	23 408	22 686	22 511	-1%
Repairs and Maintenance	25 610	30 067	30 926	30 272	-2%
Other	165 796	112 744	114 853	138 056	20%
<b>Total Operational Expenditure</b>	<b>211 098</b>	<b>166 220</b>	<b>168 465</b>	<b>190 838</b>	<b>13%</b>
<b>Net Operational Expenditure</b>	<b>75 729</b>	<b>124 785</b>	<b>113 619</b>	<b>56 291</b>	<b>-50%</b>
T 3.1.8					

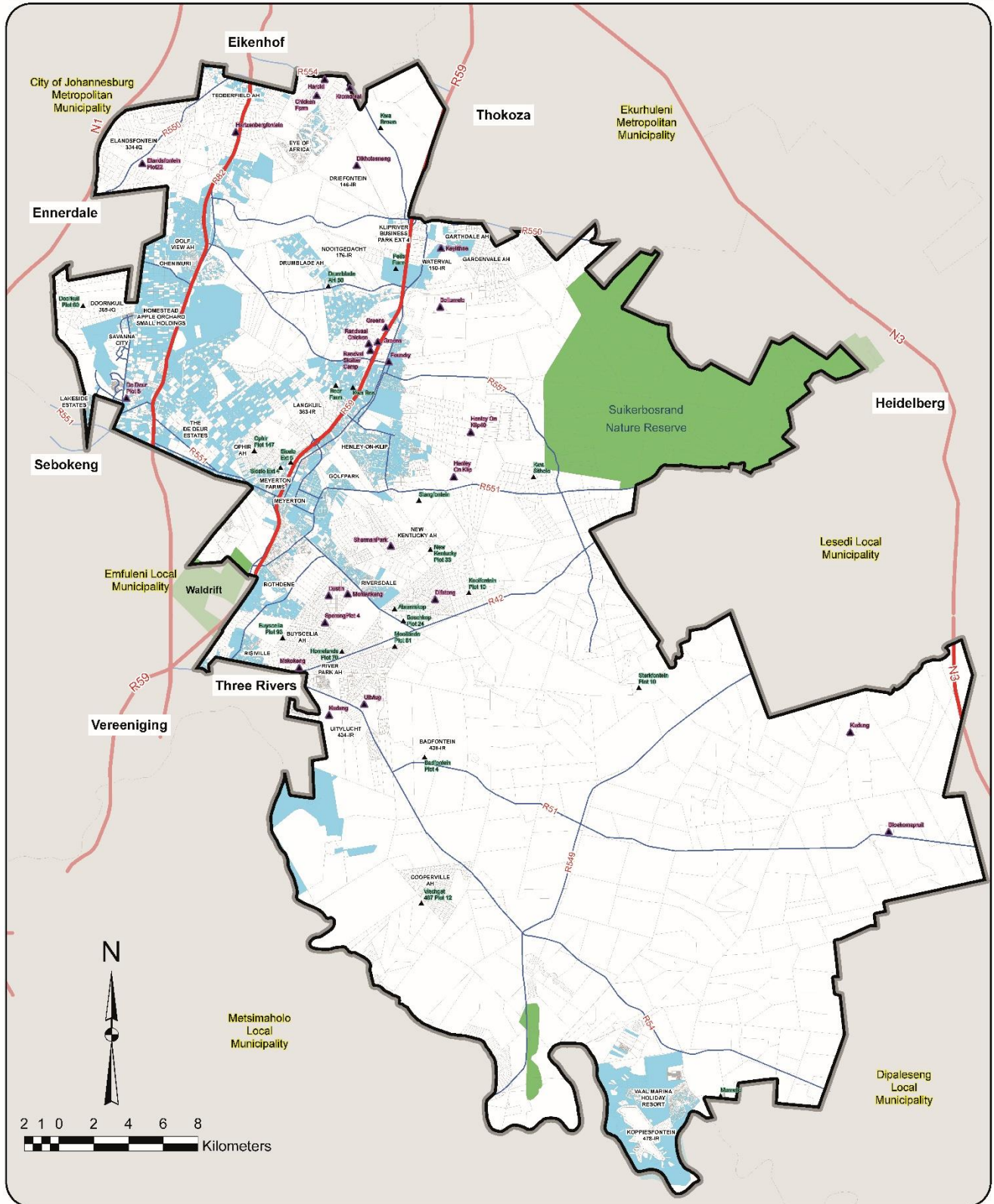
Capital Expenditure: Water Services				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustment budget
RESERVIOR REFURBISHMENT - W/L PROGRAMME	500	275	275	0%
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	3 852	12 663	12 557	-1%
AGED BULK WATER PIPE REPLACEMENT	13 000	13 000	12 997	0%
REFURBISHMENT/REPLACEMENT- SUPPLY VALVES	1 000	1 000	1 000	0%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	999	0%
PREPAID WATER METER PROJECT	2 000	2 000	1 998	0%
REPLACEMENT – PREPAID & CONVENTIONAL WATER M	100	100	100	0%
RISIVILLE WATER NETWORK (NEW)	7 500	13 399	13 301	-1%
WATER METER REPLACEMENT PROGRAMME	700	700	697	0%
PREPAID WATER METER PROJECT		1 250	1 010	-19%
BULK WATER METERS	2 000	2 000	1 999	0%
DOUBLE CAB BAKKIE	400	417	417	0%
<b>Total</b>	<b>32 052</b>	<b>47 804</b>	<b>47 350</b>	<b>-1%</b>
				T 3.1.9

#### COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The IDP and budget are linked and therefore IDP targets are attainable. Performance targets were met for the current year. The portion of the budget which was spent amounts to 92.68%.

T 3.1.10

# ANNUAL REPORT 2021 - 2022 Provision of Water Map



- ▲ Informal Settlements
- ▲ Informal Settlements
- ▲ Water Tank Supply
- Major Roads (Existing)
- Other Roads (Existing)
- Water Supply Areas (SOLAR Meters)
- Nature Reserves
- Cadastre



## 3.2 WASTEWATER (SANITATION) PROVISION

### INTRODUCTION

#### Sanitation Provision

The provision of sanitation services is broken down into water-borne (flush toilets) systems connected to the sewer network, pumped into various wastewater treatment works for purification, before it is discharged into the river and waterborne-system connected to septic tanks, which are emptied on a frequent basis for disposal at wastewater treatment works as well as chemical toilets, Ventilated Improved Pit Latrine (VIP) toilets and pit latrines, which are maintained on a regular basis. Midvaal does not have any bucket sanitation.

The chemical toilets are provided per need and each household is provided. The VIP are shared and the Municipality provided an additional 50 units in 2021/2022 to add to the 100 units done in 2020/2021.

#### Water-borne (Flush toilets) connected to sewerage

There are 23 826 households with flush toilets connected to a water-borne system infrastructure sewerage system. Wastewater is collected from households that are connected to the system through the reticulation pipelines into different smaller sewer pump-stations around Midvaal. These pump-stations are pumping into the main sewer pump-station which is Rothdene Sewer Pump-station that pumps to the Meyerton Wastewater Treatment Works (WWTW). There are approximately 35 sewer pump-stations within Midvaal and conditions differ from fair to good. The Rothdene Pump-station was refurbished during the 2018/2019-financial year.

There are five wastewater treatment works within Midvaal:

1. Meyerton Wastewater Treatment Works
2. Vaal Marina Wastewater Treatment Works
3. Ohenimuri Wastewater Treatment Works
4. Bantu Bonke Wastewater Treatment Works
5. Eye of Africa Wastewater Treatment Works

Meyerton WWTW is the largest in the municipality and has a design capacity of 10 mL/day. The treatment works is currently being planned to be upgraded to 25 mL/d capacity by Randwater as the Implementing Agent through RBIG Funding. It services the areas of Meyerton, Daleside, Sicelo, Meyerton Farms, Rothdene, Henley on Klip, Riversdale, Rust-ter-Vaal/Roshnee (Emfuleni). The plant currently treats on average dry weather flow of 12 mL/day and 15 mL/d average wet weather flow. A total of 646 923 m<sup>3</sup>/year was treated during the 2021/22-financial year.

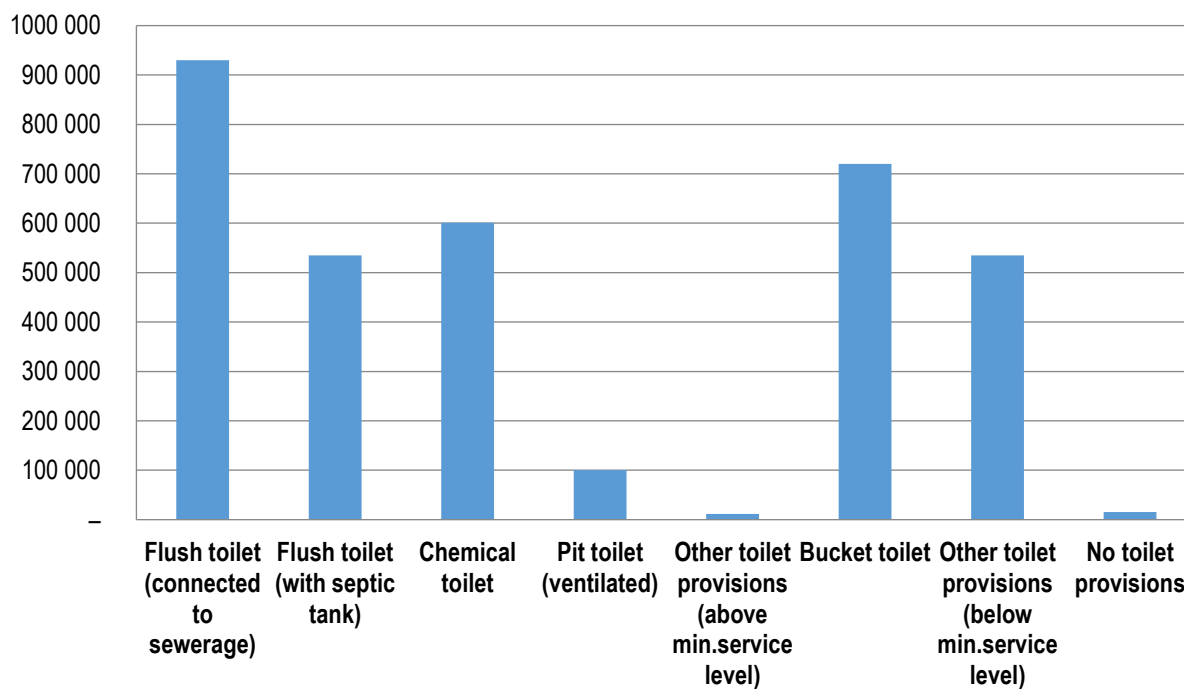
Ohenimuri WWTW has a design capacity of 0.5 mL/day. It services the areas of Walkerville. The plant is operating within its design capacity. The plant is in a fairly state and it is complying with the prescripts of Department of Water & Sanitation (DWA) for wastewater effluent. During the 2017/18-financial year, the various components of the works were refurbished at a cost of R660 000 to improve the effluent quality discharged from the works. A total of 19 031 kL (19 mL/annum) was treated during the 2019/2020-financial year. A total of 52 987 m<sup>3</sup>/year was treated during the 2021/2022-financial year.

Vaal Marina WWTW has a design capacity of 2 mL/day. It services the areas of Vaal Marina. The plant is operating within its design capacity. The plant is in a fairly state, but it is not compliant with the prescripts of the Department of Water and Sanitation for wastewater effluent due to design capacity challenges. License limits are not achievable within the capacity of the current infrastructure. Non-compliance is due to high levels of Nitrate, Phosphate and Electrical conductivity. The infrastructure was designed for General Limits; no provision is made for denitrification. A total of 114 562 m<sup>3</sup>/year was treated during the 2021/2022-financial year. The plant currently treats an average dry weather flow of 0.2 mL/d.

Bantu Bonke WWTW has a design capacity of 100 m<sup>3</sup>/day. It services the area of Bantu Bonke. The plant is operating within its designed capacity. The plant is in a fairly state and it is complying with the prescripts of Department of Water & Sanitation (DWS) for wastewater effluent. During the 2018/2019-financial year, the various components of the works were refurbished to improve the effluent quality discharged from the works. A total of 21 062.09 m<sup>3</sup>/year was treated during the 2021/2022-financial year.

T 3.2.1

## Sanitation/Sewerage (above minimum level): 2021/2022

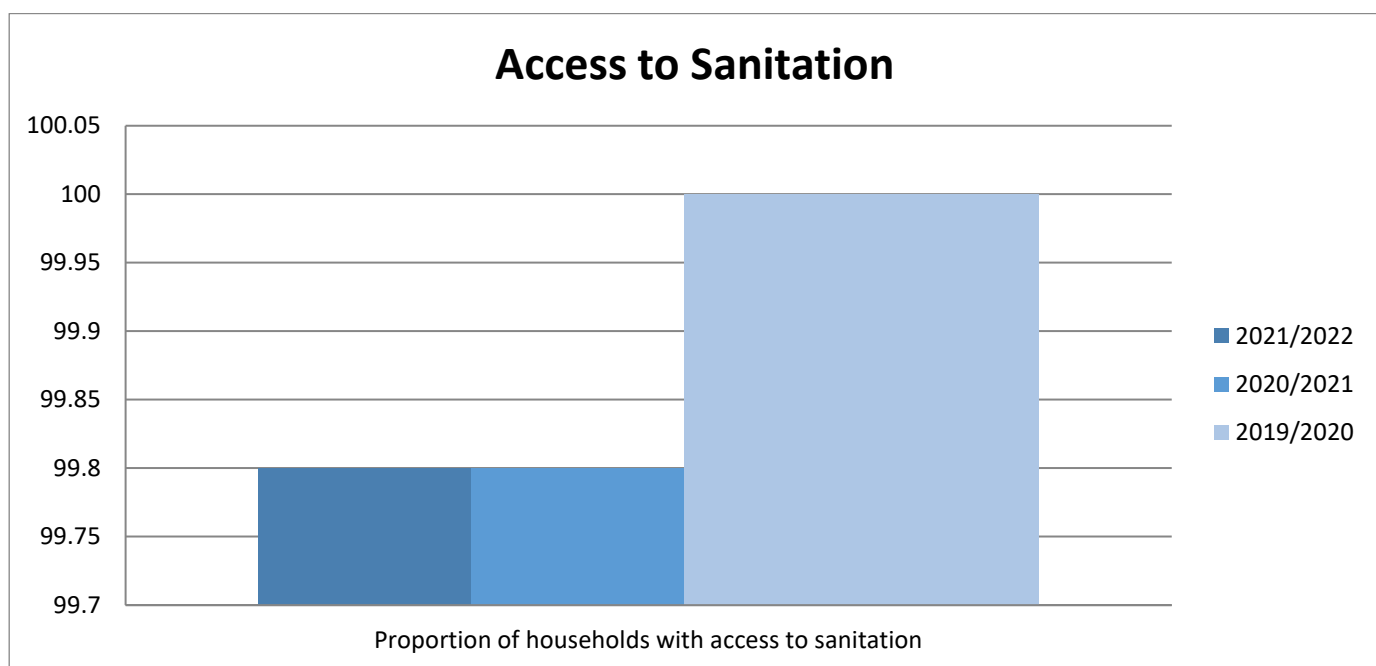


Sanitation Service Delivery Levels			
Description	*Households		
	2019/2020	2020/2021	2021/2022
	Outcome Number	Outcome Number	Actual Number
<b><u>Sanitation/sewerage: (above minimum level)</u></b>			
Flush toilet (connected to sewerage)	24 239	24 239	24 278
Flush toilet (with septic tank)	10 385	10 385	10 385
Chemical toilet	2 044	2 044	2 044
Pit toilet (ventilated)	1 250	1 350	1 400
Other toilet provisions (above minimum service level)	42	42	42
<i>Minimum Service Level and Above sub-total</i>	<b>37 960</b>	<b>38 060</b>	<b>38 149</b>
<i>Minimum Service Level and Above Percentage</i>	99.8%	100%	100.3%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	86	86	86
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0.2%	0.2%	0.2%
<b>Total households</b>	<b>38 046</b>	<b>38 046</b>	<b>38 046</b>
<b><i>*Total number of households including informal settlements</i></b>			

T 3.2.3

Households - Sanitation Service Delivery Levels below the minimum					
Description	2019/2020	2020/2021	2021/2022		
	Actual	Actual	Original	Adjustments	Actual
	Number	Number	Budget	Budget	Number
Households					
Formal Settlements					
Total households	38 046	38 807	38 046	38 046	38 046
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%
Informal Settlements					
Total households	3 422	2 661	2 552	2 552	2 552
Households below minimum service level	86	86	36	36	36
Proportion of households below minimum service level	3%	3%	1%	1%	1%

T 3.2.4



T 3.2.5

Sanitation Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.1.6

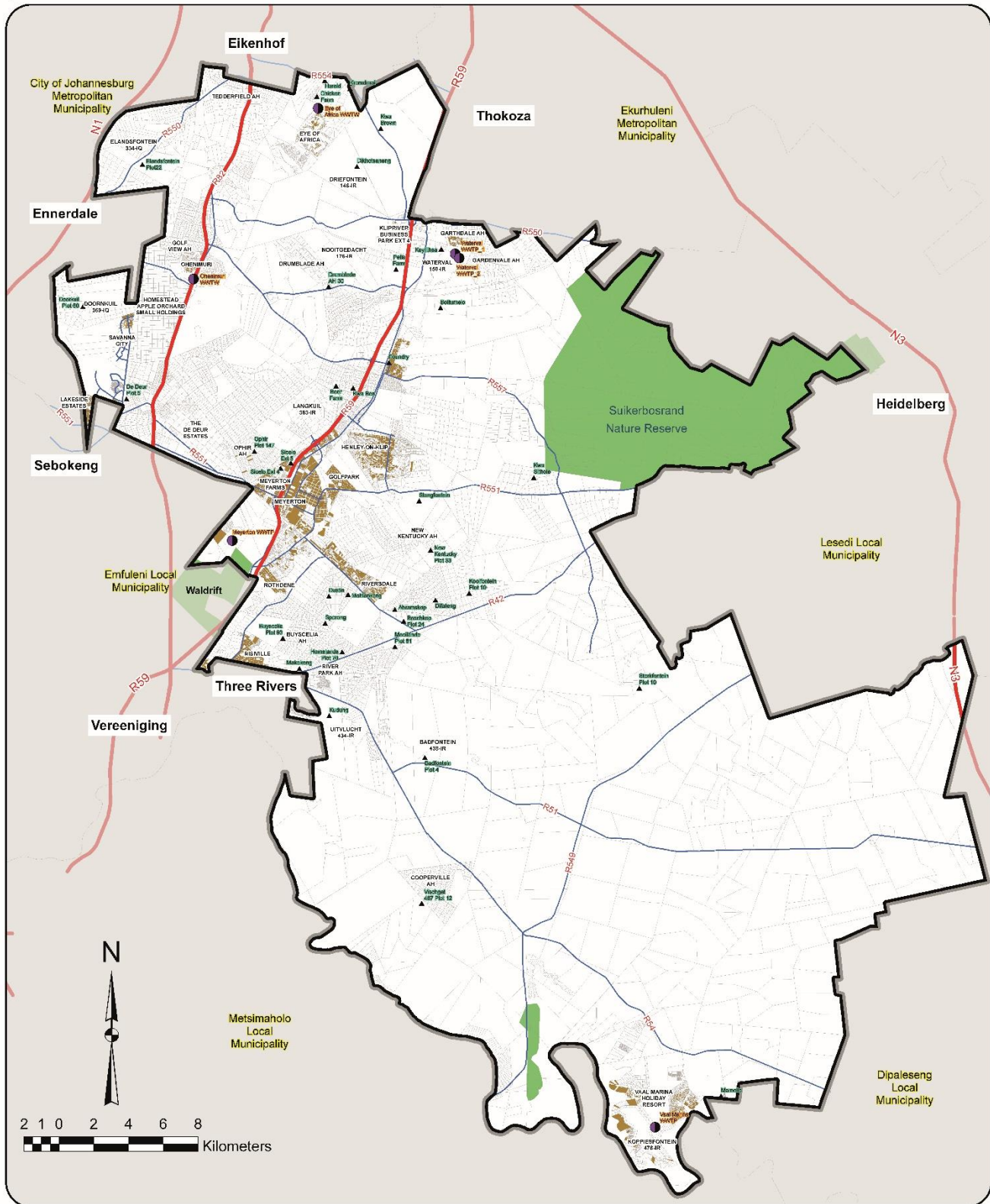
Employees: Sanitation Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	0	1	100%
4 - 6	17	17	16	1	5.8%
7 - 9	17	17	17	0	0%
10 - 12	23	23	23	0	0%
13 - 15	30	35	28	7	20%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>88</b>	<b>93</b>	<b>84</b>	<b>9</b>	<b>9.67%</b>

T 3.2.7

Financial Performance 2021/2022: Sanitation Services					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	64 980	71 668	70 855	73 154	3%
<b>Expenditure:</b>					
Employees	20 256	27 553	25 744	25 371	-1%
Repairs and Maintenance	29 041	38 907	36 886	35 988	-2%
Other	5 940	(5 886)	1 842	5 466	197%
<b>Total Operational Expenditure</b>	<b>55 237</b>	<b>60 574</b>	<b>64 472</b>	<b>66 825</b>	<b>4%</b>
<b>Net Operational Expenditure</b>	<b>9 744</b>	<b>11 094</b>	<b>6 382</b>	<b>6 328</b>	<b>-1%</b>

T 3.2.8

# ANNUAL REPORT 2021 - 2022 Provision of Sanitation Map



- Waste Water Treatment Works (WWTW)
- Nature Reserves
- Major Roads (Existing)
- Other Roads (Existing)
- Sanitation Supply Areas (SOLAR Meters)
- Cadastre





<b>Capital Expenditure: Sanitation Services (Sewerage)</b>				
<b>R' 000</b>				
<b>Capital Projects</b>	<b>2021/2022</b>			
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from Adjustments budget</b>
NEW SEWER CONNECTIONS	1 000	1 000	1 000	0%
EXTENSION TO HENLEY ON KLIP SEWER	12 600	10 984	10 968	0%
EXTENSION TO HENLEY ON KLIP SEWER		260	260	0%
INSTALLATION OF ONSITE TOILETS	1 000	1 000	1 000	0%
REPLACEMENT OF PUMPS				0%
EXTEND SEWER NETWORK	500	500	500	0%
FLOW METERS		156	156	0%
PUMPSTATION REFURBISHMENT AND UPGRADE	2 000	2 709	2 504	-8%
EQUIPMENT & TOOLS		186	100	-46%
<b>Total</b>	<b>17 100</b>	<b>16 795</b>	<b>16 488</b>	<b>-2%</b>
				T 3.2.9

### COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

Ohenimuri and Vaal Marina Wastewater Treatment Works are operating in a good treatment capacity with regard to the National Water Act, General Authorization Effluent Discharge Standards however, Vaal Marina WWTW is not designed in line with the requirements of the licence, in terms of effluent discharge standards. Meyerton Wastewater Treatment Works is not compliant with the National Water Act, General Authorization Effluent Discharge Standards due to the high hydraulic capacity challenge that the plant is experiencing. The plant is in the process of being upgraded to 25 mL to increase the hydraulic design capacity, which will improve the effluent compliance challenge, the works is experiencing.

This will ensure better compliance figures and will reflect positively in the Green Drop Assessment, as well as compliance to the effluent discharge standards. The upgrade of the works is funded by the Department of Water and Sanitation through its RBIG funding scheme. Rand Water is appointed by the Department of Water and Sanitation to implement the project. The construction was expected to be completed by 2019 but it has been not completed due to challenges faced by DWS and Rand Water.

T 3.2.10

### 3.3 ELECTRICITY

#### INTRODUCTION

#### Recent legislation includes the Electricity Amendment Acts 1989, 1994, 1995 and the Electricity Regulation Act, 2006

Formal households in the Midvaal licenced electricity supply areas have access to electricity. In the rest of the Midvaal supply area where Eskom is the service provider, most formal households are electrified. None of the informal areas are provided with electricity and to date the 88 kV bulk electricity connection line for future electrification of informal areas and other surrounding areas have been completed, at a total cost of R28 millions which was funded by the Department of Energy and the Council. The 20 MVA sub-station to supply the Sicelo and surrounding areas, and the planned development along the R59 corridor is currently under construction, the Electrical /Final Phase is to be completed and commissioned by 2022/23. Midvaal applied for additional funding from the Department of Minerals Resources & Energy to electrify the Sicelo Informal Settlements, which was approved in the 2021/2022-financial year.

The proposed targets for the Electrical Section are set in terms of the following categories:

1. Distribution losses not to exceed 15% (actual loss for 2021/2022 was 9.85%).
2. New connection installation turn-around time is 21 days as per the NRS 047 Guidelines.
3. Unplanned outages response time is 6 hours as per the NRS 047 Guidelines. More than 95% of calls received were resolved within 6 hours.
4. Planned Outages Notices exceed the NERSA 2-day period, as we aim for 10 days notices, as per the Service Charter.

The connections to the Savanna City fully subsidised houses, commenced with funding of R29 m from the Department of Minerals Resources and Energy.

T 3.3.1

#### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

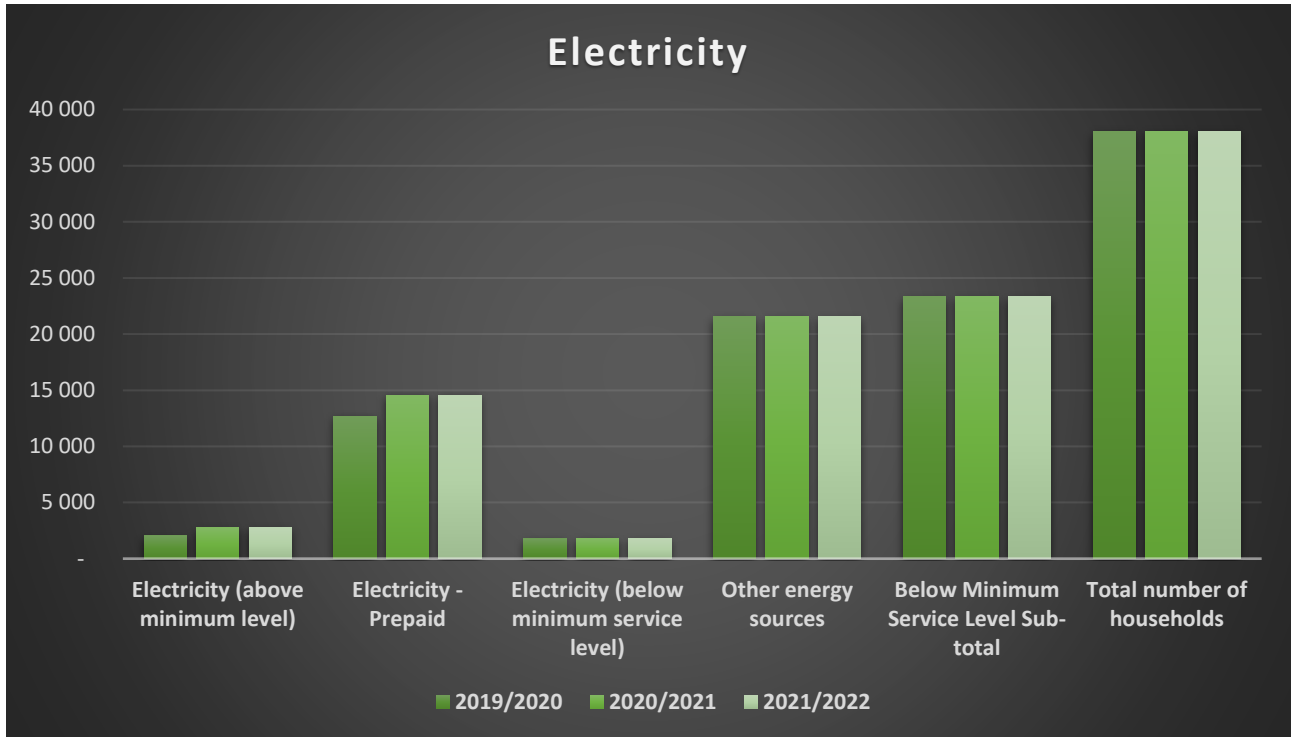
A number of significant projects were implemented during the 2021/2022-financial year including:

- |    |   |               |           |
|----|---|---------------|-----------|
| 1. | Sicelo 20 MVA Sub-station Construction          | Project Value | R14 m     |
| 2. | Electricity Reticulation Savanna City           | Project Value | R14.775 m |
| 3. | Installation of Highmast Lights; Sicelo Walkups | Project Value | R500 000  |
| 4. | TID (Prepaid Electricity Meters)                | Project Value | R3 m      |

T 3.3.2

Electricity Service Delivery Levels			
Description	Households		
	2019/2020	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number
<b>Energy: (above minimum level)</b>			
Electricity (at least minimum service level)	2 035	2 735	2 735
Electricity - prepaid (minimum service level)	12 694	14 556	14 683
<i>Minimum Service Level and Above sub-total</i>	14 729	17 291	17
<i>Minimum Service Level and Above Percentage</i>	38.7%	38.9%	45.8%
<b>Energy: (below minimum level)</b>			
Electricity (< minimum service level)	1 790	1 663	1 536
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	21 527	21 527	21 527
<i>Below Minimum Service Level sub-total</i>	23 317	23 317	23 317
<i>Below Minimum Service Level Percentage</i>	61.3%	61.3%	61.3%
<b>Total number of households</b>	<b>38 046</b>	<b>38 046</b>	<b>38 046</b>
			T 3.3.3

Other energy sources represent the areas supplied directly by Eskom and the undeveloped properties which are not yet connected and registered on the Solar Billing System, including informal settlements.



Households - Electricity Service Delivery Levels below the minimum				
Description	Households			
	2020/2021	2021/2022		
	Actual Number	Original Budget Number	Adjustments Budget Number	Actual Number
<b>Formal Settlements</b>				
Total households	36 256	36 383	36 383	36 383
Households below minimum service level	1 790	1 663	1 663	1 663
Proportion of households below minimum service level	5%	5%	5%	5%
<b>Informal Settlements</b>				
Total households	1 790	5 469	5 469	5 469
Households below minimum service level	1 790	5 469	5 469	5 469
Proportion of households below minimum service level	100%	100%	100%	100%

T 3.3.4

Electricity Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.3.6

Employees: Electricity Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	8	8	7	1	12.5%
7 - 9	25	25	24	1	4%
10 - 12	4	4	4	0	0%
13 - 15	18	18	18	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>56</b>	<b>56</b>	<b>54</b>	<b>2</b>	<b>3.57%</b>

T 3.3.6

Financial Performance 2021/2022: Electricity Services					
R'000					
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	383 875	476 176	480 176	477 963	0%
<b>Expenditure:</b>					
Employees	19 185	25 235	26 275	22 391	-15%
Repairs and Maintenance	23 393	29 730	33 256	29 511	-11%
Other	374 996	440 822	440 502	440 224	0%
<b>Total Operational Expenditure</b>	<b>417 575</b>	<b>495 787</b>	<b>500 033</b>	<b>492 126</b>	<b>-2%</b>
<b>Net Operational Expenditure</b>	<b>(33 699)</b>	<b>(19 611)</b>	<b>(19 857)</b>	<b>(14 163)</b>	<b>-29%</b>

T 3.3.7

Capital Expenditure: Electricity Services				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
LAND CRUISERS	750	750	684	-9%
H/MAST&STREET LIGHTS: UNSERVICED AREAS	500	435	434	0%
REPLACE CONVENTIONAL METERS WITH PREPAID METERS	1 000	1 038	1 037	0%
REPLACE METERS FOR TID COMPLIANCE		1 076	1 075	0%
REPLACE REDUNDANT SWITCHGEAR	1 000	1 268	978	-23%
CABLE FEEDERS - CONS EMFULENI CONNECT		200	199	-1%
SAVANNA CITY ELECTRIFICATION NETWORK	7 072	3 340	3 340	0%
SICELO ELECTRIFICATION NETWORK	15 000	19 622	18 384	-6%
REPLACEMENT OF TOOLS FOR MECHANICS	100	122	122	0%
ELECTRICITY METERING	1 000	1 066	1 065	0%
NEW CONNECTIONS	500	665	488	-27%
STRENGTHENING OF ELECTRICITY SUPPLY		79	77	-2%
RENEWABLE ENERGY	500	600	386	-36%
LADDERS & BINS	400	313	308	-2%
TRANSFORMERS		1 170	1 170	0%
<b>Total</b>	<b>27 822</b>	<b>31 744</b>	<b>29 747</b>	<b>-6%</b>

T 3.3.8

### **3.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)**

#### **INTRODUCTION**

Midvaal provides a “boundary-to-boundary” waste management service in public areas. Property owners, organisations, business entities or individuals who occupy premises, are responsible for maintaining cleanliness and hygiene standards on their premises (on-site inside property boundaries), keeping with the norms determined by applicable by-laws. Stakeholders may contract on-site waste management services at their own expense.

Midvaal’s own services are clustered per the following categories and the suite of services required for managing waste through a combination of an internal service mechanism and an external service provider:

1. General waste collection services, including the transportation of waste to a transfer station, or drop-off site for recyclables, or a disposal facility;
2. Cleaning/cleansing, consisting of a wide range of cleaning services for all public spaces and streets under Midvaal’s jurisdiction. This includes litter bin provision and servicing, street sweeping, litter picking, the clearing of illegal dumping and animal carcasses, cleaning of industrial pollution, waste and debris generated by acts of nature and processes;
3. Disposal services, which include the maintenance and operation of special processing and collection facilities, waste transfer stations and landfill sites;
4. Technical support services: Midvaal operates a fleet of vehicles that are specially equipped for the task of waste collection, cleaning and transportation of waste to landfill sites. A variety of support infrastructure, such as depots and workshops, is required and must be provided to house and support the different functions.
5. General management, contract management, customer relations, information, administrative and planning support: These are various services that are provided to manage and provide additional support for the operational services.

Midvaal has a responsibility to abide by statutes, policies and guidelines that are introduced by National and Provincial Departments from time to time. In this regard, Midvaal acknowledges the regulatory oversight that must be exercised in terms of legislative compliance as well as the allocation of funds in aid of achieving National and Provincial objectives at the local government level.

Conversely, these Departments have a responsibility to ensure that timeous communication and inter-governmental transfer of funds enables Council to execute its duties and obligations.

The standard service level for residential waste collection in informal settlements is aligned with Council’s Indigent Policy. This is a once-a-week, door-to-door waste collection service provided to indigent families per dwelling, according to an approved contract.

“Emergency” waste services may be provided temporarily, while existing service provision plans are amended. Black plastic refuse bags for utilising in clean-up campaigns may be provided at no cost, subject to the availability of funds, at the discretion of the Head of Department.

T 3.4.1

Solid Waste: Service Delivery Levels			
Description	2019/2020	2020/2021	Households 2021/2022
	Actual Number	Actual Number	Actual Number
<b>Solid Waste Removal: Above minimum level</b>			
Removed at least once a week	18 463	34 648	21 644
<i>Minimum service level and above Sub-total</i>	18 463	34 648	21 644
<i>Minimum service level and above Percentage</i>	100%	100%	100%
<b>Solid Waste Removal: Below minimum level</b>			
Removed less frequently than once a week	-	587	587
Using communal refuse dump	-	-	-
Using own refuse dump	-	2 666	2 666
Other rubbish disposal	2 718	145	145
No rubbish disposal	8 671	0	0
<i>Below minimum service level Sub-total</i>	11	3 398	3 398
<i>Below minimum service level Percentage</i>	0%	0%	0%
<b>Total number of households</b>	<b>29 852</b>	<b>38 046</b>	<b>25 046</b>
T 3.4.2			

Note: Of the total number of households (38 046) Midvaal provides waste management services to approximately 34 648 (formal) collection points and 2 740 (informal) collection points. 145 are unserved as these are properties that are either vacant, open spaces or in other similar circumstances.

Households: Solid Waste Service Delivery Levels below the minimum Households					
Description	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Original Budget Number	Adjustments Budget Number	Actual Number
<b>Formal Settlements</b>					
Total households	16 360	18 301	18 301	18 301	38 046
Households below minimum service level	6 890	2 679	2 679	2 679	3 398
Proportion of households below minimum service level	42%	15%	15%	15%	9%
<b>Informal Settlements</b>					
Total households	2 718	5 469	2 718	2 718	5 469
Households below minimum service level	2 718	5 469	2 718	2 718	5 469
Proportion of households below minimum service level	100%	100%	100%	100%	100%
T 3.4.3					

Employees: Solid Waste Management Services					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	6	0	0%
7 - 9	14	15	14	1	6.6%
10 - 12	24	25	24	1	4%
13 - 15	55	70	55	15	21.42%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>99</b>	<b>117</b>	<b>100</b>	<b>17</b>	<b>14.5%</b>

T 3.4.5

Employees: Waste Disposal and Other Services					
Job Level	2019/2020		2020/2021		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted with Solid Waste, not a separate entity					

T 3.4.6

Financial Performance 2021/2022: Solid Waste Management Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	51 798	61 463	61 431	64 132	4%
<b>Expenditure:</b>					
Employees	19 224	25 281	22 329	22 014	-1%
Repairs and Maintenance	2 429	2 942	4 095	4 079	0%
Other	32 303	15 150	18 155	18 632	3%
<b>Total Operational Expenditure</b>	<b>53 956</b>	<b>43 373</b>	<b>44 579</b>	<b>44 725</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>(2 158)</b>	<b>18 091</b>	<b>16 852</b>	<b>19 407</b>	<b>15%</b>

T 3.4.7

Financial Performance 2021/2022: Landfill Management					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>					0%
<b>Expenditure:</b>					
Employees	7 961	10 206	9 253	8 786	-5%
Repairs and Maintenance		34	4		-100%
Other	2 485	12 805	13 575	17 520	29%
<b>Total Operational Expenditure</b>	<b>10 446</b>	<b>23 045</b>	<b>22 831</b>	<b>26 306</b>	<b>15%</b>
<b>Net Operational Expenditure</b>	<b>(10 446)</b>	<b>(23 045)</b>	<b>(22 831)</b>	<b>(26 306)</b>	<b>15%</b>

T 3.4.7

Financial Performance 2021/2022: Solid Waste Management Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	51 798	61 463	61 431	64 132	4%
<b>Expenditure:</b>					
Employees	27 185	35 487	31 581	30 800	-2%
Repairs and Maintenance	2 429	2 976	4 100	4 079	0%
Other	34 788	27 955	31 730	36 151	14%
<b>Total Operational Expenditure</b>	<b>64 401</b>	<b>66 418</b>	<b>67 411</b>	<b>71 031</b>	<b>5%</b>
<b>Net Operational Expenditure</b>	<b>(12 603)</b>	<b>(4 955)</b>	<b>(5 980)</b>	<b>(6 899)</b>	<b>15%</b>
T 3.4.8					

Capital Expenditure: Waste Management Services				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
REHAB OF HENLEY (CLOSING JUNE 2021)	1 500			0%
REHAB OF WALKER (CLOSING JUNE 2022)	2 000			0%
LANDFILL CELL DEVELOPMENT (EXPANSION)	4 000	1 961	1 779	-9%
LANDFILL COMPACTOR NEW		2 982	2 982	0%
BRUSH CUTTERS - NEW	20	13	13	0%
LANDFILL COMPACTOR NEW	3 000	2 609	2 609	0%
COMPACTOR (REFUSE TRUCK)	2 800	4 318	3 610	-16%
TRUCK FOR LITTER PICKING TEAM	800	800		-100%
MOBILE TOILETS	120	88	88	0%
REFURBISHMENT - BLACKWOOD TRANSFER STATION	600	3 836	1 787	-53%
REFURBISHMENT MALE & FEMALE CHANGE ROOMS		594	594	0%
REFUSE TRUCK		2 000	1 313	-34%
REHABILITATION VAAL MARINA LANDFILL SITE				0%
FENCE HENLEY ON KLIP LANDFILL SITE		350	160	-54%
<b>Total</b>	<b>14 840</b>	<b>19 200</b>	<b>14 935</b>	<b>-22%</b>
T 3.4.9				

#### COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

1. Priority projects identified as per the IDP:

- \* Licensing of the Walkerville Landfill Site to bring it in compliance with new Waste Regulations and to extend the airspace available.
- \* Provision of plant and machinery for waste management services to build up the fleet to ensure that all residents receive a basic refuse removal service.
- \* Identification of a future landfill site as the current ones are nearing the end of their lifespans. This new site will be utilized as a regional landfill site to accommodate neighboring municipalities. The capital budget will be carried over multiple financial years to include the rezoning, licensing and construction of the facility.



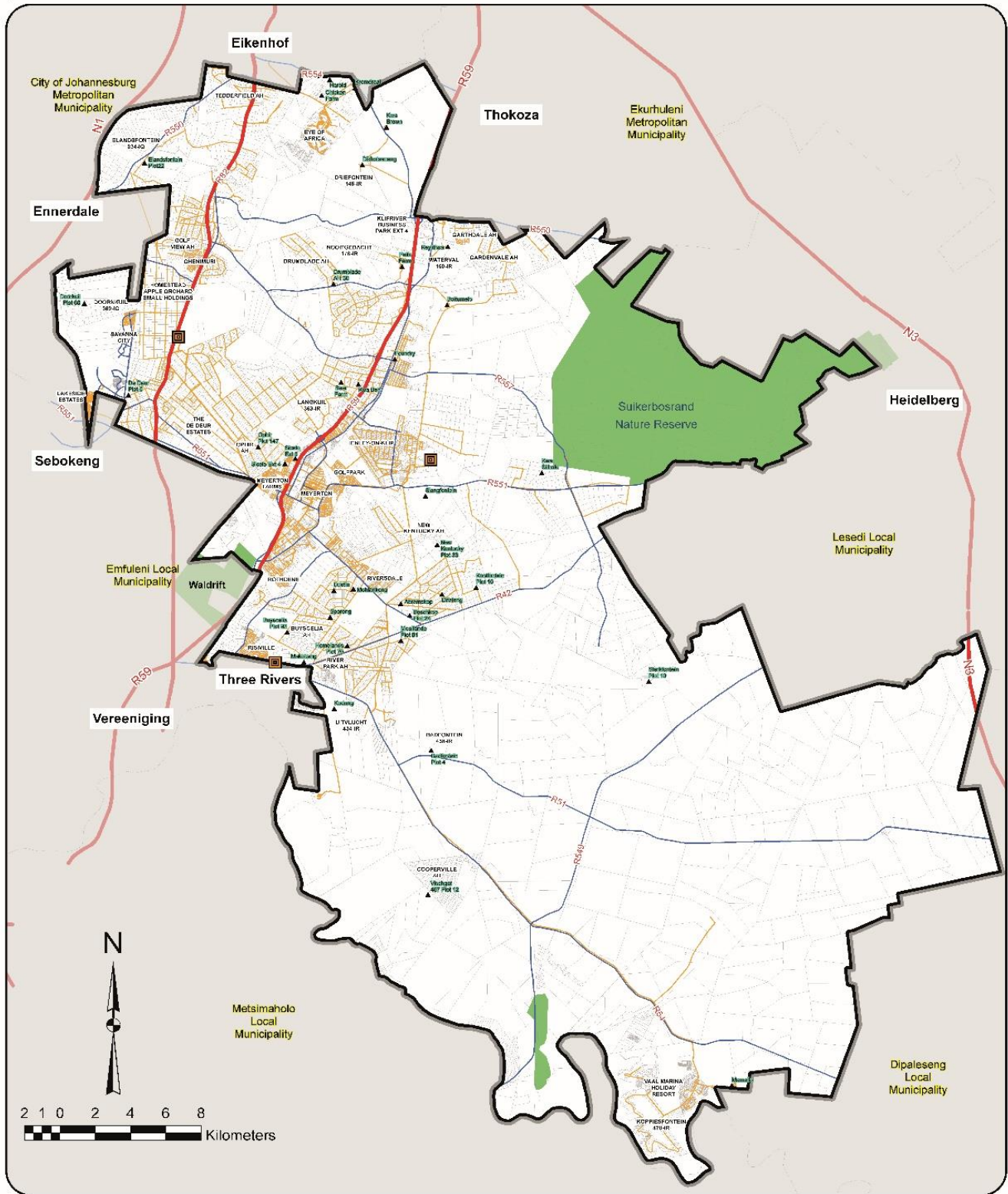
2. The targets set out in the IDP schedule cannot be attained within approved budget provision due to financial constraints.

Every year, during the budget preparation processes, the Council will prioritise projects and programmes subject to availability of funds. Some of the programmes will be implemented in phases.

The feasibility of establishing a public-private partnership and municipal service partnership will be explored and the variances from budget for net operating and capital expenditure may have been caused by unforeseen factors such as escalation of prices in the market, non-payment of services due to recession, cross subsidisation of services within the municipality and the general cost of living.

T 3.4.10

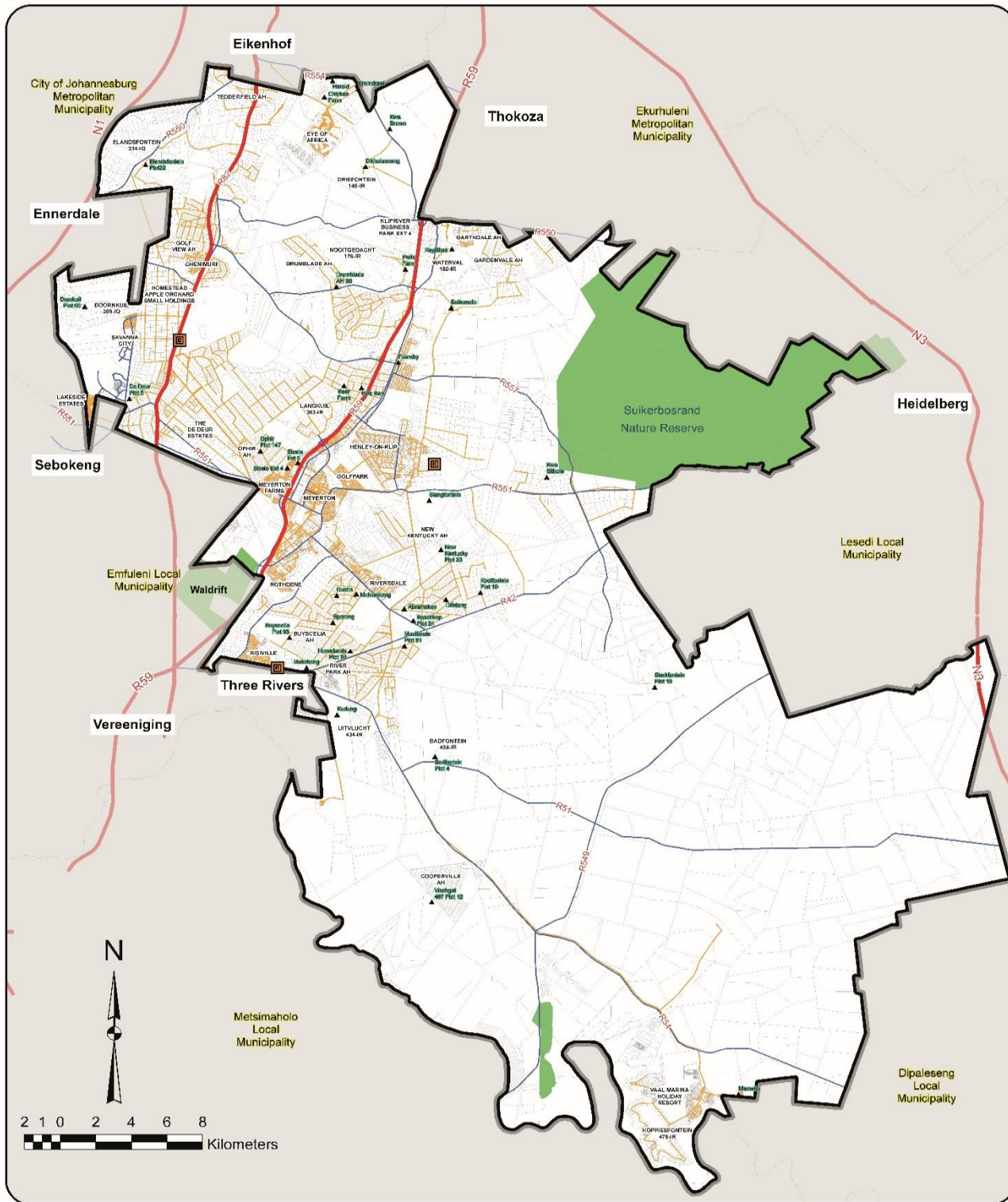
# ANNUAL REPORT 2021 - 2022 Provision of Refuse Removal Map



▲ Informal Settlements	— Refuse Removal Truck Routes
■ Landfill Sites	— Cadastre
— Major Roads (Existing)	■ Nature Reserves
— Other Roads (Existing)	



# ANNUAL REPORT 2021 - 2022 Provision of Refuse Removal Map



▲ Informal Settlements	— Refuse Removal Truck Routes
■ Landfill Sites	□ Cadastre
— Major Roads (Existing)	■ Nature Reserves
— Other Roads (Existing)	



### 3.5 HOUSING

#### INTRODUCTION

Housing delivery within the Municipal jurisdiction is currently the competency of the Gauteng Department of Human Settlements (GDHS). Midvaal Local Municipality is not accredited to undertake this function and as such the Municipality does not implement housing projects.

The Municipality however plays a facilitation and support role in the housing delivery process by ensuring that township applications are fast tracked, and housing stakeholder forum meetings are well coordinated. Furthermore, the Municipality ensures that partnerships which will contribute to the delivery of houses for various income groups are formed with the private and public sector. Such partnerships assist the Municipality in dealing with the housing backlog which currently comprises of about 5300 households.

Land invasion threats continue to affect the municipal housing planning and budgeting process and mitigating interventions are continuously employed to reduce the likelihood and impact of the risk.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2019/2020	38 046	32 577	85.6%
2020/2021	38 046	32 577	85.6%
2021/2022	38 046	32 577	85.6%

T 3.5.2

Electricity Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.1.6

Employees: Housing Services					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	7	8	8	0	0%
4 - 6	24	25	24	1	0.1%
7 - 9	13	14	14	0	0%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>46</b>	<b>49</b>	<b>48</b>	<b>1</b>	<b>0.1%</b>

T 3.5.4

Financial Performance 2021/2022: Housing Services					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>					
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other			N/A		
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
					T 3.5.5

Capital Expenditure: Housing Services					
				R' 000	
Capital Projects	2021/2022				
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments budget	
None					
					T 3.5.6

#### COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

As mentioned above, housing delivery within the Midvaal local Municipality is the competency of the Gauteng Department of Human Settlements (GDHS). In the 2021/2022-financial year 359 fully subsidised houses were allocated to beneficiaries on the 10 Sep 2021 (123), 18 Nov 2021 (191) and 2 Feb 2022 (45).

Besides the above-mentioned efforts by the GDHS, Midvaal undertook the initiative to de-densify the Sicelo Informal Settlement in compliance with the COVID-19 Regulations and social distancing. This led to the Sicelo De-densification and Relocation Project which resulted in 252 households relocated from the densely populated Sicelo Informal Settlement (Extension 5) to alternative land (Portion 47, Langkuil).

Midvaal also appointed a service provider to assist with surveying, subdivision and pegging of Portions of Erf 188, Meyerton Farms. The subdivided portions will further be allocated to beneficiaries from the Sicelo Informal Settlement for a site and service program. Engineering Services appointed 4 Consultants to undertake Engineering Designs. Engineering designs were submitted to Midvaal by the Consultant on the 27 Jul 2022, awaiting final approval from Roads & Stormwater, Water Reticulation and Electrification.

Plans are ongoing for other informal settlements, Boitumelo, Piels Farm and Khayelitsha to be formalised as part of the Upgrading of Informal Settlements Programme (UISP). 8 informal settlements have been identified for upgrading and are included on the GDHS Business Plans and MLM HSP (2022 - 2027): Sicelo Shiceka, Boitumelo, Kromdraai, Khayelitsha, Piels Farm, Mamello, Kwa-Brown and Skansdam. 6 Consultants have been appointed by the GDHS to undertake various planning activities for the upgrading of the informal settlements.

T 3.5.7

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION

#### Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual's or a household's access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society.

The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors. It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but there are a significant number of people who are living in extreme poverty and who, without Council support, will be unable to afford to pay for even the most basic of services. Midvaal's approach to indigent support is that a whole set of interventions must be implemented to ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

Indigents are defined as those people who, due to various factors, are unable to make monetary contributions towards basic services, no matter how small the amounts might be.

Any household, earning less than the R5 500.00 qualify to be registered as indigents. Examples are pensioners, unemployed people, child headed families and students.

The policy covers a wide range of indigent benefits, such as, but not limited to:

1. Indigent rates and tax rebates;
2. Indigent burials;
3. Expanded Social Package (indigent exit programmes, life skills programmes, unemployed database, counselling by social workers).

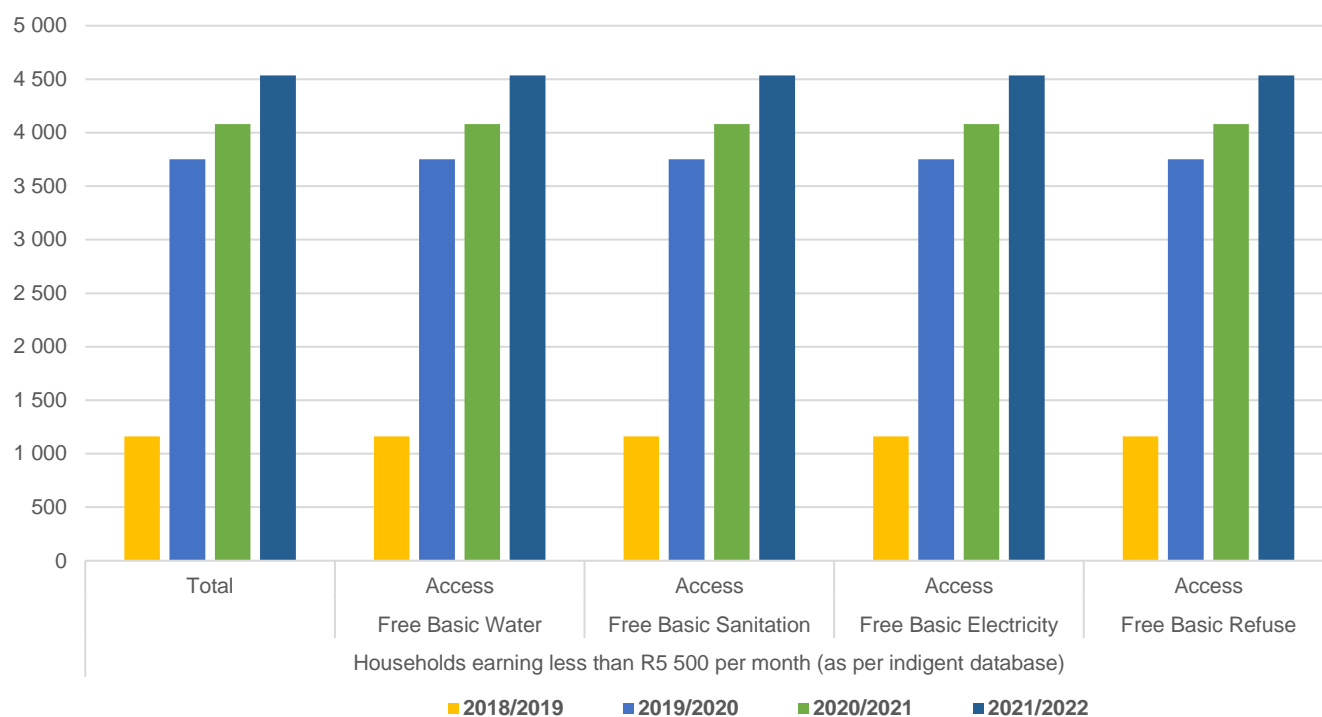
As at the end of the financial year, there were 4 536 registered indigents on the database of Midvaal. These indigents benefited from their accrued municipal debt being written off, and receive free basic water of 6 kL, free basic sanitation, free refuse collection, 50 kWh free basic electricity and no assessment rates for the first R500 000.00 of their property values.

Many indigents were also given temporary work during the year. Registered indigents making use of Eskom electricity also receive free basic electricity. Midvaal pays Eskom annually for free basic electricity provided to our residents. In addition, poor people not living in formal households and thus not registered as indigents, are benefitting from water tankers providing water at no cost, portable toilets and refuse collection in informal settlements.

All property owners with a property value of R150 000.00 and less are automatically registered as deemed indigents and receive the benefits as listed above.

T 3.6.1

## Free Basic Household Services



Free Basic Services to Low Income Households											
	Number of Households										
	Total	Households earning less than R5 500 per month (as per indigent database)									
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse			
		Total	Access	%	Access	%	Access	%	Access	%	
<b>2019/2020</b>	38 046	3 753	3 753	100%	3 753	100%	3 753	100%	3 753	100%	
<b>2020/2021</b>	38 046	4 080	4 080	100%	4 080	100%	4 080	100%	4 080	100%	
<b>2021/2022</b>	38 046	4 541	4 541	100%	4 541	100%	4 541	100%	4 541	100%	
										T 3.6.3	

Financial Performance 2021/2022: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2020/2021	2021/2022				
	Actual	Budget	Adjustments Budget	Actual	Variance to Budget	
Water	6 182	10 879	5 800	4 434	-145%	
Wastewater (Sanitation)	6 345	16 110	16 110	15 702	-3%	
Electricity	638	603	603	2 334	74%	
Waste Management (Refuse Collection)	4 418	5 452	5 452	9 631	43%	
<b>Total</b>	<b>17 582</b>	<b>33 043</b>	<b>27 965</b>	<b>32 101</b>	<b>-3%</b>	
						T 3.6.4

\* MLM approved threshold on R5 500.00

Free Basic Service Policy Objectives Taken From IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T 3.1.6							

**COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT**

The free basic services and indigent support are funded through the Equitable Share Grant.

With the increase of indigent households as the Savanna City development progresses, additional equitable share funding will be required. It is expected that the indigent households will be more than double once the Savanna City development is completed.

National Treasury has already been engaged, as the provision of free basic services will not be affordable to Midvaal without an adjustment to the equitable share grant. It will not be possible to wait for the next census figures to influence the equitable share grant and a special adjustment to the grant will thus be required.

T 3.6.6





## 3.7 ROADS

### INTRODUCTION

The municipal road network consists of 637.4 km of surfaced roads and 556.8 km of gravel roads. A large number of gravel roads are in sparsely populated rural areas. The surfacing of roads is thus not economically viable. Roads are maintained to a very high standard in terms of safety requirements and easy to travel of road users. Maintenance of paved roads is of priority with potholes and edge breaks being attended as and when it develops and gravel roads are graded as and when required, depending on the condition of the particular road and rainfall patterns for the particular season.

T 3.7

#### Roads Defects/Failure

Potholes are attended to according to complaints received. However, the roads teams attending to a complaint are required to fix every pothole within the relevant area where the complaint was reported, to avoid further complaints and to prevent more potential potholes developing.

During the rainy season of this financial year, the Roads and Storm-water Section experienced heavy and elongated rainfalls that resulted in a massive backlog of potholes. The backlog was managed, and the situation improved by the end of June 2021.

#### Gravel Roads

A gravel maintenance program is generated every quarter, indicating a planned grading program per suburb/farm. During the wet season, and due to severe damage to gravel roads caused by storms, much of the time work was deviated away from this program and critical complaints receive were attended to as soon as possible.

Midvaal is sourcing gravel material from local suppliers to upgrade gravel roads and to supply layers for new roads.

#### Resealing / Resurfacing

Resealing of roads has been done by fog spray on certain roads as required by on-site condition assessment by engineering staff.

#### Road Cleaning

Tarred road is cleaned of loose sand, stones and vegetation and weed killer/vegetation control chemical is applied. A road is cleaned as often as possible by a contractor hiring local labour as 90% of his staff. Roads are cleaned 500 mm on both sides, as well as intersections, to avoid point-loading to the surface by foreign objects. The section identifies roads that need attention and relies on complaints from the public to attend to these roads.

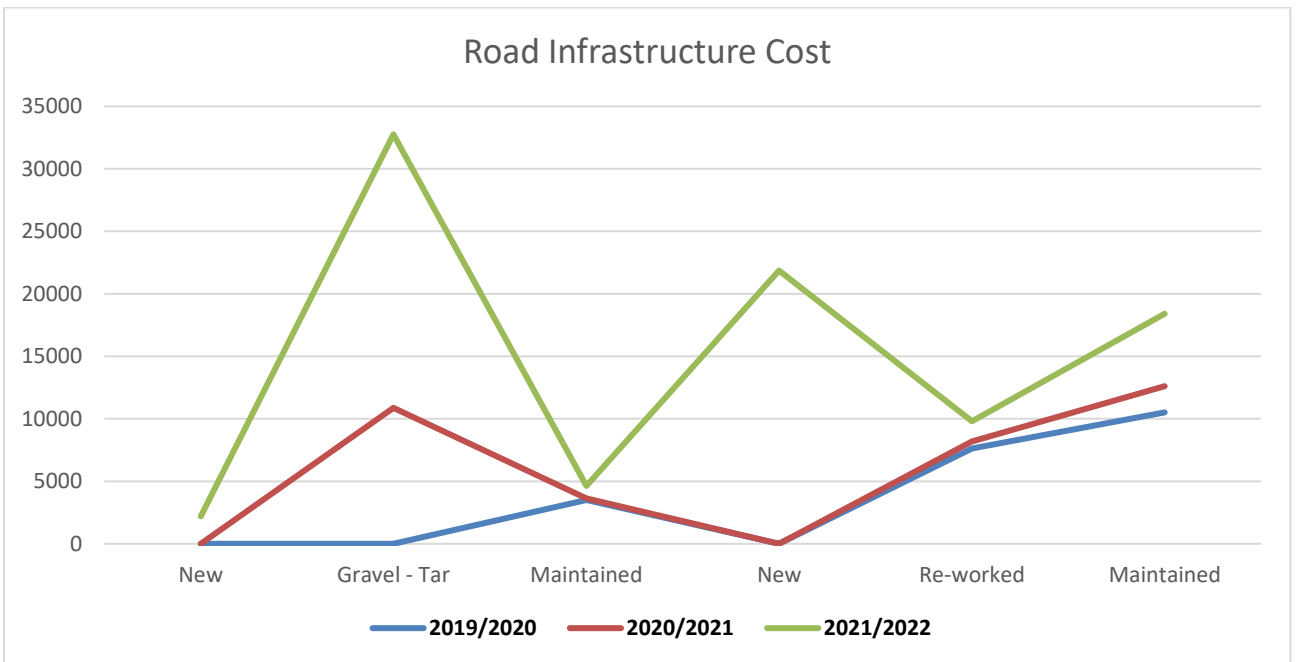
T 3.7.1

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2019/2020	551.3	4	3.2	552
2020/2021	556.8	0	2	529
2021/2022	556.8	1.8	2	408

T 3.7.2

Tarred Road Infrastructure					
	Kilometres				
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2019/2020	629.2	3.2	4	9	629.2
2020/2021	637.4	2	0	67.3	605.53
2021/2022	639.4	2	0	37.3	550.0
T 3.7.3					

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2019/2020	0	0	3 500	0	7 620	10 512
2020/2021	0	10 888	140	0	558	2 098
2021/2022	2 198	21 869	1 000	21 869	1 623	5 800
T 3.7.4						



T 3.7.5

Employees: Road Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	4	5	5	0	0%
7 - 9	15	15	15	0	0%
10 - 12	6	7	6	1	14.2%
13 - 15	24	32	24	9	28.1%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>50</b>	<b>60</b>	<b>51</b>	<b>10</b>	<b>16.6%</b>
T 3.7.7					

Financial Performance 2021/2022: Roads and Stormwater Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	6 072			2	0%
<b>Expenditure:</b>					
Employees	16 598	22 683	21 688	18 552	-14%
Repairs and Maintenance	19 130	33 801	31 745	27 615	-13%
Other	26 381	25 652	21 116	22 342	6%
<b>Total Operational Expenditure</b>	<b>62 109</b>	<b>82 137</b>	<b>74 549</b>	<b>68 509</b>	<b>-8%</b>
<b>Net Operational Expenditure</b>	<b>(56 037)</b>	<b>(82 137)</b>	<b>(74 549)</b>	<b>(68 507)</b>	<b>-8%</b>
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T 3.7.8

Capital Expenditure: Roads and Stormwater Services				
R' 000				
Capital Projects	2021/22			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustments Budget
ROLLER COMPACTOR		410	363	-11%
EQUIPMENT	400			0%
ROAD REHABILITATION	5 217			0%
ROAD REHABILITATION		2 351	2 283	-3%
GRAVEL TO TAR (EXTERNAL LOANS) NEW	1 000	2 348	2 252	-4%
1 TON LDV (FOREMAN ROADS)	400	417	417	0%
GRAVEL TO TAR		11 868	11 824	0%
LDV'S		217	169	-22%
<b>Total</b>	<b>7 017</b>	<b>17 611</b>	<b>17 309</b>	<b>-2%</b>

T 3.7.9

### COMMENT ON THE PERFORMANCE OF ROADS OVERALL

A maintenance program is generated quarterly, indicating a planned grading program per suburb/farm. Deviations from these programmes were due to a wet season and breakdown of critical equipment. There is a general challenge of shortage of gravel material for rehabilitation.

Stormwater canals are cleaned annually, prior to the start of the rainy season or as and when required. Potholes are fixed within a reasonable period and very few potholes are visible in the area. In terms of a gravel to tar programme, funds are provided annually to tar one or two roads per ward per year. Two general roads inspections were conducted to evaluate the visual appearance of roads before the actual maintenance can be prioritised.

T 3.7.10

### 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

#### INTRODUCTION

This function is not performed by Midvaal, it is a Sedibeng District Municipality function.

Financial Performance 2021/2022: Mechanical Workshop					R'000
Details	2020/2021	2021/22			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	Mechanical Workshop included in Roads and Stormwater figures for the 2021/2022-financial year				
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					

T 3.8.5

### 3.9 WASTEWATER (STORMWATER DRAINAGE)

#### INTRODUCTION

A quarterly Stormwater Maintenance Programme is prepared indicating where channels, pipes and catch-pits must be cleaned. The cleaning is done annually prior to the start of the raining season.

T 3.9.1

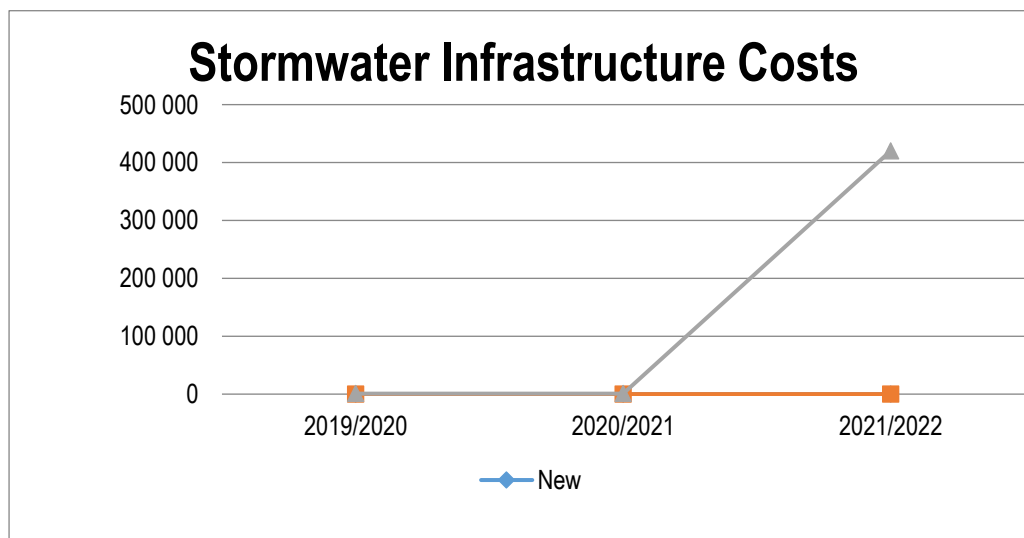
Stormwater Infrastructure				Kilometres
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2019/2020	68	0	0	68
2020/2021	166	3	0	140
2021/2022	169	0	0	150

T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2019/2020	-	-	-	814
2020/2021	-	-	-	814
2021/2022	-	-	-	750

T

3.9.3



T 3.9.4

Stormwater Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.9.5

Employees: Stormwater Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted with the Roads Function - not a separate function					
T 3.9.6					

Financial Performance 2021/2022: Engineering (Administration)					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	1 570	1 621	1 671	1 621	-3%
<b>Expenditure:</b>					
Employees	9 835	12 334	12 306	10 776	-12%
Repairs and Maintenance	556	3 080	2 452	1 217	-50%
Other	4 341	3 306	3 289	3 485	6%
<b>Total Operational Expenditure</b>	<b>14 732</b>	<b>18 719</b>	<b>18 047</b>	<b>15 478</b>	<b>-14%</b>
<b>Net Operational Expenditure</b>	<b>(13 162)</b>	<b>(17 098)</b>	<b>(16 376)</b>	<b>(13 857)</b>	<b>-15%</b>
T 3.9.7					

Capital Expenditure: Stormwater Services				
R' 000				
Capital Projects	2021/2022			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments budget
Included in Roads Section				
T 3.9.8				

**COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL**

The inadequate stormwater drainage infrastructure within the entire greater Midvaal area, results in flooding of the road infrastructure during rainy season.

T 3.9.9



## **COMPONENT B: PLANNING & DEVELOPMENT**

### **INTRODUCTION**

The spatial vision of the Midvaal Integrated Development Plan (IDP) is depicted in the Midvaal Spatial Development Framework (SDF), articulated by 11 Development Drivers. The SDF is supported by well-informed land use policies including the Midvaal Spatial Planning and Land Use Management By-law and Midvaal Land Use Management Scheme 2017. The land use policies streamline land use management and spatial development processes to drive innovation and efficiency in the response to the changes in socio-economic conditions. The majority urban development is situated near the main transport routes, such as the R82 and the R59. The R59 presents the opportunity to be developed as a modern development corridor supporting existing communities in Midvaal and strengthening the links to Emfuleni in the South and Ekurhuleni and Johannesburg in the North.

Planning policies and development guidelines are enforced through Land Use Management and Building Control responsible for approving land use rights and building plans respectively.

### **3.10 PLANNING**

#### **INTRODUCTION**

The key strategic objective of the section relates to the timeous, efficient and effective consideration and approval of land use applications that are responsive to and reflective of community needs and development trend. This is being done through the implementation of planning tools and processes that guide the land use application life cycle, from submission to approval. Planning tools such as the Midvaal Land Use Scheme, 2017 and the Midvaal Spatial Planning and Land Use Management By-Law are being used to evaluate land use applications in an efficient and coherent manner.

#### **Service delivery priorities (challenges and achievements)**

1. Online submission, circulation and approval of applications processed through an office automation system, City Solve, to timeously approve land use applications – applications are processed within SPLUMA stipulated timeframes to negate development being stalled due to administrative processes.
2. Cost effective planning processes – the introduction of the Midvaal Land Use Scheme, 2017 ensures planning practices are accessible to the Midvaal community at large, with land use application types and administrative processes being “tailored” to specific communities, namely certain land use rights are given as primary rights in specific communities and further rebates on application fees are given in historically disadvantaged areas to promote accessibility and developmental opportunities.
3. Ensure planning practices are catalysts for economic development and growth – the introduction of the economic revitalisation overlay zone and the transitional residential land use in the Midvaal Land Use Scheme, 2017 ensures red-tape reduction in planning processes and the inclusion of areas not previously subject to a land use scheme as such promotes environments conducive for development efficient land development and social inclusion.

Terms of the Midvaal Land Use Scheme, 2017 properties owned by Council that are occupied by informal settlements in Sicelo/Meyerton Farms have been zoned as transitional residential, this grants it primary rights for economic activities such as spaza shops, home enterprises and other related uses. In terms of the applicable application processes, the In Scheme allows for written consent applications as opposed to rezoning applications for land use activities such as, day care centres and other business related, activities.

The introduction of pre-evaluation of land use applications ensures that land use applications that are submitted and registered within the department, are legally compliant and thus a planning decision can be made on it, this negates the creation of backlogs with applications that cannot neither be processed nor considered.

## **Building regulation and enforcement**

### **Core Function**

Building & Land Use Control Section core function is to ensure a health and safe environment for all to work and live in. The section comprises of four sub-sections and a total of 15 committed personnel with 3 vacancies.

### **Legislation**

The functions and operations of a Building Inspector is bound by legislation, but not limited to, The Constitution of the Republic of South Africa, The Municipal Systems Act, The National Building Regulations and Building Standards Act, The South African National Standards, Outdoor Advertising By-Law, Telecommunication Mast Policy, Informal Trading By-Law and Policy, Green Building Policy and Implementation Plan and Spatial Planning and Land Use Management Act.

### **Clusters**

Midvaal Building Control Operations are divided into 4 aforesaid clusters with each headed by 1 Senior Building Inspector/ Assistant Director: Building Control which were established to enhance service delivery and to allocate dedicated personnel to render functions in specific areas within the ambit of Building Control Section.

The clusters have 4 core functions namely;

Planning,  
Inspections,  
Law Enforcement  
Communication/Signage/Trading

### **Planning**

The Planning Sub-section has achieved successes in terms of electronic system automation regarding submission, progression and evaluation of building plan applications via the Midvaal on-line web portal which enables consultants to submit applications remotely at a discounted rate as per the current incentive plan. This section has received and approved approximately 12% less applications compared to the 2020/2021-financial year which is an improvement from the 2019/2020 approximately 29% deficit.

Despite several challenges, this sub-section excelled and performed above expectation on the turn-around time maintained to consider development applications to stimulate the local building economy and its contribution towards job creation and empowerment of SMME's.

The top 5 fastest developing areas within the jurisdiction of Midvaal for the past 3 consecutive years are, Savanna City, Eye of Africa, Riversdale, Klipriviersdorp and Meyerton Farms.

### **Inspections**

The Inspections Sub-section has dedicated inspectors who are responsible for various types of inspections, from excavations, compaction, walls, roofs, final inspection for occupation, routine inspections and follow-up inspections. The importance of inspections is often underestimated as it confirms compliance to relevant standards, confirms that a structure is safe for habitation and contributes to the revenue stream for property improvements and property valuation.

This Sub-section has achieved various successes in that all performed inspections and records pertaining to inspections are recorded on the office automated electronic system which progresses an application to the next inspection phase and prompts the next action timeously.

Approximately 22% more inspections were conducted, 39% more contravention notices were issued and 28% more kilometres were travelled and 17% more certificates of occupancy were issued during the 2021/2022-financial year compared to the 2020/2021-financial year.



## Law Enforcement

The Law Enforcement Sub-section was equipped with uniform and a law enforcement vehicle was acquired to assist with visible policing, poster management and confiscation/impoundment of illegal trading goods.

This Sub-section is dedicated to enforcing all relevant local laws and to reprimand the contravener where necessary in an accommodative-where-possible manner and reasonable approach.

Approximately 52% less complaints were received during this year compared to the 2020/2021-financial year, however 82% more instructions for litigation were given to the panel of attorneys compared to the previous year.

This section obtained 2 Court Orders for non-compliance during this year compared to the 5 Court Orders during 2020/2021 and has continued with joint operations unabatedly and strives to further expand the effectiveness thereof during the next year.

## By-Laws and Policies

Building Control Section has headed the drafting of a Green Building Policy and Implementation Plan for roll-out in a phased approach during the next year for all residents to save on water and electrical consumption and to reduce the carbon footprint and air pollution.

Furthermore, this section has drafted an Informal Trading Policy and By-Law in collaboration with a consultant to stimulate the informal economy and empower local economic development. This process has developed to the drafting of trading plans of which Phase 1 of 8 Phases are being drafted and foreseen to be completed during the next year.

## Dolomite

Midvaal is experiencing serious challenges regarding dolomitic soil conditions within various areas in its jurisdiction including dolomite in some of the fastest residential developing areas. The department is in the process of developing By-Laws and Dolomite Management Plans for developments on dolomite land. Various stakeholders such as NHBRC and Council for Geo Science were consulted in this regard and Building Control Section is implementing and enforcing SANS 1936, Parts 1 to 4 where applicable, to mitigate all possible risks.

T 3.10.1

Determinations made in the year of receipt reflect application that have been considered within the year of 2020/2021. Determinations made in the following year reflects the applications that have been considered in the 2020/2021-year but have been received in previous years.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Planning application received	3	1	14	23	991	811
Determination made in year of receipt	1	0	19	0	690	384
Determination made in following year	0	2	0	6	93	302
Applications withdrawn	0	1	3	5	0	0
Applications outstanding at year end	0	10	0	36	967	1 166
T 3.10.2						

Planning Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T 3.10.3							

Employees: Planning Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	7	8	8	0	0%
4 - 6	24	25	24	1	4%
7 - 9	13	14	14	0	0%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>46</b>	<b>49</b>	<b>48</b>	<b>1</b>	<b>2.04%</b>

T 3.10.4

Financial Performance 2021/2022: Planning Services					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	2 894	3 136	3 136	3 258	4%
<b>Expenditure:</b>					
Employees	22 793	32 196	32 683	30 876	-6%
Repairs and Maintenance	45	91	91	26	-72%
Other	8 078	11 252	10 797	7 928	-27%
<b>Total Operational Expenditure</b>	<b>30 915</b>	<b>43 539</b>	<b>43 570</b>	<b>38 830</b>	<b>-11%</b>
<b>Net Operational Expenditure</b>	<b>(28 021)</b>	<b>(40 403)</b>	<b>(40 435)</b>	<b>(35 572)</b>	<b>-12%</b>

T 3.10.5

Capital Expenditure: Planning Services				
R' 000				
Capital Projects	2021/22			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
FURNITURE AND EQUIPMENT NEW	180	93	89	-4%
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	7 587	-24%
<b>Total</b>	<b>10 180</b>	<b>10 093</b>	<b>7 676</b>	<b>-24%</b>

T 3.10.6

### COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Physical planning in Midvaal has been further enhanced through the integration of the new Midvaal Spatial Development Framework (SDF) with the Midvaal IDP. Direction is given to sector departments and developers alike through the implementation of the SDF and the various precinct plans and policies that were developed and adopted by Council.

The Building Control Section has increased the law enforcement component of Midvaal and is working closely with Council's panel of attorneys to ensure that cases are expedited. The electronic tracking system (City Solve) was put in place to assist in ensuring that turn-around times, dealing with applications, can be reduced.

T 3.10.7

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM / MARKET PLACES)

#### INTRODUCTION

The Midvaal Local Municipality has a responsibility to create a conducive environment for economic growth and development. Centred on the Mission statement of the Municipality is the promotion of local economic development and tourism. Midvaal prides itself in having a comparative advantage within the following growth sectors: Agriculture, construction, tourism and commercial, this then requires the municipality to put all its efforts on leveraging on these sectors.

Employment opportunities are normally associated with a sustainable growing economy, which creates employment opportunities. Midvaal promotes local economic empowerment through implementation of the Expanded Public Works Programme (EPWP), Savanna City Development, and other opportunities as facilitated with external companies. Employment is further targeted through SMME development and these have a potential of creating job opportunities

The importance of Local Economic Development as part of the growing of the economic sector is entrenched in the following definition of Local Economic Development:

*“The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation” (Reference - World Bank).*

It is by building up the economic capacity of a local area to improve its economic future and the quality of life for all that this definition is being fulfilled. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (Reference - World Bank). Job creation and eradication of poverty remain some of the highest priorities for South Africa. The problem, however, remains that job creation is occurring in the secondary and tertiary industries, while many people lack the necessary skills and education to benefit from this. This necessitates a focus on specific projects that would benefit the poorest of the poor, people with insufficient education and skill levels and more particularly, people in rural areas, who are most adversely affected by poverty.

Efforts in this regard, however, must be sustainable and viable in the long term and therefore have to move away from the “subsistence mentality” focusing on conventional sewing, poultry and vegetable garden projects. Midvaal approved and adopted the Midvaal Local Economic Development Strategy as well as the Midvaal Agricultural Growth Strategy during the 2016/17-financial year. The Municipality has identified that a specific programme targeting SMME development need to be developed in order to maximise their potential to create job opportunities.

T 3.11.1

<b>Economic Activity by Sector</b>			
<b>R '000</b>			
<b>Sector</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022*</b>
Agriculture, forestry and fishing	43 400	43 400	43 400
Mining and quarrying	6 970	6 970	6 970
Manufacturing	779 272	779 272	779 272
Wholesale and retail trade	726 111	726 111	726 111
Finance, property, etc.	681 028	681 028	681 028
Government, community and social services	667 814	667 814	667 814
Infrastructure services	219 890	219 890	219 890
<b>Total</b>	<b>3 124 485</b>	<b>3 124 485</b>	<b>3 124 485</b>

\* Note: No new information available

T 3.11.2

## COMMENT ON LOCAL JOB OPPORTUNITIES

Midvaal fully understands the importance of eradicating unemployment through the creation of sustainable job opportunities. Short term initiatives include the EPWP. The importance of the secondary economy has been recognised.

T 3.11.4

Jobs Created during the Year by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs Created Number	Jobs lost/displaced by other initiatives Number	Net total jobs created in year Number	Method of validating jobs created/lost
Total (all initiatives)	922	0	922	
Engineering Capital Projects	817	0	817	Employment Contracts & Identity Documents
Savanna City Project	77	0	77	Employment Contracts & Identity Documents
Economic Recovery Plan Projects	28	0	28	Employment Contracts & Identity Documents

T 3.11.5

Job creation through EPWP* Projects			
Details	EPWP Projects		Jobs created through EPWP projects
	Number		Number
2019/2020		3	1 768
2020/2021		3	1 897
2021/2022		3	2 436

*\*Extended Public Works Programme*

T 3.11.6

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.11.7

Employees: Local Economic Development Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	Counted with the Planning - not a separate function		0	0%
10 - 12	0			0	0%
13 - 15	0			0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

T 3.11.8

Financial Performance 2021/2022: Local Economic Development Services					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>					
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
N/A					
T 3.11.9					

Capital Expenditure 2021/2022: Economic Development Services					R' 000
Capital Projects	2021/2022				
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget	
None					
T 3.11.10					

**COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL**

Midvaal, like any other municipality in South Africa, is confronted with the triple challenges of poverty, inequality and unemployment. Midvaal must utilise its limited resources effectively to stimulate the local economy for its citizens. The section should assist the municipality to build local economic capacity to improve its economic potential and the quality of life for all for the benefit of the local citizens. It is a given fact that priority should be given to local communities to explore and take advantage of economic development initiatives in their areas. The section is involved in a myriad of local economic development initiatives. It should however be made clear, that the LED Office does not have any budget to implement capital projects. The zero budget on LED projects makes it difficult to address increasing issues of poverty in the needing communities of Midvaal, although the section plays an important role in co-ordinating and facilitating local economic development initiatives, programmes and exposing the existing opportunities to both local communities and private/public sector, it has been noticed that real economic development requires a monetary injection to realise its objectives.

**INTER-GOVERNMENTAL RELATIONS (IGR)**

The section is party to various inter-governmental relation structures with the Gauteng Department of Economic Development and Sedibeng District Municipality. The relevance of these structures is to share research findings and information on latest trends in LED programmes, reporting on projects' progress, investment opportunities, bilateral agreements and mutual co-operation on projects. With the information obtained, the section tries to realign its thinking and policies with the provincial directives.

**SMALL, MEDIUM & MACRO ENTERPRISES (SMME'S)**

A database of the SMME's has been created, of which a copy has been forwarded to the Supply Chain Management Section so that when there are opportunities, SMME's can also benefit. Midvaal has undertaken a needs analysis and collation process whereby SMME's provide needs that require immediate and urgent response by the municipality. The needs range from procurement processes access to funding and markets. Workshops were arranged to respond to the needs collated, at the workshops where SMME's were capacitated on Business Financial Management, Marketing, Tendering and Pricing, Unemployment Insurance Fund Compliance, Customer Management, Business Management and as well as Health and Safety Compliance.

## TOWNSHIP ECONOMY REVITALISATION

Midvaal does not have prevalence of townships (referring to townships established in terms of the Less Formal Township Act or Black Communities Development Act) except for Lakeside. Sicelo has been established in terms of the Meyerton Town Planning Scheme. Township establishment process for Mamello was concluded and the township establishment process approved by Council in January 2020. Townships are confronted with lack of economic opportunities resulting in people identifying their own opportunities that are primarily informal and do not conform to municipal by-laws. Midvaal has through the Supply Chain Management Processes an annual target for township spent programmes.

## POLICIES/BY-LAWS

The Land use Management Section of the Development and Planning department as custodians for Land use planning have introduced the economic revitalisation overlay zone and the transitional residential land use in the Midvaal Land Use Scheme, 2017 to promote and revitalise economic development on residential properties within townships like Savanna City, Lakeside, Ohenimuri, Sicelo and Mamello by making provision for the protection and management of diverse economic activities like spaza shops, taverns and shebeens, child care centres or creche's, informal trading and home enterprises. Thereby, creating sustainable jobs, reducing inequality and defeating poverty in these areas

## AGRICULTURE

The Municipality continues to align efforts to achieve **AGRI-TROPOLIS** vision of being a *food basket of Gauteng* and support farmers to graduate from subsistence Small Holder Farmers to commercial farmers and ultimately become **Agro-Preuners**.

Midvaal has aligned its economic growth strategy position to realise this vision and this is evident as pronounced in the Integrated Development Plan and Spatial Development Plan. The Key Performance Area (KPA) 8 relates to economic development and Principle 2 of that KPA is to facilitate and enhance agricultural production. The section continues to work together with other stakeholders such as the Gauteng Department of Agriculture and Land reform to assist in implementing various agricultural initiatives.

## MECHANISATION PROGRAMME

The Gauteng Department of Agriculture & Rural Development (GDARD) has sponsored the municipality with two tractors. The tractors have been used by farmers' clusters in the eastern and western parts of the Meyerton town. The municipality monitors the use of the tractors, due to several challenges with this programme, ranging from the management of the tractor bookings, maintenance and servicing. One of the biggest challenges that has been encountered in the past year is the breaking down of both tractors, pending repairs by the Sedibeng District Municipality, this has caused a lot of backlog as currently there is no tractor assisting the farmers. The LED Section has centralised the booking of the tractors to manage the process effectively and acknowledges the impact that the programme has in assisting the farmers. As there are no tractors working currently, an opportunity exists for the Municipality to invest in tractors to continue with this initiative.

## SOCIAL AND LABOUR PLANS

Several mines within Midvaal's jurisdiction have approached the municipality requesting endorsements of their Social and Labour Plans as required on their mineral rights applications by the Department of Mineral Resources. A Social Labour Plan (SLP) for Anglo American Inyosi Coal Pty LTD was approved by Council and the projects included on the SLP will be implemented within the Mamello, Lakeside, Ophir and broader Midvaal communities once the Mining Right has been issued by the Department of Mineral Resources. Another SLP was received from Richtrau 253 (Pty) Ltd Mine however is still under consideration by the Mayoral Committee. Revised SLP is still awaited from the Springfield Mine and once received the municipality will evaluate the Social and Labour Plan and will be preparing necessary reports to submit to council for endorsement.

T 3.11.11

## **COMPONENT C: COMMUNITY & SOCIAL SERVICES (LIBRARIES AND ARCHIVES, MUSEUMS, ARTS & GALLERIES, COMMUNITY HALLS, CEMETERIES & CREMATORIA, CHILD CARE, AGED CARE, SOCIAL PROGRAMMES & THEATRES)**

### **INTRODUCTION**

Community and Social Services strives to improve the quality of life for all Midvaal residents, from the cradle to the grave, by ensuring access to health, information and recreation in a safe, secure, clean and sustainable environment and by providing the core principles, mechanisms and processes that are necessary to empower and uplift previously disadvantaged communities.

T 3.12

### **3.12 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES**

#### **INTRODUCTION**

Midvaal libraries consist of 7 library facilities (Meyerton, Henley on Klip, Randvaal, De Deur, Sicelo, Bantu Bonke and Lakeside), as well as several library outreaches services to the rural and disadvantaged communities.

#### **Service delivery priorities and impact**

##### **E-Learning and Computer services**

The E-Learning and Computer Services provides the community with access to the ICT Technologies and computer literacy skills to bridge the digital divide, basic computer and database trainings are conducted at various libraries for the community. Midvaal Libraries have embraced the Fourth Industrial Revolution (4IR) era by providing ICT services and trainings that are embedded in today's technology such as coding, digital skills, app-based resources and tablets.

Sicelo Library received a face lift with the construction of a new E-Learning centre equipped with state-of-the-art technologies.

##### **Access to free Wi-Fi**

Access to broadband connectivity is critical because the technological landscape is changing at an astounding pace in several sectors that impact everyday life.

To bridge the digital all Midvaal Libraries provides access to free Wi-Fi for the community through Gauteng Broad-based Network (GBN).

##### **Mini-libraries**

The Mini-library project is a joint initiative between the South African Library for the Blind (SALB) and the Gauteng Department of Sports Arts, Culture and Recreation that is aimed at providing inclusive public library services that caters for visually impaired persons. The mini-library service is available in Meyerton and Lakeside library. It is a computer system with assistive devices and software for the blind and visually impaired people. The mini library includes a book reader that converts any book or document written in English to audio.

T 3.12.1

### **SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES**

#### **Service Statistics for libraries (registered members)**

Meyerton Library	6 977
Henley on Klip Library	2 576
De Deur Library	1753
Bantu Bonke Library	171
Lakeside Library	703
Randvaal Library	1 916
Sicelo Library	1 753
Vaal Marina Depot	38
Meyerton Old Age Home	42

Randvaal Old Age Home	6
De Deur Old Age Home	16
Henley Old Age	30
	<b>15</b>
	<b>981</b>

### Outreach Services (Attendance)

Literacy Quiz	60
World book day	35
Toy Libraries	27
Spelling Bee	37
Coding	215
SA Library Week	166
World Read Aloud Day	46
Art and craft	96

T 3.12.2

Libraries, Archives, Museums, Galleries, Community Facilities & Other Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.11.7

Employees: Libraries, Archives, Museums, Galleries, Community Facilities & Other					
Job Level	2020/2021	2021/2022			
	Employees Number	Posts Number	Employees Number	Vacancies (full-time equivalents) Number	Vacancies (as a % of total posts) %
0 - 3	1	1	0	1	100%
4 - 6	11	12	11	1	8.3%
7 - 9	17	17	17	0	0%
10 - 12	1	1	1	0	0%
13 - 15	9	9	8	1	11%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>38</b>	<b>40</b>	<b>37</b>	<b>3</b>	<b>7.5%</b>

T 3.12.4

Financial Performance Year 2021/2022: Libraries, Archives, Museums, Galleries, Community Facilities & Other R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	20 286	13 436	13 436	13 494	0%
<b>Expenditure:</b>					
Employees	18 414	22 241	22 270	20 357	-9%
Repairs and Maintenance	183	1 364	1 184	1 065	-10%
Other	9 309	10 102	12 111	11 097	-8%
<b>Total Operational Expenditure</b>	<b>27 906</b>	<b>33 706</b>	<b>35 566</b>	<b>32 520</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>(7 621)</b>	<b>(20 270)</b>	<b>(22 129)</b>	<b>(19 026)</b>	<b>-14%</b>

T 3.12.5



Financial Performance Year 2021/22: Social Services Admin					R'000
	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	Social Services (Administration) included in Libraries, Archives, Museums, Galleries, Community Facilities & Other figures for the 2020/2021 as well as 2021/2022-financial year.				
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
					T 3.12.5A

Capital Expenditure: Libraries					R' 000
Capital Projects	2021/22				
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget	
CANOPY	25	25	23	-10%	
AIRCONDITIONERS	500	500	500	0%	
MEYERTON LIBRARY (FURNITURE)	700	700	624	-11%	
ITC HARDWARE (COMPUTORS) - NEW	1 100	1 440	1 165	-19%	
MEYERTON LIBRARY BOOKS (DAC)	500	500	491	-2%	
HOK LIBRARY BOOKS (DAC)	200	200	199	0%	
DE DEUR LIBRARY BOOKS (DAC)	300	300	282	-6%	
RANDVAAL LIBRARY BOOKS (DAC)	200	200	195	-2%	
LIBRARY FURNITURE - SICELO - NEW	300	300	282	-6%	
SICELO LIBRARY BOOKS (DAC)	300	300	297	-1%	
EXT SICELO LIBRARY BUILDING - UPGRADING		2 365	2 045	-14%	
LAKESIDE LIBRARY BOOKS (DAC)	300	300	293	-2%	
BANTU BONKE LIBRARY BOOKS (DAC)	200	200	198	-1%	
RFID SECURITY SYSTEM - MEYERTON	1 500	1 160	721	-38%	
<b>Total</b>	<b>6 125</b>	<b>8 490</b>	<b>7 316</b>	<b>-14%</b>	
					T 3.12.6

**COMMENT ON THE PERFORMANCE OF LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER (THEATRES, ZOOS, ETC) OVERALL**

The Sicelo Library upgrading project is completed with the construction of the E-Learning Centre and Ablution facilities.

T 3.12.7

### 3.13 CEMETERIES AND CREMATORIA

#### INTRODUCTION

The objective of cemeteries and crematoria is to provide accessible, safe cemeteries to all residents of Midvaal and to maintain all cemeteries at an acceptable standard, through the implementation of the by-laws on cemeteries. Managing and providing burial function / administration and providing bookings for paupers and indigents.

T 3.13.1

#### SERVICE STATISTICS FOR CEMETERIES & CREMATORIA

The maintenance and operational service is delivered via a contractor. The total contracted services and maintenance amounted to R967 500.00. The total income for cemeteries was R1 062 307.00.

T 3.13.2

Cemeteries & Crematoria Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.13.3

Financial Performance 2021/2022: Cemeteries and Crematoria						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget	
<b>Total Operational Revenue</b>	1 028	795	795	1 062	34%	
<b>Expenditure:</b>						
Employees					0%	
Repairs and Maintenance		93	93	18	-80%	
Other	1 198	1 277	1 131	1 118	-1%	
<b>Total Operational Expenditure</b>	<b>1 198</b>	<b>1 370</b>	<b>1 224</b>	<b>1 137</b>	<b>-7%</b>	
<b>Net Operational Expenditure</b>	<b>(170)</b>	<b>(575)</b>	<b>(429)</b>	<b>(74)</b>	<b>-83%</b>	

T 3.13.5

Capital Expenditure: Cemeteries and Crematoriums					R' 000
Capital Projects	2021/2022				
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget	
<b>Total</b>					

T 3.13.6

#### COMMENTS ON THE PERFORMANCE OF CEMETERIES & CREMATORIA OVERALL

Midvaal succeeded in providing a high standard of well-maintained and sustainable cemetery services to all communities in Midvaal. The operational maintenance of the cemeteries (grass cutting, cleaning of the area and repairs to ablution blocks and fencing) is done partly in-house and partly by an external service provider. The actual cemetery function (digging and closing of graves, burial site layout) is being performed by an external service provider as provided for in the operational budget.

#### INDIGENT AND PAUPER BURIALS

Fifty-five (55) Indigent and 21 Pauper burials were conducted in the 2021/2022-financial year. Three hundred and forty-eight (348) households were visited and assessed for indigent status application. Three hundred and seven (307) were recommended to the Department: Finance Services, for consideration and approval.

### 3.14 CHILD CARE, AGED CARE & SOCIAL PROGRAMMES

#### INTRODUCTION

Kago ya Bana in the Social Development Section monitors growth and developmental milestones of children accessing Early Childhood Development (ECD) Services in Midvaal. The weighing, measuring and developmental milestones checklist is administered twice in a calendar year, baseline in February and post assessment in October. The purpose for the monitoring is to monitor the growth of children and ensure, awareness, prevention and early intervention is conducted, whilst children are still at Early Childhood Development Centres. Physical and mental growth of children in Midvaal has increased over the years from 37% in 2013/14 financial year to 96% in the 2018/2019-financial year.

Special programmes are conducted four times a year including older persons, disability, 16 Days of Activism and youth. Midvaal only deals with education and awareness on these programmes. We have seen fewer reported cases of elderly abuse both in our offices and in Midvaal Police Stations.

T 3.14.1

Employees: Child Care, Aged Care & Social Programmes					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	3	1	25%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5%</b>

T 3.14.4

Financial Performance 2021/2022: Child Care, Aged Care & Social Programmes					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>					
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					

T 3.14.5

<b>Capital Expenditure: Social Services (Administration)</b>				
<b>R' 000</b>				
<b>Capital Projects</b>	<b>2021/22</b>			
	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>Variance from Adjustments Budget</b>
SMALL MOTOR VEHICLE	250	250		-100%
GENERATOR		120	120	0%
FURNITURE & EQUIPMENT	20	18	17	0%
PARK FENCING&JUNGLE GYM (ECD - SICELO)	150	140	139	-1%
				0%
<b>Total</b>	<b>420</b>	<b>527</b>	<b>276</b>	<b>-48%</b>
				T 3.14.6

#### **COMMENT ON THE PERFORMANCE OF CHILD CARE, AGED CARE & SOCIAL PROGRAMMES**

Through partnership with the Seriti Institute, the "A Re Bapaleng" ECD programme was established. During the last financial year, 88 child minding support staff was appointed. Ward 6 (26 youth), Ward 7 (2 youth), Ward 8 (25 youth), Ward 10 (25 youth), Ward 12 (4 youth) and Ward 13 (6 youth) were appointed.

To further improve the childcare programmes a memorandum of understanding was signed with the Hollard Foundation to provide continuous training and support to the Day Mothers across all wards. Thirty-three (33) Day Mothers were trained. The training is done through the Smart Start Training programme which aims to empower and capacitate Day Mothers on Early Childhood Development Programmes. The Hollard Foundation is further responsible for pre-screening of identified Day Mothers prior to enrolment in the Day Mother programme.

A database for children accessing ECD services in the municipality is in place. Three Memoranda of Understanding were signed with three Non-profitable Organisations implementing the Day Mother Model.

T 3

## **COMPONENT D: ENVIRONMENTAL PROTECTION (POLLUTION CONTROL, BIO-DIVERSITY & LANDSCAPE)**

### **INTRODUCTION**

Environmental protection strives to protect and sustain our environment for the present and future generations. The aim is to ensure a comprehensive and sustainable environment for all communities. It will ensure safe food, water, air and land usage. The unit aims to co-ordinate the implementation of pollution control strategies for all environmental pollution, as well as promote sustainable utilisation and conservation of biological diversity and natural processes for the development of all communities.

T 3.15

### **3.15 POLLUTION CONTROL**

#### **INTRODUCTION**

The Constitution of the Republic of South Africa defines the provision of Municipal Health Services (non-personal health) as a function of local government in terms of Schedule 4B. Section 84 of the Municipal Structures Act, further determines that districts must render Municipal Health Services (MHS) for the district as a whole.

The Sedibeng District Municipality resolved to render Municipal Health Services (MHS) on an agency basis through a Service Level Agreement with the respective local municipalities within its jurisdiction as from 1 Jul 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), the World Health Organization (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus, MHS also means the assessment, monitoring, correction, control and prevention of environmental health factors that can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

The following duties are also executed by the Environmental Health Section if relevant to its jurisdiction:

- Prison Institutions
- Court Institutions
- SAPS Institution
- Provincial Schools
- Provincial Clinics
- Provincial Hospitals
- Educational Departments
- Department of Revenue
- Department of Home Affairs
- Post Offices

Pollution control further relates to the identification, evaluation, monitoring and prevention of land, soil, water, noise and air pollution. Environmental pollution control is included in the definition of Municipal Health Services in the National Health Act, 60 of 2003 and is a core function of all spheres of government in protecting the environment for future generations.

T 3.15.1

## SERVICE STATISTICS FOR POLLUTION CONTROL

1. Pollution control is a core function of the Environmental Health Section and thus forms part of their daily routine.
2. Air pollution, ambient monitoring and licensing is currently managed by the Environmental Management Section of the Sedibeng District Municipality in liaison with the National Department of Environmental Affairs.
3. The Environmental Health Section samples borehole water and municipal water monthly. Samples of rivers, dams and streams are conducted in liaison with the National Department of Water Affairs and the Department of Health.
4. Surveillance of industrial premises regarding possible environmental pollution activities are conducted weekly.
5. Public complaints related to pollution control are investigated immediately and acted upon by issuing statutory notices for compliance.
6. All statistics on various pollution factors are compiled in monthly and quarterly reports to the District and Local municipalities.
7. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement.
8. Capital funding is not available and all education and awareness projects and campaigns are managed under the operational budget.

T 3.15.2

Pollution Control Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.15.3

Employees: Pollution Control					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	5	6	6	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0%</b>

T 3.15.4

Financial Performance 2021/2022: Pollution Control					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
T 3.15.5					

Capital Expenditure: Pollution Control				
				R' 000
Capital Projects	2021/22			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				
T 3.15.6				

#### COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL

##### OVERALL

The Environmental Health Section continues to assist in the performance of those functions as well as with environmental health related issues pertaining to pollution control.

The vast geographical area in the jurisdiction of the local municipality creates challenges in terms of controlling land pollution such as illegal dumping and illegal oil spills. However, with proper control systems and mechanisms implemented, improved control can be exercised. Frequent follow-up inspections, issuing of statutory notices and billing perpetrators further assist in managing problematic areas.

Environmental health education and awareness programmes and environmental cleaning campaigns at primary schools, informal settlements and previously disadvantaged communities assist in the prevention and control of environmental pollution.

T 3.15.7

### 3.16 BIODIVERSITY, LANDSCAPE, OPEN SPACES AND OTHER

#### INTRODUCTION

To provide accessible and safe parks and open spaces, maintaining all parks and open spaces at an acceptable standard and to promote urban greening and forestry and also create awareness of the environment through awareness campaigns, National days and weekly tree maintenance and planting and the implementation of the Public Open Space By-laws.

T 3.16.1

#### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The service as detailed above has been delivered within the provided budget.

T 3.16.2

Biodiversity, Landscape and Other Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.16.3

Employees: Biodiversity, Landscape and Other					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	5	5	5	0	0%
7 - 9	7	7	7	0	0%
10 - 12	41	42	41	1	2.38%
13 - 15	5	16	5	11	68.75%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>59</b>	<b>71</b>	<b>59</b>	<b>12</b>	<b>16.9%</b>

T 3.16.4

Financial Performance 2021/2022: Biodiversity, Landscape and Other					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>					
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					
Other			None		
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					

T 3.16.5

#### COMMENT ON THE PERFORMANCE OF BIODIVERSITY, LANDSCAPE AND OTHER

Various capital projects, as detailed above, have been implemented during the year under review, of which the procurement of new service delivery equipment is the most significant.

T 3.16.7



**COMPONENT E: HEALTH  
(CLINICS, AMBULANCE SERVICES & HEALTH INSPECTIONS)**

**3.17 CLINICS**

**INTRODUCTION**

The Act gives guidance and definition to Provincial Health Care (PHC) and Municipal Health Services (MHS). It provides decentralisation and legal structures for the operation of the District Health System.

T 3.17

We are providing a high-quality care daily that is accessible to all our people visiting the facilities. We work efficiently to optimize the scarce resources.

**Top 3 service delivery priorities achieved**

1. Elimination of Mother to Child transmission of HIV/AIDS is being reduced in our Health Facilities.
2. Treat chronic patients effectively by transforming their lives in order to increase live span where there are less defaulters and more patients are retained under care.
3. Provide outreach health services to households especially communities which are suffering of poverty by mobile unit and door to door visits.

**Measures taken to improve performance**

1. Good team spirit among health workers.
2. Provision of health education activities in our facilities.
3. Support from Senior Managers.
4. Monitoring and evaluation by clinic managers.

T 3.17.1

Service Data for Clinics					
	Details	2019/2020		2020/2021	2020/2021
		Estimate Number	Actual Number	Estimate Number	Actual Number
1.	Average number of patient visits on an average day	750	700	600	600
2.	Total Medical Staff available on an average day	50	69	70	143
3.	Average patient waiting time	3hrs	3hrs	3hrs	3hrs
4.	Number of HIV/AIDS tests undertaken in the year	130 000	85 562	90 000	68 219
5.	Number of tests in 4 above that proved positive	7500	3 791	5000	4352
6.	Number of children that are immunised at under 1 year of age	1 500	1 753	1 800	1 765
7.	Child immunisation s above compared with the child population under 1 year of age	90%	101%	90%	79%
					T 3.17.2

Average waiting time = 1hr to 3hrs  
Medical Staff Component = 58

Clinics Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T3.16.3							

Employees: Clinics					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	5	5	5	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>2</b>	<b>20%</b>

T 3.17.4

Financial Performance 2021/2022: Clinics					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	3 752	5 952	5 952	4 658	-22%
<b>Expenditure:</b>					
Employees	3 128	3 422	3 343	3 148	-6%
Repairs and Maintenance	28	678	667	119	-82%
Other	974	1 776	1 669	881	1%
<b>Total Operational Expenditure</b>	<b>4 130</b>	<b>5 876</b>	<b>5 679</b>	<b>4 149</b>	<b>-27%</b>
<b>Net Operational Expenditure</b>	<b>(377)</b>	<b>76</b>	<b>274</b>	<b>509</b>	<b>86%</b>

T 3.17.5

Capital Expenditure: Clinics				
				R' 000
Capital Projects	2021/22			Variance from Adjustments budget
	Budget	Original Budget	Actual Expenditure	
<b>Total</b>				<b>0%</b>

T 3.17.6

#### COMMENT ON THE PERFORMANCE OF CLINICS OVERALL

Midvaal renders the provision of Primary Health Care Services on an agency basis. The Memorandum of Understanding (MOU) with Gauteng Province gave directives for capital projects to be carried out by the Provincial sphere of government, therefore no capital projects were undertaken in the last two financial years.

T 3.17.7

### 3.18 AMBULANCE SERVICES

#### INTRODUCTION

Ambulance services is not a municipal function, the function is handled by the Sedibeng District Municipality.

T 3.18.1

Financial Performance 2021/2022: Ambulances					
					R'000
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
					T 3.18.5

Capital Expenditure: Ambulances				
				R' 000
Capital Projects	2021/2022			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				
				T 3.18.6

### 3.19 HEALTH INSPECTION, FOOD AND ABBATOIR LICENSING AND INSPECTION

#### INTRODUCTION

The Constitution of the Republic of SA defines the provision of Municipal Health Services (MHS) (non-personal health) as a function of local government in terms of Schedule 4B. Section 84 of the Municipal Structures Act further determines that the District Council are responsible to render Municipal Health Services (MHS) district wide.

The Sedibeng District Municipality resolved to render MHS on an agency basis through a Service Level Agreement with the respective local municipalities within its jurisdiction as from 1 Jul 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), the World Health Organisation (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus, MHS also means the assessment, monitoring, correction, control and prevention of environmental health factors which can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

The following duties are also executed by the Environmental Health Section if relevant to the Jurisdiction:

- Prison Institutions
- Court Institutions
- SAPS Institution
- Provincial Schools
- Provincial Clinics
- Provincial Hospitals
- Educational Departments
- Department of Revenue
- Department of Home Affairs
- Post Offices

Thus, all aspects of Environmental Health such as inspections, surveillance of premises and food control is being conducted under the National Health Act and relevant environmental health legislation.

T 3.19.1

#### SERVICE STATISTICS FOR HEALTH INSPECTION

1. The nine elements of Municipal Health Services, as listed in the National Health Act, are core functions of the Environmental Health Section and thus form part of their daily routine.
2. All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the district and local municipalities.
3. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement to the amount of R3 081 089.
4. Capital funding is unavailable and all education and awareness projects and campaigns are managed under the operational budget. Thus, no capital projects were conducted.

T 3.19.2

Health Inspection and Policy Objectives taken from IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T 3.19.3							

Employees: Clinics					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	5	5	5	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>2</b>	<b>20%</b>
T 3.17.4					

Employees: Health Inspection					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3					0%
4 - 6					0%
7 - 9					0%
10 - 12					0%
13 - 15					0%
16 - 18					0%
19 - 20					0%
<b>Total</b>					<b>0%</b>
Counted under Pollution Control					
T 3.19.4					

Financial Performance 2021/2022: Health Inspection (Municipal Health - Sedibeng Funding)					
					R'000
Details	2020/2021		2021/2022		Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	3 625	3 081	3 081	3 220	5%
<b>Expenditure:</b>					
Employees	3 417	3 908	3 847	3 817	-1%
Repairs and Maintenance	19	60	50	12	-76%
Other	338	456	406	324	-20%
<b>Total Operational Expenditure</b>	<b>3 773</b>	<b>4 424</b>	<b>4 302</b>	<b>4 153</b>	<b>-3%</b>
<b>Net Operational Expenditure</b>	<b>(148)</b>	<b>(1 343)</b>	<b>(1 221)</b>	<b>(933)</b>	<b>-24%</b>
T 3.19.5					

Capital Expenditure: Health Inspection				
				R' 000
Capital Projects	2021/2022			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				
				T 3.19.6

**COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL**

1. The nine elements of Municipal Health Services listed in the National Health Act are core functions of the Environmental Health Section and thus form part of their daily routine. These functions are performed by four operationally functional Environmental Health Practitioners and one Chief Environmental Health Practitioner, responsible for strategic planning and operational implementation of strategies.
2. All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the District and Local municipalities.
3. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement to the amount of R3 081 089.
4. Capital funding is not available and all education, awareness projects and campaigns are managed under the operational budget.

T 3.19.7

**COMPONENT F: SAFETY & SECURITY  
(POLICE, FIRE, DISASTER MANAGEMENT, LICENSING AND CONTROL OF ANIMALS, CONTROL OF PUBLIC NUISANCES)**

**INTRODUCTION**

**Safety & Security**

Traffic services are centred around Road Safety Education, Road Safety Engineer, Road Safety Evaluation and Enforcement.

These includes Traffic Law Enforcement, Traffic By-law Enforcement, social crime prevention, speed prosecution maintaining law and order and promoting peace.

The Traffic Road Safety Services cover the entire Midvaal area including the R59-freeway, R82-Provincial Road, R42-Provincial Road and R550-Provincial Road. Traffic Services do not go beyond the borders of Midvaal.

Traffic Police provide community with funeral escorts, event monitoring and community protests.

The enforcement of the Disaster Management Act and safety guidelines, assist to curb the spread of the coronavirus pandemic.

**Public Safety Traffic Police**

The roles and responsibilities of Traffic Polices Services include traffic control, speed law enforcement prosecution and road traffic law enforcement. The Traffic Road Safety Services cover the R59-freeway, but do not include the Vereeniging/Emfuleni area. In addition to road safety, traffic police are mandated to enforce Municipal By-Laws, promote social crime prevention, minimise road accidents, maintain law and order and promote peace.

The total number of Infringements issued:

2020/2021		2021/2022		Difference
Infringements	95 335	Infringements	66 877	28 458
Accidents	438	Accidents	166	272

66 877 infringements were issued, based on different offences and locations. The above figures display a significant decline in infringements, which stems from improved behaviour on traffic legislation compliance and pro-active policing. The joint operations with SAPS and monthly heavy duty and public transport operations proved to yield positive results in terms of traffic law compliance.

Duly structured and formalised Community Policing Forums are supported and encouraged to perform joint policing activities which maximise visibility.

T 3.20

**3.20 TRAFFIC POLICE**

**INTRODUCTION**

Traffic Police services entails traffic law enforcement, speed prosecution which remains our highest priority, due to daily accidents reports caused by largely ignorance and non-compliance to traffic legislation. The total number of infringements issued during the 2021/2022-financial year is 66 877.

Ensuring excellent service delivery and percentage compliance to service standards, priority was placed on the 30-day turn-around time to comment on applications of building plans from date of receipt. The impact was giving support to housing projects and those residents who wish to extend their properties.

Addressing the scourge of unethical behaviour such as abuse of power and corruption. Policies, standard operating procedures as well as Ethics and Code of Conduct are given the highest priority on weekly management meetings to encourage and maintain active formal and informal business trading in communities living in poverty-stricken areas.

T 3.20.1

Traffic Service Data					
	Details	2018/2019	2019/2020		2020/2021
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Number of road traffic accidents during the year	500	400	350	166
2	Number of by-law infringements attended (DP)	DP	DP	DP	DP
3	Number of traffic officers in the field on an average day	22	23	18	18
4	Number of traffic officers on duty on an average day	18	23	18	18

T 3.20.2

Number of Traffic Officers Shift A and Shift B together	18
Office staff	7
Traffic Officials Shift A	From 06:30 to 14:30 Monday to Saturday
Traffic Officials Shift B	From 13:30 to 20:30 Monday to Friday
Both shifts alternating - Monday to Saturday	(Sunday overtime on emergencies only)

T 3.20.2.1

Traffic Policy Objectives taken from IDP							
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.20.3

Employees: Traffic					
Job Level	2020/2021	2021/2022			
Police	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	Number	Number	Number	Number	%
Chief Police Officer & Deputy	1	1	1	0	0%
4 - 6	7	8	7	1	12.5%
7 - 9 Officers	15	19	15	4	0.21%
7 - 9 Admin	6	6	6	0	0%
10 - 12	0	0	0	0	0%
11 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
TEMPORARY	14	21	14	7	1.5%
<b>Total</b>	<b>44</b>	<b>56</b>	<b>44</b>	<b>12</b>	<b>2.61%</b>

T 3.20.4

Financial Performance 2021/2022: Traffic					
Details	R'000				
	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	64 348	39 096	72 261	68 319	-5%
<b>Expenditure:</b>					
Police Officers	18 065	23 075	19 892	18 636	-6%
Repairs and Maintenance	320	465	565	452	-20%
Other	15 347	18 309	10 918	10 118	-7%
<b>Total Operational Expenditure</b>	<b>33 733</b>	<b>41 850</b>	<b>31 376</b>	<b>29 206</b>	<b>-7%</b>
<b>Net Operational Expenditure</b>	<b>30 615</b>	<b>(2 754)</b>	<b>40 885</b>	<b>39 113</b>	<b>-4%</b>

T 3.20.5



Capital Expenditure: Traffic				
				R' 000
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
VEHICLE REPLACEMENTS	600	600		-100%
SECURITY EQUIPMENT	1 750	1 300	1 300	0%
EQUIPMENT FOR TRAFFIC LAW ENFORCEMENT	830	166	166	0%
FURNITURE & EQUIPMENT		110		-100%
<b>Total</b>	<b>3 180</b>	<b>2 066</b>	<b>1 466</b>	<b>-29%</b>
				T 3.20.6

## COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL

### Priority 1:

1. Traffic Police operate 6 days in a week and available on standby 24/7 services on emergency situations such as community protests. Enforce compliance on all traffic related legislation to save lives. Create awareness and give out information to the motorists. Freeway patrol and speed measuring.
2. Speed prosecution enforced on approved road sites by the National Prosecuting Authority with more accidents and curb the habitual offenders where motorists tend to drive beyond the prescribed speed limit due to road construction.
3. Traffic vehicles improved response time during service delivery protest and freeway. R59-freeway, R82 Provincial Road, R550 Provincial Road, R42-Provincial Road are better managed to ensure high visibility of law enforcement.

### Priority 2:

1. Joint operations with other law enforcement agencies including SAPS. Monitoring of moving violations. Periodic roadblocks to maximise police visibility. Law enforcement activities as well as drinking and driving operations.
2. Conform to Magisterial requirements in terms of preparation of court rolls. Ensure support from Magistrates Courts regarding traffic fines which need urgent attention such as NAG (No Admission of Guilt).
3. Admission of guilt fines, warrants of arrests and court rolls be better managed to conform to the legislative imperatives

### Priority 3:

Assisting schools with road safety education. Bus public transport and Taxi industries Providing school road safety education, working closely with Department of Education on School Road Safety Education, Scholar Patrols and Road Safety Compliance to improve road safety for the learners. Conducting consistent public transport roadworthy tests and operator valid driver's licences.

T 3.20.7

### 3.21 FIRE

#### INTRODUCTION

The responsibilities for the Fire Section are divided into the following categories:

1. Fire Operations
2. Fire Safety
3. Fire Protection Association (FPA)
4. Public Information Education and Relations (PIER)
5. Training

#### 1. Fire Operations

Swift Water Rescue equipment was purchased to ensure proper service delivery in the Midvaal Area. A fully equipped Rapid Response Vehicle was purchased to render services in the Vaal Marina area. Fire and Rescue Equipment was placed in both Fire Stations ensuring proper equipment during any rescue or fires, throughout the Midvaal area. Additional water pumps were bought for each station to serve as an additional fire vehicle, when required. Focus was placed on vehicle maintenance, ensuring all vehicles are operational. An additional Grass Combatting Vehicle with specialised features was bought for Vaal Marina Fire Station. A high standard of service delivery was maintained during the year with mutual assistance from the Fire Protection Association (FPA).

#### 2. Fire Safety:

The following actions were executed to ensure compliance to the Fire Safety Plan:

Inspections	2 584
Building Plans	857
Land-use application	201
Fire Risk Assessment	1
Other	329
Old Age Homes	16
High Risk Industries	5
Certificate of Registration	
Transport Dangerous Goods Permits	55
Fire Compliance Certificate	802
Flammable Liquid Store/Storage inspections	88
Warnings issued	55
Fire Investigations conducted	13
Places of Instruction	58

#### 3. FPA (Fire Protection Association)

FPA is divided into thirteen (13) sectors which fall under the Gauteng umbrella and each sector is responsible for its own area with a total of 807 members. The FPA attended and assisted with grass combatting of 7 500 hectares of grassland that was destroyed during the veld fire season of 2020/2021-financial year. During the 2021/2022-financial year, the FPA attended and assisted with grass combatting of plus minus 7 500 hectares of grassland that was destroyed during grass/veld fires.

#### 4. PIER (Public Information, Education and Relations)

The PIER Section attended to the visiting of creches, pre-schools and schools by demonstrating fire awareness programs, evacuation drills and "learn not to burn" lectures to assist in early childhood development.

Community Centres and Informal Settlements were visited and lectures presented was "Home Safety, Smoke Alarm, Road Safety and Pedestrian Safety."

1611 people were reached with these events throughout the 15 wards of Midvaal.

Fire Safety Awareness Training, COVID-19 Compliance, Home Safety, Road Safety, Pedestrian Safety and the use of Smoke Alarms were done within the community.

Evacuation drills were also conducted in the industrial areas to test the communities or companies pre-fire plans and readiness.

## 5. Training

Midvaal Community Services (Public Safety) started a training centre assisting with the training of the community and to ensure a high level of service delivery is maintained throughout the area. The training centre is QCTO Assessment and Training Provider Centre and has 1 verifier, 4 assessors and moderators with a training simulator to test the skills of the community.

The following training was conducted:

1. FPA Grass and Wild-land fires
2. First Aid Level 1 to 3
3. Emergency related training to the shifts
4. Basic Fire and Fire Extinguisher
5. Evacuation Training

157 community members and 228 fire staff were trained.

## 6. Events

The PIER Section attended to the following events:

1. Pre-winter awareness
2. Different Schools in Meyerton – “Stay Alive until We Arrive”, Fire Safety and Evacuations
3. De Deur Flea Market – Fire awareness

With the upliftment of the COVID-19 Protocols, events in the Midvaal area are growing and the community is working hard to grow the economy.

T 3.21.1

Metropolitan Fire Service Data					
	Details	2019/2020	2020/2021		2021/2022
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Total fires attended in the year	608	660	600	389
2	Total of other incidents attended in the year	520	800	800	777
3	Average turnout time - urban areas	2 min	3 min	3 min	3 min
4	Average turnout time - rural areas	2 min	3 min	3 min	3 min
5	Fire fighters in post at year end	60	71	71	72
6	Total fire appliances at year end	15	15	15	16
7	Average number of appliances off the road during the year	2	0	0	2

T 3.21.2

## Operational Activities

Fires attended, consisted of formal and informal residential fires, commercial (restaurants, shops), storages (warehouses), industry (furniture, textile, metal), transport (vehicles, trucks and aircraft), rubbish, grass and miscellaneous fires of which there was a 3% decrease from the previous year. A total of 505 fires were attended to, including before arrival, Good Intent and malicious false alarms, 1 death was recorded at fire incidents.

Other incidents attended to, were an aircraft accident, water rescues, spillages (oil, petrol, diesel), special services, motor vehicle accidents, pedestrian vehicle accidents and medical assistance. This year an increase of 11% was experienced in the incidents mentioned. A total of 611 special services were attended to and a total of 75 deaths were recorded at motor vehicle and pedestrian vehicle accidents.

The turn-out times to rural and urban areas were 3 min with a 98% compliance to the guidelines.

An increase of appliance breakdown was also experienced which led to 2 vehicles off the road during the year.

T 3.21.2.1

Fire Service Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T3.21.3							

Employees: Fire Services					
Job Level	2020/2021	2021/2022			
Fire Fighters	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	Number	Number	Number	Number	%
Chief Fire Officer & Deputy	2	0	2	0	0%
4 - 6	3	3	3	0	0%
7 – 9 (Station Officers/Admin)	11	25	11	14	56%
7 - 10 (Firefighters)	36	44	36	8	18.1%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0		
Temporary	17	27	17	10	37.03%
<b>Total</b>	<b>70</b>	<b>101</b>	<b>70</b>	<b>33</b>	<b>32.6%</b>
T 3.21.4					

Financial Performance 2021/2022: Fire Services					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	2 652	1 060	1 060	697	-34%
<b>Expenditure:</b>					
Fire Fighters	20 965	30 204	26 527	23 543	-11%
Repairs and Maintenance	2 553	2 729	2 829	2 765	-2%
Other	4 309	5 140	6 328	5 548	-12%
<b>Total Operational Expenditure</b>	<b>27 826</b>	<b>38 073</b>	<b>35 685</b>	<b>31 856</b>	<b>-11%</b>
<b>Net Operational Expenditure</b>	<b>(25 174)</b>	<b>(37 013)</b>	<b>(34 625)</b>	<b>(31 158)</b>	<b>-10%</b>
T 3.21.5					

Capital Expenditure: Fire Services				
				R' 000
Capital Projects	2021/2022			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
RESCUE VEHICLE VAALMARINA		1 334	142	-89%
WILD LAND FIRE & RESCUE VEHICLE	2 500	1 943	1 943	0%
SWIFT WATER RESCUE EQUIP-TRAINING CENTRE	100	75	75	0%
PORTABLE PUMP	500	340	340	0%
BA COMPRESSOR SYSTEM	550	550		-100%
RESCUE & FIRE EQUIPMENT	950	1 110	1 073	-3%
RAPID RESPONSE RESCUE VEHICLE & EQP		1 073	912	-15%
SMALL GEAR MEYERTON FIRE STATION	100	55	53	-3%
RADIOS AND REPEATER	750	700	700	0%
NEW CCTV CAMERAS	2 500	2 465	2 137	-13%
<b>Total</b>	<b>7 950</b>	<b>9 645</b>	<b>7 375</b>	<b>-24%</b>

T 3.21.6

### COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

The main priority for the service was to finalise the Mayoral Collaboration Plan of 2016 - 2019.

The budget spent for the third year of the plan/project was: Priority 1 - 6 as well as the additional installations.

Payment Invoice	Date Submitted	Amount	Date Paid
9982	4/10/2018	R59 685.00	31/10/2018
201901	15/11/2018	R93 897.36	15/01/2019
201922	15/11/2018	R93 897.36	21/01/2019
10191	01/09/2018	R68 862.00	7/09/2018
000429	20/11/2018	R68 788.17	23/11/2018
10253	04/10/2018	R219 155.63	23/01/2019

Program & Progress	
Hand over date (Project completed)	24 June 2019
Commencement date	4 October 2018
Date of practical completion	23 June 2019
Number of planned working days	264
Number of days elapsed since commencement	270
Number of working days left	0
% time elapsed	100%
% Overall progress	100%
% Ahead	0%
% Budget vs Expenditure	100%

T 3.21.7

**3.22 OTHER  
(DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE)**

**INTRODUCTION**

Disaster Management is a District function but is managed by the Chief Fire Officer in Midvaal. The Disaster Management Plan was revised and submitted for the IDP.

T 3.22.1

**SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE**

T 3.22.2

Disaster Management, Animal Licencing & Control, control of Public Nuisances Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T3.21.3							

Employees: Sport and Recreation					
Job Level	2020/2021		2021/2022		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted under Parks and Recreation					
T 3.23.3					

Financial Performance 2021/2022: Disaster Management, Animal Licencing and Control, Control of Public Nuisances					
R'000					
Details	2020/21	2021/22			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
T 3.22.5					

**COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL OF PUBLIC NUISANCES OVERALL**

Disaster Management support was provided from the district whereby Midvaal supplied 67 blankets, 1 tent and 2 canvas coverings and 38 food parcels.

T 3.22.7

**COMPONENT G: SPORT & RECREATION  
(COMMUNITY PARKS, SPORT FIELDS, SPORTS HALLS, STADIUMS, SWIMMING POOLS AND CAMP SITES)**

**INTRODUCTION**

The strategic objectives of the Sport and Recreation Section are:

1. To promote total well-being by facilitating and co-ordinating equal access to sports and recreational facilities.
2. To facilitate and encourage participation in various sporting codes, thereby unifying diverse cultures.
3. To improve the quality of life of Midvaal residents with special focus on disadvantaged and rural communities.
4. Providing and maintaining Sports and Recreational Facilities and Infrastructure with special emphasis on the disadvantaged and rural communities.
5. To liaise with the Gauteng Department of Sport and Recreation and the Sedibeng District Municipality in order to ensure the promotion and facilitation of Sport Development in Midvaal.
6. To ensure the sustainable establishment of a sports hub at the Sicelo Multi-purpose Centre with the specific intention of promoting and developing sport amongst previously disadvantaged communities.
7. To develop certain sporting programmes to assist the youth to develop in specific sporting codes (gymnastics, ring ball, soccer and table tennis).
8. To liaise with the Sedibeng Sport Confederation and Midvaal Local Sport Confederation in ensuring support for sport development programmes and activities within Midvaal.

T 3.23

**3.23 SPORT AND RECREATION SERVICE**

**STATISTICS FOR SPORT AND RECREATION**

Although this section is more focussed on the provision of sport and recreation facilities and infrastructure, it does generate a small income from the entrance fees of the Meyerton Swimming Pool.

Consideration must be given to the fact that the swimming pool is seasonally operated and only available to the public from 1 Sep to 27 Mar.

21 informal soccer and netball fields were graded.

T 3.23.1

Sport & Recreation Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020		2020/2021	2021/2022		
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>See Annexure T</b>							
T3.23.2							

Employees: Sport and Recreation					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0%</b>

T 3.23.3

Financial Performance 2021/2022: Parks					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	1 987	1 747	1 747	1 539	-12%
<b>Expenditure:</b>					
Employees	12 348	16 776	15 040	14 404	-4%
Repairs and Maintenance	1 386	1 362	1 499	1 488	-1%
Other	7 342	9 015	10 729	10 399	-3%
<b>Total Operational Expenditure</b>	<b>21 076</b>	<b>27 153</b>	<b>27 268</b>	<b>26 291</b>	<b>-4%</b>
<b>Net Operational Expenditure</b>	<b>21 076</b>	<b>27 153</b>	<b>27 268</b>	<b>26 291</b>	<b>-4%</b>

T 3.23.4

Financial Performance 2021/2022: Swimming Pool					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	68	113	113	124	10%
<b>Expenditure:</b>					
Employees	968	1 219	1 245	813	-35%
Repairs and Maintenance	7	43	163	106	-35%
Other	230	412	1 067	1 003	-6%
<b>Total Operational Expenditure</b>	<b>1 205</b>	<b>1 674</b>	<b>2 474</b>	<b>1 922</b>	<b>-22%</b>
<b>Net Operational Expenditure</b>	<b>1 205</b>	<b>1 674</b>	<b>2 474</b>	<b>1 922</b>	<b>-22%</b>

T 3.23.4



Financial Performance 2021/2022: Sport and Recreation						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget	
<b>Total Operational Revenue</b>	10 282				0%	
<b>Expenditure:</b>						
Employees	575	759	765	764	0%	
Repairs and Maintenance	23	36	36	31	-13%	
Other	1 809	2 164	3 404	3 285	-3%	
<b>Total Operational Expenditure</b>	<b>2 407</b>	<b>2 960</b>	<b>4 205</b>	<b>4 080</b>	<b>-3%</b>	
<b>Net Operational Expenditure</b>	<b>2 407</b>	<b>2 960</b>	<b>4 205</b>	<b>4 080</b>	<b>-3%</b>	

T 3.23.4

Financial Performance 2021/2022: Sport and Recreation (Consolidated)						R'000
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget	
<b>Total Operational Revenue</b>	12 337	1 861	1 861	1 663	-11%	
<b>Expenditure:</b>						
Employees	13 891	18 755	17 051	15 981	-6%	
Repairs and Maintenance	1 416	1 441	1 698	1 625	-4%	
Other	9 381	11 591	15 199	14 467	-5%	
<b>Total Operational Expenditure</b>	<b>24 688</b>	<b>31 787</b>	<b>33 948</b>	<b>32 073</b>	<b>-6%</b>	
<b>Net Operational Expenditure</b>	<b>(12 351)</b>	<b>(29 926)</b>	<b>(32 087)</b>	<b>(30 410)</b>	<b>-5%</b>	

T 3.23.4

Capital Expenditure: Sport and Recreation (Parks)					R' 000
Capital Projects	2021/2022				
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget	
TRACTORS (REPLACEMENTS)	325	458	378	-17%	
LDV'S (REPLACEMENTS)	800	650	630	-3%	
MOBILE TOILETS	120	88	88	0%	
KUDUS	100	65	65	0%	
TELESCOPIC POLE PRUNERS	25	50	47	-5%	
PEST CONTROL EQUIPMENT	200	200	192	-4%	
RIDE ON LAWNMOWERS	160	170	166	-2%	
SPORT INFRASTRUCTURE DEVELOPMENT		315	315	0%	
LAKESIDE SPORT CENTRE (MIG)	11 164	4 019	4 019	0%	
CHAINSAWS		22	22	0%	
<b>Total</b>	<b>12 894</b>	<b>6 037</b>	<b>5 922</b>	<b>-2%</b>	

T 3.23.5

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

Sport and Recreation had two major capital projects namely:

Lakeside Sport Field (MIG): (1) Resurfacing of 6 Ringball Courts at Meyerton Sports Clubs and Conference Centre, the project is completed and (2) The building of the Lakeside Multi-purpose Indoor Sport Hall is ongoing. A smaller capital project included the purchasing of 2 ride-on mowers.

The Section also completed two main maintenance projects, namely: (1) Repairs to Meyerton Swimming Pool and Various Facilities that included the Swimming Pool Storeroom and wall extension and (2) The repairs to Meyerton Rugby and Soccer Fields and Parks Offices Ablution Block.

Furthermore, a technical report was approved for construction of a new soccer stadium with athletics, running track at Savanna City. Funding bidding processes were also initiated for this project.

19 Parks were maintained and various communities befitted. Play equipment, dustbins, benches, soccer, rugby and netball posts, outdoor gym, ablutions, braai areas and paving were maintained. One new park was developed and various playing equipment and irrigation system were installed, as well as trees were planted and flowerbed was created and Savanna City Pocket 4.

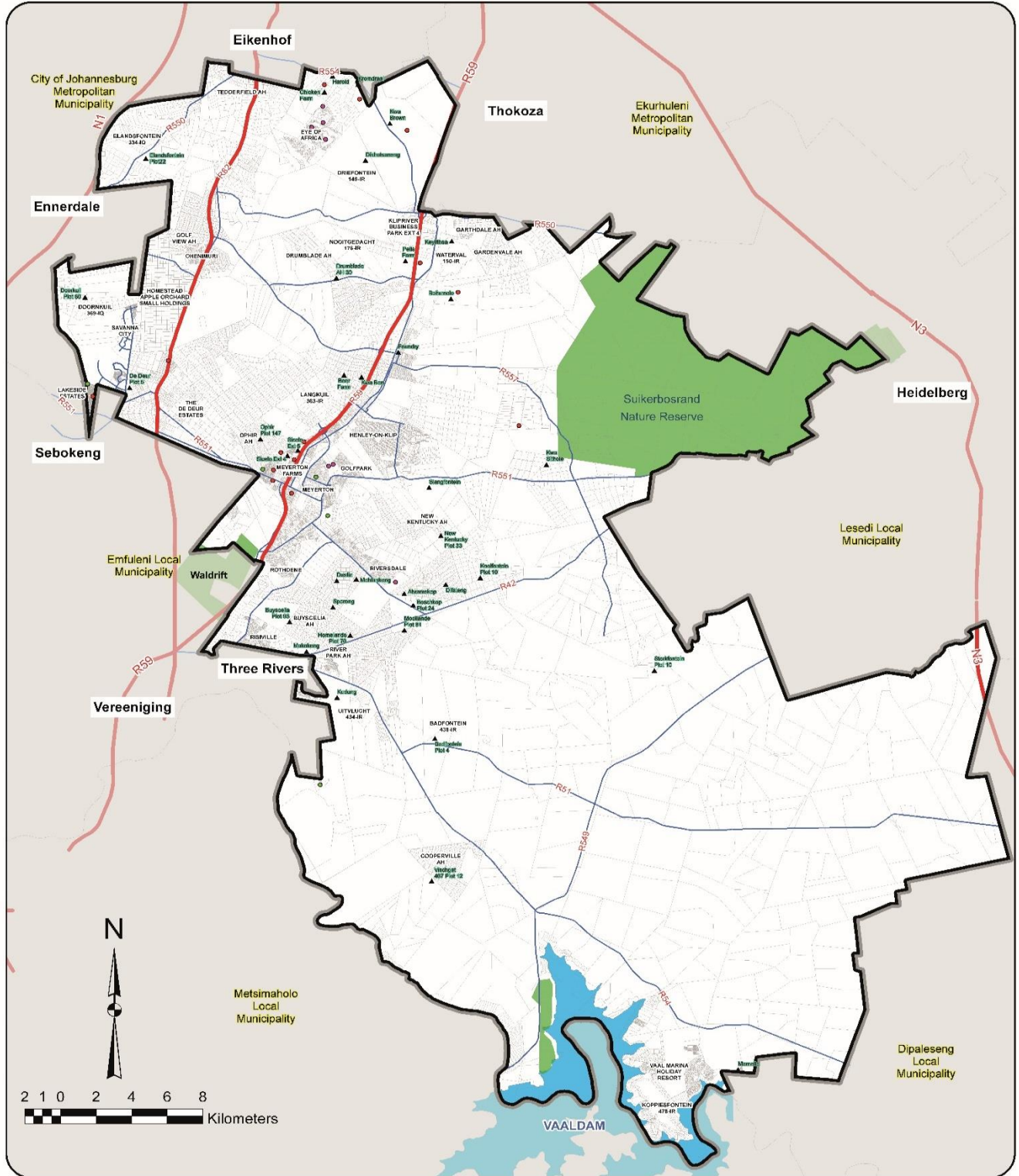
Four Multi-purpose centres were maintained, namely the Sicelo Multi-purpose Centre, Bantu Bonke Multi-purpose Centre, Lakeside Sports Centre and Meyerton Sports Clubs Facilities. Meyerton Swimming Pool, ring ball courts, caretaker's and swimming pool supervisor's houses, community halls, ablution blocks, outdoor gyms, netball courts, benches, rugby field, soccer fields, cricket field and squash court, combi-courts, fabricated mobiles containers are functional and various communities benefitted from these projects.

The Midvaal Local Sport Confederation was not functional, but it is being reignited and the inter-governmental relations with the Department of Sports, Arts, Culture & Recreation (DSACR) in delivering sport and recreation programs, are maintained. The annual O.R Tambo-Soncini Games and Midvaal Mayoral Youth Games community development programmes were staged. Sporting Kits, medals, playing apparatus, medals and certificates were procured for club's donation purposes aimed at community sport development.

Additionally, an inaugural May in Midvaal Marathon event was held at Meyerton Sports Clubs in collaboration with the Dr. Molefe Oliphant Institute of Leadership, which was a huge success.

# ANNUAL REPORT 2021 - 2022

## Sports & Recreation Map



- |                                |                          |
|--------------------------------|--------------------------|
| ▲ Informal Settlements         | — Other Roads (Existing) |
| ● Sports Facilities (Formal)   | ■ Nature Reserves        |
| ● Sports Facilities (Informal) | ■ Vaal Dam               |
| ● Golf Courses                 | — Cadastre               |
| — Major Roads (Existing)       |                          |



## COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES

### INTRODUCTION

Due to the small category of municipality and staff complement, Council does not have a corporate policy office. Policies are developed by the various departments, management and/or political wing as may be appropriate and required. These policies are submitted for approval to Council. A control file is maintained containing all approved policies and reviewed at specified intervals.

T 3.24

### 3.24 EXECUTIVE AND COUNCIL (EXECUTIVE MAYOR, COUNCILLORS & MUNICIPAL MANAGER)

#### INTRODUCTION

The Council, headed by the Speaker, is the legislative and oversight authority in the municipality. The executive function and day-to-day running of the municipality is dealt with by the Executive Mayor and the Mayoral Committee together with the Municipal Manager and top management. The clear role clarification streamlines service delivery and enhances efficiency and effectiveness of performance. A clear distinction has been drawn between these functions and is regulated by Council's System of Delegations.

T 3.24.1

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

In view that Midvaal does not have a corporate policy office, the service delivery priorities are set out in the various departmental activities, reflected in the different sections in this report (see Chapter 3).

T 3.24.2

The Executive & Council Policy Objectives taken from IDP							
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T3.24.3							

Employees: The Executive and Council					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	5	7	4	3	42.8%
4 - 6					0%
7 - 9					0%
10 - 12					0%
13 - 15					0%
16 - 18					0%
19 - 20					0%
<b>Total</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.8%</b>
T 3.24.4					

Financial Performance 2021/2022: The Executive and Council					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	7 232	7 673	7 673	7 573	-1%
<b>Expenditure:</b>					
Employees	10 217	37 425	37 425	28 375	-24%
Repairs and Maintenance	140	422	389	277	-29%
Other	31 647	37 578	33 059	28 801	-13%
<b>Total Operational Expenditure</b>	<b>42 004</b>	<b>51 603</b>	<b>49 654</b>	<b>38 287</b>	<b>-23%</b>
<b>Net Operational Expenditure</b>	<b>(34 772)</b>	<b>(43 930)</b>	<b>(41 980)</b>	<b>(30 714)</b>	<b>-27%</b>
					T 3.24.5

Capital Expenditure: The Executive and Council					
					R' 000
Capital Projects	2021/2022				Variance from Adjustments Budget
	Original Budget	Adjustments Budget	Actual Expenditure		
AIR CONDITIONERS	155	155	146		-6%
TABLES	20	17	14		-20%
PLASTIC CHAIRS	20				0%
FURNITURE & EQUIPMENT	30	30	17		-45%
<b>Total</b>	<b>225</b>	<b>202</b>	<b>176</b>		<b>-13%</b>
					T 3.24.6

#### COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Please see the note in T3.24 above confirming that this Council does not have a separate or dedicated corporate policy office.

The performance of the Executive and Council is reflected in the various departmental reports as per the preceding Chapter 3 entries.

T 3.24.7

### 3.25 FINANCIAL SERVICES

#### INTRODUCTION

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

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

#### Asset Management

Completion of full asset and condition verification.  
The Asset Register Module of the Solar Financial System is fully implemented.

#### Financial Reporting

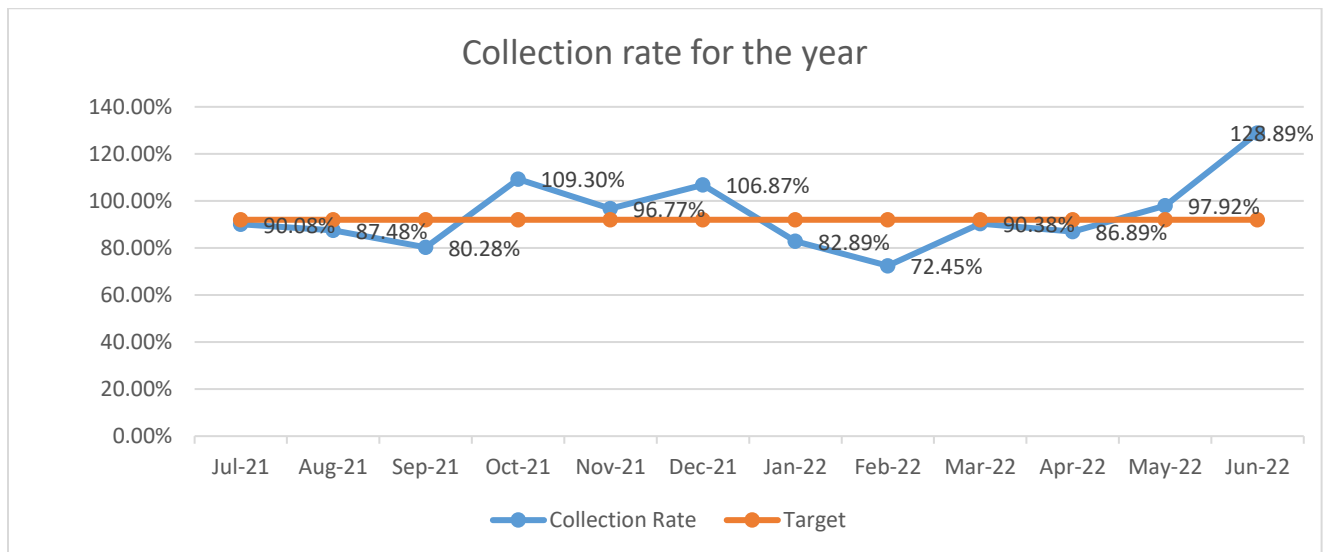
Financial Statements were finalised and submitted as required by relevant legislation. Clean audits were achieved for the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019 and 2019/2020-financial years.

The Audit action plan was compiled and implemented. Budget tabled and approved in line with legislative deadlines.

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

#### Revenue Management, including billing and collection of municipal rates and service charges

A cash collection rate of 92.6% was achieved during the year. The graph below shows the collection rate per month, the annual target as well as a moving two-month collection average.



Meter readings is particularly a challenge in a municipal environment and as most others, Midvaal strives to improve meter reading. A process was started to replace old and dysfunctional pre-paid water meters, audits were conducted on households with low and/or no consumption registered on their meters. Ongoing interactions are taking place with customers with water and electricity meters that are not accessible to the meter readers.

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

Expenditure management is an ongoing function with the aim of improving creditor's efficiency by ensuring all creditors are paid within 30 days. More than 99% of all invoices are paid within 30 days with only invoices that are in dispute being paid later. A single pay-roll function is rendered and employees are paid via EFT, monthly. All statutory deductions are paid to the relevant bodies within the prescribed legislated timeframes.

In terms of Section 32(4) of the MFMA, it is required that the accounting officer of a municipality promptly inform the mayor, MEC for local government in the province and the Auditor-General in writing, of –

1. Any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;
2. Whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
3. The steps that have been taken:
  1. To recover or rectify such expenditure; and
  2. To prevent a recurrence of such expenditure.

There was one case of irregular expenditure during the year under review which the Accounting Officer has reported to the Executive Mayor and the MEC for Local Government. The possible irregular expenditure case is in the process of being reported to Council.

T 3.25.1

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2020/2021		2021/2022			2021/2022	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected % (Consolidated bill)
Water	237 441	93.76%	214 565	198 687	92.60%	197 400	92.00%
Assessment Rates	223 067	93.76%	273 314	253 088	92.60%	251 448	92.00%
Sewer	48 554	93.76%	54 450	50 421	92.60%	50 094	92.00%
Refuse	40 953	93.76%	55 102	51 024	92.60%	50 694	92.00%
Electricity	238 376	93.76%	475 822	440 611	92.60%	437 756	92.00%
Sundries	824		94 856			87 267	92.00%
Interest	30		18 518			17 037	92.00%
<b>Total</b>	<b>789 244</b>		<b>1 186 626</b>	<b>993 831</b>	<b>83.75%</b>	<b>987 392</b>	

T 3.25.2

A cash collection rate of 94% was achieved during the year. Midvaal applies its Credit Control Policy consistently and regularly, hands over debt to the appointed panel for debt collection, where accounts remain unpaid for more than three months. A new panel of debt collectors are on site and the focus is on both soft and hard collections.

The Debt Collection Policy will again be reviewed during the 2022/2023-financial year to ensure effective, but fair debt collection practices are applied.

T 3.25.2.1

Financial Service Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T3.25.3							

Employees: Financial Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	4	4	4	0	0%
4 - 6	22	22	22	0	0%
7 - 9	35	37	35	2	5.40%
10 - 12	0	0	0	0	0%
13 - 15	3	3	3	0	0%
16 - 18	5	7	7	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>69</b>	<b>73</b>	<b>71</b>	<b>2</b>	<b>2.73%</b>
T 3.25.4					

Financial Performance 2021/2022: Financial Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments
<b>Total Operational Revenue</b>	350 760	372 503	370 726	369 004	0%
<b>Expenditure:</b>					
Employees	31 760	36 977	36 450	34 803	-5%
Repairs and Maintenance	133	173	119	89	-25%
Other	24 498	34 197	35 757	41 161	15%
<b>Total Operational Expenditure</b>	<b>59 277</b>	<b>71 346</b>	<b>72 326</b>	<b>83 863</b>	<b>16%</b>
<b>Net Operational Expenditure</b>	<b>291 483</b>	<b>301 157</b>	<b>298 401</b>	<b>285 141</b>	<b>-4%</b>
T 3.25.5					

Capital Expenditure: Financial Services				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
FUEL TANKS & PUMPS	500	515	515	0%
AIR CONDITIONERS	30	31	30	-2%
FURNITURE AND EQUIPMENT	180	180	177	-1%
STORES EQUIPMENT & SHELVING	250	234	233	0%
<b>Total</b>	<b>960</b>	<b>960</b>	<b>956</b>	<b>0%</b>
T 3.25.6				



## **COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL**

The department performed well. Debt collection targets were met and will remain the focus area for the 2022/2023 financial year. Expenditure was kept within the budget and no over-expenditures were incurred.

The following areas will be prioritised during the next financial year:

### **Improved Revenue Management**

1. Ongoing improvements in revenue management, including ongoing completeness of revenue reconciliations.
2. Collection rate of 94% targeted.
3. Reduction of outstanding government debt – various initiatives are underway with the Gauteng Provincial Government to reduce government debt and ensure ongoing payment for services.
4. Reduction in interim billings (improved meter reading)

### **Improved Expenditure Management**

1. Ongoing implementation of cost containment measures in line with the National Treasury MFMA Circular 82 (Cost Containment Measures) as well as the new regulations on cost containment;
2. Compliance with Supply Chain Management turn-around time standards;
3. Improved Contract Management processes.

### **Improved Liquidity Management**

Increased cash holdings, measured through the liquidity ratio, cost coverage ratio and number of days cash holdings.

### **Improved Governance**

1. Top risks managed and mitigated via risk management process – updated Strategic and Operational Risk Registers to form the basis of risk management processes;
2. Ongoing GRAP compliance;
3. Further improvements to the Municipal Standard Chart of Accounts (mSCOA) compliance;
4. Increased Repair and Maintenance Budget (R & M) (increased allocations in the budget).

T 3.25.7

### 3.26 HUMAN RESOURCES

#### INTRODUCTION

Since the beginning of the year, there has been tremendous achievement in terms of Human Resources operations. All relevant human resource policies are in place. There is a fully functional Local Labour Forum and Employment Equity Forum which serve as the custodians of employer and employee relations. There is a bursary scheme in the form of "Study Assistance" which has helped employees to achieve their academic dreams, including utilisation of training resources which assisted immensely in developing employees.

There has also been the introduction of new systems and processes which aid efficiency. The introduction of an electronic recruitment job board has increased representation and provides Midvaal with a wider range of candidates from which to source when recruiting staff. The introduction of a functional Time & Attendance Electronic System and Electronic Leave Self Service are also two processes that are assisting with operational requirements.

Employees' Assistance Programmes are also in place, which have contributed substantially towards the social and psychological upliftment of employees' morale and sense of belonging.

Having achieved all this, the road is still long and the challenges will always be addressed through effective human resources intervention.

T 3.26.1

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resources main functions (services) include amongst others the following:

1. Recruitment & Selection
2. Training & Development
3. Employee Assistance Programmes including: Leave, Benefits, HIV Workplace Programme and Attendance Management
4. Labour Relations & Occupational Health & Safety

T 3.26.2

Human Resource Services Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020		2020/2021		2021/2022	
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.26.3

Employees: Human Resource Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 – 3	3	3	3	0	0%
4 – 6	10	12	12	0	0%
7 – 9	7	9	6	3	33.3%
10 – 12	0	0	0	0	0%
13 – 15	1	1	1	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>21</b>	<b>25</b>	<b>22</b>	<b>3</b>	<b>12%</b>

T 3.26.4

Financial Performance 2021/2022: Human Resource Services					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>	359	596	596	542	-9%
<b>Expenditure:</b>					
Employees	9 899	13 071	12 407	11 451	-8%
Repairs and Maintenance	22	22	22		-98%
Other	9 377	11 470	11 465	10 037	-12%
<b>Total Operational Expenditure</b>	<b>19 298</b>	<b>24 563</b>	<b>23 894</b>	<b>21 488</b>	<b>-10%</b>
<b>Net Operational Expenditure</b>	<b>(18 939)</b>	<b>(23 968)</b>	<b>(23 299)</b>	<b>(20 946)</b>	<b>-10%</b>
					T 3.26.5

Capital Expenditure: Human Resource Services				
				' 000
Capital Projects	2021/2022			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
				0%
<b>Total</b>				<b>0%</b>
				T 3.26.6

#### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES OVERALL

Human Resources is the heartbeat of any organisation and at Midvaal, Human Resources attempts to be market leaders. Tremendous achievement in terms of operations, have been experienced. This can be ascribed to the implementation of new processes and procedures. All human resource policies are in place and the continued success of the Local Labour Forum and Employment Equity Forum also contributes to sound employer and employee relations.

T 3.26.7

### 3.27 INFORMATION COMMUNICATION TECHNOLOGY (ICT) SERVICES INTRODUCTION

The overall ICT functions are as follows:

1. Internal LAN/WAN monitoring and management;
2. Maintenance of ICT Hardware;
3. Systems and Applications Management;
4. Procurement of Hardware/Software;
5. Systems administration and operations on servers (daily back-ups, replication to DRP server);
6. Access control of users to systems;
7. Managing of the general ICT operations.

The internal ICT Section is rendered by a staff complement of: Director: ICT, Assistant Director: ICT, ICT Security Specialist, System Administrator, Technical Administrator, IT Technicians (Total of 6) & Helpdesk Operator.

Midvaal is also responsible for the cost applicable to its own staff and the internal function, namely hardware and software.

At the local level, e-governance and the appropriate use of ICT can enhance and support economic and social development, particularly in empowering officials and municipal representatives, ensuring linkages, networking, timely, efficient, transparent and accountable services. E-local governance means exploiting the power of ICT to help transform the accessibility, quality and cost-effectiveness of public service and to help revitalize the relationship between citizens and public bodies who work on their benefit.

The ICT Section exists to support the objectives of Midvaal through sound technological deployment that creates opportunities for innovation and transformation while maintaining stable operations. ICT must provide both a centre of innovation as well as a foundation of stability on which the current business operations can rely. ICT must therefore play a strong and leading role in helping the Municipality leverage technology in all facets of its business and the accompanying administrative support. Deployment of technology is not limited to the installation of software and hardware but extends into many facets of the business including people and processes.

The focus for the ICT function is to provide a secure, speedy and reliable service to all users. Resources have been allocated to support these performance targets.

T 3.27.1

#### SERVICE STATISTICS FOR ICT SERVICES

<b>SUMMATION OF THE MONTHLY REPORTS TO DETERMINE WHETHER THE BASELINE FOR CALLS SERVICED AND NETWORK UPTIME WAS ACHIEVED FOR THE PERIOD 1 JULY 2021 - 30 JUN 2022</b>				
<b>MONTH</b>	<b>% UPTIME NETWORK (BASELINE = 90%)</b>	<b>% OF CALLS ATTENDED TO IN 60 MIN (BASELINE 85%)</b>	<b>NUMBER OF CALLS LOGGED</b>	<b>% UPTIME OF SERVERS (BASELINE = 90%)</b>
Jul 2021	58.33%	91.08%	381	100%
Aug 2021	96.44%	96.56%	349	100%
Sep 2021	91.33%	70.91%	385	55.71%
Oct 2021	99.30%	81.54%	325	97.13%
Nov 2021	98.96%	92.36%	288	100%
Dec 2021	99.99%	97.97%	197	81.58%
Jan 2022	88.52%	95.47%	486	99.92%
Feb 2022	85.58%	96.65%	388	99.14%
Mar 2022	96.15%	94.58%	322	99.44%
Apr 2022	82.19%	90.72%	334	98.64%
May 2022	86.05%	95.29%	340	98.98%
Jun 2022	82.93%	96.80%	406	99.99%
<b>Y-t-D Total</b>	<b>88.81%</b>	<b>91.66%</b>	<b>4201</b>	<b>94.21%</b>

T 3.27.2

ICT Services Policy Objectives taken from IDP							
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	2019/2020			2020/2021		2021/2022
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
T 3.27.3							

Employees: ICT Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
7 - 9	6	7	7	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0%</b>
T 3.27.4					

Financial Performance 2021/2022: ICT Services					
					R'000
Details	2020/2021	2021/2022			Variance to Adjustments Budget
	Actual	Original Budget	Adjustments Budget	Actual	
<b>Total Operational Revenue</b>					0%
<b>Expenditure:</b>					
Employees	5 169	6 015	5 913	5 566	-6%
Repairs and Maintenance	189	210	10	9	0%
Other	8 538	9 647	11 152	11 259	1%
<b>Total Operational Expenditure</b>	<b>13 896</b>	<b>15 871</b>	<b>17 075</b>	<b>16 835</b>	<b>-1%</b>
<b>Net Operational Expenditure</b>	<b>(13 896)</b>	<b>(15 871)</b>	<b>(17 075)</b>	<b>(16 835)</b>	<b>-1%</b>
T 3.27.5					

Capital Expenditure: ICT Services				
				R' 000
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
SOFTWARE APPLICATION	1 000	972	972	0%
NETWORKS & COMPUTER RELATED HARDWARE	2 500	4 735	4 726	0%
<b>Total</b>	<b>3 500</b>	<b>5 707</b>	<b>5 698</b>	<b>0%</b>
T 3.27.6				

#### COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

Although occasional connectivity problems were experienced, these were identified, addressed and resolved. Further improvements will be affected on a continuous basis to meet service objectives and targets.

T 3.27.7

### 3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

#### INTRODUCTION

The property portfolio of the municipality is being managed on an ongoing basis. The properties mainly relate to land and buildings that are either currently used or are earmarked for the rendering of municipal services. Risk management processes are in place as detailed in the relevant sections. Procurement resides under the Finance Department and is discussed in detail under the section dealing with Finance Management.

T 3.28.1

#### SERVICE STATISTICS FOR PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

T.3.28.2

Employees: Property & Legal					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	2	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0%</b>

T 3.28.4

\*Risk Management & Procurement Services reported under Finance

Financial Performance 2021/22: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	27				0%
<b>Expenditure:</b>					
Employees	16 114	15 229	15 229	13 588	-11%
Repairs and Maintenance	41	77	67	3	-95%
Other	3 590	6 642	4 311	2 000	-54%
<b>Total Operational Expenditure</b>	<b>19 745</b>	<b>21 948</b>	<b>19 606</b>	<b>15 591</b>	<b>-20%</b>
<b>Net Operational Expenditure</b>	<b>(19 718)</b>	<b>(21 948)</b>	<b>(19 606)</b>	<b>(15 591)</b>	<b>-20%</b>

T 3.28.5

Capital Expenditure: Property, Legal and Risk Management				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
STRATEGIC LAND PURCHASES	309	500	391	-22%
RECORDING EQUIPMENT	245	205	193	-6%
OFFICE FURNITURE	100	58	58	0%
<b>Total</b>	<b>654</b>	<b>764</b>	<b>642</b>	<b>-16%</b>

T 3.28.6

## COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

Various land transactions are in the process of being registered at the Deeds Office.

T 3.28.7

### 3.29 SAVANNA CITY

Financial Performance 2021/2022: Savanna City					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
<b>Total Operational Revenue</b>	104 855				0%
<b>Expenditure:</b>					
Employees	10 748				0%
Repairs and Maintenance					0%
Other	18 124		514	403	-22%
<b>Total Operational Expenditure</b>	<b>28 872</b>		<b>514</b>	<b>403</b>	<b>-22%</b>
<b>Net Operational Expenditure</b>	<b>75 983</b>		<b>(514)</b>	<b>(403)</b>	<b>-22%</b>

T 3.29.5

Capital Expenditure: Savanna City				
R' 000				
Capital Projects	2021/2022			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
<b>Total</b>				

T 3.29.6

**COMPONENT I: MISCELLANEOUS (PROVISION OF AIRPORTS, ABATTOIRS, MUNICIPAL COURTS AND FORESTRY AS MUNICIPAL ENTERPRISES)**

**INTRODUCTION**

These are functions of the Sedibeng District Municipality and the Gauteng Provincial Government.

T 3.29.0

**COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD**

This component includes the Annual Performance Report for the year under review.

Plan Number: Plan Name																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved/ Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
All information is included in the organisational scorecards attached to this Annual Report (Annexure T)																	
<i>Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural environment, Plan 2: Economic Development and job creation, Plan 3: Quality living environment, Plan 4: Safe, healthy and secure environment, Plan 5: Empowering our citizens, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability.</i>																	

T 3.30



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

### **INTRODUCTION**

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

Specific Organisational Development Performance that can be reported include: Organisational Structure, Staff Establishment and Workforce Profile.

### **Organisational Structure**

The organisation has five departments with a total staff compliment of 782 employees at the end of the reporting period. The total number of employees is inclusive of permanent, temporary and fixed term contract employees.

The organisational structure for the organisation is reviewed annually. The structure for the 2021/2022-financial year was approved by Council in Nov 2022. The structure is approved in terms of the budget allocated for the provision of positions as motivated for by the Staff Establishment Report.

### **Staff Establishment**

Midvaal Local Municipality, in terms of the Municipal Systems Act, Act 32 of 2000, reviews the Staff Establishment Report on a regular basis. The 2021/2022 Staff Establishment Report was submitted, however there was no provision for new/additional posts on the organisational structure for the reporting period.

### **Workforce Profile**

Compliance to the Equity legislation necessitated that a workforce profile was compiled for Midvaal. Midvaal's workforce profile as at 30 June 2022, is reflected in the table below. In total the municipality recruited 83 new employees during the reporting period. The total number of terminations was 30 which amounts to 7.3% turn-over rate. All appointments are aligned to the Employment Equity provisions. It should be noted that internal promotions of staff, where the appointment is within the same occupational level, are open for all candidates to apply as it would not impact on the representativeness within the occupational level. All other vacancies whether internal or external are adherent to Equity provisions, in instances where there is not a specific equity target other designated groups are given preference.

In most internal appointments/promotions within the General, Semi-Skilled and Skilled occupational levels, where there are no equity targets from the internal pool, designated groups are given preference, this does result in over-representation of certain designated groups and is reported to the Mayoral Committee annually.

T 4.0.1

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURN-OVER AND VACANCIES

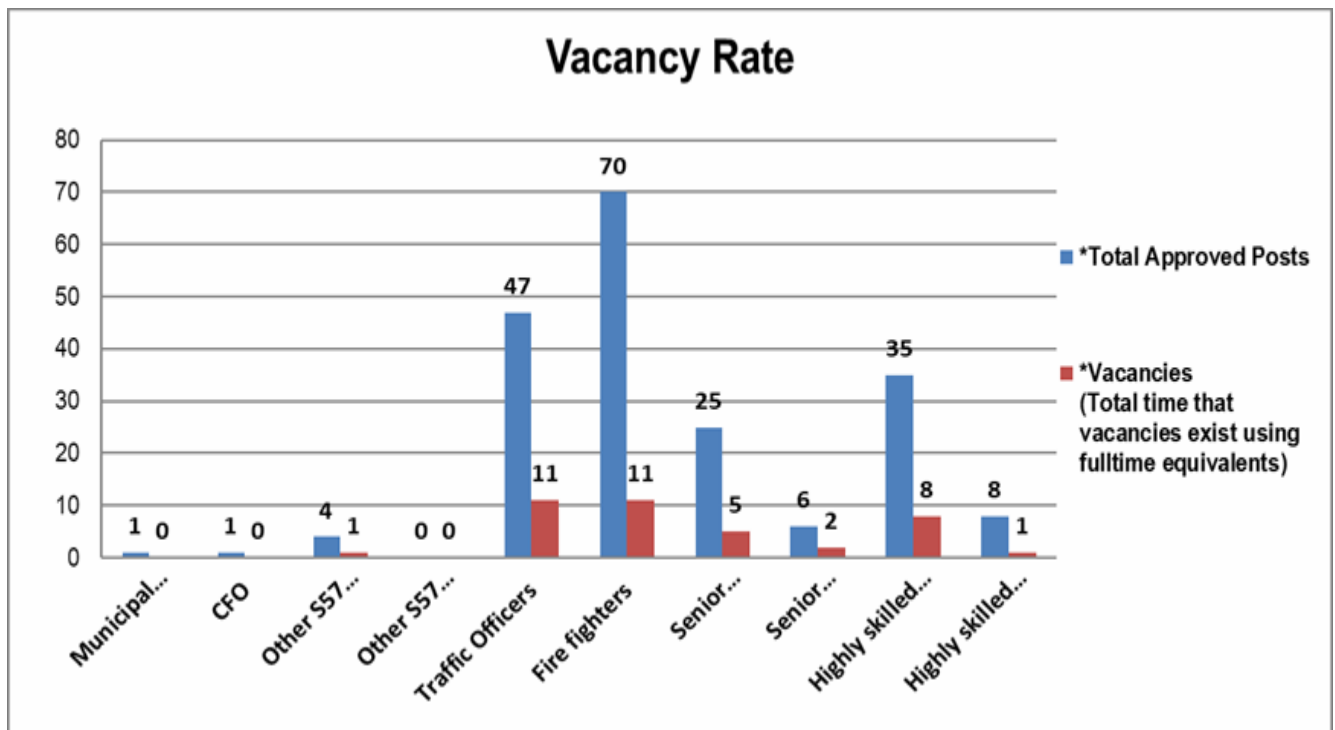
Employees					
Description	2020/2021	2021/2022			
	Employees Number	Approved Posts Number	Employees Number	Vacancies Number	Vacancies %
Water	50	65	60	5	7.69%
Wastewater (Sanitation)	30	33	31	2	6.06%
Electricity	47	50	41	9	18%
Waste Management	71	76	66	10	13.15%
Housing	2	2	2	0	0%
Wastewater (Stormwater)	0	0	0	0	0%
Roads	50	59	45	14	23.7%
Transport	0	0	0	0	0%
Planning	30	32	30	2	0.39%
Local Economic Development	3	3	3	0	0%
Planning (Strategic & Regulatory)	0	0	0	0	0%
Community & Social Services	16	38	37	1	2.6%
Environmental Protection	2	7	7	0	0%
Health	9	9	9	0	0%
Security and Safety	42	51	47	4	7.84%
Sport and Recreation	3	3	3	0	0%
Corporate Policy Offices & Other	323	486	388	97	19.95%
<b>Totals</b>	<b>678</b>	<b>914</b>	<b>769</b>	<b>144</b>	<b>15.75%</b>

T 4.1.1

Vacancy Rate: 2021/2022			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	Number	Number	%
Municipal Manager	1	1	100%
Chief Financial Officer	1	1	100%
Other Section 57 Managers (excluding Finance)	5	1	20%
Other Section 57 Managers (Finance posts)	1	1	100%
Police Officers (Traffic Officers)	56	12	21.42%
Fire Fighters	101	33	32.67%
Senior Management: Levels 13 - 15 (excluding Finance)	N/A	N/A	N/A
Senior Management: Levels 13 - 15 (Finance)	N/A	N/A	N/A
Highly Skilled Supervision: Levels 9 - 12 (excluding Finance)	N/A	N/A	N/A
Highly Skilled Supervision: Levels 9 - 12 (Finance)	37	2	5.40%
<b>Total</b>	<b>202</b>	<b>51</b>	<b>25.24%</b>

T 4.1.2

\*Traffic Officers replace Police Officers



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	Number	Number	
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	50	10	20%

T 4.1.3

#### COMMENT ON VACANCIES AND TURNOVER

The 2021/2022 performance indicator for filling of vacancies was set at filling 80% of vacancies within three months, after the placement of the advertisement. The annual figure of new employees increased from 770 to 768 employees for the reporting period. The vacancy rate at the municipality is 12.5% of the total approved posts.

Staff turnover for the reporting period equates to 36%.

T 4.1.4

## **COMPONENT B: MUNICIPAL WORKFORCE MANAGEMENT**

### **INTRODUCTION**

Workforce management is achieved through proper human resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, Act 32 of 2000, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. This is achieved through the Human Resource Strategy contained in the municipality's Integrated Development Plan (IDP) and Staff Establishment Report. Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management.

### **Policy Review and Development**

Midvaal, as an evolving and developmental Local Government Institution, regularly reviews its policies, processes and procedures to ensure all processes followed, implemented and executed are open, transparent and aligned to legislative requirements, not to unfairly discriminate against employees. Policy Review is part of Management's Performance Indicators and monitored through the Performance Management System.

The outcome report of investigations into the recruitment process of the municipality, necessitated that the Recruitment Policy be reviewed in accordance with recommendations made by Internal Audit. The recommendations were affected, and the reviewed Policies related to these recommendations viz. Recruitment Policy and Labour Register Policy & Procedure, is anticipated to be approved by Council within the first quarter of the 2021/2022-financial year.

### **Workplace Programmes**

#### **Employee Assistance Programme (EAP)**

Midvaal has an Employee Assistance Programme which is a workplace-based programme designed to assist in the identification and resolution of productivity and psycho-social problems which may negatively affect the work performance of employees. Serious cases affecting employees and management are outsourced, for professional assistance, in appropriate circumstances.

The Employee Assistance Programme has proven to be a successful tool and many of the employees are benefiting from the programme.

Midvaal also co-ordinates various employee wellness initiatives throughout the year including, Wellness Day.

#### **HIV/AIDS Workplace Committee**

Midvaal has a dedicated HIV/AIDS Committee and its main objective is to promote the well-being of employees affected by and infected with HIV/AIDS. The committee provides employees with information on various health issues related to HIV/AIDS and other related illnesses.

### **Labour Relations**

Workforce management is almost impossible without sound discipline within the workplace. The Labour Relations Section, within the Human Resources Directorate, is effective and well recognised. Labour Relations is the management of individual and collective relationships through the implementation of good practices that enhances the achievement of organisational objectives. The objectives of this function are to:

1. Create a climate of trust and stability by adopting policies and procedures that enhances a harmonious working environment.
2. Ensure compliance to labour legislation including LRA 66 of 1995, BCEA 75 of 1997, EEA 55 of 1998, SDA 97 of 1998, OHS Act 85 of 1993 and COIDA 130 of 1993.
3. Maintain good work relations with recognised Unions within the workplace.
4. Strengthening the relationship with labour (trade unions) and employees through a functional Local Labour Forum (LLF). Ensure the functionality of the forum by establishing effective sub-committees as contained in the Main Collective Agreement.
5. Capacitate LLF members through ongoing training as the SALGBC and SALGA training programs.

6. Ensure adherence to collective agreements applicable to municipalities, agreed to at the Local Government Bargaining Council.
7. Ensure discipline is corrective and progressive and not merely punitive.
8. Ensure effective dispute management and conflict resolution.
9. Ensure that manning levels are maintained during industrial actions.
10. Ensure that processes and procedures are in place for the internal resolution of grievances which have the potential for litigation against Council in the form of disputes.
11. Ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code.
12. Ensure that the Organisational Rights Agreements or Main Collective Agreements are adhered to by having Shop Stewards elected in all departments of the municipality, with all their activities regulated by the Collective Agreement.

### **Occupational Health & Safety**

To ensure that employees have a healthy and safe working environment, the Midvaal complies with the Occupational Health & Safety Act and has a fully functional Health and Safety Committee. This Committee meets, quarterly to address health and safety issues.

Since the COVID-19 outbreak and the proclamation of Disaster Management Act, Midvaal adopted various COVID-19 occupational health and safety measures, which were reviewable based on the adjusted alert levels as announced by the State President, Mr. Cyril Ramaphosa. South Africa's National State of Disaster was terminated by the President and National Government on 4 April 2022.

Midvaal also complies with legislation in terms of:

1. Legal appointment of the Municipal Manager in terms of Section 16.1 of the Act, including Managers reporting directly to the Municipal Manager in terms of Section 16.2 of the Act.
2. Health and Safety Representatives are elected, trained and appointed for a period of three years as per the Occupational Health & Safety Act.

### **Employment Equity**

In compliance with the Employment Equity Act, Act 55 of 1998, as amended, Midvaal developed, amended and reviewed the 5-year Equity Plan and has submitted the 2022 - 2024 Equity Plan to the Department of Labour. The Employment Equity Plan is reported annually and statutory reports (EEA2 & EEA4) are submitted to the Department of Labour within the legislated time-frame.

Progress made in terms of Employment Equity is reported to the Mayoral Committee, annually and submitted to the Local Labour Forum, monthly to report the status quo.

The Municipal Systems Act, 2000, Section 67 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.

T 4.2.0

## 4.2 POLICIES

Human Resource Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Affirmative Action Policy	100%	0%	C294/08/2013 29 Aug 213
2	Allowance Policy	100%	100%	C2439/11/2020
3	Attraction and Retention	100%	0%	
4	Code of Conduct for Municipal Staff Members	100%	0%	
5	Delegations, Authorisation & Responsibility	100%	0%	Corporate to Comment
6	Disciplinary Code and Procedures	100%	0%	Municipal Collective Agreement
7	Essential Services	100%	0%	
8	Employee Assistance / Wellness	100%	0%	C1371/08/2015 27 Aug 2015
9	Employment Equity	100%	0%	C920/05/2013 28 May 2013
10	Exit Management	0%	0%	
11	Grievance Procedures	100%	0%	Main Collective Agreement
12	HIV/AIDS	100%	0%	C137/08/2015 27 Aug 2015
13	Human Resource and Development	100%	0%	
14	Information Technology	100%	100%	C2485/02/2021 25 Feb 2021
15	Job Evaluation	100%	0%	SALGA
16	Leave	100%	0%	Municipal Collective Agreement
17	Occupational Health and Safety	100%	0%	C1566/12/2016 8 Dec 2016
18	Official Housing	0%	0%	Not applicable
19	Official Journeys	100%	100%	Vehicle Policy
20	Official Transport to attendance of Funerals	100%	100%	Vehicle Policy
21	Official Working Hours and Overtime	100%	100%	Municipal Collective Agreement
22	Organisational Rights	100%	0%	Main Collective Agreement
23	Payroll Deductions	100%	100%	
24	Performance Management and Development	100%	100%	C2988/11/2022 24 Nov 2022
25	Recruitment, Selection and Appointments	100%	100%	C2389/09/2020 30 Sep 2020
26	Remuneration Scales and Allowances	100%	0%	SALGA
27	Resettlement	0%	0%	Not applicable
28	Sexual Harassment	100%	0%	C922/05/2013 28 May 2013
29	Skills Development	100%	0%	B4470/10/2015 19 Oct 2015
30	Smoking	100%	0%	C1172/08/2014 28 Aug 2014
31	Special Skills	0%	0%	Not applicable
32	Work Organisation	0%	0%	Not applicable
33	Labour Register	100%	100%	C2389/09/2020 30 Sep 2020
34	Study Assistance	100%	100%	C2777/03/2022 24 Mar 2022
35	Uniforms and Protective Clothing	100%	0%	C2803/04/2022 28 Apr 2022
36	Other:			

T 4.2.1

### COMMENT ON WORKFORCE POLICY DEVELOPMENT

Human Resources maintain and develop policies and procedures aligned with applicable legislation and provide the necessary guidelines and awareness to employees on issues related to the workplace. Policies and procedures are reviewed and updated as and when the need arises or due to operational changes. Policy revision also formed part of performance indicators within the Human Resources vocation and is measured as part of the Performance Management System of staff. Reviewed Policies, specifically for the reporting period, include the Leave & Overtime Policy. Subsequent the recommendation from Internal Audit, the Recruitment Policy and Labour Register Policy & Procedure's review and implementation will be reported on, during the 2021/2022-annual reporting cycle.

T 4.2.1.1

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of Injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	Number	%	Days	R'000
Required basic medical attention only	204	29	0	7.03	132 065.54
Temporary total disablement					
Permanent disablement					
Fatal	0	0	0	0	
<b>Total</b>	<b>204</b>	<b>29</b>	<b>0</b>	<b>7.03</b>	<b>132 065.54</b>
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	Number	Number	Days	R' 000
Lower skilled (Levels 13 - 15)	1 242	18%	80	153	8.11	66 745
Skilled (Levels 9 - 12)	1 342	22%	104	224	5.99	1 091 046
Highly skilled production (Levels 6 - 8)	2 174	14%	157	189	11.50	2 869 571
Highly skilled supervision (Levels 3 - 5)	867	20%	63	67	12.94	1 644 959
Senior management (Levels 1 - 2)	300	21%	22	19	15.78	716 955
MM and S57	4	50%	1	6	0.66	18 471
<b>Total</b>	<b>5 929</b>	<b>22%</b>	<b>435</b>	<b>658</b>	<b>9.01</b>	<b>6 407 747</b>
* - Number of employees in post at the beginning of the year *Average is calculated by taking sick leave in column 2 divided by total employees in Column 5						T 4.3.2

#### COMMENT ON INJURY AND SICK LEAVE

Incidents where employees are injured on duty are reported in terms of Commission of Injuries on Duty Act (COIDA). Incidents are reported to the Safety Officer, investigated and communicated to the relevant authorities and updated on the Corn Easy Website of the Department of Labour.

Serious injuries are referred to a hospital that accepts compensation cases and the required process is followed, in terms of follow-up visits, prescribed by the legislation. For injuries where longer absence from work is expected or recommended, Midvaal closely monitors the absence and the employee's Pension or Gratuity Fund is also informed that the employee has sustained a serious injury.

When an employee reports sick for work, the employee completes a sick leave application, on return to work via the Employee Self Service link on PayDay. Sick leave is monitored accordingly, in conjunction with the user department who is responsible for leave within the respective sections.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Director: Civil	Gross Negligence	19 Nov 20	Finalisation	24 Mar 22
Assistant Dir. Sewer & Purification	Gross Negligence	20 Nov 20	Pending Finalisation	Pending
Technician Purification	Gross Negligence	20 Nov 20	Finalisation	30-Jun-22
Bodyguard	Gross Negligence and Breach of Policy	28 Apr 22	Pending Finalisation	Pending
Mayoral Driver	Gross Negligence and Dishonesty	28 Apr 22	Pending Finalisation	Pending

T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Fleet Co-Ordinator	Irregular Expenditure (No financial loss)	Dismissed	SC2941/09/2022 15 Sep 2022
Director: Electrical & Mechanical Workshop	Irregular Expenditure (No financial loss)	Disciplinary Enquiry	SC2941/09/2022 15 Sep 2022
Assistant Director: Human Capital	Irregular Expenditure (No financial loss)	Disciplinary Enquiry	C2854/06/2022 30 Jun 2022
Deputy Director: Human Resources	Irregular Expenditure (No financial loss)	Disciplinary Enquiry	C2854/06/2022 30 Jun 2022
Executive Director: Corporate Services	Appointment Irregularities (R37 354.61)	Separation Agreement entered into between parties	C2639/08/2021 25 Aug 2021
Director: Civil Engineering	Financial and operational irregularities in respect of the maintenance and repair of equipment at the MLM Wastewater Treatment Works, managed by the Sanitation & Purification Section (R1 315 873.00)	Disciplinary Enquiry and related processes	C2645/08/2021 25 Aug 2021
Assistant Director: Sewer & Purification	Financial and operational irregularities in respect of the maintenance and repair of equipment at the MLM Wastewater Treatment Works, managed by the Sanitation & Purification Section (R1 315 873.00)	Disciplinary Enquiry	C2645/08/2021 25 Aug 2021
Technician: Purification	Financial and operational irregularities in respect of the maintenance and repair of equipment at the MLM Wastewater Treatment Works, managed by the Sanitation & Purification Section (R1 315 873.00)	Disciplinary Enquiry	C2645/08/2021 25 Aug 2021

T 4.3.6



## **COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT**

Discipline is effectively managed and concluded within the relevant timeframes. A disciplinary register is kept and maintained by the Labour Relations Section and monitored accordingly. In terms of compliance with relevant legislation a quarterly update of suspensions and subsequent disciplinary action is sent to the MEC for Local Government.

Discipline was managed and most cases are in process, and nearing finalisation. Human Resources also embarked on various labour relations roadshows and information sharing sessions during the 2020/2021-financial year. These sessions were aimed at capacitating line management on how to effectively handle labour related/disciplinary matters and specifically on how to prosecute and preside over disciplinary matters.

Various matters of financial misconduct were referred to the Financial Disciplinary Board for further investigation and referral to the Municipal Public Accounts Committee for consideration and recommendation to Council.

The Financial Disciplinary Board was re-established in terms of the Local Government: Municipal Finance Management Act, Act 56 of 2003, Municipal Regulations of Financial Misconduct Procedures & Criminal Proceedings, 2014, per Council Resolution C2380/08/2020 dated 27 Aug 2020. The term of the Financial Disciplinary Board is valid until 30 Jun 2023 and chaired by an external independent labour relations/legal expert, appointed by Council.

The Financial Disciplinary Board is an independent advisory body that assist the municipality with the investigation of allegations of financial misconduct and provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.

The due processes are according to the approved Unauthorised, Irregular, Fruitless & Wasteful Expenditure Policy, approved per Council Resolution C2831/05/2022 dated 26 May 2022 as well as the Financial Disciplinary Board Terms of Reference (Charter) approved per Council Resolution C2380/08/2020 dated 27 Aug 2020.

T 4.3.7

#### 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards	Proportion of beneficiaries within group %
Lower Skilled	Female	0	-	-	0%
	Male	0	-	-	0%
Skilled	Female	0	-	-	0%
	Male	0	-	-	0%
Highly Skilled Production	Female	0	-	-	0%
	Male	0	-	-	0%
Highly Skilled Supervision	Female	0	-	-	0%
	Male	0	-	-	0%
Senior Management	Female	0	-	-	0%
	Male	0	-	-	0%
Municipal Manager & Section 57	Female	1	1	7 738	16%
	Male	5	2	159 334	33%
Temporary Staff	Female	0	-	-	0%
	Male	0	-	-	0%
Sub-total	Female	0	-	-	0%
	Male	0	-	-	0%
<b>Total</b>		0		-	

T 4.4.1

#### COMMENT ON PERFORMANCE REWARDS

Midvaal has, in terms of Section 38 of the Municipal Systems Act, Act 32 of 2000, introduced an electronic Performance Management System (PMS) that is measuring performance.

Performance assessments are currently conducted for the Municipal Manager and other Section 56-employees (Managers reporting directly to the Municipal Manager) and the process has been cascaded to Job Levels 1 - 4. In view of the promulgation of Regulations providing for the recruitment, selection and appointment of Senior Managers (Government Gazette 37245, Local Government: Regulation on Appointment and Conditions of Employment of Senior Managers, Section 35, 17 Jan 2014).

The policy is amended to provide for the payment of performance bonus to Senior Managers appointed in terms thereof and in accordance with the directives in such Regulations and any applicable prescripts on performance management (Government Gazette 42023, Local Government: Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers), 8 Nov 2018.

T 4.4.1.1

## **COMPONENT C: WORKFORCE CAPACITY DEVELOPMENT**

### **INTRODUCTION**

Midvaal develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is aimed at providing development support to employees and co-ordinating such development through structured learning.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). Training needs that have been identified through the Career Development Plans (CDPs) and found to be a priority for the year were addressed through formal & informal training.

Midvaal submitted a Workplace Skills Plan (WSP) and an Annual Training Report (ATR), as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA) by 30 April. The WSP/ATR was certified by the LGSETA as having met its eligibility criteria.

For the 2021/2022-financial year, the expenditure target of 83% on implementing the Workplace Skills Plan was set. Midvaal achieved 92.9% in this regard and this is aligned to the National Key Performance Indicator. A total number of 222 employees were trained by conducting 23 training programmes during this reporting period.

### **MFMA COMPLIANCE TO MINIMUM COMPETENCY REGULATIONS**

Specific employees are identified and trained on the Minimum Competency Regulations as directed by the National Treasury. A total number of twenty-five (25) employees were enrolled for this program and are awaiting their Statement of Results (SORs).

Key municipal positions and officials are compliant with the Minimum Competency Regulations, required by Section 83 of the Local Government: Municipal Finance Management Act, Act 53 of 2006. The program will continue to be rolled out to ensure all relevant employees are compliant.

### **STUDY ASSISTANCE**

Midvaal provides employees with an opportunity to further their studies through a study assistance/bursary scheme. This initiative motivates employees to further their studies within their respective vocations so to enable them to perform their duties better and promotes staff progression to higher levels within the organisation. The aim of providing professional development support to employees is a strategy to link personal development of staff to a sustainable, well developed and professionally qualified workforce. A total of 84 employees were given financial assistance to pursue various fields of study.

T 4.5

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management Level	Gender	Employees in post as at 30 Jun 2022	Number of skilled employees required and actual as at 30 June 2022											
			Learnerships			Skills Programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
Municipal Manager & Section 57	F	1	5						0	1			1	
	M	4	5						1	2		1	2	
Councillors, Senior Officials and Managers	F	15	2						3	3		3	3	
	M	14	3						4	4		4	4	
Technicians and associate professionals*	F	6	4					2	2	2		2	2	
	M	23	8					3	8	9		8	9	
Professionals	F	53	8					4	6	6		6	6	
	M	45	6					4	2	2		2	2	
Sub-total	F	105	19						11	12		11	12	
	M	86	22						15	17		15	17	
<b>Total</b>		<b>191</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>52</b>	<b>58</b>	<b>0</b>	<b>52</b>	<b>58</b>

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

T 4.5.1

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	0	0	0	0	0	0
Chief financial officer	0	0	0	0	0	0
Senior managers	3	0	3	3	3	3
Any other financial officials	62	0	62	40	0	40
<b>Supply Chain Management Officials</b>						
Heads of Supply Chain Management Units	1	0	1	1	0	1
Supply Chain Management Senior Managers	1	0	1	1	0	1
<b>TOTAL</b>	<b>67</b>	<b>0</b>	<b>67</b>	<b>45</b>	<b>3</b>	<b>45</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

Note: The Municipal Manager, Chief Financial Officer, four Heads of Department and the Head of Supply Chain Management (Director: Expenditure) are fully competent and compliant with the MFMA requirements. One Head of Department has completed training and is halfway in the process of being competent. Other officials are all in the process of being found competent as well.

Skills Development Expenditure										
										R'000
Management Level	Gender	Employees as at the beginning of the financial year 2021/2022	Original Budget and Actual Expenditure on Skills Development 2021/2022							
			Learnerships		Skills programmes & other short courses		Other forms of training Study Assistance		Total	
		Number	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0			0		0	0		
	Male	0			0		30 000	13 500	30 000	13 500
Legislators, senior officials and managers	Female	1			8 000	5 671.46	0	0	8 000	5 671.46
	Male	6			250 000	210 079	40 000	13 500	290 000	223 579.33
Professionals	Female	14			250 000	230 236	80 000	66 380	330 000	296 616.65
	Male	21			350 000	325 659	90 000	89 838	440 000	415 497.85
Technicians and associate professionals	Female	20			40 000	35 305	100 000	101 397	140 000	136 702.78
	Male	33			200 000	192 449	300 000	269 008	500 000	461 458.19
Clerks	Female	09			35 000	28 862	50 000	40 360	85 000	69 222.80
	Male	47			42 000	407 218	80 000	73 110	500 000	480 328.12
Service and sales workers	Female	07			300 000	270 008	50 000	41 270	350 000	311 278.63
	Male	03			12 000	9 616	50 000	54 000	62 000	63 616.10
Plant and machine operators and assemblers	Female	09			50 000	45 744	18 000	12 000	68 000	57 744.80
	Male	22			90 000	81 299	115 000	102 930	205 000	184 229.85
Elementary occupations	Female	13			50 000	40 091	60 000	51 904	110 000	91 995.20
	Male	17			90 000	88 476	60 000	65 084	150 000	153 560.59
Sub total	Female	73			733 000	655 921	358 000	313 311	1 091 000	969 232.32
	Male	149			1 412 000	1 314 799	765 000	680 970	2 177 000	1 995 770
<b>Total</b>		<b>222</b>	<b>0</b>	<b>0</b>	<b>2 145 000</b>	<b>1 970 720</b>	<b>1 123 000</b>	<b>994 281</b>	<b>3 268 000</b>	<b>2 965 002</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R

T4.5.3

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

An annual skills audit is conducted for all employees within the second quarter of the financial year. The gaps identified inform the compilation of the Workplace Skills Plan (WSP) for the following financial year. An implementation plan is then developed, wherein the various training activities, are scheduled for the reporting financial year. The training plan is monitored quarterly, to ensure progress and to report on any deviations.

The 2021/2022-financial year in summary, related to skills development and related expenditure:

- An expenditure target of 93% was set on skills development in relation to the Workplace Skills Plan and additional training programmes.
- As of 30 June 2022, the actual percentage expenditure was 81.1%. This percentage later increased to 92.2% after outstanding payments were affected.
- The percentage expenditure achieved was in relation to the implementation of 23 programs through which 222 employees were trained.

T 4.5.4

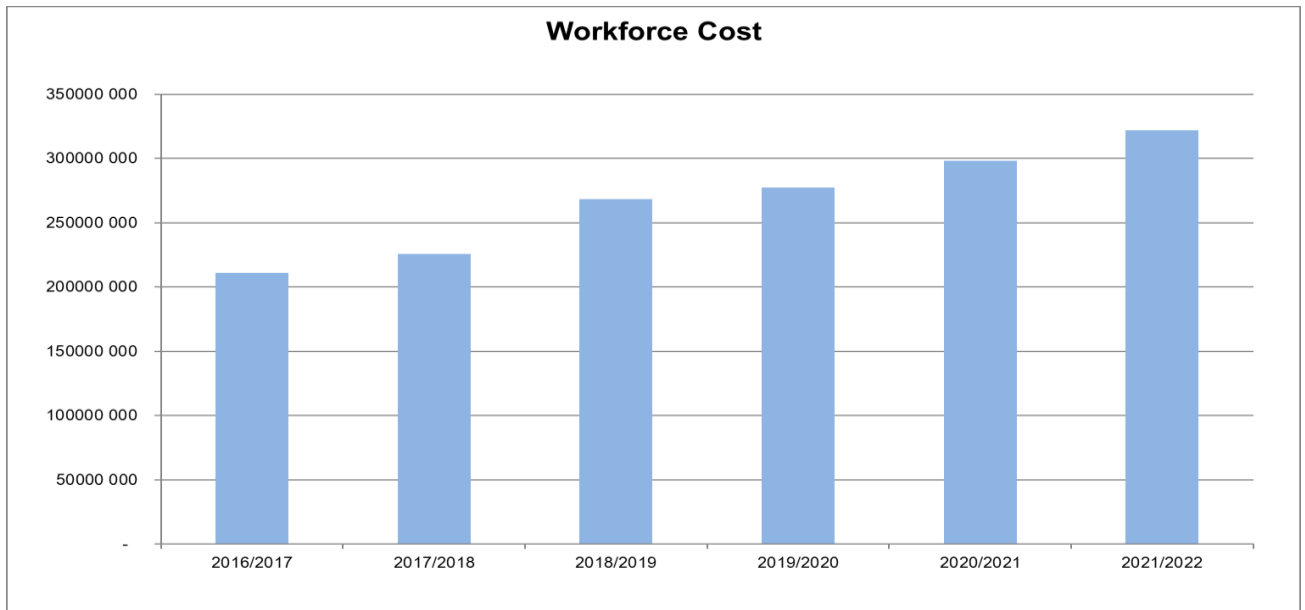
## COMPONENT D: WORKFORCE EXPENDITURE MANAGEMENT

### INTRODUCTION

Workforce expenditure is controlled and monitored by ensuring all vacancies are budgeted for and the vacancy appears on the organisational structure, prior to filling the position. The confirmation of appointment is confirmed by the Department: Finance Services and approved by the Municipal Manager, prior making an offer of employment, to the recommended candidate. All expenditure is aligned to the salary budget for the specific financial year.

T 4.6.0

### 4.6 EMPLOYEE EXPENDITURE



T 4.6.1

### COMMENT ON WORKFORCE EXPENDITURE

National Treasury norm is 33%, based on the audited financial years Midvaal's personnel cost is averaging between 23% and 27%. Employee cost increases are in line with inflation and implemented 1 July annually and Councillors increase in line with South African Local Government Bargaining Council.

The workforce expenditure is in line with the National norms and increased in line with inflation.

T 4.6.1.1

Number Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower Skilled (Levels 1 - 2)	Female	0
	Male	0
Skilled (Levels 3 - 5)	Female	0
	Male	0
Highly Skilled Production (Levels 6 - 8)	Female	0
	Male	0
Highly Skilled Supervision (Levels 9 - 12)	Female	0
	Male	0
Senior Management (Levels 13 - 16)	Female	0
	Male	0
Municipal Manager & Section 57	Female	0
	Male	0
<b>Total</b>		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right- hand side of the column (as illustrated above).		

T4.6.2

Employees Whose Salary Levels Exceed Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration Level	Reason for deviation
Not Applicable				
T 4.6.3				

Employees appointed to posts not approved				
Department	Level	Date of Appointment	Number appointed	Reason for appointment when no established post existed
Not Applicable				
T 4.6.4				

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

An internal Job Evaluation Committee is established and evaluates newly created positions on an ad hoc basis.

The results of the evaluations are submitted to the Provincial Audit Committee (PAC) for moderation. It should be noted that there have not been any job evaluations conducted during the reporting period.

T 4.6.5

**DISCLOSURES OF FINANCIAL INTERESTS**

All councillors, Section 57/56-appointees and officials annually disclose their financial interests in terms of:

1. Holding shares and other financial interests;
2. Directorships and partnerships (spouse and close family members included);
3. Involvement in any remunerated work outside the municipality, with the relevant permission;
4. Consultancies and retainerships / sponsorships received for the year under review;
5. Gifts and hospitality received from a source other than a family member exceeding the prescribed level;
6. Land and property ownership;
7. Vehicle(s) owned
8. Participation in any election activities.

T 4.6.6

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

This chapter comprises of three components and highlights specific accomplishments:

1. Component A: Statement of Financial Performance
2. Component B: Spending Against Capital Budget
3. Component C: Other Financial Matters

T 5.0.1

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION

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

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

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

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

#### **There are three main categories:**

Net cash resulting from operating activities – this section shows the result of the operations of Midvaal in cash terms. It includes the rendering of municipal services, purchasing of inventory kept in stores, debtors and creditors transactions and interest paid and received.

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

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where Midvaal has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure, and not used for operations. A very serious situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowing to fund operations instead of infrastructure assets.

T 5.1.0



## 5.1 STATEMENT OF FINANCIAL PERFORMANCE

Financial Summary							R' 000
Description	2020/2021 Actual	2021/2022			2021/2022 Variance		
		Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>Financial Performance</b>							
<b>Revenue from Non-Exchange Transactions</b>							
Property Rates	253 452	271 371	271 371	273 314	1%	1%	
Fines, Penalties and Forfeits	64 371	49 940	72 075	68 387	37%	-5%	
Operational Transfers Monetary	159 071	152 018	152 018	150 862	-1%	-1%	
Capital Transfers In Kind	-	-	-	-			
<b>Revenue from Exchange Transactions</b>							
Service Charges Electricity	390 519	468 601	478 032	475 822	2%	0%	
Service Charges Waste Management	46 892	52 433	52 401	55 102	5%	5%	
Service Charges WasteWater Management	49 841	52 047	52 047	54 450	5%	5%	
Service Charges Water	251 894	252 846	249 523	214 565	-15%	-14%	
Interest, Dividends and Rent on Land	37 014	38 683	38 683	36 766	-5%	-5%	
Operational Revenue	3 191	6 079	3 574	1 641	-73%	-54%	
Rental from Fixed Assets	1 014	1 193	1 193	1 098	-8%	-8%	
Sales of Goods and Rendering of Services	6 453	5 914	5 829	5 482	-7%	-6%	
Licenses and Permits	-	-	-	-	0%	0%	
Gain on disposal of Assets	-	-	-	-			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 263 711</b>	<b>1 351 123</b>	<b>1 376 744</b>	<b>1 337 489</b>	<b>-1%</b>	<b>-3%</b>	
<b>Salaries and Allowances</b>							
Senior Managers	10 137	9 286	5 994	5 110	-45%	-15%	
Municipal Staff	288 135	358 689	342 402	317 038	-12%	-7%	
Councillors Allowances	12 822	13 656	13 656	12 968	-5%	-5%	
<b>Contracted Services</b>							
Outsourced Services	52 272	59 856	60 127	55 098	-8%	-8%	
Consultants and Professional Services	15 207	25 705	22 959	17 330	-33%	-25%	
Contractors	39 202	57 466	61 283	55 467	-3%	-9%	
Operational Cost	49 790	72 679	75 953	58 791	-19%	-23%	
Inventory	23 544	23 612	26 396	24 522	4%	-7%	
<b>Bulk Purchases</b>							
Electricity	333 403	392 353	392 353	387 270	-1%	-1%	
Water	127 049	105 277	106 772	135 420	29%	27%	
Interest, Dividends and Rent on Land	17 471	17 391	17 391	16 520	-5%	-5%	
Operating Leases	-	-	-	-			
Bad Debt Written Off	45 208	4 596	4 596	32 237	602%	602%	
Transfers and Subsidies	1 212	1 500	1 765	1 534	2%	-13%	
Depreciation and Ammortisation	134 535	133 748	135 748	127 289	-5%	-6%	
Impairments Losses	75 392	143 560	160 679	91 008	-37%	-43%	
Loss on Sale of Assets	2 887	-	-	7 809			
Inv - Physical & Net-Rel Value Losses	20	-	-	232			
<b>Total Expenditure</b>	<b>1 228 285</b>	<b>1 419 374</b>	<b>1 428 074</b>	<b>1 345 642</b>	<b>-5%</b>	<b>-6%</b>	
<b>Surplus/(Deficit)</b>	<b>35 426</b>	<b>(68 251)</b>	<b>(51 331)</b>	<b>(8 153)</b>	<b>-88%</b>	<b>-84%</b>	
Transfers recognised - capital	186 315	90 005	94 333	96 480	7%	2%	
Contributions recognised - capital & contributed assets	80 477	2 000	2 000	5 408	170%	170%	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>302 218</b>	<b>23 754</b>	<b>45 003</b>	<b>93 735</b>	<b>295%</b>	<b>108%</b>	
Share of surplus/ (deficit) of associate							
<b>Surplus/(Deficit) for the year</b>	<b>302 218</b>	<b>23 754</b>	<b>45 003</b>	<b>93 735</b>	<b>295%</b>	<b>108%</b>	

## 5.1 Statement of Financial Performance (Continue)

<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>239 508</b>	<b>144 994</b>	<b>178 121</b>	<b>164 627</b>	<b>14%</b>	<b>-8%</b>
Transfers recognised - capital	51 530	26 599	41 655	36 492	37%	-12%
Public contributions & donations	61 651	6 037	398	392	-94%	-2%
Borrowing	33 849	20 774	12 049	10 409	-50%	-14%
Internally generated funds	92 478	91 584	124 019	117 334	28%	-5%
<b>Total sources of capital funds</b>	<b>239 508</b>	<b>144 994</b>	<b>178 121</b>	<b>164 627</b>	<b>14%</b>	<b>-8%</b>
<b>Financial position</b>						
Total current assets	724 073	429 412	683 069	807 528	88%	18%
Total non current assets	2 129 328	2 236 716	2 190 607	2 153 572	-4%	-2%
Total current liabilities	236 993	202 712	216 582	277 799	37%	28%
Total non current liabilities	245 084	240 768	240 768	237 215	-1%	-1%
Community wealth/Equity	2 371 323	2 189 528	2 416 325	2 446 085	12%	1%
<b>Cash flows</b>						
Net cash from (used) operating	213 934	1 484 095	1 487 714	210 111	-86%	-86%
Net cash from (used) investing	(159 371)	(144 994)	(178 121)	(164 307)	13%	-8%
Net cash from (used) financing	(3 305)	(6 337)	(10 762)	(9 147)	44%	-15%
<b>Cash/cash equivalents at the year end</b>	<b>451 305</b>	<b>165 408</b>	<b>476 275</b>	<b>486 063</b>	<b>194%</b>	<b>2%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	451 305	165 408	476 275	487 962	195%	2%
Application of cash and investments	<b>111 280</b>	<b>83 623</b>	<b>288 267</b>	<b>147 937</b>	<b>77%</b>	<b>-49%</b>
<b>Balance - surplus (shortfall)</b>	<b>340 025</b>	<b>81 785</b>	<b>188 008</b>	<b>340 025</b>	<b>316%</b>	<b>81%</b>
<b>Asset management</b>						
Asset register summary (WDV)	2 129 328	2 236 716	2 190 607	2 153 572	-4%	-2%
Depreciation & asset impairment	134 535	133 748	135 748	127 289	-5%	-6%
Renewal of Existing Assets	82 745	125 644	113 113	101 987	-19%	-10%
Repairs and Maintenance	105 400	146 387	147 151	135 145	-8%	-8%
<b>Free services</b>						
Cost of Free Basic Services provided	5 613	33 043	27 965	7 333	-78%	-74%
Revenue cost of free services provided	32 378	41 679	31 124	32 378	-22%	4%
<b>Households below minimum service level</b>						
Water:	4	4	4	4	0%	0%
Sanitation/sewerage:	1	1	1	1	0%	0%
Energy:	7	7	7	7	0%	0%
Refuse:	5	5	5	5	0%	0%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						

T 5.1.1

Financial Performance of Operational Services						
						R '000
Description	2020/2021	2021/2022			2021/2022 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	211 098	166 220	168 465	190 838	14.81%	13.28%
Wastewater (Sanitation)	55 237	60 574	64 472	66 825	10.32%	3.65%
Electricity	417 575	495 787	500 033	492 126	-0.74%	-1.58%
Waste Management	64 401	66 418	67 411	71 031	6.95%	5.37%
Housing					0.00%	0.00%
<b>Component A: Sub-total</b>	<b>748 311</b>	<b>788 999</b>	<b>800 381</b>	<b>820 820</b>	<b>4.03%</b>	<b>2.55%</b>
Engineering (Administration)	14 732	18 719	18 047	15 478	-17.32%	-14.24%
Roads	62 109	82 137	74 549	68 509	-16.59%	-8.10%
Mechanical Workshop	-	-	-	-	0.00%	0.00%
<b>Component B: Sub-total</b>	<b>76 841</b>	<b>100 856</b>	<b>92 597</b>	<b>83 987</b>	<b>-16.73%</b>	<b>-9.30%</b>
Planning	30 915	43 539	43 570	38 938	-10.57%	-10.63%
Local Economic Development					0.00%	0.00%
Planning (Strategic & Regulatory)					0.00%	0.00%
Local Economic Development					0.00%	0.00%
<b>Component C: Sub-total</b>	<b>30 915</b>	<b>43 539</b>	<b>43 570</b>	<b>38 938</b>	<b>-10.57%</b>	<b>-10.63%</b>
Community & Social Services	29 104	35 077	36 789	33 657	-4.05%	-8.52%
Environmental Protection	3 773	4 424	4 302	4 160	-5.98%	-3.31%
Health (Clinics)	4 130	5 876	5 679	4 149	-29.40%	-26.94%
Security and Safety (Traffic & Fire)	61 559	79 922	67 060	61 062	-23.60%	-8.94%
Sport and Recreation	24 688	31 787	33 948	32 293	1.59%	-4.87%
Corporate Policy Offices and Other	154 221	185 333	182 555	176 196	-4.93%	-3.48%
<b>Component D: Sub-total</b>	<b>277 475</b>	<b>342 420</b>	<b>330 334</b>	<b>311 516</b>	<b>-9.02%</b>	<b>-5.70%</b>
Savanna City	28 872	-	514	403	0.00%	-21.69%
<b>Total Expenditure</b>	<b>1 162 414</b>	<b>1 275 813</b>	<b>1 267 395</b>	<b>1 255 664</b>	<b>-1.58%</b>	<b>-0.93%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

## COMMENT ON FINANCIAL PERFORMANCE

Revenue for the year came in at 92.6% of the Adjustments Budget. The decline in revenue was 1.48% when compared with the previous year. Operating expenditure increased marginally by 9.07% compared to the previous year. The year closed with a surplus of R73 m which is a significant increase from R207 m in the previous year.

T 5.1.3

## 5.2 GRANTS

Grant Performance							R' 000
Description	2020/21	2021/22			2021/22 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>149 694</b>	<b>142 984</b>	<b>142 984</b>	<b>142 984</b>	<b>0.00%</b>	<b>0.00%</b>	
Equitable share	127 405	118 426	118 426	118 426	0.00%	0.00%	
Contribution Councilors (Eq Share)	6 218	6 473	6 473	6 473	0.00%	0.00%	
Municipal Systems Improvement	-	-	-	-	0.00%	0.00%	
Financial Management Grant	1 550	1 550	1 550	1 550	0.00%	0.00%	
MIG Operating Cost	1 513	1 621	1 621	1 621	0.00%	0.00%	
EPWP	1 708	1 539	1 539	1 539	0.00%	0.00%	
Municipal Disaster relief	-	-	-	-	0.00%	0.00%	
Neighbourhood Dev Grant	-	-	-	-	0.00%	0.00%	
DAC Operating Cost	9 800	13 375	13 375	13 375	0.00%	0.00%	
WSIG Operating Cost	1 500	-	-	-	0.00%	0.00%	
<b>Provincial Government:</b>	<b>7 377</b>	<b>9 034</b>	<b>9 034</b>	<b>7 878</b>	<b>-12.79%</b>	<b>-12.79%</b>	
Health subsidy	3 625	3 081	3 081	3 220	4.52%	4.52%	
Sports and Recreation	3 752	5 952	5 952	4 658	-21.75%	-21.75%	
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	
Environmental Protection	-	-	-	-	0.00%	0.00%	
<b>Total Operating Transfers and Grants</b>	<b>157 071</b>	<b>152 018</b>	<b>152 018</b>	<b>150 862</b>	<b>(0)</b>	<b>-0.76%</b>	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1	

### COMMENT ON OPERATING TRANSFERS AND GRANTS

The gazetted grants were not spent in full during the year under review. Roll-overs on grant funding will be applied for.

T 5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 19/20	Actual Grant 20/21	Year 19/20 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
None						
<b>Foreign Governments/Development Aid Agencies</b>						
None						
<b>Private Sector / Organisations</b>						
Developers contributions	80 477	5 408	-	Ongoing		infrastructure for new developments
Mayoral Charitable Fund	(1 212)	(1 534)	-	Ongoing		Mayoral Charitable events
Other donations (Opex)			-	2020		Savanna City Operating contribution
Other donations (Capex)			-	2020		Savanna City Capital contribution
<b>TOTAL</b>	<b>79 265</b>	<b>3 874</b>				
						T 5.2.3

### COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

Developer contributions were received from private developers. The development contributions are ring-fenced and utilized for new developments. The Urban Management Grant is still being utilized for the further development of the Savanna City Housing Development.

T 5.2.4

## 5.3 ASSET MANAGEMENT

### INTRODUCTION

Asset management is crucial for the sustainability of the Municipality as it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. The condition of the assets is still such that a good level of services is rendered, but this is not a sustainable trend. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next few years.

The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset value. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate as well as the revenue base.

The Asset Management Unit consists of 2 officials, as per the approved organogram. Officials are well capacitated to perform their tasks and are receiving training on an ongoing basis. With the growth in assets over the years, the department needs to be further capacitated.

The three largest projects for the 2021/2022-financial year are discussed below.

T 5.3.2

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022				
Asset 1				
Name	Electrification Sicelo			
Description	Eelectricity Network			
Asset Type	Electricity			
Key Staff Involved	Engineering Electrical Section			
Staff Responsibilities	Network line construction			
Asset Value	18/19	19/20	20/21	21/22
	18 233 441	8 799 310	14 884 692	19 788 226
Capital Implications	Asset Creation			
Future Purpose of Asset	Supply of Bulk Electricity			
Describe Key Issues	The Bulk Electricity supply to the greater Sicelo Area (Wards 8, 10 & 11) is overloaded and MLM cannot approve additional connections. The project will relieve the overloading and provide additional capacity for future developments in particular housing.			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Sicelo/Highbury (valley Settlements) Reservoir			
Description	10 mL Reservoir and Bulk Water Mains			
Asset Type	Reservoir and Water Mains			
Key Staff Involved	Project Management Unit and other Engineering Services Sections			
Staff Responsibilities	Maintain and operate network			
Asset Value	18/19	19/20	20/21	21/22
	7 451 954	8 145 844	18 850 440	12 556 605
Capital Implications	Capital Replacement Reserve			
Future Purpose of Asset	Water Supply			
Describe Key Issues	The Bulk Water supply to the greater Sicelo Area and the central portion of the R59 corridor (Wards 4, 5, 8, 10, 11 & 15) is inadequate and MLM cannot approve additional connections. In addition, the water pressure in the higher lying area is below the expectable standard. The project will increase capacity, improve water pressure and provide additional capacity for future developments in particular housing in greater Sicelo and commercial development in the R59-corridor.			
Policies in Place to Manage Asset	Yes			

Asset 3				
Name	Rothdene Pumpstation			
Description	Rothdene Pumpstation Upgrade			
Asset Type	Pumpstation			
Key Staff Involved	Project Management Unit and other Engineering Services Sections			
Staff Responsibilities	Maintain and operate network			
	18/19	19/20	20/21	21/22
Asset Value	6 929 588	18 948 445	2 408 014	3 083 277
Capital Implications	Capital Replacement Reserve			
Future Purpose of Asset	To accommodate additional sewer inflow			
Describe Key Issues	Overloaded pump station and create capacity for future development.			
Policies in Place to Manage Asset	Yes			
T 5.3.2				

### COMMENT ON ASSET MANAGEMENT

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

T 5.3.3

Repair and Maintenance Expenditure: Year 2021/22				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	146 387	147 212	135 202	-8%
T 5.3.4				

### COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

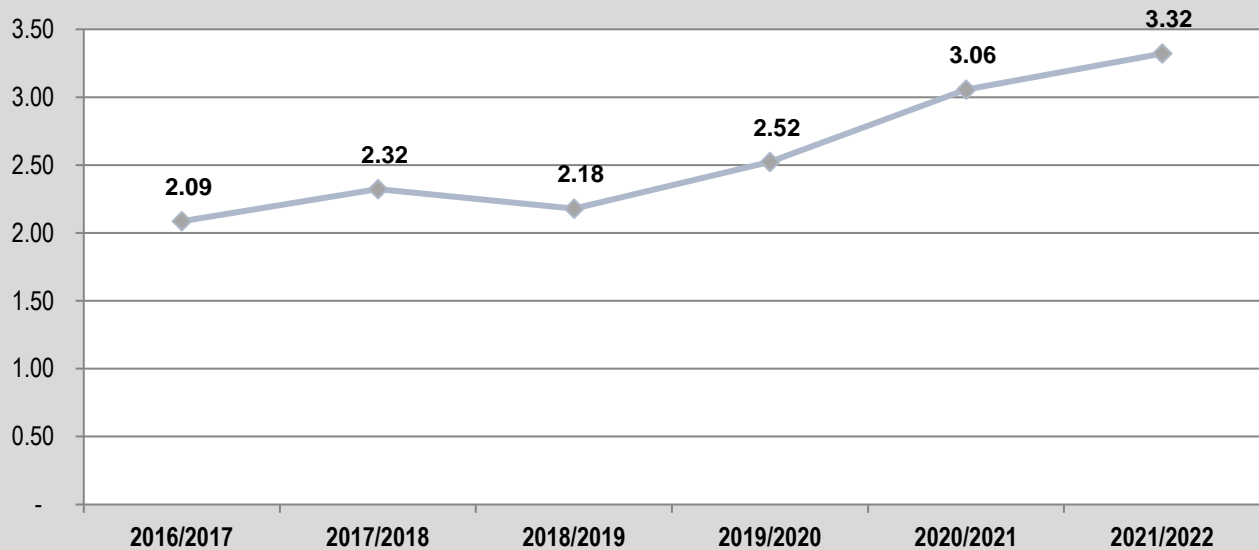
The repairs and maintenance budget of Midvaal is lower than the National Treasury norm of 8% of the asset value. This is being addressed through higher than inflation tariff increases with corresponding increases in the maintenance cost.

The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate, as well as the revenue base.

T 5.3.4.1

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### Liquidity ratio

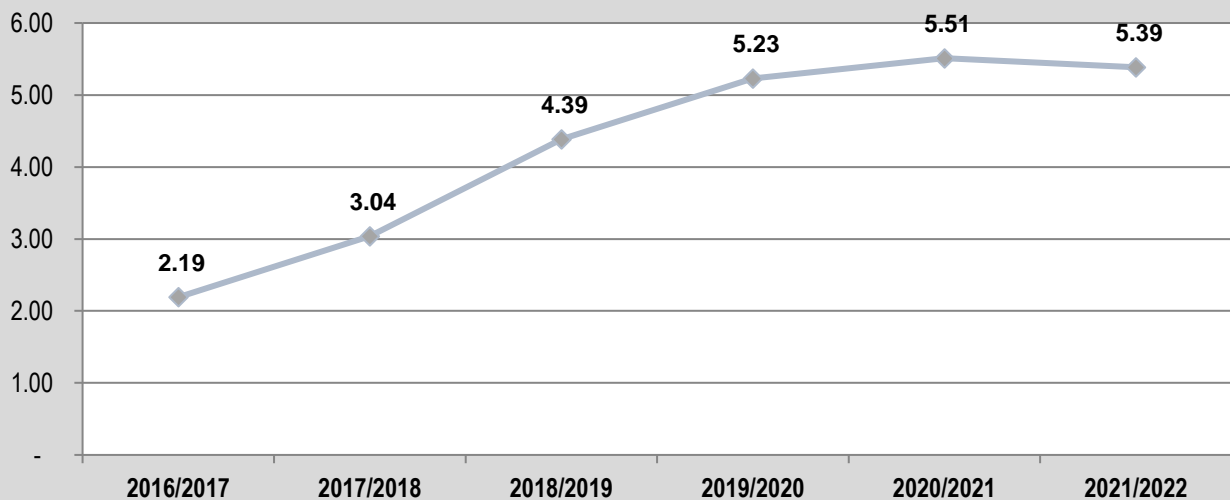


**Liquidity Ratio** – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality’s current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

### Cost Coverage

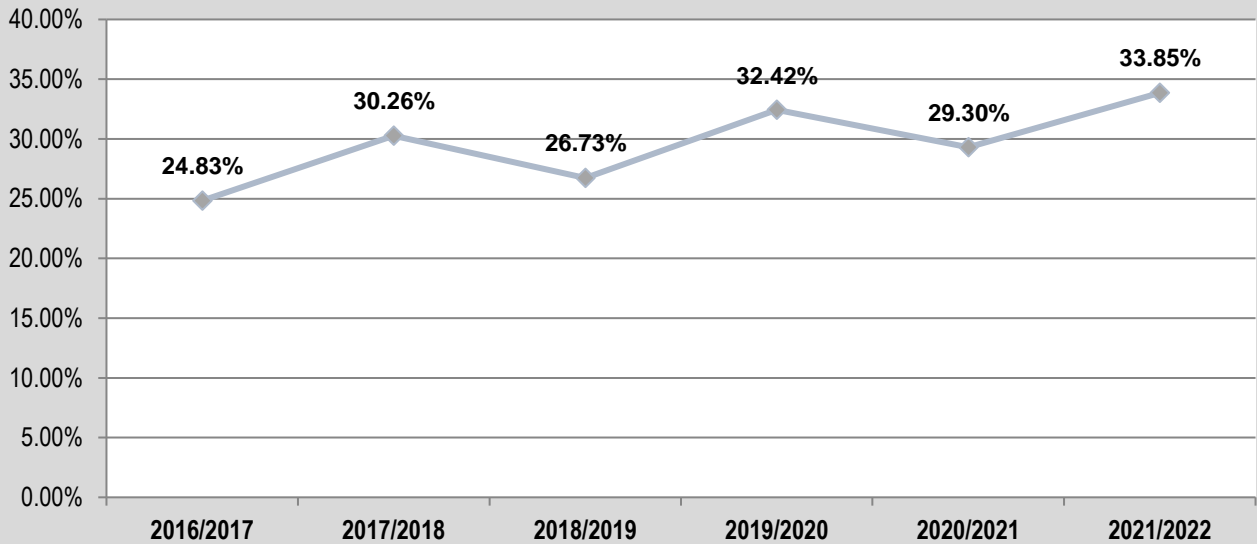


**Cost Coverage** – It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

## Total Outstanding Service Debtors

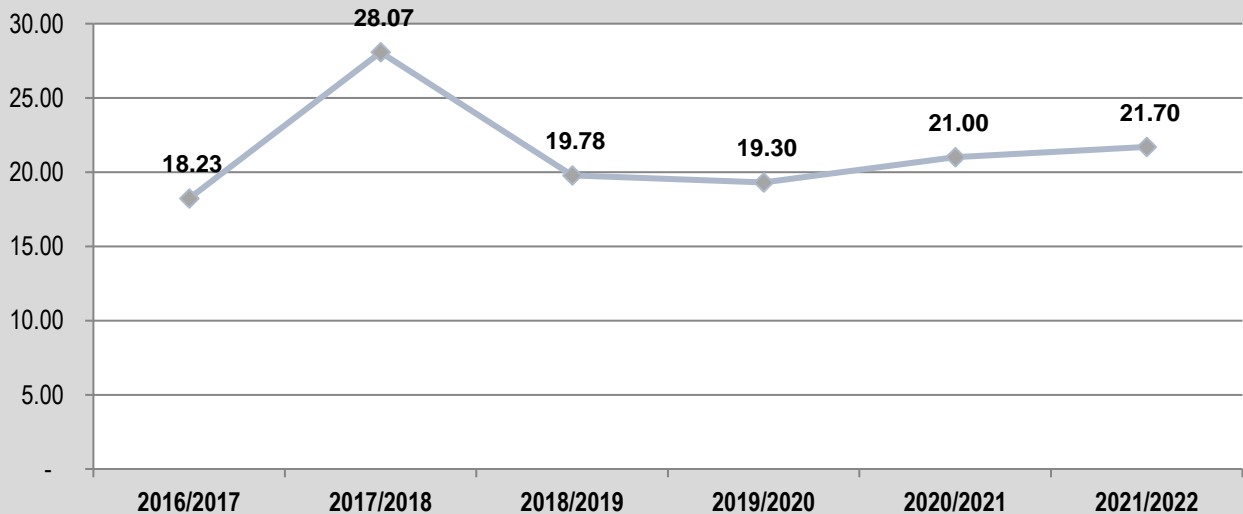


**Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Data used from MBRR SA8

T 5.4.3

## Debt Coverage



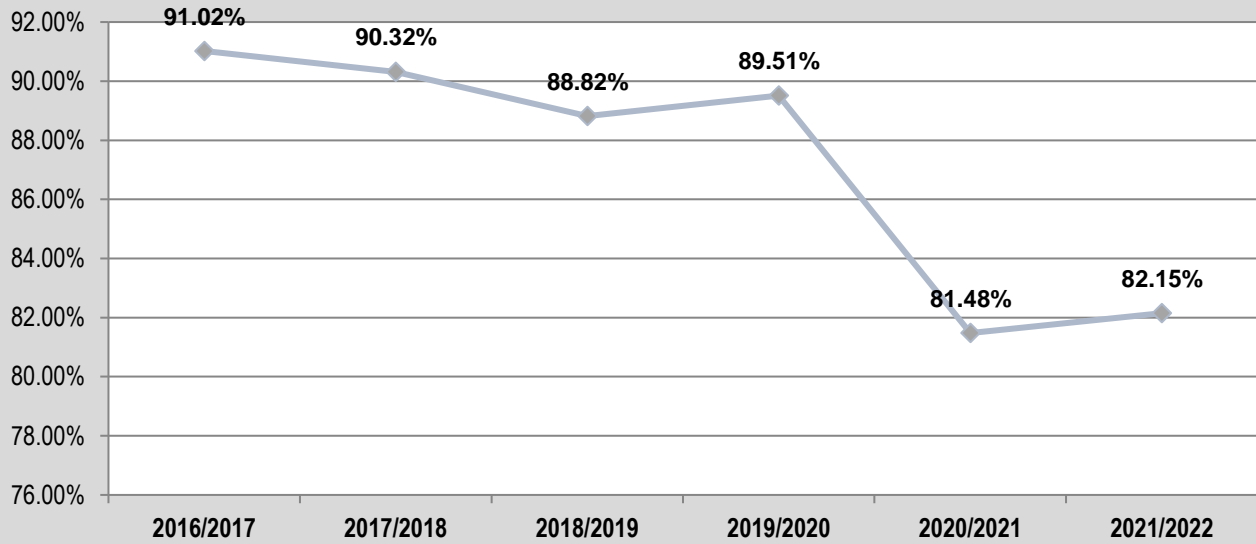
**Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality**

Data used from MBRR SA8

T 5.4.4



## Creditors System Efficiency

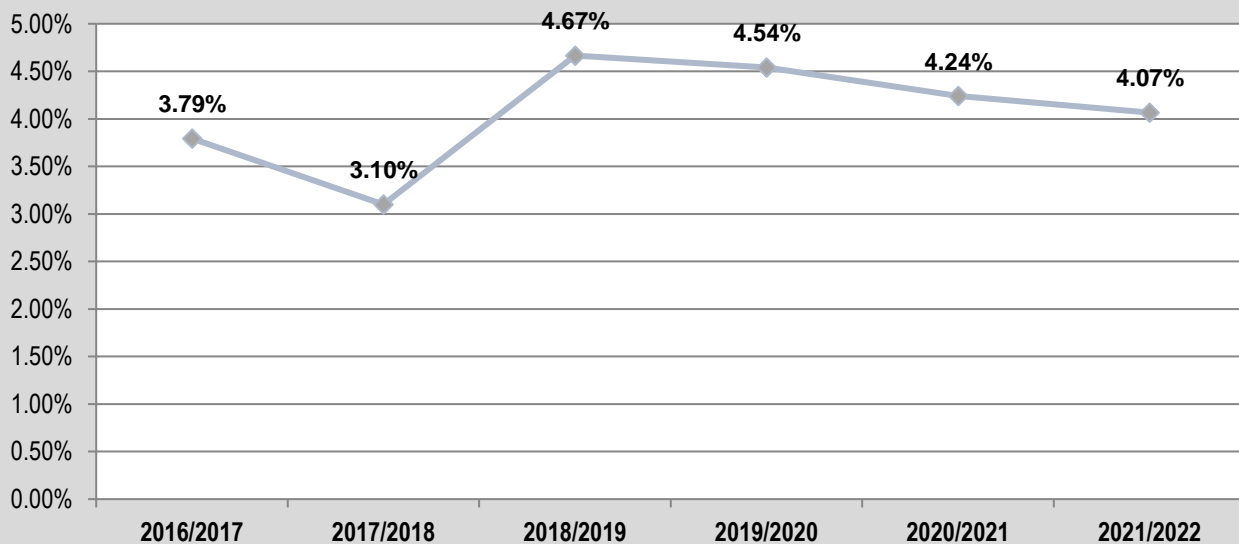


**Creditor System Efficiency** – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

## Capital Charges to Operating Expenditure

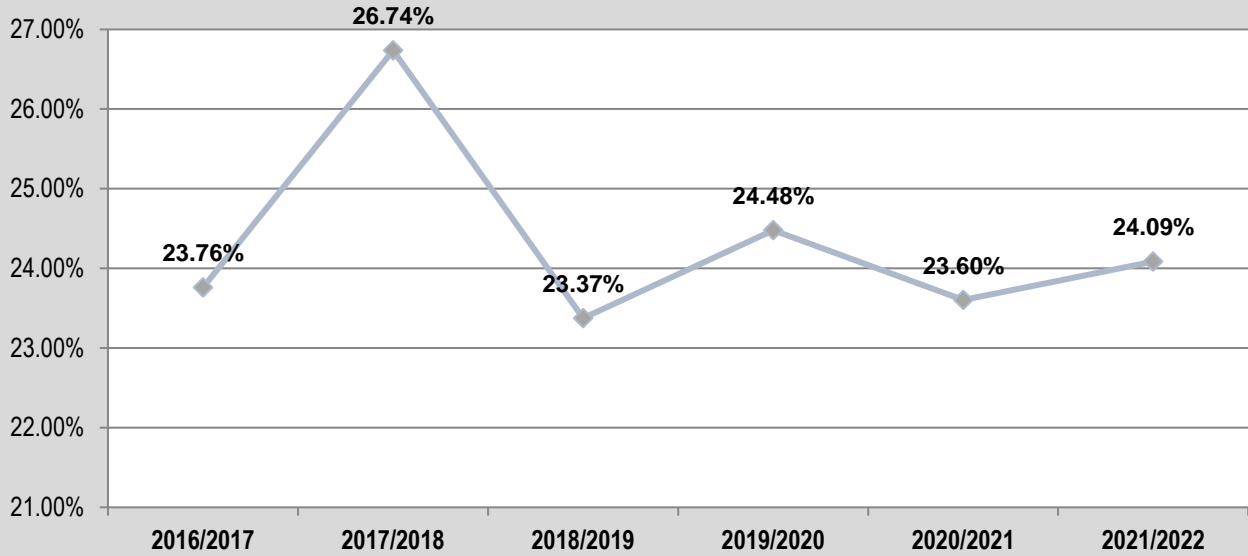


**Capital Charges to Operating Expenditure** ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure

Data used from MBRR SA8

T 5.4.6

## Employee Costs

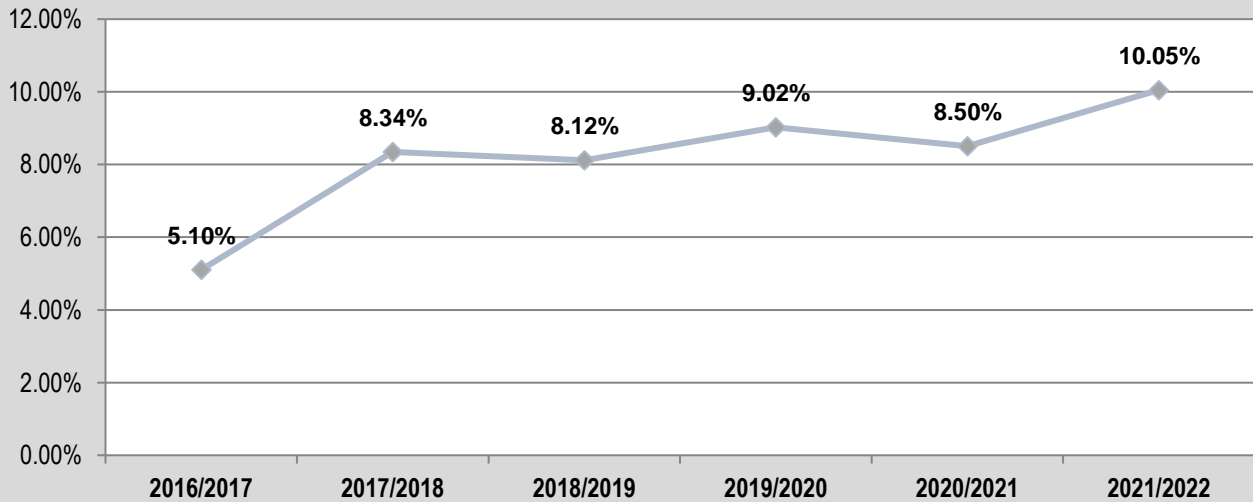


**Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue**

Data used from MBRR SA8

T 5.4.7

## Repairs & Maintenance

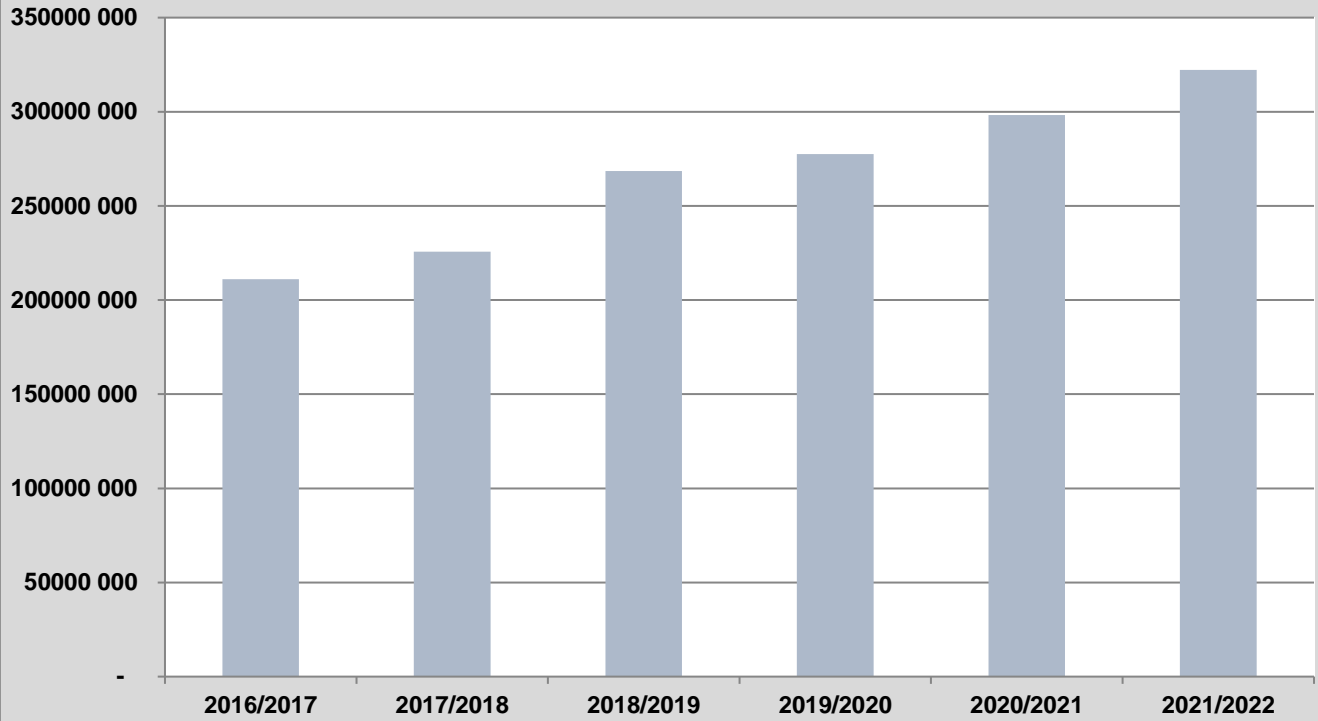


**Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance**

Data used from MBRR SA8

T 5.4.8

## Workforce Cost



T 5.4.9

### COMMENT ON FINANCIAL RATIOS

Midvaal is within the broad norms and standards.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

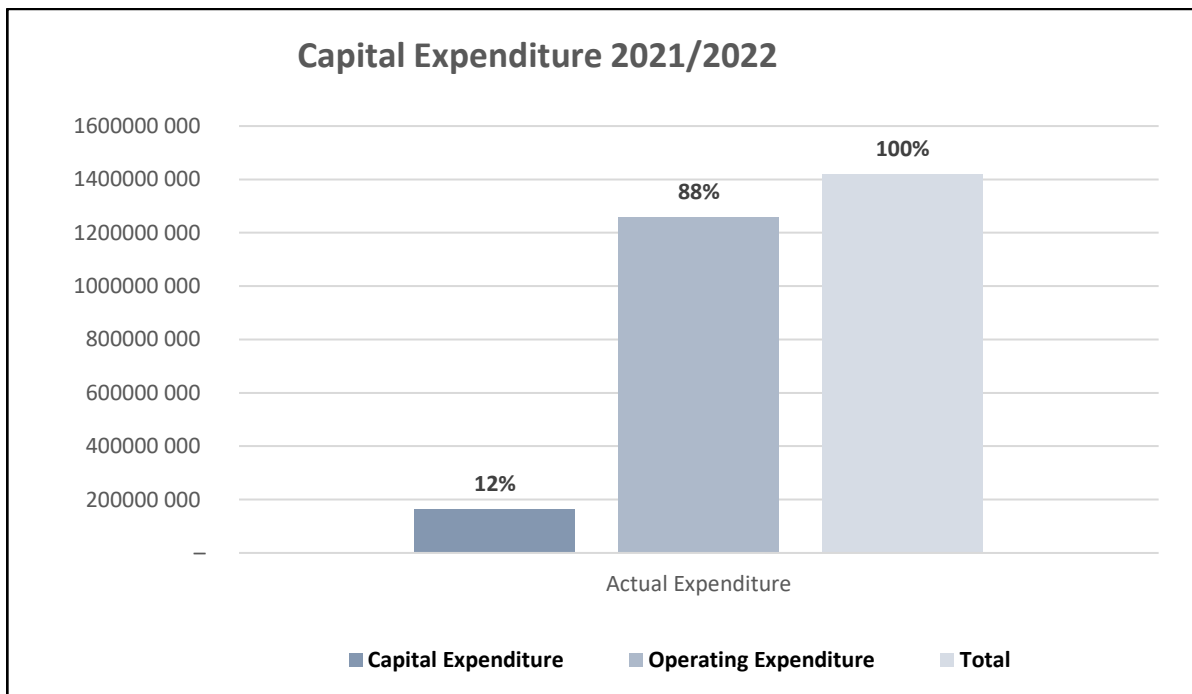
### INTRODUCTION

The municipality achieved an 91.69% spending level on the capital budget. Savings of R4 m (2.3%) were achieved, where projects were delivered within time but below budget. This is encouraging as all departments are now implementing their projects in a most cost-effective manner as opposed to spending just for the sake of chasing a 100% spending level.

Projects not completed at financial year-end have been carried forward to the 2022/2023-financial year for completion.

T 5.5.0

### 5.5 CAPITAL EXPENDITURE



T 5.5.1

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2020/2021 to 2021/2022							R' 000
Details	2020/2021	2021/2022					
	Actual	Original Budget (OB)	Adjustments Budget	Actual	Adjustments to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External Loans	33 849	52 277	57 293	55 045	9.59%	5.29%	
Public Contributions and Donations	61 651	4 720	5 338	3 113	13.10%	-34.05%	
Grants and Subsidies	51 530	29 335	41 958	36 762	43.03%	25.32%	
CRR					0.00%	0.00%	
Accumulated Surplus	92 478	58 662	73 532	69 708	25.35%	18.83%	
<b>Total</b>	<b>239 508</b>	<b>144 994</b>	<b>178 121</b>	<b>164 627</b>	<b>22.85%</b>	<b>13.54%</b>	
<b>Percentage of finance</b>							
External Loans	14.1%	36.1%	32.2%	33.4%	-10.79%	-7.26%	
Public Contributions and Donations	25.7%	3.3%	3.0%	1.9%	-7.93%	-41.92%	
Grants and Subsidies	21.5%	20.2%	23.6%	22.3%	16.43%	10.37%	
Other	38.6%	40.5%	41.3%	42.3%	2.04%	4.66%	
<b>Capital expenditure</b>							
Water and Sanitation	63 351	34 450	41 107	40 493	19.33%	17.54%	
Electricity	24 790	33 072	31 482	30 573	-4.81%	-7.55%	
Housing							
Roads and Stormwater	17 894	23 969	31 272	30 951	30.47%	29.13%	
Other	133 474	53 503	74 260	62 610	38.80%	17.02%	
<b>Total</b>	<b>239 508</b>	<b>144 994</b>	<b>178 121</b>	<b>164 627</b>	<b>22.85%</b>	<b>13.54%</b>	
<b>Percentage of expenditure</b>							
Water and Sanitation	26.5%	23.8%	23.1%	24.6%	-2.87%	3.52%	
Electricity	10.4%	22.8%	17.7%	18.6%	-22.51%	-18.58%	
Housing							
Roads and Stormwater	7.5%	16.5%	17.6%	18.8%	6.20%	13.73%	
Other	55.7%	36.9%	41.7%	38.0%	12.98%	3.07%	

T 5.6.1

### COMMENT ON SOURCES OF FUNDING

Midvaal is highly dependent on government grants for the implementation of capital programmes.

Finance leases to the value of R6.72 m was taken up during the financial year, to finance movable assets over a 5-year repayment period.

T 5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2021/2022			Variance: 2021/2022	
	Original Budget	Adjustments Budget	Actual Expenditure	Original Variance (%)	Adjustments variance (%)
NETWORKS&COMPUTER RELATED HARDWARE	2 500	4 735	4 726	89%	0%
WILD LAND FIRE & RESCUE VEHICLE	2 500	1 943	1 943	-22%	0%
NEW CCTV CAMERAS	2 500	2 465	2 137	-15%	-13%
LANDFILL COMPACTOR NEW	3 000	2 609	2 609	-13%	0%
GRAVEL TO TAR		11 868	11 824	0%	0%

\* Projects with the highest capital expenditure in 2021/2022

NETWORKS & COMPUTER RELATED HARDWARE	
Objective of Project	To ensure safe and efficient roads infrastructure in Midvaal
Delays	None
Future Challenges	Increasing the traffic flow and sustain the loading in the road network
Anticipated citizen benefits	Reliable service delivery
WILD LAND FIRE & RESCUE VEHICLE	
Objective of Project	To ensure sufficient bulk sewer within the Kliprivier business park area
Delays	None
Future Challenges	Increasing volumes of applications for development
Anticipated citizen benefits	Reliable service delivery
NEW CCTV CAMERAS	
Objective of Project	To improve the quality of the roads infrastructure in Midvaal
Delays	None
Future Challenges	Proper road maintenance
Anticipated citizen benefits	Reliable and higher-level service delivery
LANDFILL COMPACTOR NEW	
Objective of Project	To ensure sufficient electrical services to area
Delays	Residents protested/ Servitude disputes
Future Challenges	Project not fully supported by the informal settlement community
Anticipated citizen benefits	Reliable power supply/service delivery
GRAVEL TO TAR	
Objective of Project	To improve the works at the existing Rothdene Pump station by upgrading the pump station for future sewerage flows.
Delays	Yes
Future Challenges	New development around Midvaal Area
Anticipated citizen benefits	Asset to Council and Reliable service delivery

T 5.7.1

### COMMENT ON CAPITAL PROJECTS

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

T 5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

### INTRODUCTION

Midvaal is geographically very large, containing a lot of farms and agricultural holdings. Many of the farm workers, low-income earners and the unemployed, settle in nearby informal settlements, which resulted in 5 469 informal households. 135 houses were allocated to residents of the Sicelo Informal Settlements. Most of these are far from serviced areas, which results in the backlog. The solution is development of new townships near existing infrastructure. This process should be driven by the Provincial Department of Housing, with the support of Midvaal. Midvaal is busy upgrading existing bulk services and master plans to cater for this.

T 5.8.1

Service Backlogs as at 30 June 2020				
	*Service level above minimum standard		**Service level below minimum standard	
	Number HHs	% HHs	Number HHs	% HHs
Water	38 046	100%	-	0%
Sanitation	37 960	99.77%	86	0.23%
Electricity	14 497	38.10%	850	2.23%
Waste management	18 301	87.00%	2 679	15%
Housing	32 597	87.00%	5 449**	17.79%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T 5.8.2

\*\* As per Midvaal HSP

Of the total number of households (i.e. 38 046) Midvaal provides waste management services to approximately 18 301 (formal) collection points and 2 679 informal collection points. Other properties are either vacant, open spaces or in similar circumstances.

The electricity table excludes the areas that are directly supplied by Eskom and the properties that are not yet connected to Midvaal's network.

Municipal Infrastructure Grant Expenditure on Service Backlogs						
R' 000						
Description	2021/2022			2021/2022 Variance		Major Conditions
	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
LAKESIDE SPORT CENTRE (MIG)	11 164	4 019	4 019	-64.00%	0.00%	Eradication of backlogs
EXTENSION TO HENLEY ON KLIP SEWER	12 600	10 984	10 968	-12.95%	-0.14%	Eradication of backlogs
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	3 852	12 663	12 557	226.01%	-0.84%	Eradication of backlogs
OFFICE FURNITURE	50			-100.00%	0.00%	Eradication of backlogs
<b>Total MIG Grants</b>	<b>27 666</b>	<b>27 666</b>	<b>27 543</b>			

T 5.8.3

### COMMENT ON BACKLOGS

MIG funds have been used in the 2021/2022-financial year to reduce the backlogs in basic services in particular tarring/paving of roads, sewer reticulation, as well as the construction of sports facilities. The figures above are exclusive of value added tax, to be aligned to the figures in the Annual Financial Statements.

T 5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION

The introduction of the strict cash management regime in the previous financial year was maintained, even after the cash balances improved, to ensure a culture of cost curtailment. The budget approved for the 2018/2019 – 2020/2021 years retained the focus on cash availability.

The priority for the next year will be to continue to phase our offset depreciation so that additional cash will be generated from operations for utilisation on repairs and maintenance and asset renewals.

T 5.9.1

### 5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2020/2021	2021/2022		
	Audited Outcome	Original Budget	Adjustments Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>	<b>1 179 451</b>	<b>1 484 095</b>	<b>1 487 714</b>	<b>1 355 258</b>
Ratepayers and other	899 348	1 222 765	1 222 056	1 095 041
Government - operating	159 071	152 018	152 018	150 862
Government - capital	103 838	90 005	94 333	91 107
Interest	17 194	19 307	19 307	18 248
Dividends	–	–	–	–
<b>Payments</b>	<b>(965 516)</b>	<b>(1 324 311)</b>	<b>(1 273 861)</b>	<b>(1 133 626)</b>
Suppliers and employees	(946 833)	(1 308 420)	(1 258 234)	(1 118 640)
Finance charges	(17 471)	(17 391)	(17 391)	(16 520)
Transfers and Grants	(1 212)	1 500	1 765	1 534
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>213 934</b>	<b>159 784</b>	<b>213 853</b>	<b>221 632</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1 033	–	–	7 010
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(160 404)	(144 994)	(178 121)	(164 627)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(159 371)</b>	<b>(144 994)</b>	<b>(178 121)</b>	<b>(157 618)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	14 059	29 750	25 325	27 502
<b>Payments</b>				
Repayment of borrowing	(17 364)	(36 087)	(36 087)	(38 159)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 305)</b>	<b>(6 337)</b>	<b>(10 762)</b>	<b>(10 657)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>51 258</b>	<b>8 453</b>	<b>24 970</b>	<b>53 358</b>
Cash/cash equivalents at the year begin:	<b>400 047</b>	<b>156 955</b>	<b>451 305</b>	<b>451 305</b>
Cash/cash equivalents at the year end:	<b>451 305</b>	<b>165 408</b>	<b>476 275</b>	<b>504 663</b>
Source: MBRR A7				T 5.9.1



## COMMENT ON CASH FLOW OUTCOMES

Midvaal generated a healthy cash balance from operations. No cash from external loans or capital transfer payments were utilised for the payment of salaries. Cash from investing activities increased from R159 m to R162 m. The year closed with a cash balance of R506 m.

T 5.9.1.1

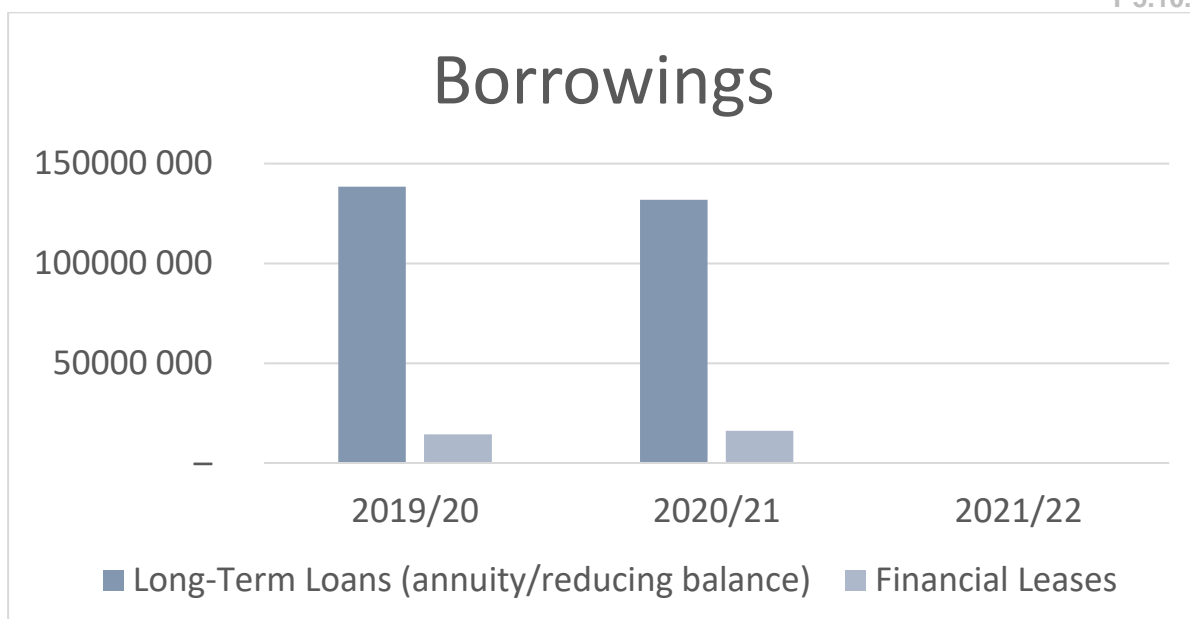
## 5.10 BORROWING AND INVESTMENT INTRODUCTION

Borrowings increased during the year as additional loans were taken up to fund infrastructure and vehicles. New loans were taken up during the year (R18.6 m long term loans and R6.72 m Finance Leases).

T 5.10.1

Actual Borrowings: 2021/2022			
	R' 000		
Instrument	2019/2020	2020/2021	2021/2022
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	138 432	131 907	112 694
Long-Term Loans (non-annuity)	–	–	–
Local registered stock	–	–	–
Instalment Credit	–	–	–
Financial Leases	14 419	16 085	17 860
PPP liabilities	–	–	–
Finance Granted By Cap Equipment Supplier	–	–	–
Marketable Bonds	–	–	–
Non-Marketable Bonds	–	–	–
Bankers Acceptances	–	–	–
Financial derivatives	–	–	–
Other Securities	–	–	–
<b>Municipality Total</b>	<b>152 851</b>	<b>147 992</b>	<b>130 554</b>
<b>Municipal Entities</b>			
	N/A	N/A	N/A
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	<b>–</b>	<b>–</b>	<b>–</b>

T 5.10.2



Municipal and Entity Investments			
			R' 000
Investment type	2019/20	2020/21	2021/22
	Actual	Actual	Actual
<b>Municipality</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	-	-	-
Municipal Bonds	-	-	-
Other	-	-	-
<b>Municipality sub-total</b>	-	-	-
<b>Municipal Entities</b>	N/A	N/A	N/A
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>	-	-	-
<b>Consolidated total:</b>	-	-	-
			T 5.10.4

## **COMMENT ON BORROWING AND INVESTMENTS**

Midvaal only has short term investments. These investments are for periods of less than 3 months and as such are included in the cash and cash equivalents line item on the Statement of Financial Position.

### **5.11 PUBLIC PRIVATE PARTNERSHIPS**

Midvaal registered a Public Private Partnership with National Treasury in terms of Section 120 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) for the management and maintenance of electricity operations.

At 30 June 2019, the municipality adopted the status quo report as well as the Feasibility Study required by Section 78(1, 2 and 3) of the Municipal Systems Act. Phase 2 of the project being the procurement of the private partner, is currently underway.

At 30 June 2020 the processes regarding the procurement of a private partner has processed and the request for proposal should be issued during the 2020/2021 financial year.

T 5.11.1

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.12 SUPPLY CHAIN MANAGEMENT INTRODUCTION**

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Head of SCM complies with the MFMA minimum competency levels. Approximately 85% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

The SCM Policy was again reviewed during the 2021/2022 financial year and was tabled at Council on 27 May 2021. To further strengthen controls. The policy dealing with the acceptance of grants, donations and sponsorships was also reviewed during the year. This policy will guide all SCM role-players relative to Sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of the SCM Policy was submitted to Council on 28 July 2022 as per Regulation 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials.

The structure caters for all elements of SCM with 18 officials within the unit and no vacancies.

An annual stock count was performed during the period under review and discrepancies were reported to Council. No challenges were encountered in implementing the SCM Policy. One finding on contract management was raised by the Auditor-General in the previous report. The finding had since been addressed by the municipality.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are open to the public and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA. There are approximately 3500 suppliers on the SCM database, which is updated regularly.

A total of 44 full bids to the value of R273 783 009.10 were processed during the year under review, keeping in mind that some are rates based and others percentage based. 28 formal written quotations to the value of R3 768 123.04. were processed during the year under review, also keeping in mind that some are rates based. The average turn-around time on the awarding of bids is 90 days. SCM adheres to Circular Number 83 and all tenders above R200 000 are advertised on the e-Tender publication portal.

#### **Deviation from the Supply Chain Management Regulations**

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements

The majority of items mentioned, had to be addressed in short notice and the response times did not allow for the complete procurement process, to be followed. The balance of the items was due to emergency circumstances or uneconomic benefits for the municipality.

The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management.

T 2.8.1

Deviations from the policy must comply with the requirements and must be reported to Council. In these cases, it was for justifiable reasons and all such cases were reported to Council. Deviations for 2021/22 were reduced significantly to R6.3 m compared to R8.2 m in the previous year.

<b>Class</b>	<b>2021</b>	<b>2022</b>
Emergency	2 819 173.58	3 192 231.96
Sole Provider / Accredited Agents	1 824 731.27	411 351.79
Arts & Historical Objects	-	-
Impractical or Impossible / Strip & Quote	3 588 688.82	2 660 742.13
Minor Breaches	-	-
<b>TOTAL</b>	<b>R8 232 593.67</b>	<b>R6 264 325.88</b>

The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management.

T 5.13.1

### **5.13 GENERALLY RECOGNISED ACCOUNTING PRACTICE (GRAP) COMPLIANCE**

A full GRAP-review was performed during the 2021/2022-financial year. The financial statements for the 2021/2022 -financial year are in accordance with the applicable GRAP standards, inclusive of the standards that became effective during the year under review.

T 5.13.1

## CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

### INTRODUCTION

The Constitution, Section 188(1)(b), states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The Municipal Systems Act, Section 45, states that the results of performance measurement must be audited annually by the Auditor-General.

The Annual Financial Statements are set out in Volume II of the Annual Report. These statements have been audited by the Auditor-General and the 9<sup>th</sup> Clean Audit was achieved. The Auditor-General's Report is also included in this Annual Report.

T 6.0.1

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

#### 6.1 AUDITOR-GENERAL REPORT 2019/2020

##### COMPONENT B: AUDITOR-GENERAL OPINION 2019/2020

Auditor-General Report on Financial Performance Year 2019/2020	
Status of Audit Report:	Unqualified with no material findings
Non-Compliance Issues	Remedial Action Taken
None	None
<b>Note:</b> The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).	
T 6.2.1	

#### 6.2 AUDITOR-GENERAL REPORT 2020/2021

##### COMPONENT C: AUDITOR-GENERAL OPINION 2020/2021

Auditor-General Report on Financial Performance Year 2019/2020	
Status of Audit Report:	Unqualified with no material findings
Non-Compliance Issues	Remedial Action Taken
None	None
<b>Note:</b> The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).	
T 6.2.1	

#### 6.3 AUDITOR-GENERAL REPORT 2021/2022

##### COMPONENT D: AUDITOR-GENERAL OPINION 2021/2022

Auditor-General Report on Financial Performance Year 2021/2022	
Status of Audit Report:	Unqualified with no material findings
Non-Compliance Issues	Remedial Action Taken
None	None
<b>Note:</b> The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).	
This table will be completed prior to the publication of the Annual Report but following the receipt of the Auditor-General Report on Financial Performance.	
T 6.2.1	

**AUDITOR-GENERAL REPORT ON THE FINANCIAL PERFORMANCE: 2021/2022**

Refer to the attached audit opinion

T 6.2.3

**AUDITOR-GENERAL REPORT ON THE SERVICE DELIVERY PERFORMANCE: 2021/2022**

Refer to the attached audit opinion

T 6.2.4

**COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

The Acting Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

T 6.2.5

  
MR. A. MEIRING  
ACTING CHIEF FINANCIAL OFFICER

# Report of the auditor-general to Gauteng Provincial Legislature and the council on the Midvaal Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Midvaal Local Municipality set out on pages 1 to 116, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Midvaal Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

### Basis for opinion

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

### Emphasis of matters

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

### Material impairments

7. As disclosed in note 4 to the financial statements, the consumer receivables balance has been significantly impaired. The allowance for impairment of consumer debtors amounts to R123 744 090 (2020-21: R107 294 475), which represents 42% (2020-21: 44%) of the total consumer receivables.



8. As disclosed in note 5 to the financial statements, the receivables from non-exchange transactions balance has been significantly impaired. The allowance for impairment of receivables from non-exchange transactions amounts to R262 760 834 (2020-21: R191 166 833), which represents 71% (2020-21: 66%) of the total receivables from non-exchange transactions.

#### **Material losses - electricity**

9. As disclosed in note 28 to the financial statements, material electricity losses of R41 134 304 (2020-21: R61 051 964) was incurred, which represents 11% (2020-21 :18%) of total electricity purchased. Technical losses amounted to R22 623 867 (2020-21: R18 315 589). Non-technical losses amounted to R18 510 437 (2020-21: R42 736 375).

#### **Material losses – water**

10. As disclosed in note 28 to the financial statements, material water losses of R49 059 714 (2020-21: R47 882 611) was incurred, which represents 37% (2020-21 :38%) of the total water purchased. Technical losses amounted to R33 360 606 (2020-21: R39 742 567). Non-technical losses amounted to R15 699 108 (2020-21: R8 140 044).

#### **Other matter**

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

#### **Unaudited disclosure notes**

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

#### **Responsibilities of the accounting officer for the financial statements**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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

#### Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance areas (KPAs)	Pages in the annual performance report
KPA 7 – services and customer care	63 - 65

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this key performance area:

- KPA 7 – services and customer care

### **Other matter**

22. I draw attention to the matter below.

### **Adjustment of material misstatements**

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 7: service and customer care. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### **Other information**

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

30. I have nothing to report in this regard.

### Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

### Other reports

32. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

33. The Special Investigating Unit (SIU) is investigating the 2020 tender award for the supply and maintenance of a vehicle tracking system. This investigation was in progress as at the date of this report.

*Auditor - General*

Johannesburg

30 November 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. 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 the selected key performance area and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Midvaal Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## 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 “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. Activities describe “ <i>what we do</i> ”.
<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 “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.

<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key Performance Areas</b>	<ol style="list-style-type: none"> <li>1. Service delivery &amp; infrastructure</li> <li>2. Economic development</li> <li>3. Municipal transformation and institutional development</li> <li>4. Financial viability and management</li> <li>5. Good governance and community participation</li> </ol>
<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 and services 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 their employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery &amp; 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>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ol style="list-style-type: none"> <li>1. <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></li> <li>2. <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></li> </ol>

## APPENDICES

### APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

The above percentages are based on the attendance of scheduled ordinary Council meetings, as well as non-scheduled Special Council meetings. The combined total number of meetings is 17.

Calculations:		Apologies:	
17 attended	100%	100%	Apologies submitted for all, no attendance
16 attended	94%		
15 attended	88%		
14 attended	82%		
13 attended	76%		
12 attended	71%		
11 attended	65%		
8 attended	47%		
7 attended	41%		

The attendance of Section 80 and Section 79 Committees is not considered for the purpose of calculating the attendance percentages.

T A.1

Councillors, Committees allocated and Council Meeting Attendance						
	Council Members	Full Time / Part Time FT/PT	*Ward and/ or Party Represented		Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
			Ward	Party		
			1	Cllr. F. Peters		
2	Cllr. S.M.A. Janse van Rensburg	PT	2	DA	95%	0%
3	Cllr. B.J.J. Jordaan	PT	3	DA	94%	100%
4	Cllr. P.J. Teixeira	FT	4	DA	95%	100%
5	Ald. P.D. Hutcheson	FT	5	DA	100%	0%
6	Cllr. M. Modikeng	PT	6	ANC	81%	75%
7	Cllr. L.T. H. Visser	PT	7	DA	86%	33%
8	Cllr. M. Ndebele	PT	8	ANC	90%	50%
9	Cllr. R.J. Hubbard	PT	9	DA	88%	0%
10	Cllr. D.T. Mokhomo	PT	10	ANC	88%	50%
11	Cllr. M.A. Maimane	PT	11	DA	75%	50%
12	Cllr. M.C. Kruger	PT	12	DA	95%	0%
13	Cllr. J.G. Viljoen	FT	13	DA	100%	0%
14	Ald. P.C. Pretorius	PT	14	DA	76%	60%
15	Cllr. A.H. Dickison	PT	15	DA	88%	50%
16	Cllr. M.I. Motsamai	FT	-	DA	95%	100%
17	Cllr. M. Myburgh	PT	-	DA	95%	0%
18	Cllr. A. McLoughlin	PT	-	DA	21%	0%
19	Cllr. T.S. Mofokeng	PT	-	ANC	81%	75%
20	Cllr. J. Mazibuko	PT	-	EFF	81%	75%
21	Cllr. C.G Pypers	PT	-	FF+	76%	100%
22	Cllr. C.L. Gomes	FT	-	DA	100%	0%
23	Cllr. T.M. Modiba	FT	-	DA	100%	0%
24	Cllr. G.M. Nkoe	PT	-	DA	88%	0%
25	Cllr. M.L. Kolisang	PT	-	DA	81%	66%
26	Cllr. I.P. Ramushu	PT	-	ANC	75%	0%
27	Cllr. M.C. Mboweni	PT	-	ANC	75%	50%
28	Cllr. S.M. Hoyane	PT	-	TYM	75%	50%
29	Cllr. O. Brits	PT	-	FF+	94%	0%
30	Cllr. P.M. Lehloka	PT	-	EFF	88%	100%



## APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>SECTION 80 COMMITTEES</b>	Section 80 Committees - established to assist the Executive Mayor and Mayoral Committee. The Executive Mayor appoints the chairperson and may delegate power to these committees. The Mayoral Committee may vary to cancel any decisions taken by these committees. All Section 80 Committees report to the Mayoral Committee. In MLM there are 5 Mayoral Committee Members and thus 5 Section 80 Portfolio Committees: Corporate Services, Finance Services, Engineering Services, Community Services, Development & Planning
<b>MAYORAL COMMITTEE</b>	Mayoral Committee – It is the committee of the Executive Mayor and members of the Mayoral Committee. Council may delegate certain functions to the Mayoral Committee. This is done in the system of delegations. The Mayoral Committee must report all decisions taken to Council. The functions not delegated must then be recommended to the full Council.
<b>COUNCIL</b>	Council – Represented by all councillors in the Municipality. It is chaired by the Speaker of Council.
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)</b>	In assisting the Council with its oversight function a Section 79 Municipal Public Accounts and Oversight Committee (MPAC) was established with specific terms of references.
<b>PERFORMANCE &amp; AUDIT COMMITTEE</b>	Established in terms of Section 166 of the MFMA. Committee established per Council Resolution M/155/09/2001 dated 30 Aug 2001.
<b>BID ADJUDICATION COMMITTEE</b>	<p>Bid Adjudication Committee is last in the procedure for dealing with bids of the MLM and is responsible for the final decisions regarding the adjudication of a bid.</p> <p>Proposals regarding the applicable and qualifying bids for each tender get submitted from the Bid Evaluation Committee to the Bid Adjudication Committee, where the adjudication is finalised. The Chairperson of the Bid Adjudication Committee is the Chief Financial Officer, who is not allowed or involved in the Bid Evaluation Committee at any stage.</p>
<b>ICT STEERING COMMITTEE</b>	Consists of representatives from all departments in Council. This committee manages the purchase of ICT equipment and is also a channel for resolving ICT issues within the departments.
<b>SECTION 79 PLACE NAME COMMITTEE</b>	Established to deal with changing of street names.
<b>SECTION 79 PETITIONS COMMITTEE</b>	Established to deal with Petitions.
<b>SECTION 79 ETHICS COMMITTEE</b>	Established to enforce and apply the Code of Conduct for Councillors.

**APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE**

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Not applicable. Included in T2.2.2	
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter T C2</i>	

T 2.2.2

**APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY**

<b>Municipal / Entity Functions (Midvaal has no function applicable to entities)</b>	
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>
<b>Constitution Schedule 4, Part B functions:</b>	
Air Pollution	No
Building Regulations	Yes
Child Care Facilities	Yes
Electricity and Gas Reticulation	Yes
Fire Fighting Services	Yes
Local Tourism	No
Municipal Airports	No
Municipal Planning	Yes
Municipal Health Services	Yes
Municipal Public Transport	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
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater Management Systems in Built-up Areas	Yes
Trading Regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and Amusement Facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, Funeral Parlours and Crematoria	Yes
Cleansing	Yes
Control of Public Nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and Fences	Yes
Licensing of Dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local Amenities	Yes
Local Sport Facilities	Yes
Markets	No
Municipal Abattoirs	No
Municipal Parks and Recreation	Yes
Municipal Roads	Yes
Noise Pollution	Yes
Pounds	No
Public Places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street Trading	Yes
Street Lighting	Yes
Traffic and Parking	Yes
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>	

TD

**APPENDIX E: WARD REPORTING**

<b>Functionality of Ward Committees</b>					
<b>Ward Number</b>	<b>Name of Ward Councillor and Elected Ward Committee Members</b>	<b>Committee Established (Yes / No)</b>	<b>Number of monthly Committee meetings held during the year</b>	<b>Number of monthly reports submitted timeously to the Office of the Speaker</b>	<b>Number of quarterly public ward meetings held during year</b>
<b>1</b>	<p><b>Cllr. Wayne de Agrella</b> <b>Ald. Freddie Peters</b></p> <ol style="list-style-type: none"> <li><b>1. Community Based Organisations</b> Monesa Rebecca/Piet Uys</li> <li><b>2. Development and Planning</b> Mashinini Thulani/Erasmus Bothma</li> <li><b>3. Community Policing Forum (CPF)</b> Frik Vermeulen/Barend Keet</li> <li><b>4. Engineering</b> Zaas Samuel/Andries Pretorius</li> <li><b>5. Finance and Council and Human Resources</b> Tshawe Bafana/Cornelies Uys</li> <li><b>6. Social Services</b> Sehlangu AM/Jan van Zyl</li> <li><b>7. Woman</b> Makhakhe Mamonare/Mpho Makhanya</li> <li><b>8. Youth</b> Moeketsi LC/Collen Moeketsi</li> <li><b>9. People with Disabilities</b> Motlhodi Solomon/James Mofokeng</li> <li><b>10. Other</b> Hinds Engela/Moye Mkhanazi</li> </ol>	Yes	2 meetings were held during Quarter 1 and Quarter 4 of the year. Quarter 2 coincided with the Local Government Elections, whilst Ward Committee elections were held in Quarters 3 and 4.	Q1 – 0 Q2 – 0 Q3 – 0 Q4 – 0	No public meetings were held in the 1 <sup>st</sup> and 2 <sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3 <sup>rd</sup> and 4 <sup>th</sup> quarters.
<b>2</b>	<p><b>Cllr. Salome Janse van Rensburg</b></p> <ol style="list-style-type: none"> <li><b>1. Community Based Organisations</b> Seokamo Paul/Werner Botes</li> <li><b>2. Development and Planning</b> Mantaoleng Wessie</li> <li><b>3. Community Policing Forum (CPF)</b> Henry van Niekerk/Kevin Conlong</li> <li><b>4. Engineering</b> Miya Bongani/Henry van Niekerk</li> <li><b>5. Finance, Council and Human Resources</b> Tlokotsi Jerry/Hermanus Pieters</li> <li><b>6. Social Services</b> Vacant/Ashlie Farrand</li> <li><b>7. Woman</b> Seggie Lorraine/Juliana Conlong</li> <li><b>8. Youth</b> Vacant/Cobain Kleynhans</li> <li><b>9. People with Disabilities</b> Seggie Godfrey</li> <li><b>10. Agriculture &amp; Conservation</b> Johannes Carelse</li> </ol>	Yes	2 meetings were held during Quarter 1 and Quarter 4 of the year. Quarter 2 coincided with the Local Government Elections, whilst Ward Committee elections were held in Quarters 3 and 4.	Q1 – 2 Q2 – 0 Q3 – 0 Q4 – 1	No public meetings were held in the 1 <sup>st</sup> and 2 <sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3 <sup>rd</sup> and 4 <sup>th</sup> quarters

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>3</b></p>	<p><b>Cllr. Marie Schoeman/ Cllr. Berlina Jordaan</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Nkosi Leslie/Annmarie Nong</li> <li>2. <b>Development and Planning</b> Vorster Johannes/Penelope Ndebele</li> <li>3. <b>Community Policing Forum (CPF)</b> Vacant/Joon Vorster</li> <li>4. <b>Engineering</b> Oosthuizen Johan/Kenneth Khutsoane</li> <li>5. <b>Finance, Council and Human Resources</b> Belinda-Lee Coetzee/Arnold Venter</li> <li>6. <b>Social Services</b> Van Biljon Madelein/Jennifer Anne Labuscagne</li> <li>7. <b>Women</b> Oosthuizen Hermina/Maruping Munzhedzi</li> <li>8. <b>Youth</b> Nkosi Linda/Audrey Mapeza</li> <li>9. <b>People with Disabilities</b> Vacant/Marylin Starck</li> <li>10. <b>Agriculture</b> Schoeman Frans/Magda van Biljon</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during Quarter 1 and Quarter 4 of the year. Quarter 2 coincided with the Local Government Elections, whilst Ward Committee elections were held in Quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 5 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters</p>
<p style="text-align: center;"><b>4</b></p>	<p><b>Ald. Peter Teixeira/ Cllr. Mary-Anne Myburgh</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Tshabalala Anna/Bonelwa Pupuma</li> <li>2. <b>Development and Planning</b> Sithole Butana/Memorial Vice</li> <li>3. <b>Community Policing Forum (CPF)</b> Korner Hein/Rolene Erasmus</li> <li>4. <b>Engineering</b> Shabalala Thokozane/Terry Malyon</li> <li>5. <b>Finance, Council and Human Resources</b> Vacant/Yoliswa Afrika</li> <li>6. <b>Social Services</b> Vacant/Bongile Zokwe</li> <li>7. <b>Women</b> Mafani Nteboheng/Mpho Mafuya</li> <li>8. <b>Youth</b> Phidile Chaka/Loyiso Tshangela</li> <li>9. <b>People with Disabilities</b> Vacant/Lebogang Thutlwa</li> <li>10. <b>General Projects/ Other</b> Caswell Mpho/Elias Mosebi</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 6 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>5</b></p>	<p><b>Ald. Patricia Hutcheson</b></p> <ol style="list-style-type: none"> <li><b>1. Community Based Organisations</b> Vacant/Vincent Bathgate</li> <li><b>2. Development and Planning</b> Leo-Smith Glenn Keith/Glen Leo-Smith</li> <li><b>3. Community Policing Forum (CPF)</b> Steven van der Walt/Bongnkosi Ximba</li> <li><b>4. Engineering</b> Lesemela Galeboe Moses/Cecil Stephens</li> <li><b>5. Finance, Council and Human Resources</b> Bathgate Colleen/Teboho Mabotha</li> <li><b>6. Social Services</b> Gent Pugiso Jacob/Steven van der Walt</li> <li><b>7. Women</b> Makhanya Rebecca/Colleen Bathgate</li> <li><b>8. Youth</b> Funeka Lerato/Linda Mahlangu</li> <li><b>9. People with Disabilities/ Land Invasion</b> Hennie Duvenage/Herbert Gumbi</li> <li><b>10. Agriculture &amp; Conservation</b> Parkes Ivan</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 4 Q2 – 0 Q3 – 0 Q4 – 5</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
<p style="text-align: center;"><b>6</b></p>	<p><b>Cllr. Thabang Mofokeng</b></p> <ol style="list-style-type: none"> <li><b>1. Community Based Organisations</b> Sepotakele Lesego/Given Motloun</li> <li><b>2. Development and Planning</b> Motloun Given/Palesa Nkhotla</li> <li><b>3. Community Policing Forum (CPF)</b> Makate Amos Thapelo/Daniel Mkwanzazi</li> <li><b>4. Engineering</b> Thapelo Motivase</li> <li><b>5. Finance, Council and Human Resources</b> Vacant/Lucas Ngubeni</li> <li><b>6. Social Services</b> Khumalo Deborah/Dimakatso Leoke</li> <li><b>7. Women</b> Lechalaba Mathipe Isabella/Julia Luta</li> <li><b>8. Youth</b> Ledwaba Dimakatso/Azariel Mohlatsane</li> <li><b>9. People with Disabilities</b> Bangaza Mzikayise/James Chabalala</li> <li><b>10. Faith Based Organisations/ Other</b> Mohlatsane Azarial Mohlatsane/Mphonyana Maduna</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 4 Q2 – 0 Q3 – 0 Q4 – 5</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>7</b></p>	<p><b>Cllr. L. Visser</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Shabalala Nomvula</li> <li>2. <b>Development and Planning</b> Saber Manjoo/Richard Nhlapo</li> <li>3. <b>Community Policing Forum (CPF)</b> Van Aardt Melody</li> <li>4. <b>Engineering</b> Nhlapo Richard/Comfort Phochana</li> <li>5. <b>Finance, Council and Human Resources</b> Ncobela Luckboy/Bianca Bothma</li> <li>6. <b>Social Services</b> Vacant/Heather Ryder</li> <li>7. <b>Women</b> Batalides Miriam/Vacant</li> <li>8. <b>Youth</b> (Vacant/Luca Gomes)</li> <li>9. <b>People with Disabilities</b> Vacant/Kenneth Ryder</li> <li>10. <b>Agriculture/ Other</b> Kaizer Moebetsi/Jeremy Glyn</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 4 Q2 – 0 Q3 – 0 Q4 - 1</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
<p style="text-align: center;"><b>8</b></p>	<p><b>Cllr. Mike Ndebele</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Vacant/Mahakalo Shadrack Molipa</li> <li>2. <b>Development and Planning</b> Vacant/Herman Mothomoholo</li> <li>3. <b>Community Policing Forum (CPF)</b> Vacant/Mongameli Tshekula</li> <li>4. <b>Engineering</b> Maluleke Josias/Fikile Abram Sebeko</li> <li>5. <b>Finance, Council and Human Resources</b> Mokoena Gladys/Malefu Emely Mohakare</li> <li>6. <b>Social Services</b> Mahakoe Andreas/Thabo Paulos Mtokoma</li> <li>7. <b>Women</b> Mabuya Puleng/Eunice Letseleha</li> <li>8. <b>Youth</b> Hoyane Puleng/Delisille Miranda Zwane</li> <li>9. <b>People with Disabilities</b> Vacant/Mofokeng Rossalina</li> <li>10. <b>Sports</b> Sikhosana Edward/Kholelwani Guga</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 2 Q2 – 0 Q3 – 0 Q4 - 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>9</b></p>	<p><b>Cllr. Hennie Oosthuysen/ Cllr. Reginald Hubbard</b></p> <ol style="list-style-type: none"> <li>1. <b>Finance, Council and Human Resources/ Community Based Organisations</b> Nomthandazo Ntuli + Leeanne Ntshuba/Vuyiswa Gubevu</li> <li>2. <b>Engineering</b> Simon Mofokeng/Moses Lesemela</li> <li>3. <b>Community Services/Social Services</b> Jacob Ramalitsi + Paulina Mazibuko/Francis Maja</li> <li>4. <b>Corporate Services/ Finance, Council &amp; Human Resources</b> Grace Thabe + Jabulani Tabo/Charles Minnie</li> <li>5. <b>Development &amp; Planning</b> Jonas Mthimkulu + Moses Msimanga/Samuel Koenane</li> <li>6. <b>Community Policing Forum</b> Toyi James</li> <li>7. <b>Women</b> Nthabiseng Khanye</li> <li>8. <b>Youth</b> Rosinah Moloto</li> <li>9. <b>People with Disabilities</b> Michael Leotlela</li> <li>10. <b>Other</b> Grace Thabe</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 3 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
<p style="text-align: center;"><b>10</b></p>	<p><b>Cllr. Martha Mahlangu/ Cllr. Tumelo Mokhomo</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Gumede Precious/Thabiso Mphuti</li> <li>2. <b>Development and Planning</b> Mngomezulu David/Nombulelo Makhubo</li> <li>3. <b>Community Policing Forum (CPF)</b> Potsane Amelia/Kamogelo Mabilo</li> <li>4. <b>Engineering</b> Tsofso Zola/Lena Mofokeng</li> <li>5. <b>Finance, Council and Human Resources</b> Shabe Mofokeng/Msheku Ramautla</li> <li>6. <b>Social Services</b> Joseph Esther/Innocent Didiza</li> <li>7. <b>Women</b> Mokoena Pascalinah/Lerato Mkwane</li> <li>8. <b>Youth</b> Dlangamandla Dominic/Makamohelo Matubetube</li> <li>9. <b>Disabled</b> Lehloka Mahlomola/Tshepo Mohosho</li> <li>10. <b>Religion/ Religious Groupings</b> Shime Melatsi/Aubrey Malatsi</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 5 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>



**WARD REPORTING (Continued)**

<p><b>11</b></p>	<p><b>Cllr. Bekinkosi Hlengwa/ Cllr. Abram Maimane</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Vacant/Zicelo Ivan Nkosi</li> <li>2. <b>Development and Planning</b> Lerato Charity Shai/Anna Setona</li> <li>3. <b>CPF</b> Vacant/Mthunzi Mashiya</li> <li>4. <b>Engineering</b> Dube Mmapuleng Christina/Vacant</li> <li>5. <b>Finance, Council and Human Resources</b> Vacant/Andile Nyathela</li> <li>6. <b>Social Services</b> Mtetwa Portia Punt/Mororiseng Mokhaneli</li> <li>7. <b>Women</b> Disebo Ntasi Talitha/Lesego Motshegwa</li> <li>8. <b>Youth</b> Xolo Nkululeko Madlala/Tshepo Rabotapi</li> <li>9. <b>People with Disabilities</b> Sithole Masemang Sophie/Rebecca Bekizulu</li> <li>10. <b>Ward Ambassador/ Other</b> Van der Westhuizen Gillian/Muntu Masinga</li> </ol>	<p>Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p>Q1 – 4 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
<p><b>12</b></p>	<p><b>Cllr. Mariana Kruger</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Motaung Claudia Lerato/Lucky Letsolo</li> <li>2. <b>Development and Planning</b> Lebusa John</li> <li>3. <b>Community Policing Forum (CPF)</b> Mbanjwa Nomzamo/Peter Maleng</li> <li>4. <b>Engineering</b> Vuwani Richard Mbedzi/Bohlalle Lebake</li> <li>5. <b>Finance, Council and Human Resources</b> Van Eeden Johannes Hermanus/Keketso Mohapi</li> <li>6. <b>Social Services</b> Sekhosana Tshokolo Stephen/David Matsobane</li> <li>7. <b>Women</b> Shadi Harriet Nombulelo/Harriet Shadi</li> <li>8. <b>Youth</b> Mohapi Keketso Bernard/Karabo Lebake</li> <li>9. <b>People with Disabilities</b> Maluleke Mirriam Dikeledi/Keneuoe Lebake</li> <li>10. <b>Agriculture and Conservation</b> Du Toit Roxanne</li> </ol>	<p>Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p>Q1 – 3 Q2 – 0 Q3 – 0 Q4 – 1</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>13</b></p>	<p><b>Cllr. Sue Muirhead/ Cllr. Gerrit Viljoen</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Jane de Beer/Calvin Bronkhorst</li> <li>2. <b>Development and Planning</b> Mokoena Ditaba/Elizabeth Maree</li> <li>3. <b>Community Policing Forum (CPF)</b> Viljoen Johannes/Magdaleina Gray</li> <li>4. <b>Engineering</b> Andries Evert/Jacobus Naude</li> <li>5. <b>Finance, Council and Human Resources</b> Motaung Constance/Wilmarie Bronkhorst</li> <li>6. <b>Social Services</b> Vermeulen Schalk/Moeketsi Pholo</li> <li>7. <b>Women</b> Mphanya Emily/Jemma Lekheka</li> <li>8. <b>Youth</b> Vermeulen Alida</li> <li>9. <b>People with Disabilities</b> Louw Susan/Thembi Ndaba</li> <li>10. <b>Religion/Faith Based Organisations/ Other</b> Van Eeden Nico</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 2 Q2 – 0 Q3 – 0 Q4 – 0</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
<p style="text-align: center;"><b>14</b></p>	<p><b>Cllr. Phil Pretorius</b></p> <ol style="list-style-type: none"> <li>1. <b>Community Based Organisations</b> Pretorius Andries Lodewickus)Andries Pretorius</li> <li>2. <b>Development and Planning</b> Vacant/Hendrik Meyer</li> <li>3. <b>Community Policing Forum (CPF)</b> Vacant/Sue Schlaphoff</li> <li>4. <b>Engineering</b> Kelly Martin/Francis Jordaan</li> <li>5. <b>Finance, Council and Human Resources</b> Jordaan Edwin Donald/Edwin Jordaan</li> <li>6. <b>Social Services</b> Jordaan Berlina Johanna/Steff Nolte</li> <li>7. <b>Women</b> Botha Estelle/Yolandie Pretorius</li> <li>8. <b>Youth</b> Jordaan Francis George/Kara Pretorius</li> <li>9. <b>People with Disabilities</b> McKenzie Miriam Riette/Riette McKenzie</li> <li>10. <b>Other</b> Botha Johannelle/Carlett Badenhorst</li> </ol>	<p style="text-align: center;">Yes</p>	<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p style="text-align: center;">Q1 – 4 Q2 – 0 Q3 – 0 Q4 – 2</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>

**WARD REPORTING (Continued)**

<p style="text-align: center;"><b>15</b></p>	<p><b>Cllr. Lynda Parsonson/ Cllr. Anthony Dickinson</b></p> <ol style="list-style-type: none"> <li><b>1. Community Based Organisations</b> Phakiso Mosia/Samuel Ramushu</li> <li><b>2. Development and Planning</b> Banele Ntuli/Dr Jean Dickinson</li> <li><b>3. Community Policing Forum (CPF)</b> Johannes Matteus Joubert/Reitumentse Seakge</li> <li><b>4. Engineering</b> Hack Malcolm/Adile Mfeka</li> <li><b>5. Finance, Council and Human Resources</b> Vacant/Nkosinathi Ntuli</li> <li><b>6. Social Services</b> Vacant/Analene Dotterbeck</li> <li><b>7. Women</b> Ndlebe Phindile Belinda/Winnie Mamatela</li> <li><b>8. Youth</b> Dhlamini Noluthando/Sibongile Kotsoe</li> <li><b>9. People with Disabilities</b> Motsumi MZ/Millicent Motsumi</li> <li><b>10. Sports &amp; Recreation/ Other</b> Seakge Reitumentse/Fiona Brown</li> </ol>		<p>2 meetings were held during quarter 1 and quarter 4 of the year. Quarter 2 coincided with the Local Government elections whilst Ward Committee elections were held in quarters 3 and 4.</p>	<p>Q1 – 5 Q2 – 0 Q3 – 0 Q4 - 9</p>	<p>No public meetings were held in the 1<sup>st</sup> and 2<sup>nd</sup> quarters due to applicable state of disaster regulations. Public meetings were held in the 3<sup>rd</sup> and 4<sup>th</sup> quarters.</p>
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## APPENDIX F – WARD INFORMATION

Whole of Municipality				
Capital Projects: Seven Largest in 2021/2022 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	SICELO ELECTRIFICATION NETWORK	Jul-21	Jun-22	19 788
2	RISIVILLE WATER NETWORK (NEW)	Jul-21	Jul-22	13 301
3	AGED BULK WATER PIPE REPLACEMENT	Jul-21	Jul-22	12 997
4	SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	Jul-21	Jul-22	12 557
5	GRAVEL TO TAR	Jul-21	Jul-22	11 824
6	EXTENSION TO HENLEY ON KLIP SEWER	Jul-21	Jul-22	10 968
7	ECONOMIC INFRASTR / URBAN REGENERATION	Jul-21	Jul-22	7 587
				T F.1

Due to a lack of financial resources, not all wards have been allocated projects. Refer to Appendix O

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	38 046	37 960	14 497	18 301	
Households without minimum service delivery	0	86	850	2 679	
Total Households*	38 046	38 046	15 347	20 980	
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements T F.2					

The electricity table excludes the areas that are directly supplied by Eskom and the properties that are not yet connected to Midvaal's network.

Top Four Service Delivery Priorities per Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 2021/2022
1	<b>Mamello Informal Settlement</b>	
	Upgrading of roads and sewer	Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads and sewer
	Day Clinic	Provincial clinic available
	Community Hall	Construction of Vaal Marina fire station completed
	Library	None, planned library under discussion with Gauteng Department of Sport, Recreation, Arts & Culture (DSRAC)
	Bantu Bonke Informal Settlement - Sanitation	Wastewater Treatment Works upgrading in progress
	Upgrading of roads, stormwater and streetlights	Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads, water sewer and electricity
	Water	Construction of new water tower in progress
	Youth Advisory Centre	None
	Library	Modular library completed

<b>2</b>	<b>Risiville</b>	
	Convert oval to Risiville Country Club	None
	Fence parks and upgrade facilities	Parks was not fenced, facilities were upgraded rugby posts, netball posts and play equipment were attended to at various parks in Risiville
	Fencing of service roads	
	Upgrading of bulk electricity infrastructure	Upgrading of electricity infrastructure completed
<b>3</b>	<b>Kookrus, Rothdene</b>	
	Roads	Resurfacing of View Street
	Sanitation – Rothdene	Design of sewer pumpstation and rising mains completed
		Upgrading of Rothdene Pumpstation completed
<b>4</b>	<b>Daleside</b>	
	Roads	Resurfacing of Bokmakierie and Eland Street Rebuilding of Geelvink, Blousysie and Visvanger Street
	Sanitation	Construction of Daleside Sewer (Phase 1) completed Construction of Adelaar Pumpstation in progress
	Upgrading of roads and sewer	Upgrading of Gordon, Taplow, Cambridge Road completed
	Clinic	Clinic in Randvaal available
	Recreation (sporting) facilities	Fraser Park has a cricket pitch and maintained by the Parks Section
	Playground equipment	Additional play equipment was installed on Oval Park
	<b>Schoongezicht</b>	
	Upgrading of roads and electricity	
	Rural safety	
	Water	New bulk water supply line improved pressure system
	Mobile clinic	Municipal mobile clinic available
	Refuse removal	Landfill site was fenced for access control
	<b>Klipwater</b>	
	Management of stormwater	Stormwater system maintained
	Upgrading of roads	
	Community Hall	None
	<b>Gardenvale</b>	
	Upgrading of roads, water, sewer and stormwater Management	Water network upgraded, water, sewer and stormwater management system maintained
	Formalised taxi rank & bus stop	
	Clinic	Municipal mobile clinic service available
	ABET Training	
<b>5</b>	<b>Drumblade, Valley Settlements</b>	
	Management of stormwater and upgrading of roads	Roads and stormwater systems maintained
	Soccerfield and other sport facilities	None
	Pension Pay Points	
	Mobile Clinic	Municipal mobile clinic service available
	Phiel's Farm Squatter Camp - Provision of water	Former water fetch points established and filled through bulk water pipeline
	Boitumelo Squatter Camp	Former water fetch points established and filled through mobile water tankers
	Provision of water, roads and sewer	Sufficient supply of water and roads maintained. No plans to install sewer system yet. Refurbishment of 0.5 mL reservoir in progress. Construction of Kliprivier Valley

		Water Pipeline (Phase 1) completed
	Sporting Facilities	Soccer posts, netball posts and grading of the playing fields was done, play equipment, jungle gym was installed, additional existing play equipment was fixed and painted
	Community Hall	None
	Sanitation	Installed communal sanitation for informal settlement
	<b>Daleside</b>	
	Upgrading of streetlights and sewer	Streetlights installed
	Recreational facilities	No available land
	Play parks	One play park available and maintained by Parks Section
	<b>Walkers Fruit Farm</b>	
	Retirement Home	
	Schools	
	Early Development Centre	Private ECD's available
<b>6</b>	<b>Ohenimuri</b>	
	Upgrading of streetlights, roads and stormwater	Roads and stormwater systems maintained. Maintaining existing streetlights
	Police Station	
	Library	None
	Parks & playgrounds	One play park available and maintained by Parks Section
	<b>Lakeside</b>	
	Water Pressure System Upgraded	
	Upgrading of Streetlights	Existing streetlights
	Schools (Primary & Secondary)	
	Sport facilities	Bulk earthworks completed, Water reticulation and fencing were completed. Tender for soccerfield construction to be Advertised
	Paving of Roads	Paving of Luvo, Mzinto, Zenzela, Bulalo and Mtwalume Road
	<b>De Deur</b>	
	Upgrading of streetlights, water and stormwater	12 high masts installed, no funds for additional lights
	Sport facilities	None
	Community Hall	None
	Shopping Centre	Various shops available
<b>7</b>	<b>Blignautsrus, Tedderfield, Hartzenbergfontein, Alewynspoort and Walker Fruit Farms</b>	
	Upgrading of roads	Roads graded and maintained
	Mobile clinic	Municipal mobile clinic service available
	Satellite EMS & SAPS	
	Community Centre	None
<b>8</b>	<b>Sicelo</b>	
	Housing	Internal services for informal settlements are being designed
	Streetlights	High masts installed and maintained
	Water	38 communal standpipes installed and maintained
	Sanitation	Bulk water and sewer reticulation maintained
	School	1 x Primary and 1 x Secondary school (Provincial)
	Roads	

<b>9</b>	<b>Meyerton</b>	
	Upgrading of stormwater, sewer, roads and refuse removal	Stormwater and sewer maintained and roads resealed. Cypress West and Plane constructed from scratch. Johan le Roux, Pierneef, Lilly, Meyer, Albert Wessels, Boet Kruger, Victor van Eck, Morris Road and View resurfaced
	Play parks in Pierneef Blvd	1 x Outdoor gym, play parks maintained by Parks Section
	Cycle Lanes	None
	Unemployment Centre	
<b>10</b>	<b>Sicelo Informal Settlement</b>	
	Streetlights and management of stormwater	88 kV bulk electricity line being constructed to supply Sicelo and surroundings. 11 kV feeder to MWWTW constructed
	Upgrading of roads	Roads and stormwater system maintained, started speed humps in Steve Biko, Kraanvoël, Marmot, Renoster, Aardvark and Seekoei Street built from scratch
	Place of public worship	
	Police Station	
	Local policing forum / committee	
<b>11</b>		
	Streetlights	Streetlights retrofitted with energy saving lights. Savanna City infrastructure development
	Sport Facilities	Construction of soccer field and outdoor gym; 1st phase construction of ablution facility. 2nd Phase of ablution already in progress
	Secondary School	
	Retail Shopping Centre	
<b>12</b>		
	Housing	
	Water (Replace water tanks with taps)	Communal water supply points upgraded
	Sanitation	VIP toilets maintained
	Land for development	
<b>13</b>		
	Upgrading of Roads (Gravel to tar)	
	Upgrading of sewer network	
	Public ablution at park	None
	Improved and safer access to Jim Fouche Street	
<b>14</b>		
	Traffic calming measures at schools (Painting/Signs/Speed Control)	
	Roads	Resurfacing of Mimosa and Pierneef Intersection
	Fence next to Erna Church Street	
	Activity parks for the youth (Skateboard Parks)	Park was developed adjacent to Pierneef Blvd
	Meyerton Sports Club Phase 2 – Palisade & Paving	Project completed
<b>15</b>		
	Roads and Stormwater upgrading, traffic calming measures at schools (Painting/Signs/Speed Control)	Re-building of Gordon Road and stormwater. Resurfacing of Taplow, Cambridge, Shillingford and Burnham

**APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE & AUDIT COMMITTEE**

<b>Municipal Performance &amp; Audit Committee Recommendations</b>		
<b>Date of Committee</b>	<b>Committee Recommendations</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
<b>23 Aug 21</b>	Draft Annual Performance Report: 2020/2021	Yes
	Draft Annual Financial Statements: 2020/2021	Yes
<b>17 Sep 21</b>	Auditor-General (SA): Audit Engagement Letter & Audit Strategy: 30 June 2021	Yes
	Internal Audit: Risk-Based Operational Plan for the period ending 30 Jun 2022 & Three-Year Rolling risk based Strategic Plan for 2021 - 2023	Yes
	Internal Audit Report: High-Level Review of the Draft Annual Financial Statements of Midvaal for the year ending 30 Jun 2021	Yes
	Completion of Annual Financial Declarations	Yes
	Annual Performance Assessment: Performance & Audit Committee & Internal Audit	Yes
<b>28 Oct 21</b>	Internal Audit Report: 28 October 2021	Yes
	Report on the Internal Audit of MFMA Compliance for the period 01 Apr 2021 - 30 June 2021	Yes
	Internal Audit Review: Employee Verification	Yes
	Internal Audit: Performance Management: Quarter 4 Review of 2021	Yes
	Internal Audit: Information and Communication Technology (ICT) Services	Yes
	Operation Clean Audit (OPCA) Action Plan 2019 – 2020 in terms of Section 131 of the MFMA: Progress Report as at Sep 2021	Yes
	MFMA: Section 52(d) – Financial Performance Report: Quarter 1	Yes
	MFMA: Section 52(d) – Non-Financial Performance Report: Quarter 1	Yes
	Strategic Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Operational Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Covid-19 Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Information Communication Technology (ICT): Operational Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Information Communication Technology (ICT): Strategic Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Provincial Treasury Risk Maturity Assessment	Yes
	Incident Register: Progress Report Quarter 1 of 2021/2022	Yes
	Ethics Risk Register: Progress Report Quarter 1 of 2021/2022	Yes
	Reviewed Integrity Management Strategy Implementation Plan: Progress Report Quarter 1 of 2021/2022	Yes
	Audit Progress Report: 12 October 2021	Yes
	Anti-Fraud & Anti-Corruption Sub-Committee: Progress: Previous Reports Received	Yes



	Anti-Fraud & Anti-Corruption Sub-Committee: New Reports received for the period	Yes
	Annual Performance Assessment of the Performance & Audit Committee and Internal Audit	Yes
	Annual Financial Declarations	Yes
<b>07 Dec 21</b>	Report of the Auditor-General to the Gauteng Provincial Legislature and the Council of the Midvaal Local Municipality: 30 Jun 2020	Yes
	Auditor-General: Draft Management Report: 30 Jun 2020	Yes
	Delay in the finalisation of Midvaal Local Municipality (MLM) 2020-2021 audit	Yes
<b>24 Jan 22</b>	MFMA: Section 52(d) – 2nd Quarterly Performance and Mid-Year Performance Assessment Report: Financial	Yes
	MFMA: Section 52(d) – 2nd Quarterly Performance Report and Mid-year Performance Assessment Report: Non-Financial	Yes
<b>28 Feb 22</b>	Internal Audit Report: February 2022	Yes
	Report on the Internal Audit of MFMA Compliance for the period 1 Oct 2021 – 31 Dec 2021	Yes
	Operation Clean Audit (OPCA) Action Plan 2020-2021 in terms of Section 131 of the MFMA	Yes
	Operational Risk Register: Feedback on Operational Risk Register - Quarter 2 of 2021/2022	Yes
	Strategic Risk Register: Feedback Report 2nd Quarter of 2021/2022	Yes
	Information and Communication Technology (ICT) Operational Risk Register: Feedback on ICT Operational Risk Register – Quarter 2 of 2021/2022	Yes
	Information and Communication Technology (ICT) Strategic Risk Register: Feedback Report 2nd Quarter of 2021/2022	Yes
	COVID-19 Risk Response Register – Quarter 2 Progress Report	Yes
	Incident Register 2021/2022 – Progress Report Quarter 2	Yes
	Reviewed Integrity Management Strategy Implementation Plan: Progress Report: Quarter 2 for 2021/2022	Yes
	Integrity Management Action Plan – Progress Report (Quarter 2)	Yes
	Ethics Risk Register: Progress Report Quarter 2 for 2021/2022	Yes
	Feedback Report on the Risk Maturity Improvement Plan for 2021/2022 – Q2	Yes
	Anti-Fraud & Corruption Sub-Committee - Progress: Previous Reports Received	Yes
	Anti-Fraud & Corruption Sub-Committee - Progress: New Reports Received	Yes
<b>25 Apr 22</b>	MFMA: Section 52(d) – 3rd Quarterly Performance and Mid-year Performance Assessment Report (Financial)	Yes
	MFMA: Section 52(d)–3rd Quarterly Performance Report and Mid-year Performance Assessment Report (Non-Financial Report)	Yes
<b>27 May 22</b>	Internal Audit Report: 27 May 2022	Yes
	Report on the internal audit of MFMA Compliance for the period Oct 2021 – Dec 2021 (Quarter 2)	Yes
	Operation Clean Audit (OPCA) Action Plan 2020/2021 in terms of Section 131 of the MFMA as at May 2022	Yes
	Operational Risk Register 2021/2022: Quarter 3 Feedback Report	Yes

	Strategic Risk Register 2021/2022: Quarter 3 Feedback Report	Yes
	Information and Communications Technology (ICT) Operational Risk Register 2021/2022: Quarter 3 Feedback Report	Yes
	Information and Communications Technology (ICT) Strategic Risk Register 2021/2022: Quarter 3 Feedback Report	Yes
	COVID-19 Risk Response Register – Quarter 3 Progress Report	Yes
	Incident Register 2021/2022 – Quarter 3 Progress Report	Yes
	Reviewed Integrity Management Strategy Implementation Plan 2021/2022: Quarter 3 Progress Report	Yes
	Ethics Risk Register 2021/2022: Quarter 3 Progress Report	Yes
	Risk Maturity Improvement Plan 2021/2022 – Quarter 3 Feedback Report	No, Internal Audit to advise if Level 2 and 3 be prioritised in the 1st six months of the Improvement Plan
	Combined Assurance Report 2021/2022	Yes
	Risk Committee Performance Evaluation Questionnaire 2021/2022	No, CRO to advise on how the process will unfold, at the next meeting
	Anti-Fraud & Corruption Sub- Committee: Progress: Previous Report Received	Yes
	Anti-Fraud & Corruption Sub-Committee: New Reports received for the period	Yes
	Internal Audit Charter	No, Treasury will assist with the Quality Assurance and Improvement Programme
	Local Government: Municipal Structures Amendment Act, Act 3 of 2021: Section 79A: Establishment of Municipal Public Accounts Committee	No, Further discussions in this regard in progress
	Special Reports	No, feedback to be given at next meeting on the action list on the special reports
	Gauteng COGTA and Gauteng Treasury	Yes
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## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2021/22)					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Muraga Investment Holdings (Pty) Ltd	BID FOR THE SUPPLY AND DELIVERY OF FUEL AND MAINTENANCE OF FUEL PUMPS AND TANKS TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD TO 30 JUNE 2024	09/09/2021	30/06/2024	Finacial Services	51 750 000.00
LMC Enterprises (Pty) Ltd	UPGRADING OF A 2KM BRONK ROAD FROM GRAVEL TO TAR	19/11/2021	30/06/2023	Engineering Services	25 149 551.25
Various (Panel)	BID FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO SUPPLY AND DELIVER VARIOUS CLEANING, HYGIENE AND CONSUMABLE ITEMS TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF APPOINTMENT TO 30 JUNE 2024.	21/10/2021	30/06/2024	Finacial Services	23 115 000.00
First Rand Bank Limited	BID FOR R18 600 000 (EIGHTEEN MILLION SIX HUNDRED THOUSAND RAND) LONG TERM LOAN TO FINANCE VARIOUS INFRASTRUCTURE PROJECTS FOR MIDVAAL LOCAL MUNICIPALITY AS PER THE 2021/2022 CAPITAL BUDGET	15/10/2021	30/06/2036	Finacial Services	21 390 000.00
Muvhango Civils cc	BID TO APPOINT A SERVICE PROVIDER FOR THE CONSTRUCTION OF BULK WATER SUPPLY LINE IN MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT TO UNTIL JUNE 2024	28/10/2021	30/06/2024	Engineering Services	12 850 625.55
Mawee Civils & Project Management	BID FOR LEAK REPAIRS AND VALVE REPLACEMENT/ INSTALLATION ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2024	28/10/2021	30/06/2024	Engineering Services	10 350 000.00
Model Service Station CC	BID FOR THE SUPPLY OF FUEL (PETROL AND DIESEL) TO MIDVAAL LOCAL MUNICIPALITY DURING EMERGENCIES AND AFTER HOURS, ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD TO 30 JUNE 2024	05/08/2021	30/06/2024	Finacial Services	10 000 000.00
Various (Panel)	FOR THE APPOINTMENT OF A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO ASSIST WITH IMPLEMENTATIONS, ENHANCEMENTS, SUPPORT AND MAINTENANCE OF THE ICT ENVIRONMENT ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT TO 30 JUNE 2024	17/02/2022	30/06/2024	Corporate Services	10 000 000.00
Various (Panel)	Bid for the appointment of a panel of service providers to supply and delivery various branded promotional items to Midvaal Local Municipality on an as and when required basis from date of appointment to 30 June 2024	05/08/2021	30/06/2024	Corporate Services	10 000 000.00
LESEDING PIPE AND VALVES CC ERAWW (PTY) LTD	BID TO APPOINT A PANEL OF SERVICE PROVIDERS TO SUPPLY AND DELIVER VARIOUS MAINTENANCE MATERIALS AND COMPONENTS FOR WATER AND SEWER RETICULATION WITHIN MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT TO 30 JUNE 2024	05/08/2021	30/06/2024	Finacial Services	10 000 000.00
Yimisa Projects Pty Ltd	BID FOR SUPPLY, DELIVERY, INSTALLATION AND MAINTENANCE OF CONTROL VALVES, RELATED EQUIPMENT (SPECIALS) FOR MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN-REQUIRED BASIS FROM DATE OF AWARD TO 30 JUNE 2024	09/09/2021	30/06/2024	Engineering Services	8 121 300.00
Nedbank Limited	BID FOR R6 725 000 (SIX MILLION SEVEN HUNDRED AND TWENTY-FIVE THOUSAND RAND) INSTALMENT SALE AGREEMENT/S FOR PURCHASING VARIOUS VEHICLES, PLANT AND EQUIPMENT FOR MIDVAAL LOCAL MUNICIPALITY AS PER THE 2021/2022 CAPITAL BUDGET	19/09/2021	31/03/2027	Finacial Services	7 733 750.00
Various (Panel)	BID TO APPOINT A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF VARIOUS ROAD CONSTRUCTION MATERIALS AND TOOLS TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2024.	17/03/2022	30/06/2024	Engineering Services	7 162 165.50
Ekwaluseni Consulting And Projects; Amahlungu Civils (Pty); Masheleni Trading And Projects	BID TO APPOINT A PANEL OF SERVICE PROVIDERS FOR ROADS PATCHING (POTHOLE AND EDGE BREAKS), CRACK SEAL AND MAINTENANCE OF ROAD MARKINGS AND SIGNS WITHIN MIDVAAL LOCAL MUNICIPALITY ON AN "AS AND WHEN REQUIRED BASIS" FROM DATE OF AWARD UP TO 30 JUNE 2024.	24/03/2022	30/06/2024	Engineering Services	6 900 000.00
Various (Panel)	BID TO APPOINT A PANEL OF SUITABLY QUALIFIED SERVICE PROVIDERS FOR THE EXHIBIT, SUPPLY AND DELIVERY OF BOOKS AND OTHER PRINTED INFORMATION RESOURCES, AUDIOVISUAL MATERIAL AND E-RESOURCES TO LIBRARIES THROUGHOUT THE MIDVAAL LOCAL MUNICIPALITY FROM DATE OF AWARD UNTIL 30 JUNE 2024	11/11/2021	30/06/2024	Engineering Services	6 670 000.00
Bantubanye Skills CC	BID TO APPOINT A SUITABLE SERVICE PROVIDER TO RENDER MINIMUM COMPETENCY REGULATIONS TRAINING SERVICES FOR MIDVAAL LOCAL MUNICIPALITY OFFICIALS FROM DATE OF APPOINTMENT TO 30 JUNE 2024	21/10/2021	30/06/2024	Corporate Services	6 005 875.00
Capotex Trading	CONSTRUCTION OF LOCH STREET TRADING STALLS AND ABLUTION FACILITIES FOR – MIDVAAL LOCAL MUNICIPALITY	25/04/2022	TBC	Engineering Services	5 624 422.09
					232 822 689.39

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### Public Private Partnerships Entered into during 2021/2022

Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry Date	Project Manager	Value
<p>The municipality registered a Public Private Partnership with National Treasury in terms of Sec 120 of the MFMA for the management and maintenance of electricity operations. As at 30 June 2018, the municipality had adopted the Status Quo report as well as the Feasibility Study as required by Section 78(1, 2 and 3) of the Municipal Systems Act. Phase 2 of the project being the procurement of the private partner will commence in the 2018/2019-financial year.</p>					

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**APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE**

Municipal Entity/Service Provider Performance Schedule						
Name of Entity & Purpose  (i)	(a) Service Indicators	2019/2020		2020/2021	2021/2022	
	(b) Service Targets  (ii)	Target	Actual	Target		
		*Previous Year  (iii)		*Current Year  (viii)	*Current Year  (ix)	*Following Year  (x)
None						
<p>Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</p>						

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**APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST**

Period 3 Nov 2021 – 30 Jun 2022		
Position	Name	Description of Financial interests
Executive Mayor	P.J. Teixeira	3 Komati Street - NedBank
		39 Totius Street - NedBank
		34 Brockett Street, Risiville
Speaker	A.R. McLoughlin	JSE – Sasol ORD 50
		JSE DRD Gold 50
		Practicing Attorney
		Glacier RA
		Holding 353 Boundary Road, Walkers Fruit Farms, Walkerville
Member of Mayoral Committee	C.L. Gomes	Plot 116, De Wet Street
Member of Mayoral Committee	R.J. Hubbard	Ecotech Developments - Construction
		81 Danie Smal Street, Kookrus
Member of Mayoral Committee	P.D. Hutcheson	Stanlib - Managed Portfolio
		Investec - Managed Portfolio
		Keartheric Estates, Portion 48 of Farm 180 Witkop, Randvaal
		95 Lawast Valley Randvaal
		Municipal Councillors Pension Fund
Member of Mayoral Committee	M. Motsamai	Walkers Media 2013/129420/07 Executive - Media and Advertising
		Municipal Councillors Pension Fund
Member of Mayoral Committee	T. Modiba	13 Marmot Street, Meyerton
Member of Mayoral Committee	J.G. Viljoen	Portion 8, Vogelfontein
		Farming Activities
Councillor	S.M.A. Janse van Rensburg	23 Klarer Street
Councillor	F.W. Peters	Pension: MCPF
		JSE – Shares
		Old Mutual Shares
Councillor	P. Lehloka	Tact Team Management – Training 33% Training
		Lehloka Construction and Transport 100% Recycling
		Master Drilling General Admin - Rock Boring and Drilling Services
		House at Nyala Street
Councillor	M.C. Mboweni	Plot 73, Boys Street, Homelands, Meyerton
Councillor	M.M. Ndebele	38 Zebra Street, Meyerton Farms
		Municipal Councillors Pension Fund
Councillor	O. Brits	Brits Transport
		20 Zambesi Street, Riversdale
Councillor	D.T. Mokhomo	240 Modikeng Street, Meyerton Farms
Councillor	C.G. Pypers	Corrie Pypers Boedery
		Corrie Pypers Familie Trust
		Sanlam

<b>Councillor</b>	A.H. Dickinson	1059 Regatta Road, Henley on Klip
<b>Councillor</b>	M.A. Myburgh	1 SEW (Pty) Ltd (Closed)
<b>Councillor</b>	T.S. Mofokeng	6988 Savanna City - Owner
<b>Councillor</b>	S. Hoyane	Construction
		318 Khama Street, Sicelo
<b>Councillor</b>	J. Mazibuko	Stretford 15 800 Extention 9 (Phase 1)
		Municipal Councillors Pension Fund
<b>Councillor</b>	G.M. Nkoe	15965 Fargo Street, Westside Park Sebokeng
<b>Councillor</b>	B.J. Jordaan	Gauteng Department of Education (Teacher)
		Residential House
		GEPP
<b>Councillor</b>	I.T. Ramushu	1213 Stanmore Road, Henley on Klip, Meyerton
<b>Councillor</b>	M.C. Kruger	87 Irene Drive, Drumblade (Bonded House)
		Life Partner owns a business of one stop solutions and do business with Council, if quotes are awarded
<b>Councillor</b>	A.M. Maimane	4868 Inca Street,avanna City
<b>Councillor</b>	M.L. Modikeng	Residential House
		Municipal Pension fund
<b>Councillor</b>	L.T. Visser	9 First Avenue, Walkerville
<b>Councillor</b>	L.M. Kolisang	11 Strandloper Street, Meyerton Park
<b>Municipal Manager</b>	Vacant	-
<b>Chief Financial Officer</b>	Vacant	-
<b>Executive Director: Corporate Services</b>	Vacant	-
<b>Executive Director: Engineering Services</b>	P. Magodi	39 Golf Road, The Willows, Three Rivers Proper, Vereeniging
<b>Executive Director: Development &amp; Planning</b>	D.K. Chamboko	10 Blackwood Street, Alveda Ext 2
		16 Orpiment Street, Mayfield Park
<b>Executive Director: Community Services</b>	S.M. Mosidi	Residential House - Pretoria North
		Residential House – Secunda
		Residential House – Pampierstad
		Residential House – Nelspruit
		Delta Environ – NPO – SMM & Associate Cc (Dormant)
		Solly Mosidi TC CC - Dormant
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
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**APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

**APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE**

Revenue Collection Performance by Vote							R' 000
Vote Description	2020/2021	2021/2022			2021/2022 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Executive Council	7 618	8 269	8 269	542	-93%	-93%	
Finance & Admin	350 760	372 503	370 726	376 577	1%	2%	
Development & Planning	2 894	3 136	3 258	3 136	0%	-4%	
Health (Clinics)	3 752	5 952	5 952	4 658	-22%	-22%	
Community Services (Libraries, Cemeteries, Social Admin)	10 889	14 231	14 231	14 556	2%	2%	
Protection Services	65 373	40 156	73 321	69 016	72%	-6%	
Sport & Recreation (Parks, Swimming Pools)	2 055	1 861	1 861	1 663	-11%	-11%	
Environmental Protection (Env Health Sedibeng)	3 625	3 081	3 081	3 220	5%	5%	
Wastewater & Sanitation	64 980	71 668	70 855	73 154	2%	3%	
Waste Management (incl Landfill)	51 798	61 463	61 431	64 132	4%	4%	
Roads & Stormwater & Eng Admin	1 513	1 621	1 671	1 623	0%	-3%	
Water Services	286 827	291 005	282 084	247 129	-15%	-12%	
Electricity	383 875	476 176	480 176	477 963	0%	0%	
Savanna City	27 751	-	-	-	0%	0%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 263 711</b>	<b>1 351 123</b>	<b>1 376 916</b>	<b>1 337 369</b>	<b>-1%</b>	<b>-3%</b>	

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3*

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**APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE**

Revenue Collection Performance by Source							R '000
Description	2020/2021	2021/2022			2021/2022 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property Rates	253 452	271 371	271 371	273 314	1%	1%	
Property Rates - Penalties & Collection Charges	-	-	-	-	0%	0%	
Service Charges - Electricity Revenue	388 232	468 601	478 032	475 822	2%	0%	
Service Charges - Water Revenue	249 280	252 846	249 523	214 565	-15%	-14%	
Service Charges - Sanitation Revenue	49 841	52 047	52 047	54 450	5%	5%	
Service Charges - Refuse Revenue	46 892	52 433	52 401	55 102	5%	5%	
Service Charges - Other	6 453	5 914	5 829	5 482	-7%	-6%	
Rentals of Facilities and Equipment	1 014	1 193	1 193	1 098	-8%	-8%	
Interest earned - External Investments	17 194	19 307	19 307	18 248	-5%	-5%	
Interest earned - Outstanding Debtors	19 820	19 375	19 375	18 518	-4%	-4%	
Dividends Received	-	-	-	-	0%	0%	
Fines	69 271	49 940	72 075	68 387	37%	-5%	
Licences and Permits	-	-	-	-	0%	0%	
Agency Services	-	-	-	-	0%	0%	
Transfers Recognised - Operational	159 071	152 018	152 018	150 862	-1%	-1%	
Other Revenue	3 191	6 079	3 574	1 641	-73%	-54%	
Gains on disposal of PPE	-	-	-	-	0%	0%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 263 711</b>	<b>1 351 123</b>	<b>1 376 744</b>	<b>1 337 489</b>	<b>-1.01%</b>	<b>-2.85%</b>	

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.*

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## APPENDIX L: CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

R' 000					
Details	Original Budget	Adjustments Budget	Actual	Variance	
				Original Budget	Adjustments Budget
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	7 587	-24.1%	-24.1%
RFID SECURITY SYSTEM-MEYERTON	1 500	1 160	721	-51.9%	-37.8%
CANOPY	25	25	23	-10.0%	-10.0%
AIRCONDITIONERS	500	500	500	0.0%	0.0%
MEYERTON LIBRARY FURNITURE	700	700	624	-10.8%	-10.8%
ITC HARDWARE (COMPUTORS) - NEW	1 100	1 440	1 165	5.9%	-19.1%
MEYERTON LIBRARY BOOKS (DAC)	500	500	491	-1.7%	-1.7%
HOK LIBRARY BOOKS (DAC)	200	200	199	-0.3%	-0.3%
DE DEUR LIBRARY BOOKS (DAC)	300	300	293	-2.4%	-2.4%
RANDVAAL LIBRARY BOOKS (DAC)	200	200	195	-2.4%	-2.4%
LIBRARY FURNITURE - SICELO - NEW	300	300	282	-5.8%	-5.8%
SICELO LIBRARY BOOKS (DAC)	300	300	297	-1.1%	-1.1%
EXT SICELO LIBRARY BUILDING - UPGRADING		2 365	2 045	0.0%	-13.5%
LAKESIDE LIBRARY BOOKS (DAC)	300	300	293	-2.2%	-2.2%
BANTU BONKE LIBRARY BOOKS (DAC)	200	200	198	-1.0%	-1.0%
PORTABLE PUMP	500	340	340	-32.1%	-0.1%
BA COMPRESSOR SYSTEM	550	550		-100.0%	-100.0%
RESCUE & FIRE EQUIPMENT	950	1 110	1 073	12.9%	-3.3%
RAPID RESPONSE RESCUE VEHICLE & EQP		1 073	912	0.0%	-15.0%
INSTALLATION OF ONSITE TOILETS	1 000	1 000	1 000	0.0%	0.0%
AGED BULK WATER PIPE REPLACEMENT	13 000	13 000	12 997	0.0%	0.0%
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000	1 000	1 000	0.0%	0.0%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	999	-0.1%	-0.1%
BULK WATER METERS	2 000	2 000	1 999	0.0%	0.0%
SAVANNA CITY ELECTR. NETWORK	7 072	3 174	3 083	-56.4%	-2.9%
SICELO ELECTRIFICATION NETWORK	15 000	19 788	19 788	31.9%	0.0%
<b>Total</b>	<b>58 197</b>	<b>62 526</b>	<b>58 105</b>	<b>-0.2%</b>	<b>-7.1%</b>

\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the

### COMMENT ON CONDITIONAL GRANTS (EXCLUDING MIG)

The unspent conditional grants excluding MIG was 9.5 m. Applications for roll overs were submitted to National and Provincial Treasury.

T.L.1



**APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES APPENDIX**

**M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME**

Capital Expenditure - New Assets Programme*							
R '000							
Description	2020/21	2021/22	2021/22	2021/22	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2024/25
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>32 457</b>	<b>24 250</b>	<b>29 651</b>	<b>32 457</b>	<b>51 306</b>	<b>56 768</b>	<b>60 502</b>
<b>Infrastructure: Road transport - Total</b>	<b>12 750</b>		<b>12 750</b>	<b>12 750</b>	<b>6 226</b>	<b>2 466</b>	<b>4 500</b>
Roads, Pavements & Bridges	12 750		12 750	12 750	6 226	2 466	4 500
Storm water							
<b>Infrastructure: Electricity - Total</b>	<b>5 876</b>	<b>17 450</b>	<b>5 898</b>	<b>5 876</b>	<b>14 150</b>	<b>22 532</b>	<b>26 850</b>
Generation							
Transmission & Reticulation	5 629	17 200	5 647	5 629	13 900	22 282	26 600
Street Lighting	248	250	251	248	250	250	250
<b>Infrastructure: Water - Total</b>	<b>5 902</b>	<b>1 550</b>	<b>6 700</b>	<b>5 902</b>	<b>26 230</b>	<b>21 170</b>	<b>18 952</b>
Dams & Reservoirs					15 000	13 020	12 302
Water purification							
Reticulation	5 902	1 550	6 700	5 902	11 230	8 150	6 650
<b>Infrastructure: Sanitation - Total</b>	<b>212</b>	<b>1 850</b>	<b>903</b>	<b>212</b>	<b>1 700</b>	<b>5 600</b>	<b>6 200</b>
Reticulation	212	1 850	903	212	1 700	5 600	6 200
Sewerage purification							
<b>Infrastructure: Other - Total</b>	<b>7 717</b>	<b>3 400</b>	<b>3 400</b>	<b>7 717</b>	<b>3 000</b>	<b>5 000</b>	<b>4 000</b>
Waste Management	7 717	3 400	3 400	7 717	3 000	5 000	4 000
Transportation							
Gas							
Other							
<b>Community - Total</b>	<b>7 614</b>	<b>9 288</b>	<b>9 652</b>	<b>7 614</b>	<b>6 637</b>	<b>8 730</b>	<b>7 880</b>
Parks & gardens	1 470	700	1 773	1 470	2 700	3 200	3 200
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries	1 502	2 558	2 958	1 502	2 100	3 380	3 530
Recreational facilities							
Fire, safety & emergency	4 642	6 000	4 921	4 642	277	1 000	
Security and policing		30			1 560	1 150	1 150
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<i>Table continued next page</i>							

**APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME**

Capital Expenditure - New Assets Programme*							
							R '000
Description	2020/2021	2021/2022	2021/2022	2021/2022	Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2022/2023	2023/2024	2024/2025
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>45 670</b>	<b>23 667</b>	<b>20 464</b>	<b>20 113</b>	<b>50 673</b>	<b>23 600</b>	<b>20 700</b>
<b>Infrastructure: Road transport - Total</b>	<b>33 892</b>	<b>6 217</b>	<b>14 216</b>	<b>14 077</b>	<b>29 773</b>	<b>500</b>	<b>300</b>
<i>Roads, Pavements &amp; Bridges</i>	33 892	6 217	14 216	14 077	29 773	500	300
<i>Stormwater</i>							
<b>Infrastructure: Electricity - Total</b>	<b>5 876</b>	<b>17 450</b>	<b>5 898</b>	<b>5 876</b>	<b>15 200</b>	<b>12 500</b>	<b>10 200</b>
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>	5 629	17 200	5 647	5 629	14 700	11 000	10 200
<i>Street Lighting</i>	248	250	251	248	500	1 500	
<b>Infrastructure: Water - Total</b>	<b>5 902</b>						
<i>Dams &amp; Reservoirs</i>							
<i>Water Purification</i>							
<i>Reticulation</i>	5 902						
<b>Infrastructure: Sanitation - Total</b>					<b>1 700</b>	<b>5 600</b>	<b>6 200</b>
<i>Reticulation</i>					1 700	5 600	6 200
<i>Sewerage Purification</i>							
<b>Infrastructure: Other - Total</b>			<b>350</b>	<b>160</b>	<b>4 000</b>	<b>5 000</b>	<b>4 000</b>
<i>Waste Management</i>			350	160	4 000	4 000	
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
<b>Community - Total</b>	<b>3 097</b>	<b>150</b>	<b>1 528</b>	<b>1 366</b>	<b>100</b>	<b>1 500</b>	<b>2 500</b>
<i>Parks &amp; Gardens</i>	1 470	150	455	454		1 500	2 500
<i>Sportsfields &amp; Stadia</i>							
<i>Swimming Pools</i>							
<i>Community Halls</i>							
<i>Libraries</i>							
<i>Recreational Facilities</i>							
<i>Fire, Safety &amp; Emergency</i>	1 627		1 073	912	100		
<i>Security and Policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums &amp; Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social Rental Housing</i>							
<i>Other</i>							
<i>Table continue next page</i>							

Table continued from previous page

**Capital Expenditure - New Assets Programme\***

R '000

Description	2020/2021	2021/2022	2021/2022	2021/2022	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/2023	2023/2024	2024/2025
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>							
Buildings							
Other							
<b>Investment Properties - Total</b>							
Housing Development							
Other							
<b>Other assets</b>	<b>15 857</b>	<b>25 124</b>	<b>31 325</b>	<b>25 420</b>	<b>25 939</b>	<b>17 480</b>	<b>19 298</b>
General Vehicles	10 515	7 150	11 696	8 012	14 560	9 100	10 150
Specialised Vehicles							
Plant & Equipment	1 298	9 425	11 861	10 891	3 517	5 885	6 430
Computers - Hardware/Equipment	1 102	1 100	1 440	1 165	1 700	2 000	2 000
Furniture and other office equipment	2 814	6 740	5 827	5 260	1 662	495	718
Abattoirs							
Markets					4 500		
Civic Land and Buildings	55						
Other Buildings		10 000	10 000	4 781			
Other Land	72	309	500	92			
Surplus Assets - (Investment or Inventory)							
Other		400					
<b>Agricultural assets</b>							
List sub-class							
<b>Biological assets</b>							
List sub-class							
<b>Intangibles</b>	998	1 500	1 160	721	2 000	500	
Computers - software & programming	998	1 500	1 160	721	2 000	500	
Other (list sub-class)							
<b>Total Capital Expenditure on new assets</b>	<b>65 621</b>	<b>50 441</b>	<b>54 476</b>	<b>47 620</b>	<b>78 712</b>	<b>43 080</b>	<b>42 498</b>
<b>Specialised vehicles</b>					<b>1 500</b>		
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							

T M.1

**Capital Expenditure - Upgrade/Renewal Programme\***

R '000

Description	2020/2021	2021/2022	2021/2022	2021/2022	Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2022/2023	2023/2024	2024/2025
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>8 873</b>	<b>60 372</b>	<b>53 743</b>	<b>48 617</b>	<b>19 120</b>	<b>23 180</b>	<b>23 965</b>
Infrastructure: Road transport -Total							
Roads, Pavements & Bridges							
Stormwater							
<b>Infrastructure: Electricity - Total</b>	<b>3 541</b>	<b>10 072</b>	<b>6 746</b>	<b>6 417</b>	<b>750</b>	<b>1 000</b>	<b>1 890</b>
Generation							
Transmission & Reticulation	3 541	10 072	6 746	6 417	20 306	14 000	15 943
Street Lighting							
<b>Infrastructure: Water - Total</b>		<b>22 600</b>	<b>19 489</b>	<b>18 356</b>	<b>9 080</b>	<b>9 930</b>	<b>10 025</b>
Dams & Reservoirs			1 800	1 196			
Water Purification							
Reticulation		22 600	17 689	17 160	42 955	42 450	33 490
<b>Infrastructure: Sanitation - Total</b>	<b>5 332</b>	<b>27 700</b>	<b>27 509</b>	<b>23 844</b>	<b>9 290</b>	<b>9 250</b>	<b>8 550</b>
Reticulation	5 332	27 700	27 509	23 844			120
Sewerage Purification							
<b>Infrastructure: Other - Total</b>						<b>3 000</b>	<b>3 500</b>
Waste Management	3 641	8 100	2 345	3 566	250	10 649	16 866
Transportation							
Gas							
Other							
<b>Community</b>		<b>4 900</b>	<b>5 626</b>	<b>4 753</b>	<b>4 600</b>	<b>7 500</b>	<b>10 000</b>
Parks & Gardens							
Sportsfields & Stadia		4 900	5 626	4 753	6 024	1 000	2 000
Swimming Pools							
Community Halls							
Libraries					2 000	3 000	4 300
Recreational Facilities							
Fire, Safety & Emergency							
Security and Policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social Rental Housing							
Other							
<b>Heritage assets</b>							
Buildings							
Other							
Table continue next page							

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	2018/2019	2019/2020	2019/2020	2019/2020	Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2019/2020	2020/2021	
<b>Capital expenditure by Asset Class</b>								
<b>Investment properties</b>								
Housing Development								
Other								
<b>Other assets</b>	1 242				300			
General Vehicles								
Specialised Vehicles								
Plant & Equipment	118				300			
Computers - hardware/equipment	1 124							
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>								
List sub-class								
<b>Biological assets</b>								
List sub-class								
<b>Intangibles</b>								
Computers - software & programming								
Other (list sub-class)								
<b>Total Capital Expenditure on renewal of existing assets</b>	18 988	125 644	113 113	101 987	43 140	50 860	54 430	
<b>Specialised vehicles</b>								
Refuse								
Fire								
Conservancy								
Ambulances								
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</i>								

T M.2

**APPENDIX N: CAPITAL PROGRAMME PER PROJECT**

Capital Programme per Project: 2021/2022					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water (Refer T3.1.9)</b>					
RESERVIOR REFURBISHMENT - W/L PROGRAMME	500	275	275	0%	-45%
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	3 852	12 663	12 557	-1%	226%
AGED BULK WATER PIPE REPLACEMENT	13 000	13 000	12 997	0%	0%
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000	1 000	1 000	0%	0%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	999	0%	0%
PRE-PAID WATER METER PROJECT	2 000	2 000	1 998	0%	0%
REPLACEMENT-PREPAID&CONVENTIONAL WATER M	100	100	100	0%	0%
RISIVILLE WATER NETWORK (NEW)	7 500	13 399	13 301	-1%	77%
WATER METER REPLACEMENT PROGRAMME	700	700	697	0%	0%
PREPAID WATER METER PROJECT		1 250	1 010	-19%	0%
BULK WATER METERS	2 000	2 000	1 999	0%	0%
DOUBLE CAB BAKKIE	400	417	417	0%	4%
<b>Total</b>	<b>32 052</b>	<b>47 804</b>	<b>47 350</b>	<b>-1%</b>	<b>48%</b>
<b>Sanitation (Sewerage) (Refer T3.2.9)</b>					
NEW SEWER CONNECTIONS	1 000	1 000	1 000	0%	0%
EXTENSION TO HENLEY ON KLIP SEWER	12 600	10 984	10 968	0%	-13%
EXTENSION TO HENLEY ON KLIP SEWER		260	260	0%	0%
INSTALLATION OF ONSITE TOILETS	1 000	1 000	1 000	0%	0%
REPLACEMENT OF PUMPS				0%	0%
EXTEND SEWER NETWORK	500	500	500	0%	0%
FLOW METERS		156	156	0%	0%
PUMPSTATION REFURBISHMENT AND UPGRADE	2 000	2 709	2 569	-5%	28%
EQUIPMENT & TOOLS		186	100	-46%	0%
<b>Total</b>	<b>17 100</b>	<b>16 795</b>	<b>16 553</b>	<b>-1%</b>	<b>-3%</b>
<b>Electricity (Refer T3.3.8)</b>					
LAND CRUISERS	750	750	684	-9%	-9%
H/MAST&STREET LIGHTS: UNSERVICED AREAS	500	435	434	0%	-13%
REPLACE CONV.METERS WITH PREPAID METERS	1 000	1 038	1 037	0%	4%
REPLACE METERS FOR TID COMPLIANCE		1 076	1 075	0%	0%
REPLACE REDUNDANT SWITCHGEAR	1 000	1 268	1 033	-19%	3%
CABLE FEEDERS-CONS EMFULENI CONNECT		200	199	-1%	0%
SAVANNA CITY ELECTR. NETWORK	7 072	3 174	3 083	-3%	-56%
SICELO ELECTRIFICATION NETWORK	15 000	19 788	19 788	0%	32%
REPLACEMENT OF TOOLS FOR MECHANICS	100	122	122	0%	22%
ELECTRICITY METERING	1 000	1 066	1 065	0%	7%
NEW CONNECTIONS	500	665	488	-27%	-2%
STRENGTHENING OF ELECTRICITY SUPPLY		79	77	-2%	0%
RENEWABLE ENERGY	500	600	386	-36%	-23%
LADDERS & BINS	400	313	308	-2%	-23%
TRANSFORMERS		1 170	1 170		
<b>Total</b>	<b>27 822</b>	<b>31 744</b>	<b>30 950</b>	<b>-3%</b>	<b>11%</b>

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Waste Management Services (Refer T3.4.9)</b>					
REHAB OF HENLEY (CLOSING JUNE 2021)	1 500			0%	-100%
REHAB OF WALKER (CLOSING JUNE 2022)	2 000			0%	-100%
LANDFILL CELL DEVELOPMENT (EXPANSION)	4 000	1 961	1 779	-9%	-56%
LANDFILL COMPACTOR NEW		2 982	2 982	0%	0%
BRUSH CUTTERS - NEW	20	13	13	0%	-37%
LANDFILL COMPACTOR NEW	3 000	2 609	2 609	0%	-13%
COMPACTOR (REFUSE TRUCK)	2 800	4 318	3 610	-16%	29%
TRUCK FOR LITTER PICKING TEAM	800	800		-100%	-100%
MOBILE TOILETS	120	88	88	0%	-26%
REFURBISHMENT - BLACKWOOD TRANSFER STATION	600	3 836	1 787	-53%	198%
REFURBISHMENT MALE & FEMALE CHANGE ROOMS		594	594	0%	0%
REFUSE TRUCK		2 000	1 313	-34%	0%
REHABILITATION VAAL MARINA LANDFILL SITE				0%	0%
FENCE HENLEY ON KLIP LANDFILL SITE		350	160	-54%	0%
<b>Total</b>	<b>14 840</b>	<b>19 550</b>	<b>14 935</b>	<b>-24%</b>	<b>1%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Roads (Refer T3.7.9)</b>					
ROLLER COMPACTOR		410	363	-11%	0%
EQUIPMENT	400			0%	-100%
ROADS REHABILITATION	5 217			0%	-100%
ROAD REHABILITATION		2 351	2 283	-3%	0%
GRAVEL TO TAR (EXTERNAL LOANS) NEW	1 000	2 348	2 252	-4%	125%
1 TON LDV FOREMAN ROADS	400	417	417	0%	4%
GRAVEL TO TAR		11 868	11 824	0%	0%
LDV'S		217	169	-22%	0%
<b>Total</b>	<b>7 017</b>	<b>17 611</b>	<b>17 309</b>	<b>-2%</b>	<b>147%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Development and Planning (Refer T3.10.6)</b>					
FURNITURE AND EQUIPMENT NEW	180	93	89	-4%	-50%
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	7 587	-24%	-24%
<b>Total</b>	<b>10 180</b>	<b>10 093</b>	<b>7 676</b>	<b>-24%</b>	<b>-25%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Libraries (Refer 3.12.6)</b>					
RFID SECURITY SYSTEM-MEYERTON	1 500	1 160	721	-38%	-52%
CANOPY	25	25	23	-10%	-10%
AIR CONDITIONERS	500	500	500	0%	0%
MEYERTON LIBRARY FURNITURE	700	700	624	-11%	-11%
ITC HARDWARE (COMPUTORS) - NEW	1 100	1 440	1 165	-19%	6%
MEYERTON LIBRARY BOOKS (DAC)	500	500	491	-2%	-2%
HOK LIBRARY BOOKS (DAC)	200	200	199	0%	0%
DE DEUR LIBRARY BOOKS (DAC)	300	300	293	-2%	-2%
RANDVAAL LIBRARY BOOKS (DAC)	200	200	195	-2%	-2%
LIBRARY FURNITURE - SICELLO - NEW	300	300	282	-6%	-6%

SICELO LIBRARY BOOKS (DAC)	300	300	297	-1%	-1%
EXT SICELO LIBRARY BUILDING - UPGRADING		2 365	2 045	-14%	0%
LAKESIDE LIBRARY BOOKS (DAC)	300	300	293	-2%	-2%
BANTU BONKE LIBRARY BOOKS (DAC)	200	200	198	-1%	-1%
<b>Total</b>	<b>6 125</b>	<b>8 490</b>	<b>7 327</b>	<b>-14%</b>	<b>20%</b>
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Cemeteries (Refer T3.13.6)</b>					
None					
<b>Total</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Social Admin (Refer T3.14.6)</b>					
SMALL MOTOR VEHICLE	250	250		-100%	-100%
GENERATOR		120	120	0%	0%
FURNITURE & EQUIPMENT	20	18	17	0%	-13%
PARK FENCING & JUNGLE GYM (ECD - SICELO)	150	140	139		
<b>Total</b>	<b>420</b>	<b>527</b>	<b>276</b>	<b>-48%</b>	<b>-34%</b>
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Clinics (Refer T3.17.6)</b>					
None					
<b>Total</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Traffic (Refer T3.20.6)</b>					
VEHICLE REPLACEMENTS	600	600		-100%	-100%
SECURITY EQUIPMENT	1 750	1 300	1 300	0%	-26%
EQUIPMENT FOR TRAFFIC LAW ENFORCEMENT	830	166	166	0%	-80%
FURNITURE & EQUIPMENT		110		-100%	0%
<b>Total</b>	<b>3 180</b>	<b>2 176</b>	<b>1 466</b>	<b>-33%</b>	<b>-54%</b>
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Fire (Refer T3.21.6)</b>					
RESCUE VEHICLE VAAL MARINA		1 334	142	-89%	0%
WILD LAND FIRE & RESCUE VEHICLE	2 500	1 943	1 943	0%	-22%
SWIFT WATER RESCUE EQUIP - TRAINING CENTRE	100	75	75	0%	-25%
PORTABLE PUMP	500	340	340	0%	-32%
BA COMPRESSOR SYSTEM	550	550		-100%	-100%
RESCUE & FIRE EQUIPMENT	950	1 110	1 073	-3%	13%
RAPID RESPONSE RESCUE VEHICLE & EQP		1 073	912	-15%	0%
SMALL GEAR MEYERTON FIRE STATION	100	55	53		
RADIOS AND REPEATER	750	700	700		
NEW CCTV CAMERAS	2 500	2 465	2 137		
<b>Total</b>	<b>7 950</b>	<b>9 645</b>	<b>7 375</b>	<b>-24%</b>	<b>-7%</b>



Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Parks, Sport and Recreation (Refer 3.23.5)</b>					
TRACTORS (REPLACEMENTS)	325	458	378	-17%	16%
LDV'S (REPLACEMENTS)	800	650	630	-3%	-21%
MOBILE TOILETS	120	88	88	0%	-26%
KUDUS	100	65	65		
TELESCOPIC POLE PRUNERS	25	50	47		
PEST CONTROL EQUIPMENT	200	200	192		
RIDE ON LAWMOWERS	160	170	166		
SPORT INFRASTRUCTURE DEVELOPMENT		315	315		
LAKESIDE SPORT CENTRE (MIG)	11 164	4 019	4 019		
CHAINSAWS		22	22		
<b>Total</b>	<b>12 894</b>	<b>6 037</b>	<b>5 922</b>	<b>-2%</b>	<b>-54%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Executive and Council (Refer 3.24.6)</b>					
AIR CONDITIONERS	155	155	146	-6%	-6%
TABLES	20	17	14	-20%	-31%
PLASTIC CHAIRS	20			0%	-100%
FURNITURE & EQUIPMENT	30	30	17	-45%	-45%
<b>Total</b>	<b>225</b>	<b>202</b>	<b>176</b>	<b>-13%</b>	
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Finance (Refer 3.25.6)</b>					
FUEL TANKS & PUMPS	500	515	515	0%	3%
AIR CONDITIONERS	30	31	30	-2%	1%
FURNITURE AND EQUIPMENT	180	180	177	-1%	-1%
STORES EQUIPMENT & SHELVING	250	234	233	0%	-7%
	<b>960</b>	<b>960</b>	<b>956</b>	<b>0%</b>	<b>0%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>HR (Refer 3.26.6)</b>					
<b>Total</b>					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>IT (Refer 3.27.6)</b>					
SOFTWARE APPLICATION	1 000	972	972	0%	-3%
NETWORKS & COMPUTER RELATED HARDWARE	2 500	4 735	4 726	0%	89%
<b>Total</b>	<b>3 500</b>	<b>5 707</b>	<b>5 698</b>	<b>0%</b>	<b>63%</b>

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Property, Legal, Risk (Refer 3.28.6)</b>					
STRATEGIC LAND PURCHASES	309	500	391	-22%	27%
RECORDING EQUIPMENT	245	205	193	-6%	-21%
OFFICE FURNITURE	100	58	58	0%	-42%
<b>Total</b>	<b>654</b>	<b>764</b>	<b>642</b>	<b>-16%</b>	<b>-2%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Engineering Admin (Refer 3.28.6A)</b>					
BUILDING AIR CONDITIONERS	15			0%	-100%
FURNITURE & EQUIPMENT	10	15	15	0%	55%
OFFICE FURNITURE	50			0%	-100%
<b>Total</b>	<b>75</b>	<b>15</b>	<b>15</b>	<b>0%</b>	<b>-79%</b>
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Savanna City (Refer 3.29.6)</b>					
None					
<b>Total</b>					
<b>Grand Total</b>	<b>144 994</b>	<b>178 121</b>	<b>164 627</b>	<b>-8%</b>	<b>14%</b>

**APPENDIX O: CAPITAL PROGRAMME PER PROJECT PER WARD**

Capital Programme by Project by Ward: 2021/2022		
Capital Project	Ward(s) Affected	Works Completed (Yes/No)
<b>Water (Refer T3.1.9)</b>		
RESERVIOR REFURBISHMENT - W/L PROGRAMME	WHOLE OF MUNICIPALITY	
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	WHOLE OF MUNICIPALITY	
AGED BULK WATER PIPE REPLACEMENT	WARD 06	
REFURBISHMENT/REPLACEMENT - SUPPLY VALVES	WHOLE OF MUNICIPALITY	
PRESSURE MANAGEMENT INFRASTRUCTURE	WHOLE OF MUNICIPALITY	
PREPAID WATER METER PROJECT	WHOLE OF MUNICIPALITY	
REPLACEMENT – PREPAID & CONVENTIONAL WATER M	WHOLE OF MUNICIPALITY	
RISIVILLE WATER NETWORK (NEW)	WHOLE OF MUNICIPALITY	
WATER METER REPLACEMENT PROGRAMME	WHOLE OF MUNICIPALITY	
PREPAID WATER METER PROJECT	WARD 02	
BULK WATER METERS	WHOLE OF MUNICIPALITY	
DOUBLE CAB BAKKIE	WARD 01	
<b>Sanitation (Sewerage) (Refer T3.2.9)</b>		
NEW SEWER CONNECTIONS		
EXTENSION TO HENLEY ON KLIP SEWER		
EXTENSION TO HENLEY ON KLIP SEWER		
INSTALLATION OF ONSITE TOILETS		
REPLACEMENT OF PUMPS		
EXTEND SEWER NETWORK		
RESERVIOR REFURBISHMENT - W/L PROGRAMME		
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES		
AGED BULK WATER PIPE REPLACEMENT		
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES		
PRESSURE MANAGEMENT INFRASTRUCTURE		
PREPAID WATER METER PROJECT		
REPLACEMENT – PREPAID & CONVENTIONAL WATER M		
RISIVILLE WATER NETWORK (NEW)		
WATER METER REPLACEMENT PROGRAMME		
PREPAID WATER METER PROJECT		
BULK WATER METERS		
DOUBLE CAB BAKKIE		
EQUIPMENT & TOOLS		
<b>Electricity (Refer T3.3.8)</b>		
LAND CRUISERS	WHOLE OF MUNICIPALITY	
H/MAST & STREET LIGHTS: UNSERVICED AREAS	WHOLE OF MUNICIPALITY	
REPLACE CONV.METERS WITH PREPAID METERS	WHOLE OF MUNICIPALITY	
REPLACE METERS FOR TID COMPLIANCE	WHOLE OF MUNICIPALITY	
REPLACE REDUNDANT SWITCHGEAR	WHOLE OF MUNICIPALITY	
CABLE FEEDERS - CONS EMFULENI CONNECT	WHOLE OF MUNICIPALITY	
SAVANNA CITY ELECTR. NETWORK	WARD 10	
SICELO ELECTRIFICATION NETWORK	WARD 02	
REPLACEMENT OF TOOLS FOR MECHANICS	WARD 11	
ELECTRICITY METERING	WARD 08	
NEW CONNECTIONS	WHOLE OF MUNICIPALITY	

STRENGTHENING OF ELECTRICITY SUPPLY	WARD 08	
RENEWABLE ENERGY	WHOLE OF MUNICIPALITY	
LADDERS & BINS	WHOLE OF MUNICIPALITY	
TRANSFORMERS	WHOLE OF MUNICIPALITY	
<b>Waste Management Services (Refer T3.4.9)</b>		
REHAB OF HENLEY (CLOSING JUNE 2021)	WHOLE OF MUNICIPALITY	
REHAB OF WALKER (CLOSING JUNE 2022)	WHOLE OF MUNICIPALITY	
LANDFILL CELL DEVELOPMENT (EXPANSION)	WHOLE OF MUNICIPALITY	
LANDFILL COMPACTOR NEW	WARD 02	
BRUSH CUTTERS – NEW	HEAD OFFICE	
LANDFILL COMPACTOR NEW		
COMPACTOR (REFUSE TRUCK)		
TRUCK FOR LITTER PICKING TEAM	WHOLE OF MUNICIPALITY	
MOBILE TOILETS	WHOLE OF MUNICIPALITY	
REFURBISHMENT - BLACKWOOD TRANSFER STATION	WHOLE OF MUNICIPALITY	
REFURBISHMENT MALE & FEMALE CHANGE ROOMS	WHOLE OF MUNICIPALITY	
REFUSE TRUCK	WARD 15	
REHABILITATION VAAL MARINA LANDFILLSITE	WHOLE OF MUNICIPALITY	
FENCE HENLEY ON KLIP LANDFILLSITE	WARD 11	
<b>Roads (Refer T3.7.9)</b>		
ROLLER COMPACTOR	WHOLE OF MUNICIPALITY	
EQUIPMENT	WHOLE OF MUNICIPALITY	
ROADS REHABILITATION	WHOLE OF MUNICIPALITY	
ROAD REHABILITATION	WHOLE OF MUNICIPALITY	
GRAVEL TO TAR (EXTERNAL LOANS) NEW	WHOLE OF MUNICIPALITY	
1 TON LDV FOREMAN ROADS	WHOLE OF MUNICIPALITY	
LDV'S	WHOLE OF MUNICIPALITY	
GRAVEL TO TAR	WHOLE OF MUNICIPALITY	
<b>Development and Planning (Refer T3.10.6)</b>		
FURNITURE AND EQUIPMENT NEW	HEAD OFFICE	
ECONOMIC INFRASTR / URBAN REGENERATION	WHOLE OF MUNICIPALITY	
<b>Libraries (Refer 3.12.6)</b>		
RFID SECURITY SYSTEM MEYERTON	WARD 09	
CANOPY	WARD 09	
AIR CONDITIONERS	WARD 14	
MEYERTON LIBRARY FURNITURE	WARD 09	
ITC HARDWARE (COMPUTORS) - NEW	WARD 15	
MEYERTON LIBRARY BOOKS (DAC)	WARD 15	
HOK LIBRARY BOOKS (DAC)	WARD 15	
DE DEUR LIBRARY BOOKS (DAC)	WARD 11	
RANDVAAL LIBRARY BOOKS (DAC)	WARD 11	
LIBRARY FURNITURE - SICELo - NEW	WARD 01	
SICELo LIBRARY BOOKS (DAC)	WARD 04	
EXT SICELo LIBRARY BUILDING - UPGRADING	WARD 10	
LAKESIDE LIBRARY BOOKS (DAC)	WARD 10	
BANTU BONKE LIBRARY BOOKS (DAC)	WARD 06	

<b>Cemeteries (Refer T3.13.6)</b>		
<b>Social Admin (Refer T3.14.6)</b>		
SMALL MOTOR VEHICLE	HEAD OFFICE	
GENERATOR	HEAD OFFICE	
FURNITURE & EQUIPMENT	HEAD OFFICE	
PARK FENCING&JUNGLE GYM (ECD - SICEL0)	HEAD OFFICE	
	HEAD OFFICE	
<b>Traffic (Refer T3.20.6)</b>		
VEHICLE REPLACEMENTS	WHOLE OF MUNICIPALITY	
SECURITY EQUIPMENT		
EQUIPMENT FOR TRAFFIC LAW ENFORCEMENT	HEAD OFFICE	
FURNITURE & EQUIPMENT	WHOLE OF MUNICIPALITY	
<b>Fire (Refer T3.21.6)</b>		
RESCUE VEHICLE VAALMARINA	WARD 01	
WILD LAND FIRE & RESCUE VEHICLE	WHOLE OF MUNICIPALITY	
SWIFT WATER RESCUE EQUIP-TRAINING CENTRE	WHOLE OF MUNICIPALITY	
PORTABLE PUMP		
BA COMPRESSOR SYSTEM		
RESCUE & FIRE EQUIPMENT		
RAPID RESPONSE RESCUE VEHICLE & EQP	WHOLE OF MUNICIPALITY	
SMALL GEAR MEYERTON FIRE STATION	WHOLE OF MUNICIPALITY	
RADIOS AND REPEATER	WARD 01	
NEW CCTV CAMERAS	HEAD OFFICE	
<b>Parks, Sport and Recreation (Refer 3.23.5)</b>	WHOLE OF MUNICIPALITY	
TRACTORS (REPLACEMENTS)	WHOLE OF MUNICIPALITY	
LDV'S (REPLACEMENTS)	WARD 06	
MOBILE TOILETS	WHOLE OF MUNICIPALITY	
KUDUS	WHOLE OF MUNICIPALITY	
TELESCOPIC POLE PRUNERS	WHOLE OF MUNICIPALITY	
PEST CONTROL EQUIPMENT	WHOLE OF MUNICIPALITY	
RIDE-ON LAWNMOWERS	WHOLE OF MUNICIPALITY	
SPORT INFRASTRUCTURE DEVELOPMENT	WHOLE OF MUNICIPALITY	
LAKESIDE SPORT CENTRE (MIG)	WHOLE OF MUNICIPALITY	
CHAINSAWS	WHOLE OF MUNICIPALITY	
<b>Executive and Council (Refer 3.24.6)</b>		
FURNITURE & EQUIPMENT	HEAD OFFICE	
<b>Finance (Refer 3.25.6)</b>		
FUEL TANKS & PUMPS		
AIR CONDITIONERS		
FURNITURE AND EQUIPMENT		
STORES EQUIPMENT & SHELVING	HEAD OFFICE	
<b>IT (Refer 3.27.6)</b>		
SOFTWARE APPLICATION		

NETWORKS & COMPUTER RELATED HARDWARE	HEAD OFFICE	
<b>Property, Legal, Risk (Refer 3.28.6)</b>		
STRATEGIC LAND PURCHASES	WHOLE OF MUNICIPALITY	
RECORDING EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE	HEAD OFFICE	
<b>Engineering Admin (Refer 3.28.6A)</b>		
BUILDING AIR CONDITIONERS	WHOLE OF MUNICIPALITY	
FURNITURE & EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE	HEAD OFFICE	
<b>Savanna City (Refer 3.29.6)</b>		
SAVANNA BULK PIPELINE	WHOLE OF MUNICIPALITY	
SAVANNA RESERVOIR	WHOLE OF MUNICIPALITY	
SAVANNA ROADS REHABILITATION	WHOLE OF MUNICIPALITY	

**APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS**

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (Names &amp; Location)</b>				
Kudung, near Karan Beef (Heidelberg)	No	No	No	
Daleside	Yes	No	No	
<b>Clinics (Names &amp; Location)</b>				
<i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i>				T P

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

<b>Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (Where the municipality, whether or not act on agency basis)</b>		
<b>Services and Locations</b>	<b>Scale of backlogs</b>	<b>Impact of backlogs</b>
<b>Clinics</b>		
<p>New clinics, upgrading of clinics, mobile clinics, upgrading of mobile to permanent clinics</p>	<p>The need for upgrading and/or provision of clinics has been reported in Wards 1, 4, 5, 6, 8, 10,11,12 and 13</p>	<p>There is a direct link between the housing backlogs and the need for clinics. The majority of wards that included one or more formal town did not express a need for a clinic, whereas the majority of wards that had housing backlogs and/or informal settlements also indicated the need for either mobile clinics, upgraded clinics or new formal clinics.</p>
<b>Housing</b>		
<p>Community housing needs expressed, correlated with the housing backlog as recorded by Council</p>	<p>The reported housing backlog excluding "shack-farming", is reported to be ± 5 546 units, located in Sicelo, Piels Farm, Boitumelo, Kayelitsha and Mamello</p>	<p>The eradication of the housing backlog is being delayed due to budget constraints, inadequate access to bulk infrastructure, unfavourable soil conditions, unwillingness by the community to be relocated to more favourable conditions and the high number of people who do not qualify for government housing assistance.</p>
<b>Licensing and Testing Centre</b>		
	<p>No backlog reported by the community</p>	
<b>Reservoirs</b>		
<p>When reservoirs are expressed as a community need, it can often refer to a need for internal reticulation, provision of link infrastructure or pumping mains</p>	<p>Midvaal has commissioned several new reservoirs in recent years including the Vaal Marina and Graceview Reservoirs</p>	<p>Shortages exist that will need to be addressed. The challenge however is the need to improve service delivery through the upgrading of the multiple aspects of the entire water supply network, not only reservoirs.</p>
<b>Schools (Primary and High)</b>		
<p>Schools also include specialist schooling facilities such as Early Childhood Development Centres, schools and youth development centres</p>	<p>As with clinics a direct correlation exists between the proclamation status of the settlement and its accessibility to educational facilities</p>	<p>The provision of ECD facilities in informal settlements, as with schools, is hampered by the regulatory requirements pertaining to township establishment. It is the anticipation that these services would be delivered as and when the formalisation is addressed and issues pertaining to land management are resolved.</p>
<b>Sport Fields</b>		
<p>A demand exists for a variety of sport and recreational facilities. It is mostly the newer settlements and more remote communities that have the biggest demand for these facilities, as most of the existing facilities are in the bigger towns and nodes</p>	<p>Recreational facilities play an integral part in building vibrant healthy communities. It creates a healthy platform for communities to interact and build new relationships and children to develop physical and inter-personal skills, linked to sound values</p>	<p>The lack in the development and maintenance of new sport and recreational facilities is as much a product of budgetary constraints as that of inefficient community initiative. This is exaggerated by the lack of access to suitable land.</p>



**APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY MIDVAAL**

Declaration of Loans and Grants made by the municipality: Year 2019/20				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 15/16 R' 000	Total Amount committed over previous and future years
None				n/a
<i>* Loans/Grants - whether in cash or in kind</i>				<i>TR</i>

**APPENDIX S: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT**

<b>National and Provincial Outcomes for Local Government</b>		
<b>Outcome/Output</b>	<b>Progress to date</b>	<b>Number or Percentage Achieved</b>
<p><b>Output:</b> Improving access to basic services</p>	<p>Ongoing projects to upgrade gravel roads to paved/tar roads. Upgrading of bulk outfall sewers. Planning and design of the expansion of the wastewater treatment works and bulk water supply. All these projects will improve in the long run.</p>	<p>Unknown</p>
<p><b>Output:</b> Implementation of the Community Work Programme</p>	<p>The project has been implemented in Midvaal Local Municipality in Wards 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15. The programme has created a total of 866 jobs within Midvaal LM of which 17 people with Disability and 656 youth formed part of the programme.</p>	<p>100%</p>
<p><b>Output:</b> Deepen democracy through a refined Ward Committee model</p>	<p>Note: The complete information is reflected in Chapter 2 (Par 2.4). The essence is that ward committees have been established in all 15 wards and all such committees are functional.</p>	
<p><b>Output:</b> Administrative and financial capability</p>	<p>The Council is fully operational and is chaired by a full-time Speaker. It has an independent Performance &amp; Audit Committee. A Municipal Public Accounts Committee (MPAC) has been established and is chaired by a member of the official opposition party in Council to enhance the credibility of the oversight function. The Executive Mayor is assisted by five full-time members of the Mayoral Committee. The administration is headed by the Municipal Manager and five Heads of Department. There are vacancies in these key designations. There is 100% compliance in respect of the MFMA requirements relating to Section 52(d)-reports, Section 72-Mid-year report, Section 71-monthly reports and other legislated quarterly reports.</p>	
<p><i>* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.</i></p>		

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APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT



**GAUTENG PROVINCE**

PROVINCIAL TREASURY  
REPUBLIC OF SOUTH AFRICA

Enquiries: Owen Witbooi  
Tel: (011) 227 9001  
Email: [Owen.Witbooi@gauteng.gov.za](mailto:Owen.Witbooi@gauteng.gov.za)

The Acting Municipal Manager  
Mr. Solly Mosidi  
Midvaal Local Municipality  
P.O. Box 9  
**MEYERTON**  
1960

Dear Mr. Solly Mosidi

**SUBJECT: COMMENTS ON 2020/21 ANNUAL REPORT**

The Gauteng Provincial Treasury and Department of Co-operative Governance and Traditional Affairs wishes to extend a word of appreciation to your municipality for preparing and submitting a final annual report in accordance with the provisions of the Municipal Systems Act (MSA), Municipal Finance Management Act (MFMA) and MFMA Circular 63.

Gauteng Provincial Treasury and Gauteng Department of Co-operative Governance and Traditional Affairs have jointly undertaken the assessment of the draft annual reports on both financial and non-financial sections of the annual report.

The Departments recommend that comments raised in the attached report be incorporated in the next annual report to ensure achievement of good governance and clean administration

For further information, please do not hesitate to contact Gauteng Provincial treasury at [mfma.treasury@gauteng.gov.za](mailto:mfma.treasury@gauteng.gov.za)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ncumisa Mnyani'.

**Ms. Ncumisa Mnyani**  
**HOD: GAUTENG PROVINCIAL TREASURY**  
DATE: 30 MARCH 2022

**CC**

**Ms. Itumeleng Mokate**  
**ACTING HOD: DEPARTMENT OF CO-OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS**



**GAUTENG PROVINCE**  
PROVINCIAL TREASURY  
REPUBLIC OF SOUTH AFRICA

## **MIDVAAL LOCAL MUNICIPALITY**

**Gauteng Provincial Treasury  
Final Annual Report Assessment  
2020/21**

Final 2020/21 Annual Report Assessments

**MIDVAAL LOCAL MUNICIPALITY**



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**1. PURPOSE OF THE REPORT**

The purpose of the report is to share with the municipality, the assessment done by both Gauteng Provincial Treasury and Gauteng COGTA on the content of the 2020/21 tabled Annual Report. Also, to ensure that the municipality report accurate information as per the knowledge of Gauteng Provincial Treasury and Gauteng COGTA.

**2. ASSESSMENT CRITERIA**

This assessment is based on the Annual Report tabled by the municipality on 27 January 2022. Section 127 of the MFMA together with Circular 11 and 63 of the MFMA were used as the yardstick when assessing the level of compliance by the municipality. The content of the Annual Report was further cross referenced with other relevant documents such as in year reports submitted by the municipality to Gauteng Provincial Treasury.

In essence the assessment focused on the following:

- a) Overall Compliance as per MFMA;
- b) Format layout as per Circular 11 and 63 of the MFMA;
- c) Findings per Chapter and
- d) Recommendations

**3. ASSESSMENT**

**3.1 Overall Compliance**

**Table 1: Level of compliance review**

<b>Date Final Annual Report tabled in council</b>	26 January 20220
<b>Date received by Provincial Treasury</b>	8 February 2022
<b>Layout as per National treasury guidelines</b>	Yes
<b>Council Resolution Received</b>	Yes
<b>Published in Website</b>	Yes
<b>Published Notice Advert as per MFMA 127 (5)(a)(ii)</b>	Yes

### **3.2 Format of the report**

The format of the Midvaal Local Municipality's Annual Report is easily laid out, as proposed in the draft National Treasury template. This format covers all service delivery performance areas offered by the municipality.

The municipality took extra care in the presentation of the Annual Report with regards to page numbering and cross referencing on the contents page to allow for better navigation through the document.

It is intended that where the municipality does not provide a service, that service be removed from the report. The municipality has been consistent in this regard. Functions which are not the competency of the municipality have not been left in the report but clearly highlight that they are not applicable, this in turn has not affected the numbering of the document as well as the content page numbering.

### **APPENDICES**

All appendices were included in the annual report.

### **3.3 Findings per chapter**

#### **Chapter 1: Executive Mayor's foreword & Executive Summary**

##### **Introduction and objective**

This chapter aims to provide a high-level summary and an understanding of the activities of the municipality for the year under review without reading the details of the report. The mayor will be addressing key political issues whereas the accounting officer will provide a glimpse on the performance of the various departments within the municipality.

The mayor should provide an account on the political direction undertaken during the year under review in executing the Provincial Growth and Development Strategies which is aligned to the IDP strategies of the municipality and outcomes achieved. The mayor should provide a measure on how far the Key Policy Developments, Key Service Delivery Agreements and Public Participation processes undertaken have achieved the broader Vision of the municipality. The mayor should also articulate on future actions, agreements and partnership for the next five years that will improve service delivery in a municipality, then conclude final thoughts for the year and sign the report.

The accounting officer should provide a high-level report on the demographic and geographic statistics of the municipality. The provision of basic services to the total population of the municipality that is above or below minimum standards, overview on service delivery, overview on the organisational development, overview on financial health, the Auditor-General's report and comments on compliance to the Annual Report process.

**Discussions**

Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, Performance Agreements of senior management and officials, in-year reports covering financial and non-financial information, such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others, Annual Financial Statements, Annual Performance Report and the Annual Report. All this form one process to ensure that the actual performance is reported against what was planned and contained in the IDP. In this way, the Annual Reporting is a backward-looking process of financial and non-financial performance for the financial year under review.

**Table 2: Executive Mayor's foreword & Executive Summary**

<b>Table No</b>	<b>Finding</b>	<b>Recommendation</b>
T 1.0.1 & T 1.1.1	There were not findings for Chapter 1	N/A



## Chapter 2: GOVERNANCE

### Introduction and objective

The aim of this chapter is to ensure that issues of accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. The Annual Report should be seen as a tool to promote accountability to communities for decisions taken by Council on matters relating to administrative structures, throughout a financial year. The four components of the governance chapter should address improvements on policy making and implementation by governance structures and administration, improvements in service delivery through intergovernmental relations, public participation and corporate governance.

**Table 3: Governance**

Table No	Finding	Recommendation
T2.9.2	Bylaws: we note that municipality developed, informal traders and risk bylaws in 2019/20 FY and they remain unpublished in the 2020/21 FY	Municipality encouraged to invite public comments and gazette the said bylaws and speed-up its implementation.
T 2.10	Compliance to the requirements of section 75 of the Municipal Finance Management Act.	The municipality is commended for its compliance to the requirements of section 75 of the Municipal Finance Management Act by placing and updating municipal documents on the website.

**Chapter 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)**

In order for municipalities to meet the reporting requirements of the annual report especially this chapter; they need to ensure that the IDP, budget, SDBIP and in-year reports have the similar and consistent information to facilitate linkage between plans and actual performance. The municipality is encouraged to introduce the information required in the annual report to its planning and in-year reporting framework to streamline workloads and improve relevant reporting information that will be informative to the stakeholders and role-players alike.

**Table 4: Service Delivery**

<b>Table No</b>	<b>Finding</b>	<b>Recommendation</b>
T 3.1	Water infrastructure maintenance.  Table 3.1.2 which reflects the unaccountable water loss, it is not clear whether the loss is in monetary terms or in kilolitres	The municipality is encouraged to indicate whether the loss is in monetary value or number of kilolitres of water loss to enable performance measuring and analysis.
T3.2	Provision of sanitation.	The provision of sanitation services in different forms is acknowledged. The department has noted the provision of sanitation to informal households which are used on a shared basis. However, the municipality is urged to report against targets.
T3.3	Provision of electricity  The municipality is urged to report against annual targets.	The municipality is urged to report progress against target, to enable performance measuring and analysis.
	The LED initiatives by the municipality are acknowledged, however, the municipality has not provided a breakdown in terms of LED opportunities created / assisted for the vulnerable which is women, the disabled and youth.	The municipality is encouraged to provide a report on these details for purposes of understanding performance in terms of inclusivity of these groups in the local economy.
<b>Overall Comments and additional information that must be reported on in the Service Delivery Key Focus Area</b>		

**GAUTENG PROVINCIAL TREASURY  
MUNICIPAL COMPLIANCE AND IGR REPORTS  
MIDVAAL DISTRICT MUNICIPALITY**

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**2020/21 FINAL ANNUAL REPORT ASSESSMENT**

Municipality is also advised to report progress against annual targets on water infrastructure maintenance sanitation provision and electricity provision. This was also recommended in the previous financial year and it remains unresolved.

**Chapter 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE**

**Introduction and objective**

This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality by identifying skills gaps and develop plans for the gaps. In order to measure the outcome of effective organisational development the following points are highlighted:

- a) Organisational structure enhancement,
- b) Increased accountability,
- c) Increased participation in problem solving, goal setting and new ideas and
- d) Identifying and development of skills needed to perform work.

The above can be achieved only if the municipality can demonstrate in the Annual Report the effective management of all four components of this chapter i.e. introduction to and managing the municipal workforce, capacitating the municipal workforce and managing the municipal workforce expenditure.

**Table 5: Organizational Development Performance**

<b>Table No</b>	<b>Findings</b>	<b>Recommendations</b>
T 4.6.1.1	<p><b>Work force expenditure</b></p> <p>The municipal report is silent on the following issues required to be reported on in terms of Circular 68 reporting template:                      Number of employees whose salaries were increased due to their positions being upgraded, employees whose salary levels exceed the grade determined by job evaluation, employees appointed to posts not approved</p>	<p>Municipality is also advised to continually report in detail and ensure compliance to the reporting template.</p>

**Chapter 5: FINANCIAL PERFORMANCE**

**Introduction and objective**

The aim of this chapter is to provide an overview of the financial performance of the municipality through measuring results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are spent in line with the approved IDP. Effective municipal financial management has the following interrelated components which municipalities must provide and account for in the Annual Report:

- a) Planning and budgeting;
- b) Asset and liability management;
- c) Revenue and expenditure management;
- d) Supply chain management;
- e) Other financial management;
- f) Accounting and reporting, and
- g) Oversight & operational continuity.

The chapter is divided into four components addressing financial performance, spending against capital budget, cash flow management and investments as well as other financial matters.

**Finding**

**Table 6: Financial Performance**

Table No	Findings	Recommendations
T5.10	Long term loans Audited AFS vs Annual Report figures  2019/20 figures The audited AFS and Annual Report correspond. However, they both do not agree to the QBMR.	The municipality should correct the figures.

**GAUTENG PROVINCIAL TREASURY  
MUNICIPAL COMPLIANCE AND IGR REPORTS  
MIDVAAL DISTRICT MUNICIPALITY  
2020/21 FINAL ANNUAL REPORT ASSESSMENT**

	<p>2018/19 - The figures do not correspond</p> <p>QBMR - R159 077 207 Audited AFS - R167 557 335 Annual Report - R166 315 000</p>	
	<p>Finance Leases: Audited AFS vs Annual Report figures</p> <p>2019/20 figures The audited AFS and Annual Report correspond. However, they both do not agree to the QBMR.</p> <p>2018/19 - The figures do not correspond</p> <p>QMBR – R 159 077 207 Audited AFS – R 167 557 335 Annual Report – R 166 315 000</p>	<p>The municipality should correct the figures.</p>

## Chapter 6: AUDITOR GENERAL AUDIT FINDINGS

### Introduction and objective

This chapter provides an overview of the Auditor-General report of the previous financial year, specific topics that should receive attention includes:

- a) Detail on issues raised during the previous financial year;
- b) Remedial action taken to address the above and preventative measures.

The new Annual Report Format is inclusive of the annual financial statements and performance reports which must be submitted to the Auditor-General for audit during August each year. After the Auditor-General has issued a report, the opinion expressed will form part of the Annual Report for the year under review.

**Table 7: Audit outcomes**

Findings	Recommendations
The audit outcome of the Municipality for the year under review (2020/21) has been included.	None.

#### **4 OVERALL CONCLUSION**

- a) The structure and layout of Annual Report is extremely good, and the municipality is commended for this.
- b) Overall; keeping the above in mind the municipality is advised to implement the requirements of MFMA circular 63 which is aimed at promoting public accountability and transparency as well as ensuring the alignment, between the IDP, Budget, Annual Report and Oversight Report. The budget, which is fed by the information obtained from the Annual Report, is forward looking and therefore a pre-financial year document.
- c) The municipality is advised to adopt the MFMA circular 63 and ensure that the timelines as contained in the circular are adhered to.
- d) All the annual report directive notes should be removed from the final document sent out for public participation;
- e) The municipality is requested to consider all the gaps as outlined above per chapter and implement all the recommendations provided by GPT prior tabling the final 2021/22 annual report to Council for approval.
- f) Municipality is advised to verify the accuracy and completeness of the information provided in the AR to avoid providing incorrect and misleading information to public and other stakeholders. Failure to adhere to these might results into financial misconduct as prescribed in Chapter 15 of the MFMA".





# ANNUAL PERFORMANCE REPORT

1 JUL 2021 – 30 JUN 2022

MUNICIPAL SYSTEMS ACT

SECTION 46

“TO INCLUSIVELY SERVE THE NEEDS OF OUR COMMUNITIES”



 P.O. Box 9, Meyerton  
25 Mitchell Street, Meyerton, 1960  
 [www.midvaal.gov.za](http://www.midvaal.gov.za)  
 @MidvaalLM  
 [complaints@midvaal.gov.za](mailto:complaints@midvaal.gov.za)

 Switchboard: (016) 360 7400  
Call Centre: 0861 643 8225  
Fax: (016) 360 7519  
Fraud Reporting Line: 0860 266 624  
Emergency Number: (016) 360 7500  
(016) 362 5911





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## 1. LEGISLATIVE REQUIREMENT TO COMPILE THE SECTION 46 ANNUAL PERFORMANCE REPORT

The Municipal Systems Act, Act 32 of 2000, in terms of Section 46 requires Council to comply with the provisions of the said legislation, to annually prepare a Performance Report.

The format and structure of the report is determined according to the said section.

The said section reads as follows:

“Section 46 – Annual performance reports

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



## 2. COUNCIL’S GEOGRAPHICAL LOCATION, AREA OVERVIEW AND POPULATION

The Midvaal Local Municipality (GT422), covering approximately 1 722 km<sup>2</sup>, is one of three local municipalities situated within the Sedibeng District Municipality, the other two being the Emfuleni Local Municipality (GT421), approximately 966 km<sup>2</sup> in extent and the Lesedi Local Municipality (GT423), approximately 1 484 km<sup>2</sup> in extent.

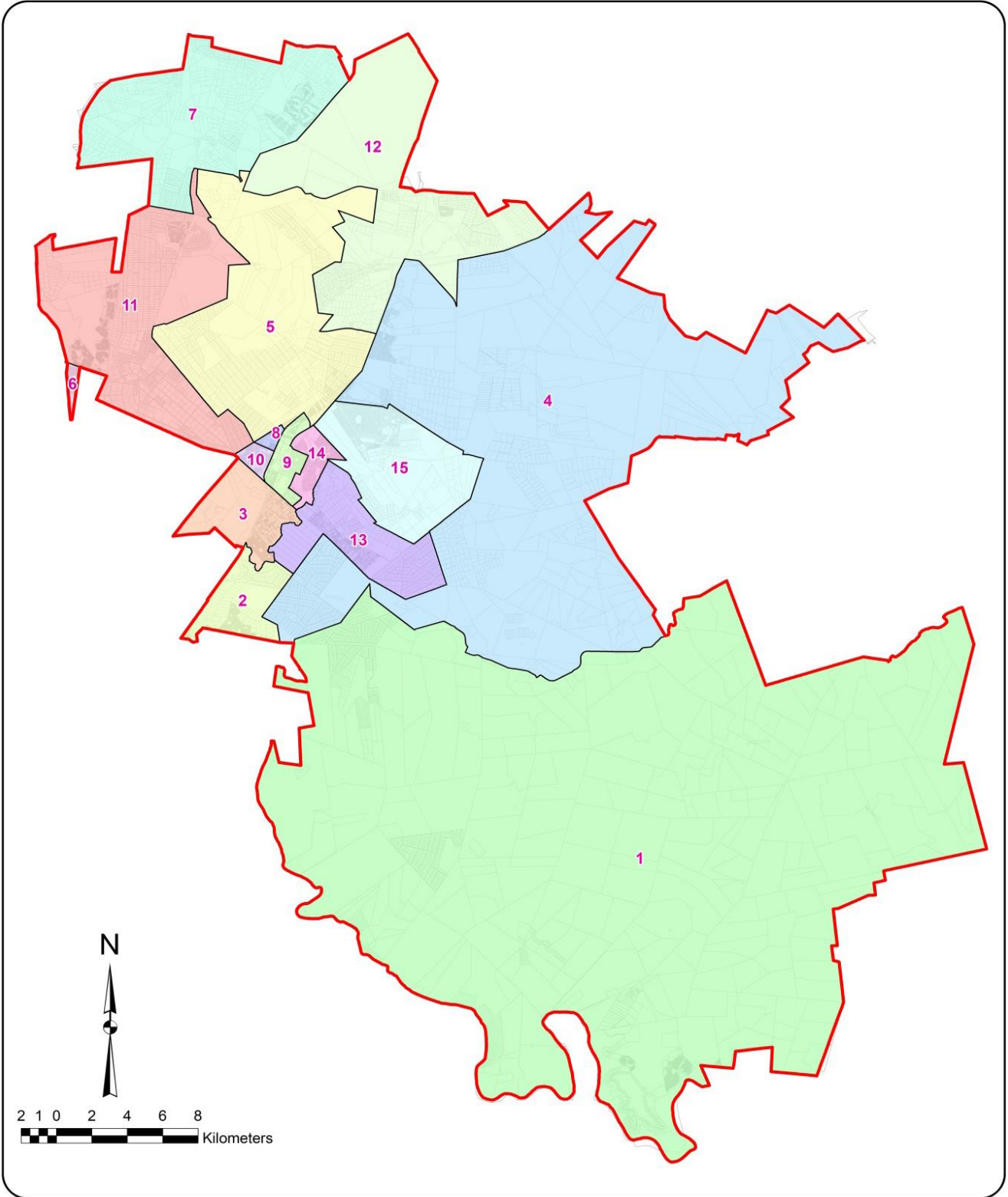
Midvaal is a Category B-municipality as defined in the Municipal Structures Act, Act 117 of 1998 (Chapter 1).

Midvaal is located in the Southern parts of the Gauteng Province and is bordered by two provinces, namely Mpumalanga Province to the East and the Free State Province to the South.

Dipaliseng Local Municipality (MP306) is located to the East and Metsimaholo Local Municipality (FS204) is situated to the South. The City of Johannesburg and Ekurhuleni Metropolitan Municipality are situated to the North.

It comprises of fifteen wards and is one of three local municipalities situated within the Sedibeng District Municipality.

# Ward Map



Cadastre	Ward 5	Ward 10	Ward 15
Ward 1	Ward 6	Ward 11	
Ward 2	Ward 7	Ward 12	
Ward 3	Ward 8	Ward 13	
Ward 4	Ward 9	Ward 14	

### 3. THE MUNICIPAL FACT SHEET (STATISTICS)

DESCRIPTION	EMFULENI	LESEDI	MIDVAAL (2016)	MIDVAAL (2021)
Geographical size (sq km)	966	1484	1 722	<b>1 722</b>
Number of people *	721 663	99 520	95 301	<b>111 612</b>
Population growth (% per annum 2001 – 2011) **	0.92%	3.26%	3.94%	<b>3.94%</b>
Number of Total Households *	220 135	29 668	29 852	<b>38 046</b>
Population density (people per sq km) *	747.1	67.1	55.3	<b>64.81</b>
Number of Wards #	45	13	14	<b>15</b>
Number of Councillors #	90	26	27	<b>28</b>
% Of households with formal housing **	81%	83.3%	76.4%	<b>76.4%</b>
% Of households with hygienic toilets **	91.2%	90.1%	84.1%	<b>84.1%</b>
% Of households with piped water at or above RDP level **	96.3%	88.9%	75.8%	<b>75.8%</b>
% Of households with electricity connections **	92.2%	89.9%	79.3%	<b>79.3%</b>
% Of households with formal refuse removal **	90.7%	86.3%	83.1%	<b>83.1%</b>
Unemployment rate (broad definition %) **	34.7%	25.9%	18.8%	<b>18.8%</b>
Unemployment rate (narrow definition %) **	14.9%	11.1%	9%	<b>9%</b>
% Of people employed in the formal sector **	79.2%	74.8%	73.20%	<b>73.20%</b>
% Of people employed in the informal sector **	9.6%	11.1%	10.11%	<b>10.11%</b>
% Of people employed in private households **	11.3%	14.2%	16.68%	<b>16.68%</b>
Dependency Ratio (per 100 (15 – 64)) **	43.8	45.8	41.9	<b>41.9</b>

\* 2016 Community Survey (StatsSA):

\*\* 2011 Census Data (StatsSA) – No new data

# Demarcation Board

The statistics contained in the important notes are based on the 2011 population. It is therefore of value to indicate the statistics as at 30 Jun 2017, according to the statistics reported by Stats SA. The change in the statistics will be noticed and during the review of the Integrated Development Plan (IDP) it will be advised to update accordingly:

<b>IMPORTANT NOTES</b>	<b>NUMBER OF HOUSEHOLDS</b>	<b>%</b>
<b>1. Water</b>		<b>64.64%</b>
1.1 Piped (tap) water inside dwelling/institution	19 461	64.9%
1.2 Piped (tap) water inside yard	5 376	
1.3 Pipe (tap) water on community stand: distance less than 200 m from dwelling/institution	2 394	
1.4 Piped (tap) water on community stand: distance between 200 m and 500 m from dwelling/institution	1 005	
1.5 Piped (tap) water on community stand: distance between 500 m and 1000 m (1 km) from dwelling/institution	297	
1.6 Piped (tap) water on community stand: distance greater than 1000 m (1 km) from dwelling/institution	165	
1.7 No access to piped (tap) water	1 266	
Piped (tap) water inside dwelling/institution & piped (tap) water inside yard	24 837	82.9%
Piped (tap) water inside dwelling/institution & piped (tap) water inside yard & Piped (tap) water on community stand: distance less than 200 m from dwelling/institution	27 231	90.9%
<b>2. Toilet Facilities</b>		<b>67.04%</b>
2.1 None	606	
2.2 Flush toilet (connected to sewerage system)	17 370	
2.3 Flush toilet (with septic tank)	5 505	
2.4 Chemical toilet	1 842	
2.5 Pit toilet with ventilation (VIP)	477	
2.6 Bucket toilet	645	
2.7 Other	420	
Flush toilet (connected to sewerage system)		57.93%
Flush toilet (connected to sewerage system) & Flush toilet (with septic tank)		76.34%
Flush toilet (connected to sewerage system) & Flush toilet (with septic tank) & Pit toilet with ventilation (VIP)		77.93%
<b>3. Energy or fuel for lighting</b>		<b>55.10%</b>
3.1 Electricity	23 769	
3.2 Gas	111	
3.3 Paraffin	1 284	
3.4 Candles	4 581	
3.5 Solar	84	
3.6 None	135	
<b>4. Refuse Disposal</b>		<b>86.90%</b>
4.1 Removed by local authority/private company at least once a week	24 594	
4.2 Removed by local authority/private company less often	300	
4.3 Communal refuse dump	579	
4.4 Own refuse dump	3 177	
4.5 No rubbish disposal	948	
4.6 Other	363	
Removed by local authority/private company at least once a week		82.08%
Removed by local authority/private company at least once a week & removed by local authority/private company less often		83.08%

CORE SERVICES	DEFINITION	CRITERIA	FINANCIAL YEAR				
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account  Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	Total residential properties	20 977	22 671	23 221	24 230	24 947
		Total residential properties with access	15 954	18 523	19 219	19 983	20 881
		Additional number of households connected	789	2 285	696	764	237
		% Access to basic water	<b>76%</b>	<b>81.70%</b>	<b>82.76%</b>	<b>82.47%</b>	<b>83.70%</b>
Sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account  Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	Total residential properties	20 977	22 671	23 221	24 230	24 947
		Total residential properties with access	14 062	15 020	15 457	16 218	16 924
		Additional number of households connected	1 227	1 498	402	761	39
		% Access to basic sanitation	<b>67.04%</b>	<b>66.41%</b>	<b>66.56%</b>	<b>66.93%</b>	<b>67.83%</b>
Electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account  Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report)	Total residential properties	20 977	22 671	23 221	24 230	24 947
		Total residential properties with access	11 698	12 122	13 243	15 043	15 936
		Additional number of households connected	587	400	1 121	1 800	116
		% Access to basic electricity	<b>55.77%</b>	<b>53.47%</b>	<b>57.03%</b>	<b>62.08%</b>	<b>63.87%</b>
Waste Removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account  Number of additional formal houses serviced in terms of basic solid waste removal (Increase in number of service points). Monthly Solar billing report	Total residential properties	20 977	22 671	23 221	24 230	24 947
		Total residential properties with access	18 229	19 586	20 042	20 846	21 644
		Additional number of households connected	1 486	1 393	420	804	798
		% Access to basic waste removal	<b>86.90%</b>	<b>86.60%</b>	<b>86.30%</b>	<b>86.03%</b>	<b>86.76%</b>





#### 4. COUNCIL'S VISION & MISSION

### VISION

**“TO INCLUSIVELY SERVE THE NEEDS OF OUR COMMUNITIES”**

### MISSION

We strive daily to enrich the lives of our people by:

1. Adopting a mind-set of innovation to revolutionise the way we operate
2. Leveraging partnerships to realise our full potential
3. Driving sustainability within the local ecosystem
4. Growing the economy in Midvaal, premised on incubating entrepreneurship, socio-economic growth and environmental responsibility
5. Providing excellent and standardised service delivery for all
6. Prioritising the upliftment of our youth
7. Being an ethical and proactive local municipality
8. Elevating Midvaal to be the best and most attractive municipality in the country

Based on the institutional analysis the strengths and weaknesses, which impact directly on its ability to serve the community has been identified. The following Strengths, Weaknesses, Opportunities and Threats have been identified:

Municipal Level SWOT analysis	
<p style="text-align: center;"><b>Strengths</b></p> <ol style="list-style-type: none"> <li>1. Clean Audit for 2013/14, 2014/15 &amp; 2015/16, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021-financial years</li> <li>2. Ranked as the top performing municipality in Gauteng</li> <li>3. High level of positive public approval</li> <li>4. Large supply of labour due to 70.4% of the population being economically active</li> <li>5. Political majority</li> <li>6. Large youth population</li> <li>7. Lowest unemployment rate in Gauteng</li> </ol>	<p style="text-align: center;"><b>Weaknesses</b></p> <ol style="list-style-type: none"> <li>1. Funding and Finance constraints</li> <li>2. Currently at a tipping point in being able to provide service based on current resources</li> <li>3. Poor internal efficiencies</li> <li>4. Poor internal and external communication</li> <li>5. High inequality in provision of services</li> <li>6. Inequality in socio-economic conditions within the municipality</li> <li>7. Limited mandate being a local municipality</li> </ol>
<p style="text-align: center;"><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Growth in a diversification of sectors, incl. manufacturing, agriculture and tourism</li> <li>2. Savanna City</li> <li>3. Opportunity to leverage the customer base of City of Johannesburg due to its close proximity</li> <li>4. Large portion of undeveloped land</li> </ol>	<p style="text-align: center;"><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Poor commercial perception</li> <li>2. Continued financial stability</li> <li>3. Slow economic growth</li> <li>4. Internal capacitation</li> </ol>

## 5. COUNCIL'S CORPORATE VALUES

Values reflect the core guidelines of the organisation and following it ensures Midvaal remain on the right path. A customer-centric approach shapes the values of the Midvaal Local Municipality. This defines the character of Midvaal and the foundation on which leadership and employees behave and conduct themselves and guide the way in which decisions are made. Furthermore, our change in approach requires for us to prioritise values that create a new behaviour within Midvaal.

Midvaal Local Municipality's values are as follows:



## 6. PILLARS GUIDING COUNCIL'S 5 POLITICAL GUIDELINES

The Political Vision for Midvaal Local Municipality, in addition to the National, Provincial and District objectives, Midvaal must also align to the political vision for the municipality. The political vision can be derived from the six electoral promises made by the Executive Mayor to the Midvaal community.

It can be defined as follows:

- 

**Promise 1: To be Youth Biased**  
To prioritise uplifting the youth through the creation of productive activities in an enabling environment, empower them to participate and contribute towards the success of Midvaal
- 

**Promise 2: Be open, transparent, honest and responsive government**  
To be a trustworthy Municipality that responds with efficiency and integrity in the best interests of our people
- 

**Promise 3: Grow the economy**  
To incubate an enabling business environment, which fosters job creation and is supportive of key sectors, in order to address inequality and improve standard of living
- 

**Promise 4: Quality and Standardised Service Delivery**  
Excellent service delivery for more with greater inclusiveness delivered through improved efficiency and innovation
- 

**Promise 5: Safe Communities and Environment**  
To create an environment safe from crime and which is proactive with respect to disasters
- 

**Promise 6: Fight the Demarcation Board**  
To continue the fight to ensure that Midvaal remains an independent and thriving municipality for the people

## 7. KEY PERFORMANCE AREAS (KPAs)

In order to support the National, Provincial and District policies, plans and objectives, as well as deliver on the political vision for Midvaal, MLM has developed a performance framework which is aligned to and supports the objectives of both.

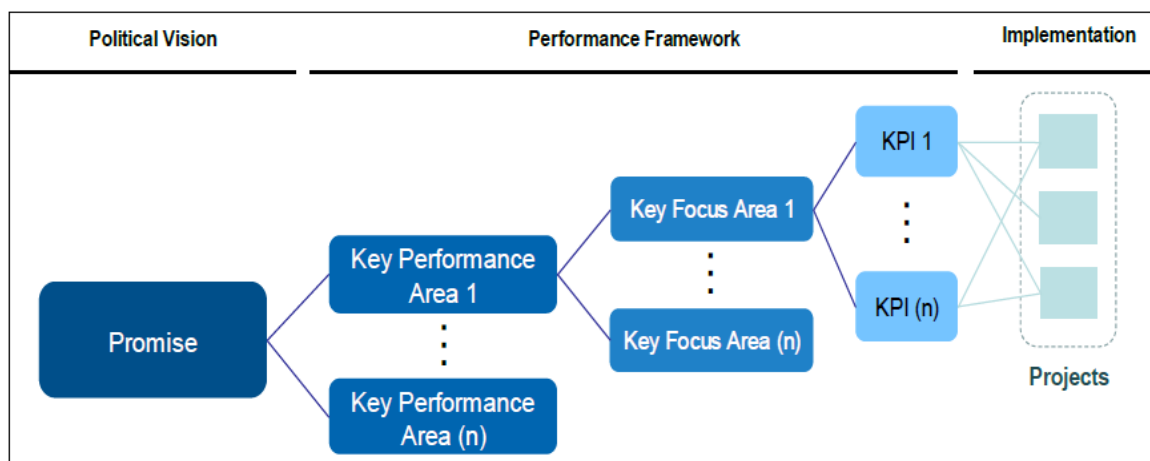


Figure 1: MLM performance framework

The MLM Performance Framework is composed of Key Performance Areas (KPAs) which are the areas of focus required for the Municipality to achieve its Strategic Objectives and are aligned with the Promises made as part of the Political Vision.

MLM has developed eight KPAs, the definitions of which are presented below. The eight KPAs have been closely aligned to governmental and political objectives with the detailed association provided in Table 3. Further granularities with respect to the alignment to political objectives.

### **KPA 1 Good Governance & Public Participation**

To promote increased participation and improved communication with all key internal and external stakeholders

### **KPA 2 Safety & Environment**

To create a sustainable environment safe from harm

### **KPA 3 Social & Community Development**

To create an environment focused on uplifting the youth, the poor and the most vulnerable

### **KPA 4 Institutional Transformation**

To transform and align the people, processes and systems of the municipality to achieve its objectives

**KPA 5 Financial Sustainability**

To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements

**KPA 6 Physical Infrastructure & Energy Efficiency**

To ensure efficient infrastructure and energy supply that will improve the quality of life of the community

**KPA 7 Services & Customer Care**

To deliver inclusive and excellent services to the community

**KPA 8 Economic Growth & Development**

To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

The KPAs have been further broken down into focus areas for implementation referred to as Key Focus Areas (KFAs), see Figure 3, the focus areas segment the KPA into its constituent opportunities and are supported by Key Performance Indicators (KPIs), which are in turn achieved through project implementation.

The cascading of performance from KPA through to KPI, ensures that all projects contribute in some way to the achievement of a MLM Strategic Objective and in turn District, Provincial & National objectives.

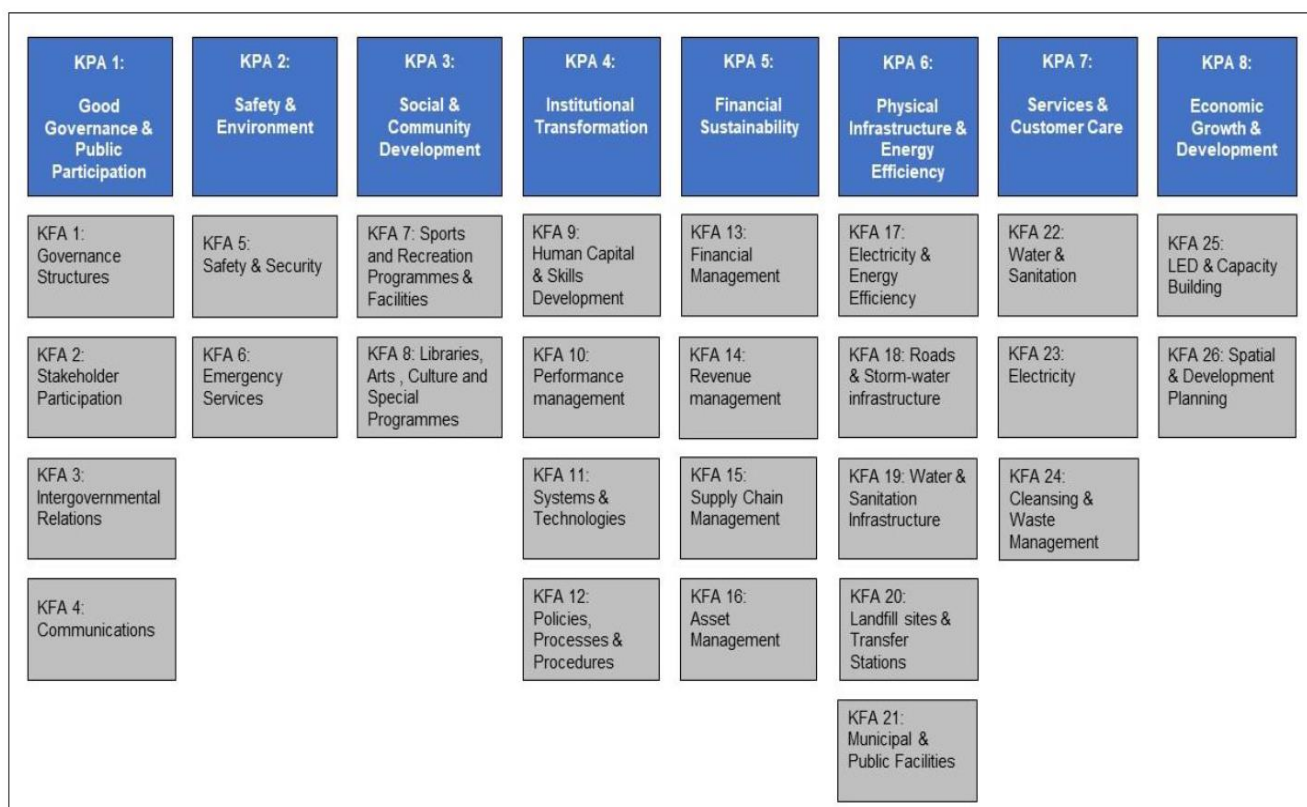


Figure 3

The identified Key Performance Areas (KPAs, also referred to as the Strategic Objective) are supported by the following Key Focus Areas (KFAs, also referred to as the Predetermined Objectives), aligned with National, Provincial and Sedibeng’s KPAs:

KEY PERFORMANCE AREA (KPA)	STRATEGIC OBJECTIVE	KEY FOCUS AREA (KFA)	PRE-DETERMINED OBJECTIVE (PDO)	RESPONSIBLE DEPARTMENT
<b>KPA 1 Good Governance &amp; Public Participation</b>	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 1: Governance Structures	To promote sound and sustainable governance	CORP
		KFA 2: Stakeholder Participation	To increase active stakeholder participation	CORP Executive Mayor
		KFA 3: Inter-Governmental Relations	To improve inter-governmental relations	MM
		KFA 4: Communications	To improve internal & external communication to enhance the perception of the municipality	CORP DP
<b>KPA 2 Safety &amp; Environment</b>	To create a sustainable environment safe from harm	KFA 5: Safety & Security	To improve the safety of the community both on the roads and in the suburbs	COMM
		KFA 6: Emergency Services	To ensure adequate prevention measures as well as prompt response to emergencies	COMM
<b>KPA 3 Social &amp; Community Development</b>	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 7: Sport and Recreation Programmes & Facilities, including Parks & Open Space	To create an ecosystem of sports and recreation activities	COMM
		KFA 8: Libraries, Arts Culture and Special Programmes	To promote the development of cultural and social programs to uplift the community	COMM Executive Mayor
<b>KPA 4 Institutional Transformation</b>	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 9: Human Capital & Skills Development	To ensure adequate internal capacity and capability to deliver on the municipality's objectives	CORP Executive Mayor
		KFA 10: Performance Management	To develop and implement an effective and efficient performance management system	MM
		KFA 11: Systems & Technology	To enhance systems and technology to enable the municipality to deliver excellent customer experience	CORP
		KFA 12: Policies, Processes & Procedures	To write and review processes and procedures to ensure the objectives of the municipality are achieved	CORP ENG Executive Mayor
<b>KPA 5 Financial Sustainability</b>	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 13: Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	FIN
		KFA 14: Revenue Management	To protect and enhance revenue position of the position to enable the objectives of the municipality	FIN

KEY PERFORMANCE AREA (KPA)	STRATEGIC OBJECTIVE	KEY FOCUS AREA (KFA)	PRE-DETERMINED OBJECTIVE (PDO)	RESPONSIBLE DEPARTMENT
		KFA 15: Supply Chain Management	To develop and maintain an effective supply chain which uplifts local business and youth.	FIN
		KFA 16: Asset Management	To adequately maintain the assets of the municipality	FIN
<b>KPA 6 Physical Infrastructure &amp; Energy Efficiency</b>	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 17: Electricity & Energy Efficiency	To plan, construct and maintain electricity networks and to improve energy efficiency	ENG
		KFA 18: Roads & Stormwater Infrastructure	To plan, construct and maintain roads and storm-water infrastructure	ENG
		KFA 19: Water & Sanitation Infrastructure	To plan, construct and maintain water and sanitation infrastructure	ENG
		KFA 20: Landfill Sites & Transfer Stations	To plan, construct and maintain landfill sites and transfer stations	ENG
		KFA 21: Municipal & Public Facilities	To plan, construct and maintain municipal and public facilities	ENG
<b>KPA 7 Services &amp; Customer Care</b>	To deliver inclusive and excellent services to the community	KFA 22: Water & Sanitation	To provide sustainable, reliable and affordable water and sanitation services to all residents	ENG
		KFA 23: Electricity	To provide sustainable, reliable and affordable electricity to all residents	ENG
		KFA 24: Cleansing & Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents	COMM
<b>KPA 8 Economic Growth &amp; Development</b>	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 25: LED & Capacity Building	To facilitate and promote local economic growth	DP
		KFA 26: Spatial & Development Planning	To develop an effective spatial framework to promote development in the municipality, focussed on enabling and aligning development objectives	DP

### Introduction

Integrated Development Planning and Performance Management were introduced to realise the developmental role of local government. Whilst the Integrated Development Plan (IDP) provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to:

- regularly plan;
- continuously monitor;
- periodically measure; and
- review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

The Performance Management System (PMS) entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organized and managed, including determining the different role players. It also forms the basis for aligning the IDP with the operational Service Delivery & Budget Implementation Plans (SDBIPs), performance areas and performance indicators of the various departments of the MLM.

### Legislative and Policy Framework

Legislative enactments, which govern performance management in municipalities, are found in various documents. Outlined in Section 40 of the Municipal Systems Act of 2000, MLM must establish mechanisms to monitor and review its Performance Management System (PMS) so as to:

- Measure,
- Monitor,
- Review,
- Evaluate and
- Improve performance at organisational, departmental and employee levels.

The approved Service Delivery & Budget Implementation Plan for the period 1 Jul 2021 – 30 Jun 2022 is attached as Annexure to the report.

The Performance Management Policy also clarifies roles and responsibilities of stakeholders and relevant role-players. Compliance to the assigned roles and responsibilities is herewith reported, read with the process plan, indicating the key target dates:



TASK	STAKEHOLDERS / ROLEPLAYERS	ROLES & RESPONSIBILITIES	COMPLIANCE
Developing and sanctioning the performance management process	Mayoral Committee	Ratify and adopt the PMS Policy	The Performance Management Policy was approved with the Integrated Development Framework (IDP) by Council per item C2549/05/2021 dated 27 May 2021
Developing measures/indicators	Officials	Provide the IDP documentation and (when appropriate) the PMS documentation of the previous reporting period	Council approved the IDP 2017 – 2022. Section 5 (SDBIP) refers to the measures and indicators approved for the next 5-years.
		Provide inputs into the process with reference to the available resources within their respective departments	The developing period was conducted during March 2021.
		Document the measures/indicators	The developing period was conducted during March 2021.
		Provide the schedule of measures/indicators to relevant stakeholders	The developing period was conducted during March 2021.
	Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Conducted during the developing period
		Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations	Conducted during the developing period
	Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements	Conducted during the developing period
Setting Targets	Officials	Provide inputs into the process with reference to the available resources within their respective departments	Conducted during the developing period
		Document the targets	Conducted during the developing period
		Provide and publicise the schedule of targets to the relevant stakeholders	The public consultation process was followed during the period Dec 2021 – Feb 2022. Ward councillors submitted 5 prioritised projects per ward and 9 public engagements with the community, where community priorities were affirmed, were hosted.
	Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Conducted during the developing period
		Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations	Conducted during the developing period
	Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements	Conducted since Dec 2021 – Feb 2022
	Linking measures/indicators and targets to performance commitments of staff	Municipal Manager	Prepare performance agreements with agreed and approved measures/indicators and targets
Ensure that the measures/indicators and targets in the performance agreements of senior managers are linked with his/her agreement			Performance agreements signed during Jun 2021
Ensure that all senior managers performance agreements are published			The public consultation process was followed

		Provide inputs into senior managers performance agreements	Performance agreements in terms of Section 57(2) signed by the Municipal Manager
		Ensure that the measures/indicators and targets of the departments and sub-ordinates are linked with the senior managers agreements	Finalised during Jul 2021
	<b>Mayoral Committee</b>	Ratify and adopt the performance agreements	The Performance Agreements were approved by Council per Resolution C2617/07/2021 dated 29 July 2021
<b>Monitoring and Evaluation</b>	<b>Executive Mayor</b>	Monitor and evaluate (according to agreed schedule) the measures/ indicators and targets of the Municipal Manager	Quarterly performance monitoring and evaluation was conducted as per Section 6.4.8 of the Performance Management Policy, informed by relevant legislation:  Q1 – 21 Oct 2021 Q2 – 20 Jan 2022 Q3 – 13 Apr 2022 Q4 – 21 Jul 2022
	<b>Municipal Manager</b>	Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers	Quarterly performance monitoring and evaluation was conducted as per Section 6.4.8 of the Performance Management Policy, informed by relevant legislation:  Q1 – 21 Oct 2021 Q2 – 20 Jan 2022 Q3 – 13 Apr 2022 Q4 – 21 Jul 2022
		Ensure that the results are documented and publicised to the relevant stakeholders	Quarterly progress reporting was done to Council as required by Section 52(d) of the MFMA.  Q1 – C2669/10/2021 dated 28 Oct 2021 Q2 – SC2735/01/2022 dated 24 Jan 2022 Q3 – C2798/04/2022 dated 28 Apr 2022 Q4 – C2899/07/2022 dated 28 Jul 2022
<b>Information collection, processing and analysis</b>	<b>Councillors</b>	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Done continuously
		Ensure with the council officials that all information is made available	Done continuously
		Examine, scrutinise and critically analyse measures/indicators, targets, outputs and outcomes	Done continuously
	<b>Officials</b>	Collect, process and provide the relevant and appropriate information from their respective departments	Done continuously
	<b>Local community and Stakeholders</b>	Provide inputs into the process with reference to their specific needs and requirements	Conducted during April 2021
<b>Auditing of information</b>	<b>Performance Management Manager</b>	Collect and process relevant and appropriate information from departments	Conducted quarterly within 10 working days after Council resolution

		Examine, scrutinize and critically analyse information from departments	Conducted quarterly within 10 working days after Council resolution
	<b>Performance &amp; Audit Committee</b>	Examine, scrutinise and critically analyse information from departments	Quarterly progress reporting, via the Section 52(d)-report, is done to the Performance & Audit Committee, where-after input is reported to Council
	<b>Auditor-General</b>	Collect and process the relevant and appropriate information from the Municipality	Conducted annually, during 1 Sep – 30 Nov 2022, required by Section 45(1)(b) of the Municipal Systems Act, Act 32 of 2000
		Examine, scrutinize and critically analyse information from the Municipality	Conducted annually, during 1 Sep – 30 Nov 2022, required by Section 45(1)(b) of the Municipal Systems Act, Act 32 of 2000
<b>Audit Reporting</b>	<b>Internal Auditor</b>	Provide an independent audit report to the Audit Committee	Conducted quarterly, required by Section 45(1)(a) of the Municipal Systems Act, Act 32 of 2000
	<b>Performance &amp; Audit Committee</b>	Provide an independent audit report to the Municipal Manager and Mayoral Committee	Quarterly progress reporting, via the Section 52(d)-report, is done to the Performance & Audit Committee, where-after input is reported to Council
<b>Reporting</b>	<b>Municipal Manager</b>	Provide approved, relevant and appropriate information and reports to National and Provincial Government, and the Auditor-General	Quarterly progress reporting, via the Section 52(d)-report is done to the relevant National, Provincial and Auditor-General Departments
<b>Report to Community</b>	<b>Municipal Manager</b>	Ensure that the results are documented and publicised to the relevant stakeholders	Annual reporting is done to the community via the Annual Report

Section 34 of the MSA furthermore points out that the IDP has to be reviewed on an annual basis. During the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed.

This review will form the basis for the review of the municipal PMS and Performance Agreements of Senior Managers.

Chapter 6 of the Municipal Systems Act (2000) as amended, provides briefly that a municipality must:

1. Develop a performance management system (PMS);
2. Promote a performance culture;
3. Administer its affairs in an economical, effective, efficient and accountable manner;
4. Set Key Performance Indicators (KPIs) as a yardstick for measuring performance;
5. Set targets to monitor and review the performance of the municipality based on indicators linked to their IDP;
6. Monitor and review performance at least once per year;
7. Take steps to improve performance;
8. Report on performance to relevant stakeholders;
9. Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the Municipal Finance Management Act of 2003;
10. Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the National Minister of Provincial and Local Government;
11. Conduct an internal audit of all performance measures/indicators on a continuous basis;
12. Have their annual performance report audited by the Auditor-General; and

13. Involve the community in setting indicators and targets and in reviewing municipal performance.

Midvaal has, in order to promote a performance culture, cascaded performance monitoring and evaluation to Job Levels 1 – 4. The individual level of performance management is addressed per Section 7.2 of the Performance Management Policy.

The employee performance management system can be defined as the process through which the planned performance objectives as defined in the IDP, are cascaded into the employee's Annual Performance Plans, thus allowing for the planning, coaching and monitoring, reviewing and rewarding of performance, and the enhancement of development, at the level of the individual employee. This process comprises of four phases, namely:

#### **1. Phase 1: Planning**

This is about jointly identifying individual performance expectations and gaining the employee's commitment in achieving these expectations. This also entails the identification of KFA's and indicators, the establishment of year-end targets and the planning for the phasing in of the year-end target into quarterly targets (cumulatively and quarterly).

#### **2. Phase 2: Performance Coaching**

This is the phase of continuously tracking and improving performance, through feedback and reinforcement of key results and competencies. This is done with a view to timely detect performance relapses and to simultaneously introduce speedy remedial actions. A prescribed record sheet is used to record evidence and remedies.

During this phase, on a quarterly basis, the actual performance must be determined and be judged against the quarterly obligation as well as the cumulative performance and the standards that have been set in advance. During this phase it is also important to provide and present any evidence proving performance.

Although actual measurements are done each quarter, formal performance reviews only are to be done half yearly and year-end provided the documented performance in the first and third quarter is satisfactory.

#### **3. Phase 3: Reviewing**

This phase involves jointly assessing performance against expectations (planned vs. actual performance) at mid-year and year-end. The Manager/Supervisor is to set up formal quarterly reviews to assess the relevance of the objectives and the Employee's performance against the objectives and a formal final review in June.

The assessor/panel and evaluated employee must prepare and agree to a Personal Development Plan (PDP). This only needs to be done at the final review in June in conjunction with the annual skills efficiency analysis review.

#### **4. Phase 4: Year-End Review and Rewarding**

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviors by determining and allocating equitable and appropriate rewards to employees. Permanent employees will initially be awarded non-financial rewards for good performance and ultimately financial rewards will be determined through the National Collective Bargaining process at South African Local Government Bargaining Council (SALGBC).



## 9. OVERALL ORGANISATIONAL PERFORMANCE – 2021/2022-FINANCIAL YEAR

Performance indicators and targets, supporting the Key Performance Indicators, were agreed to between management and the relevant officials on Job Levels 1 – 4. Quarterly performance assessments were conducted departmentally, between the immediate superior and the relevant official.

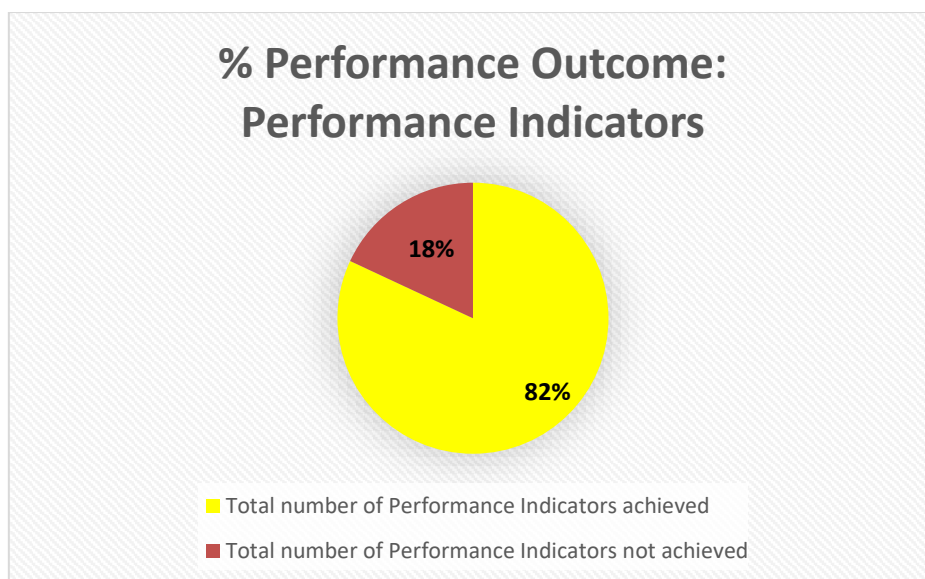
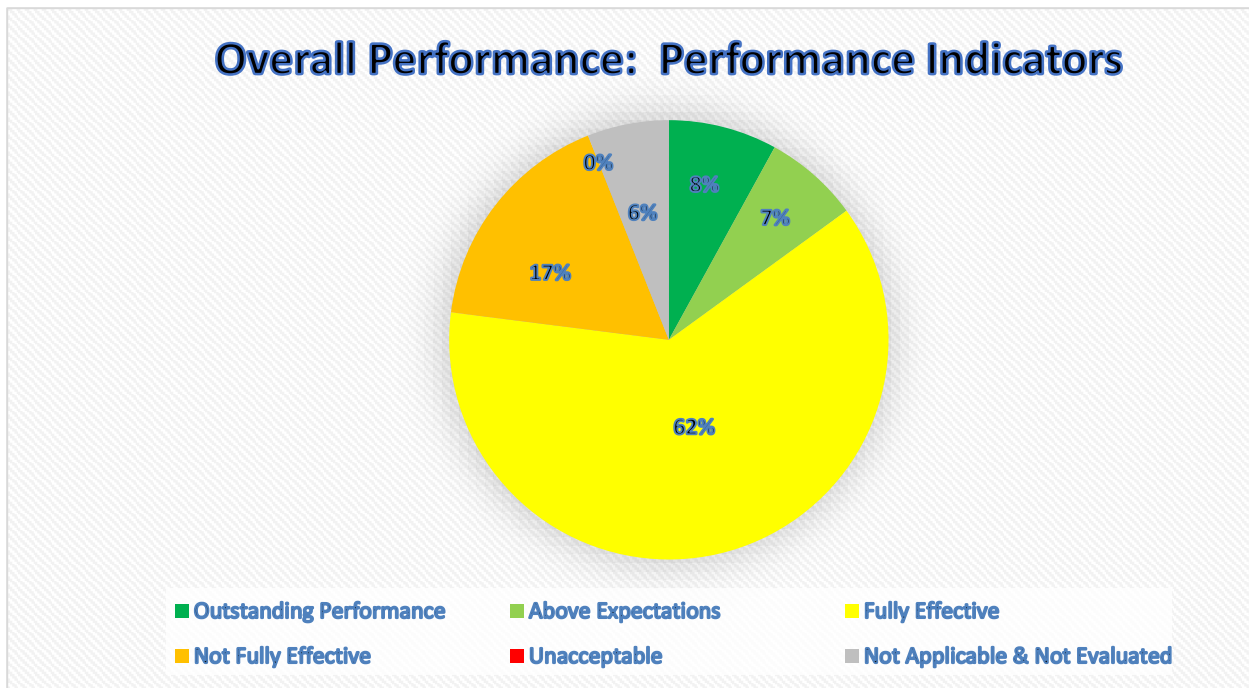
The outcome of the performance assessments, relating to the Performance Indicators for the period under review, is reported here-under. It is important to note that the cascaded performance indicators are not subjected to external audit and no opinion is expressed.

	Corporate Services	Finance Services	Development & Planning	Community Services	Engineering Services	Total
Total number of officials per department	22	12	19	15	17	85
Total number of Performance Indicators per department	135	59	92	76	126	488
Total number of Performance Indicators assessed	135	58	91	76	94	454
<b>Total number of Performance Indicators achieved</b>	<b>105</b>	<b>54</b>	<b>83</b>	<b>70</b>	<b>60</b>	<b>372</b>
Total number of Performance Indicators not achieved	30	4	8	6	34	82
Total number of Performance Indicators not applicable	0	1	1	0	32	34
<b>% Performance</b>	<b>78%</b>	<b>93%</b>	<b>91%</b>	<b>92%</b>	<b>63%</b>	<b>81.93%</b>

The level of performance achieved is reported as follows:

	Corporate Services	Finance Services	Development & Planning	Community Services	Engineering Services	Overall Performance
<b>Outstanding Performance</b>	2	0	32	2	1	8%
<b>Above Expectations</b>	3	1	14	5	13	7%
<b>Fully Effective</b>	<b>100</b>	<b>53</b>	<b>37</b>	<b>63</b>	<b>46</b>	<b>62%</b>
<b>Not Fully Effective</b>	29	4	8	6	34	17%
<b>Unacceptable</b>	1	0	0	0	0	0%
<b>Not Applicable &amp; Not Evaluated</b>	0	1	1	0	32	6%
<b>Total</b>	<b>135</b>	<b>59</b>	<b>92</b>	<b>76</b>	<b>126</b>	<b>100%</b>

LEGEND	Number of Indicators	%
Outstanding Performance	37	8%
Above Expectations	36	7%
Fully Effective	299	62%
Not Fully Effective	81	17%
Unacceptable	1	0%
Not Applicable & Not Evaluated	34	6%
<b>Total</b>	<b>488</b>	<b>100%</b>



**Sections 55 to 58 of the Municipal Systems Act, Act 32 of 2000, further outline the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.**

### **The Municipal Planning and Performance Management Regulations of 2001**

In summary, the Regulations provide that a municipality's Performance Management System must:

1. Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
2. Comply with the requirements of the Municipal Systems Act; and
3. Relate to the municipality's employee performance management processes and be linked to the municipality's IDP.

### **The Municipal Finance Management Act, Act 56 of 2003 (MFMA)**

The Municipal Finance Management Act also contains various important provisions relating to performance management. In terms of the Act all municipalities must:

1. Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators;
2. When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget;
3. Empower the Executive Mayor or Executive Committee to approve the Service Delivery and Budget Implementation Plan and the Performance Agreements of the Municipal Manager and the Managers directly accountable to the Municipal Manager; and
4. Compile an annual report, which must, amongst others things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

The Municipal Systems Act and the Municipal Finance Management Act require that the PMS be reviewed annually in order to align itself with the reviewed Integrated Development Plan (IDP). In consequence of the reviewed organisational performance management system, it then becomes necessary to also amend the scorecards of the Municipal Manager and Section 56 Managers in line with the cascading effect of performance management from the organizational to the departmental and eventually to employee levels

#### **A municipality must:**

1. Set key performance indicators (KPIs) including input, output and outcome indicators in consultation with communities;
2. Annually review its Key Performance Indicators;
3. Set performance targets for each financial year;
4. Measure and report on the relevant nationally prescribed key performance outcomes;
5. Measure and report on the six national local government KPAs;
6. Report on performance to Council at least twice a year;
7. As part of its internal audit process audit the results of performance measurement;
8. Appoint a performance audit committee; and
9. Provide secretarial support to the said audit committee

## The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006

This legislation regulates the management of the Section 56-employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development, empowerment, measures/indicators and performance evaluation processes. These regulations further provide criteria for performance assessment and the 5-point rating upon which performance of an individual needs to be scored during the assessment and evaluation.

The Municipal Scorecard was approved by Council at its meeting held on 27 May 2021 per item C2550/05/2021, in line with the relevant legislation for implementation. The Annual Performance Agreements were signed before 30 Jun 2021 by all Section 56-appointees. Quarterly performance assessments were conducted, and where required, appropriate corrective and/or remedial actions were implemented. The Section 52(d)-quarterly performance reports were submitted to Council and ultimately to the MEC of Gauteng Province.

The mid-year performance report was approved by Council per item SC2735/01/2022 dated 24 Jan 2022. This report deals with both the financial as well as the non-financial results. Section 72 indicates that the following information must be provided, as part of the mid-year performance report:

1. The monthly statements referred to in Section 71 for the first half of the financial year;
2. The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;
3. The past year's annual report, and progress on resolving problems identified in the annual report; and
4. The performance of every municipal entity under the municipality's control (of which this municipality has none).

This report is submitted in terms of the above-mentioned legislative requirements. In addition, a separate report dealing with the annual report of the 2021/2022-financial year, containing comments on how the issues identified by the Auditor-General, are being addressed.

Subsequent to the submission of the Section 72-mid-year performance report to Council, Gauteng Provincial Treasury conducted a 2021-mid-year budget and performance assessment visit during Feb 2022 to Council.

The purpose of this visit was to give effect to the constitutional monitoring and oversight responsibilities of Provincial Treasury. The strategic engagement was aimed at strengthening quality and oversight of municipal budgeting and performance.

No area of concern was identified during the assessment.

After the consideration of the mid-year performance and financial report *the reviewed Municipal Scorecard* was approved with specific quarterly targets, based on the SMART-principles.

The SMART principles for the determination of KPIs and targets are as follows:

<b>S</b>	Specific	Targets must be well-defined and focused
<b>M</b>	Measurable	Targets must have a measurable outcome
<b>A</b>	Achievable/Attainable	Targets must be within reach
<b>R</b>	Realistic/Relevant	Targets must be based on the current conditions and realities
<b>T</b>	Time-framed	Targets and objectives must be tied to a time frame





## 10. ORGANISATIONAL PERFORMANCE – 2021/2022-FINANCIAL YEAR

This report considers MLM performance derived from the IDP objectives, translated into the departmental SDBIPs for the year as at 30 Jun 2022. A basic set of key comparatives for year-to-date is offered to allow for easy comparisons on achievements against SDBIPs.

The purpose is to demonstrate, in terms of service delivery, what is being achieved and what remains outstanding.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP, is illustrated in terms of the following assessment methodology:

Level	Terminology	Description
5	<b>Outstanding Performance</b>	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	<b>Performance Significantly Above Expectations</b>	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	<b>Fully Effective</b>	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	<b>Not Fully Effective</b>	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	<b>Unacceptable Performance</b>	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

## ORGANISATIONAL SCORECARD: PERFORMANCE

### Performance Outcome: Q1

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	12	-	2	6	-	1	78	3
Fi	11	-	1	1	-	-	50	9
Eng	13	-	-	-	1	1	100	11
Comm	13	-	1	2	-	-	67	10
DP	7	-	-	2	2	3	100	0
MM	3	-	1	-	-	1	50	1
	59	-	5	11	3	6	77%	34

### Performance Outcome: Q2 (Mid-year Performance Outcome)

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	12	-	3	5	-	2	70	2
Fi	11	-	1	1	-	1	66.66	8
Eng	13	-	-	2	-	-	100	11
Comm	13	-	2	3	-	-	60	8
DP	7	-	-	2	-	4	100	1
MM	3	-	1	-	-	2	66.66	-
	59	-	7	13	-	9	72.41%	30

### Performance Outcome: Q3

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	12	-	2	5	-	1	75	4
Fi	11	-	-	2	-	-	100	9
Eng	12	-	1	-	-	-	0	11
Comm	11	-	2	3	1	-	83.33	5
DP	7	-	-	1	2	3	100	1
MM	2	-	1	-	-	-	0	1
	55	-	6	11	3	4	59.72%	31

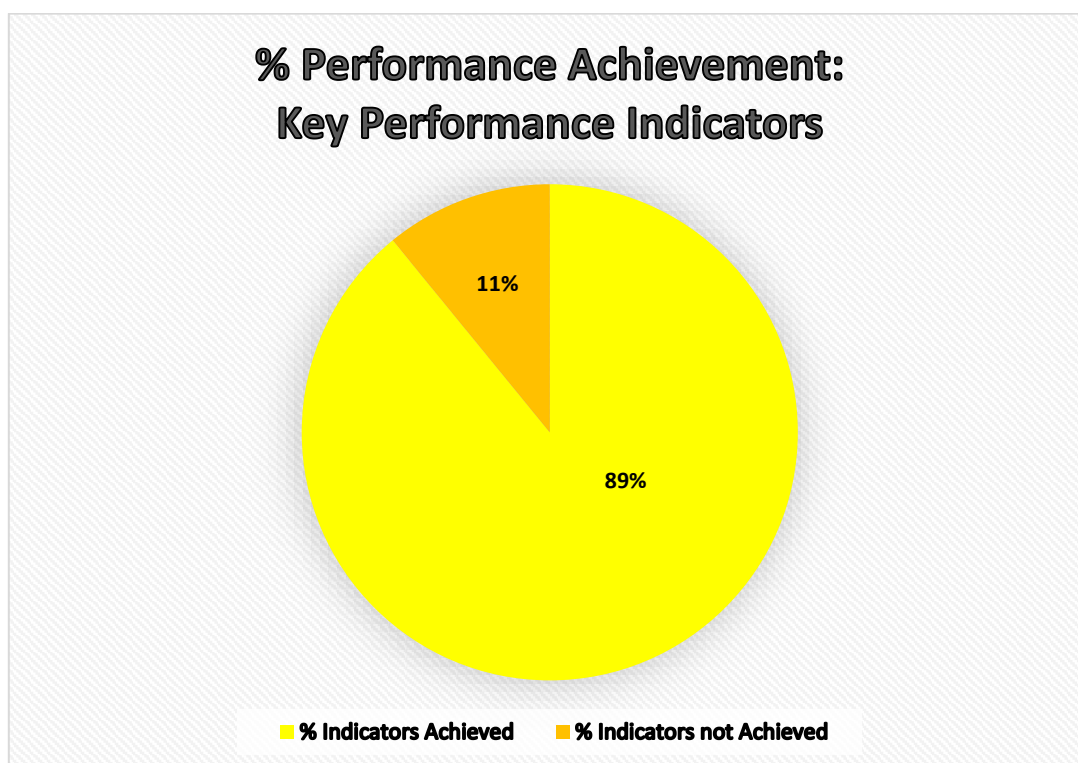
### Performance Outcome: Q4

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	12	-	3	6	2	-	72.72	1
Fi	11	-	-	3	4	3	100	1
Eng	12	-	1	6	3	1	90.90	1
Comm	11	-	4	6	1	-	63.63	-
DP	7	-	1	2	-	3	83.33	1
MM	2	-	-	1	-	-	100	1
	55	-	9	25	10	6	85.09	5

Council, per Council Resolution C2739/01/2022 dated 27 Jan 2022, approved the Adjustments Medium-Term Revenue & Expenditure Framework (MTREF), required by Section 24 of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003. The Measurable Performance Objectives (Strategic Objectives) were amended as per the approved Key Performance Areas.

The organisational performance in terms of the Measurable Performance Objectives for the 2021/2022-financial year is therefore reported as follows:

CRITERIA	Q1	Q2	Q3	Q4	YtD
1. Total number of indicators	59	59	55	55	55
2. Number of Indicators applicable for the period under review	25	29	24	50	55
3. Number of Indicators Achieved	20	22	18	41	49
4. Number of Indicators not Achieved	5	7	6	9	6
5. Number of Indicators not applicable for the period under review	34	30	31	5	0
<b>% Performance</b>	<b>80%</b>	<b>75.86%</b>	<b>75%</b>	<b>82%</b>	<b>89%</b>





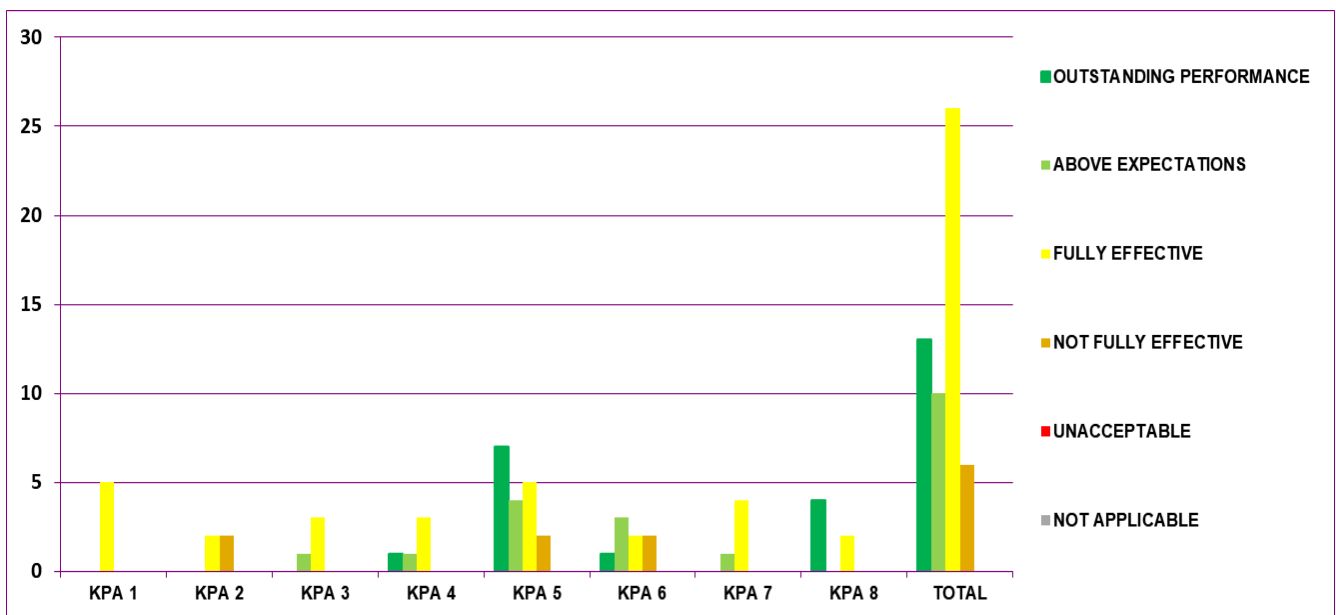
## 11. PERFORMANCE PER KEY PERFORMANCE AREA (KPA)

<p style="text-align: center;"><b>KPA 1</b> <b>Governance and Stakeholder Participation</b></p> <p><b>To promote increased participation and improved communication with all key internal and external stakeholders</b></p>	<p>KFA 1: Governance Structures KFA 2: Stakeholder Participation KFA 3: Inter-Governmental Relations (IGR) KFA 4: Communications (Internal and External)</p>
<p style="text-align: center;"><b>KPA 2</b> <b>Safety and Environment</b></p> <p><b>To create a sustainable environment safe from harm</b></p>	<p>KFA 5: Safety &amp; Security KFA 6: Emergency Services</p>
<p style="text-align: center;"><b>KPA 3</b> <b>Social and Community Development</b></p> <p><b>To create an environment focused on uplifting the youth, the poor and the most vulnerable</b></p>	<p>KFA 7: Sport and Recreation Programmes and facilities, including Parks and open space KFA 8: Libraries, Arts, Culture and Special Programmes (Gender, Elderly, Youth and People living with Disabilities including ECD)</p>
<p style="text-align: center;"><b>KPA 4</b> <b>Institutional Transformation</b></p> <p><b>To transform and align the people, processes and systems of the municipality to achieve its objectives</b></p>	<p>KFA 9: Human Capital &amp; Skills Development KFA 10: Performance Management KFA 11: Systems and Technology KFA 12: Policies, Processes and Procedures</p>
<p style="text-align: center;"><b>KPA 5</b> <b>Financial Sustainability</b></p> <p><b>To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements</b></p>	<p>KFA 13: Financial Management KFA 14: Revenue Management KFA 15: Supply Chain Management KFA 16: Asset Management, including Fleet Asset Management</p>
<p style="text-align: center;"><b>KPA 6</b> <b>Physical Infrastructure and Energy Efficiency</b></p> <p><b>To ensure efficient infrastructure and energy supply that will improve the quality of life of the community</b></p>	<p>KFA 17: Electricity &amp; Energy Efficiency KFA 18: Roads and Stormwater Infrastructure KFA 19: Water and Sanitation Infrastructure KFA 20: Landfill Sites and Transfer Stations KFA 21: Municipal and public facilities, including sport &amp; recreation</p>

<p style="text-align: center;"><b>KPA 7</b> <b>Services and Customer Care</b></p> <p><b>To deliver inclusive and excellent services to the community</b></p>	<p>KFA 22: Water and Sanitation KFA 23: Electricity KFA 24: Cleansing and Waste Management</p>
<p style="text-align: center;"><b>KPA 8</b> <b>Economic Growth and Development</b></p> <p><b>To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation</b></p>	<p>KFA 25: LED &amp; Capacity Building KFA 26: Spatial and Development Planning</p>

### PERFORMANCE OUTCOME

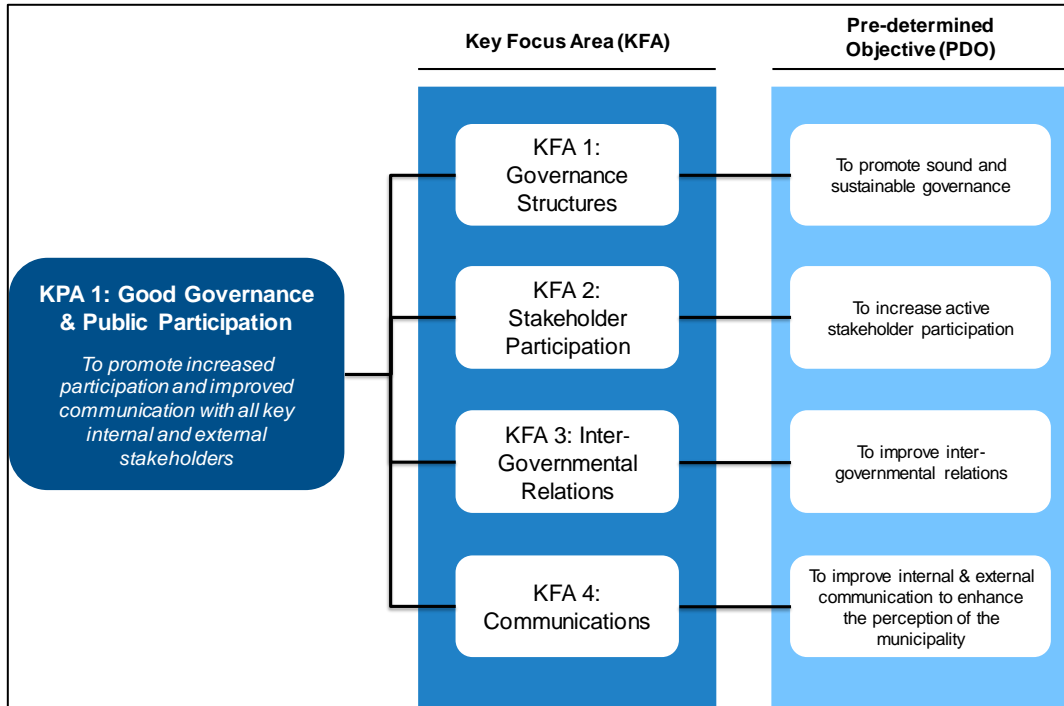
LEVEL OF PERFORMANCE	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6	KPA 7	KPA 8	TOTAL
OUTSTANDING PERFORMANCE	0	0	0	1	7	1	0	4	13
ABOVE EXPECTATIONS	0	0	1	1	4	3	1	0	10
FULLY EFFECTIVE	5	2	3	3	5	2	4	2	26
NOT FULLY EFFECTIVE	0	2	0	0	2	2	0	0	6
UNACCEPTABLE	0	0	0	0	0	0	0	0	0
NOT APPLICABLE	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>18</b>	<b>8</b>	<b>5</b>	<b>6</b>	<b>55</b>





## KPA 1: Good Governance & Public Participation

To promote increased participation and improved communication with all key internal and external stakeholders



### MIDVAAL TOURISM WEBSITE OFFICIALLY LAUNCHED

We are excited to announce that Midvaal Local Municipality officially launched "Midvaal Tourism Website" on 15 September 2021. Visit the website on [www.midvaal.travel](http://www.midvaal.travel) for exciting updates related to all the tourism destination facilities and sites in Midvaal.



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	CORP	KPI 018	KPA 1	KFA 02	Number of events arranged per approved year planner	(1) Council Related Events, approved per Year Planner executed = Year Planner approved by Mayoral Committee (Mayoral Committee Resolution) (2) Evidence of execution of event planned	Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)	All	1	1	Council Resolution C2138/08/2019 dated 29 Aug 2019 per Paragraph 3 approved Midvaal Marathon. Midvaal Marathon was hosted on 29 May 2022 at the Midvaal Sport & Conference Centre. The Midvaal May Marathon enabled athletes to qualify for the upcoming Comrades Marathon.	None	Fully Effective
2	CORP	KPI 019	KPA 1	KFA 03	Number of Mayoral Committee reports on formalised Inter-governmental Relations (IGR) Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees Clerk's	IGR Fora Report as per Section 10 of the IGR Policy (Policy approved per item C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	All	4	4	Performance outcome reports on the attendance of IGR Fora meetings attended reported to the Mayoral Committee, quarterly	None	Fully Effective
3	CORP	KPI 025	KPA 1	KFA 04	Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly	Survey report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders (Mayoral Committee, Heads of Department & Committees) by the 15th working day, quarterly	To monitor customer satisfaction and ensure feedback on public complaints received via the Complaints Hotline	ALL	4	4	Survey report e-mail to all stakeholders and signed off by Head of Department within 15 working days. No power/outage, water leaks, no water, block sewer pipes and water meter related complaints were reported in the following 5 most affected areas: Sicelo, Savanna City, Riversdale and Walkerville. 6 727 complaints lodged, 1 291 resolved	Customer satisfaction survey on closed cases and 360° resident survey to be conducted and outcome reported to the Mayoral Committee in Q1 (2022/2023)	Fully Effective
4	CORP	KPI 026	KPA 1	KFA 04	Percentage compliance to the requirements of Section 75 (MFMA) in terms of the Website updating monthly	(1) Website updated within 5 working days after date of the Council Resolution. (2) Monthly Section 75 MFMA compliance checklist signed-off by Acting Executive Director: Corporate Services within 5 working days, after end of each month	To monitor compliance to Section 75 of the MFMA in order to create community awareness, transparency and consistency	ALL	100%	100%	(1) Website updated within 5 working days after date of the Council Resolution. (2) Monthly Section 75 MFMA compliance checklist signed-off by Acting Executive Director: Corporate Services within 5 working days, after end of each month	None	Fully Effective

5	CORP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner	To monitor and report on the functioning of Ward Committees and also to monitor attendance by Ward Committee Members	ALL	45	45	Quarter 1: 15 Conducted. Quarter 2: 0 (Ward Committee meetings scheduled for Nov delayed, pending the Municipal Elections). Quarter 3: 15 Ward Committee establishment meetings convened. Quarter 4: 15 conducted	None	Fully Effective
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## KPA 1: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 1 is to promote increased participation and improved communication with all key internal and external stakeholders. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To promote sound and sustainable governance
- To increase active stakeholder participation
- To improve inter-governmental relations
- To improve internal and external communication to enhance the perception of the municipality

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	-	-	-
Programmes	(P)	2	2	0
Activities	(A)	3	3	0

The programme driven indicators were all achieved, namely:

1. **Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)**

The Meyerton Athletics Club and Midvaal Local Municipality hosted the Midvaal May Marathon on 29 May 2022 at the Midvaal Sport & Conference Centre. The race distances for the 3 main distances were measured, certified and approved by the IAAF. The timing was from MAT to MAT for 42.2 km and 21.1 km. The race enables athletes to qualify for the upcoming Comrades Marathon.



**Breakdown of entries:**

42 km	1 022
21 km	517
10 km	305
5 km	114
	1 985

**2. To monitor and report on the functioning of Ward Committees and to monitor attendance by elected Ward Committee Members**

Public participation is underpinned by the principles of good governance and forms a vital part of democracy. It allows citizens to be involved in how communities are governed, under the auspices of the South African Constitution.

The Local Government: Municipal Structures Act, Act 117 of 1998, requires the Municipality to develop mechanisms to consult communities and community organisations in performing their functions and exercising powers.

Ward Committee meetings are scheduled meetings, approved by Council and held according to the Year Planner of Council.

Ward Committees are structured for community representation in the following sectors:

1. Community Based Organisations
2. Development & Planning
3. Community Policing Forum
4. Engineering
5. Finance
6. Social Services
7. Women
8. Youth
9. Disabled
10. Other

Ward Committee meetings were held as follows:

1. During Aug 2021 (C2664/10/2021 dated 28 Oct 2021)
2. During Febr 2022 (Election of new Ward Committee Members, after municipal elections)
3. During June 2022

The activity driven indicators were all achieved, namely:

**1. IGR Fora Reporting as per Section 10 of the IGR Policy (Policy approved per item C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations**

The Constitution of the RSA, Act 108 of 1996, clearly indicates that the National, Provincial & local spheres of government are distinctive, interdependent and inter-related. Section 41(1) of the Constitution alludes to co-operation, mutual trust and good faith between these three spheres. Further, based on the parameters created by the Constitution and the IGR Framework Act, Act 13 of 2005 and key to the concept of the Developmental State, the Midvaal Local Municipality sees it imperative to embark on a development planning, coupled with the policy imperative of co-ordination and integration between the three spheres of government.

Research has revealed that Sector Departments have been operating in silos and as such no grounded impact has been obtained due to this approach. For the structure to realise co-operative government they need to:

1. Strengthen friendly relations, no partners should be treated as secondary
2. Ensure consistent support and cushioning each other
3. Communicate and inform each sector on matters of common interest
4. Share resources when providing intervention in an area
5. Minimize any prospective legal litigation against each other

In order to achieve this objective, various meetings were attended and reported.

**2. Customer satisfaction monitoring and ensuring feedback on public complaints received via the Complaints Hotline are adequate done**

The functioning of the Complaints Hotline is monitored continuously and performance reports are submitted monthly to senior management for review. The following is a summary of the performance for the year under review:

	CORP					FINANCE					D&P					COMM					ENG					Overall total of Complaints
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	
Complaints received per department	0	0	0	0	0	161	169	159	188	677	322	403	453	535	1 713	251	555	1 116	1 440	3 362	4 556	8 196	9 975	13 095	35 822	41 574
Number of complaint resolved	0	0	0	0	0	108	68	40	39	255	199	242	200	184	825	54	37	43	80	214	2 535	4 362	2 889	4 158	13 944	15 238
Number of complaints open	0	0	0	0	0	53	61	119	149	382	123	161	253	351	888	197	518	1 073	1 360	3 148	2 021	3 834	7 086	8 937	21 878	26 296
Number of complaints carried over to new Quarter	0	0	0	0	0	53	61	119	149	149	123	161	253	351	351	197	518	1 073	1 360	1 360	2 021	3 834	7 086	8 937	8 937	10 797

**3. Section 75 of the MFMA compliance is adhered to in order to create community awareness, transparency and consistency**

Section 75 legislates information to be placed on the Municipal Website, referred to in Section 21A of the Municipal Systems Act, Act 53 of 2006. The documents to be placed on the website are the following:

1. Annual and Adjustments Budgets and all budget-related documents
2. Budget-related policies
3. Annual Report
4. Performance Agreements in terms of Section 57(1)(b) of the Municipal Systems Act
5. Service delivery agreements
6. Long-term borrowing contracts
7. Supply Chain Management contracts above a prescribed value
8. Information Statement containing a list of assets over a prescribed value that have been disposed of
9. Contracts to which Sub-section (1) of Section 33 apply, subject to Sub-section (3) of that section
10. Public-private partnership agreements referred to in Section 120
11. Quarterly reports tabled in council in terms of Section 52(d)
12. Any other documents that must be placed on the Website



29 May 2022

QUALIFIER

**MIDVAAL**  
MAY MARATHON

Dear Midvaal Resident

Midvaal hosted the first of its kind Midvaal May Marathon. Thousands of people from Gauteng and neighbouring countries descended onto Midvaal and had a wonderful experience.

Thank you to each and every resident who took the time and effort to give our visitors a warm reception. You certainly made a positive difference.

Let US keep working together to take Midvaal Local Municipality to the next level.

Ald. Peter Teixeira  
Executive Mayor

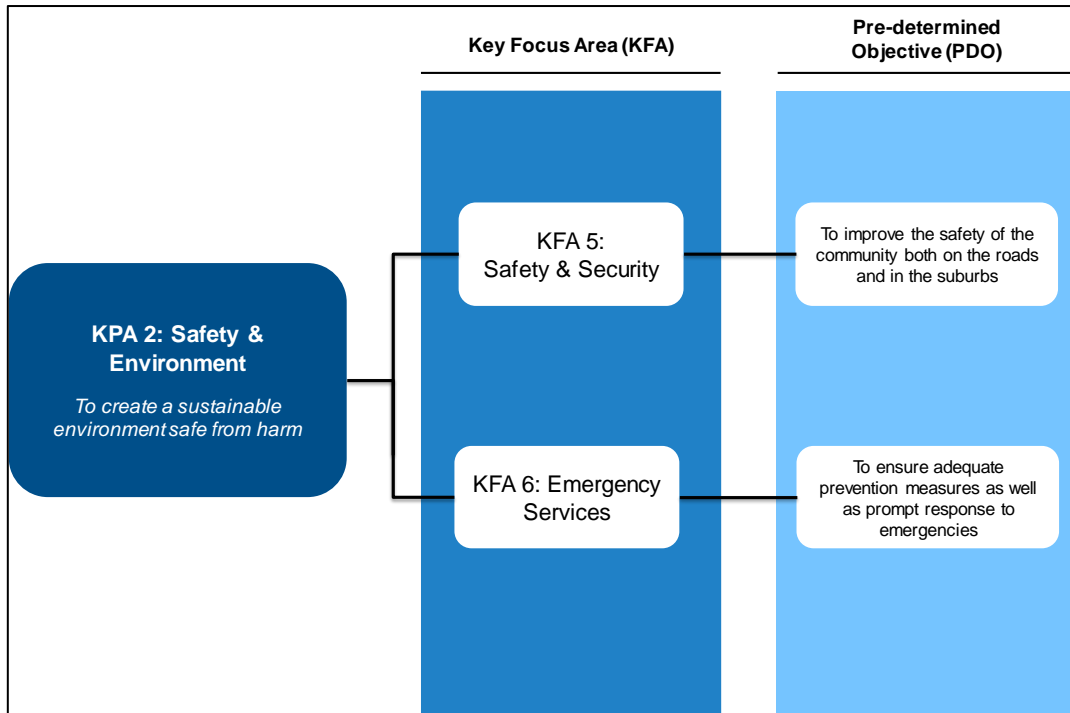
Meyerton Athletics Club will be hosting the Midvaal May Marathon on the 29th May 2022 at the Midvaal Sport and Conference Centre

**MIDVAAL** **MEYERTON ATHLETIC CLUB**



## KPA 2: Safety & Environment

To create a sustainable environment safe from harm



**PROJECT HIGHLIGHTS AND ACHIEVEMENTS**  
**OPENING OF THE VAAL MARINA FIRE STATION**  
16 Oct 2022

NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	COMM	KPI 043	KPA 2	KFA 05	Number of crime prevention statistics reported to the Mayoral Committee by CCTV Monitoring, quarterly	Submit report into the reporting cycle (proof of receipt by Committees) by the 15th working day quarterly on the functioning of the CCTV Cameras, community cams for crime prevention and policing successes (predetermined format signed off by Head of Department by 10 Feb 2022)	To monitor and report on the functioning and successes on the Mayoral Project to enhance and reduce crime within Midvaal	All	2	2	Q3 report submitted into the reporting cycle on 11 Apr 2022 and Q4 report submitted into the reporting cycle on 13 Jul 2022	None	Fully Effective
2	COMM	KPI 054	KPA 2	KFA 05	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Executive Director: Community Services, approved with IDP for forthcoming year	The purpose is the compilation of a Disaster Management Plan complying with the Disaster Management Act, Act 57 of 2002, Section 48. Disaster Risk Management is defined as a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevent, mitigation, preparedness, response, recovery and rehabilitation	All	1	1	Reviewed Disaster Management Plan approved by Council per item C2830/05/2002 dated 26 May 2022	None	Fully Effective
3	COMM	KPI 056	KPA 2	KFA 06	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	(1) Actions against the 3 identified high risk environmental contraveners, i.e.: (1.1) Inspection, (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Mayoral Committee before 30 Jun 2022	Midvaal Environmental Health Section identified high risk environmental contraveners via compliance inspections. Training is provided to the identified Safety Officers, i.e. theoretical training, follow-up inspections to monitor the effectiveness of the training and to ensure sustainability	All	9	9	Compliance Inspections conducted at Ingrain SA (Pty) Ltd on 24 Jun 2022, Lonsa Everite on 15 Jun 2022 and Heineken SA on 22 Jun 2022	Compliance outcome report to be submitted to Mayoral Committee for consideration	Not Fully Effective

4	COMM	KPI 065	KPA 2	KFA 05	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	To monitor and report on the effectiveness of the established back office	All	85%	77%	Total speed infringements issued: 105 665 vs Number of speed infringements successfully downloaded (captured for mailing) = 81 519 (77.76%)	Traffic infringements were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented Feb 2022 and all rejected images are recorded and resolved.	Not Fully Effective
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## KPA 2: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 2 is to create a sustainable environment safe from harm. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To improve the safety of the community both on the roads and in the suburbs
- To ensure adequate prevention measures as well as prompt response to emergencies

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	-	-	-
Programmes	(P)	1	1	0
Activities	(A)	3	2	1

**The programme and activity driven indicators achieved are:**

**1. Monitoring and reporting on the functioning and successes on the Mayoral Project to enhance and reduce crime within Midvaal**

Statistics regarding the performance of the above-mentioned function are as follows:

**Cameras Installed**

Council cameras for crime prevention installed	341
Cameras on Council property	456
Community cameras for crime prevention	261
LPR Cameras	237
High-site and Solar Cameras	96
	<b>1 294</b>

Various enquiries in terms of suspicious persons and vehicles in the CBD were handed over to the SAPS for further investigation and various successful arrests and stolen vehicles were reported.

The function is continuously visited by the SAPS and also utilised in the Community Policing Forum patrolling shifts.

**2. Revision of the Disaster Management Plan by the Executive Director: Community Services, approved with the Integrated Development Plan (IDP) for forth-coming year:**

The Disaster Management Plan encompass the (Provincial Disaster Management Booklet for Disaster) response, declaration, classification and funding in terms of the Disaster Management Act, Act 57 of 2002, as amended. It also comprises as the Guideline on the Development & Structure of a Disaster Management Plan in terms of Section 12(1)(a) read with Section 22(a) of the Disaster Management Act, Act 57 of 2002 giving guidance in terms of the development and structure of a Disaster Management Plan.

The Midvaal Disaster Management Plan for disaster response, declaration, classification and funding is applicable to the Gauteng Provincial Department, the Sedibeng District as well as all departments in the Midvaal Local Municipality, responsible for the co-ordination and management of disasters in the Midvaal jurisdiction.

The purpose of the emergency response preparedness procedure is to ensure immediate, proper and co-ordinated response to mitigate and minimize consequences from safety and environmental incidents.

**3. Identification of high-risk environmental contraveners**

Council annually identify 3 high-risk environmental contraveners for monitoring and ensuring compliance. Status quo, follow-up audits and compliance inspections are being conducted to ensure compliance to relevant legislation. The identified industries monitored for the year under review were Ingrain (Tongaat Hulett Starch), Heineken Breweries and Lonsa Everite.

The activity driven indicator not fully achieved is:

**4. Monitoring and reporting on the effectiveness of the established back-office (Traffic)**

The aim of this activity is to process traffic fines internally, purchase the speed camera equipment, TCS Software, roadblock bus for warrant revenue collection and fill proposed vacant administrative positions.

The performance for the year under review was reported as follows:

	Total Speed Infringements Issued	Number of speed infringements successfully downloaded (Captured for Mailing)	%
Jul - Sep 2021	27 839	21 506	77.25%
Oct - Dec 2021	22 372	17 363	77.60%
Jan - Mar 2022	35 137	25 787	73.38%
Apr - Jun 2022	20 317	16 826	82.80%
	<b>105 665</b>	<b>81 482</b>	<b>77.76%</b>

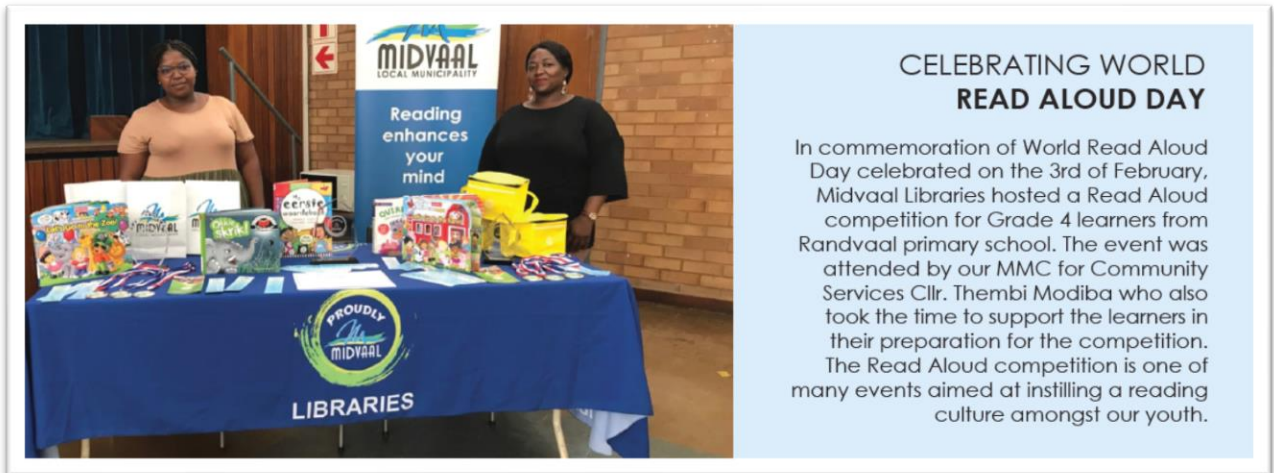
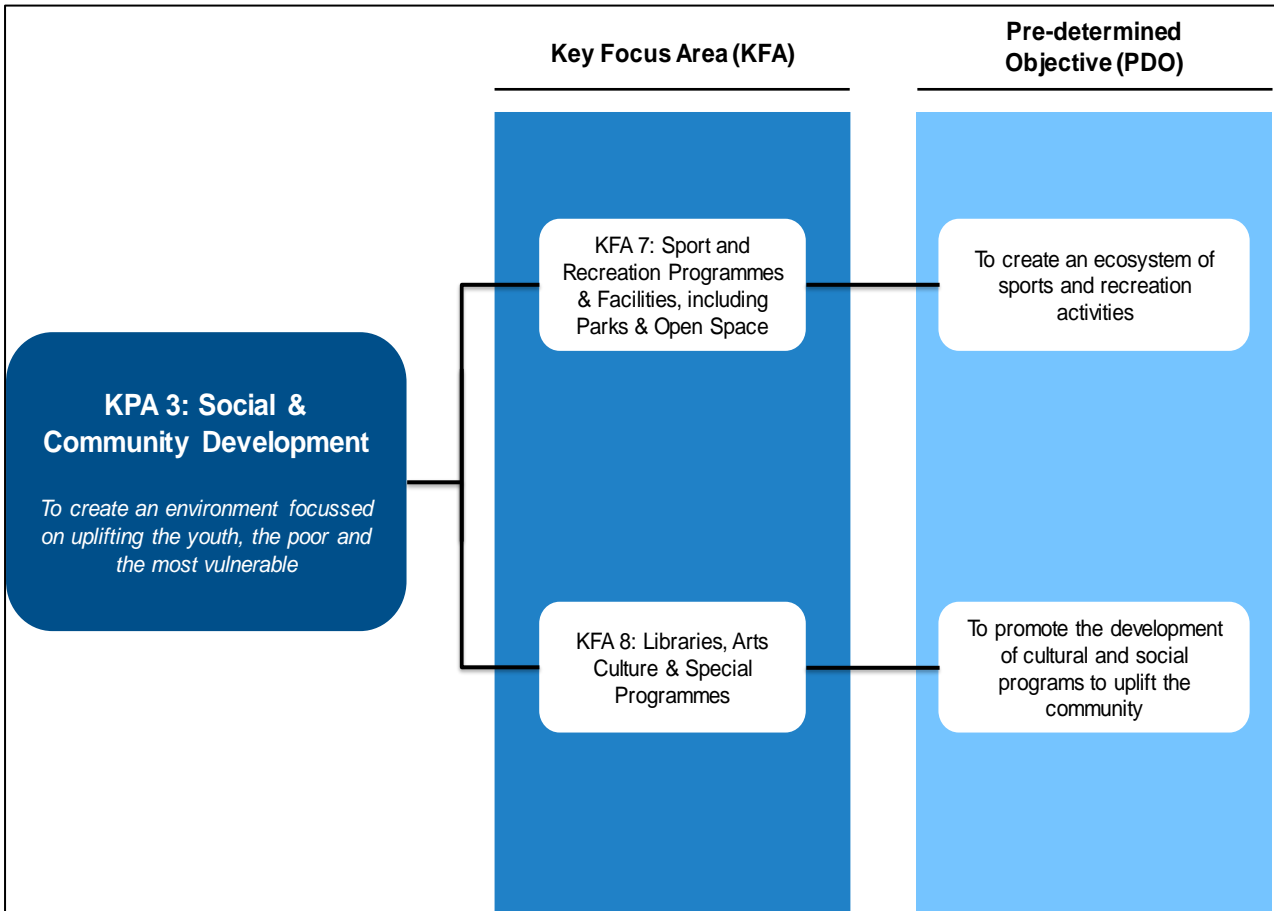






### KPA 3: Social & Community Development

To create an environment focusing on uplifting the youth, the poor and the most vulnerable



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	ENG	KPI 044	KPA 3	KFA 07	Development, construction and completion of the Sicelo Library	Practical Completion Certificate signed off by the Principle Agent by 30 Jun 2022	To create an environment focussed on uplifting the community	6	1	1	Target Achieved	None	Fully Effective
2	COMM	KPI 046	KPA 3	KFA 08	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented per annum	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Year Planner	GEYODI, Gender, Elderly, Youth and Disabled Group programmes are focused on awareness and education of the community. It also creates a platform for early intervention where required	All	4	4	Target Achieved	None	Fully Effective
3	COMM	KPI 047	KPA 3	KFA 08	Number of Early Childhood Development Centres formalised	Early Childhood Development Programme Monitoring Tool (MRR) signed off by the Executive Director: Community Services (Certificate signed off by the Executive Director: Community Services)	Early Childhood Development Centres are inspected to monitor child development milestones and growth. Outcomes of the Assessment Reports are signed off by the Executive Director: Community Services	All	2	5	(1) Tinkerbell ECD - 15 Sep 2021 (2) Bethesda Christian Academy - 15 Sep 2021 (3) Khula ECD - 31 Mar 2022 (4) Sunshine ECD - 14 Feb 2022 (5) Ekukhanyeni ECD - 31 Mar 2022	None	Above Expectations
4	COMM	KPI 048	KPA 3	KFA 08	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	A programme has been developed to assist with the establishment of day mothers and to encourage the signing of a contract with a Non-Profit Organisation	All	5	5	Target Achieved	None	Fully Effective

### KPA 3: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 3 is to create an environment focusing on uplifting the youth, the poor and the most vulnerable. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To create an ecosystem of sports and recreation activities
- To promote the development of cultural and social programmes to uplift the community

The actual performance per indicator type is reported as follows:

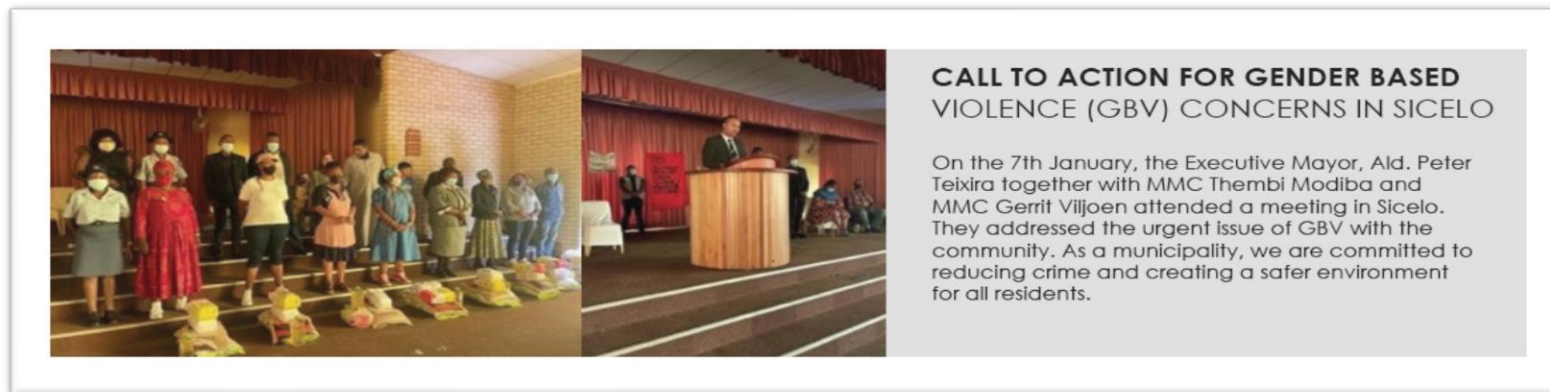
TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
<b>Capital Projects</b>	<b>(CP)</b>	1	1	0
<b>Programmes</b>	<b>(P)</b>	3	3	0
<b>Activities</b>	<b>(A)</b>	-	-	-

The programme and capital project driven indicators achieved are:

1. The Practical Completion Certificate, for the development, construction and completion of the Sicelo Library was signed off by the Principle Agent on 19 Nov 2021



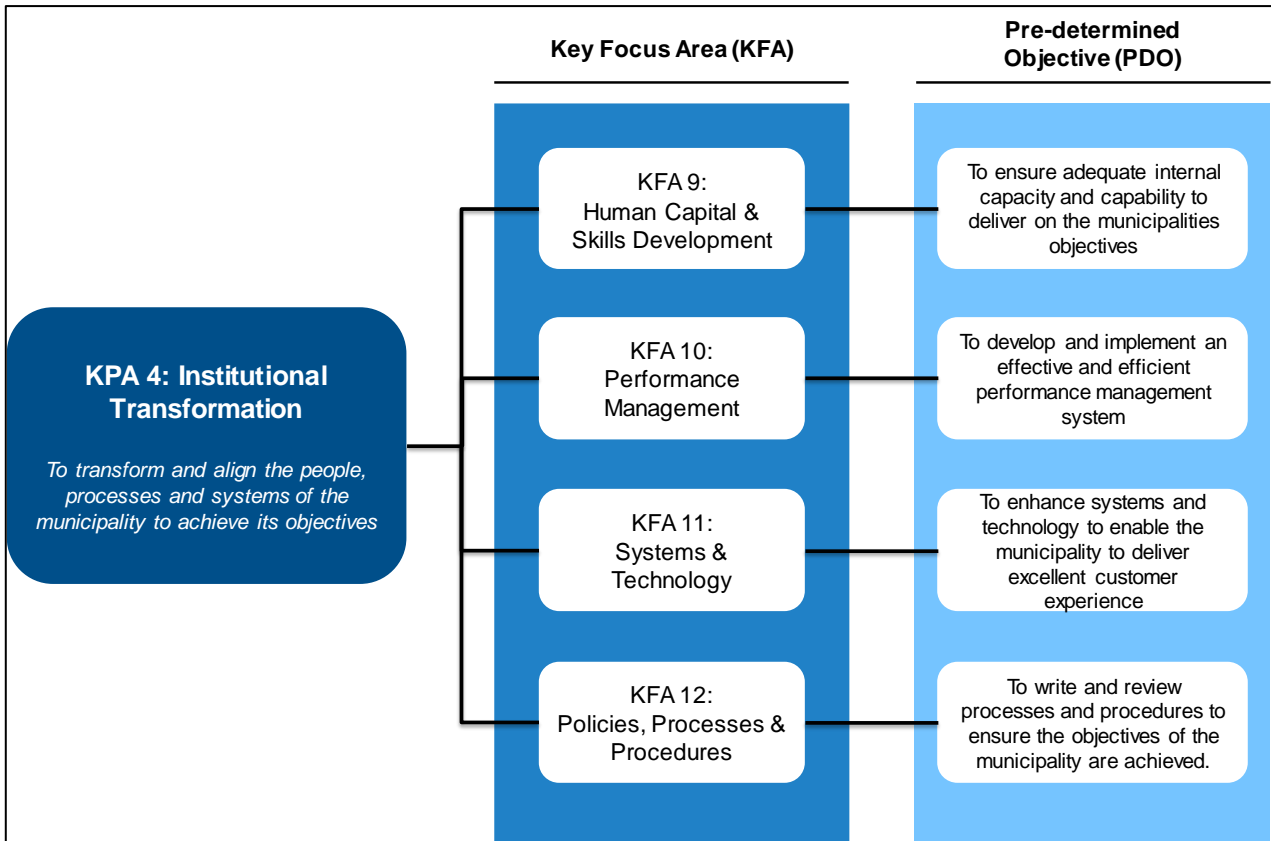
2. GEYODI, Gender, Elderly, Youth and Disabled Group programmes focused on awareness and education of the community. It also creates a platform for early intervention where required. The following 4 programmes were implemented:
- Older Persons Day hosted at Dinokaneng (Boitumelo Settlement)
  - 16 Days of Activism Programme held on 26 Nov 2021
  - The Disability programme would be held on 18 March 2022.
  - Youth Entrepreneurship Competition hosted on 15 Jun 2022 at Meyerton Town Hall. The objective of the programme was "Prioritising the Upliftment of our Youth"
3. Early Childhood Development Centres inspected to monitor child development milestones and growth and outcomes of the Assessment Reports are signed off by the Executive Director: Community Services. The following 5 Early Childhood Development Centres were monitored:
- (1) Tinkerbelle ECD - 15 Sep 2021
  - (2) Bethesda Christian Academy - 15 Sep 2021
  - (3) Khula ECD - 31 Mar 2022
  - (4) Sunshine ECD - 14 Feb 2022
  - (5) Ekukhanyeni ECD - 31 Mar 2022
4. A programme has been developed to assist with the establishment of day mothers and to encourage the signing of a contract with a Non-Profit Organisation. The following is active day mothers, per day care centre:
- (1) Ekukhanyeni Day Care: 31 active day mothers
  - (2) Lesedi Day Care Centre: 19 active day mothers
  - (3) Sicelo Early Learning Centre: 24 active day mothers = 74 active day mothers





## KPA 4: Institutional Transformation

To transform and align the people, processes and systems of the municipality to achieve its objectives



### PARTNERSHIP THAT WORKS!

Midvaal Local Municipality, in collaboration with Heineken, hosted a meeting on the 26th of January to discuss how to build an enabling environment for job creation and skills development. This partnership serves as an example of what may be accomplished through collaboration between the public and private sectors.

A Mayoral bi-lateral engagement with Metsimaholo Local Municipality was held on the 14th of January with a focus on leadership styles and practices. We appreciate the Executive Mayor J. Zwane and his Members of the Mayoral Committee for allowing Midvaal Local Municipality the opportunity to host them.

NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	CORP	KPI 021	KPA 4	KFA 11	Average percentage compliance to baseline turn-around time to attend to calls logged via the ICT Help Desk, per month	Definition amendment: Monthly ICT Service Desk Report signed off by the Director: ICT by the 10 <sup>th</sup> working day monthly wherein compliance to the baseline reaction time to calls is reported, i.e. Number of calls logged, attended to within/outside time limit reported, not to exceed target	To establish mechanisms to monitor performance of ICT staff	All	85%	91.66%	Target Exceeded	None	Above Expectations
2	CORP	KPI 023	KPA 4	KFA 12	Number of average working days legal actions is assessed	Legal & Property Action Register reflecting turn-around time to be within 4 working days (as per court rules, i.e. first day out and last day in, excluding weekends and public holidays) = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed)	To ensure timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions	All	4	1.27	Target Exceed by 2.73 days	None	Outstanding Performance
3	CORP	KPI 024	KPA 4	KFA 10	Number of Section 52(d) - performance reports (SDBIP) submitted to Council quarterly	(1) Report considered by Council within 30 days after the end of each quarter (Council Resolution) (2) Assessment and Analysis Report received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA) on the Quarterly Performance Report	To comply with the requirements of Section 52(d) of the MFMA	All	4	4	Target Achieved	None	Fully Effective
4	CORP	KPI 028	KPA 4	KFA 09	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP)	All	93%	81%	Target Not Achieved	Adjustments Budget: R2 262 267 versus Actual Spent: R2 227 850.82 = 98.4%	Fully Effective

5	CORP	KPI 029	KPA 4	KFA 09	(NKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report submitted into reporting cycle, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (MM, HOD and Directors) as per the municipality's Annual Employment Equity Plan. Proof of submission into reporting cycle within 30 days after the end of the financial year	To monitor new appointments in terms of Council's Annual Employment Equity Plan	All	1	1	Target Achieved	The item was referred back for a workshop for clarity on how the percentage on EE is determined.	Fully Effective
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#### KPA 4: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 4 is to transform and align the people, processes and systems of the municipality to achieve its objectives. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To ensure adequate internal capacity and capability to deliver on the municipality's objectives
- To develop and implement an effective and efficient performance management system
- To enhance systems and technology to enable the municipality to deliver excellent customer experience
- To write and review processes and procedures to ensure the objectives of the municipality are achieved

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	-	-	-
Programmes	(P)	1	1	0
Activities	(A)	4	4	0

**The activity driven indicators achieved, are:**

**1. Establishing mechanisms to monitor performance of ICT staff**

Performance is monitored in terms of an average evaluation of the baseline reaction time to attend to calls reported via the Helpdesk.

Compliance to the average turn-around time to respond to calls was 91.66%

<b>MONTH</b>	<b>NUMBER OF CALLS RECEIVED</b>	<b>NUMBER OF CALLS OUT OF LIMIT</b>	<b>% OF CALLS WITHIN THE BASELINE</b>
Jul 2021	381	34	91.08%
Aug 2021	349	12	96.56%
Sep 2021	385	112	70.91%
Oct 2021	325	60	81.54%
Nov 2021	288	22	92.36%
Dec 2021	197	4	97.97%
Jan 2022	486	22	95.47%
Feb 2022	388	13	96.65%
Mar 2022	332	18	94.58%
Apr 2022	334	31	90.72%
May 2022	340	16	95.29%
Jun 2022	406	13	96.80%
<b>TOTAL</b>	<b>4 211</b>	<b>357</b>	<b>91.66%</b>

**2. Ensuring timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions**

Performance is monitored in terms of an average evaluation of the baseline turn-around time to attend to legal claims/actions and/or summonses served on Council.

The target is set to be within 4 working days and an average turn-around time of 1.27 working days were achieved. The following number of legal actions were attended to:



QUARTER	NUMBER OF LEGAL ACTIONS RECEIVED	AVERAGE TURN-AROUND TIME
1	82	1.20
2	69	1.07
3	69	1.24
4	82	1.59
<b>TOTAL</b>	<b>302</b>	<b>1.27</b>

### 3. Compliance with the requirements of Section 52(d) of the MFMA

It is legislated that the Executive Mayor must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Quarterly Assessment and Analysis Reports were received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA). Compliance to the said legislated was reported as follows:

QUARTER	COUNCIL RESOLUTION	DATE
1	C2669/10/2021	28 Oct 2022
2	SC2735/01/2022	24 Jan 2022
3	C2798/04/2022	28 Apr 2022
4	C2899/07/2022	28 Jul 2022

### 4. Monitoring the implementation of Council's approved and funded Workplace Skills Plan (WSP)

Implementation of the National Key Performance Indicator included various training programmes arranged, attended and Certificates of Competency issued to attendees.

These programmes included:

Peace Officer Training  
Report Writing Training  
Protection of Personal Information  
Supervisory Skills

Minute Taking  
Stacking, Sorting & Stock Control  
Monitoring & Evaluation  
Conciliation & Arbitration

Labour Relations (Presiding)  
Advanced Excel  
Events Management  
Chainsaw Operator

Facility Management  
MFMA Compliance  
Conflict Management  
Adult Education Training

<b>Budget approved</b>	
Vote 1	1 469 067.00
Vote 2	793 200.00
Total	2 262 267.00
Year-to-Date Expenditure	<b>1 835 599.32</b>
Balance Available	426 667.68
%	<b>81%</b>

**5. Monitoring new appointments in terms of Council's Annual Employment Equity Plan**

- 1. Chief Financial Officer (F/A)
- 2. Director: Roads & Stormwater (M/A)
- 3. Director: Waste Management (M/A)
- 4. Deputy Director: Legal (F/A)
- 5. Deputy Director: LR, OHS & EAP (M/A)

**WELLNESS DAY HELD WITH VARIOUS STAKEHOLDERS**

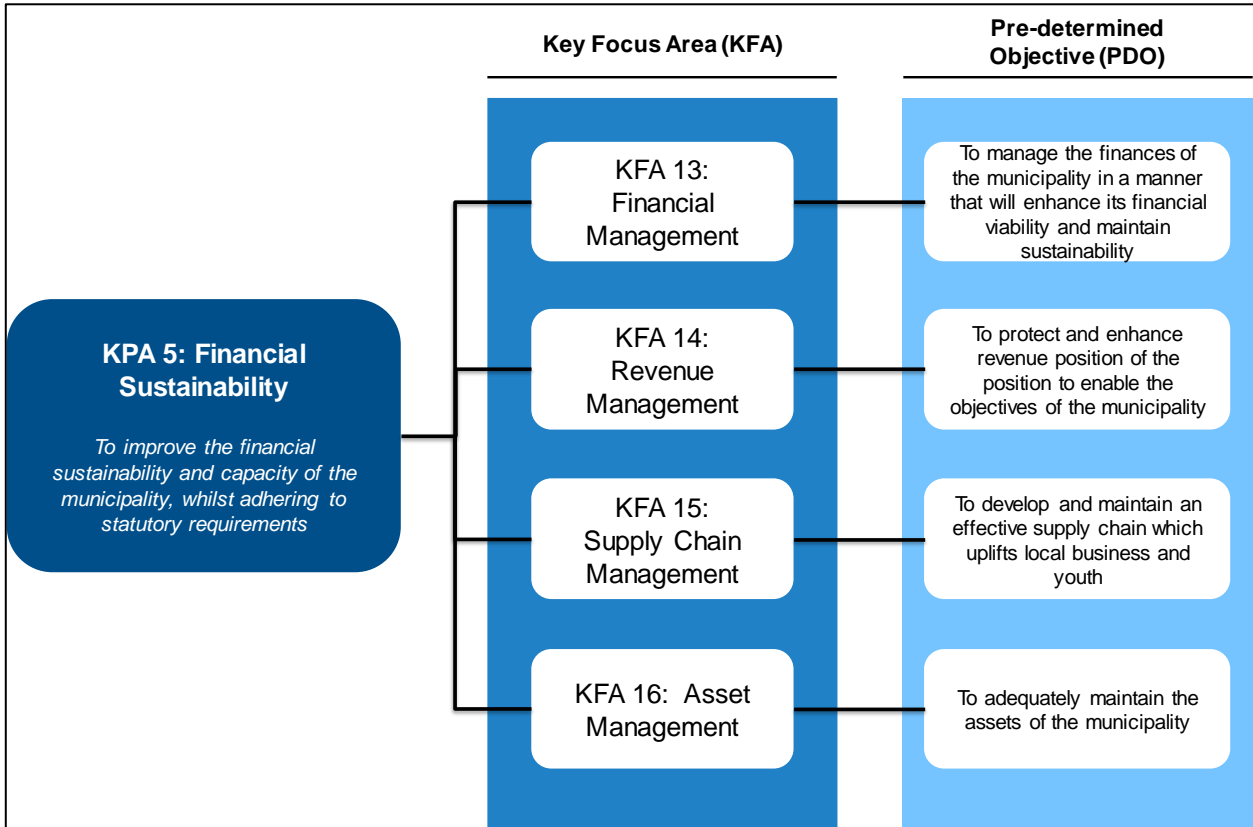
The annual wellness day was held on the 30th of November at the Meyerton Town Hall in partnership with various stakeholders from health, fitness and financial institutions. The aim of the wellness day was to provide support to educate our employees about any underlying health related issues or to explore the complementary assistance





## KPA 5: Financial Sustainability

To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements



### MIDVAAL RECEIVES IT'S 8TH CLEAN AUDIT

The Executive Mayor Ald. Peter Teixeira, congratulated all Municipality staff and presented them with roses for the 8th consecutive clean audit. This is an incredible accomplishment, one that would not have been possible without the Midvaal team.

This as a result of a clean audit outcome for the 2020/2021 financial year, according to the Auditor General of South Africa (AG). "I am standing on the shoulders of giants such as Marti Wenger, Timothy Nast and Bongani Baloyi. This 8th clean audit would not have been possible without all three of you" — Executive Mayor, Ald. Peter Teixeira.



### PMR AFRICA AWARDS MIDVAAL

On the 26th of January, PMR Africa honoured Midvaal Local Municipality with a Golden and Diamond Arrow award for Excellence in Local Government initiatives.

NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	FIN	KPI 007	KPA 5	KFA 13	(NKPI - 7c) - Annual Cost Coverage	Available cash + investments / Monthly fixed operating expenditure (cash expenditure)	This ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue. The target is one month, meaning that the Municipality must have at least cash equalling one month's fixed operation expenditure	All	2	5.32	Target exceeded by 3.32	None	Outstanding Performance
2	FIN	KPI 008	KPA 5	KFA 13	Annual Liquidity Ratio	Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported	The ratio is used to assess the Municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). The target 1.5 : 1 means, that the Municipality must have at least current assets equalling the current liabilities	All	1.5 : 1	2.91	Target exceeded by 1.41	None	Outstanding Performance
3	MM	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	All	Unqualified	Clean audit outcome (Page 7 of Management Report dated 30 Jun 2021)	8th Clean Audit maintained	None	Outstanding Performance
4	CORP	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	All	Unqualified	Clean audit outcome (Page 7 of Management Report dated 30 Jun 2021)	Target Exceeded	None	Outstanding Performance

5	FIN	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	All	Unqualified	8th Clean audit maintained	Target exceeded	None	Outstanding Performance
6	FIN	KPI 010	KPA 5	KFA 13	(NKPI - 7a) - Annual Debt Coverage	Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue	The ratio indicates the Municipality's ability to meet at least its debt service payments (interest and redemption) commitments from cash and short-term investment without collecting any additional revenue. The target is 15 times meaning that the Municipality must have at least cash equalling 15 times the annual interest and redemption charges	All	15	21.70	Target Not Achieved	Continuous monitoring and reporting on process in terms of debt collection strategies	Above Expectations
7	FIN	KPI 011	KPA 5	KFA 14	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS, excluding VAT) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	The ratio indicates the proportion of the Municipality's outstanding debtors in relation to its annual revenue. The target is 50% (maximum) meaning that the Municipality must have a gross consumer debtors balance of less than 50% of the annual revenue received for service charges	All	50%	35.48%	Target Achieved	Continuous monitoring and reporting on process in terms of debt collection strategies	Fully Effective
8	FIN	KPI 012	KPA 5	KFA 14	Percentage Collection Rate maintained, annually	Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs)	The ratio indicates the collection rate, i.e. % level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. The target is 93% meaning that at least 93% of the amount billed in a month must be collected in cash	All	90%	92.60%	Target Exceeded	Billed: R1 202 608 061 vs Collected: R1 113 654 676 = 92.60%	Above Expectations
9	FIN	KPI 013	KPA 5	KFA 14	(NKPI - 2) - Percentage of households earning less than R5 500 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive the benefit (subsidy) of free basic services	The ratio shows that all approved and registered indigents are receiving their municipal subsidies (free basic services, i.e. subsidy on property rates, waste removal, sewer and water) as per the approved Indigent Policy	All	95%	99.91%	Target Exceeded by 4.91%	None	Above Expectations

10	MM	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	92.42%	Target Achieved	None	Fully Effective
11	FIN	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	99.57%	Target Achieved	None	Above Expectations
12	CORP	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	97.82%	Target Achieved	None	Fully Effective
13	DP	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	76.06%	Target Not Achieved	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
14	COMM	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	80.35%	Target Not Achieved	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective

15	ENG	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	97.37%	Target Achieved	None	Outstanding Performance
16	FIN	KPI 015	KPA 5	KFA 15	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs	All	5%	6.80%	Target Achieved	None	Fully Effective
17	FIN	KPI 016	KPA 5	KFA 15	Percentage of annual procurement spent awarded to Youth owned enterprises	Percentage calculated by dividing the total expenditure to youth suppliers by the total procurement expenditure x 100	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger	All	3%	11.20%	Target Exceeded by 8.2%	None	Outstanding Performance
18	FIN	KPI 017	KPA 5	KFA 16	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges)	The Operating Budget is defined as the latest approved version of the budget, i.e. either the originally approved budget, or the adjustments budget in the case of Council approving an Adjustments Budget, inclusive of the approved virements that have been approved and processed in terms of the System of Delegations	All	8%	10.30%	Target Exceeded	None	Fully Effective

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
1. Collection Rate (%)	93.76%	93.08%	94.16%	91.14%	94.51%	92.60%
2. Cost Coverage (Months)	2.16	3.04	4.06	5.23	5.51	5.32
3. Budget Approved (Legislated)	25 May 2016	25 May 2017	31 May 2018	30 May 2019	28 May 2020	27 May 2021
4. Repair & Maintenance (Legislated)	5.50%	9.53%	9.61%	9.58%	9.48%	10.37%
5. Debt Coverage (Times)	20.59	24.87	24.01	19.83	21.00	21.70
6. Liquidity Ratio (1 : 1)	2.12 : 1	2.3 : 1	2.18 : 1	2.52 : 1	3.06 : 1	2.91 : 1
7. Outstanding Service Debtors (%)	28.22%	29.26%	33.83%	41.84%	29.30%	35.48%

### KPA 5: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 5 is to improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability
- To protect and enhance revenue position to enable the objectives of the municipality
- To develop and maintain an effective supply chain which uplifts local business and youth
- To adequately maintain the assets of the municipality

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	6	4	2
Programmes	(P)	-	-	-
Activities	(A)	12	12	0

The activity and capital project driven indicators achieved are:

1. The annual cost coverage ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue. The target is one month, meaning that the Municipality must have at least cash equalling one month's fixed operation expenditure.



2. The annual liquidity ratio is used to assess the Municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). The target 1.5 : 1 means, that the Municipality must have at least current assets equaling the current liabilities.
3. Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified. This indicator is relevant to all departments.
4. The annual debt coverage ratio indicates the Municipality's ability to meet at least its debt service payments (interest and redemption) commitments from cash and short-term investment without collecting any additional revenue. The target is 15 times meaning that the Municipality must have at least cash equaling 15 times the annual interest and redemption charges.
5. The annual percentage outstanding service debtors to revenue ratio indicate the proportion of the Municipality's outstanding debtors in relation to its annual revenue. The target is 50% (maximum) meaning that the Municipality must have a gross consumer debtor's balance of less than 50% of the annual revenue received for service charges.
6. The collection rate ratio indicates the % level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. The target is 90% meaning that at least 90% of the amount billed in a month must be collected in cash.
7. The ratio shows the percentage of households earning less than R5 500 per month, with access to free basic services all approved and registered indigents are receiving their municipal subsidies (free basic services, i.e. subsidy on property rates, waste removal, sewer and water) as per the approved Indigent Policy.
8. The ratio indicating the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget. This indicator is relevant to all departments with an approved capital budget. The Departments: Finance, Corporate and Development & Planning have achieved their targets.
9. Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs. This indicator is relevant to all departments.
10. Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger. This indicator is relevant to all departments.

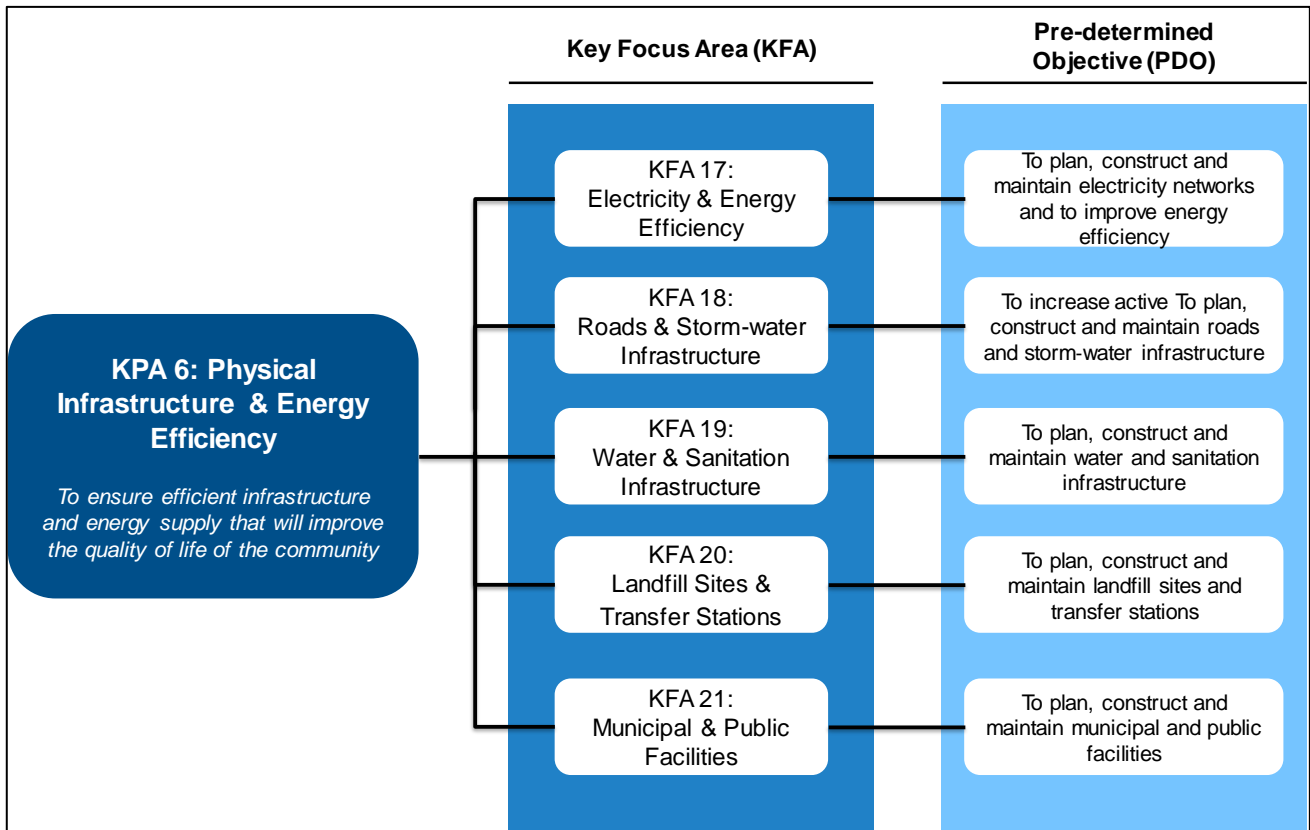
**The capital project driven indicators not achieved are:**

1. The ratio indicating the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget. This indicator is relevant to all departments with an approved capital budget. The departments, Development & Planning & Community Services did not achieve its overall target.



## KPA 6: Physical Infrastructure & Energy Efficiency

To ensure efficient infrastructure and energy supply that will improve the quality of life of the community



### MIDVAAL @ WORK Service Delivery in action



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	ENG	KPI 030	KPA 6	KFA 17	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	Percentage of electricity losses not to exceed target annually	All	-15%	-9.85%	Target Exceeded	None	Above Expectations
2	ENG	KPI 032	KPA 6	KFA 18	Number of square meters of tarred roads resealed annually	Accumulative square meters of tar roads resealed with (1) Fog-spray and/or (2) Slurry Seal	Tar roads resealed to maintain and repair infrastructure	All	160 000 m <sup>2</sup>	177 530.88 m <sup>2</sup>	Target Exceeded	None	Outstanding Performance
3	ENG	KPI 033	KPA 6	KFA 19	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	Percentage of water losses not to exceed target annually	All	-30.40%	-36.47%	Target not Achieved	Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = -32%	Not Fully Effective
4	ENG	KPI 035	KPA 6	KFA 19	(NKPI - 1b) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic sanitation	All	67%	67.84%	Target met	None	Fully Effective
5	ENG	KPI 037	KPA 6	KFA 19	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic water	All	72%	83.70%	Target Exceeded	None	Above Expectations

6	ENG	KPI 039	KPA 6	KFA 17	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic electricity	All	56%	63.88%	Target Exceeded	None	Above Expectations
7	COMM	KPI 074	KPA 6	KFA 20	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	To ensure the Walkerville Landfill Site is operated/legalised according to the new Regulations	All	1	0	Designs have been submitted to GDARD on 11 Oct 2021, awaiting feedback. In terms of the time-frame GDARD should have finalised the application. Proof of submission available.	Follow-up with GDARD should have been made	Not Fully Effective
8	ENG	KPI 075	KPA 6	KFA 18	Number of km/m of gravel road converted to tarred road annually	Q3: Site establishment by appointed contractor completed (Minutes of Site Meetings & Programme of Works) - 31 Mar 2022 Q4: Practical Completion Certificate signed off by the appointed consultant by 30 Jun 2022 (Total distance plus minus 800 m - Bronk Road)	To increase access to roads infrastructure services	All	800 m	800 m	Target Achieved	None	Fully Effective



On the 7th September, the A team was out in Sicelo working on the Bulk Water Pipeline.

## SEWER WORKS PROGRESS SITE INSPECTION



On 16 July, MMC Engineering Services, Cllr. Hennie Oosthuysen and his Engineering Management Team visited the Meyerton Wastewater Treatment Works as part of their location inspection, which included checking on the progress made on improving conditions at the Plant.

## SERVICE DELIVERY UPDATES

Our roads and stormwater teams have been out on an aggressive drive to catch up on the backlog on the repairing of potholes created by the constant and heavy rainfall. Our Executive Mayor Ald. Peter Teixeira was on site with the teams to check on the progress and encourage them to work tirelessly, in time for the festive season.



## KPA 6: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 6 is to ensure efficient infrastructure and energy supply that will improve the quality of life of the community. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To plan, construct and maintain electricity networks and to improve energy efficiency
- To plan, construct and maintain roads and stormwater infrastructure
- To plan, construct and maintain water and sanitation infrastructure
- To plan, construct and maintain landfill sites and transfer stations
- To plan, construct and maintain municipal and public facilities

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
<b>Capital Projects</b>	<b>(CP)</b>	3	2	1
<b>Programmes</b>	<b>(P)</b>	2	1	1
<b>Activities</b>	<b>(A)</b>	3	3	0

### The activity driven indicators achieved are:

1. To increase the percentage of households with access to basic sanitation
2. To increase the percentage of households with access to basic water
3. To increase the percentage of households with access to basic electricity

### The programme driven indicator achieved is:

1. Percentage of electricity losses not to exceed -15%

### The programme driven indicator not achieved is:

1. Percentage of water losses not to exceed -30.40%

### The capital project driven indicators achieved are:

1. Accumulative square meters of tar roads resealed with (1) Fog-spray and/or (2) Slurry Seal
2. Number of km/m of gravel road converted to tarred road

**The capital project driven indicator not achieved:**

1. Licensing of the Walkerville Landfill Site according to the new Regulations



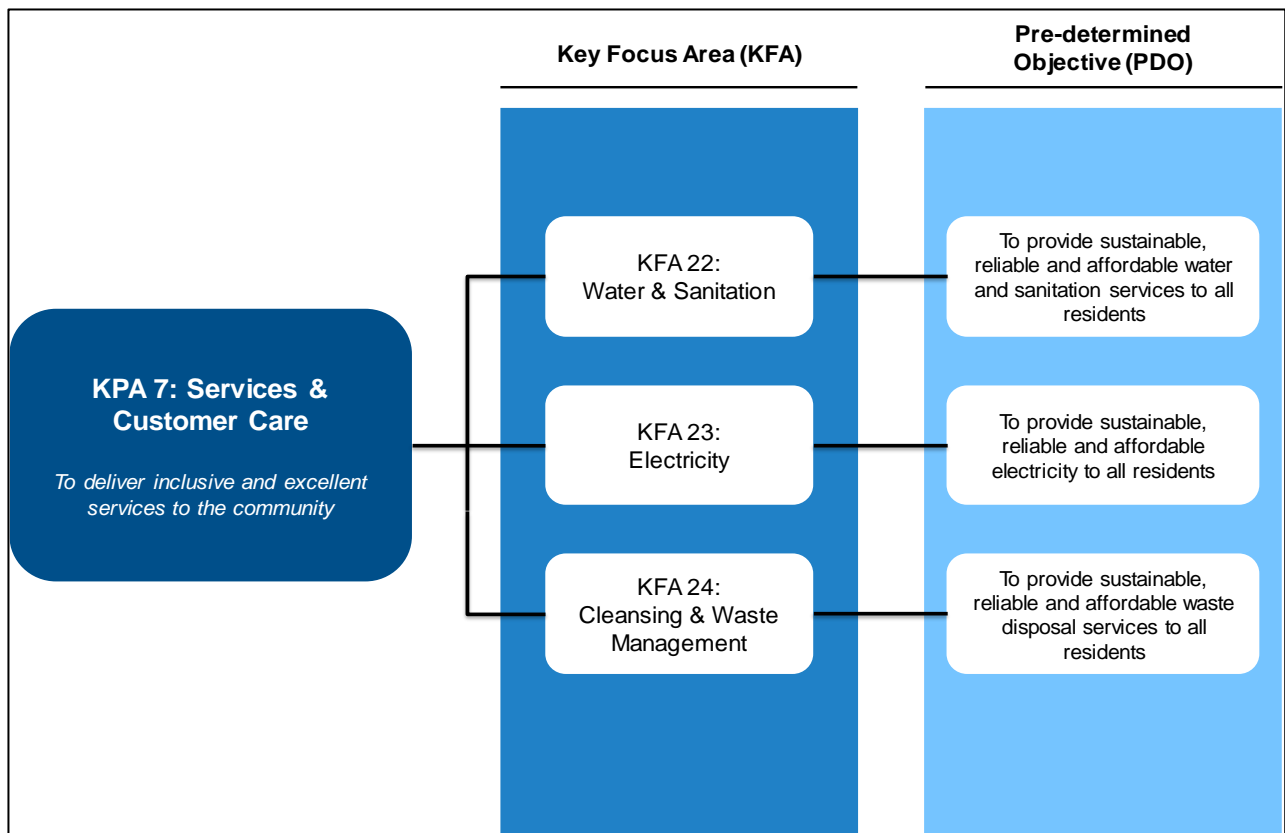
## MAYORAL SERVICE THURSDAYS

Midvaal Local Municipality introduces Operation "Mayoral Service Thursdays", where the Municipality Service Teams work alongside Members of the Mayoral Committee in service delivery related tasks. Some of the services delivered during the day include grass cutting, tree trimming, road painting, filling potholes, refuse collection and clean up. Look out for the team coming in your ward soon!



## KPA 7: Services & Customer Care

To deliver inclusive and excellent services to the community



### EXCITING PROJECT AHEAD - 2KM WATER GRAVITY LINE

Our newly elected MMC for Engineering Services, Gerrit Viljoen and our Executive Mayor Ald. Peter Teixeira were out to oversee an exciting project valued at over R20 million running through Sicelo, Valley settlements and Highbury. This project entails the construction of a 2km water gravity line from the newly built 10ml reservoir. We look forward to reporting on the progress of this project and the many ways in which it will change the lives of the residents within those areas.



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	ENG	KPI 036	KPA 7	KFA 22	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	To increase the access to basic sanitation to formal households	All	4	36	Target Exceeded	None	Fully Effective
2	ENG	KPI 038	KPA 7	KFA 22	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	To increase the access to basic water to formal households	All	12	237	Target Exceeded	None	Fully Effective
3	ENG	KPI 040	KPA 7	KFA 23	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report)	To increase the access to basic electricity to formal households	All	12	116	Target Exceeded	None	Fully Effective
4	COMM	KPI 050	KPA 7	KFA 24	(NKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	Provision of access to the basic level of solid waste removal	All	86%	86.76%	Target Achieved	None	Fully Effective
5	COMM	KPI 051	KPA 7	KFA 24	Number of additional formal households with access to basic level of solid waste removal per annum	Number of additional formal houses serviced in terms of basic solid waste removal (Increase in number of service points). Monthly Solar billing report	Expansion of access to the basic level of solid waste removal in line with the development rate in Savanna City, Eye of Africa and any other possible developments	All	500	798	Target Exceeded by 298	None	Above Expectations



## KPA 7: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 7 is to ensure efficient infrastructure and energy supply that will improve the quality of life of the community. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To provide sustainable, reliable and affordable water and sanitation services to all residents
- To provide sustainable, reliable and affordable electricity to all residents
- To provide sustainable, reliable and affordable waste disposal services to all residents

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	-	-	-
Programmes	(P)	-	-	-
Activities	(A)	5	5	0

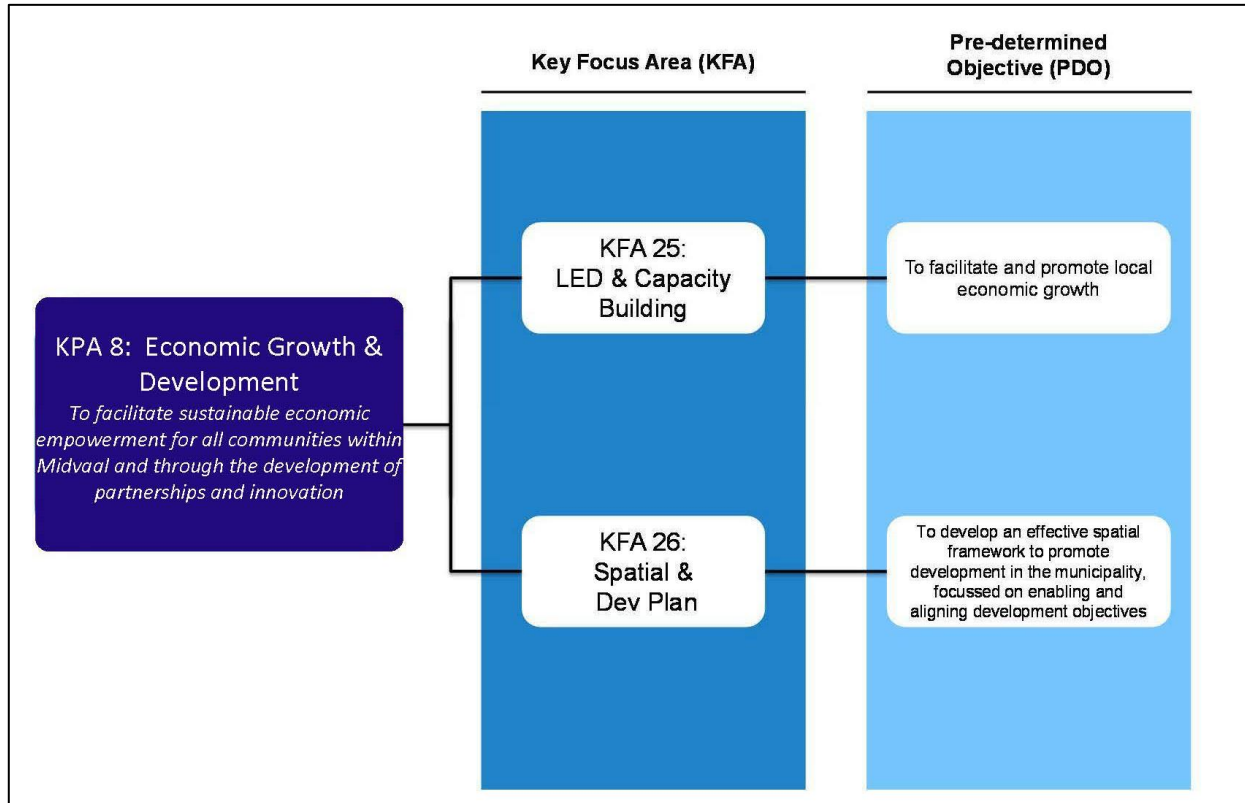
### The activity driven indicators achieved are:

1. To increase the access to basic sanitation to formal households
2. To increase the access to basic water to formal households
3. To increase the access to basic electricity to formal households
4. Percentage of households with access to basic level of solid waste removal
5. Number of additional formal households with access to basic level of solid waste removal per annum in line with the development rate in Savanna City, eye of Africa and any other possible development



## KPA 8: Economic Growth & Development

To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation



### PROSPECTIVE OPPORTUNITIES FOR EMERGING FARMERS

As part of Midvaal Local Municipality's continued efforts towards creating a conducive environment for economic development, MMC for Development and Planning Cllr. Mokete Motsamai together with the Executive Director for Planning and Development Mr. David Chamboko, conducted a business visitation to RY Agri (locally based producers of Farming Implements

for Emerging Farmers). The MMC met with the Marketing Manager Mr Hein Mienie and Operational Manager Mr. Danie Xing Wang on the 3rd of February to discuss strategic alliance opportunities between Midvaal Local Municipality and RY Agri for the benefit of emerging farmers in Midvaal.



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	OBJECTIVE OF INDICATOR	WARD	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/2022				
									ANNUAL				
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	DP	KPI 002	KPA 8	KFA 26	Percentage compliance to turn-around time maintained to consider building plan applications quarterly	Percentage compliance to 30 working days turn-around time, in terms of the National Building Regulations and Building Standards Act of 1977, (Building Plan applications exceeding 500 m <sup>2</sup> floor area) = Date of application received versus date considered (signature by Assistant Director: Building Control)	To monitor and improve the turn-around times for building plan applications in order to ensure faster development on the ground and to benefit the economy. To accelerate local economic development	All	90%	100%	Target Exceeded by 10%	None	Outstanding Performance
2	DP	KPI 003	KPA 8	KFA 26	Average turn-around time maintained to consider land use applications quarterly	(1) Average of 8 months turn-around time, to consider applications submitted in terms of SPLUMA (2) Date of Legally Compliant Application received versus Date Considered (Excluding Municipal Planning Tribunal and Appeal Planning Authority)	To monitor and to improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality. SPLUMA dictates a turn-around time of 16 months, however MLM adopted a 8 month-turn-around time	All	8	5.01	Target Exceeded	None	Outstanding Performance
3	DP	KPI 005	KPA 8	KFA 25	(NKPI - 4) - Number of jobs created through municipality's local economic development initiatives including capital projects	Report number of jobs created (EPWP and any other jobs, excluding CWP) to the Mayoral Committee (Mayoral Committee Resolution). Report submitted into the reporting cycle before the 15 <sup>th</sup> working day quarterly (Proof of receipt by Committees)	To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised. The focus remains on Local Economic Development (LED)	All	1 500	2 759	Target Exceeded	None	Outstanding Performance
4	DP	KPI 061	KPA 8	KFA 25	Percentage of land invasion complaints responded to within 48 hours, quarterly	(1) Register = Calculation of average percentage of complaints responded to (Date complaint lodged through Call Centre) versus date of responded (Site Inspection Report signed off within 48 hours = achievement of target) (2) Verification (correctness of evidence) signed off by Director by the 15th working day, quarterly	Prevention of illegal occupation of land, prompt response will assist in saving cost for legal fees and avoid MLM from having to provide alternative accommodation for land invaders	All	90%	100%	Target Exceeded	None	Fully Effective

5	DP	KPI 079	KPA 8	KFA 26	Report on number of interventions implemented from the Midvaal Economic Recovery Plan (Development & Planning), quarterly	Submit Quarterly Progress Report into the reporting cycle by the 15th working day, quarterly	(1) Implementation of projects/programmes/activities as contained in the Midvaal Economic Recovery Plan (2) Outcome/Impact of interventions reported to the Mayoral Committee quarterly = Proof of submission of report into reporting cycle within 10 working days of the following quarter (3) Mayoral Committee Resolution	4	4	Target Achieved	None	Fully Effective
6	DP	KPI 080	KPA 8	KFA 26	Percentage average turn-around time maintained to consider Certificates of Occupancy (COOs) for properties fully compliant to SANS 10400	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 calendar days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	80%	100%	Target Exceeded with average turn-around time maintained	None	Outstanding Performance

## KPA 8: PERFORMANCE NARRATIVE REPORT

The strategic objective of Key Performance Area 8 is to facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation. The achievement of this strategic objective is supported by the following pre-determined objectives, Key Focus Areas, namely:

- To facilitate and promote local economic growth
- To develop an effective spatial framework to promote development in the municipality, focused on enabling and aligning development objectives

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	(CP)	-	-	-
Programmes	(P)	2	2	0
Activities	(A)	4	4	0

The activity driven indicators achieved are:

- To monitor and improve the turn-around times for building plan applications (exceeding 500 m<sup>2</sup> floor area) in order to ensure faster development on the ground and to benefit the economy and to accelerate local economic development**

Building plans, exceeding 500 m<sup>2</sup>, were considered in terms of the National Building Regulations and Building Standards Act, 1977. The following number of building plan applications for approval was received, processed and considered:

DESCRIPTION	Q1	Q2	Q3	Q4	TOTAL
Number of legally compliant building plan applications received, processed and considered	90	84	48	74	296
Average turn-around time maintained: Working days	7.5	7.6	6	6	6.7

- To monitor and improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality. SPLUMA dictates a turn-around time of 14 months, however MLM adopted an 8 month-turn-around time**

DESCRIPTION	Q1	Q2	Q3	Q4	TOTAL
Number of legally compliant land use applications received, processed and considered	19	27	19	27	92
Average turn-around time maintained: Months	5.25	5	4.27	5.01	4.88

- Percentage of land invasion complaints responded to within 48 hours**

DESCRIPTION	Q1	Q2	Q3	Q4	TOTAL
Number of complaints pertaining to land invasion and illegal occupation of land received	5	3	4	1	13
Average turn-around time maintained: Hours	Average of 10	Average of 48	Average of 48	Average of 48	Average of 38

#### 4. The expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 days

Certificates of Occupancy are issued for properties fully compliant to the SANS 10400 prescripts. The following number of Certificates of Occupancy was issued:

DESCRIPTION	Q1	Q2	Q3	Q4	TOTAL
Number of COOs issued	295	157	188	61	701
Turn-around time maintained: Calendar Days	4	2	2	2	2.5

#### The programme driven indicators achieved are:

1. To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised. The focus remains on Local Economic Development. The job creation and employment within Midvaal is currently addressed through Local Economic Development initiatives. These initiatives are as follows:

##### 1. Expanded Public Works Programme (EPWP)

Projects under the EPWP, employ workers temporary or ongoing with Municipalities, Provincial Government, Contractors or other Non-Governmental Organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

Midvaal received an Incentive Grant allocation of R1 539 000.00.

The EPWP Programme included the following local programmes:

- Parks
- Waste
- Day Mothers
- EPWP Internal Participants (Capital Projects)
- By-Law Patrollers

##### 2. Capital Projects through infrastructure developments

2. To implement the Economic Recovery Plan to respond to the COVID-19 economic crisis, restore consumer and institutional confidence, stimulate investment and create jobs. The Ten-Point Plan, part of "Hlakarhela" was approved to highlight specific interventions that will benefit the municipality, community and ultimately assist to bounce back from the effects caused by COVID-19, with specific reference to job creation, economic growth and SMME's development. The Economic Recovery Plan was formulated to provide measures on the following:

1. Digitisation of Systems and Processes
2. Economic Relief
3. Efficiency of Operations
4. Job creation initiatives

5. Spatial Development
6. Technological Advancement
7. Leasing of Land
8. Accelerate Housing Delivery
9. Commodities
10. Sebenza Mbokodo Initiative
11. Jobs Fund
12. Improvement of Community Engagement and Communication

### **1. Job Creation & SMME Development**

1. Install, maintain and management prepaid water meters - Kgosihadi Trading & Projects 78 CC
2. Internal Plumbing Repairs on Indigent Households and implementation of water conservation or water saving awareness - Garujo Trading Enterprise
3. Water Pipe Replacement - Mbonelaphanda Civils
4. Maintenance of Water Infrastructure in Vaal Marina - Kokake Construction & Projects
5. Construction of waterborne sewer network with erf connections in Midvaal - Mawee Civils & Project Management (Pty) Ltd
6. Install, replace and commission prepaid meters – BID 8/2/2/290 – Musi Electrical Engineering
7. Appointed under main contractor, DCM Projects Professionals (Pty) Ltd, 7 x SMME's
8. Flowerbed Maintenance (Municipal Buildings & CBD)
9. Tree Felling (all areas)
10. Waste picking in informal settlements
11. Grass Cutting (All Areas) - ST Dhlomo General Construction CC
12. Rendering of domestic waste collection and street cleansing services at Vaal Marina - BID 8/2/2/141-RE - Kotulang Trading Enterprise CC
13. Render of street cleansing and litter picking (Riversdale) – BID 8/2/4/165 - Kotulang Trading Enterprise CC
14. Render of street cleansing and litter picking (Rothdene) – BID 8/2/4/165 - Kotulang Trading Enterprise CC
15. Render of street cleansing and litter picking (Kookrus) – BID 8/2/4/165 - Kotulang Trading Enterprise CC

### **2. Economic Development Centres**

1. Midvaal Economic Analysis Study approved per Council Resolution C2593/06/2021 dated 24 June 2021 5-year Implementation Plan to be drafted
2. Leasing of Council owned land

### **3. Development & Investment Relief**

Community campaigns conducted to communicate existing rebates available, in terms of developments for commercial and industrial investment and residential densification

### **4. Digitization of Systems and Processes**

1. Midvaal Geospatial Viewer launched on 2 Febr 2021

2. Digitization of systems and processes (GIS – electronic submission of building plans and land use applications)

**5. Investment Facilitation Committee**

Investment Facilitation Committee established

**6. Sebenza Mbokodo Women’s Fund Implemented**

**7. Local Procurement**

Township-based and youth supported

**8. Interest Waiver Implemented**

**9. Software Application Development**

My Midvaal App developed and functional



**HOUSING PROJECTS IN SICELO**

A public meeting led by our MMC for Development and Planning Clr. Mokeke Motstamai was held with the residents of Sicelo informal settlement on the 9th of December. The purpose of the meeting was to engage and provide a progress report to the Sicelo community on the housing projects in the area.





## **12.1 5-YEAR COMPARISON WITH THE APPROVED INTEGRATED DEVELOPMENT PLAN (IDP)**

The Municipal Systems Act, Act 32 of 2000, compels municipalities to prepare Integrated Development Plans (IDP). The IDP serves as a tool for the facilitation and management of developments within the municipal area of jurisdiction. In conforming to the Act's requirements, Midvaal delegated the authority to the Municipal Manager.

The aim of the IDP for Midvaal is to present a coherent plan in order to achieve the Vision of Midvaal. The intention of this IDP is to link, integrate and co-ordinate development plans for Midvaal, which are aligned with National, Provincial and District development plans as well as planning requirements binding on the municipality, in terms of legislation.

The objectives of local government are set out in Section 152 of the Constitution as follows:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment;
5. To encourage the involvement of communities and community organisations in the matters of local government.

Chapter 5 of the MSA states that a municipality must undertake developmentally oriented planning, in the form of integrated development planning, to ensure it achieves the objectives of local government, as per the Constitution. It must further give effect to its developmental duties.

According to Section 25 of the MSA each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic planning (IDP) for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality which aligns the resources and capacity of the municipality with the implementation of the said plan. The IDP should form the policy framework and general basis on which annual budgets will be based and should be aligned with National and Provincial Development Plans and planning requirements.

The Service Delivery and Budget Implementation Plan (SDBIP) is regulated by National Treasury Circular 13 dated 2005 and the Performance Management by Regulation 29089 dated 2006.

Chapter 3 to 5 of the IDP outlines in detail how the long-term Vision of MLM translates into an effective plan that aligns the municipal budget, monitoring and evaluating mechanisms as well as timeframes for delivery.

The Midvaal Local Municipality per Council Resolution C1630/05/2017 dated 25 May 2017 approved the five-year Integrated Development Plan for the period 2017/2022. The IDP was annually reviewed, in accordance with an assessment of its performance measurements in terms of Section 41 of the MSA. Annual review depends on changing circumstances and in accordance with prescribed processes.

The following reflects a comparison of performance between the 2016/2017-financial year to the 2021/2022-financial year. The actual performance achievement of the five-year performance targets is also reported.

Council per Council Resolution C2830/05/2022 dated 26 May 2022 approved the next five-year IDP (2022 – 2027) for implementation.

INDEX	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	2016/2017		YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		2017 - 2022		2017 - 2022	
							TARGET 2016/2017	BASELINE 2017/2018 (ACTUAL 2016/2017) (Restated)	2017/2018		2018/2019		2019/2020		2020/2021		2021/2022		5-YEAR TARGET	5-YEAR ACTUAL	ANNUAL - REMEDIAL ACTION	Measure of Attainment
									TARGET 2017/2018	BASELINE 2018/2019 ACTUAL 2017/2018	TARGET 2018/2019	BASELINE 2019/2020 ACTUAL 2018/2019	TARGET 2019/2020	BASELINE 2020/2021 ACTUAL 2019/2020	TARGET 2020/2021	BASELINE 2021/2022 ACTUAL 2020/2021	TARGET 2021/2022	BASELINE 2022/2023 ACTUAL 2021/2022				
1	CORP	KPI 018	KPA 1	KFA 02	Number of events arranged per approved year planner	(1) Council Related Events, approved per Year Planner executed = Year Planner approved by Mayoral Committee (Mayoral Committee Resolution) (2) Evidence of execution of event planned	3	6	3	7	3	6	6	3	0	-	1	1	15	17	None	Fully Effective
2	CORP	KPI 019	KPA 1	KFA 03	Number of Mayoral Committee reports on formalised Inter-governmental Relations (IGR) Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees Clerk's	4	4	4	4	4	4	4	4	4	3	4	4	20	19	None	Not Fully Effective
3	CORP	KPI 025	KPA 1	KFA 04	Number of customer satisfaction outcome survey reports distributed to Mayoral Committee members and HOD's quarterly	Survey report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders (Mayoral Committee, Heads of Department & Committees) by the 15th working day, quarterly	4	4	4	4	4	4	4	4	4	4	4	4	20	20	Customer satisfaction survey on closed cases and 360° resident survey to be conducted and outcome reported to the Mayoral Committee in Q1 (2022/2023)	Fully Effective
4	CORP	KPI 026	KPA 1	KFA 04	Percentage compliance to the requirements of Section 75 (MFMA) in terms of the Website updating monthly	(1) Website updated within 5 working days after date of the Council Resolution. (2) Monthly Section 75 MFMA compliance checklist signed-off by Acting Executive Director: Corporate Services within 5 working days, after end of each month	100%	100%	100%	87.50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	97.50%	None	Fully Effective
5	CORP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner	45	45	60	60	60	60	60	60	60	60	45	45	285	285	None	Fully Effective

6	COMM	KPI 043	KPA 2	KFA 05	Number of crime prevention statistics reported to the Mayoral Committee by CCTV Monitoring, quarterly	Submit report into the reporting cycle (proof of receipt by Committees) by the 15th working day quarterly on the functioning of the CCTV Cameras, community cams for crime prevention and policing successes (predetermined format signed off by Head of Department by 10 Feb 2022)	90%	99.99%	6	6	6	6	20	20	20	2	2	40	54	None	Fully Effective
7	COMM	KPI 054	KPA 2	KFA 05	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Executive Director: Community Services, approved with IDP for forth-coming year	1	1	1	1	1	1	1	1	1	1	1	5	5	None	Fully Effective
8	COMM	KPI 056	KPA 2	KFA 06	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	(1) Actions against the 3 identified high risk environmental contraveners, i.e.: (1.1) Inspection, (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Mayoral Committee before 30 Jun 2022	9	15	9	16	9	7	7	9	9	9	9	43	50	Compliance outcome report to be submitted to Mayoral Committee for consideration	Fully Effective
9	COMM	KPI 065	KPA 2	KFA 05	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	New	New	New	New	1	1	1	1	1	85%	77%	85%	77%	Frame imager errors were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented	Not Fully Effective
10	ENG	KPI 044	KPA 3	KFA 07	Development, construction and completion of the Siculo Library	Practical Completion Certificate signed off by the Principle Agent by 30 Jun 2022	New	New	Phase 3 completed	Phase 3 (Construction of Soccer Field)	Phase 4 completed	0	0	1	1	1	1	Completion of Lakeside Sport Centre	Practical Completion signed on 19 Feb 2022	None	Fully Effective
11	COMM	KPI 046	KPA 3	KFA 08	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented per annum	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Year Planner	4	4	4	4	4	4	4	4	4	4	4	20	20	None	Fully Effective

12	COMM	KPI 047	KPA 3	KFA 08	Number of Early Childhood Development Centres formalised	Early Childhood Development Programme Monitoring Tool (MRR) signed off by the Executive Director: Community Services (Certificate signed off by the Executive Director: Community Services)	New	New	2	2	2	5	5	2	2	5	2	5	10	19	None	Above Expectations
13	COMM	KPI 048	KPA 3	KFA 08	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	New	New	5	5	5	14	14	5	5	66	5	5	30	95	None	Outstanding Performance
14	CORP	KPI 021	KPA 4	KFA 11	Average percentage compliance to baseline turn-around time to attend to calls logged via the ICT Help Desk, per month	Definition amendment: Monthly ICT Service Desk Report signed off by the Director: ICT by the 10 <sup>th</sup> working day monthly wherein compliance to the baseline reaction time to calls is reported, i.e. Number of calls logged, attended to within/outside time limit reported, not to exceed target	90%	98.69%	92.50%	98.56%	92.50%	99.40%	99.40%	85%	85%	85%	85%	91.66%	90%	91.92%	None	Fully Effective
15	CORP	KPI 023	KPA 4	KFA 12	Number of average working days legal actions is assessed	Legal & Property Action Register reflecting turn-around time to be within 4 working days (as per court rules, i.e. first day out and last day in, excluding weekends and public holidays) = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed)	10	4	6	2.56	6	1.87	1.87	4	4	2.12	4	1.27	4	2.36	None	Outstanding Performance
16	CORP	KPI 024	KPA 4	KFA 10	Number of Section 52(d) - performance reports (SDBIP) submitted to Council quarterly	(1) Report considered by Council within 30 days after the end of each quarter (Council Resolution) (2) Assessment and Analysis Report received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA) on the Quarterly Performance Report	4	4	4	4	4	4	4	4	4	4	4	4	20	20	None	Fully Effective
17	CORP	KPI 028	KPA 4	KFA 09	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	90%	93.84%	92.50%	97.84%	92.50%	98.68%	98.68%	92.50%	93%	99.10%	93%	81%	95%	93.82%	Adjustments Budget: R2 262 267 versus Actual Spent: R2 227 850.82 = 98.4%	Not Fully Effective

18	CORP	KPI 029	KPA 4	KFA 09	(NKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report submitted into reporting cycle, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (MM, HOD and Directors) as per the municipality's Annual Employment Equity Plan. Proof of submission into reporting cycle within 30 days after the end of the financial year	6	10	1	1	1	1	1	1	2	1	1	5	6	The item was referred back for a workshop for clarity on how the percentage on EE is determined.	Fully Effective	
19	FIN	KPI 007	KPA 5	KFA 13	(NKPI - 7c) - Annual Cost Coverage	Available cash + investments / Monthly fixed operating expenditure (cash expenditure)	1	2.16	1.5	3.04	1.5	3.90	3.90	2	2	5.76	2	5.58	2	5.32	None	Outstanding Performance
20	FIN	KPI 008	KPA 5	KFA 13	Annual Liquidity Ratio	Current Assets: Current Liabilities (as per the Statement of Financial Position) annually reported	1:1	2.12:1	1:1	2.3:1	1:1	2.18:1	2.18:1	2:1	1.5:1	3.64	1.5:1	5.38	1:1	2.91	None	Outstanding Performance
21	MM	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	1	Clean	1	Clean	Unqualified	Clean	Clean	Unqualified	Unqualified	Clean Audit	Unqualified	Clean Audit	Unqualified	8th Clean Audit	None	Outstanding Performance
22	CORP	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	1	Clean	1	Clean	Unqualified	Clean	Clean	Unqualified	Unqualified	Clean Audit	Unqualified	Clean Audit	Unqualified	8th Clean Audit	None	Outstanding Performance
23	FIN	KPI 009	KPA 5	KFA 13	Audit opinion issued by the Auditor-General	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	1	Clean	1	Clean	Unqualified	Clean	Clean	Unqualified	Unqualified	Clean Audit	Unqualified	Clean Audit	Unqualified	8th Clean Audit	None	Outstanding Performance

24	FIN	KPI 010	KPA 5	KFA 13	(NKPI - 7a) - Annual Debt Coverage	Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue	15	20.59	20	24.87	17	24.17	24.17	17	15	21.23	15	21.45	17	21.70	None	Above Expectations
25	FIN	KPI 011	KPA 5	KFA 14	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS, excluding VAT) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	33%	28.22%	33%	29.26%	33%	30.96%	30.96%	33%	50%	42.81%	50%	49.39%	33%	35.48%	Total revenue for services: R1 072 448 395 Outstanding service debtors: R570 197 853 = 49.39% (Developer Contribution debtors: R40 499 725)	Not Fully Effective
26	FIN	KPI 012	KPA 5	KFA 14	Percentage Collection Rate maintained, annually	Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs)	93%	93.76%	93%	93.08%	93.50%	94.16%	94.16%	93%	90%	94.51%	90%	92.60%	93%	92.60%	Billed: R1 202 608 061 vs Collected: R1 113 654 676 = 92.60%	Fully Effective
27	FIN	KPI 013	KPA 5	KFA 14	(NKPI - 2) - Percentage of households earning less than R5 500 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive the benefit (subsidy) of free basic services	100%	100% of 3 753	100%	100% of 4 080	90%	95% of 5 465	95% of 5 465	95%	95%	99.92% of 5 038	95%	99.91%	95%	99.91%	None	Above Expectations
28	MM	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	87.71%	90%	91.19%	90%	91.75%	None	Fully Effective
29	FIN	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	99.81%	90%	99.57%	90%	99.57%	None	Above Expectations

30	CORP	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	66.34%	90%	93.63%	90%	97.82%	None	Fully Effective
31	DP	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	97.68%	90%	78%	90%	76.06%	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
32	COMM	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	87.74%	90%	80.69%	90%	80.35%	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective
33	ENG	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	91.17%	90%	93.61%	90%	92.32%	92.32%	90%	90%	83.55%	90%	91.17%	90%	97.37%	None	Outstanding Performance
34	FIN	KPI 015	KPA 5	KFA 15	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	New	New	10%	3.51%	5%	4%	4%	5%	5%	4.54%	5%	6.80%	5%	6.80%	None	Fully Effective
35	FIN	KPI 016	KPA 5	KFA 15	Percentage of annual procurement spent awarded to Youth owned enterprises	Percentage calculated by dividing the total expenditure to youth suppliers by the total procurement expenditure x 100	New	New	5%	2.14%	3%	3%	3%	3%	3%	5.35%	3%	11.20%	3%	11.20%	None	Outstanding Performance
36	FIN	KPI 017	KPA 5	KFA 16	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges)	5.30%	5.50%	5.50%	9.53%	8%	9.61%	9.61%	8%	8%	9.52%	8%	10.40%	8%	10.30%	None	Fully Effective

37	ENG	KPI 030	KPA 6	KFA 17	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	-11.50%	-11.79%	-11.50%	-11.20%	-11.50%	-12.24%	-12.24%	-11.50%	-11.50%	-18.31%	-15%	-9.85%	-11.50%	-9.85%	None	Above Expectations
38	ENG	KPI 032	KPA 6	KFA 18	Number of square meters of tarred roads resealed annually	Accumulative square meters of tar roads resealed with (1) Fog-spray and/or (2) Slurry Seal	45 000 m <sup>2</sup>	47 237.46 m <sup>2</sup>	45 000 m <sup>2</sup>	58 779.23 m <sup>2</sup>	45 000 m <sup>2</sup>	54 729 m <sup>2</sup>	54 729 m <sup>2</sup>	25 000 m <sup>2</sup>	25 000 m <sup>2</sup>	68 915.50 m <sup>2</sup>	160 000 m <sup>2</sup>	177 530.88 m <sup>2</sup>	25 000 m <sup>2</sup>	384 954.61 m <sup>2</sup>	None	Outstanding Performance
39	ENG	KPI 033	KPA 6	KFA 19	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	-28.50%	-28.01%	-28.50%	-28.77%	-26.50%	-27.06%	-27.06%	-25%	-24.50%	-37.78%	-30.40%	-36.47%	-20%	-36.47%	Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = -32%	Not Fully Effective
40	ENG	KPI 035	KPA 6	KFA 19	(NKPI - 1b) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	84.10%	77.93%	49%	67.04%	65%	66.25%	66.25%	67%	67%	67%	67%	67.84%	67%	67.84%	None	Fully Effective
41	ENG	KPI 037	KPA 6	KFA 19	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	75.80%	90.90%	54%	75.39%	70%	81.70%	81.70%	72%	72%	82.47%	72%	83.70%	99%	83.70%	New housing developments very slow during the past years	Not Fully Effective
42	ENG	KPI 039	KPA 6	KFA 17	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	79.30%	79.33%	42%	55.77%	55%	53.47%	53.47%	55.50%	56%	62.08%	56%	63.88%	79.30%	63.88%	New housing developments very slow during the past years	Not Fully Effective
43	COMM	KPI 074	KPA 6	KFA 20	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	New	New	New	New	New	New	New	1	1	0	1	0	1	0	Further engagements with GDARD in progress	Not Fully Effective



44	ENG	KPI 075	KPA 6	KFA 18	Number of km/m of gravel road converted to tarred road annually	Q3: Site establishment by appointed contractor completed (Minutes of Site Meetings & Programme of Works) - 31 Mar 2022 Q4: Practical Completion Certificate signed off by the appointed consultant by 30 Jun 2022 (Total distance plus minus 800 m - Bronk Road)	New	New	New	New	New	New	2 km	2 km	2.051	800 m	800 m	2 km	4.851 km	None	Above Expectations	
45	ENG	KPI 036	KPA 7	KFA 22	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	350	1 011	1 500	1 227	1 100	958	958	500	500	761	4	39	1 750	3 485	None	Outstanding Performance
46	ENG	KPI 038	KPA 7	KFA 22	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	350	1 778	1 500	789	1 100	2 569	2 569	500	500	764	12	237	1 750	4 898	None	Outstanding Performance
47	ENG	KPI 040	KPA 7	KFA 23	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report)	150	1 108	500	587	200	424	424	1 500	500	1 800	12	127	750	4 438	None	Outstanding Performance
48	COMM	KPI 050	KPA 7	KFA 24	(NKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	83.10%	83.10%	70%	86.90%	86%	86.39%	86.39%	86%	86%	86.03%	86%	86.50%	86%	86.50%	None	Fully Effective
49	COMM	KPI 051	KPA 7	KFA 24	Number of additional formal households with access to basic level of solid waste removal per annum	Number of additional formal houses serviced in terms of basic solid waste removal (Increase in number of service points). Monthly Solar billing report	350	1 029	1 500	1 486	1 015	1 357	1 357	500	500	804	500	798	1 750	4 945	None	Above Expectations
50	DP	KPI 002	KPA 8	KFA 26	Percentage compliance to turn-around time maintained to consider building plan applications quarterly	Percentage compliance to 30 working days turn-around time, in terms of the National Building Regulations and Building Standards Act of 1977, (Building Plan applications exceeding 500 m <sup>2</sup> floor area) = Date of application received versus date considered (signature by Assistant Director: Building Control)	90%	98.50%	95%	100%	100%	98%	98%	100%	90%	98.50%	90%	100%	90%	100%	None	Outstanding Performance
51	DP	KPI 003	KPA 8	KFA 26	Average turn-around time maintained to consider land use applications quarterly	(1) Average of 8 months turn-around time, to consider applications submitted in terms of SPLUMA (2) Date of Legally Compliant Application received versus Date Considered (Excluding Municipal Planning Tribunal and Appeal Planning Authority)	90%	97%	95%	97%	100% within 14 months	100% within 14 months	100% within 14 months	100% within 8 months	80% within 8 months	66.98%	8	5.01	Within 8 months	Within 5.01 months	None	Outstanding Performance

52	DP	KPI 005	KPA 8	KFA 25	(NKPI - 4) - Number of jobs created through municipality's local economic development initiatives including capital projects	Report number of jobs created (EPWP and any other jobs, excluding CWP) to the Mayoral Committee (Mayoral Committee Resolution). Report submitted into the reporting cycle before the 15 <sup>th</sup> working day quarterly (Proof of receipt by Committees)	1 200	1 932	1 200	1 352	1 200	395	395	1 200	1 500	1 855	1 500	2 759	6 600	7 561	None	Outstanding Performance
53	DP	KPI 061	KPA 8	KFA 25	Percentage of land invasion complaints responded to within 48 hours, quarterly	(1) Register = Calculation of average percentage of complaints responded to (Date complaint lodged through Call Centre) versus date of responded (Site Inspection Report signed off within 48 hours = achievement of target) (2) Verification (correctness of evidence) signed off by Director by the 15th working day, quarterly	New	New	New	New	90%	100%	100%	90%	90%	81.81%	90%	100%	90%	100%	None	Above Expectations
54	DP	KPI 079	KPA 8	KFA 26	Report on number of interventions implemented from the Midvaal Economic Recovery Plan (Development & Planning), quarterly	Submit Quarterly Progress Report into the reporting cycle by the 15th working day, quarterly	New	New	New	New	New	New	New	New	4	4	4	4	8	8	None	Fully Effective
55	DP	KPI 080	KPA 8	KFA 26	Percentage average turn-around time maintained to consider Certificates of Occupancy (COOs) for properties fully compliant to SANS 10400	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 calendar days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	New	New	New	New	New	New	New	New	80%	99.25%	80%	100%	100%	100%	None	Fully Effective

**12.2 5-YEAR COMPARISON WITH THE APPROVED INTEGRATED DEVELOPMENT PLAN (IDP): TARGETS NOT ACHIEVED**

The 5-year anticipated targets not fully achieved, are reported as follows:

#	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2017 - 2022			
							TARGET	ACTUAL	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	CORP	KPI 019	KPA 1	KFA 03	Number of Mayoral Committee reports on formalised Inter-governmental Relations (IGR) Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Delegate attended. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees Clerk's	20	19	None	Not Fully Effective
2	COMM	KPI 065	KPA 2	KFA 05	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	85%	77%	Traffic infringements were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented Feb 2022 and all rejected images are recorded and resolved	Not Fully Effective
3	CORP	KPI 028	KPA 4	KFA 09	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	95%	93.82%	Adjustments Budget: R2 262 267 versus Actual Spent: R2 227 850.82 = 98.4%	Not Fully Effective

4	FIN	KPI 011	KPA 5	KFA 14	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS, excluding VAT) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	33%	49.39%	Total revenue for services: R1 072 448 395 Outstanding service debtors: R570 197 853 = 49.39% (Developer Contribution debtors: R40 499 725)	Not Fully Effective
5	DP	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	78%	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
6	COMM	KPI 014	KPA 5	KFA 15	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	80.69%	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective
7	ENG	KPI 033	KPA 6	KFA 19	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	-20%	-36.47%	Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = -32%	Not Fully Effective
8	ENG	KPI 037	KPA 6	KFA 19	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	99%	83.70%	New housing developments very slow during the past years	Not Fully Effective
9	ENG	KPI 039	KPA 6	KFA 17	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	79.30%	63.88%	New housing developments very slow during the past years	Not Fully Effective
10	COMM	KPI 074	KPA 6	KFA 20	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	1	0	Further engagements with GDARD in progress	Not Fully Effective

### 13. TARGETS NOT FULLY ACHIEVED DURING THE 2021/2022-FINANCIAL YEAR

The targets of the following Key Performance Indicators were not fully achieved during the 2021/2022-financial year.

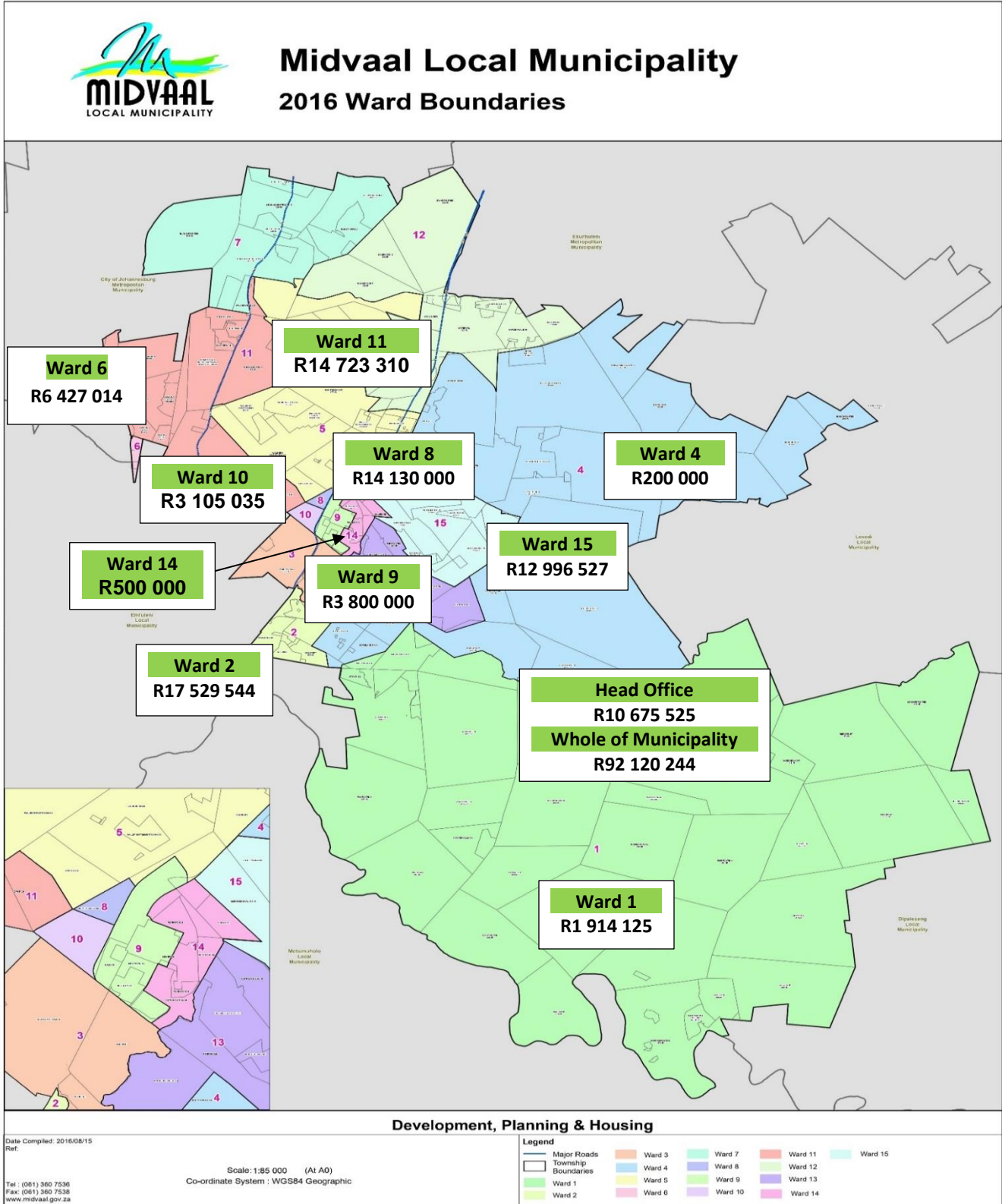
The relevant remedial actions were identified and included in the report:

#	RESPONSIBLE DEPARTMENT	KPI NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2017 - 2022			
					TARGET	ACTUAL	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	DP	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	78.00%	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
2	COMM	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	80.69%	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective
3	ENG	KPI 033	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	-30.40%	-36.47%	(1) Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = 32% (2) Continue with the implementation of the Water Loss Reduction Strategy	Not Fully Effective
4	COMM	KPI 056	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	(1) Actions against the 3 identified high risk environmental contraveners, i.e.: (1.1) Inspection, (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Mayoral Committee before 30 Jun 2022	9	9	Compliance outcome report to be submitted to Mayoral Committee for consideration	Not Fully Effective
5	COMM	KPI 065	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	85%	77%	Traffic infringements were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented Feb 2022 and all rejected images are recorded and resolved.	Not Fully Effective
6	COMM	KPI 074	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	1	0	Further engagements with GDARD in process	Not Fully Effective



## 14. WARD INFORMATION FOR EXPENDITURE AND SERVICE DELIVERY

The following is a summary of the total Capital Budget approved by Council per Ward for the 2021/2022-financial year:



CAPEX PER WARD	2018/2019	2019/2020	2021/2022	ADJUSTMENTS
	ADJUSTMENTS BUDGET			BUDGET 2021/2022
<b>Ward 1</b> Vaal Marina Mooilande Koolfontein Koppiesfontein	7 719 649	14 740 524	700 000	<b>1 914 125</b>
<b>Ward 2</b> Glen Donald Duncanville Risiville	3 917 976	2 600 000	8 100 000	<b>17 529 544</b>
<b>Ward 3</b> Meyerton-Suid Rothdene Kookfontein	-	500 000	-	-
<b>Ward 4</b> Boschoek Henley-on-Klip Schoongezicht Slangfontein	150 000	400 000	200 000	<b>200 000</b>
<b>Ward 5</b> Drumblade Valley Settlements Highbury Walkers Fruit Farms Pendale Ophir Estates	-	-	2 000 000	-
<b>Ward 6</b> Doornkuil Schapenvreugd	6 119 722	2 900 000	11 463 959	<b>6 427 014</b>
<b>Ward 7</b> Alewynspoort Nootgedacht Walkerville Eye of Africa Elandsfontein	-	-	-	-
<b>Ward 8</b> Meyerton Farms Klipriviersval	12 573 000	26 458 000	15 000 000	<b>14 130 000</b>
<b>Ward 9</b> Meyerton Ext 2	-	-	4 300 000	<b>3 800 000</b>
<b>Ward 10</b> Noldick Sybrand van Niekerk Park Meyerton Ext 1& 3	1 050 000	1 800 000	750 000	<b>3 105 035</b>
<b>Ward 11</b> Golfview Homestead Holdings De Deur Apple Orchard Small Ophir Estates	4 653 000	5 850 000	10 372 000	<b>14 723 310</b>
<b>Ward 12</b> Garthdale Klipwater Gardenvale Rietspruit	-	-	-	-
<b>Ward 13</b> Henley-on-Klip Riversdale Homelands Vorsterpark Buyscelia	1 873 997	700 000	-	-
<b>Ward 14</b> Golf Park Meyerton X6	-	-	-	<b>500 000</b>
<b>Ward 15</b>	807 372	2 400 000	14 299 700	<b>12 996 527</b>
<b>Head Office</b>	3 969 000	2 372 000	25 130 309	<b>10 675 525</b>
<b>Whole of Municipality</b>	101 926 924	74 463 307	52 677 690	<b>92 120 244</b>
<b>TOTAL</b>	<b>144 760 640</b>	<b>135 183 831</b>	<b>144 993 658</b>	<b>178 121 324</b>

The actual expenditure is reported as follows:

**Expenditure: Whole of Municipality**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	01106400320F5G99ZZWM	STRATEGIC LAND PURCHASES	390 989.50	500 000	109 011	78
2	01256460020F5K17ZZWM	TABLES	13 868.17	17 343	3 475	80
3	03056474020NDJ43ZZWM	ECONOMIC INFRASTR / URBAN REGENERATION	7 587 121.24	10 000 000	2 412 879	76
4	05056456020GBK49ZZWM	CANOPY	22 500.00	25 000	2 500	90
5	07056420420F4J04ZZWM	VEHICLE REPLACEMENTS	0.00	600 000	600 000	0
6	07056460020F5C48ZZWM	FURNITURE & EQUIPMENT	0.00	110 000	110 000	0
7	07056460020F5H43ZZWM	EQUIPMENT FOR TRAFFIC LAW ENFORCEMENT	166 100.00	166 100	0	100
8	07106420420F5K54ZZWM	WILD LAND FIRE & RESCUE VEHICLE	1 942 900.00	1 942 900	0	100
9	07106456020F5H04ZZWM	SWIFT WATER RESCUE EQUIP-TRAINING CENTRE	75 146.42	75 147	1	100
10	07106456020GRH13ZZWM	PORTABLE PUMP	339 622.50	340 000	378	100
11	07106456020GRK48ZZWM	BA COMPRESSOR SYSTEM	0.00	550 000	550 000	0
12	07106456020GRK56ZZWM	RESCUE & FIRE EQUIPMENT	1 072 834.58	1 110 000	37 165	97
13	07106460020F5H35ZZWM	SMALL GEAR MEYERTON FIRE STATION	53 161.90	54 741	1 579	97
14	07106460020F5H41ZZWM	RADIOS AND REPEATER	699 640.76	699 641	0	100
15	07106460020F5H44ZZWM	NEW CCTV CAMERAS	2 137 428.75	2 465 450	328 021	87
16	08056420420F4J02ZZWM	TRACTORS (REPLACEMENTS)	377 654.64	457 517	79 862	83
17	08056420420F4J17ZZWM	LDV'S (REPLACEMENTS)	630 066.22	650 000	19 934	97
18	08056449420F5K55ZZWM	MOBILE TOILETS	88 205.00	88 205	0	100
19	08056456020F5H08ZZWM	CHAINSAWS	22 432.24	22 433	1	100
20	08056456020F5H48ZZWM	KUDUS	65 000.00	65 000	0	100
21	08056456020F5H52ZZWM	TELESCOPIC POLE PRUNERS	47 382.34	50 000	2 618	95
22	08056456020F5K57ZZWM	PEST CONTROL EQUIPMENT	192 016.00	200 000	7 984	96
23	08156456020F5H49ZZWM	RIDE-ON LAWNMOWERS	166 038.26	170 000	3 962	98
24	08156473520F5J65ZZWM	SPORT INFRASTRUCTURE DEVELOPMENT	314 775.00	314 775	0	100
25	10056449420F5H24ZZWM	NEW SEWER CONNECTIONS	999 895.80	1 000 000	104	100



26	10056449420FND70ZZWM	INSTALLATION OF ONSITE TOILETS	999 912.50	1 000 000	88	100
27	10056449420FQH79ZZWM	EXTEND SEWER NETWORK	499 987.45	500 000	13	100
28	10056456420F5K05ZZWM	EQUIPMENT & TOOLS	99 950.00	186 350	86 400	54
29	10106449420F5H18ZZWM	FLOW METERS	155 940.00	155 940	0	100
30	10106449420FPH93ZZWM	PUMPSTATION REFURBISHMENT AND UPGRADE -	2 568 833.56	2 708 836	140 002	95
31	11056456020F5H14ZZWM	ROLLER COMPACTOR	363 137.39	410 000	46 863	89
32	11056472420F5K64ZZWM	GRAVEL TO TAR	11 824 059.63	11 867 852	43 792	100
33	11056472420FPG22ZZWM	ROAD REHABILITATION	2 283 120.99	2 350 911	67 790	97
34	11056472420FPH95ZZWM	GRAVEL TO TAR (EXTERNAL LOANS) NEW	2 252 446.10	2 348 478	96 032	96
35	11056600420F4C01ZZWM	1 TON LDV (FOREMAN ROADS)	417 482.36	417 483	1	100
36	11156420420F4J22ZZWM	LDV'S	168 887.86	216 743	47 855	78
37	12056444420F5H22ZZWM	RESERVIOR REFURBISHMENT - W/L PROGRAMME	275 322.30	275 330	8	100
38	12056444420FGJ33ZZWM	SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	12 556 605.00	12 662 755	106 150	99
39	12056444420FNJ44ZZWM	AGED BULK WATER PIPE REPLACEMENT	12 996 827.21	13 000 000	3 173	100
40	12056444420FNJ45ZZWM	REFURBISHMENT/REPLACEMENT - SUPPLY VALVES	999 997.82	1 000 000	2	100
41	12056444420FNJ47ZZWM	PRESSURE MANAGEMENT INFRASTRUCTURE	998 616.80	1 000 000	1 383	100
42	12056444420FPH87ZZWM	PRE-PAID WATER METER PROJECT	1 998 340.00	2 000 000	1 660	100
43	12056444420FPH88ZZWM	REPLACEMENT – PREPAID & CONVENTIONAL WATER M	99 750.00	100 000	250	100
44	12056446020F5D89ZZWM	WATER METER REPLACEMENT PROGRAMME	697 400.00	700 000	2 600	100
45	12056446020FNR25ZZWM	BULK WATER METERS	1 999 239.20	2 000 000	761	100
46	12056600420F5K59ZZWM	DOUBLE CAB LDV	417 482.36	417 483	1	100
47	13056420420F4K30ZZWM	LAND CRUISERS	684 255.00	750 000	65 745	91
48	13056430020F5H23ZZWM	H/MAST & STREET LIGHTS: UNSERVICED AREAS	433 813.90	434 929	1 115	100
49	13056430020FPH81ZZWM	REPLACE CONV.METERS WITH PREPAID METERS	1 037 443.10	1 037 690	247	100
50	13056430020FPH82ZZWM	REPLACE METERS FOR TID COMPLIANCE	1 075 401.22	1 076 005	604	100
51	13056430020FPH84ZZWM	REPLACE REDUNDANT SWITCHGEAR	1 032 645.30	1 268 498	235 853	81
52	13056433020F5D31ZZWM	REPLACEMENT OF TOOLS FOR MECHANICS	121 966.73	121 967	0	100

53	13056433020F5K61ZZWM	TRANSFORMERS	1 170 000.00	1 170 000	0	100
54	13056433020FQC38ZZWM	ELECTRICITY METERING	1 065 334.92	1 065 508	173	100
55	13056433020FQC93ZZWM	NEW CONNECTIONS	487 800.63	664 692	176 891	73
56	13056434020FPJ81ZZWM	STRENGTHENING OF ELECTRICITY SUPPLY	77 075.94	78 959	1 883	98
57	13056456020F5K52ZZWM	LADDERS & BINS	307 616.00	313 078	5 462	98
58	14056450020FPH86ZZWM	LANDFILL CELL DEVELOPMENT (EXPANSION)	1 779 179.74	1 961 006	181 826	91
59	14056456020F5H53ZZWM	BRUSH CUTTERS – NEW	12 563.48	12 570	7	100
60	17056420420F4J07ZZWM	COMPACTOR (REFUSE TRUCK)	3 609 669.43	4 317 721	708 052	84
61	17056420420F4K12ZZWM	TRUCK FOR LITTER PICKING TEAM	0.00	800 000	800 000	0
62	17056420420F5K60ZZWM	REFUSE TRUCK	1 313 224.20	2 000 000	686 776	66
63	17056449420F5K55ZZWM	MOBILE TOILETS	88 205.00	88 300	95	100
64	17056474020F5J50ZZWM	REFURBISHMENT MALE & FEMALE CHANGE ROOMS	593 871.72	593 872	0	100
			<b>86 968 184.16</b>	<b>94 747 208</b>	<b>7 779 024</b>	<b>91.79%</b>

#### Expenditure: Head Office

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	01106456020F5K51ZZHO	RECORDING EQUIPMENT	192 639.54	205 423	12 783	94
2	01106460020F5H40ZZHO	OFFICE FURNITURE	58 087.42	58 349	262	100
3	01256460020F5C11ZZHO	AIR CONDITIONERS	145 681.10	155 000	9 319	94
4	01356191420F5K47ZZHO	SOFTWARE APPLICATION	972 100.00	972 100	0	100
5	01356470020F5H27ZZHO	NETWORKS & COMPUTER RELATED HARDWARE	4 725 505.51	4 735 292	9 786	100
6	01456460020F5C48ZZHO	FURNITURE & EQUIPMENT	16 586.76	30 000	13 413	55
7	02056456020F5K53ZZHO	FUEL TANKS & PUMPS	515 000.00	515 000	0	100
8	02056460020F5C11ZZHO	AIR CONDITIONERS	30 282.61	31 000	717	98
9	02056460020F5H37ZZHO	FURNITURE AND EQUIPMENT	177 344.96	180 000	2 655	99
10	02156460020F5G66ZZHO	STORES EQUIPMENT & SHELVING	233 280.00	234 000	720	100
11	03056460020F5H38ZZHO	FURNITURE AND EQUIPMENT NEW	89 310.15	92 811	3 501	96
12	05406420420F4J25ZZHO	SMALL MOTOR VEHICLE	0.00	250 000	250 000	0

13	05406456420F5K37ZZHO	GENERATOR	119 710.00	119 714	4	100
14	05406460020F5H32ZZHO	FURNITURE & EQUIPMENT	17 498.09	17 561	63	100
15	07056456020F5K34ZZHO	SECURITY EQUIPMENT	1 300 317.91	1 300 380	62	100
16	07106473520GRK36ZZHO	RAPID RESPONSE RESCUE VEHICLE & EQP	912 427.10	1 073 179	160 752	85
17	13056456020F5K46ZZHO	RENEWABLE ENERGY	386 164.71	600 000	213 835	64
18	15056460020F5H36ZZHO	FURNITURE & EQUIPMENT	15 471.40	15 472	1	100
			<b>9 907 407.26</b>	<b>10 585 281</b>	<b>677 874</b>	<b>94%</b>

#### Expenditure: Ward 1

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05356473520GBH58ZZ01	BANTU BONKE LIBRARY BOOKS (DAC)	197 953.47	200 000	2 047	99
2	07106420420F4J14ZZ01	RESCUE VEHICLE VAAL MARINA	142 142.00	1 333 725	1 191 583	11
			<b>340 095.47</b>	<b>1 533 725</b>	<b>1 193 630</b>	<b>22%</b>

#### Expenditure: Ward 2

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	12056444420FPH89ZZ02	RISIVILLE WATER NETWORK (NEW)	13 300 856.50	13 398 530	97 674	99
2	13056430020FQH77ZZ02	CABLE FEEDERS - CONS EMFULENI CONNECT	198 794.77	200 107	1 312	99
3	17056450020F5H19ZZ02	REFURBISHMENT - BLACKWOOD TRANSFER STATION	1 786 942.06	3 835 523	2 048 581	47
			<b>15 286 593.33</b>	<b>17 434 160</b>	<b>2 147 567</b>	<b>88%</b>

#### Expenditure: Ward 4

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05206473520GBH63ZZ04	RANDVAAL LIBRARY BOOKS (DAC)	195 100.63	200 000	4 899	98
			<b>195 100.63</b>	<b>200 000</b>	<b>4 899</b>	<b>98%</b>

#### Expenditure: Ward 6

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05306473520GBH61ZZ06	LAKESIDE LIBRARY BOOKS (DAC)	293 491.23	300 000	6 509	98
2	08156473520FGJ42ZZ06	LAKESIDE SPORT CENTRE (MIG)	4 018 594.89	4 018 596	1	100
3	12056446020F5H87ZZ06	PRE-PAID WATER METER PROJECT	1 009 556.00	1 249 920	240 364	81
			<b>5 321 642.12</b>	<b>5 568 516</b>	<b>246 874</b>	<b>96%</b>

**Expenditure: Ward 8**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	13056430020FTJ30ZZ08	SICELO ELECTRIFICATION NETWORK	19 788 226.23	19 788 227	1	100
			<b>19 788 226.23</b>	<b>19 788 227</b>	<b>1</b>	<b>100%</b>

**Expenditure: Ward 9**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05056151020GBH74ZZ09	RFID SECURITY SYSTEM - MEYERTON LIBRARY	721 407.40	1 160 000	438 593	62
2	05056460020GBC11ZZ09	AIR CONDITIONERS	499 815.00	500 000	185	100
3	05056460020GBH70ZZ09	MEYERTON LIBRARY FURNITURE	624 202.69	700 000	75 797	89
4	05056470020GBH68ZZ09	ICT HARDWARE (COMPUTORS) - NEW	1 165 128.23	1 440 000	274 872	81
			<b>3 010 553.32</b>	<b>3 800 000</b>	<b>789 447</b>	<b>79%</b>

**Expenditure: Ward 10**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05256460020GBH72ZZ10	LIBRARY FURNITURE - SICELO - NEW	282 459.57	300 000	17 540	94
2	05256473520GBH64ZZ10	SICELO LIBRARY BOOKS (DAC)	296 749.29	300 000	3 251	99
3	05256474020GBH67ZZ10	EXT SICELO LIBRARY BUILDING - UPGRADING	2 045 141.61	2 365 035	319 893	86
4	05406473520F5K45ZZ10	PARK FENCING&JUNGLE GYM (ECD - SICELO)	139 050.00	140 000	950	99
			<b>2 763 400.47</b>	<b>3 105 035</b>	<b>341 635</b>	<b>89%</b>

**Expenditure: Ward 11**

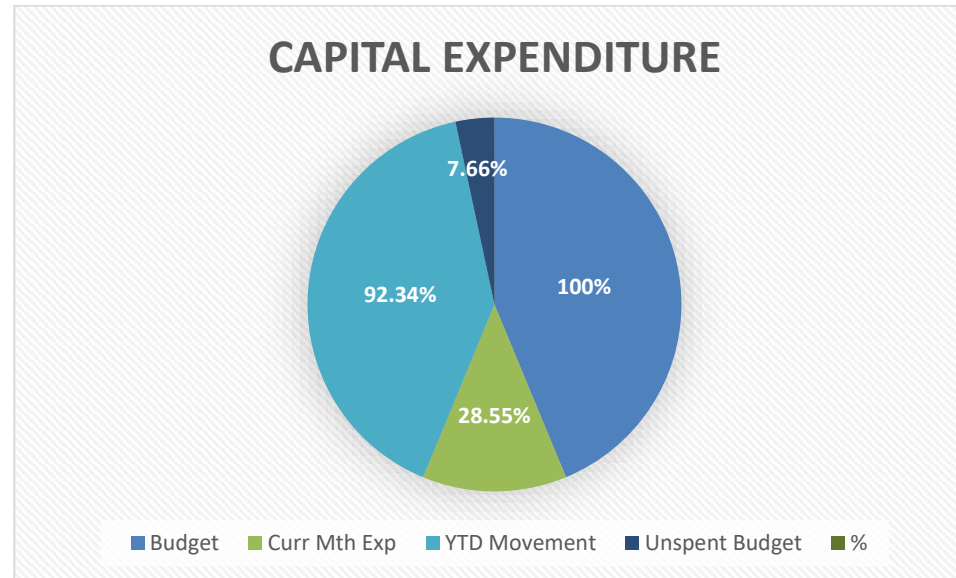
#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05156473520GBH59ZZ11	DE DEUR LIBRARY BOOKS (DAC)	292 689.16	300 000	7 311	98
2	13056430020FTJ29ZZ11	SAVANNA CITY ELECTR. NETWORK	3 083 277.00	3 174 108	90 831	97
3	14056456020F4J05ZZ11	LANDFILL COMPACTOR NEW	2 982 278.35	2 982 279	1	100
4	14056456020F5J05ZZ11	LANDFILL COMPACTOR NEW	2 608 695.65	2 608 696	0	100
			<b>8 966 940.16</b>	<b>9 065 083</b>	<b>98 143</b>	<b>99%</b>

**Expenditure: Ward 14**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05056473520GBH62ZZ14	MEYERTON LIBRARY BOOKS (DAC)	491 273.93	500 000	8 726	98
			<b>491 273.93</b>	<b>500 000</b>	<b>8 726</b>	<b>98%</b>

**Expenditure: Ward 15**

#	Note Number	Vote Description	YTD EXP	YTD BUDGET	Unspent	% Actual
1	05106473520GBH60ZZ15	HENLEY ON KLIP LIBRARY BOOKS (DAC)	199 422.17	200 000	578	100
2	10056449420F5J38ZZ15	EXTENSION TO HENLEY ON KLIP SEWER	259 868.88	259 870	1	100
3	10056449420FGJ38ZZ15	EXTENSION TO HENLEY ON KLIP SEWER	10 968 297.99	10 984 219	15 921	100
4	14056450020F5K63ZZ15	FENCE HENLEY ON KLIP LANDFILL SITE	160 175.00	350 000	189 825	46
			<b>11 587 764.04</b>	<b>11 794 089</b>	<b>206 325</b>	<b>98%</b>





## 15. PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Section 46(1)(a) of the Local Government: Municipal Systems Act, Act 32 of 2000, legislates the reporting of the performance of the municipality and of each external service provider during the financial year.

A “service provider” is defined as follows:

*“service provider means a person or institution or any combination of persons and institutions which provide a municipal service”*

Midvaal has not appointed a service provider to provide a municipal service on its behalf.

However, in terms of Section 116 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, the Accounting Officer of a municipality or municipal entity must:

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
- (c) establish capacity in the administration of the municipality or municipal entity:
  - (i) to assist the Accounting Officer in carrying out the duties set out in Paragraphs (a) and (b); and
  - (ii) to oversee the day-to-day management of the contract or agreement; and
- (d) regularly report to the Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

Midvaal has implemented monitoring and reporting mechanisms in order to comply with the legislated requirements.

In case of poor-, non- and/or under-performance appropriate and relevant remedial actions are implemented, monitored and reported.

In the case where poor-, non- and/or under-performance is not being addressed satisfactorily, contracts in this regard are cancelled, after due processes were followed.













## 16. GENERAL KEY PERFORMANCE INDICATORS / PERFORMANCE

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) prescribes certain general key performance indicators to be included in the performance management system. The results of these ratios are as follows:

Section	Indicator	2016	2017	2018	2019	2020	2021	2022
10(a)	<b>Percentage of households with access to basic level of: Total Number of Households</b> (Access = Total Number of properties on Valuation Roll versus Total Number of properties Billed per relevant services)	29 964	29 852	38 046	38 046	38 046	38 046	38 046
	Water	75.8%	90.90%	75.39%	81.70%	82.76%	82.47%	83.70%
	Sanitation	84.1%	77.93%	67.04%	66.25%	66.56%	66.93%	67.84%
	Electricity	79.3%	79.33%	55.77%	53.47%	57.03%	62.08%	63.88%
	Solid Waste Removal	83.1%	83.1%	86.90%	86.39%	86.30%	86.03%	86.76%
10(b)	Percentage of households earning less than R1 100 per month with access to free basic services <b>Note:</b> The 100 % refers to number of households who have registered as indigents (earning less than R5 500 per month) and are entitled to free basic services.	100% of 1 166 registered indigents (earning less than R1 100 per month)	100% of 3 753 registered indigents (earning less than R1 100 per month)	100% of 4 088 registered indigents (earning less than R1 100 per month)	95% of 5 457 registered indigents (earning less than R3 500 per month)	98.01% of 5 330 registered indigents (earning less than R5 000 per month)	99.92% of 5 038 registered indigents (earning less than R5 000 per month)	99.91% of 4 536 registered indigents (earning less than R5 500 per month)
10(c)	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	90%	91.15%	93.61%	92.32%	76.84%	87.71%	92.34%
10(d)	Number of jobs created through municipality's local economic development initiatives including capital projects <ul style="list-style-type: none"> <li>Work Opportunities</li> <li>Full Time Equivalent (FTE)</li> </ul>	1 280 1 469.22	1 932	1 352 161	494	1 782	1 855	2 759 221.73
10(e)	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	1	10	6	5	5	3	5
10(f)	Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan	80.79%	93.84%	97.84%	98.68%	82.04%	99.10%	81%
<b>10(g)</b>	<b>Financial Viability</b>							
	Debt Coverage	18 Times	21.36 Times	24.85 Times	24.01 Times	19.83 Times	21.00 Times	21.70 Times
	Total (net) outstanding service debtors to revenue	33%	29.35%	29.26%	33.83%	41.84%	29.30%	35.48%
	Cost Coverage	1.77 Months	2.16 Months	3.04 Months	4.06 Months	5.23 Months	5.51 Months	5.32 Months

There were also several results which indicated that Midvaal Local Municipality remains a top performing municipality. The municipality gave access to basic municipal services to most of its community and can assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

The Midvaal Local Municipality received awards in various categories and acknowledgements of various achievements.

<p>2015 2016 2017 2018 2019 2020 2021</p>	<p><b>Golden Arrow Award by PMR Africa - Midvaal received awards for the following categories</b></p> <ul style="list-style-type: none"> <li> Most pro-active mayor</li> <li> Doing the most for job creation</li> <li> Social upliftment</li> <li> Combat Crime</li> <li> Doing the most to attract foreign investment</li> <li> Attract local investment</li> <li> Clean the environment</li> <li> Infrastructure development</li> <li> Job Creation</li> <li> 1<sup>st</sup> place in the category Overall Service to Residents</li> </ul>
<p>2013/2014 2014/2015 2015/2016 2016/2017 2017/2018 2018/2019 2019/2020 2020/2021</p>	<p><b>Auditor-General (SA)</b> Midvaal achieved clean audits</p>
<p>2017</p>	<p><b>SALGA</b> Midvaal received an award for Good Governance</p>
<p>2014 2015 2017 2018</p>	<p><b>Annual Municipal Financial Sustainability Index compiled by Ratings Afrika</b> Midvaal ranked as the top performing municipality in Gauteng</p>
<p>2014</p>	<p><b>Sedibeng Regional Survey Business Excellence Awards, conducted by PMR Africa</b> Midvaal won the award for “<i>The Institution doing the most to clean the environment</i>”</p>



2014	Midvaal awarded Blue Drop Status
2018	<b>GCRO Survey</b> Best Performing Municipality in terms of Service Delivery Satisfaction

**MIDVAAL is rated the most financially sustainable municipality in the country by Ratings Afrika in its latest annual report for the Municipal Financial Sustainability Index 2021 (MFSI) for the financial results of the 100 largest local municipalities, plus the 8 metros in South Africa**





## 17. AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in the other years.

The municipality achieved clean audits in 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020 and 2020/2021-financial years.

A combination of factors allowed Midvaal to obtain a clean audit.

Management report of Midvaal Local Municipality

### OVERALL MESSAGE

The municipality is commended for sustaining the clean audit outcome for eight consecutive years. This was due to the leadership setting the correct tone at the top and providing effective oversight. In addition, there was implementation and monitoring of internal controls by management.

The financial statements submitted for audit purposes were free from material misstatements. This was due to the implementation of the quality review processes that management has in place.

We did however identify material misstatements in the annual performance report submitted for audit. Management made the necessary corrections following the audit findings issued which resulted in no material findings being reported in the auditor's report. Management is encouraged to implement adequate review processes to the annual performance report submitted for audit is valid, accurate and complete.



## 18. GENERAL

The Annual Performance Report, Annexure T, to the Annual Report (AR) consists of a combination of information contained in the Annual Financial Statements (AFS), Service Delivery & Budget Implementation Plan (SDBIP) and also the Annual Report (AR).

It is therefore recommended that these reports are all read together, as the one report supplements the other.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS**



Midvaal Local Municipality  
Annual Financial Statements  
for the year ended 30 June 2022  
Auditor-General of South Africa (AGSA)  
Chartered Accountants (S.A.)  
Registered Auditors

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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

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# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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### Legal form of entity

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)

### Nature of business and principal activities

The main business operations of the municipality is to engage in local government activities, which includes planning and promotion of integrated development planning, land use management, economic and environmental development and supplying of the following services to the community.

General Services - All types of services rendered by the municipality, excluding the supply of housing to the community.

Waste Management Services - the collection and disposal of waste.

Electricity Services - Electricity is bought in bulk from Eskom and distributed to the consumers of the municipality in licensed areas.

Waste Water Management - Collection and purification of waste water.

Water Services - Supply of purified water.

### Legislation governing the municipality's operations

Constitution of the Republic of south Africa (Act 108 of 1998)

Local Government: Municipal Finance Management Act (Act no.56 of 2003)

Local Government: Municipal Finance Management Act (Act no.56 of 2003)

Local Government: Municipal Structures Act (Act 117 of 1998)

Municipal Property Rates Act (act of 6 2004)

Division of Revenue Act (Act 1 of 2007)

### Executive mayor and chairperson of mayoral committee

#### Portfolio

Executive mayor and chairperson of mayoral committee

Speaker

Chief WIP

MMC - Corporate

MMC - Community

MMC - Engineering

MMC - Development and Planning

MMC - Finance

#### Councillor

PJ Teixeira

AR McLoughlin

PC Pretorius

CL Gomes

TM Modiba

JG Viljoen

MI Motsamai

PD Hutcheson-Pretorius

### Executive management

#### Position

Municipal Manager

Chief Financial Officer (CFO)

Executive Director: Engineering

Director: Corporate Services

Executive Director: Planning and Economic Development

Executive Director: Community and Protection Services

#### Name

AM Groenewald (appointed 1 July 2022)

A Ngwenya (Resigned 14 June 2022)

P Magodi

Vacant

D Chamboko

SM Mosidi

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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### Council members - end of term

Nr	Surname	Initials	Nr	Surname	Initials
1	de Agrella	WF	2	Dlangamandla	JM
3	Hlengwa	B	4	Janse van Rensburg	SMA
5	Kruger	MC	6	Mabaso (up to 06/08/2020)	J
7	Magagula	WF	8	Mahlangu	MM
9	Mazibuko (Chairperson of MPAC)	J	10	Mclouglin (from 27/05/2021)	A
11	Modikeng	ML	12	Mofokeng (from 26/11/2020)	TS
13	Mphasane	MJ	14	Muirhead	S
15	Myburgh	M	16	Ndebele	MM
17	Ngcobo	MGI	18	Pypers	CG
19	Schoeman	MS	20	Sikhosana (upto 27/05/2021)	TC
21	Tabo	MB	22	Tsukudu	A
23	Visser	LTH			

### New Council Members(Sworn in 16 November)

Nr	Surname	Initials	Nr	Surname	Initials
1	Brits	O	2	Dickinson	AH
3	Hoyane	SM	4	Janse van Rensburg	SMA
5	Jordaan	BJ	6	Kolisang	ML
7	Kruger	MC	8	Lehloka	PM
9	Maimane	MA	10	Mazibuko	J
11	Mboweni	MC	12	Modikeng	ML
13	Mofokeng	TS	14	Mokhomo	DT
15	Molakeng (Resigned 15/12/2021)	ST	16	Myburgh	M-A
17	Ndebele	MM	18	Nkoe	GM
19	Peters	FW	20	Pypers	CG
21	Visser	LTH	22	Ramushu (from 15 December 2021)	IP
23	Hubbard	RJ			

### Grading of local authority

Grade 4 Local Municipality

### Registered head office

25 Mitchell Street  
Meyerton  
Gauteng  
1961

### Postal address

P.O.Box 9  
Meyerton  
1960

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# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## General Information

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**Bankers**

ABSA Bank Limited  
Nedbank

**Auditors**

Auditor-General of South Africa (AGSA)

**Legal representative**

Panel of attorneys appointed for cost effectiveness: Cliffe Dekker Hofmeyer / Chiba Attorneys / Brain Blignaut Attorneys / Lize Venter Attorneys / Mkhabela Huntley Adekeye Inc / Strauss Daily Attorneys / Moodie & Robertson / Selomo Attorneys / Meise Nkeiseng & Conveyancers / Douglas Bennett Attorneys / LNP Attorneys / Nozuku Nxusani Incorporated / Malherbe Rigg & Ranwell / POSWA Incorporated / Cheadle Thompson & Haysom Inc



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Abbreviations

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ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
INEP	Integrated Electrification Programme
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSIG	Municipal System Improvement Grant
NDPG	Neighbourhood Development And Partnership Grant
SALGA	South African Local Government Association
SAPS	South African Police Services
SCM	Supply Chain Management
SRAC	Sports, Recreation, Arts and Culture
WSIG	Water Sanitation Infrastructure Grant

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Responsibilities and Approval

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The Accounting Officer is required by the Local Government: Municipal Finance Management Act (Act no.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 are given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant 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 management judgements and estimates.

I, as the accounting officer acknowledge that I am 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 us to meet these responsibilities, we have set 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. In the year under review, the systems of internal control have been boosted by municipal ICT infrastructure upgrade and migration. The improved firewall protections, access protocols, encryptions and password complexities have enabled the accounting officer to fulfil this responsibility. 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 operational 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.

I am 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. This assurance is further supported by the fact that all MSCOA version and patch upgrades were implemented in line with National Treasury's requirements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future. An assessment to this effect has been confirmed by Gauteng Provincial Treasury, as an independent structure and Ratings Afrika being a ratings agency that specialises in ratings and gauging financial soundness and governance.

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

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's senior management team, external auditors and other oversight governance structures of Council.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 36 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Governments determination in accordance with the Act.

The external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented separately.

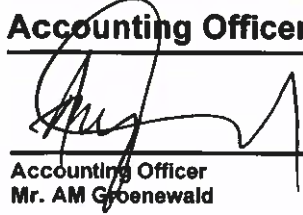
The annual financial statements set out on pages 13 to 116, which have been prepared on the going concern basis, were approved and signed by the accounting officer:

**Midvaal Local Municipality**

Annual Financial Statements for the year ended 30 June 2022

**Accounting Officer's Responsibilities and Approval**

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31/08/2022

Accounting Officer  
Mr. AM Groenewald

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Performance and Audit Committee Annual Report

The Chairperson of the Committee under section 4.3.2 of their charter is required to annually report to council by means of a report and /or in person summarising the activities, recommendations and decisions of the Committee during the previous financial year.

The Committee is delighted to table its annual report for the financial year ended 30 June 2022.

### Performance and Audit Committee members' attendance of the meetings

The Committee consists of the five external non executive, members listed hereunder and they are required to meet a minimum of at least four times per financial year

#### Members Attendance

##### Audit Committee Meetings: 2021/2022 Financial Year

Members		23 Aug 2021	17 Sept 2021	28 Oct 2021	07 Dec 2021	24 Jan 2022	28 Feb 2022
Mr. T.N Ntho	Chairperson	Present	Present	Present	Present	Present	Present
Mrs. M.C Mokoena	Member/ Chairperson Risk Committee	Present	Present	Present	Present	Present	Present
Mr. F. Mpopu	Member	Present	Present	Present	Present	Present	Present
Mr. M. Khendla	Member	Present	Present	Present	Present	Present	Present
Mr. A. Lambat	Member	N/A	N/A	N/A	N/A	N/A	N/A

Members		25 Apr 2022	27 May 2022	25 Jul 2022	% attended
Nr TN Ntho	Chairperson	Present	Present	Present	100
Mrs MC Mokoena	Chairperson Risk Committee	Present	Present	Present	100
Mr FT Mpopu	Member	Present	Present	Present	100
Mr M Khendla	Member	Present	Present	Present	100
Mr A Lambat	Member	N/A	Present	Present	100

### Performance and Audit Committee responsibility

The Committee complied with its responsibility to play an oversight role and reviewed the following:

1. Internal financial control and internal audits.
2. Risk management.
3. The adequacy, reliability and accuracy of financial reporting and information.
4. Accounting policies.
5. Performance management.
6. Effective governance.
7. Compliance with the MFMA, and any other relevant legislation.
8. Performance evaluation and
9. Any other issues referred to it by the Council.

The Committee also reports that it has adopted appropriate terms of reference in the form of the Performance and Audit Committee Charter. The Committee has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Performance and Audit Committee Annual Report

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### **The effectiveness of internal control and information and communication technology governance:**

In compliance with MFMA and the recommendation from King reports on corporate governance requirements, Internal Audit provided the Committee and management with assurance that the internal controls are adequate and effective. This is achieved by means of the risk management process, as well as the identification of corrective action and suggested enhancements to the controls and processes.

The Committee has observed that the overall control environment of the Municipality has shown a significant improvement during the year under review. However some deficiencies were identified in the Supply Chain Management Section, Human Resources Section and the Department of Community Services. However, it is important to mention that this happened because of the delay in appointing some Executive Directors and the Municipal Manager.

The Council and Management committed to implement an action plan to address previously reported Auditor General and internal audit findings. This plan yielded the positive results that the Committee experienced in the past and current financial year. The Committee further more proposed that another action plan be developed to specifically deal with the findings from reports of Financial Disciplinary Board.

The reason for this is that normally these reports are treated as confidential reports and therefore most of the time they are not included in the action plan that deals with the findings of Internal Audit and AGSA.

### **Internal Audit**

The Committee is satisfied that the Internal Audit plan represented a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits; namely risk based, compliance, performance and follow-up audits.

The Committee has noted considerable improvement in the communication between the Senior Management, the AGSA and Internal Audit Services which has strengthened the co-operative governance initiatives within the Municipality.

The Committee is satisfied with the content and quality of quarterly reports prepared and issued by Internal Audit Services for the Municipality during the year under review. The Committee is also impressed by the fact that under the difficult situation the Internal Audit manages to do more follow-up audits in order to eliminate the occurrence of the reaped findings.

The Committee is also impressed by the report of Internal Audit that seeks to assist and make the work of both the Municipal Public Accounts Committee and Financial Disciplinary Board easier in understanding the results of the forensic reports. The outlining of different acts that was supposed to have been complied with by the officials and different policies and standard operating procedures that were ignored by officials, mentioned in the forensic reports was the effort that was significant to be noticed by the Committee.

### **Risk Management**

The Committee is proud to report the progress made on reviewing both strategic and operational risk registers, the follow-ups done on existing and emerging risks were on time and in most of the cases effective. The Committee can also attest to the existence of the functioning structures of the enterprise risk management, namely the appointed risk champions, the ethics & risk management committee under the chairmanship of an independent member of Performance and Audit Committee. The committee meets quarterly and immediately thereafter reports to the Performance and Audit committee.

The Committee again applauds the Ethics and Risk Management by development and implementation of Risk Maturity improvement plan that will help Municipality to achieve an improved annual assessment by Provincial Treasury. The Committee was again excited to see two policies tabled before them for consideration and recommendation to final approval by Council and these were:

1. Draft Compliance Management Policy
2. Draft Project Risk Register 2022/2023

The Committee is also delighted to see that the Municipality adhered to its call to place Ethics and Risk Management and Performance Management in the Office of the Municipal Manager. Furthermore it will be prudent to add the Short Term Insurance to the Ethics and Risk Management Department.

### **Performance Management**

1. The Committee did review and evaluate the implementation of the performance management system in order to find out if the system reflects the Municipality's purpose and objectives.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Performance and Audit Committee Annual Report

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2. The Committee reviewed some KPIs and recommended that management should review all KPIs and KPI definitions to ensure it is clear as to what is measured by the KPI and the targets set.

3. The Committee can proudly say the Municipality is always in compliance with the performance management and reporting systems.

The Committee did participate in the process of evaluating the performance of Senior Management through delegating its Chairperson to form part of the Evaluation committee. The attainment of the eighth unqualified audit report from AGSA is a reflection of the outstanding performance of the Management team. The Committee feel honoured to play an oversight role on a team as dedicated as Midvaal Local Municipality team of Management and Politicians.

The Committee believes that the departments performed absolutely well under the circumstance of adapting to the new norm of daily life. The Municipality refused to allow the situation to dictate terms and block their progress.

The following result by all five departments is an indication of dedication towards best performance:

Departments	Results of 2020/2021	Results of 2021/2022
1. Corporate Services	= 85.71%	78%
2. Finance Services	= 100%	93%
3. Development & Planning	= 81.81%	91%
4. Community Services	= 87.50%	92%
5. Engineering Services	= 76.47%	63%

The overall 93% of the Municipality is as a result of the above given input by the different departments.

### The quality of quarterly reports submitted in terms of the MFMA and the Division of Revenue Acts

The Committee was satisfied with the content and quality of financial quarterly reports prepared and submitted by the Accounting Officer of the Municipality during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

### Service Delivery as a Standalone Item in the Committee Agenda

The Midvaal Local Municipality Performance and Audit Committee took a bold decision to put Service Delivery as a standalone item in their agenda. The decision was brought about by the good performance of the Municipality. The Committee wanted to ascertain and be convinced that the good results that are being experienced in theory and in papers yield the expected positive results on the ground as expected by the community members.

The following are Committee yard stick to use every quarter and they form part of core deliberation in the process:

1. Electricity programs to service the different communities
2. Water and Sanitation programs to improve the supply of both
3. Waste collection programs to service different communities on a weekly basis
4. Grass cutting and maintaining of our Parks programs to sustain a clean and healthy Municipality
5. Roads and storm Water programs
6. Development in the Midvaal Local Municipality to attract Investors in the area

The Committee members use their daily observation to deliberate and ask questions to establish the facts to either proof to the Management that the results does not collaborate with what is on the ground or the reported results were really observed by the Committee members who are indeed the representative of Communities at large.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Performance and Audit Committee Annual Report

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The next plan of the Committee is to select three to five new projects that they will monitor over the period of the financial year. The Committee Members intend to visit the selected projects, to ascertain the management and the progress and also ask the questions in relation to the budget of these projects. This is one of the value adding ideas to the Midvaal Local Municipality by the Committee.

### Evaluation of the Annual Financial Statements

The Performance and Audit Committee has:

1. Reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Municipal Manager.
2. Reviewed the audit report of the AGSA.
3. Reviewed the AGSA's Management report and management's response thereto.
4. Reviewed the Municipality's compliance with legal and regulatory provisions and
5. Reviewed significant adjustments resulting from the audit.

The Committee concurs with and accepts the AGSA's conclusion on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

### Anti-fraud and corruption sub-committee

The Municipality did well in trying to curb issues related to fraud and corruption by following the MFMA and its regulations which clearly stipulate that matters such as incurring unauthorised, irregular as well as fruitless and wasteful expenditure, possible abuse of SCM systems and allegations of financial misconduct should be investigated.

The Municipality had experienced more issues of maladministration and possible abuse of SCM systems during the financial year. The Committee was very impressed by the manner in which the Council took a decisive decision to bring the perpetrators to book. In some cases, the Municipality implemented recovery plans to recover the lost money during the processes.

### One-on-One Meeting with the Municipal Manager

The Committee has met with the Municipal Manager of the Municipality to address unresolved issues emanating from Internal Audit reports, Forensic reports and forensic investigator reports. Shortcomings or deficiencies as outlined by both the Forensic Investigators and the Financial Disciplinary board, and the commitment to assist AGSA during the audit process.

### One-on-One Meeting with the Executive Mayor

Both the chairperson of the performance and audit committee as well as the risk committee has standing meetings with the Executive Mayor to address issues related to political direction of the Municipality so that both chairs understand and direct the committees in the right direction. The two chairs also apprise the Executive Mayor on the performance of the Municipality, and highlighted the value add that was provided by the Committee.

### Auditor General of South Africa (AGSA)

The Performance and Audit Committee has met with AGSA to ensure that there are no unresolved issues between them and the management and also tried to strengthen relationships between the two parties without compromising the independence of the AGSA.

### Chairperson's closing remarks

I would like to take this opportunity to thank Midvaal stakeholders who play an important role in the success of this Municipality. The Council and all staff members for selfless sacrifices through the overtime and hard work they put in to attain clean audits, sincere gratitude. To my fellow Committee members for their ongoing support and commitment, I thank you. It is truly a pleasure to serve on a united Performance and Audit committee, who share the same values and objectives.

Progress is impossible without change and I believe that the changes in the past years have the basis for the future approach and better service delivery. You will continue to be the Municipality of choice and setting the benchmark in providing best service delivery and maintaining clean audits for all your communities.

**Midvaal Local Municipality**

Annual Financial Statements for the year ended 30 June 2022

**Performance and Audit Committee Annual Report**

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31/09/22

Mr. N Ntho  
Chairperson of the Audit Committee



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Report

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The accounting officer submits his report for the year ended 30 June 2022.

### 1. Review of activities

#### Main business and operations

The municipality is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the local government: Municipal Demarcation Act, 1998 and operates in South Africa.

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

Net surplus of the municipality was R 74 724 787 (2021: surplus R 207 313 855).

### 2. Going concern

I draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus of R 2 446 085 377 and that the municipality's total assets exceed its liabilities.

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. All impairments were measured and judged in line with past performances.

The municipality is in no way immune to the harsh economic realities as a result of the COVID-19 pandemic. As far as possible, the municipality factored in the effect of the lockdown levels had on its own economic environment. At this stage, the uncertainty still remains as to how long the pandemic will remain and how long the economy will take to recover from the lockdown levels. During the looting period and community unrest of July 2021, the municipality remained stable with no incidents of vandalism and looting as such the asset impairment policy did not require any adjustments moreover the municipality enjoys the benefit of civil unrest risk cover. The municipality has assessed that no going concern issues have been noted and that the municipality can continue in operational existence for the foreseeable future.

The municipality assessed the impact of the COVID-19 pandemic by comparing the financial indicators as follows:

	2021/22	2020/21
Current ratio (norm 2:1)	2.91:1	3.06:1
Cost coverage ratio (norm 3 months or more)	5.3 months	5.5 months
Creditors days (norm 30 days)	30 days	30 days
Debtors collection rate	92%	94%

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the Annual Financial Statements.

### 4. Accounting policies

The annual financial statements are prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP), including any interpretations of such Statements issued by the Accounting Practices Board and the Accounting Standards Board as the prescribed framework by National Treasury.

### 5. Equity

Council has a very strong attitude towards legislative compliance, specifically supply chain management principles, and also the proper functioning of the Performance and Audit Committee, Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board. These meetings are functioning without councillor and/or political interference. Where required, matters are reported to the relevant external authorities for further investigation. The appropriate and relevant consequence management is also instituted, as and when required.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Report

---

### Equity (continued)

The reviewed Integrity Management Policy & Plan, 2020 has been approved by Council per Council Resolution C2359/08/2020 dated 27 Aug 2020.

Council's stance to fraud and corruption is zero tolerance and in line with this, the efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The main principles, upon which this Plan of Midvaal is based, include the following:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action (consequence management), recovery of losses, to the extent required, and prosecution; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The components of the Plan include:

1. Focus on the organisation;
2. Focus on employees;
3. Focus on other stakeholders;
4. Enforcement;
5. Implementation.

All staff, including senior management and councillors, are obliged to declare specific personal assets and private business interests on an annual basis, such as:

1. Shares and other financial interests (not bank accounts with financial institutions);
2. Directorships and partnerships (also those held by the spouse and close family members);
3. Remunerated work outside of the municipality;
4. Consultancies and retainerships;
5. Sponsorships;
6. Gifts and hospitality from a source other than a family member (exceeding the value of R350 over a 12 month period);
7. Land and property registered in their name;
8. Vehicle(s) owned (registered) in their name;
9. Participation in elections.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Report

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### Equity (continued)

The status of reported cases is as follows:

	2018/2019	2019/2020	2020/2021	2021/2022
Total Number of Cases reported	30	31	39	37
Total Number of Cases resolved	26	31	34	26
Total Number of Cases pending	4	0	5	11
% Resolved	86%	100%	87%	70%

The primary transgressions are summarized as follows:

1. Illegal water/electricity meter tampering/by-passing;
2. Misuse/Abuse of Council vehicles;
3. Appointment of Irregularities;
4. Bribery;
5. Theft of Council owned property;
6. Non-compliance to tender specifications;
7. Possible incorrect journal entries;.
8. Transgression of the Code of Conduct for Municipal Staff Members;
9. Issuing of fraudulent zoning certificate;
10. Bribery;
11. Theft of Council owned property;
12. Non-compliance with Firearm Control Policy.

Matters referred to the Financial Disciplinary Board, included the following:

1. Overpayment on contracts;
2. Irregular expenditure;
3. Salary overpayment;
4. Erroneous payment.

The relevant remedial actions, according to Council's Policies, were initiated, i.e. disciplinary action, criminal prosecution and recovery of money. Management reviewed controls and internal audit tested the effectiveness of the controls in order to prevent recurrence. Matters reported to external authorities for further investigations in line with the MFMA are frequently monitored and positive results received.

Midvaal through its fraud hotline takes all matters very seriously by means of its Integrity Management Strategy. As such Midvaal often receives tip-offs regarding possible irregularities which are not always confined to the definition of unauthorised, irregular, fruitless and wasteful expenditure.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Report

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### 6. Accounting Officer

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

Name	Changes
AM Groenewald	Appointed Friday, 01 July 2022
SM Mosidi (Acting)	Appointed Sunday, 01 August 2021, resigned Thursday, 30 June 2022
NS Mhlanga	Resigned Saturday, 31 July 2021

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	487 962 486	451 304 933
Receivables from exchange transactions	4	181 427 256	146 064 324
Receivables from non-exchange transactions	5	106 114 872	96 818 157
VAT	6	17 690 174	15 804 937
Inventories	7	14 333 162	14 080 356
		<b>807 527 950</b>	<b>724 072 707</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	2 097 835 385	2 074 806 844
Investment property	9	49 281 032	49 351 032
Intangible assets	10	6 436 395	5 150 990
Heritage assets	11	18 701	18 701
		<b>2 153 571 513</b>	<b>2 129 327 567</b>
<b>Total Assets</b>		<b>2 961 099 463</b>	<b>2 853 400 274</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	12	204 663 446	169 544 015
Borrowings	13	35 069 761	27 977 256
Consumer deposits	14	21 153 173	19 862 487
Lease liabilities	15	8 356 770	7 158 272
Income received in advance from developer contribution	16	5 295 609	7 435 522
Unspent conditional grants	17	3 260 177	5 015 752
		<b>277 798 936</b>	<b>236 993 304</b>
<b>Non-Current Liabilities</b>			
Borrowings	13	112 694 242	131 907 381
Provisions	18	86 038 163	77 758 465
Employee benefits	19	20 623 190	19 333 876
Lease liabilities	15	17 859 555	16 084 706
		<b>237 215 150</b>	<b>245 084 428</b>
<b>Total Liabilities</b>		<b>515 014 086</b>	<b>482 077 732</b>
<b>Net Assets</b>		<b>2 446 085 377</b>	<b>2 371 322 542</b>
<b>Net assets presented by:</b>			
Accumulated surplus		2 446 085 377	2 371 322 542

\* See Note 46

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Exchange revenue</b>			
Services charges - Electricity	20	475 821 696	390 518 750
Services charges - Water	20	214 564 820	251 893 698
Services charges - Waste water management	20	54 450 195	49 841 376
Services charges - Waste management	20	55 101 715	46 892 364
Interests on investments	21	18 247 859	17 193 719
Interest earned from receivables	22	13 009 023	13 262 545
Sales of goods and rendering of services	23	5 482 101	6 452 755
Operational revenue	24	1 641 180	3 190 735
Rental		1 097 997	1 014 402
<b>Total exchange revenue</b>		<b>839 416 586</b>	<b>780 260 344</b>
<b>Non-exchange revenue</b>			
Property rates	25	273 313 528	253 451 915
Transfers and subsidies	26	247 343 205	343 386 231
Fines, penalties and forfeits	27	68 386 649	64 370 624
Interest on receivables	22	5 509 450	6 557 426
<b>Total non-exchange revenue</b>		<b>594 552 832</b>	<b>667 766 196</b>
<b>Total revenue</b>		<b>1 433 969 418</b>	<b>1 448 026 540</b>
<b>Expenditure</b>			
Bulk purchases	28	(522 689 969)	(460 451 839)
Employee related cost	29	(322 147 853)	(298 271 887)
Contracted services	30	(127 894 877)	(106 681 118)
Depreciation, amortisation and impairment	31	(127 288 656)	(134 535 350)
Bad debts written off	32	(123 245 010)	(120 600 490)
Operational cost	33	(58 791 232)	(49 789 607)
Finance costs	34	(30 122 765)	(29 898 027)
Inventory consumed	35	(24 521 710)	(23 544 077)
Remuneration of councillors	36	(12 967 574)	(12 821 689)
Loss on disposal of assets	37	(7 809 213)	(2 886 675)
Transfers and subsidies	38	(1 533 588)	(1 212 142)
Inventories ( write-down )	39	(232 184)	(19 784)
<b>Total expenditure</b>		<b>(1 359 244 631)</b>	<b>(1 240 712 685)</b>
<b>Surplus for the year</b>		<b>74 724 787</b>	<b>207 313 855</b>

\* See Note 46

## Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

### Statement of changes in net assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 July 2020</b>	<b>2 164 008 688</b>	<b>2 164 008 688</b>
Surplus for the year	207 313 854	207 313 854
Total changes	207 313 854	207 313 854
<b>Restated* Balance at 01 July 2021</b>	<b>2 371 322 545</b>	<b>2 371 322 545</b>
Surplus for the year	74 724 786	74 724 786
Total changes	74 724 786	74 724 786
Adjustments		
Prior period correction of errors posted in current year	38 046	38 046
<b>Balance at 30 June 2022</b>	<b>2 446 085 377</b>	<b>2 446 085 377</b>

Note(s)

\* See Note 46

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from non exchange transactions		521 885 586	506 754 733
Cash receipts from exchange transactions		739 587 450	655 502 203
Interest		18 247 859	17 193 719
<b>Payments</b>			
Employees		(333 826 113)	(309 145 700)
Finance charges		(16 519 764)	(17 470 750)
Suppliers		(719 264 210)	(638 899 926)
<b>Net cash from(used) operating activities</b>	40	<b>210 110 808</b>	<b>213 934 279</b>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds on disposal of fixed and intangible assets		-	699 145
Proceeds on disposal of Investment property		320 430	333 500
<b>Payments</b>			
Capital assets		(163 331 034)	(158 671 976)
Intangible assets		(1 296 145)	(1 732 134)
<b>Net cash flows from investing activities</b>		<b>(164 306 749)</b>	<b>(159 371 465)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts</b>			
Increase in short-term loans		-	-
Increase in borrowing long-term		18 600 000	21 500 000
Increase in short-term lease		-	-
Increase in finance lease long-term		10 411 976	9 286 127
<b>Payments</b>			
Decrease in borrowing long-term		(30 720 633)	(26 649 980)
Decrease in finance lease		(7 437 849)	(7 440 989)
<b>Net cash flows from financing activities</b>		<b>(9 146 506)</b>	<b>(3 304 842)</b>
<b>Net increase/(decrease) in cash</b>		<b>36 657 553</b>	<b>51 257 972</b>
Cash and cash equivalents at year begin		451 304 933	400 046 961
		<b>487 962 486</b>	<b>451 304 933</b>

\* See Note 46



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## 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>						
Interest, Dividend and Rent on Land	32 238 777	-	32 238 777	31 256 882	(981 895)	
Operational revenue	6 079 090	(2 505 549)	3 573 541	1 641 180	(1 932 361)	Decline in economic activity
Rental from Fixed Assets	1 192 892	-	1 192 892	1 097 997	(94 895)	
Sales of goods and rendering of services	5 913 794	(84 510)	5 829 284	5 482 101	(347 183)	
Services charges - Electricity	468 600 817	9 430 960	478 031 777	475 821 696	(2 210 081)	
Services charges - Waste management	52 433 203	(32 384)	52 400 819	55 101 715	2 700 896	
Services charges - Waste water management	52 046 635	-	52 046 635	54 450 195	2 403 560	
Services charges - Water	252 845 828	(3 323 130)	249 522 698	214 564 820	(34 957 878)	Monitoring water consumption through pre-paid installation
<b>Total revenue from exchange transactions</b>	<b>871 351 036</b>	<b>3 485 387</b>	<b>874 836 423</b>	<b>839 416 586</b>	<b>(35 419 837)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Fines, penalties and forfeits	49 939 505	22 135 176	72 074 681	68 386 649	(3 688 032)	
Property rates	271 370 829	-	271 370 829	273 313 528	1 942 699	
Transfers and subsidies	244 022 566	4 328 549	248 351 115	247 343 205	(1 007 910)	
Interest, dividend and rent on land	6 443 864	-	6 443 864	5 509 450	(934 414)	Lower collections due to economic circumstances
<b>Total revenue from non-exchange transactions</b>	<b>571 776 764</b>	<b>26 463 725</b>	<b>598 240 489</b>	<b>594 552 832</b>	<b>(3 687 657)</b>	
<b>Total revenue</b>	<b>1 443 127 800</b>	<b>29 949 112</b>	<b>1 473 076 912</b>	<b>1 433 969 418</b>	<b>(39 107 494)</b>	
<b>Expenditure</b>						
Bad debts written off	(103 036 824)	(22 118 680)	(125 155 504)	(123 245 010)	1 910 494	
Bulk purchases	(542 749 201)	3 505 463	(539 243 738)	(522 689 969)	16 553 769	
Contracted services	(143 026 344)	(1 342 386)	(144 368 730)	(127 894 877)	16 473 853	Strict performance monitoring of contractors
Depreciation, amortisation and impairment	(133 747 786)	(2 000 000)	(135 747 786)	(127 288 656)	8 459 130	
Employee related cost	(367 974 946)	19 578 684	(348 396 262)	(322 147 853)	26 248 409	
Finance costs	(17 391 375)	-	(17 391 375)	(30 122 765)	(12 731 390)	Interest on landfill site

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## 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						
Inventory consumed	(23 612 140)	(2 784 271)	<b>(26 396 411)</b>	(24 521 710)	<b>1 874 701</b>	
Remuneration of councillors	(13 656 304)	-	<b>(13 656 304)</b>	(12 967 574)	<b>688 730</b>	
Operational cost	(72 678 775)	(3 274 351)	<b>(75 953 126)</b>	(58 791 232)	<b>17 161 894</b>	Cost containment measures
Transfers and subsidies	(1 500 000)	(265 000)	<b>(1 765 000)</b>	(1 533 588)	<b>231 412</b>	Cost containment measures
Loss on disposal of assets	-	-	-	(7 809 213)	<b>(7 809 213)</b>	Assets no longer in use
Inventory	-	-	-	(232 184)	<b>(232 184)</b>	Immaterial difference
<b>Total expenditure</b>	<b>(1 419 373 695)</b>	<b>(8 700 541)</b>	<b>(1 428 074 236)</b>	<b>(1 359 244 631)</b>	<b>68 829 605</b>	
<b>Surplus before taxation</b>	<b>23 754 105</b>	<b>21 248 571</b>	<b>45 002 676</b>	<b>74 724 787</b>	<b>29 722 111</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>23 754 105</b>	<b>21 248 571</b>	<b>45 002 676</b>	<b>74 724 787</b>	<b>29 722 111</b>	

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## 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 Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	476 275 301	-	<b>476 275 301</b>	487 962 486	<b>11 687 185</b>	
Receivables from non-exchange transactions	83 846 223	-	<b>83 846 223</b>	106 114 872	<b>22 268 649</b>	Increased revenue and collection
Inventories	23 409 754	-	<b>23 409 754</b>	14 333 162	<b>(9 076 592)</b>	Less stock on hand
Receivables from exchange transactions	85 853 582	-	<b>85 853 582</b>	181 427 256	<b>95 573 674</b>	Increased collections
Other current assets	2 100 168	-	<b>2 100 168</b>	-	<b>(2 100 168)</b>	
VAT	22 798 882	-	<b>22 798 882</b>	17 690 174	<b>(5 108 708)</b>	SARS refunds received timeously
	<b>694 283 910</b>	-	<b>694 283 910</b>	<b>807 527 950</b>	<b>113 244 040</b>	
<b>Non-Current Assets</b>						
Heritage assets	18 701	-	<b>18 701</b>	18 701	-	
Intangible assets	5 197 719	(27 900)	<b>5 169 819</b>	6 436 395	<b>1 266 576</b>	No control over process to obtain servitudes
Investment property	-	-	-	49 281 032	<b>49 281 032</b>	
Property, plant and equipment	2 441 246 324	33 155 566	<b>2 474 401 890</b>	2 097 835 385	<b>(376 566 505)</b>	
	<b>2 446 462 744</b>	<b>33 127 666</b>	<b>2 479 590 410</b>	<b>2 153 571 513</b>	<b>(326 018 897)</b>	
<b>Total Assets</b>	<b>3 140 746 654</b>	<b>33 127 666</b>	<b>3 173 874 320</b>	<b>2 961 099 463</b>	<b>(212 774 857)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Consumer deposits	19 809 000	-	<b>19 809 000</b>	21 153 173	<b>1 344 173</b>	
Payables from exchange transactions	175 568 321	-	<b>175 568 321</b>	204 663 438	<b>29 095 117</b>	Increase in accrual end of year
Unspent conditional grants	-	-	-	3 260 177	<b>3 260 177</b>	Did not anticipate to have unspent grants
Lease liabilities	-	-	-	8 356 770	<b>8 356 770</b>	Increased lease agreements
Borrowings	42 233 466	-	<b>42 233 466</b>	35 069 761	<b>(7 163 705)</b>	Decrease in loan agreements
Provisions	77 460 000	-	<b>77 460 000</b>	-	<b>(77 460 000)</b>	Increase in interest cost
Income received in advance from developer contribution	(9 754 561)	-	<b>(9 754 561)</b>	5 295 609	<b>15 050 170</b>	Budgeted as a debtor
	<b>305 316 226</b>	-	<b>305 316 226</b>	<b>277 798 928</b>	<b>(27 517 298)</b>	

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## 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>Non-Current Liabilities</b>						
Lease liabilities	-	-	-	17 859 555	<b>17 859 555</b>	Provision for prior year vehicles receivedf
Employee benefits	-	-	-	20 623 190	<b>20 623 190</b>	
Borrowings	136 365 483	-	<b>136 365 483</b>	112 694 242	<b>(23 671 241)</b>	Decrease in loan agreements
Provisions	-	-	-	86 038 163	<b>86 038 163</b>	Increase in interest costs
	<b>136 365 483</b>	-	<b>136 365 483</b>	<b>237 215 150</b>	<b>100 849 667</b>	
<b>Total Liabilities</b>	<b>441 681 709</b>	-	<b>441 681 709</b>	<b>515 014 078</b>	<b>73 332 369</b>	
<b>Net Assets</b>	<b>2 699 064 945</b>	<b>33 127 666</b>	<b>2 732 192 611</b>	<b>2 446 085 385</b>	<b>(286 107 226)</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	2 699 064 945	33 127 666	<b>2 732 192 611</b>	2 446 085 385	<b>(286 107 226)</b>	

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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The annual financial statements of Midvaal Local Municipality for the year ended 30 June 2022 were authorised for issue by the Accounting Officer on 31 August 2022.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

These accounting policies are consistent with the previous period.

### 1. Summary of significant accounting policies

#### 1.1 Presentation currency

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

#### 1.2 Going concern assumption

These annual financial statements were 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 Materiality

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

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

#### 1.4 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:

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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

#### Receivables

The municipality assesses its trade receivables, for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is considered first for individually significant receivables and then calculated on a portfolio basis, for the remaining balance, including those individually significant receivables for which no indicators of impairment were found. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

For receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable the government bond rate is used as the risk-free rate and adjusted for any risks specific to the receivables.

#### Allowance for slow moving, damaged and obsolete stock

An assessment is made of net realisable value or current replacement cost, where applicable, of inventory at the end of each reporting period. A write down of inventory to the lower of cost or current replacement cost, where applicable, is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in surplus or deficit.

#### Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

#### Impairment testing

The municipality reviews and tests the carrying value of cash generating assets when events in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cash-flow projection assumption may change, which may then impact our estimations, and may then require a material adjustment to the carrying value of assets.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as inflation and interest.

Judgements are made by management in applying the criteria to designate assets as non-cash-generating units or cash-generating units. The designation is made on the basis as described in accounting policy 1.13 - Impairment of non-cash-generating assets.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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

#### Provisions

Provisions were raised and management determined an estimate based on the information available. The provision is discounted when the time value of money is material. Additional disclosure of these estimates of provisions are included in note 18 - Provisions

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

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of the time value of money.

The provision for staff leave is based on accrued leave at year-end. The uncertainty is when the leave will be taken or if employment will be terminated.

#### Prepaid electricity

Pre-paid electricity is only recognised as income as electricity is consumed. The estimate is based on pre-paid electricity sold at year-end, but still unused.

#### Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the municipality with similar assets, and whether the assets will be sold or used to the end of their economic lives and the condition at the time. The municipality considers all the facts and circumstances estimating the useful lives of assets, which included the consideration of financial, technical and other facts. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than the previously estimated useful lives.

The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The policy is also applicable to certain intangible assets.

#### Post-retirement benefits

The present value of the post-retirement and other long term 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 post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds. Where there is no deep market in the government bonds with a sufficiently long maturity to match the estimated maturity of all the benefits paid, the municipality uses current market rates of the appropriate term to discount shorter payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Due to the long-term nature of the plan, the estimates are subjected to significant uncertainty.

Other key assumptions for post retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 19.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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

#### Effective interest rate

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

### 1.5 Investment property

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

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

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

Investment property is recognised as an asset when, 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.

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.

Management applies the category below to distinguish Investment Property from Property Plant and Equipment::

- Land held for a currently undetermined future use and held for capital appreciation is regarded as Investment Property;

#### Subsequent measurement – cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Item	Useful life
Property - land	indefinite

#### Derecognition/Disposal

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

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

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

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.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 9 ).



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.6 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 year.

Management applies the category below to distinguish Property, Plant and Equipment from Investment Property:

- Owner- occupied property (including held for future use);
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for a strategic purpose

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.

#### Initial measurement

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

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

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

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

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

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

#### Subsequent measurement – cost model

Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property, plant and equipment, are measured at cost, less accumulated depreciation and accumulated impairment losses.

The measurement and recognition of impairment losses are indicated in accounting policies 1.13 Impairment of cash-generating assets and 1.14 Impairment of non-cash generating assets.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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

#### Depreciation

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

Item	Depreciation method	Average useful life
Land		indefinite
Machinery and equipment		
• Office equipment	Straight-line	3 - 10
• Bins and containers	Straight-line	5 - 10
Furniture and office equipment	Straight-line	10
Motor vehicles		
• Specialised vehicles	Straight-line	10 -30
• Other vehicles	Straight-line	5
• Vehicles	Straight-line	5
IT equipment	Straight-line	3 - 10
Infrastructure		
• Buildings	Straight-line	30
• Roads and paving	Straight-line	3 - 50
• Electricity	Straight-line	3 - 60
• Water	Straight-line	5 - 55
• Sewerage	Straight-line	10 - 60
• Landfill site	Straight-line	17
Community		
• Buildings	Straight-line	30
• Recreational facilities	Straight-line	20 - 30
• Security	Straight-line	5
Other assets		
• Buildings	Straight-line	30
Motor vehicles leased	Straight-line	5

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the municipality's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

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 in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

At each reporting date all items of property, plant and equipment are reviewed for any indication that it may be impaired. An impairment exists when an asset's carrying amount is greater than its recoverable amount or recoverable service amount. 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.

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

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

#### Derecognition

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. 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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 30).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

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

#### Site rehabilitation and restoration costs

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

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

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.7 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services.

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.

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 entity.
- The cost or fair value of the asset can be measured reliably.

An intangible asset is measured initially at cost. 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.

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

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### 1.7 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values. The amortisation charge for each period is recognised in surplus or deficit. Amortisation begins when the asset is available for use.

An intangible asset with an indefinite useful life shall not be amortised.

The municipality assessed at each reporting date whether there is any indication that the municipality's expectation about the residual value and the useful life of an intangible asset has 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.

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is determined as the difference between the sales proceeds and the carrying value and is included in surplus or deficit when the asset is derecognised.

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Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 5 years
Servitudes		Indefinite

### 1.8 Heritage assets

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

The municipality has classified the mayoral chain as a heritage asset.

#### Initial recognition and measurement

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

Heritage assets are 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.

#### Subsequent measurement

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

#### Dererecognition

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

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

#### Impairment

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

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### 1.8 Heritage assets (continued)

In assessing whether there is an indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information

- During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use
- The absence of an active market for a revalued heritage asset.

Internal sources of information

- Evidence is available of physical damage or deterioration of a heritage asset
- A decision to halt the construction of the heritage asset before it is complete or in a usable form

### 1.9 Financial instruments

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

A financial instrument is recognised when the municipality becomes a party to the contractual provisions of the instrument and are initially measured at fair value. The initial measurement includes transaction cost directly attributable to the acquisition or issue of the financial asset or financial liability, as per GRAP 104.36.

#### 1.9.1 Classification of financial instruments

##### Financial assets

A financial asset is:

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

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

Type of financial asset	Classification in terms of GRAP 104
Cash and cash equivalents	Financial assets at amortised cost
Receivables from exchange transactions	Financial assets at amortised cost
Receivables from non exchange transactions	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Receivables from non-exchange transactions exclude Fines, Property rates, and VAT as these form part of statutory receivables (1.10)

##### Financial liabilities

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

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

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

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

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### 1.9 Financial instruments (continued)

Type of financial liability	Classification in terms of GRAP 104
Borrowings	Financial liability at amortised cost
Current portion of borrowings	Financial liability at amortised cost
Finance lease liability	Financial liability at amortised cost
Current portions of finance lease liability	Financial liability at amortised cost
Trade and other payables from exchange transactions	Financial liability at amortised cost
Consumer deposits	Financial liability at amortised cost

#### 1.9.2 Impairment of financial assets

##### Receivables

For receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable the government bond rate is used as the risk-free rate and adjusted for any risks specific to the receivables.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of financial performance.

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 through the Statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 1.9.3 Derecognition

##### Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

##### Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

### 1.10 Statutory receivables

#### 1.10.1 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.

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

The municipality has the following major categories under the ambit of statutory receivables:

- VAT receivables
- Property rates debtors
- Traffic fine debtors

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### 1.10 Statutory receivables (continued)

#### 1.10.2 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.

#### 1.10.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

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.

#### 1.10.4 Impairment

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.

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

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 through the Statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 1.10.5 Derecognition

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

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### 1.10 Statutory receivables (continued)

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

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

### 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. (policy 1.21)

### Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the municipality applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers) (policy 1.21).

### 1.11 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately. The leased assets are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

### Municipality as lessee - Finance leases

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 municipality's incremental borrowing rate.

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.

### Municipality as lessee - operating leases

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.

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



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### 1.11 Leases (continued)

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

### 1.12 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services or held for distribution in the ordinary course of operations.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the inventories can be measured reliably.

Inventories are initially measured at cost. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, 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 unless distributed through a non-exchange transaction or consumed in the production process of goods to be distributed at no charge or for a nominal charge, in which case they are measured at the lower of cost and current replacement cost.

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 carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. The cost of inventories is assigned using the first-in, first-out (FIFO) formula, except for water which is determined at cost at the reporting date due to it being measured at the lower of cost and current replacement cost.

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.

Redundant and slow-moving inventories are identified and written down/written off. Inventories identified for write down/write off, but for which a council resolution to authorise the write down/write off, has not yet been obtained, are provided for as a provision for obsolete stock. Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arise.

### 1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

# Midvaal Local Municipality

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## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

#### Identification

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

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

In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

#### External sources of information

(a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

(b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.

(c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

#### Internal sources of information

(d) Evidence is available of obsolescence or physical damage of an asset.

(e) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

(f) A decision to halt the construction of the asset before it is complete or in a useable condition.

(g) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

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### 1.13 Impairment of cash-generating assets (continued)

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

#### Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current prime rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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### 1.13 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.14 Impairment of non-cash-generating assets

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

- \* Assets acquired by the municipality are mainly used as per the municipality's mandate for service delivery purposes to customers that pay for the services but also to indigents. As the assets that are used for service delivery are similar, assets that generate cash flows cannot be distinguished from the non-cash generating assets and therefor are distinguished as non-cash generating.
- \* In the event that the assets that generate cash flows can be clearly identified the assets will be designated as cash-generating.

#### Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Identification

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

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

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

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

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

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

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

### 1.15 Disclosure in term of Section 45 of the municipal Supply Chain Management Regulation

The notes to the annual financial statements of a municipality must disclose particulars of any award of more than R2 000 to a person who is a spouse, child, or parent of such a person in the service of the state, or has been in the service of the state in the previous twelve months.

### 1.16 Employee benefits

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

#### 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.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.16 Employee benefits (continued)

#### Post-employment benefits

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

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



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.16 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

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

Contribution of Council and contribution of municipal official to the medical aid (for example 60% paid by Council, 40% by the employee).

The entitlement to these benefits is usually conditional on the employee remaining in service upto retirement age and the completion of a minimum service period.

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

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

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

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

Interest cost on employee benefits is disclosed as part of employee related cost in the financial statements.

The liability in respect of current pensioners is regarded as full accrued and is therefore not split between a past (or accrued) and future in-service element (if applicable)

Payments made by the municipality are set-off against the liability.

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

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

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

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

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

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.16 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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

The municipality provides post-retirement health care benefits upon retirement to some retirees. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

#### Long-service employee benefits

The municipality has an obligation to provide Long-service Employee Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the entity instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

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

The municipality has an obligation to provide long term service allowance benefits to all of its employees.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.16 Employee benefits (continued)

- Payments made by the municipality are set-off against the liability

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost; interest cost is disclosed as part of the employee related cost in the financial statements
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

### 1.17 Provisions

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

The best estimate of the expenditure required to settle the present obligation is the amount that an Municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of financial performance as a finance cost as it occurs.

The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

### Environmental rehabilitation provisions

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

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

As the related asset is measured using the cost model

- 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 adjustments results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

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.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.18 Contingent assets and contingent liabilities

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

### 1.19 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### 1.20 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from service charges and other operational activities.

#### Recognition and measurement

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. Services rendered are recognised by reference to the stage of completion of the transaction at the reporting date. Services rendered are recognised also when transaction costs and cost to complete can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.20 Revenue (continued)

#### 1.20.1 Revenue from exchange transactions

##### Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

##### Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

##### Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment. .

Interest is recognised, in surplus or deficit, using the effective interest rate method.

##### Tariff charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff.

##### 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 buyer 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.

##### Revenue recognition of unclaimed deposits

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

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.20 Revenue (continued)

#### 1.20.2 Revenue from non-exchange transactions

##### Property rates

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

##### Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

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

##### Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

##### Government grants and subsidies

###### Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

###### Conditional grants

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent where the obligations have not been met, a liability is recognised.

##### Services received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

##### Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.20 Revenue (continued)

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Local Government: Municipal Finance Management Act (Act no.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

#### Revenue recognition of unclaimed deposits

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

### 1.21 Investment income

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

### 1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

### 1.23 Current year comparatives

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

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

The presentation and classification of items in the current year is consistent with prior periods, except where otherwise indicated.

### 1.24 Unauthorised expenditure

Section 1 of the Local Government: Municipal Finance Management Act (Act no.56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

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

Section 1 of the Local Government: Municipal Finance Management Act (Act no.56 of 2003) (MFMA) also defines a Vote as:

- 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
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.24 Unauthorised expenditure (continued)

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

### 1.25 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.

Additional disclosure for fruitless and wasteful expenditure is disclosed in note 49.

### 1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Local Government: Municipal Finance Management Act (Act no.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of financial performance and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Additional disclosure for irregular expenditure is disclosed in note 49.

### 1.27 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. Reports are used to identify reportable segments and the review thereof, eg. monthly section 71 reports.



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.27 Segment information (continued)

The municipality reports a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management."

The municipality does not disclose the geographical areas in which it operates as it is not relevant for decision-making purposes.

#### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.28 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 a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:

- the approved and final amounts;
- actual amounts and final budget amounts.

### 1.29 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.29 Related parties and related party transactions (continued)

Close members of the family of a individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the municipality. An individual is considered to be a close member of the family of another individual if they are married or live together in a relationship similar to a marriage; or if they are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

The municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

Related parties include key management personnel, close members of family of key management and councillors.

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.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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.

### 1.30 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.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Accounting Policies

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### 1.30 Events after reporting date (continued)

The municipality has considered the impact of COVID-19 on its operations during the year and its future operations. Full details are provided in the Accounting Officer's report.

### 1.31 Value Added Tax

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

### 1.32 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surplus realised during a specific financial year is credited against the accumulated surplus.

Prior year adjustments, relating to income and expenditure are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

### 1.33 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected.

When services are terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 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 April 2021 or later periods:

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 April 2021 or later periods but are not yet effective:

#### **GRAP 25 (as revised): Employee Benefits**

##### **Key amendments to GRAP 25**

GRAP 25 on Employee Benefits and the effective date for the reporting periods has not been set. The ASB has agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas of GRAP 25 that depart from the requirements of IPSAS 39. The ASB decisions to depart are explained in the basis for conclusions. The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Estimates and Errors.

The effective date of the standard is not yet set by the Minister of Finance.

The Municipality expects to adopt the standard for the first time when the Minister sets the effective date for the Municipality.

The impact of this standard is currently being assessed.

It is unlikely that the revisions will have a material impact on the municipality's annual financial statements.

#### **iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction**

##### **Background**

Employee Benefits (GRAP 25) limits the measurement of a defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Minimum funding requirements may exist to improve the security of the post-employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the Entity to reduce future contributions.

The Municipality shall determine the availability of a refund or a reduction in future contributions in accordance with the terms and conditions of the plan and any statutory requirements.

An economic benefit, in the form of a refund or a reduction in future contributions, is available if the Municipality can realise it at some point during the life of the plan or when the plan liabilities are settled.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The economic benefit available does not depend on how much the Municipality intends to use the surplus. The Municipality shall determine the maximum economic benefit that is available from refunds, reductions in future contributions or a combination of both.

The Municipality shall not recognise economic benefits from a combination of refunds and reductions in future contributions based on mutually exclusive assumptions.

The effective date of the standard is not yet set by the Minister of Finance.

The Municipality expects to adopt the standard for the first time when the Minister sets the effective date for the Municipality.

The impact of this standard is currently being assessed.

It is unlikely that the revisions will have a material impact on the municipality's annual financial statements.

#### **GRAP 104 (as revised): Financial Instruments**

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the standard is for financial periods beginning on/after 1 April 2025.

The municipality expects to adopt the standard for the first time in 2025/2026 annual financial statements.

The impact of this standard is currently being assessed.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **iGRAP 21: The Effect of Past Decisions on Materiality**

##### **Background**

Materiality is assessed and applied during a reporting period and at each reporting date based on all facts and circumstances that exist at the time of assessment.

GRAP 3 allows entities to not apply the accounting policies outlined in the Standards of GRAP when the effect of applying them is immaterial. This means that the application of materiality and alternative accounting treatments are not errors and are not departures from the Standards of GRAP. In applying materiality, it is possible for an error to occur. When an error has occurred, it is corrected using the principles in GRAP 3.

This Interpretation shall be applied prospectively.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The effective date of the interpretation is for financial periods beginning on/after 1 April 2023.

The municipality expects to adopt the interpretation for the first time in the 2023/2024 annual financial statements.

The impact of this interpretation is currently being assessed.

### GRAP 2020: Improvements to the standards of GRAP 2020

Improvements were made to the following:

- GRAP 5 Borrowing cost
- GRAP 13 Leases
- GRAP 16 Investment property
- GRAP 17 Property, plant and equipment
- GRAP 20 Related party disclosures
- GRAP 24 Presentation of Budget Information in Financial Statements
- GRAP 31 Intangible assets
- GRAP 32 Service concessions arrangements: Grantor
- GRAP 37 Joint arrangement
- GRAP 106 Transfer of functions between entities not under common control
- Directive 7 The application of Deemed cost

The effective date is for financial periods beginning on/after 1 April 2023. Earlier application is encouraged.

The impact of these improvements is currently being assessed.

It is unlikely that the improvements will have a material impact on the municipality's annual financial statements.

### GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to the IFRS on Presentation of financial statements.

A summary of the amendments is:

#### Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

#### Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

#### Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in Standard.

#### Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

An municipality applies judgement based on past experience and current facts and circumstances.

The effective date is for financial periods beginning on/after 1 April 2023. Earlier application is encouraged.

The impact of these amendments is currently being assessed.

#### **Guideline: Guideline on the Application of Materiality to Financial Statements**

The objective of this guideline: The objective of this guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with the Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of the financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality - Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, the role of materiality in the financial statements, identifying the users of financial statements and their information needs, assessing whether the information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is not authoritative but encouraged to be applied by entities when preparing their financial statements.

The Municipality expects to adopt the guideline for the first time in 2022/2023 annual financial statements.

It is likely that the standard will have a material impact on the entity's annual financial statements.

#### **Guideline: Guideline for Accounting on Landfill Sites**

The Constitution for South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision.

Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

The effective date of the guideline is not yet set by the Minister of Finance.

The Municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the Municipality.

The impact of this standard is currently being assessed.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>3. Cash and cash equivalents</b>		
<b>3.1 Cash and cash equivalents</b>		
Cash and cash equivalents consist of the following:		
<b>Call deposits and investments</b>		
Short-term deposits	-	102 946 021
<b>Cash at bank</b>		
Bank account	487 629 766	348 026 192
Bank guarantees	330 000	330 000
	<b>487 959 766</b>	<b>348 356 192</b>
Cash on hand	2 720	2 720
<b>Total cash and cash equivalents</b>	<b>487 962 486</b>	<b>451 304 933</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements and earn interest at the respective short-term deposit rate.

Cash at banks include an amount of R3 260 177 (2021: R5 015 752) held to fund unspent conditional grants.

A reconciling list is available for inspection of the difference between the cashbook balance and bank statement. These include transactions which could not be processed on 30 June 2022.

The carrying value approximates the fair value of the asset.

### 3.2 Bank accounts

The municipality has the following bank accounts:

ABSA Bank Limited	Cheque: Account Number 4053203845	90 041 810	346 868 582
ABSA Bank Limited	Cheque: Account Number 4091943582	1 857 785	1 157 610
Nedbank Bank Limited	Cheque: Account Number 1224797477	20 714	-
Nedbank Bank Limited	Cheque: Account Number 1224797469	395 709 457	-
<b>Total</b>		<b>487 629 766</b>	<b>348 026 192</b>

### Credit quality of cash at bank and short term deposits (excluding cash on hand)

The credit quality of cash at bank and short-term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021	
<b>3. Cash and cash equivalents (continued)</b>			
<b>3.3 Difference between cash book and bank statement</b>			
<b>2022</b>			
	Cash book	Bank statement	Difference
ABSA Bank Limited	90 041 810	90 041 810	-
ABSA Bank Limited	1 857 785	1 857 785	-
Nedbank Bank Limited	20 714	20 714	-
Nedbank Bank Limited	395 709 457	409 517 017	(13 807 560)
	<b>487 629 766</b>	<b>501 437 326</b>	<b>(13 807 560)</b>

### 2021

	Cash book	Bank statement	Difference
ABSA Bank Limited	346 868 582	346 242 991	625 591
ABSA Bank Limited	1 157 610	1 157 610	-
	<b>348 026 192</b>	<b>347 400 601</b>	<b>625 591</b>

### Guarantees held in lieu of electricity and water deposits

Ontec Systems (Pty) Ltd	8 000 000	8 000 000
Sedibeng Brewery (Pty) Ltd (Heineken)	7 109 000	7 109 000
Bhawan Family Holdings	1 199 326	1 199 326
Nic Bris Vervoer (Pty) Ltd	120 000	120 000
	<b>16 428 326</b>	<b>16 428 326</b>

### 4. Receivables from exchange transactions

<b>Consumer receivables from exchange transactions</b>			
	4.1		
Electricity		41 879 578	18 882 951
Waste management		15 767 294	12 836 548
Waste water management		14 148 387	11 110 713
Water		80 660 842	75 916 363
Sundries		15 784 171	18 915 970
		<b>168 240 272</b>	<b>137 662 545</b>
<b>Other receivables from exchange transactions</b>			
	4.2		
Deposits received on sale of properties		570 121	623 949
Sundry debtors		2 702 591	2 178 704
Prepayments and advances		9 914 272	5 599 126
		<b>13 186 984</b>	<b>8 401 779</b>
<b>Total receivables from exchange transactions</b>		<b>181 427 256</b>	<b>146 064 324</b>

Comparative figures have been restated, refer to note 46 for more detail information.

The amount disclosed in this note is net of impairment. Refer to note 4.1 & 4.2 for the amount before the provision (gross) and the actual value of the provision.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

2022

2021

### 4. Receivables from exchange transactions (continued)

#### 4.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

#### Summary

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables from exchange transactions</b>						
Electricity	57 098 388	(15 218 810)	41 879 578	27 360 429	(8 477 478)	18 882 951
Waste management	32 617 817	(16 850 523)	15 767 294	26 402 660	(13 566 112)	12 836 548
Waste water management	27 740 402	(13 592 015)	14 148 387	21 428 653	(10 317 940)	11 110 713
Water	137 358 147	(56 697 305)	80 660 842	128 443 705	(52 527 342)	75 916 363
Sundries	37 169 608	(21 385 437)	15 784 171	41 321 573	(22 405 603)	18 915 970
<b>Total consumer receivables from exchange transactions</b>	<b>291 984 362</b>	<b>(123 744 090)</b>	<b>168 240 272</b>	<b>244 957 020</b>	<b>(107 294 475)</b>	<b>137 662 545</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 4. Receivables from exchange transactions (continued)

#### 4.1.1 Ageing of consumer receivables

2022

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Total by debt type</b>							
Electricity	41 879 578	13 946 433	3 305 394	7 079 419	11 990 477	1 571 844	3 986 011
Waste management	15 767 294	3 599 525	703 357	583 921	548 759	3 373 346	6 958 386
Waste water management	14 148 387	3 873 650	690 759	575 730	501 013	3 135 637	5 371 598
Water	80 660 842	26 947 537	1 948 534	1 638 889	1 736 498	11 994 363	36 395 021
Sundries	15 784 171	1 372 744	462 236	442 828	449 505	2 339 576	10 717 282
<b>Total by debt type</b>	<b>168 240 272</b>	<b>49 739 889</b>	<b>7 110 280</b>	<b>10 320 787</b>	<b>15 226 252</b>	<b>22 414 766</b>	<b>63 428 298</b>
<b>Aging per customer group</b>							
Organs of state	16 494 281	1 026 968	218 224	241 692	263 186	2 777 449	11 966 762
Commercial customers	43 519 255	15 196 550	3 242 142	7 043 120	12 016 037	1 993 035	4 028 371
Households	108 226 736	33 516 371	3 649 914	3 035 975	2 947 029	17 644 282	47 433 165
<b>Total by customer group</b>	<b>168 240 272</b>	<b>49 739 889</b>	<b>7 110 280</b>	<b>10 320 787</b>	<b>15 226 252</b>	<b>22 414 766</b>	<b>63 428 298</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 4. Receivables from exchange transactions (continued)

2021

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Total by debt type</b>							
Electricity	18 882 951	12 356 046	594 707	1 831 672	358 987	1 140 628	2 600 911
Waste management	12 836 548	3 374 372	602 792	474 898	428 585	2 539 499	5 416 402
Waste water management	11 110 713	3 520 696	648 455	443 874	387 759	2 213 876	3 896 053
Water	75 916 363	28 060 920	2 229 528	2 471 050	2 472 181	12 287 144	28 395 540
Sundries	18 915 970	3 956 206	525 708	443 346	324 255	2 124 278	11 542 177
<b>Total by debt type</b>	<b>137 662 545</b>	<b>51 268 240</b>	<b>4 601 190</b>	<b>5 664 840</b>	<b>3 971 767</b>	<b>20 305 425</b>	<b>51 851 083</b>
<b>Aging per customer group</b>							
Organs of state	16 661 169	2 470 908	391 198	1 613 630	264 486	2 389 629	9 531 318
Commercial customers	20 413 011	14 222 195	700 697	618 947	421 165	1 536 162	2 913 845
Households	100 588 365	34 575 137	3 509 295	3 432 263	3 286 116	16 379 634	39 405 920
<b>Total by customer group</b>	<b>137 662 545</b>	<b>51 268 240</b>	<b>4 601 190</b>	<b>5 664 840</b>	<b>3 971 767</b>	<b>20 305 425</b>	<b>51 851 083</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 4. Receivables from exchange transactions (continued)

#### 4.1.2 Impairment reconciliation of consumer receivables

	2022				2021			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
<b>Consumer receivables from exchange transactions</b>								
Electricity	8 477 478	7 142 970	(401 638)	15 218 810	8 145 913	727 631	(396 066)	8 477 478
Waste management	13 566 112	4 946 308	(1 661 897)	16 850 523	11 763 245	3 269 264	(1 466 397)	13 566 112
Waste water management	10 317 940	4 470 770	(1 196 695)	13 592 015	9 640 582	2 964 233	(2 286 875)	10 317 940
Water	52 527 342	27 675 466	(23 505 503)	56 697 305	88 695 191	38 399 024	(74 566 873)	52 527 342
Sundries	22 405 603	(355 082)	(665 084)	21 385 437	23 875 600	655 705	(2 125 702)	22 405 603
<b>Total consumer receivables</b>	<b>107 294 475</b>	<b>43 880 432</b>	<b>(27 430 817)</b>	<b>123 744 090</b>	<b>142 120 531</b>	<b>46 015 857</b>	<b>(80 841 913)</b>	<b>107 294 475</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 4. Receivables from exchange transactions (continued)

#### 4.1.3 Ageing of impaired consumer receivables

2022

	Not due			Past due			
	Total	Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Aging by debt type</b>							
Electricity	15 218 810	2 531 067	870 593	1 880 320	3 107 306	1 531 447	5 298 077
Waste management	16 850 523	1 083 919	499 793	459 398	471 395	3 350 095	10 985 923
Waste water management	13 592 015	981 320	456 126	426 901	403 268	2 988 807	8 335 593
Water	56 697 305	3 027 818	1 394 262	1 287 867	1 455 403	10 004 573	39 527 382
Sundries	21 385 437	676 521	321 078	328 616	335 904	2 201 458	17 521 860
<b>Total by debt type</b>	<b>123 744 090</b>	<b>8 300 645</b>	<b>3 541 852</b>	<b>4 383 102</b>	<b>5 773 276</b>	<b>20 076 380</b>	<b>81 668 835</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 4. Receivables from exchange transactions (continued)

2021

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables from exchange transactions</b>							
<b>Aging by debt type</b>							
Electricity	8 477 478	1 088 997	201 853	382 076	246 163	1 336 163	5 222 226
Waste management	13 566 112	843 065	367 930	348 189	341 449	2 680 965	8 984 514
Waste water management	10 317 940	641 272	311 543	294 580	287 533	2 232 458	6 550 554
Water	52 527 342	4 419 357	1 525 678	1 592 911	1 765 838	10 926 317	32 297 241
Sundries	22 405 603	815 456	236 628	252 299	213 528	1 314 052	19 573 640
<b>Total by debt type</b>	<b>107 294 475</b>	<b>7 808 147</b>	<b>2 643 632</b>	<b>2 870 055</b>	<b>2 854 511</b>	<b>18 489 955</b>	<b>72 628 175</b>

The impairment provision was calculated after individually assessing consumer receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of consumer debtors.

In determining the recoverability of a consumer receivables, the municipality considers any change in the credit quality of the consumer receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 4. Receivables from exchange transactions (continued)

#### 4.1.4 Consumer receivables pledged as security

No consumer receivables were pledged as security.

#### 4.1.5 Credit quality of consumer receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

### 4.2 Other receivables from exchange transactions

	2022		2021	
	Gross	Total	Gross	Total
Deposits received on sale of properties	570 121	570 121	623 949	623 949
Sundry debtors	2 702 591	2 702 591	2 178 704	2 178 704
<b>Total</b>	<b>3 272 712</b>	<b>3 272 712</b>	<b>2 802 653</b>	<b>2 802 653</b>

### 5. Receivables from non-exchange transactions

<b>Consumer receivables</b>	5.1		
Property rates		88 817 254	82 471 572

#### Other receivables

Other receivables from non-exchange revenue		-	11 000
Fines		9 868 560	10 715 286
Provincial and district subsidies		7 429 058	3 620 299
		<b>17 297 618</b>	<b>14 346 585</b>

<b>Total receivables</b>		<b>106 114 872</b>	<b>96 818 157</b>
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#### 5.1 Receivables from non-exchange transactions

	2022			2021		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables</b>						
Property rates	176 145 100	(87 327 846)	88 817 254	156 521 546	(74 049 974)	82 471 572
<b>Other receivables</b>						
Other receivables from non-exchange revenue	-	-	-	11 000	-	11 000
Fines	185 301 548	(175 432 988)	9 868 560	127 832 145	(117 116 859)	10 715 286
Provincial and district subsidies	7 429 058	-	7 429 058	3 620 299	-	3 620 299
	<b>192 730 606</b>	<b>(175 432 988)</b>	<b>17 297 618</b>	<b>131 463 444</b>	<b>(117 116 859)</b>	<b>14 346 585</b>
<b>Total</b>	<b>368 875 706</b>	<b>(262 760 834)</b>	<b>106 114 872</b>	<b>287 984 990</b>	<b>(191 166 833)</b>	<b>96 818 157</b>



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 5. Receivables from non-exchange transactions (continued)

#### 5.1.1 Ageing of receivables from non-exchange transactions

2022

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables</b>							
Property rates	88 817 254	20 556 962	7 127 602	2 931 613	2 681 600	16 191 980	39 327 497
<b>Aging per customer group</b>							
Organs of state	6 588 829	618 537	247 369	224 245	209 354	1 420 263	3 869 061
Commercial customers	8 074 457	3 749 268	322 113	264 674	213 486	963 682	2 561 234
Households	74 153 968	16 189 157	6 558 120	2 442 694	2 258 760	13 808 035	32 897 202
<b>Total by customer group</b>	<b>88 817 254</b>	<b>20 556 962</b>	<b>7 127 602</b>	<b>2 931 613</b>	<b>2 681 600</b>	<b>16 191 980</b>	<b>39 327 497</b>
<b>Other receivables</b>							
Fines	9 868 560	45 122	211 258	140 275	103 177	293 973	9 074 755
Provincial and district subsidies	7 429 058	7 429 058	-	-	-	-	-
	<b>17 297 618</b>	<b>7 474 180</b>	<b>211 258</b>	<b>140 275</b>	<b>103 177</b>	<b>293 973</b>	<b>9 074 755</b>
	<b>106 114 872</b>	<b>28 031 142</b>	<b>7 338 860</b>	<b>3 071 888</b>	<b>2 784 777</b>	<b>16 485 953</b>	<b>48 402 252</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 5. Receivables from non-exchange transactions (continued)

2021

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables</b>							
Property rates	82 471 572	19 599 302	4 535 236	3 062 778	2 665 871	15 439 858	37 168 527
<b>Other receivables</b>							
Other receivables from non-exchange revenue	11 000	11 000	-	-	-	-	-
Fines	10 715 286	10 715 286	-	-	-	-	-
Provincial and district subsidies	3 620 299	3 620 299	-	-	-	-	-
	<b>14 346 585</b>	<b>14 346 585</b>	-	-	-	-	-
	<b>96 818 157</b>	<b>33 945 887</b>	<b>4 535 236</b>	<b>3 062 778</b>	<b>2 665 871</b>	<b>15 439 858</b>	<b>37 168 527</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 5. Receivables from non-exchange transactions (continued)

#### 5.1.2 Impairment reconciliation of receivables from non-exchange transactions

	2022				2021			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
<b>Consumer receivables</b>								
Property rates	74 049 974	14 633 150	(1 355 278)	87 327 846	67 035 824	10 917 154	(3 903 004)	74 049 974
<b>Other receivables</b>								
Fines	117 116 859	61 767 531	(3 451 402)	175 432 988	71 361 303	57 623 586	(11 868 030)	117 116 859
<b>Total</b>	<b>191 166 833</b>	<b>76 400 681</b>	<b>(4 806 680)</b>	<b>262 760 834</b>	<b>138 397 127</b>	<b>68 540 740</b>	<b>(15 771 034)</b>	<b>191 166 833</b>

#### Statutory receivables general information

##### Transaction(s) arising from statute

Rates- Municipal Property Rates Act (MPR Act) section 2 states that a local municipality may levy a rate on property in it's area.

Fines - Fines are issued in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

##### Determination of transaction amount

Rates - Rates are amounts determined in terms of section 11 of the MPR Act and the approved policy of the municipality.

Fines - All fines are governed by the specific regulation which is applicable to the offence.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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### 5. Receivables from non-exchange transactions (continued)

#### Interest or other charges levied/charged

Rates - interest is raised on past due balance at the prime interest rate.

Fines - No interest or other charges are raised on outstanding fines.

#### Statutory receivables impaired and past due not impaired

Rates - Payment percentage of receivables is used to assess whether the receivable is impaired.

Fines - Payment percentage of fines is used to assess whether fines are impaired.

#### Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

#### Receivables from non-exchange transactions

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.

#### Traffic fines

An amount of R2 963 875 (2021:R2 557 955) for traffic fines has been reduced or cancelled and written by Council during the year in line with the Traffic Management Act.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 5. Receivables from non-exchange transactions (continued)

#### 5.1.3 Ageing of impaired receivables from non-exchange transactions

##### 2022

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables</b>							
Property rates	87 327 846	4 909 759	2 476 412	1 997 415	1 987 723	15 053 705	60 902 832

##### 2021

	Total	Not due			Past due		
		Current	30 days	60 days	90 days	120 days	120+ days
<b>Consumer receivables</b>							
Property rates	74 049 974	3 807 084	2 040 974	1 925 542	1 797 330	13 514 226	50 964 818

#### Property rates

Property rates receivables are statutory receivables and arise from property taxes levied on property owners based on the valuation of properties per the valuation roll in accordance with the Municipal Property Rates Act, No 6 of 2004 and Midvaal Local Municipality's Property Rates Policy. A general valuation is performed every 5 years, with supplementary valuations inbetween.

The average credit period for property rates receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of property rates receivables.

The management of the municipality is of the opinion that the carrying value of property rates receivables approximate their fair values.

The impairment provision was calculated after individually assessing property rates receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of property rates debtors.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 5. Receivables from non-exchange transactions (continued)

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

#### Traffic fines

Traffic fines receivables are statutory receivables and arise from traffic infringements committed and fines issued as a result, in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996, as well as the Criminal Procedure Act, No 501 of 1977.

The Traffic fines must be issued within 30 days of offence, after which it is payable. No interest is charged.

The management of the municipality is of the opinion that the carrying value of Traffic fines receivables approximate their fair values.

The impairment provision was calculated after collectively assessing Traffic fines receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on traffic fines receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

### 6. VAT

VAT	17 690 174	15 804 937
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VAT is received and paid as required per the Value Added Tax Act No. 89 of 1991 (VAT Act).

VAT is applied to all relevant goods and services as stated in the VAT Act and the amount thereof is determined in terms of the VAT Act.

VAT is submitted and paid on a monthly basis. Interest is charged on outstanding VAT amounts.

VAT receivable from SARS is not impaired as the South African Revenue Services has sufficient funds to pay any outstanding amounts. VAT on output provision is assessed with the debtors impairment provision and included therein. Refer to note 5 for more detail on the impairment provision.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>7. Inventories</b>		
Fuel	266 767	236 695
Water maintenance stock	4 760 738	2 728 797
Water for distribution	7.1 891 519	846 890
Electrical maintenance stock	8 414 138	10 267 974
<b>Total Inventories</b>	<b>14 333 162</b>	<b>14 080 356</b>

The amount of write-down of inventories recognised as an expense is R 232 184 (2021: R 19 784). Refer to note 34.1

### 7.1 Water

Opening balance	846 890	467 131
System input volume	135 419 989	127 048 576
Authorised consumption	(86 360 275)	(78 845 276)
Revaluation adjustment	44 629	59 069
Unavoidable annual real losses	(49 059 714)	(47 882 610)
<b>Closing balance</b>	<b>891 519</b>	<b>846 890</b>

### 7.2 Inventory pledged as security

No portion of inventories have been pledged as securities.

Majority of losses relate to fuel tank leakages identified at year end. Since then the fuel depot has been closed.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Property, plant and equipment

#### 8.1 Summary

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	116 531 564	-	116 531 564	116 464 619	-	116 464 619
Transport Assets	35 590 671	(22 379 471)	13 211 200	31 053 077	(21 444 757)	9 608 320
Infrastructure	3 200 371 878	(1 432 215 602)	1 768 156 276	3 106 171 744	(1 329 866 066)	1 776 305 678
Machinery and Equipment	45 735 707	(23 967 380)	21 768 327	37 984 131	(20 425 467)	17 558 664
Furniture and Office Equipment	21 098 812	(9 812 315)	11 286 497	16 093 674	(8 159 120)	7 934 554
Computer Equipment	26 086 131	(12 463 813)	13 622 318	20 979 641	(10 760 081)	10 219 560
Community Assets	167 162 579	(62 623 450)	104 539 129	148 472 652	(58 674 832)	89 797 820
Other Assets	43 058 681	(33 539 755)	9 518 926	48 382 084	(34 558 286)	13 823 798
Leased Assets	79 473 155	(40 272 007)	39 201 148	67 994 167	(34 900 336)	33 093 831
<b>Total</b>	<b>3 735 109 178</b>	<b>(1 637 273 793)</b>	<b>2 097 835 385</b>	<b>3 593 595 789</b>	<b>(1 518 788 945)</b>	<b>2 074 806 844</b>



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Revaluations	Other changes, movements	Depreciation	Total
Land	116 464 619	66 945	-	-	-	-	116 531 564
Transport Assets	9 608 320	4 807 887	(27 457)	-	157	(1 177 707)	13 211 200
Infrastructure	1 776 305 678	108 021 381	(7 214 036)	-	37 889	(108 994 636)	1 768 156 276
Machinery and Equipment	17 558 664	7 860 747	(2 190)	-	-	(3 648 894)	21 768 327
Furniture and Office Equipment	7 934 554	5 078 875	(17 869)	-	-	(1 709 063)	11 286 497
Computer Equipment	10 219 560	6 197 249	(94 390)	-	-	(2 700 101)	13 622 318
Community Assets	89 797 820	19 818 962	(383 277)	-	-	(4 694 376)	104 539 129
Other Assets	13 823 798	-	-	(5 323 404)	-	1 018 532	9 518 926
Leased Assets	33 093 831	11 478 988	-	-	-	(5 371 671)	39 201 148
	<b>2 074 806 844</b>	<b>163 331 034</b>	<b>(7 739 219)</b>	<b>(5 323 404)</b>	<b>38 046</b>	<b>(127 277 916)</b>	<b>2 097 835 385</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	116 464 619	-	-	-	-	116 464 619
Transport Assets	8 378 692	2 905 938	(58 466)	-	(1 617 844)	9 608 320
Infrastructure	1 707 980 991	180 820 281	(1 521 200)	182 354	(111 156 748)	1 776 305 678
Machinery and Equipment	12 081 411	9 065 381	(4 438)	-	(3 583 690)	17 558 664
Furniture and Office Equipment	5 195 673	3 961 979	(24 359)	-	(1 198 739)	7 934 554
Computer Equipment	4 237 208	8 159 510	(34 195)	-	(2 142 963)	10 219 560
Community Assets	70 824 173	24 715 449	(602 769)	-	(5 139 033)	89 797 820
Other Assets	6 151 024	12 134 633	-	-	(4 461 859)	13 823 798
Leased Assets	30 567 273	8 147 201	(396 264)	-	(5 224 379)	33 093 831
	<b>1 961 881 064</b>	<b>249 910 372</b>	<b>(2 641 691)</b>	<b>182 354</b>	<b>(134 525 255)</b>	<b>2 074 806 844</b>

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.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 8. Property, plant and equipment (continued)

#### 8.2 Property, plant and equipment under construction

Reconciliation of Work in Progress (WIP) 2022	Opening balance	Additions	Transferred to completed assets	Total
Community	21 493 963	19 679 912	(10 708 919)	30 464 956
Infrastructure	160 197 449	98 601 571	(53 972 363)	204 826 657
Intangible assets	303 631	-	-	303 631
IT equipment	1 883 237	3 037 254	(3 280 351)	1 640 140
Transport assets	2 224 137	-	-	2 224 137
Machinery	-	248 750	-	248 750
	<b>186 102 417</b>	<b>121 567 487</b>	<b>(67 961 633)</b>	<b>239 708 271</b>

Reconciliation of Work in Progress 2021	Opening balance	Additions	Transferred to completed assets	Total
Community	20 450 331	1 043 632	-	21 493 963
Infrastructure	143 969 723	162 261 540	(146 033 814)	160 197 449
Intangible assets	231 767	71 864	-	303 631
IT equipment	-	1 883 237	-	1 883 237
Transport assets	-	2 224 137	-	2 224 137
	<b>164 651 821</b>	<b>167 484 410</b>	<b>(146 033 814)</b>	<b>186 102 417</b>

#### 8.3 Property, plant and equipment pledged as security

No portion of property, plant and equipment has been pledged as security for liabilities, other than obligations under finance leases that are secured by the lessor's right over the leased assets.

#### 8.4 Maintenance of property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment

Employee related costs	78 788 163	65 948 882
Contracted services	52 907 390	37 169 295
Sales of goods / inventory	146 477	149 612
Hire charges	3 302 586	2 132 170
	<b>135 144 616</b>	<b>105 399 959</b>

#### 8.5 Funding of property, plant and equipment acquisitions

Land and buildings	Funding type	
Accumulated surplus	66 945	-
<b>Infrastructure assets</b>		
Accumulated surplus	16 800 394	12 153 479
Annuity loans	24 578 067	15 189 036
DAC	-	55 460
Developers contribution	2 251 918	80 477 183
INEP	22 871 503	17 292 706
MIG	23 524 903	41 436 387
WSIG	17 994 594	14 216 032
	<b>108 021 379</b>	<b>180 820 283</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>8. Property, plant and equipment (continued)</b>		
<b>Community assets</b>		
Accumulated surplus	3 241 081	7 322 964
Annuity loans	2 927 023	1 814 921
DAC	2 045 142	2 871 387
Donation	-	1 973 377
MIG	4 018 595	10 732 801
NDPG	7 587 121	-
	<b>19 818 962</b>	<b>24 715 450</b>
<b>Motor vehicles leased</b>		
Accumulated surplus	8 496 711	8 147 202
Finance leases	2 982 278	-
	<b>11 478 989</b>	<b>8 147 202</b>
<b>Motor vehicles</b>		
Accumulated surplus	3 895 462	1 837 376
Functional Fire and Rescue Grant	912 427	1 626 821
	<b>4 807 889</b>	<b>3 464 197</b>
<b>IT Equipment</b>		
Accumulated Surplus	4 999 826	7 031 475
DAC	1 165 128	1 101 976
Functional Fire and Rescue Grant	32 294	-
MIG	-	26 059
	<b>6 197 248</b>	<b>8 159 510</b>
<b>Furniture and equipment</b>		
Accumulated Surplus	3 450 805	2 628 511
DAC	1 628 070	1 275 106
Donation	-	26 623
MIG	-	31 740
	<b>5 078 875</b>	<b>3 961 980</b>
<b>Plant and machinery</b>		
Accumulated surplus	3 849 447	6 693 679
DAC	2 488 995	1 813 441
Functional Fire and Rescue Grant	1 380 163	-
Capital leases	142 142	-
	<b>7 860 747</b>	<b>8 507 120</b>
<b>Other assets</b>		
Accumulated surplus	-	12 134 633
<b>Total</b>	<b>163 331 034</b>	<b>249 910 375</b>

### Borrowing costs capitalised

There are no borrowing costs that have been capitalised to the property, plant and equipment value.

### Verification of assets

During the year, assets with a carrying value of R 945 706.57 could not be verified and as a result they have been left in the asset register pending investigation report. The assets were part of the infrastructure and Community assets. Action shall be taken once the asset management unit receives a full report on the respective components. The verification exercise is currently in progress.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>8. Property, plant and equipment (continued)</b>		
<b>Assets held as inventory</b>		
In addition to the property, plant and equipment above, the municipality has land on which RDP houses have been built. The land is still registered in the deeds office in the name of the municipality. The municipality does not have control over these properties and it is therefore not recognised as assets as it does not comply with the definition of assets as per GRAP 17. Total value: R 5 660 000 (2021: R5 660 000)		
<b>9. Investment property</b>		
<b>9.1 Reconciliation of carrying value</b>		
<b>Opening carrying value</b>		
Cost	49 351 032	49 596 032
<b>Carrying value of disposals / transfers</b>		
Cost	(70 000)	(245 000)
<b>Closing carrying value</b>	<b>49 281 032</b>	<b>49 351 032</b>
Cost	49 281 032	49 351 032
Accumulated depreciation and impairment losses	-	-
	<b>49 281 032</b>	<b>49 351 032</b>

Criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business is set out in the accounting policy note of investment property.

There are no restrictions on the realisability of investment property of the remittance of revenue and proceeds of disposal.

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality

Council resolved that land amounting to R355 000 be transferred, however, the property has not yet been transferred as at 30 June 2022.

### 9.1.1 Investment property under construction

No investment property is in the process of being constructed or developed.

### 9.2 Investment property pledged as security

All of the municipality's investment property is held under freehold interests and no investment property had been pledged as security for any liabilities of the municipality.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand		2022	2021	
<b>10. Intangible assets</b>				
<b>10.1 Reconciliation of carrying value</b>				
<b>2022</b>				
		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2021</b>				
Cost		3 016 771	3 082 207	6 098 978
Accumulated depreciation and impairment		(947 988)	-	(947 988)
		<b>2 068 783</b>	<b>3 082 207</b>	<b>5 150 990</b>
Additions from acquisitions		972 100	324 045	1 296 145
Amortisation	31	(10 740)	-	(10 740)
		<b>961 360</b>	<b>324 045</b>	<b>1 285 405</b>
<b>Closing carrying value as at 30 June 2022</b>				
		<b>3 030 143</b>	<b>3 406 252</b>	<b>6 436 395</b>
<b>2021</b>				
		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2020</b>				
Cost		1 356 502	3 010 343	4 366 845
Accumulated depreciation and impairment		(937 894)	-	(937 894)
		<b>418 608</b>	<b>3 010 343</b>	<b>3 428 951</b>
Additions from acquisitions		1 660 270	71 864	1 732 134
Amortisation	31	(10 095)	-	(10 095)
		<b>1 650 175</b>	<b>71 864</b>	<b>1 722 039</b>
<b>Closing carrying value as at 30 June 2021</b>				
		<b>2 068 783</b>	<b>3 082 207</b>	<b>5 150 990</b>
<b>Carrying value</b>				
Cost		3 016 772	3 082 207	6 098 979
Accumulated amortisation and impairment		(947 989)	-	(947 989)
		<b>2 068 783</b>	<b>3 082 207</b>	<b>5 150 990</b>

### 10.2 Intangible assets pledged as security

No portion of intangible assets has been pledged as security for liabilities.

A register containing information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

### 10.3 Funding of intangible asset additions

Additions to intangible assets were funded from the following sources:

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>10. Intangible assets (continued)</b>		
<b>Computer software</b>		
Accumulated surplus	972 100	1 660 270
<b>Servitudes</b>		
Accumulated surplus	297 217	71 864
<b>Total</b>	<b>1 269 317</b>	<b>1 732 134</b>

### 11. Heritage assets

#### 11.1 Reconciliation of carrying value

##### 2022

	Mayoral chain	Total
<b>Opening carrying value as at 01 July 2021</b>		
Cost	18 701	18 701
Cost	18 701	18 701

##### 2021

	Mayoral chain	Total
<b>Opening carrying value as at 01 July 2020</b>		
Cost	18 701	18 701
Cost	18 701	18 701

#### 11.2 Heritage assets pledged as security

No portion of heritage assets has been pledged as security for liabilities.

### 12. Trade and other payables from exchange transactions

Contractors	12.1	14 907 365	11 129 091
Employee benefits	12.3	18 050 052	18 380 869
Other payables	12.4	171 706 029	140 034 055

#### 12.1 Contractors

Retentions	14 907 365	11 129 091
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#### 12.2 Control and clearing accounts

#### 12.3 Employee benefits

Leave accrual	18 050 052	18 380 869
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#### 12.4 Other payables

Payables and accruals	121 769 842	91 688 307
Unallocated deposits	3 073 531	1 680 912
Advance payments	46 862 656	46 664 836
<b>Total</b>	<b>171 706 029</b>	<b>140 034 055</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 12. Trade and other payables from exchange transactions (continued)

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit time frame.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

Payables are recognised net of trade discounts.

Comparative figures have been restated, refer to note 45 for more detail information.

### 13. Borrowings

#### Total borrowings

Annuity and Bullet Loans	147 764 003	159 884 637
<b>Less: Current portion transferred to current liabilities</b>		
Annuity and Bullet Loans	(35 069 761)	(27 977 256)
<b>Non-current borrowings</b>	<b>112 694 242</b>	<b>131 907 381</b>

#### 13.1 Summary of arrangements

Annuity loans are repaid over periods varying from 10 to 30 (2021: 10 to 30) years and at interest rates varying from 6,75% to 13,54% (2021: 6,75% to 13,54%) per annum.

Annuity loans are not secured.

The fair value of borrowings was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

All loans were obtained in terms of section 45 and 46 of the MFMA.

#### Current Liabilities

ABSA	1 242 291	1 018 556
First National Bank	1 112 198	-
Standard Bank	20 628 464	17 281 917
Development Bank of South Africa	12 086 808	9 676 783
	<b>35 069 761</b>	<b>27 977 256</b>

#### Non current liabilities

ABSA	5 927 429	7 275 995
First National Bank	17 487 802	-
Standard Bank	75 530 128	97 589 802
Development Bank of South Africa	13 748 883	27 041 584
	<b>112 694 242</b>	<b>131 907 381</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand			2022	2021	
<b>13. Borrowings (continued)</b>					
<b>Details of loans</b>	<b>Redeemable</b>	<b>Balance at 30 June 2021</b>	<b>Received during the period</b>	<b>Redeemed during the period</b>	<b>Balance at 30 June 2022</b>
ABSA - 0387231331	12 000 000	8 294 551	-	1 124 830	7 169 721
DBSA - L-025-M-103047/1	13 100 000	3 085 362	-	1 463 227	1 622 135
DBSA - L-026-M-103047/2	38 150 000	8 975 005	-	4 256 377	4 718 628
DBSA - L-027-M-103047/3	4 950 000	1 174 815	-	557 154	617 661
DBSA - L-028-M-103047/4	13 800 000	3 248 105	-	1 540 408	1 707 697
DBSA - L-029-M-103600/1	15 700 000	6 541 363	-	1 574 956	4 966 407
DBSA - L-030-M-103600/2	12 650 000	8 698 044	-	641 679	8 056 365
DBSA - L-031-M-103600/3	1 500 000	1 329 160	-	22 621	1 306 539
DBSA - L-032-M-103600/4	8 800 000	2 874 426	-	754 512	2 119 914
DBSA - L-033-M-103600/5	1 350 000	792 086	-	71 741	720 345
Standard Bank - 220545881	20 000 000	5 600 753	-	2 667 448	2 933 305
Standard Bank - 220545882	34 000 000	9 057 975	-	4 314 005	4 743 970
Standard Bank - 220545883	26 000 000	7 155 800	-	3 408 064	3 747 736
Standard Bank - 22044108	43 700 000	32 436 482	-	3 744 408	28 692 074
Standard Bank - 009733922	21 900 000	19 037 188	-	1 660 590	17 376 598
Standard Bank - 009733923	21 500 000	20 083 521	-	1 543 724	18 539 797
Standard Bank - 009733924	21 500 000	21 500 000	-	1 374 889	20 125 111
FNB	18 600 000	-	18 600 000	-	18 600 000
	<b>329 200 000</b>	<b>159 884 636</b>	<b>18 600 000</b>	<b>30 720 633</b>	<b>147 764 003</b>

### 14. Consumer deposits

Electricity and water	21 083 839	19 778 406
Hire of facilities	69 334	84 081
<b>Total</b>	<b>21 153 173</b>	<b>19 862 487</b>

Deposits are released on termination of the contract or when the contractual services are delivered.

Consumer deposits raised over time are invested in a ring-fenced account.

The carrying amount of consumer deposits approximates its fair value.

Guarantees held in lieu of electricity and water deposits are disclosed in note 3.

### 15. Lease liabilities

#### 15.1 Carrying value of lease liabilities

##### 2022

	Amortised cost	Total
<b>Carrying value as at 30 June 2022</b>		
Finance lease liability	17 859 555	17 859 555
Transferred to current liabilities	8 356 770	8 356 770
<b>Total</b>	<b>26 216 325</b>	<b>26 216 325</b>



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 15. Lease liabilities (continued)

#### 2021

	Amortised cost	Total
<b>Carrying value as at 30 June 2021</b>		
Finance lease liability	16 084 706	16 084 706
Transferred to current liabilities	7 158 272	7 158 272
<b>Total</b>	<b>23 242 978</b>	<b>23 242 978</b>

#### 15.2 Finance lease payable

##### The municipality as lessee

The obligations under finance leases are as follow:

<b>Total future minimum lease payments</b>		
Within 1 year	10 181 612	8 812 407
2 to 5 years	19 843 516	17 560 180
<b>Total minimum lease payments</b>	<b>30 025 128</b>	<b>26 372 587</b>
Less: Unearned finance revenue	(3 808 803)	(3 129 609)
	<b>26 216 325</b>	<b>23 242 978</b>
<b>Present value of minimum lease payments</b>		
Within 1 year	8 356 770	7 158 272
2 to 5 years	17 859 555	16 084 706
	<b>26 216 325</b>	<b>23 242 978</b>

It is the municipality's policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 5 years and the average effective borrowing rate is between 6% - 10.75% (2021: 6% - 10.75%). 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 lessors' charge over the leased assets. Refer to note 9.

#### Details of leases

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand			2022	2021	
<b>15. Lease liabilities (continued)</b>					
Lease number	Redeemable	Balance at 30 June 2021	Received during the period	Redeemed during the period	Balance at 30 June 2022
Std Bank 19977492-0060	1 173 575	698 424	-	240 450	457 974
Std Bank 19977492-0061	1 173 575	698 424	-	240 450	457 974
Std Bank 19977492-0062	278 564	170 029	-	56 517	113 512
Std Bank 19977492-0063	146 116	89 331	-	29 694	59 638
Std Bank 19977492-0064	146 116	89 331	-	29 694	59 638
Std Bank 19977492-0065	146 116	89 331	-	29 694	59 638
Std Bank 19977492-0066	600 928	367 291	-	122 087	245 204
Std Bank 19977492-0067	600 928	367 291	-	122 087	245 204
Std Bank 19977492-0068	306 467	192 094	-	61 706	130 389
Std Bank 19977492-0069	306 467	192 094	-	61 706	130 389
Std Bank 19977492-0070	212 465	143 544	-	41 821	101 722
Std Bank 19977492-0071	202 024	136 490	-	39 767	96 723
Std Bank 19977492-0072	202 024	136 490	-	39 767	96 723
Std Bank 19977492-0073	652 042	461 308	-	126 404	334 904
Std Bank 19977492-0074	198 479	134 094	-	39 069	95 026
Std Bank 19977492-0076	316 222	213 470	-	62 195	151 275
Std Bank 19977492-0077	297 244	210 295	-	57 624	152 672
Std Bank 19977492-0080	1 309 645	948 236	-	252 229	696 007
Nedbank 1727061-0001	681 336	138 698	-	138 698	-
Nedbank 1727061-0002	260 719	53 074	-	53 074	-
Nedbank 1727061-0003	260 719	53 074	-	53 074	-
Nedbank 1727061-0004	2 050 723	417 462	-	417 462	-
Nedbank 1727061-0006	162 950	136 660	-	30 340	106 320
Nedbank 1727061-0007	278 270	233 375	-	51 812	181 563
Nedbank 1727061-0008	278 270	233 375	-	51 812	181 563
Nedbank 1727061-0009	1 009 438	850 202	-	188 756	661 446
Nedbank 1727061-0011	373 652	313 368	-	69 572	243 797
Nedbank 1727061-0012	178 642	149 820	-	33 262	116 558
Nedbank 1727061-0013	162 950	136 660	-	30 340	106 320
Nedbank 1727061-0014	161 800	135 695	-	30 126	105 569
Nedbank 1727061-0015	162 950	136 660	-	30 340	106 320
Nedbank 1727061-0016	162 950	136 660	-	30 340	106 320
Nedbank 1727061-0017	162 950	136 660	-	30 340	106 320
Nedbank 1727061-0018	265 198	234 238	-	48 610	185 628
Nedbank 1727061-0019	265 198	234 238	-	48 610	185 628
Nedbank 1727061-0020	771 018	695 227	-	141 173	554 055
Nedbank 1727061-0021	265 198	239 129	-	48 558	190 572
Nedbank 1727061-0022	413 483	371 677	-	75 473	296 205
Nedbank 1727061-0023	1 848 738	1 661 823	-	337 450	1 324 373
Nedbank 1727061-0024	784 141	716 736	-	142 460	574 275
Nedbank 1727061-0025	232 366	232 366	-	40 772	191 594
Nedbank 1727061-0026	979 544	979 544	-	171 876	807 667
Nedbank 1727061-0027	232 519	232 366	-	40 772	191 594
Nedbank 1727061-0028	780 188	780 188	-	111 556	668 632
Nedbank 1727061-0029	705 512	705 512	-	100 878	604 634
Nedbank 1727061-0030	358 933	358 933	-	51 322	307 611
Nedbank 1727061-0031	334 407	334 407	-	47 816	286 592
Nedbank 1727061-0032	397 615	397 615	-	56 909	340 706
Nedbank 1727061-0033	325 636	325 636	-	46 607	279 029
Nedbank 1727061-0034	325 636	325 636	-	46 607	279 029
Nedbank 1727061-0035	-	-	170 038	22 276	147 930
Nedbank 1727061-0036	3 822 074	-	3 822 074	236 263	3 585 811
Nedbank 1727061-0037	315 033	-	315 033	-	315 033
Nedbank 1727061-0038	315 033	-	315 033	-	315 033
Nedbank 1727061-0039	434 303	-	434 303	-	434 303
Nedbank 1727061-0040	2 640 912	-	2 640 912	-	2 640 912

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand			2022	2021	
<b>15. Lease liabilities (continued)</b>					
Nedbank 1727061-0041	417 482	-	417 482	-	417 482
Nedbank 1727061-0042	786 893	-	786 893	-	786 893
Nedbank 1727061-0043	1 510 208	-	1 510 208	-	1 510 208
Absa 90361142	3 504 100	1 136 427	-	703 181	433 246
Absa 90360537	1 046 400	339 622	-	210 146	129 476
Absa 90716668	1 150 738	421 036	-	223 045	197 991
Absa 90720541	1 150 738	421 036	-	223 045	197 991
Absa 91008969	581 349	243 535	-	110 698	132 837
Absa 91009191	581 349	243 535	-	110 698	132 837
Absa 91052780	442 036	211 328	-	96 059	115 269
Absa 91053034	191 139	91 380	-	41 536	49 843
Absa 91053190	155 403	74 295	-	33 771	40 524
Absa 91053271	155 403	74 295	-	33 771	40 524
Absa 91053379	355 633	170 021	-	77 283	92 738
Absa 91053492	143 966	68 827	-	31 285	37 542
Absa 91692355	126 286	59 921	-	23 086	36 835
Absa 91694170	455 489	216 122	-	83 265	132 857
Absa 91693939	135 278	64 188	-	24 729	39 458
Absa 91694455	184 848	87 708	-	33 791	53 917
Absa 91710230	184 848	87 546	-	33 729	53 817
Absa 91693459	455 489	216 122	-	83 265	132 857
Absa 91693076	754 381	377 886	-	135 042	242 844
Absa 91952667	2 331 625	1 212 919	-	418 127	794 792
	<b>48 401 120</b>	<b>23 242 030</b>	<b>10 411 976</b>	<b>7 437 849</b>	<b>26 216 332</b>
<b>16. Income received in advance from developer contribution</b>					
Unspent developer contribution			5 295 609		7 435 522

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies

		2022				2021			
		Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
<b>Capital</b>									
Monetary allocations	17.1	5 015 752	90 004 859	(91 760 434)	3 260 177	20 037 573	88 816 400	(103 838 221)	5 015 752
<b>Total</b>		<b>5 015 752</b>	<b>90 004 859</b>	<b>(91 760 434)</b>	<b>3 260 177</b>	<b>20 037 573</b>	<b>88 816 400</b>	<b>(103 838 221)</b>	<b>5 015 752</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

#### 17.1 Capital monetary allocations

	2022				2021			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
<b>National government</b>								
Integrated National Electrification Programme	890 335	22 072 000	(22 962 335)	-	2 583 041	15 600 000	(17 292 706)	890 335
Municipal Infrastructure Grant	-	31 807 859	(31 807 859)	-	10 478 039	49 691 400	(60 169 439)	-
Neighbourhood Development Partnership Grant	-	10 000 000	(7 587 121)	2 412 879	-	-	-	-
Water Services Infrastructure Grant	-	18 000 000	(18 000 000)	-	-	14 325 000	(14 325 000)	-
<b>Total</b>	<b>890 335</b>	<b>81 879 859</b>	<b>(80 357 315)</b>	<b>2 412 879</b>	<b>13 061 080</b>	<b>79 616 400</b>	<b>(91 787 145)</b>	<b>890 335</b>
<b>Provincial government</b>								
Gauteng	4 125 417	8 125 000	(11 403 119)	847 298	6 976 493	9 200 000	(12 051 076)	4 125 417
<b>Provincial government</b>								
DSACR	3 052 238	6 125 000	(9 058 120)	119 118	6 976 493	6 500 000	(10 424 255)	3 052 238
Functional Fire Rescue Grant	1 073 179	2 000 000	(2 344 999)	728 180	-	2 700 000	(1 626 821)	1 073 179
<b>Total</b>	<b>4 125 417</b>	<b>8 125 000</b>	<b>(11 403 119)</b>	<b>847 298</b>	<b>6 976 493</b>	<b>9 200 000</b>	<b>(12 051 076)</b>	<b>4 125 417</b>
<b>Total capital monetary allocations</b>	<b>5 015 752</b>	<b>90 004 859</b>	<b>(91 760 434)</b>	<b>3 260 177</b>	<b>20 037 573</b>	<b>88 816 400</b>	<b>(103 838 221)</b>	<b>5 015 752</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

Department of sport, arts, culture and recreation - An amount of R687 203 for the 2019/2020 financial year was returned in the 2021/2022 financial year, offsetting the amount against the allocation. A roll over application was submitted to Provincial Treasury on the 31 July 2022.

Functional Fire Rescue Grant - A roll over application was submitted to Provincial Treasury on the 31 July 2022 and the funds are committed.

Neighbourhood Development Partnership Grant - Roll over application submitted on 31 August 2022 and the funds are committed.

### 18. Provisions

Landfill sites	18.1	86 038 163	77 758 465
Non-current		86 038 163	77 758 465
<b>18.1 Landfill sites</b>			
Opening Balance		77 758 465	53 196 555
Increases - Adjustment for change in discount rate		-	12 134 533
Increases (Passage of Time/Discounted Rate)		13 603 101	12 427 377
Reversals -Adjustment for change in discount rate		(5 323 403)	-
<b>Closing balance</b>		<b>86 038 163</b>	<b>77 758 465</b>

The landfill rehabilitation provision is intended for the rehabilitation of the current operational sites which are evaluated at each year-end to reflect the best estimate at reporting date. The sites under consideration are the Henley on Klip, Vaal Marina and Walkerville landfill sites. The valuation for the landfill sites was performed by Mr. Rofhiwa Khaukanani B Eng (Hons) Technology management employed by Infratec (Pty) Ltd. Mr. Khaukanani is a registered member of the Engineering Council of South Africa (ECSA), World Partner in Asset Management (WPIAM) as well as The Association of Energy Engineers (AEE).

Key financial assumptions used in this calculation were as follows:

	Henley on Klip landfill	Vaal Marina landfill	Walkerville landfill
CPI	7,4 %	7,4 %	7,4 %
Discount rate	9,4 %	9,4 %	9,4 %
Nett effective discount rate	2,0 %	2,0 %	2,0 %

The 2022 amount of the discounted landfill closure provision of R86 038 163 (2021: R77 758 464) represents an increase of R8 279 698 (2021: increase R24 561 910). Composition of this change relate to changes in the CPI, discount rate and unit costs. The interest charge relating to the assessment amounts to R13 603 101 (2021: R12 427 377). The 2022 amount is a discounted amount based on the expected remaining life of the landfill site and based on the size of the area that had been used for waste disposal as at 30 June 2022. The size of the landfill sites used up until now and estimated remaining useful lives are as follows:

	Henley on Klip landfill	Vaal Marina landfill	Walkerville landfill
Approximate size used until 30 June 2022	1 130 948 cubm	28 411 cubm	331 322 cubm
Remaining useful lives	1 year	4 years	5 years

### 19. Employee benefits

#### Non-current employee benefits

Post employment health care benefits	19.1	5 738 074	5 818 890
Long-service awards	19.2	14 885 116	13 514 986
		<b>20 623 190</b>	<b>19 333 876</b>

# Midvaal Local Municipality

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## Notes to the Annual Financial Statements

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### 19. Employee benefits (continued)

#### 19.1 Post employment health care benefits

Eligible employees aged 55 or older on 1 January 2005 will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement. Eligible employees aged 50 or older on 1 January 2005 will receive a post-employment subsidy of 50% of the contribution payable should they be a member of a medical scheme at retirement. The post-employment subsidy is subject to at least 25 years of continuous service at the municipality. Council resolution C1078/3/2014.

The plan is wholly unfunded.

An actuarial valuation has been performed of the liability in respect of the post-employment medical aid subsidy to retirees of Midvaal Local Municipality and to their registered dependants.

The projected unit cost method has been used to value the liabilities.

It is fairly common to expect a pensioner's income to be lower than the income earned just prior to retirement. The difference between the income after retirement and the income just prior to retirement is referred to as the Net Replacement Ratio. The Net Replacement Ratio is used to reduce the expected salary on retirement. We have assumed a Net Replacement Ratio on retirement of 75%. A salary inflation assumption is used to adjust the salary from the current date to the date of retirement. This assumption should be considered in conjunction with the assumed CPI rate.

The liability in respect of past service has been estimated as follows:

Accrued liability	5 738 074	5 818 890
Non-current	5 738 074	5 818 890

The principal assumptions used for the purposes of the actuarial valuations were as follows:

#### Key Assumptions used

Discount rates used	11,58 %	8,97 %
Consumer price inflation	7,38 %	5,20 %
Health care cost inflation	8,88 %	6,70 %
Maximum subsidy inflation rate	2,48 %	2,13 %

The rates were determined by using the Johannesburg Stock Exchange as at 30 June 2022.

The effect of a 1% increase or decrease in the health care cost inflation rate is as follows:

	1% decrease R's	Valuation basis	1% increase R's
Employer's accrued liability	5 285 947	5 738 074	6 248 038
Interest cost	581 354	633 425	692 194

A 1% increase in the health care cost inflation rate results in a 8.89% increase in the accrued liability, whilst a 1% decrease in the health care cost inflation rate will result in a 7.88% decrease in the accrued liability.

#### Normal retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.

#### Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

# Midvaal Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand		2022	2021
<b>19. Employee benefits (continued)</b>			
Interest cost		498 389	393 000
Actuarial (loss) / gain recognised in the year		(53 774)	1 157 327
<b>Total post-retirement benefit included in employee related costs</b>	29	<b>444 615</b>	<b>1 550 327</b>

### Movements in the present value of the defined benefit obligation

Opening balance		5 818 890	4 761 000
Interest cost		498 389	393 000
Actual employer benefit payments		(525 431)	(492 437)
Actuarial (loss) / gain recognised in the year		(53 774)	1 157 327
<b>Present value of fund obligation at the end of the year</b>		<b>5 738 074</b>	<b>5 818 890</b>

### Movements in the present value of the defined benefit assets

Amounts for the current and previous four periods are as follows:

#### Present value of unfunded defined benefit

2022	5 738 074
2021	5 818 890
2020	4 761 000
2019	3 893 270
2018	4 851 648

### 19.2 Long-service awards

Provision for long-service awards	19.2.1	14 885 116	13 514 986
Non-current		14 885 116	13 514 986

#### Long-service awards

An actuarial valuation has been performed on Midvaal Local Municipality's unfunded liability in respect of the entitlement of employees to Long Service Awards. The Projected Unit Credit Method has been used to determine the liabilities. The projected liability is based on actuarial assumptions about the future. These assumptions are set to be realistic and individually justifiable. These variations emerge at each valuation as actuarial gains or losses.

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

The Actuaries used the nominal and real zero curves as at 30 June 2022 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, they used the prevailing yield at the time of performing their calculations.

#### Key assumptions used

Discount rate	11,58 %	8,49 %
Consumer price inflation	7,38 %	4,85 %
Salary increase rate	8,38 %	5,85 %
Net discount rate	2,95 %	2,49 %



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 19. Employee benefits (continued)

The effect of a one percent increase and decrease in the salary inflation rates is as follows:

	1% decrease R's	Valuation basis	1% increase R;s
Employer's accrued liability	14 022 675	14 885 116	15 871 928
Employer's current service cost*	1 446 029	1 581 855	1 697 643
Employer's interest cost*	1 499 217	1 599 087	1 713 360

The above table illustrates that for the 30 June 2022 financial year, a 1% increase in the salary cost inflation assumption will result in a 6.63% increase in the accrued liability. Similarly, a 1% decrease in the salary inflation assumption will result in roughly a 5.79% decrease in the accrued liability.

The present value of the long service awards for the current and previous four years is as follows:

	2022	2021	2020	2019	2018
Long Service Awards	14 885 116	13 514 986	12 625 000	11 868 577	10 673 074

#### Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Employer's accrued liability	14 885 116	13 514 986
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#### Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance are as follow:

Current service cost	1 457 291	1 431 000
Interest cost	1 087 750	888 000
Actuarial losses / (gains) recognised	127 596	(268 411)
<b>Total expense included in employee related costs</b>	<b>29</b>	<b>2 672 637</b>

#### 19.2.1 Provision for long service awards

##### Movements in the present value of the defined benefit obligation

Opening Balance	13 514 986	12 625 000
Current service cost	1 457 291	1 431 000
Increases (Passage of Time/Discounted Rate)	127 596	(268 411)
Reductions (Payments, remeasurement etc.)	(1 302 507)	(1 160 603)
Interest cost	1 087 750	888 000
<b>Closing balance</b>	<b>14 885 116</b>	<b>13 514 986</b>

### 20. Service charges

#### Electricity

Other - Electricity	475 821 696	390 518 750
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#### Waste management

Other - Waste management	55 101 715	46 892 364
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#### Waste water management

Other - Waste water management	54 450 195	49 841 376
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#### Water

Other - Water	214 564 820	251 893 698
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<b>Total service charges</b>	<b>799 938 426</b>	<b>739 146 188</b>
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# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand		2022	2021
<b>21. Interests on investments</b>			
Short-term investments and call accounts		18 247 859	17 193 719
<b>22. Interest earned from receivables</b>			
Exchange receivables	22.1	13 009 023	13 262 545
Non-exchange receivables	22.2	5 509 450	6 557 426
<b>Total</b>		<b>18 518 473</b>	<b>19 819 971</b>
<b>22.1 Interest earned from exchange receivables</b>			
<b>Consumer receivables</b>			
Electricity		1 087 164	632 131
Service charges		2 096 563	3 315 758
Waste management		1 450 560	1 020 146
Waste water management		1 207 916	837 181
Water		7 166 820	7 457 329
<b>Total</b>		<b>13 009 023</b>	<b>13 262 545</b>
<b>22.2 Interest earned from non-exchange receivables</b>			
<b>Consumer receivables</b>			
Property rates		5 509 450	6 557 426
<b>23. Sales of goods and rendering of services</b>			
Advertisements		26 695	26 758
Building Plan Approval		352 422	606 491
Cemetery and Burial		1 062 307	1 027 756
Cleaning and Removal		-	278 711
Clearance Certificates		209 164	188 234
Entrance Fees		124 202	68 489
Fire Services		697 284	1 024 829
Legal Fees		-	2 000
Photo copies		4 686	5 618
Sale of tender documents		131 709	111 960
Scrap, Waste & Other Goods		-	607 950
Town Planning and Servitudes		2 873 632	2 503 959
<b>Total</b>		<b>5 482 101</b>	<b>6 452 755</b>
<b>24. Operational revenue</b>			
Administrative Handling Fees		434 186	571 774
Breakages and Losses Recovered		1 611	1 582
Incidental Cash Surpluses		7 217	1 322
Insurance Refund		230 116	504 805
Merchandising, Jobbing and Contracts		-	884 542
Request for information		4 940	9 908
Sale of Property		309 126	840 663
Skills Development Levy Refund		541 565	358 562
Staff and Councillors Recoveries		112 419	17 577
<b>Total</b>		<b>1 641 180</b>	<b>3 190 735</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>25. Property rates</b>		
Agricultural property	5 664 753	5 327 433
Business and commercial properties	19 111 837	17 235 583
Industrial properties	51 302 552	47 914 885
Mining properties	27 445	25 651
Residential properties	187 332 941	173 781 206
State-owned properties	9 874 000	9 167 157
<b>Total</b>	<b>273 313 528</b>	<b>253 451 915</b>

### Residential properties

The valuation roll was compiled in terms of the Municipal Property Rates Act, Act 6 of 2004 (MPRA) which is used as a basis to levy property rates. The valuation came into effect on 1 July 2018. All objections were referred to the valuer for his comments and letters of outcome. Supplementary valuations are attended to in line with the MPRA. Reconciliations between the valuation roll and billing are completed on a monthly basis.

Valuations on and buildings are performed every 5 years. The current valuation roll is effective until 30 June 2023. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis and interest is levied after due date.

Residential Properties	187 332 941	173 781 206
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### Valuation '000 as at 30 June 2022

Business and commercial properties	3 946 052	3 995 510
Multiple purposes	-	385 758
Municipal properties	443 610	385 758
Other categories	3 137 324	3 395 670
Residential properties	20 015 581	19 566 887
Small Holdings	3 236 216	3 232 012
State-owned properties	544 564	516 106
<b>Total property valuations</b>	<b>31 323 347</b>	<b>31 477 701</b>

A uniform rate for the same class and type of property was applied with the implementation of the Property Rates Act. A rate on different categories was applied to property valuations to determine assessment rates. Rebates of 85% are applied to pensioners.

Rates are levied for property owners on a monthly basis for monthly rate payers and are payable on the 7th of each month.

### 26. Transfers and subsidies - Revenue

#### Operational

Monetary allocations	26.1	150 862 456	157 070 827
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#### Capital

Monetary allocations	26.2	96 480 749	186 315 404
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<b>Total</b>		<b>247 343 205</b>	<b>343 386 231</b>
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# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>26. Transfers and subsidies - Revenue (continued)</b>		
<b>26.1 Monetary allocations: Operational</b>		
District municipalities	3 220 448	3 624 989
National government	4 710 141	6 270 600
National revenue fund	124 899 000	133 623 000
Provincial government	18 032 867	13 552 238
<b>Total</b>	<b>150 862 456</b>	<b>157 070 827</b>
<b>National government</b>		
Expanded Public Works Programme	1 539 000	1 708 000
Local Government Financial Management Grant	1 550 000	1 550 000
Municipal Infrastructure Grant	1 621 141	1 512 600
Water Services Infrastructure Grant	-	1 500 000
	<b>4 710 141</b>	<b>6 270 600</b>
<b>Provincial government</b>		
Provincial Health Subsidy	4 657 867	3 752 238
DSARC	13 375 000	9 800 000
	<b>18 032 867</b>	<b>13 552 238</b>
<b>26.2 Monetary allocations: Capital</b>		
National government	80 357 316	91 787 145
Private enterprises	5 407 518	82 477 183
Provincial governments	10 715 915	12 051 076
<b>Total</b>	<b>96 480 749</b>	<b>186 315 404</b>
<b>National government</b>		
Integrated National Electrification Programme	22 962 335	17 292 706
Municipal Infrastructure Grant	31 807 859	60 169 439
Neighbourhood Development Partnership Grant	7 587 121	-
Water Services Infrastructure Grant	18 000 001	14 325 000
	<b>80 357 316</b>	<b>91 787 145</b>
<b>Provincial government</b>		
DSARC	8 370 916	10 424 255
Functional Fire Rescue Grant	2 344 999	1 626 821
	<b>10 715 915</b>	<b>12 051 076</b>
<b>27. Fines, penalties and forfeits</b>		
Fines	27.1 68 386 649	64 370 624

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022		2021	
<b>27. Fines, penalties and forfeits (continued)</b>				
<b>27.1 Fines</b>				
<b>Traffic fines</b>				
Municipal fines		68 245 900		64 300 019
<b>Other fines</b>				
Overdue books		117 286		58 202
Pound fees		23 463		12 403
		<b>140 749</b>		<b>70 605</b>
<b>Total</b>		<b>68 386 649</b>		<b>64 370 624</b>
<b>27.2 Penalties</b>				
<b>27.3 Forfeits</b>				
<b>28. Bulk purchases</b>				
Electricity: Eskom		387 269 980		333 403 263
Water		135 419 989		127 048 576
<b>Total</b>		<b>522 689 969</b>		<b>460 451 839</b>
<b>28.1 Electricity losses</b>				
	2022		2021	
	KHW	Amount	KHW	Amount
Units purchased	270 826 171	387 269 980	275 610 400	333 403 263
Units sold	(242 060 074)	(346 135 677)	(225 141 320)	(272 351 299)
<b>Total loss</b>	<b>28 766 097</b>	<b>41 134 303</b>	<b>50 469 080</b>	<b>61 051 964</b>
<b>Comprising of:</b>				
Technical losses	15 821 353	22 623 867	15 140 724	18 315 589
Non-technical losses	12 944 744	18 510 437	35 328 356	42 736 375
<b>Total</b>	<b>28 766 097</b>	<b>41 134 304</b>	<b>50 469 080</b>	<b>61 051 964</b>
<b>Percentage loss:</b>				
Technical losses	- %	6,00 %	- %	5,00 %
Non-technical losses	- %	5,00 %	- %	13,00 %
<b>Total</b>	<b>- %</b>	<b>11,00 %</b>	<b>- %</b>	<b>18,00 %</b>

# Midvaal Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand			2022	2021
<b>28. Bulk purchases (continued)</b>				
<b>Water losses</b>				
	Units	Units		
	2022	2021		
Opening balance of water stock	80 046	47 185	846 890	467 132
Units purchased	13 009 270	13 018 780	135 419 989	127 048 576
Units sold	(8 293 195)	(8 079 345)	(86 360 275)	(78 845 276)
Revaluation adjustment on unit price of stock on hand	-	-	44 629	59 069
Closing balance of water stock	(84 907)	(80 046)	(891 519)	(846 890)
<b>Total</b>	<b>4 711 214</b>	<b>4 906 574</b>	<b>49 059 714</b>	<b>47 882 611</b>
Comprising of:				
Technical losses	3 203 626	4 072 456	33 360 606	39 742 567
Non-technical losses	1 507 588	834 118	15 699 108	8 140 044
<b>Total</b>	<b>4 711 214</b>	<b>4 906 574</b>	<b>49 059 714</b>	<b>47 882 611</b>
Percentage Loss:				
Technical losses			25 %	32 %
Non-technical losses			12 %	6 %
<b>Total</b>			<b>37 %</b>	<b>38 %</b>
<b>Cost of free basic services</b>				
Cost of free basic water			4 375 811	4 067 819
Cost of free basic electricity			2 957 439	1 545 621
			<b>7 333 250</b>	<b>5 613 440</b>
<b>Electricity bulk purchases</b>				
Cost of electricity billed			343 178 238	270 805 678
Electricity technical losses			22 623 867	18 315 589
Electricity non-technical losses			18 510 437	42 736 375
Free basic electricity			2 957 438	1 545 621
			<b>387 269 980</b>	<b>333 403 263</b>
<b>Water bulk purchases</b>				
Cost of water billed			81 984 464	74 777 457
Water technical losses			33 360 606	40 008 739
Water non-technical losses			15 699 109	8 194 561
Free basic water			4 375 810	4 067 819
			<b>135 419 989</b>	<b>127 048 576</b>
The Municipality is required to report on water losses in terms of MFMA Circular 71 issued by National Treasury, and has been reported accordingly.				
The Municipality is of the view that the methodology outlined in MFMA Circular 71 is an over simplification and does not take into account various components in the calculation.				
The Municipality has also disclosed the water loss calculation as outlined by the International Water Association (IWA) which is a more detailed and comprehensive calculation. The calculations have been varified by experts in the field, in line with the IWA guideline which is a more reliable and accurate calculation:				
Water Loss (Based on IWA guidelines)			34,00 %	38,00 %

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 29. Employee related cost

Senior management	29.1	5 109 909	10 136 981
Municipal staff	29.2	317 037 944	288 134 906
<b>Total</b>		<b>322 147 853</b>	<b>298 271 887</b>

### 29.1 Senior management costs

#### 2022

	Municipal manager	Chief financial officer	ED Development & Planning	ED Community services	ED Engineering services	Total
Basic salary	130 117	231 817	803 949	1 423 231	793 190	3 382 304
Bonuses	7 739	-	87 538	71 797	-	167 074
Service-related benefits	124 350	-	-	-	-	124 350
Allowances	45 000	64 230	168 000	240 000	204 000	721 230
Bargaining council	21	52	124	124	124	445
Medical	-	12 492	57 277	24 631	-	94 400
Pension	23 040	47 700	100 800	307 736	132 840	612 116
Unemployment insurance	552	1 063	2 125	2 125	2 125	7 990
	<b>330 819</b>	<b>357 354</b>	<b>1 219 813</b>	<b>2 069 644</b>	<b>1 132 279</b>	<b>5 109 909</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 29. Employee related cost (continued)

2021

	Municipal manager	Chief financial officer	Deputy Municipal Manager	ED Development & Planning	ED Community Services	ED Engineering services	Total
Basic salary	780 704	970 745	4 106 258	678 005	1 365 923	599 434	8 501 069
Allowances	270 000	24 960	22 288	169 614	240 000	182 240	909 102
Bargaining council	119	119	109	119	119	109	694
Medical	-	-	-	56 405	23 565	-	79 970
Pension	138 239	-	-	90 720	299 706	106 920	635 585
Leave pay	-	-	408 954	-	-	-	-
Unemployment insurance	1 785	1 785	1 785	1 785	1 785	1 636	10 561
	<b>1 190 847</b>	<b>997 609</b>	<b>4 539 394</b>	<b>996 648</b>	<b>1 931 098</b>	<b>890 339</b>	<b>10 136 981</b>

### 29.2 Municipal staff costs

Basic salary	200 951 644	180 250 717
Bonuses	15 197 637	14 253 503
Service-related benefits	27 461 309	23 908 965
Pension	37 428 664	35 320 025
Medical	17 624 152	17 906 252
Allowances	16 615 875	14 977 497
Unemployment insurance	1 600 249	1 324 914
Group life insurance	147 614	182 073
Bargaining council	91 758	86 477
Post-retirement benefit: Medical	(80 958)	(75 517)
<b>Total</b>	<b>317 037 944</b>	<b>288 134 906</b>

### Acting allowances for Sec 56 appointments

Chief Financial Officer	10 011	-
Executive Director Corporate Services	11 815	27 608
	<b>21 826</b>	<b>27 608</b>



# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 29. Employee related cost (continued)

#### Related party disclosure:

Executive Director Community Services - account not in arrears

### 30. Contracted services

Consultants and professional services	30.1	17 330 021	15 207 230
Contractors	30.2	55 466 991	39 201 539
Outsourced services	30.3	55 097 865	52 272 349
<b>Total</b>		<b>127 894 877</b>	<b>106 681 118</b>

#### 30.1 Consultants and professional services

##### Business advisory services

Accounting and auditing		313 051	201 521
Business and financial management		8 874 629	5 399 275
Communications		-	2 750
Forensic investigators		-	281 800
Human resources		2 383 508	2 455 171
Project management		63 750	1 942 398
Research and advisory		2 008 054	169 836

**Total business advisory services** **13 642 992** **10 452 751**

##### Legal services

Collection		453 786	98 931
Legal advice and litigation		2 605 943	3 816 410

**Total legal services** **3 059 729** **3 915 341**

##### Engineering services

Electrical engineering		-	45 760
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##### Infrastructure and planning services

Geoinformatic services infrastructure and planning		607 500	331 128
Town planner infrastructure and planning		19 800	462 250

**Total infrastructure and planning services** **627 300** **793 378**

**Total consultants and professional services** **17 330 021** **15 207 230**

#### 30.2 Contractors

##### General services

Artists and performers		1 950	-
Audio-visual services		-	594
Catering services		145 801	51 464
Employee wellness		13 900	8 250
Fire services		4 998	3 813
Medical services		14 600	3 780
Pest control and fumigation		82 037	24 087
Plants, flowers and other decorations		48 851	25 725
Safeguard and security		19 137	37 271
Sports and recreation		71 490	27 204
Stage and sound crew		21 441	12 000
Tracing agents and debt collectors		2 074 359	1 714 146

**Total general services** **2 498 564** **1 908 334**

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021	
<b>30. Contracted services (continued)</b>			
<b>Maintenance services</b>			
Maintenance of buildings and facilities	11 872 191	8 848 519	
Maintenance of equipment	1 777 205	1 737 805	
Maintenance of unspecified assets	39 319 031	26 706 881	
<b>Total maintenance service</b>	<b>52 968 427</b>	<b>37 293 205</b>	
<b>Total contractor</b>	<b>55 466 991</b>	<b>39 201 539</b>	
<b>30.3 Outsourced services</b>			
<b>Business and advisory services</b>			
Occupational Health and Safety	340 234	462 738	
Research and Advisory	-	145 000	
Valuer	295 566	656 601	
<b>Total business and advisory services</b>	<b>635 800</b>	<b>1 264 339</b>	
<b>General services</b>			
Burial Services	1 291 451	1 243 699	
Call Centre	1 262 621	2 444 978	
Catering Services	302 115	281 150	
Clearing and Grass Cutting Services	4 037 753	2 562 432	
Hygiene Services	1 387 278	1 284 943	
Litter Picking and Street Cleaning	414 523	7 900	
Meter Management	967 927	1 075 805	
Personnel and Labour	8 340 336	5 821 442	
Refuse Removal	1 917 275	851 660	
Removal of Structures and Illegal Signs	2 398 671	2 283 442	
Traffic Fines Management	218 009	387 640	
Transport Services	30 000	8 400	
<b>Total general services</b>	<b>22 567 959</b>	<b>18 253 491</b>	
<b>Trading services</b>			
Connection/Dis-connection: Electricity	3 225 714	2 367 580	
Connection/Dis-connection: Restricted water flow	-	1 492 357	
Connection/Dis-connection: Water	7 539 600	8 400 057	
Security Services	21 128 792	20 494 525	
<b>Total trading services</b>	<b>31 894 106</b>	<b>32 754 519</b>	
<b>Total outsourced services</b>	<b>55 097 865</b>	<b>52 272 349</b>	
<b>31. Depreciation, amortisation and impairment</b>			
<b>Amortisation</b>			
Intangible assets	10.1	10 740	10 095
<b>Depreciation</b>			
Property, plant and equipment	8	127 277 916	134 525 255
<b>Total</b>		<b>127 288 656</b>	<b>134 535 350</b>
<b>32. Bad debts</b>			
Impairment provision		123 245 010	120 600 490

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>33. Operational cost</b>		
Achievements and Awards	21 800	22 032
Advertising, Publicity and Marketing	6 646 112	5 875 195
Assets less than the Capitalisation Threshold	-	1 446
Bank Charges, Facility and Card Fees	1 112 877	1 142 814
Bargaining Council	3 300 001	3 370 695
Bursaries (Employees)	999 025	879 505
Cleaning Services	11 918	12 544
Commission	4 432 474	4 317 521
Communication	1 406 180	1 486 118
Courier and Delivery Services	276 912	285 747
Entertainment	22 115	18 157
External Audit Fees	3 777 817	3 259 055
External Computer Service	9 859 001	7 246 414
Hire Charges	8 303 805	7 649 184
Indigent Relief	323 393	-
Insurance Underwriting	6 646 169	5 089 699
Licences	1 076 187	1 057 921
Printing, Publications and Books	1 265 243	248 864
Professional Bodies, Membership and Subscription	96 450	18 448
Registration Fees	240 865	19 008
Remuneration to Ward Committees	611 000	799 500
Skills Development Fund Levy	2 755 330	2 116 727
Toll Gate Fees	46 503	15 760
Travel and Subsistence	122 941	92 198
Uniform and Protective Clothing	3 177 794	3 036 487
Vehicle Tracking	819 204	383 665
Workmen's Compensation Fund	1 440 116	1 344 903
<b>Total</b>	<b>58 791 232</b>	<b>49 789 607</b>

Comparative figures have been restated, refer to note 45 for more detail information.

### 34. Interest, dividends and rent on land

Interest	34.1	30 122 765	29 898 027
<b>34.1 Interest cost</b>			
Financial liabilities			
• Annuity loans		14 918 332	15 729 238
Finance leases		1 601 332	1 741 512
Interest costs non-current provisions	18	13 603 101	12 427 277
<b>Total</b>		<b>30 122 765</b>	<b>29 898 027</b>

### 35. Inventory consumed

Consumables	15 144 864	11 263 139
Materials and supplies	9 376 846	12 280 938
<b>Total</b>	<b>24 521 710</b>	<b>23 544 077</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021	
<b>36. Remuneration of councillors</b>			
Executive mayor	36.1	923 841	938 250
Chief whip	36.2	415 350	418 388
Speaker	36.3	740 937	755 879
Mayoral committee	36.4	3 416 535	3 585 608
Section 79 committee members	36.5	1 815 808	1 976 937
All other councillors	36.6	5 655 103	5 146 627
<b>Total</b>		<b>12 967 574</b>	<b>12 821 689</b>
<b>36.1 Executive mayor</b>			
<b>Allowances and service related benefits</b>			
Basic salary		879 071	893 850
Cell phone allowance		44 770	44 400
		<b>923 841</b>	<b>938 250</b>
<b>36.2 Chief whip</b>			
<b>Allowances and service related benefits</b>			
Travelling allowance		90 380	93 497
Basic salary		280 570	280 491
Cell phone allowance		44 400	44 400
		<b>415 350</b>	<b>418 388</b>
<b>36.3 Speaker</b>			
<b>Allowances and service related benefits</b>			
Basic salary		697 737	715 079
Cell phone allowance		43 200	40 800
		<b>740 937</b>	<b>755 879</b>
<b>36.4 Mayoral committee</b>			
<b>Allowances and service related benefits</b>			
Basic salary		2 873 090	2 655 764
Cell phone allowance		211 640	247 784
Travelling allowance		331 805	682 060
		<b>3 416 535</b>	<b>3 585 608</b>
<b>36.5 Section 79 committee members</b>			
<b>Allowances and service related benefits</b>			
Basic salary		1 295 902	1 396 770
Cell phone allowance		200 170	224 713
Travelling allowance		319 736	355 454
		<b>1 815 808</b>	<b>1 976 937</b>
<b>36.6 All other councillors</b>			
<b>Allowances and service related benefits</b>			
Basic salary		4 173 514	3 165 006
Cell phone allowance		765 069	695 310
Travelling allowance		716 520	1 286 311
		<b>5 655 103</b>	<b>5 146 627</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>36. Remuneration of councillors (continued)</b>		
		Amount outstanding for more than 90 days
<b>Name of councillor whom was in arrears for more than 90 days at the end of the financial year</b>		
Councillor MM Magagula	-	16 006
Councillor FW Peters	-	6 413
Councillor PM Lehloka	49 777	-
Councillor CM Mboweni	16 006	-
Councillor JG Viljoen	28 502	-
	<b>94 285</b>	<b>22 419</b>
<b>37. Gain/(Loss) on disposal of fixed and intangible assets</b>		
Gains/(losses) on disposals	37.1	(7 809 213) (2 886 675)
<b>37.1 Gains/(losses) on disposals</b>		
Investment property		(70 000) -
Property, plant and equipment		(7 739 213) (2 886 675)
<b>Total</b>		<b>(7 809 213) (2 886 675)</b>
<b>38. Transfers and subsidies - Expenditure</b>		
<b>Operational</b>		
Allocations in-kind	38.1	1 533 588 1 212 142
<b>38.1 Allocations in-kind: Operational</b>		
Private Enterprises		1 533 588 1 212 142
<b>39. Inventory (write down)</b>		
Inventory		(232 184) (19 784)

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>40. Net cash from/(used) operating activities</b>		
Surplus after capital transfers and contributions	74 724 787	207 313 855
<b>Adjustments for:</b>		
Depreciation and amortisation	127 288 656	134 352 996
Bad debts written off	109 375 032	17 943 652
(Gains) / Losses on disposal of assets	7 809 213	1 854 050
Donations	(2 000)	(79 103 764)
Movement in provisions	(8 279 698)	12 427 277
Movement in employee benefits	1 289 314	1 947 876
Inventory losses	232 184	19 784
<b>Movement in working capital</b>		
(Increase) / Decrease in receivables from non-exchange transactions	(80 890 719)	(64 455 502)
(Increase) / Decrease in inventory	(252 806)	(273 093)
(Increase) / Decrease in receivables from exchange transactions	(51 812 547)	(8 435 569)
VAT receivable	(1 885 238)	(459 334)
Increase / (Decrease) in trade and other payables	35 119 432	5 856 663
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	(1 755 575)	(14 870 249)
Increase / (Decrease) in consumer deposits	1 290 686	1 247 897
Increase / (Decrease) in income in advance	(2 139 913)	(1 432 260)
<b>Net cash flows from operating activities</b>	<b>210 110 808</b>	<b>213 934 279</b>

## 41. Financial instruments

### 41.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the annual financial statements approximate their fair values. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 41. Financial instruments (continued)

	2022		2021	
	Carrying amount	Amortised cost	Carrying amount	Amortised cost
<b>Financial assets</b>				
	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Amortised cost</b>				
Trade and other receivables from exchange transactions	4	181 427 256	146 064 324	146 064 324
Trade and other receivables from non-exchange transactions	5	106 114 872	96 818 157	96 818 157
Cash and cash equivalents	3	487 962 486	451 304 933	451 304 933
		<b>775 504 614</b>	<b>694 187 414</b>	<b>694 187 414</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
<b>Unsecured bank facilities:</b>				
Financial liabilities		130 553 797	147 992 087	147 992 087
<b>Trade and other payables:</b>				
Consumer deposits	14	21 153 173	19 862 487	19 862 487
Trade and other payables from exchange transactions	12	204 663 446	169 544 015	169 544 015
Current portion of financial liabilities		43 426 531	35 135 528	35 135 528
		<b>269 243 150</b>	<b>224 542 030</b>	<b>224 542 030</b>
<b>Total financial liabilities</b>		<b>399 796 947</b>	<b>372 534 117</b>	<b>372 534 117</b>
<b>Total financial instruments</b>		<b>375 707 667</b>	<b>321 653 297</b>	<b>321 653 297</b>

### 41.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities are available with the municipality's main banker to cater for any unexpected temporary shortfall in operating funds.

#### 30 June 2022

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Trade and other payables from exchange transactions	204 663 446	-	-	204 663 446
Borrowing	35 069 761	67 342 015	45 352 228	147 764 004
Consumer deposits	21 153 173	-	-	21 153 173
Finance lease obligation	8 356 770	17 859 555	-	26 216 325
	<b>269 243 150</b>	<b>85 201 570</b>	<b>45 352 228</b>	<b>399 796 948</b>

#### 30 June 2021

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Trade and other payables from exchange transactions	169 544 015	-	-	169 544 015
Borrowing	27 977 256	74 247 241	57 660 140	159 884 637
Consumer deposits	19 778 405	-	-	19 778 405
Finance lease obligations	7 158 272	16 084 706	-	23 242 978
	<b>224 457 948</b>	<b>90 331 947</b>	<b>57 660 140</b>	<b>372 450 035</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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Figures in Rand	2022	2021
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### 41. Financial instruments (continued)

The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus, as well as the increased use of unsecured bank loan facilities.

#### 41.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality manages credit risk in its borrowing and investing activities by only dealing with well established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 5 to the annual financial statements.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The carrying amount of financial assets recorded in the annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:

Trade and other receivables from non-exchange transactions		106 114 872	96 818 157
Trade and other receivables from exchange transactions	4	181 427 256	146 064 324
Bank and cash balances	3	487 962 486	451 304 933
<b>Maximum credit and interest risk exposure</b>		<b>775 504 614</b>	<b>694 187 414</b>

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# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>42. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Infrastructure	27 731 498	45 105 054
<b>Total capital commitments</b>		
Already contracted for but not provided for	27 731 498	45 105 054
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Expenditure	24 649 317	93 907 123
<b>Total operational commitments</b>		
Already contracted for but not provided for	24 649 317	93 907 123
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	27 731 498	45 105 054
Authorised operational expenditure	24 649 317	93 907 123
	<b>52 380 815</b>	<b>139 012 177</b>

This committed expenditure relates to property, plant and equipment and will be financed by retained surpluses backed by existing cash resources, funds internally generated, grant funding and borrowings..

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand		2022	2021
<b>43. Contingent liabilities</b>			
		-	-
<b>Contingent liabilities arising from third party claims and litigation</b>			
Name	Case no	2022	2021
MA Ramaoka	RC283/2020	-	642 389
PL Khadebe/Ncube	29665/15	525 000	525 000
Mr and Mrs Ferreira Erf 702 Golf Park	158465-842641	9 250 917	9 250 917
AN Jwili: DK76BHGP	145110	-	300 000
P Venter	123004	-	71 337
OUTsurance/ C Bosschieter	875/2021	40 000	78 967
King Price Insurance / MA Makhananise	166791-850230	122 494	102 675
OUTsurance/ L Bodemer	168680-851884	247 647	247 647
King Price Insurance: W Bezuidenhout	711/2020	20 000	42 874
IW Chase & de Beer	148118	-	92 800
A Tsukudu	144656	26 000 000	26 000 000
Luigi Giacomozzi	158465-842641	9 470 000	-
Nkewu Transport cc	171601-854231	288 291	-
M Gomba	174717-856349	2 000 000	-
Toptrack Thirty Five Pty Ltd	158465-842641	11 730 000	-
DV Brussouw and JMM Brussouw	158465-842641	2 000 000	-
C Khan	AON001-000055356	25 012	-
Alarn Concrete Pty Ltd	144234-829808	165 850	-
		<b>61 885 211</b>	<b>37 354 606</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 44. Related party disclosures

#### 44.1 Nature of related party relationships

Related party Accounting officer Councillors  Close family member of key management  Joint venture of key management Associate of close family member of key management Post employment benefit plan for employees of entity and/or other related parties Members of key management	Nature of relationship Refer to accounting officer's report Refer to General Information page for councillors name. The remuneration to councillors have been included in note 35 There were no transactions between close family members of key management None None Refer to note 17  No other payments are made outside the contractual employment payments from employment. Refer to Note 28 for remuneration.
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### 45. Deviations from SCM regulations - SCM Regulation 36

Emergency	3 192 529	2 819 174
Sole providers / Accredited agents	411 352	1 824 731
Impractical or impossible to follow process	2 627 116	3 588 689
<b>Total amount approved by the accounting officer and noted by council</b>	<b>6 230 997</b>	<b>8 232 594</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 audited annual financial statements.

The majority of items mentioned had to be addressed to emergency circumstances. The balance of items were due to circumstances where it was impractical or impossible to follow a competitive bidding process.

### 46. Prior period adjustments

The following restatements and adjustments occurred which are set out below:

#### 46.1 Adjustments of Statement of financial position items

##### 2021

	Note	Previously reported	Correction of error	Re-classification	Restated
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	2 074 806 844	38 046		- 2 074 844 890
<b>Net assets and liabilities</b>					
<b>Current liabilities</b>					
Consumer deposits	14	19 778 405	-	84 082	19 862 487
Payables from exchange transactions	12	169 628 096	-	(84 082)	169 544 014
		<b>189 406 501</b>	<b>-</b>	<b>-</b>	<b>189 406 501</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand		2022	2021	
<b>46. Prior period adjustments (continued)</b>				
<b>46.2 Adjustments of Statement of financial performance items</b>				
<b>2021</b>				
	Note	Previously reported	Re-classification	Restated
<b>Revenue</b>				
<b>Non-exchange revenue</b>				
Transfers and subsidies	26	-	343 386 231	343 386 231
Government grants and subsidies		260 909 048	(260 909 048)	-
Public contributions and donations		82 477 183	(82 477 183)	-
		<b>343 386 231</b>	<b>-</b>	<b>343 386 231</b>
<b>Exchange revenue</b>				
Interest income		30 456 264	(30 456 264)	-
Interest on investments	21	-	17 193 719	17 193 719
Interest on receivables	22	-	13 262 545	13 262 545
		<b>30 456 264</b>	<b>-</b>	<b>30 456 264</b>
<b>Total revenue</b>		<b>373 842 495</b>	<b>-</b>	<b>373 842 495</b>

We have adopted the mSCOA template as per National Treasury Guidelines which resulted in the adjustments above as well as within the respective notes.

There are also changes in the naming convention which are in line with the mSCOA chart of accounts.

### 47. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus of R 2 446 085 377 and that the municipality's total liabilities exceed its assets by R 2 446 085 377.

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 and that the subordination agreement referred to in note of these annual financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

### 48. Events after the reporting date

No events after the reporting date were identified by management that will affect the operations of the municipality or the results of those operations significantly.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>49. Unauthorised, irregular, fruitless and wasteful expenditure</b>		
<b>49.1 Irregular expenditure</b>		
Opening balance as previously reported	-	4 965 959
Add: Irregular expenditure - current	139 079	68 165
Add: Irregular expenditure – prior period	513 521	5 393 435
Less: Amounts written-off – current	(139 079)	(68 165)
Less: Amounts written-off – prior period	-	(10 359 394)
<b>Closing balance</b>	<b>513 521</b>	<b>-</b>
Incident	Disciplinary steps/criminal proceedings	
Supplier appointed with a few minor errors in process as a tender was not evaluated according to the specifications	513 521	-
Supplier appointed to provide MFMA Minimum Competency Regulation Training to municipal employees. The initial contract period terminated on 30 Jun 2021. MLM became aware of possible financial irregularities in respect of procurement of services from Bantubanye Investment CC, outside the contracted period viz July & Aug 2021	139 079	-
This relates to the Meyer street rehabilitation. The amount disclosed in the prior year of R4 965 959 was a result of a preliminary investigation. The investigation was concluded and MPAC resolved that the total amount of R10 359 394 be written off as irrecoverable.	-	10 359 394
A contract had expired but the service was still rendered. Amount was investigated and MPAC resolved to write off the amount as irrecoverable	-	68 165
<b>Total</b>	<b>652 600</b>	<b>10 427 559</b>
<b>49.2 Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	1 315 873	54 376
Add: Fruitless and wasteful expenditure – current	-	65 230
Add: Fruitless and wasteful expenditure expenditure – prior period	-	4 233 521
Less: Amount recoverable – current	-	(43 934)
Less Amount recoverable – prior period	-	(8 776)
Less: Amounts written-off – current	-	(21 296)
Less: Amounts written-off – prior period	-	(2 963 248)
<b>Closing balance</b>	<b>1 315 873</b>	<b>1 315 873</b>
Incident		
Resurfacing of Meyer street - monies were recouped	-	43 934
Erroneous payment - Amount written off as irrecoverable	-	21 296
Duplicate advertising - The amount is written off as irrecoverable	-	37 355
Relates to pump repairs and a missing asset. Disciplinary process underway	-	1 315 873
Relates to expenditure on a previous contract for Meyer street. It was concluded that the amount should be written off	-	2 880 293
<b>Total</b>	<b>-</b>	<b>4 298 751</b>

There are investigations which are still pending finalisation as at the date of audit submission. These matters will be reported on as part of the submission of the next audit, pending the completion during the financial year ending 30 June 2023.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 50. In kind donations and assistance

#### 2021/2022

None

#### 2020/2021

A container including furniture totalling R2 000 000 was received from the Bantu Bonke Sports facility for the year under review.

### 51. Additional disclosure in terms of Municipal Finance Management Act

Figures in Rand	2022	2021
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#### Contributions to SALGA

Current year subscription / fee	3 300 001	3 370 695
Amount paid - current year	(3 300 001)	(3 370 695)
	-	-

#### Audit fees

Current year subscription / fee	3 777 817	3 259 055
Amount paid - current year	(3 777 817)	(3 259 055)
	-	-

#### PAYE and UIF

Amount paid - current year	50 752 069	45 766 468
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#### Pension and Medical Aid Deductions

Amount paid - current year - pension	52 828 599	46 389 937
Amount paid - current year - medical	29 881 471	28 422 869
	<b>82 710 070</b>	<b>74 812 806</b>

### 52. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

#### Explanation of variances between approved and final budget amounts

The reason for the variances between the approved and final budgets are mainly due to reallocations made within the approved budget parameters allowed for by the Virement Policy of Midvaal Local Municipality as approved by Council.

Explanation of variances greater than 10%: Final Budget and Actual Amounts.

### 53. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand				2022	2021
<b>54. Segment information</b>					
<b>2022</b>					
	Community and public safety	Economic and environmental services	Trading services	Unallocated	Total
<b>Segment revenue</b>					
External revenue from non-exchange transactions	106 957 387	10 809 569	129 258 256	342 018 170	589 043 382
External revenue from exchange transactions	1 935 194	3 257 689	799 857 824	3 108 997	808 159 704
Interests on investments	-	-	-	18 247 859	18 247 859
Interest earned from receivables	-	-	-	18 518 473	18 518 473
<b>Total</b>	<b>108 892 581</b>	<b>14 067 258</b>	<b>929 116 080</b>	<b>381 893 499</b>	<b>1 433 969 418</b>
<b>Segment expenses</b>					
Total segment expenses	175 368 027	70 591 154	749 559 031	198 273 601	1 193 791 813
Depreciation and amortisation	9 594 197	32 174 090	80 799 929	4 720 440	127 288 656
Loss on disposal of assets	198 337	2 948	7 214 906	625 206	8 041 397
Interest expense	225 568	4 094 000	21 268 893	4 534 304	30 122 765
<b>Total</b>	<b>185 386 129</b>	<b>106 862 192</b>	<b>858 842 759</b>	<b>208 153 551</b>	<b>1 359 244 631</b>
<b>Surplus for the year</b>	<b>(76 493 548)</b>	<b>(92 794 934)</b>	<b>70 273 321</b>	<b>173 739 948</b>	<b>74 724 787</b>
<b>Other information</b>					
Segment assets	101 704 417	528 109 103	1 444 334 875	886 951 068	2 961 099 463
Segment liabilities	728 180	18 024 769	100 160 946	396 100 183	515 014 078
Total capital expenditure	19 576 713	15 918 850	63 250 455	4 400 690	103 146 708
Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.					
<b>2021</b>					
	Community and public safety	Economic and environmental services	Trading services	Unallocated	Total
<b>Segment revenue</b>					
External revenue from non-exchange transactions	101 964 185	9 697 227	142 767 380	406 779 978	661 208 770
External revenue from exchange transactions	2 438 288	2 893 859	723 461 895	21 010 038	749 804 080
Interests on investments	-	-	-	17 193 719	17 193 719
Interest earned from receivables	-	-	-	19 819 971	19 819 971
<b>Total</b>	<b>104 402 473</b>	<b>12 591 086</b>	<b>866 229 275</b>	<b>464 803 706</b>	<b>1 448 026 540</b>
<b>Segment expenses</b>					
Total segment expenses	162 982 439	51 836 837	667 469 036	191 084 537	1 073 372 849
Depreciation and amortisation	8 756 504	35 281 955	85 337 802	5 159 089	134 535 350
Loss on disposal of assets	673 604	1 170 062	747 590	315 203	2 906 459
Interest expense	122 000	5 515 430	21 281 305	2 979 292	29 898 027
<b>Total</b>	<b>172 534 547</b>	<b>93 804 284</b>	<b>774 835 733</b>	<b>199 538 121</b>	<b>1 240 712 685</b>
<b>Surplus for the year</b>	<b>(68 132 074)</b>	<b>(81 213 198)</b>	<b>91 393 542</b>	<b>265 265 585</b>	<b>207 313 855</b>

# Midvaal Local Municipality

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

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Figures in Rand			2022	2021
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### 54. Segment information (continued)

#### Other information

Segment assets	92 372 401	537 930 955	1 387 156 965	835 939 953	2 853 400 274
Segment liabilities	1 073 179	10 606 817	83 870 640	386 527 095	482 077 731
Total capital expenditure	23 981 413	9 206 463	111 034 337	86 246 956	230 469 169

Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.





# OPCA ACTION PLAN

30 NOV 2022

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**OPCA PROGRESS REPORT - SUMMARY**

<b>AREA/SECTION</b>	<b>No. of Issues Raised</b>	<b>Addressed</b>	<b>In Progress</b>	<b>Not addressed</b>
<b>Performance Management</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SCM</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Reporting (AFS)</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>IT</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>PERCENTAGE</b>	<b>100%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>

Contr ol no.	Query /Page #	Finding	Root Cause	Impact / Risk	Classificati on	Area	Responsib le ED	Audit Recommendation	Management Comments	Official(s) delegated to	Key tasks that need to be performed
1	37	BSC resolved specifications were not included in the final tender specifications	Certain tender requirements omitted in the approved tender specification which results in tender specification being bias and the BSC approval process not being transparent.	The advertised tender specification appears to be biased towards the appointment of a service provider who is not experienced in this field of fleet management and vehicle tracking, which contravenes paragraph 27.2 of the Midvaal Municipality SCM Policy. The fact that some of the tender requirements, which were resolved by BSC, are not included in final tender document has resulted in the tender specification approval process not to be transparent.  This non-compliance results in contravention of Sections 27.2 and 2.1 (a) & (b) of the Midvaal Municipality SCM Policy	Non-Compliance with legislation	Supply Chain Management	CFO	The accounting officer must ensure that:  •The bid specification incorporates all changes resolved by the BSC before final approval is granted. •BSC members are trained on drafting of bid specifications that comply with the requirements of the SCM Policy. •The BSC should ensure that the changes in specifications by the end user is incorporated in the final specifications, prior to obtaining approval from the Municipal Manager or the Accounting Officer and before the bid is advertised in line with Municipal Supply Chain Regulation 27(2)(g).	Management note the finding and the below is applicable:  -At the time of drafting the specifications, the chairperson of BSC did not have full authority to instruct the end-user to enforce the implementation of the amended specifications. Therefore, not all amendments could be effected as the end-user could exercise their discretion.	FJ	All recommendations are minuted and when the document comes back to the BSC, it will come with tracked changes, as well as where a recommendation is rejected, the end-user must provide reasons for the rejection as well as take ownership for the document.  Additional training will be provided to all members of the BSC.  The live demo was expected to provide a full understanding of the system's capability as we are procuring a system and not a construction contract. — this is also why there was no need for key personnel.  The specs may appear to be biased, however the changes were made with the intention to attract more players on the market. If the specifications were indeed biased, then only 1bidder would have passed functionality as the assumption would have been that the specifications were specifically crafted for that particular bidder.  The specs may appear to be biased, however the changes were made with the intention to attract more players on the market. If the specifications were indeed biased, then only 1bidder would have passed functionality as the assumption would have been that the specifications were specifically crafted for that particular bidder
2	40	Minimum requirements of the vehicle tracking system per tender specification were not included in the live demonstration form	The evaluation criteria does not test the full capability of the system to be supplied by Service Provider which results in tender specifications being bias and the BEC failing to properly evaluate the ability of the bidders to execute contract.	By not including the full requirements of the live demonstration, the full capability of the service provider was not effectively evaluated. We are therefore not able to assess whether the bidder had the capabilities to provide the required services, as not all capabilities were tested by the BEC during the live demonstration.	Non-Compliance with legislation	Supply Chain Management	CFO	The Accounting Officer must ensure:  •Ensure that the approved tender specification tests the capability of the service provider to execute the contract. •The ability of the service provider to comply with all minimum requirements identified in tender specification for a system or equipment are evaluated. •BSC members are trained in drafting of specifications..	Management note the finding and the below is applicable:  At the time of drafting the specifications, it was our understanding that the 29 evaluation criteria fairly represented the key points for system functionality in order to not make the process	FJ	Going forward, all the required assessment criteria will be documented on the check list for evaluation purposes. -The tenderers were in procession of the tender specifications and would have included these critical areas in their live demo
3	44	The winning bidder did not meet compulsory tender requirements	The procurement process followed in the appointment of the service provider should be regarded as irregular due to failure to disqualify service provider for non-compliances with the tender requirements.	The failure to disqualify Red Ant for non-compliances with the tender requirements has resulted in the tender process not being transparent and bidders not being treated equally. This results in contravention of paragraph 2.1 of the Midvaal SCM Policy, Paragraph 28.1 of the Municipal Supply Chain Management Regulations and Section 112 of Municipal Finance Management Act. The tender award and any subsequent payments to the service provider has to be classified as irregular expenditure.	Non-Compliance with legislation	Supply Chain Management	CFO	The Accounting Officer must ensure:  •The procurement process undertaken to appoint Red Ant is investigated and appropriate action taken based on results of the investigation. •The BEC and BAC members are trained on executing their duties in their respective committees properly. •Bidders should be evaluated on the specifications stipulated in the bid document and all bidders are evaluated fairly and transparently by the BEC.	Management note the finding and the below is applicable: We acknowledge that we should have disclosed upfront that the certificate needed to be in the name of the service provider, however, this was not explicitly stated as an exclusion criterion -Subsequently, it was found that Red Ants was in the process of acquiring the company in which the certificate was named.	FJ	We will now amend the tender document and SCM policy to reflect that no bid will be considered from a company where the certificate is not in the name of the tendering entity, even though they may be in the process of acquiring the same company  It will be stated explicitly that only a certified copy of the ICASA certificate will be accepted, which would be in line with the ICASA standards.  We agree that ICASA was required, however, due to COVID a number of bidders could not provide documentation, and this was not a fatal flaw as all bidders were granted extensions on their ICASA licenses. This was the normal practice during COVID as a number of institutions took a unilateral decision to extend the validity of certificates, such as INATIS, Home Affairs, SARS, etc.  -During the evaluation, it was confirmed from <a href="https://www.ensafrica.com/news/detail/2467/south-afric-icasa-coronavirus-covid-19">https://www.ensafrica.com/news/detail/2467/south-afric-icasa-coronavirus-covid-19</a> that all licenses will remain valid until 14 days after the National State of Disaster is terminated.  -The BAC deliberated on the VESA and VSS membership and found both to be voluntary bodies and had no impact in ascertaining whether a bidder is competent to do a job or not. Hence, no bidder was disqualified for not having the certificate.
4	52	The winning bidder submitted a possible false reference letter for previous relevant experience	•The bidder has misrepresented to the Municipality by submitting a reference letter from Emfuleni Municipality for a tender they were never awarded. •Midvaal Municipality has failed to verify authenticity of the reference letter, which has resulted in the abuse of the supply chain management systems of the Municipality.	The submission of the reference letter from Emfuleni Municipality by Red Ant for this tender results in the abuse of the supply chain management processes of Midvaal Municipality and contravenes Regulation 38 of the MFMA Supply Chain Management Regulations. Based on this, Red Ant did not meet the requirement of the bid and should therefore have been	Non-Compliance with legislation	Finance	CFO	•The Accounting Officer must ensure that: •The reference letter is investigated and appropriate action is taken in compliance with Regulation 38 of the MFMA Supply Chain Management Regulations. •Authenticity of reference letters submitted by bidders during tender processes are verified.	It must be noted that there are no regulations that require the recipient institution to verify the authenticity of a submitted reference letter Whilst, we accept it is in our best interest to verify, the current onus and the current capacity to verify that independently is going to be difficult for any organ of state. We commit to best efforts, this includes requesting five (5) references, with a minimum of three (3) acceptable. In this case, the AG had an institutional	FJ	AG recommendation to be implemented.

5	57	Unfair disqualification of a bidder	<ul style="list-style-type: none"> <li>The bidder was disqualified by BEC for a reason that is not stipulated in the tender requirements.</li> <li>The BEC has not disqualified the winning bidder despite the fact that they also submitted ICASA certificate which was not certified.</li> </ul>	The BEC has failed to evaluate bids against the advertised tender requirements and further failed to evaluate bidders fairly and transparently which contravenes Paragraph 28 of the Midvaal SCM Policy, Paragraph 28.1 of the Municipal Supply Chain Management Regulations and Section 112 of the Municipal Finance Management Act. This non-compliance results in the tender award and any subsequent payments to the service provider being classified as irregular expenditure.	Non-Compliance with legislation	Finance	CFO	<p>The Accounting Officer must ensure that:</p> <ul style="list-style-type: none"> <li>The BEC evaluates tenders against tender requirements which are stipulated in the tender specification.</li> <li>The BEC evaluate the bids in a fair, consistent and transparent manner during the evaluation process.</li> <li>The failure to treat bidders equally by the BEC is investigated and appropriate action taken.</li> <li>The BAC officials apply proper due diligence when examining/adjudicating the results of the BEC for compliance with relevant laws and regulations and that the BAC ensure that scoring has been fair, consistent and correctly calculated and applied.</li> </ul>	<p>Management note the findings and the below is applicable:</p> <p>In order to make the bid responsive, the BEC considered the 3 years of experience from the last 5 years, using both the appointment letters and reference letters interchangeably. This was to prove company's establishment and operations.</p> <p>-An appointment letter does not prove experience and a reference letter can be taken to demonstrate work already done.</p> <p>-In the absence of SCM regulations, the appointment letter and reference letter do not act as stringent enough demonstration of proof of date of commencement of operations to be</p>	FJ	<p>Request companies to submit the date of establishment and date of commencement of operations in line with the requirements.</p> <p>It will be explicitly required from bidders to submit an appointment letter with a corresponding reference letter.</p> <p>The appointment letter will also be used to determine the establishment of the company and length of operations.</p> <p>As per page 2 of 4 of the consolidated evaluation report which reads "it was noted during evaluation that ICASA copies need to be certified as per the condition on the certificate, mere copies were not accepted"</p> <p>The above provides clarity to why copies not certified were not considered as the certificate clearly states that uncertified copies must not be accepted.</p>
6	63	The BAC was not constituted properly	An official who sat as advisor or assistant in the BEC meeting was also appointed to be member of the BAC, and as a result the independence of the BAC members could not be confirmed.	The involvement of the one member on the respective committees, possibly impacted on the independence in the evaluation process. This non-compliance contravenes Section 29.4 of Midvaal SCM policy and results in the tender award any subsequent payments to the service provider being classified as irregular expenditure	Non-Compliance with legislation	Financial Services	CFO	<ul style="list-style-type: none"> <li>Official who appointed to advise or assist the BEC are not appointed to be members of the BAC on the same tender.</li> <li>BEC and BAC members trained on constitution of the committees in compliance with the SCM Policy of the Municipality. The Accounting Officer must ensure that:</li> </ul>	<p>Mr. Fanny Jonas was present at the BEC meeting of 04 September 2020, to evaluate bid 8/2/3/271 Panel of experts to provide financial services to Midvaal Local Municipality on an as and when required basis. See below, is his appointment as a co-opted member to evaluate such a bid</p> <p>- The municipality's evaluation sessions are conducted in a way that officials from the user departments are only called upon to join the meeting when it's time to evaluate their item,</p>	FJ	AG recommendation to be implemented.
7	65	Reasonable steps were not taken to prevent irregular expenditure	<p>The accounting officer did not exercise oversight responsibility regarding financial reporting, compliance and related internal controls to ensure that irregular expenditure is prevented.</p> <p>Management did not monitor and review compliance with applicable laws and regulations</p>	Non-compliance with MFMA section 62.	Non-Compliance with legislation	Corporate Services	ED: Corp Services	<ul style="list-style-type: none"> <li>The accounting officer should implement consequence management for officials who have contravened the laws and regulations.</li> <li>Compliance checklists should be designed by management and monitored and reviewed for compliance thereof.</li> </ul>	<p>The management and prevention of irregular expenditure is an ongoing process in order to ensure adequate controls are put in place, implemented and effectiveness monitored and reported, to prevent irregular expenditure. Once such an incident occurred controls are reviewed and enhanced to prevent recurrence.</p> <p>The purpose of the Unauthorised, Irregular, Fruitless &amp; Wasteful Expenditure Policy, approved per Council Resolution C2831/05/2022 dated 26 May 2022, is to ensure compliance with Section 32 of the Local Government: Municipal Finance Management Act and MFMA Circular 68.</p> <p>Read with the response above, Council also adopted the National Treasury Unauthorised, Irregular, Fruitless and Wasteful Expenditure Reduction Strategy, per Council Resolution C2832/05/2022 dated 26 May 2022, to curb incidents of irregular expenditure.</p>	RvG	<p>All Heads of Department to ensure compliance with Section 78(1)(c) of the MFMA.</p> <p>The AFS has been amended to include the irregular expenditure of R513 521.00 see extract below</p>
8	68	Overstatement of reported achievement for KPI 036: Number of additional formal households with access to basic level of sanitation per annum	Management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information.	As a result, the achievement reported in the Annual Performance Report for this indicator has been overstated.	Internal Control Deficiency	Water and Sanitation	ED: Engineering	<p>Management should put in place controls over the processes involved in the reporting of this indicator. Sewer connection point forms and monthly customer billing must be reconciled to the list of additional formal households with access to basic level of sanitation to ensure accuracy, validity and completeness of the reported achievement. Management should correct the reported achievement for the entire population to include only valid connections performed in the current 2021/22</p>	<p>The controls on this indicator were not adequate. New standard Operating Procedures have been developed and are already in use.</p>	RvG	<ul style="list-style-type: none"> <li>Based on the standard operating procedure, an accurate record of all sewer connections will be kept at Engineering and monthly reports submitted to Finance for billing purposes.</li> <li>The reported figure will be adjusted accordingly</li> </ul>
9	72	Misstatement of finance costs (note 34)	Management did not implement adequate controls to ensure that finance costs are correctly recorded.	Finance costs for long term loans and finance leases are overstated and understated respectively.	Misstatement of Financial statements	Financial Services	ED-Fin Services	<p>Management should ensure that there are regular review and reconciliation processes in place which will prevent the misstatement of finance costs.</p>	<p>Management agrees with the audit finding. There was a misallocation between long term loans and Finance leases, however the total amount of finance costs is correct</p> <p>The total amount of finance costs was correctly recorded, however, split of the amount between Long term loans and Finance</p>	KD	The financial statements were corrected accordingly.
10	73	Inadequate implementation user access management controls around Eclipse system	Financial and performance management: Design and implement formal controls over IT systems: Management fully dependent on the service provider which resulted in not receiving the evidence during the audit period.	<p>Inadequate user account management records because of systems being unable to produce adequate logs of activities on users' accounts could lead to attempted or successful user account breaches not being traceable.</p> <p>Users with unauthorised access to information system resources might have elevated access and could</p>	Internal Control Deficiency	Corporates Services	ED-Corp Services	<p>Management should assess the feasibility of enabling logs on these systems, alternatively if the level of risk is accepted, mitigating controls should be implemented. Where mitigating controls cannot be implemented, this should be outlined and monitored in the risk register. Furthermore, where the municipality had taken a decision to use an outsourced model, this business decisions should be supported by a thorough assessment of the risks, costs, and benefits, while activities of external consultants should be adequately monitored.</p>	<p>Management agrees with the finding.</p>	SM	Amend user access reporting and User department to have quarterly meetings with SP.

11	75	Inadequate implementation of user access management controls around TCS system.	Financial and performance management: Design and implement formal controls over IT systems:  Management oversight in determining the adequacy and level of detail required in the documentation of the reports used to review of all system administrator's activities.  Management did not in all instances implement proper record keeping ensuring that relevant, and accurate information is accessible and available to support	Inadequate regular reviews of system controller activities might result in unauthorised system activities such as creating of unauthorised user accounts, deleting, or modifying information and unauthorised attempts to access the system may not be timely detected and resolved.  Failure to ensure that a system generated list of password resets can be maintained by the application system may lead to the inability to track that password resets have only been requested by the owner of the user profile, which	Internal Control Deficiency	Corporate Services	ED-Corp Services	Management should develop and establish consequence management process that will enforce accountability concerning failure in complying to the processes prescribed in the policy.  Management should enable the capability to record all access rights modifications on the system and actions performed by the system controller on the system.  Regular review and monitoring of system generated audit trails which detail all activities of privileged user's / system controller should be conducted and evidence of review should be retained for audit purposes.  Management should ensure that accurate	Management disagrees with the finding.  •The user in question was previously employed on a different role at traffic and was then promoted hence their account is still active.  •Supporting evidence/documentation was provided for system generated password reset report.	SM	AG recommendation to be implemented.
12	77	Inadequate implementation of user access management controls around Active Directory	Financial and performance management: Design and implement formal controls over IT systems: Management oversight in ensuring that password setting are adequately configured.	Inadequate password configurations may increase the chances of the passwords being guessed through the use of social engineering or password sniffing algorithms, which increases the risk of unauthorised access as a user account inherently compromising the whole network.	Internal Control Deficiency	Corporate Services	ED-Corp Services	Management should develop and establish consequence management process that will enforce accountability concerning failure in complying to the processes prescribed in the policy.  Management should ensure that the password settings are adequately configured to expire after 30days.	Management disagrees with the finding.  Service accounts are set not to expire to avoid system interruptions.  The list initially provided did not stipulate all the columns that indicates/include the status of the user(s) account password.	SM	AG recommendation to be implemented.
13	79	Inadequate implementation of user access management controls on Payday and Solar systems	Inadequate user access management controls were due to: Management believing that the aspect of password reset process was included in the user access management policy.  Management believing that the quarterly reports data should be used for audit purposes.	Failure to include password reset process in the user access management policy could lead to inconsistency password reset process followed, this may result in password controls being compromised and granting access to unauthorised users.  Failure to maintain user access reports with details necessary to manage users on Payday and Solar systems, may results in both	Internal Control Deficiency	Corporate Services	ED-Corp Services	Management should update the use access management policy to include the password reset process and communicate the updated version to all users through municipality communication protocols.  Management should assess whether the Payday and Solar systems have system limitation to produce user access reports with the above-mentioned data and negotiate modifications from the service provider, if not, the management should consider risk acceptance in line with risk management processes on the system limitations.	Management disagrees with the finding.  Some of the municipal systems i.e SOLAR are integrated to Active directory which has a self-service application that allow users to unlock/reset their passwords. The other system like payday requires users to log a call with ITHelpdesk for any password resets. I've attached a SOP that outlines the process for these.  SOLAR users are integrated with the active directory users which means they form part of	SM	AG recommendation to be implemented.
14	81	Inadequate program change management processes	Financial and performance management: IT system controls  The inadequacies on program change management process were due to:  The database management system for Payday, Eclipse and Cash Drawer systems did not have the functionality to generate system logs in a readable format; therefore, system change logs could not be accessed.  Management did not previously enforce IT change control processes on these systems. Non-compliance with the requirements of the change management policy. System generated list of all changes implemented on the	Failure to adhere to change management processes may position the municipal systems against the following major risks:  There will be no tracking of changes,  Insufficient control over normal and emergency changes, Failure to comply with regulatory compliance requirements, Unauthorised changes might reduce system availability.  Furthermore, this could have a negative impact on the dependability and integrity of revenue tariffs, affecting financial information.  Furthermore, failure to maintain a	Internal Control Deficiency	Corporate Services	ED-Corp Services	A change log keeps a record of all changes made to the system; therefore, management should ensure that the Payday, Eclipse, and Cash Drawer log all changes made so that management can identify changes made to the production environment. Management should enforce compliance with the requirements of the change management policy.  In addition, management should consider an automated program changes reporting and trend analysis system for all municipal systems. The system will help to maintain all program changed on a central platform.  Management should communicate their minimum-security requirements on the system to the service providers and verifications should be performed by ICT to ensure that the control on the system makes provision for activity logging, thus all changes made to the system should be logged preferably with the following details: change number, change description and change implementer. Furthermore, management	Management acknowledges the finding.  Management had budgeted for software monitoring tool which was approved and added to the 2022/2023 budget and is for implementation in the second quarter of the 2022/2023 financial year.	SM and AM (Director Income)	Procurement of monitoring tool for performance systems.
15	84	Inadequate implementation of change controls around Tariffs	Management did not in all instances implement proper record keeping ensuring that relevant, and accurate information is accessible and available to support Information Systems Audit reporting.	•Lack of implementing the prescribed tariffs accurately and in a timely manner would result in a loss of revenue as well as an understatement of the revenue amount report in the financial statements.  •Failure to follow change management processes may result in unauthorised or erroneous	Internal Control Deficiency	Corporate Services	ED-Corp Services	Management should ensure that accurate information for the audit review period is submitted for audit purpose.	Management disagrees with the finding  SOLAR and Traffic tariffs did follow the IT change management process which was done on test and deployed on production after QA which is also confirmed with internal audit for quality assurance purposes. Screenshots have been shared with AGSA to demonstrate changes to the tariffs for the year under review. All tariffs are housed in the financial system which is SOLAR.	SM	AG recommendation to be implemented.

**Other Matters identified by the MM to be addressed by Management**

Area	Matter to be resolved	Progress by Management
Point 7 - Material losses - electricity	clearer response is required to ensure the managed reduction of both technical and non-technical losses.	
Material losses - water	the 37% is still unacceptably high. I require a clearer response to the technical and non-technical losses and specifically actions focused on reducing these losses.	
Financial Management Report - Page 6 - IT System Controls	Please provide a detailed proposal to improve the system controls as it is highlighted as being of concern	
Page 7 - Financial Health - Current surplus decrease to R 74.7 million from a surplus of R 207.3 million.	What can we do to improve our surpluses?	
	What immediate and short term actions can be taken?	
	What current revenue sources are under collected?	
	What new revenue sources do we need to consider?	
Page 21 - Outstanding actions of 3 recommendations have not been addressed or limited progress has been made.	Please ensure these are included as outstanding from the previous audit. This needs to be actioned.	
Page 22 - Expenditure management has decreased from 52 days to 61 days. I believe the number should be closed to 45 days.	Can we implement an improvement plan to get back to 52 days and then possibly 47 days? Is this realistic?	
Page 22 - Revenue management has worsened from 107 days to 124 days.	Can we look at taking steps to get back to 100 days? Is it realistic to target 90 days? Perhaps we need to relook the debt collection strategy? For those who owe more than 180 days?	
Page 23 - The primary concern is roads and stormwater, water reticulation, sanitation reticulation and electricity maintenance as well as buildings more generally.	Repairs and Maintenance allocations must be increased to 10% if at all possible.	