

EXTRACT OF THE MINUTES OF THE 140<sup>TH</sup> COUNCIL MEETING HELD ON 25 JANUARY 2023.

"A2306 ANNUAL REPORT: FINANCIAL YEAR 2021/2022

(9/2/3/3)

Office of the Municipal Manager

RESOLVED

THAT the contents of the Annual Report 2021/2022, attached as Annexure "A", be hereby approved."

IT IS HEREBY CERTIFIED THAT THIS IS A  
TRUE EXTRACT FROM THE MINUTES OF  
A... COUNCIL ...  
MEETING HELD ON... 29 JANUARY 2023 ...  
SEDIBENG DISTRICT MUNICIPALITY

 ..



Sedibeng District Municipality

# Annual Report

## 2021 / 2022



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# Introduction

## INTRODUCTION

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 56 of 2003; the purpose of the annual report is:

- a) To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- b) To provide a report on performance in service delivery and budget implementation for the financial year; and
- c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year under review; which invariably means that the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan; including quarterly, midyear and annual performance report and the ultimate annual report must be consistent with information to enable synergy and link between all these plans and the actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a retrospective document, focusing on performance in the financial year under review and must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

Section 46 of the Municipal Systems Act, 44 of 2003, requires that:

- (1) A municipality must prepare for each financial year an Annual 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 target 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 the Municipal Finance Management Act, Chapter 12.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 56 of 2003, further stipulates that if the Executive Mayor, for whatever reason, is unable to table in the council the annual report of the municipality, the Executive Mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

Therefore, Sedibeng District Municipality presents and tables the Annual Report for 2021/22 financial year. This report was prepared in compliance with Section 121(4) (a), (b), (e), (g) and (h) of the MFMA, 56 of 2003. Amongst others, this Annual Report includes the following:

- The Municipal Annual Performance Report;
- The Annual Financial Statements of the Municipality;

# Introduction

- The Auditor General's report on municipal performance and financial audit report, including corrective action taken or to be taken by the Municipality on issues raised in the Audit Reports.

This report provides information about the administration's financial and operational performance for the period under review. It also reflects on the municipal progress against the objectives of its Integrated Development Plan (IDP). The content of this Annual Report is structured around the five R's plus two strategic focus areas (pillars) and their underlying objectives, as contained in the municipality's five-year IDP.

The table below outlines a short summary of the Chapter 12 process

ACTIVITY	TIMELINE
Section 127 (1) of the MFMA:- The Accounting Officer of a municipal entity must, within six (6) months after the end of financial year, submit the municipality's annual report for that financial year to the municipality	<ul style="list-style-type: none"> <li>• 31<sup>st</sup> December 2022</li> </ul>
Section 127 (2) of the MFMA The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	<ul style="list-style-type: none"> <li>• 31<sup>st</sup> January 2023</li> </ul>
Section 127 (3) of the MFMA:- (a)The mayor must promptly submit to council within seven (7) months, a written explanation of as to why the Annual report could not be tabled within the regulated dates and (b) submit to council the outstanding annual report as may be possible	<ul style="list-style-type: none"> <li>• 31<sup>st</sup> January 2023</li> </ul>
Section 127 (5) (a) (i) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must publish the draft Annual Report.	<ul style="list-style-type: none"> <li>• Immediately after been tabled at Council</li> </ul>
Section 127 (5) (a) (ii) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must invite local community to submit representations in accordance with the annual report.	<ul style="list-style-type: none"> <li>• Immediately after been tabled at Council</li> </ul>
Section 127 (5) (b) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	<ul style="list-style-type: none"> <li>• Immediately after been tabled at Council</li> </ul>
Section 129 of the MFMA: Oversight reports on the annual reports:- Council must  (i) Consider the draft Annual Report within 9 months after the end of the financial year; including oversight report (ii) Adopt an oversight report containing Council's comments on the annual report, which incl. approval an/or rejections and or referring back of the annual report for further revision.	<ul style="list-style-type: none"> <li>• 31 March 2023</li> </ul>



# Chapter 1

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## **Vision**

Sedibeng District Municipality envisions building towards a developmental Metropolitan River City of choice.

## **Mission**

- To promote and sustain Integrated Service Delivery that enhances and supports the municipality to achieve growth and development for its community.
- To promote efficient and effective Integrated Services that addresses the socio-economic and environmental development imperatives of the Region;
- To Implement Prudent and Cost-effective Financial Management and Sustainability;
- To ensure Good Governance and sound management practices; and
- To ensure effective Service Delivery.

# Chapter 1

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

### COMPONENT A: MAYOR'S FOREWORD



It is a great opportunity to once again to present the Sedibeng District Municipality's Annual Report according to which a performance track of the operations of the municipality will be made. This is achieved by making specific references to the priorities we had set for ourselves as listed in our Integrated Development Plans and the Service Delivery and Budget Implementation Plans effective from 1 July 2021 to 30 June 2022.

These key priorities at best describe our collective efforts, commitment and attitude to maintaining the necessary focus in order to build on what Sedibeng District Municipality was able and unable to achieve resources-wise in this annual report.

#### Key Service Delivery Improvements

- Good governance

All municipalities are expected to exist through their performance and such is realized by employing capable staff. Without staff, there can be no performance in the first place. Therefore, the appointment of the senior executives was one key and critical priority to achieve the necessary administrative stability in the municipality as the new term of office began in November 2021, having almost completed the full 2020/2021 financial year without Executive directors in four (04) departments including the municipal manager. Not having full-time executive directors to head departments, posed a serious challenge to overcome without further delays. Because accountability was very low as no specific individuals took the responsibility of their departmental poor performances.

To this end, the appointment of Mr Motsumi Mathe as the municipal Manager was confirmed by council in April 2022 and the rest of the appointments will be concluded before the end of 2023 as we forge ahead to stabilize our administration.

- Facilitate Regional Economic Growth and Development

With the high unemployment levels in our communities caused by the lack of general growth in the economy in our country. We could not fold our hands and do nothing. Hence the establishment of the Vaal Special Economic Zone was realized in earnest, so dovetailing our engagement with the district wide business Lekgotla. This was aimed at consolidating efforts to revitalize the economy in the region to undo the damages caused by the lack of economic growth. In this regard, our objectives as tabled in the Sedibeng Growth and Development Strategies 1,2,&3 remain relevant and are in touch still with the realization of the National Development Plan, (NDP) vision 2030, and the Gauteng Township, because the following specific interventions were identified as the measures to track our progress going forward jointly with the local municipalities to attract investors and investment the region:

1. A need to establish a Development Agency in the District and local municipalities and to look into assets as a security for investment.
2. Setting up a Technical Committee comprising of all municipalities as of 30th June 2022 to develop terms of reference and looking for partnership with private sector and higher learning institutions for: - a. Training and capacity building of youth development and LED Staff in all municipalities (Research and Skills). b. Incubation Hubs and economic development opportunities to support SMMEs and Economic Growth in the District.
3. A study or technical group/working group to determine on Personnel, operations, advocacy and purpose of establishment (SDA) Linkage to LED Strategy, GDS and DDM
4. Provide security on land parcels in municipalities earmarked for development.
5. Municipalities should prioritize budget on Local Economic Development to stimulate economic growth in the district.

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6. Prepare and coordinate a District Development Model (One Plan) workshop for all Councillors in the District in order for them to have a better understanding of a process and approach.

- Upgrading of the Fresh Produce Market

The plan to upgrade the Fresh Produce Market to be able to operate on a larger scale and to attract a wider range of traders, so that tangible benefits can be realized by our farming SMMEs has gained traction. Because we are now at a stage where proposals from the private sector will be invited to form a partnership with the Sedibeng District Municipality that will see this becoming a reality before the end of 2022.

## Public Participation

The municipality still maintained a district wide Lekgotla involving the local municipalities as the means to ensuring the involvement of communities in its affairs.

## Key Policy Development

Stemming from the announcement of a change in the approach by the national government to accelerate service delivery through the District Development Model. The Sedibeng District Municipality actively championed for the adoption by the local municipalities of its "One Plan" to advance planning and development in the region. This resulted in the "One Plan" becoming the blueprint policy shift as it was at the end adopted by the local municipalities during their IDPs.

## Financial Viability

Our attempts to be a sufficiently viable municipality in terms of the finance remain hard done by the fact that we largely depend on the equitable shares without a long list of alternative sources of income on which to base our service delivery efforts to meet our obligations.

Topping our major causes to the problem is the high salary bill which needs our undivided attention to overcome it.

## Audit Report

The municipality has received an unqualified audit opinion with findings for the three past consecutive financial years i.e. 2018/19, 2019/20 and 2020/21. Through the collaboration with the various committee of council, we continued to strive to improve the status of internal controls of the municipality.

We continue to strive to improve the audit outcome to be a "clean-audit" outcome. The continuous monitoring of the audit action plan to ensure implementation of corrective actions will be of the main focus to avoid repeat of findings and mostly to focus on improving the status of internal controls.

To this extent we have had to face tightening our governance and administrative processes to mitigate the weaknesses pointed out by the Auditor-General in her report on our municipality.

We have taken the following steps as a direct response to the Auditor-General's findings.

Although Sedibeng District Municipality (SDM) audit outcome remained stagnant as unqualified with findings main issues raised were on the compliance with laws and regulation and predetermined objectives. The establishment of the OPCA will assist the municipality in effectively identifying the root-cause of issues and necessary controls required to implement in order to improve the internal control environment of the municipality.

# Chapter 1

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## **Partnerships**

The municipality concluded a partnership with the Food and Beverage Seta in terms of which a total of 100 youth from within the region will receive a twelve months long IT training to prepare them for the 4IR. They will each earn a stipend of R 3000 per month .

## **Conclusion:**

It is evident that of all our priorities, clean governance and financial sustainability must be the cornerstone of our efforts to reclaim the Vaal, to create jobs, to push back against poverty, inequality, and joblessness.

The two priorities will also mean that we meet our service delivery obligations and honour the social pact we have with the people of Sedibeng as represented by the various sectors in the communities, business, and academia.

Lastly the people of Sedibeng want to see change, however if officials continue to be entangled in corruption, ill-discipline, misconduct, and endless wasteful expenditure the change we want to see will be a tall order. All of us in the municipality know and understand the road map by which to keep the promise of the service deliver.

The little resources of the district are meant to be utilized in such a way that the people of Sedibeng feel and see the change. As such programs and projects must be community driven so that Government and residents keep the contract of a fruitful and beneficial partnership.

(Signed by : ) \_\_\_\_\_

Executive Mayor

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### MUNICIPAL MANAGER'S OVERVIEW

Sedibeng District Municipality (SDM) is a category C municipality with limited powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. While we understand and acknowledge the challenges which comes with limited powers and functions, the hope of Sedibeng's future rests with the newly established District Development Model (DDM). This model was initiated and signed off by the President of the Republic of South Africa, His Excellency Matamela Cyril Ramaphosa.

We acknowledge the role of local, provincial and national government, and regularly engage on platforms to share information and best practices. These platforms include but not limited to South African Local Government Association (SALGA) MINMEC, Premiers Coordinating Forum and Municipal Managers Forum. A new Council was elected in November 2021, and the new Municipal Manager was appointed in May 2022. This Annual Report bears testament on what can be accomplished by the District and its local municipalities through cooperation and focused approach on service delivery. In presenting the 2021-22 Annual Report, we affirm that Sedibeng District Municipality has been sustained to play its significant part in local sphere of government through interventions by provincial and national spheres of government. SDM relies and survives solely on the grants allocated from National fiscus. While we understand and acknowledge the enormity, Sedibeng District Municipality is in the process of repositioning itself, to strategically take part in the national and international space. This will be done parallel to strengthening of municipal governance, accountability, transparency and intergovernmental relations.

Sedibeng District Municipality continues to face myriad of challenges in terms of administration, financial management and governance. Many of these challenges have recurred over a period of time, and have been repeatedly highlighted in the Municipality's annual and audit reports. The bulk of these challenges are earmarked to reduce once a full contingent of senior management has been appointed. The municipality is in a drive or process to appoint sec 56 managers, these are managers reporting and accountable to the Municipal Manager.

#### Finance

The Sedibeng financial position remains unstable due to the deficit which the municipality incurred over a period of time, as a result of high salary bill. The municipality's key consideration is a long-term financial stability to attract and promote future financing and investments opportunities. SDM's ability to generate revenue and financial accountability shall underpin improved investor and community confidence in the district.

The 2021/22 audit opinion has remained the same with more matters raised by the Auditor General as other previous audit outcomes. The institution has received an unqualified audit opinion for the 2021/22 financial year. The Audit Improvement Plan has been prepared and currently under implementation to address the audit findings aligned to the required corrective actions. The municipality in addressing some of the findings/challenges should work on the following:

- Work on revenue management and revenue enhancement strategies to enhance the revenue base of the district.
- Centralize cash collection points
- Improve the interface between directorates pertaining to revenue management value chain.
- Improve forward planning, demand management and acquisition:
  - Timeous submission of procurements plans and fully functional bid committees
  - benchmarking on bids and quotations

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## **Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW)**

The municipality continued to incur irregular and unauthorized expenditure which was as a result of the previous financial year 2020/21. Given the current state of affairs, reasonable steps are being taken to prevent and reduce Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) as required by section 62(1) (d) of the MFMA. Our UIFW were as a result of non-compliance with Supply Chain Management (SCM) regulations, poor contract management practices, poor implementation of Human Resources processes, and non-compliance to the approved budget, and most importantly lack of consequence management. The municipality through its council has approved the establishment of the Municipal Financial Misconduct Disciplinary Board which investigates all these expenditures and recommend to council on how to recoup these monies from guilty officials. The district established the most effective Municipal Public Accounts Committee (MPAC), also adopted the consequence management policy which will give the municipality more powers to deal with transgressions and misconduct.

### Strategic risk

- Sedibeng continues to have challenges on its budget, because 70% of its grant goes to salary bill.
- The status of municipal buildings which poses a serious risk to human capital.
- Unfunded mandates performed by the municipality on behalf of other spheres of government.

## **Organizational Structure**

The organizational structure of the Municipality currently has 600 approved positions. In the operational organizational structure, the Municipality is headed by the Municipal Manager with the following section 56 managers:

- Chief Financial Officer (Acting)
- Corporate Services (Acting)
- Strategic Planning and Economic Development (Acting)
- Transport, Infrastructure and Environment (Acting)
- Community Services (Filled)

It is an operational challenge that four of the six section 56/57 positions within the Municipality are currently vacant and filled by acting appointments. Due to these vacancies and acting capacities, it has become difficult to inculcate a culture of continuity and performance-driven attitude. The municipality also has deficiency in required skills set in some critical departments, thus average performance levels and delays in reporting processes. The municipality, in the year under review, achieved 78% performance against expected norms and standards. The increase in the performance may be attributed to a number environmental factors, which included the lessening impact of Covid-19 pandemic; and changes in leadership and administration. Employees prevented from coming to work and those who operated from home during the 2020/21 FY, had recommenced operations under newly revised work plans implemented in the 2021/22 FY.

There is a dire need to improve the current organizational structure, governance and oversight within the Municipality.

## **Risk, Internal Audit, Audit Committees and Performance Management Units**

The municipality has reviewed an organogram in the Risk Management Unit, thus address capacity needs and ensure effectiveness and efficiency in the Unit. The municipality has appointed Risk Manager and Internal Audit Manager to ensure needed services are rendered by these critical departments. The Units under the Directorate: Municipal Systems, namely Internal Audit, Performance Management, and Risk Management, are functional, although with insufficient human capital. These noted incapacities all addressed through the current organizational review process, leading to directed

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recruitment processes.

## **Supply chain management**

The Municipality experiences the following critical challenge relating to SCM:

- Non-adherence to SCM Regulations

This is evidenced in the Auditor General findings, which are rudimentary in nature and where under normal circumstances could be averted. Hence an urgent drive to fill critical positions, acquire necessary system, and micro manage incumbents within the Directorate.

## **Contract management.**

Contract Management is an on-going challenge at Sedibeng District Municipality which is due to the absence of a Contract Management Framework. A tool identified as necessary and pivotal guideline in contract management. There are plans to relocate contract management committee from Legal Department to Finance, thus manage implementation and monitoring of contracts closely. Legal will continue with its functions of the development and review of all contracts.

Sedibeng needs a holistic Plan to address challenges that have been identified. Thus a number of strategies have been developed, refined and will be implemented in the short, medium and long term through the framework to address challenges faced by the Municipality to ensure sustainability over the medium to long term.

There is urgency for officials of the Municipality to perform optimally, and key performance areas and related indicators be incorporated in the performance agreements of all employees. Plans are set to improve on the monitoring and evaluation across all levels in the municipality. This would assist in placing the Municipality on a trajectory to meet its obligation to provide services and towards sustainability.

Finally, it is emphasized that the responsibility to implement changes set to address the above-mentioned challenges rests within Sedibeng. That the strategy to do so, places significant implementation responsibility on the Accounting Officer, Chief Financial Officer, Senior Managers, Stakeholders and general employees. A dire need for regular monitoring by Council, its Committees, and the Executive Mayor to ensure successful implementation of all plans and council resolutions.

**Yours sincerely**

**FM MATHE  
MUNICIPAL MANAGER**

# Chapter 1

## 1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.1.1. MUNICIPAL FUNCTIONS

The administration of the Municipality must:

- Be responsive to the needs of the community
- Facilitate the culture of public service and accountability among its staff
- Take measures to prevent corruption
- Establish clear relationships, facilitate cooperation communication between it and the local community;
- Give members of the local community full and accurate information about level and standards of services they are entitled to receive; and inform the local community how the municipality and cost and the persons in charge

Like other similar District Municipalities in the country, Sedibeng District Municipality is created and classified as a Category C municipality by Section 155 of Constitution of the Republic of South Africa, Act 108 of 1996, in conjunction with Section 4 of the Local Government Municipal Structures Act, 117 of 1998. Upon its creation, certain functions were delegated to it and it can only perform those functions and duties allocated by these pieces of legislation. The principal and primary Constitutional mandate of the district municipality such as Sedibeng dictates that it:

- a) provides democratic and accountable government for local communities
- b) ensures the provision of services to communities in a sustainable manner
- c) promotes social and economic development
- d) promotes a safe and healthy environment and
- e) Encourages the involvement of communities and community organizations in the matters of local government.

Other pieces of legislation such as The Local Government: Municipal Structures Act, 1998, Act No 117 of 1998, section 84 (1) sets out the following powers and functions for Sedibeng District Municipality:

- a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
  - b) Potable water supply systems.
  - c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
  - d) Domestic waste-water and sewage disposal systems.
  - e) Solid waste disposal sites, in so far as it relates to- (i) the determination of a waste disposal strategy;
    - (i) The determination of a waste disposal strategy;
    - (ii) The regulation of waste disposal; and
    - (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and Waste disposal facilities for more than one local municipality in the district.
  - f) Municipal roads which form an integral part of a road transport system for the area of the district municipality
  - g) Regulation of passenger transport services
  - h) Municipal airports serving the area of the district municipality as a whole
  - i) Municipal health services
  - j) Firefighting services serving the area of the district municipality as a whole, which includes-
    - (i) Planning, co-ordination and regulation of fire services;
    - (ii) Specialized firefighting services such as mountain, veld and chemical fire services;
    - (iii) Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
- (iv) Training of fire officers



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- k) The establishment conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district
- l) The establishment conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district
- m) Promotion of local tourism for the area of the district municipality
- n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality
- o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality
- p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms

However, the following functions were adjusted by the MEC for Local Government to be performed by the Local Municipalities:

- a) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and where applicable, the generation of electricity.
- b) Domestic waste-water and sewage disposal systems.
- c) Solid waste disposal sites, in so far as it relates to-
  - i. The determination of a waste disposal strategy;
  - ii. The regulation of waste disposal; and
  - iii. The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
  - iv. Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole.
- d) Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole
- e) Firefighting services serving the area of the district municipality as a whole, which includes-
  - i. Planning, co-ordination and regulation of fire services
  - ii. Specialized firefighting services such as mountain, veld and chemical fire services;
  - iii. Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures;
  - iv. Training of fire officers.

Therefore, functions constitutionally belonging to the district but were adjusted to the locals, form part of other reasons why the municipality is struggling financially and is not viable, compounded by the dwindling, on yearly basis, of the equitable shares and sharp increases of salaries as negotiated and concluded by bargaining council.

## **1.1.2. SEDIBENG DISTRICT BACKGROUND**

### Sedibeng District Profile

The Sedibeng District Municipality is classified as a Category C municipality by the Municipal Demarcation Board in terms of Section 4 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998). The Municipality was established in the year 2000 through the integration of various councils that had previously served the Vaal and the surrounding areas.

The municipality is the only area in Gauteng province that is situated at the southern tip of the provinces, and strategically borders three provinces, namely, Free State, North West and Mpumalanga. The other fact and strategic niche is that the municipality is the only one in the province that is located on the banks of Vaal River and Vaal Dam; covering the area formerly known as the Vaal Triangle.

Sedibeng is a stone throw away from Johannesburg. Legally, the municipality is comprised of three Local Municipalities i.e. Emfuleni Local Municipality, Midvaal Local Municipality and Lesedi Local Municipality. The District municipality also includes

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areas of historical epochs such as Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong, Ratanda and towns which include Vereeniging, Vanderbijlpark, Meyerton and Heidelberg.

Sedibeng offers a variety of cultural, heritage attractions and historical experiences. Some of these are the heritage sites related to South Africa Wars of 1899-1902 and the two World Wars that followed. The Sharpeville Precinct still stands as the reminder and the hallmark of the Sharpeville Massacre of 21 March 1960, when 68 people lost their lives during the pass laws protests.



The Vaal River on the southern border of Sedibeng constitutes one of the most important sources of water in South Africa. Water from the river meets the residential, industrial and agricultural needs for much of Gauteng. The River is also a key supplier of other tributaries located in Mpumalanga, the Free State, North West and the Northern Cape. Construction of the Vaal Dam was completed in 1938 but its capacity was later extended during the 1950s. The tourism town of Vaal Marina is located on the banks of the dam in the Midvaal Local Municipality. Development of irrigation farming, tourism and agro-processing industries are of central importance to Sedibeng, especially in the Midvaal and Lesedi municipal areas.

The Sedibeng District Municipality is located in the southern parts of the Gauteng Province, and features the cities of Vanderbijlpark, Vereeniging and Evaton. Accounting for approximately 33% of the national GDP, the Sedibeng District Municipality is perceived as an integral part of the Gauteng Province. The District Municipality features more than a wide variety of landmarks, such as the Vaal River and Vaal Dam, the Suikerbosrand Nature Reserve, the Sasol refinery, the ArcelorMittal (previously ISCOR) factory, as well as the Emerald Casino and Safari Park.

## Sedibeng District History

Flying over the Sedibeng landscape, reveals the stone circles marking settlements of people that lived in the region from the dawn of time. The area has moved on from its pre-historic roots to play a crucial part in shaping the South Africa we live in. While the landscape has been shaped by the Vaal River, our communities have been carved out of struggles for freedom. The long and bloody history of South Africa's journey through the Boer War, and the long years of apartheid, can all find their story right here in the heart of Sedibeng

The Treaty of Vereeniging (commonly referred to as Peace of Vereeniging) was the peace treaty, signed on 31 May 1902, which ended the South African War between the South African Republic and the Republic of the Orange Free State, on the one side, and the British Empire on the other. This settlement provided for the end of hostilities and eventual self-government to the Transvaal (South African Republic) and the Orange Free State as colonies of the British Empire. The Boer republics agreed to come under the sovereignty of the British Crown and the British government agreed on various details.

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None of this meant a great deal during the long, dark, oppressive years of apartheid that were to follow, and the brutal and violent fight to break down a tyranny of oppression and inhumanity. The world will never forget what is now marked as our day of Human Rights in South Africa. On 21 March 1960, events were planned for many parts of the country, for people to protest against one of the unjust laws of apartheid. The Pass Law required all Africans living or working in and around towns to carry documents (known as passes) with them at all times. Failure to carry this document would lead to arrest by the police.

On this day people decided to go to police stations without their passes and to demand that they be arrested. The idea was that many people would be arrested and the jails would become so full that the country's unjust laws would be exposed to the international world. It was hoped that this would lead to the draconian laws being scrapped. At Sharpeville in Sedibeng, thousands of unarmed people gathered at the police station demanding to be arrested. They were met by 300 police officers who opened fire on the crowd. Sixty-nine people were killed and more than 180 others were injured in the Sharpeville Massacre. This event precipitated the banning of the ANC, and the PAC and the start of the armed struggle. Every year on the 21st March, the people of Sedibeng, the country, and the entire world bow their heads to observe the brutal killings of anti-pass laws and apartheid protestors - making it one of the most historic political events which shook the world and changed the course of history in South Africa.

And so began decades of further oppression and restrictions of freedom that ultimately culminated in the dawning of democracy in 1994. But Sedibeng was to see some much darker days before that beacon of light came into sight. The early 1990s in South Africa, the period when negotiations were unfolding between the ruling National Party and the ANC, is marked as one of the most violent and turbulent times in our history to democracy. And Sedibeng saw some of the worst of it.

On 12 January, 1991, 39 mourners were viciously murdered at an all-night vigil, and over forty were injured. At the Nangalembe Night Vigil Massacre in Sebokeng. Mourners were paying their final respects to their community leader, when a sudden invasion by a gang of armed men resulted in a hand grenade being set off and the aggressors began to shoot randomly into the crowd. The Nangalembe Night Vigil Massacre will go a long way into the books of our history as it heralded an undefined and unresolved period of brutal attacks against the Sebokeng community.

Just over a year later, Sedibeng was to mourn again. On the night of 17 June 1992, a heavily-armed force of Inkatha members, secretly raided the Vaal township of Boipatong and killed 46 people. The Boipatong Massacre caused the African National Congress to walk out of CODESA, the initial formal negotiations to end apartheid, accusing the ruling National Party of complicity in the attacks. The massacre drew the attention of the United Nations Security Council, which passed Resolution 765 on July 16, 1992, urging a full investigation into the incident.

Sedibeng cannot bring back its fallen heroes, but it can certainly celebrate them through its continued struggles to end poverty and bring about economic equality. From 1902, the region seemed to almost have come full circle, and appears to be a most fitting place for the Signing of South Africa's First Democratic Constitution in 1996. The 10th December 2011 marked the 15th Anniversary of the signing of the South African Constitution into law - by the then President of South Africa, Mr. Nelson Mandela, in Sharpeville.

The year 2012 has turned out to be a remarkable and amazing year in the history of South Africa and Sedibeng. This year the ruling party celebrates its centenary, 100th year of a selfless struggle to liberate South Africa and the African continent, making it a historic moment for all the people of South Africa.

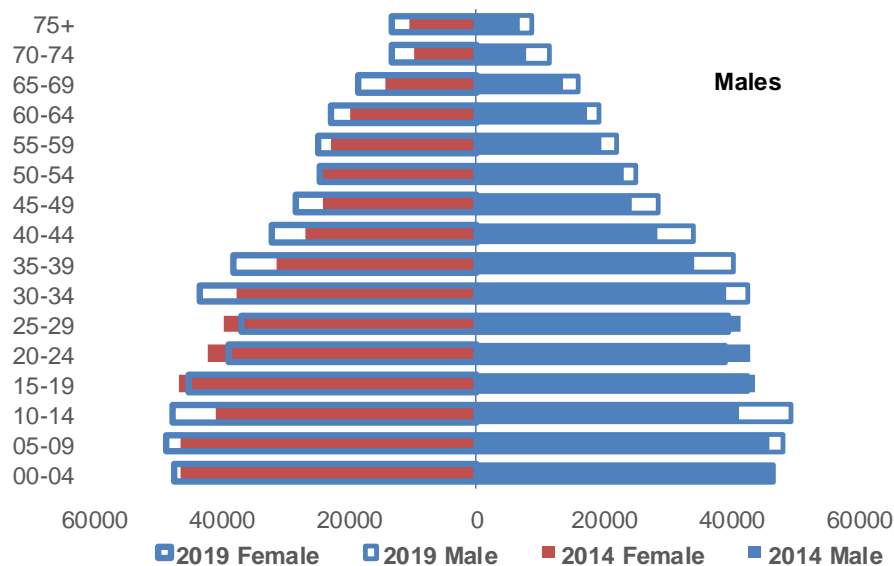
### **1.1.3. SEDIBENG DISTRICT POPULATION**

The Sedibeng District Municipality constitutes the second largest municipality in the province geographically, covering a land area of about 3,894 km<sup>2</sup>. The total population of the District is 916 484. Lesedi has a population of 99 520, Midvaal 95 301 and Emfuleni 721 663, with the population density of District as a whole as 198 people per km<sup>2</sup>. It is clear from the stats that 8

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out of every 10 people in Sedibeng live in Emfuleni and the vast majority (more than 700 000 people) live in the black township areas especially Sebokeng and Evaton. Source: Stats SA, 2011. In the Gauteng municipalities, Sedibeng is the fourth populated region after the City of Tshwane.

Figure 1: Sedibeng's Population Pyramid in 2014 & 2019

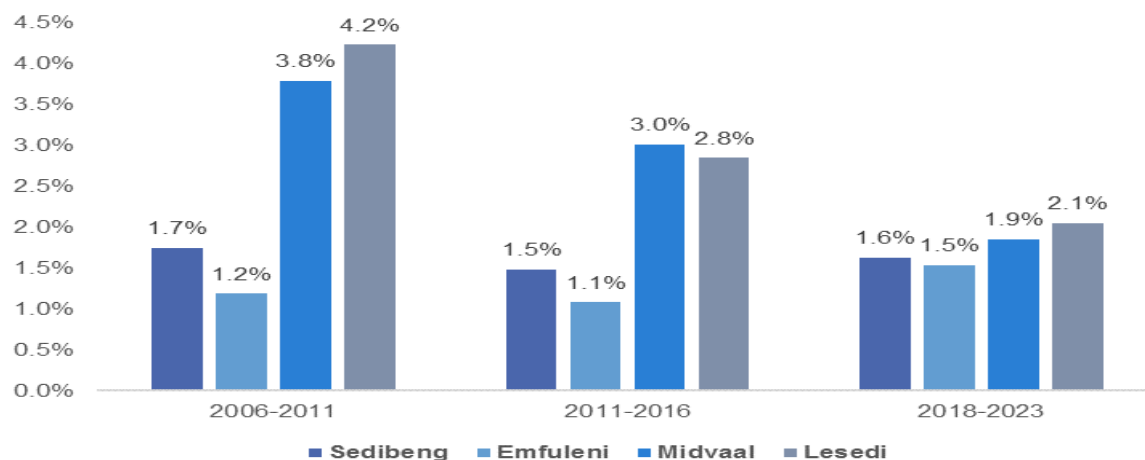


Source: IHS Markit, 2020

Figure 1 shows the population pyramid of the Sedibeng region by gender for 2014 and 2019. The youth population bulge (15-34 age cohort), a situation where most of the population consist of youth, appears stronger in the Sedibeng region, a phenomenon which is more prevalent in all regions in the country. However, another bulge was in those between the ages of 0 to 9 years, indicating that supporting children is a significant factor for the average working-age person in the region. The gender distribution indicates that there are more males than females in the region in the period under review.

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Figure2: Average Population Growth Rates



Source: IHS Markit, 2020

The figure above shows average population growth rates for Sedibeng and its local municipalities from 2006 to 2016 and forecast to the 2023. Average population growth tends to be decreasing in all the municipalities between the years 2011-2016 and is expected to rise slightly between the years 2018-2023. The figure indicates that Lesedi and Emfuleni have the highest growth rates in the periods under review.

## Education levels in Sedibeng District Municipality since 2014-2018

Below is a table depicting a comparative analysis of qualifications in local municipalities during the period 2014 and 2018. The level of education with a decrease of less than 1091 from 21,201 in 2014 to 20,110 in 2018 for those with no school. The numbers of those who have matric only were at 199,565 in 2014 and have increased with 22,666 to 222,231 in 2018. The numbers have increased by 4439 from 44,164 in 2014 to 48,603 in 2018 for people having diplomas with grade 12. There is also significant increase by 4149 from 24,869 in 2014 to 29,018 in 2018 for people with bachelor degrees. There is an increase of people with high degrees (Masters or Doctorate) by 2134 from 11,460 in 2014 to 13,594 in 2018

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Table 1: Sedibeng Qualifications between 2914 and 2918

Qualifications	Emfuleni				Midvaal				Lesedi				Sedibeng			
	2014		2018		2014		2018		2014		2018		2014		2018	
	no	%	No	%	no	%	no	%	no	%	no	%	no	%	no	%
Grade 0-2	14,663	100.0%	13,823	2.8%	2,654	3.8%	2,589	3.3%	3,883	5.7%	3,698	4.9%	21,201	3.5%	20,110	3.1%
Grade 3-6	14,663	100.0%	7,738	1.6%	1,163	1.7%	1,159	1.5%	1,843	2.7%	1,819	2.4%	11,262	1.9%	10,716	1.7%
Grade 7-9	14,663	100.0%	31,572	6.4%	4,237	6.1%	4,324	5.6%	5,678	8.4%	5,809	7.6%	42,418	7.1%	41,705	6.5%
Grade 10-11	14,663	100.0%	68,261	13.9%	9,558	13.7%	9,533	12.3%	10,672	15.8%	11,085	14.6%	90,285	15.1%	88,878	13.8%
Certificate / diploma without matric	14,663	100.0%	127,586	26.0%	16,280	23.3%	17,871	23.1%	17,866	26.4%	21,240	27.9%	150,851	25.2%	166,697	25.8%
Matric only	14,663	100.0%	2,637	0.5%	534	0.8%	511	0.7%	409	0.6%	405	0.5%	3,626	0.6%	3,552	0.6%
Matric & certificate / diploma	14,663	100.0%	170,231	34.6%	24,850	35.5%	29,063	37.5%	19,612	29.0%	22,938	30.2%	199,565	33.3%	222,231	34.4%
Matric & Bachelor's degree	14,663	100.0%	38,079	7.7%	5,036	7.2%	5,910	7.6%	4,040	6.0%	4,614	6.1%	44,164	7.4%	48,603	7.5%
Matric & Postgrad degree	14,663	100.0%	21,586	4.4%	3,927	5.6%	4,597	5.9%	2,331	3.4%	2,835	3.7%	24,869	4.1%	29,018	4.5%

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## HIV and AIDS

A healthy labour force contributes to the economic productivity of a region and thus to the output. This section provides analysis on the HIV and AIDS indicators.

### HIV/AIDS prevalence rates

In recent years, the world has committed to ending the AIDS pandemic by 2030. While this world dream remains the mountain to climb; there are signs in many countries that this feat is achievable. South Africa is amongst the first countries in the world with the largest HIV and AIDS programme. This has drastically and amazingly reduced AIDS-related deaths. In the last two years, the number of people on antiretroviral drugs has increased by almost a third.

South Africa aligning with the World Health Organisation (WHO) 90-90-90 strategy, adopted a commitment of ending HIV and TB co-infections by 2030. In a country challenged by emergence and increase of multidrug resistance TB, it has been necessary to establish collective collaboration through multi-sectoral approach that included Global funding partners. The development of National Strategic Plan 2017/22, has committed all sectors' involvement, to reach set goals with support from AIDS Councils. Through this strategy and the support of Global partners, enrolment and uptake of antiretroviral drugs has increased and mortality rate decreased.

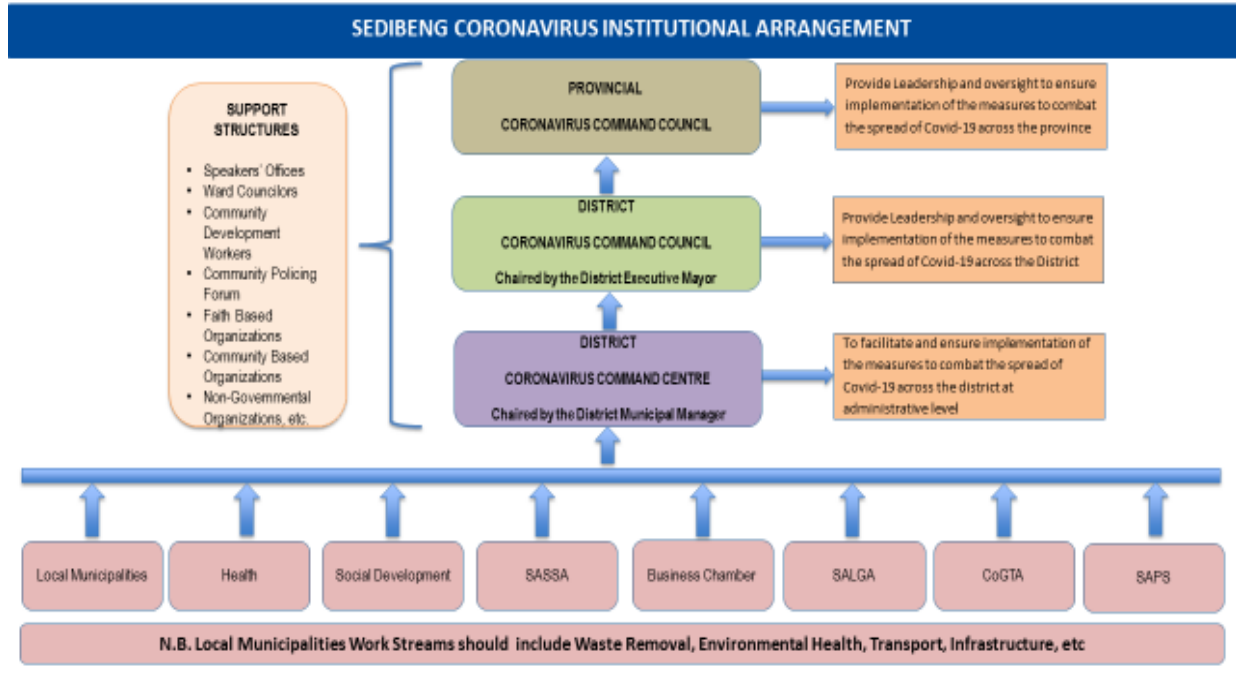
### Covid-19 in Sedibeng District

On Sunday, the 15th of March 2020, President Cyril Ramaphosa declared a National State of Disaster due to the sporadic spread of the Corona Virus (COVID-19) in South Africa and globally. Subsequently, on Monday, 23rd March 2020, the President announced the "Lockdown" which became effective on Friday, 27th March 2020. As an organ of the state, the Sedibeng District Municipality and its locals followed suit to implement all directives issued regarding the announced lockdown, as result of COVID-19. Senior officials of the District and Locals attend Provincial meetings for appropriate guidelines. The district and its locals have prioritized safety of employees, as well as the communities.

On the daily basis, the district and its locals are responding to the issues of the COVID-19 in its different measures of service delivery. The district and its locals have been established to channel the municipal services to respond to the measures of containing the virus.

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## Covid-19 Sedibeng region Institutional arrangements



1. District Command Council deals with political and strategic matters relating to COVID19 – Executive Mayor and Municipal Manager
2. District Command Centre: Coordination and reporting–Managed by Director for Disaster Management and Emergency services
3. District Work-streams: Coordination and reporting by senior management at District and Locals.
4. District JOCOM: Chaired by General Molefe and Brigadier Mokoena Local JOCs/Technical Teams
5. Sedibeng Community Services Cluster: Review and Consolidation of District plans and reports by Executive Director Community Services

Most visibly, the lockdown has resulted in staggering levels of hunger, as household incomes have collapsed and nutritious food has become increasingly difficult to access. Other social impacts, such as job losses, interruptions to public health programmes, loss of access to educational and other child support services, growing challenges with mental health, and increased gender-based violence are collectively deepening destitution in many communities.

These social impacts will leave a legacy long after the virus itself is eventually brought under control through a vaccine or effective treatment. National Government has recognized the urgency of providing social support. Ensuring that resources are directed to the areas of most urgent need requires a localized understanding of South Africa's diverse human and physical geography.



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## Provision of Health Services in the region

Health related indicators remain vital for a region's development. A healthy labour force can contribute much more to the economic productivity of a region and thus to the output. This section provides analysis on the health-related indicators. Health services in the region are provided by both Public and Private sector.

In Sedibeng District Municipality, there are three (03) public hospitals, namely Kopanong which is a District Hospital and Sebokeng Hospital which is a Regional Hospital, both are located within Emfuleni Local Municipality and Heidelberg District Hospital which is located at Lesedi Local Municipality. There is no Tertiary Hospital within Sedibeng region. In addition to these public hospitals there are six (06) private hospitals of which four (04) are within Emfuleni Local Municipality, and one is located in Lesedi Local Municipality and Midvaal Local Municipality. Based on this scenario it is evident that hospitals services are more clustered in Emfuleni Local Municipality.

It should be noted that, Primary Health Care (PHC) and Emergency Medical Services (EMS) are the competency of Gauteng Department of Health in terms of the Constitution and the Health ACT 61 of 2003. However; Sedibeng District Council plays a crucial coordinating role through its Intergovernmental Relations (IGR) Forum, namely; District Health Council.

Sedibeng District Health has a total number of thirty- eight (38) Primary health Care Facilities; four (04) Community Health Centres; three (03) Community Day Centres and thirty-one (31) clinics.

The table below illustrates the number of health facilities in the district per sub-District and the type of service rendered: financial year 2012/21.

Table 2: Number of Health Facilities

Municipality	Clinics	Community Day Centres	Community Health Centres	District Hospitals	Regional Hospital	Other Hospitals
<b>Emfuleni</b>	20	01	04	01	01	06
<b>Lesedi</b>	08	0	0	01	0	02
<b>Midvaal</b>	03	01	0	0	0	01
<b>Sedibeng</b>	<b>31</b>	<b>02</b>	<b>04</b>	<b>02</b>	<b>01</b>	<b>09</b>

Source: DHIS

There are four (04) Maternity Obstetric Units (MOU) and all these are located within Emfuleni Sub-District, three (03) of the MOU and the PHC operates 24hrs and therefore; there is a backlog of MOUs in Lesedi and Midvaal. In light of these, both Lesedi and Midvaal lack fully fledged Community Health Centres that will operate 24hrs and alleviate the pressure from the district hospitals.

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## 1.1.4. ENVIRONMENTAL OVERVIEW

Environmental quality has been an ongoing concern in the Sedibeng Region for a number of years. Other strategies, The Growth and Development Strategy in particular, through the pillar of “Reviving Our Environment” if effectively implemented, will finally give the region the means to comprehensively address this issue and ensure that its citizens live in an environment that supports a positive quality of life for them, their children and future generations. Sedibeng has identified awareness as a key intervention to assist communities to understand issues around the environment. Lack of environmental skills in the region is addressed through the implementation of career exhibition programs which are supported by various stakeholders.

### Air Quality:

Air quality is affected by the climate, the landscape, natural and economic activities that take place in an area. There are different sources of Air pollution: emissions from industrial processes, domestic fuel burning, vehicle exhaust emissions and waste facilities. Sedibeng District Municipality is regarded as one of the most polluted municipality because of the level of industrialization in the areas within the Emfuleni Local Municipality and Midvaal Local Municipality.

Emfuleni Local Municipality and Midvaal Local Municipality have been declared to be part of the first national priority areas in Vaal Air-shed Priority Area, because of the elevated level of pollution within the area. Lesedi local Municipality is also included in the second declared priority area, the Highveld Priority Area which includes areas in Mpumalanga and Ekurhuleni. Particulate matter has been identified as a pollutant of concern within the region and the major contributors for particulate matter (PM10) is both industrial sources and domestic sources especially in winter.

In an attempt to improve the quality of air in the region, Sedibeng is participating fully in priority area Air-shed implementation forums that seek to ensure the implementation of projects that are identified in the priority area plans (Vaal Triangle Air-shed Priority Area and Highveld Priority Area Air Quality Management Plan).

The plans have been adopted by Sedibeng District Municipality as the region’s Air Quality Management plan in order to inform the management of air quality within the region. The objectives of the priority area plans are the same as the district objectives that of achieving clean air for the residents of the region.

However, the municipality is currently having a number of challenges with regard to availability of both human and financial resources to efficiently execute the function of air quality management. The lack of these minimum resources results in the district not being able to implement fully programmes that are directed at reducing air pollution within the region.

Despite the number of challenges to date the municipality has managed to issue a number of licenses to industries in the region. The licensing of industries has been identified as a critical mechanism of ensuring that industries are regulated and emissions improved. The focus is rather not on issuing licenses only, but exercises are conducted in the region, supported by the local municipalities and with the support from province compliance monitoring unit.

The Sedibeng District Municipality has two Ambient Air Quality Monitoring Stations which are operational namely:

- Meyerton Ambient Air Quality Monitoring Station
- Vanderbijlpark Ambient Air Quality Monitoring Station
- The raw data collated from both stations is forwarded to SAQIS for verification.

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## Water Pollution:

Sedibeng is faced with serious water pollution challenges in river systems and water bodies, notably the Kliprivier and Blesbokspruit which are polluted from runoffs from industrial areas, townships and waste water treatment works. The Kliprivier is one of the most polluted rivers in the Sedibeng District as a result of mining and industrial activities in the upper catchments, outside the borders of the Sedibeng.

The state of Sedibeng's surface and ground water quality is influenced by activities within and beyond the boundaries of Sedibeng. External pressures, emanating from mining and industrial activities on the West Rand (Roodepoort and Randfontein) and East Rand (Germiston, Boksburg, Brakpan and Springs), are major contributing factors to the current state of surface and ground water quality in Sedibeng.

The largest internal pressures are limited to the industrialized and urban areas in Emfuleni, including Meyerton, Vanderbijlpark and Vereeniging. Rural areas in Midvaal and Lesedi, where agricultural activities dominate, have a lesser, but nonetheless important influence on the surface and ground water quality. Heidelberg and Devon, which are the main urban areas of Lesedi, also contribute to surface and groundwater deterioration through urban-associated pollution. The main pressures on the quality of surface and groundwater resources in the Sedibeng District are the following:

- Mining activities, including physical mining practices and mining effluent release from mineral extraction and mine dumps;
- Industrial activities;
- Water treatment works;
- Informal settlements, which usually lack services;
- Poorly serviced high-density residential settlements;
- High-density urban areas;
- Coal combustion on the Mpumalanga Highveld, which results in acid rain in the Sedibeng District;
- Water abstraction for urban and agricultural use;
- Flow reduction in streams and rivers as a result of dams and weirs; and
- Agricultural activities.

## Waste:

Sedibeng's history with regards to waste management is not that different to the South African situation in general. The issue of waste as with most local, provincial and national departments has many facets including economical, physical, social and political. Waste management has traditionally taken place on an ad-hoc basis to meet the current needs, with very little foresight into the future needs of an ever-increasing population.

Identification of landfill sites has generally taken the form of unplanned site location with little or no thought of design to reduce potential impacts to the environment, neighboring communities, etc. With the development of the minimum requirements by the Department of Water Affairs and Forestry (DWAF) for waste disposal by landfill the identification of landfill sites now take a much more pro-active approach in reducing further negative consequences related to an activity such as planning and design.

Local authorities in Sedibeng have indicated that they have neither sufficient funding nor adequate trained staff, to effectively plan and execute their waste management functions in a sustainable manner. Communities have also not been involved in the identification of the landfills, which has resulted in community resistance and/or limited support. The level of services varies from area to area, and in particular the previously disadvantaged areas have been left without proper waste

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management services. The Sedibeng District's Integrated Waste Management Plan was approved by the Province for inclusion in the IDP as per the Waste Act, in November 2014; and the implementation thereof will assist in achieving the National Waste Management Strategy's goals which are as follows;

- Promote waste minimization, reuse, recycle and recovery
- Ensure the effective and efficient waste services
- Grow the contribution of the waste sector to the green economy
- Ensure that people are aware of the impact of waste on their health, well-being and environment
- Achieve waste management planning
- Ensure sound budgeting and financial management of waste services
- Provide measures to remediate contaminated land; and
- Establish effective compliance with the enforced Waste Act

## Biodiversity

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality), Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal river).

The Sedibeng District Municipality falls within priority areas identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

## Climate Change:

The Sedibeng District Municipality has developed a Climate Change Response Plan in 2016. The plan was developed through assessing vulnerability risks assessment focusing on Agriculture, Biodiversity, Environment, Human Health, Human Settlement and Water. The vulnerability risks assessment focused on the following parameters:

- Exposure,
- Adaptive capacity,
- Sensitivity

Natural Resources	
Major Natural Resource	Relevance to Community
Vaal River	Tourism and fishing which creates jobs and improve the economy of the region
Arable land	Farming which will create jobs, thereby reducing poverty and improve the economy of th region
Suikerbosrand Nature Reserve	Opportunity for tourism which will create jobs and improve the economy

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The Municipality must embark on establishing and implementing Environmental Management Plan which should assist in identifying environmentally sensitive areas and awareness campaigns about tourist areas for better utilisation of opportunities.

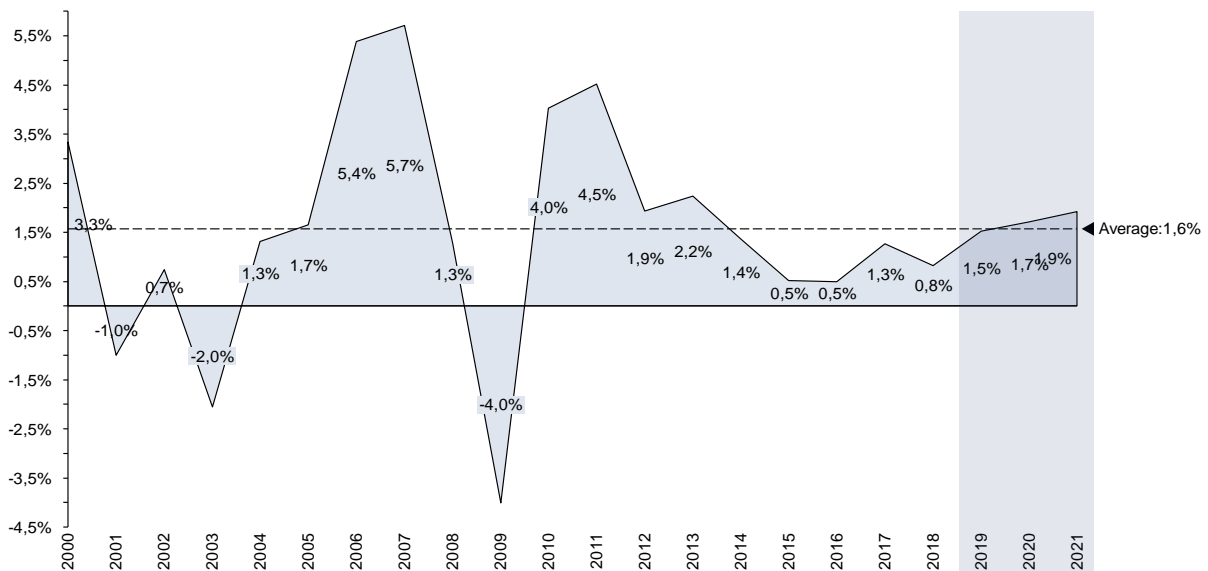
## 1.1.5. Economic Performance of the Region

Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This subsection reviews the recent economic performance trends in Sedibeng and its local municipalities. GDP Growth Performance and Expected Growth Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), grew at much slower pace in 2018.

In 2019, Sedibeng's economy contracted by 0.3 per cent and this was driven mainly by the contraction in the mining, manufacturing and electricity sectors. The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its region Education levels in Sedibeng District Municipality since 2014-2018

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors (construction, manufacturing and mining). In 2019, the manufacturing sector accounted for about 25 per cent of the total Sedibeng economic activity.

Figure 4: GDP Growth of Sedibeng, 2000 - 2021



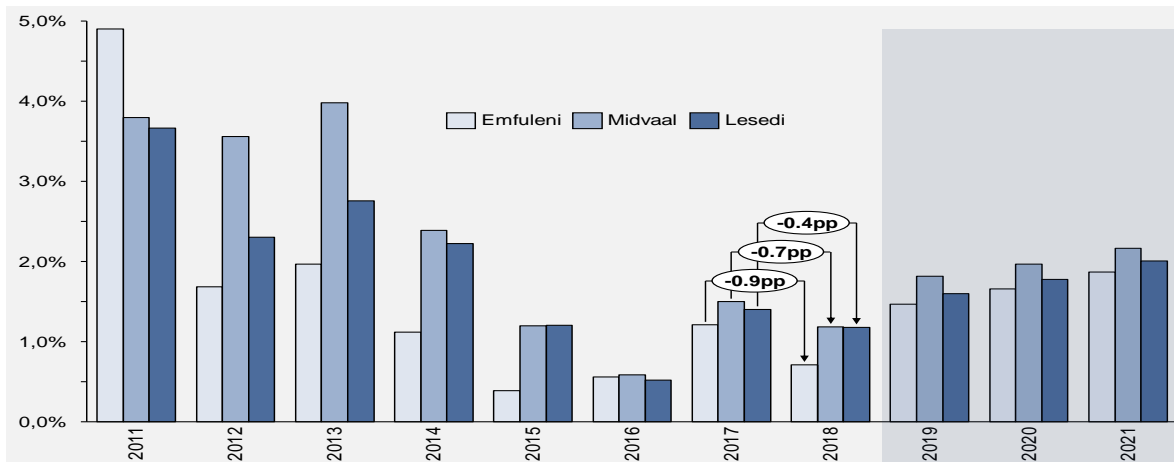
Source: IHS Markit 2019

Note: Shaded Areas illustrates forecasts

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Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at a much slower pace in 2018.

Figure 5: GDP Growth of Local Municipalities, 2004 – 2021



Source: IHS Markit, 2019

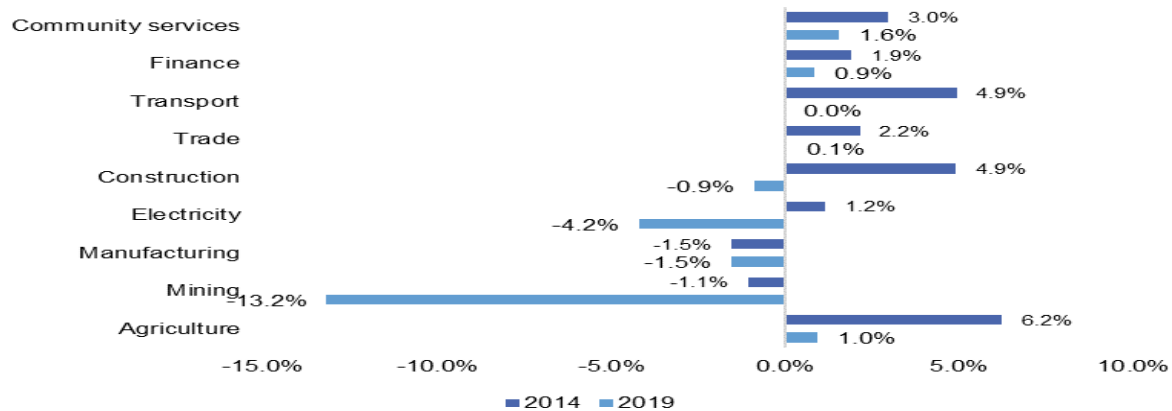
Note: Shaded area illustrates forecasts

Similar to the district, growth is expected to have slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, is expected to have recorded the lowest growth rate of 0.7 per cent, which is down from 1.2 per cent in 2017. The Midvaal economy is expected to have grown at 1.2 per cent, compared with 1.5 per cent in 2017. Lesedi is estimated to have grown at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

Similar to the district, growth was slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, recorded the lowest growth rate of 0.7 per cent, which was down from 1.2 per cent in 2017. The Midvaal economy grew at 1.2 per cent, compared with 1.5 per cent in 2017, while Lesedi also grew at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

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Figure 6: Sector Growth, 2014 & 2019



The graph above depicts the economic activity decline in the Sedibeng region, which in the main was due a decline in the mining, electricity and the dominating manufacturing sector in 2019. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.

## Tourism:

The Sedibeng region has a number of areas with intrinsic potential for tourism. These include areas such as Suikerbosrand nature reserves, the Vaal dam area, areas along the Vaal River, sites in Sharpeville and numerous other historical sites. To unlock and maximize the tourism potential a Tourism Development Strategy for the area was developed and adopted in 2003 and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 Strategy (2007).

In 2019 the Sedibeng Tourism Development Strategy was reviewed with the purpose to align it with new and existing legislation, as well as national and provincial strategies and policies. These Strategies and Policies include the National Development Plan 2030, the New Growth Path, the National Tourism Development Strategy 2016-2026, the Gauteng Transformation, Modernisation, Reindustrialization Strategy (2014) (TMR), the Gauteng Tourism Development Strategy (2017), the Sedibeng Growth and Development Strategy, and the Sedibeng Spatial Development Framework (2019).

Amongst others, the Tourism Strategies have the following goals:

- Develop a common understanding of the Tourism industry, defining the roles and the responsibilities of Government in particular and the broader stakeholder groups, in growing the Tourism industry in Sedibeng.
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector in consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realize these objectives, the following key performance areas have been identified:

# Chapter 1

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- Tourism Policy, Strategy, Regulations, Monitoring and Evaluation
- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing
- Tourism Supply: Product and Skills Development

## Promotion of the development of Tourism Infrastructure

The Sedibeng District Municipality has embarked on a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

## Tourism Potential:

The Sedibeng region with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

The classification is based on the following:

- Natural Resources
- Cultural Heritage Resources
- Scenic Attractions
- Close proximity to Johannesburg and major travelling routes
- Proximity to markets and airports
- Strong infrastructure
- Inland water resources
- Tertiary Education Facilities
- Quality medical facilities



# Chapter 1

Figure 7: Total Employment by Economic Sector in Sedibeng 2014 & 2018

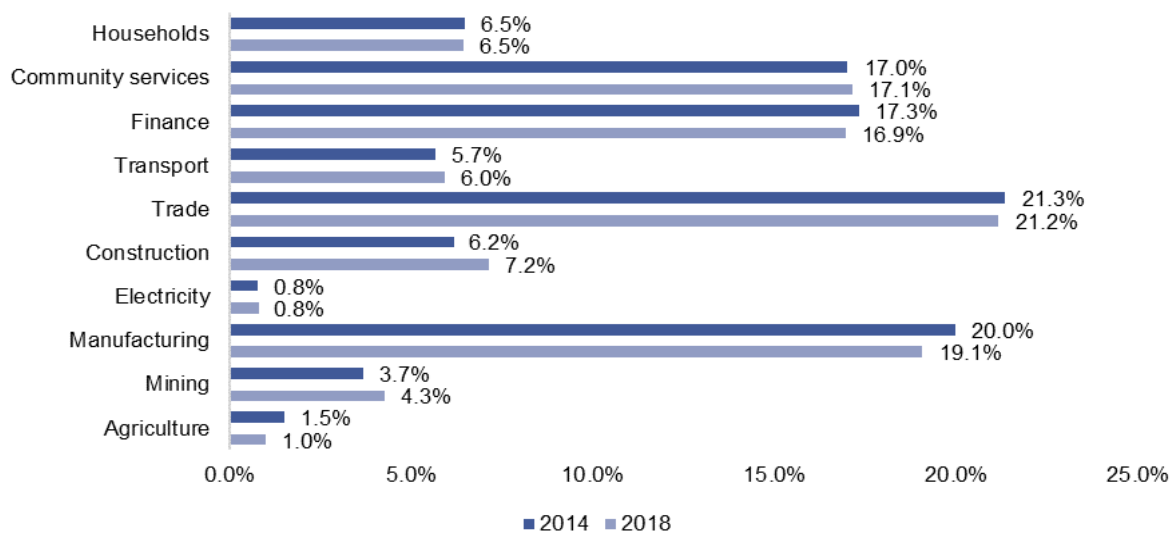


Figure shows employment by sector in Sedibeng for 2014 and 2018. It worth noting that the sector that dominates economic activity, which is manufacturing, is not the biggest employing sector in the region. The trade sector is the biggest employing sector at 21.2 per cent in 2018, while manufacturing is at 19.1 per cent during the same period.

## 1.2. SERVICE DELIVERY OVERVIEW

Constitutional provisions do not give Sedibeng as a District Municipality, powers to provide basic services. Although the District supports and coordinates the provision of such in Local Municipalities; there are direct services mandated by legislation, which the Municipality provides. These include the Air quality Management; Driver Licensing Testing Centres (DLTC's); Motor Vehicle Registration and Licensing; Public Halls (Vereeniging City Hall); Theatres (Mphatlalatsane and Vereeniging Civic Theatres); Aerodromes; Disaster Relief; Heritage Centres (Vaal Teknorama, Sharpeville Monument); and Taxi ranks

### Core Support Functions:

- Support to Local Municipalities

The Sedibeng District continues to support the local municipalities, wherever possible. The district provides resources wherever possible, although at the moment financial constraints prevents it from monetary support to municipalities. The shrinking Capital Budget of the District has seen diminishing support in capital projects.

- Facilitating Development

This remains one of the key areas that the district plays in both the socio-economic development, the District stimulates investment and facilitates development. For the year under review, the municipality has played a

# Chapter 1

prominent role in assisting in the coordination and facilitation for the developments of projects such as Savannah City.

## Performance Management System and Overview of Performance:

The deliverables set at the beginning of the financial year 2019/2020 IDP and SDBIP were implemented and most of them achieved. The overall performance of the municipality with regards to SDBIP objectives and targets is enunciated further in the chapters that will follow.

### 1.3. FINANCIAL HEALTH OVERVIEW

For the financial year ending 30 June 2022, the municipality's total liabilities (R108,5 million) exceeded the municipality's total assets (R114,2 million) and the municipality's deficit net worth position has decreased further (from R94,2 million in 2020/21 to R108,5 million in 2021/22). This places the municipality in an unattractive standing on the open investment market.

The municipality further declares an operating surplus of R12,3 million where the total revenue of R404.3 million was insufficient to meet the operational expenditure of R392 million for the financial year ending 30 June 2022. This is primarily attributed to the municipality's limited ability to grow and raise revenue from rendering of municipal functions as assigned, as well as from the disproportionate staff structure, which is the primary operating cost of the municipality. The problem is further exacerbated by the municipality rendering a number of "legacy" functions outside of the core district functions as envisaged in section 84 of the Municipal Structures Act (117/1998) placing greater demand on the limited financial resources of the municipality. The equitable share distribution does not make provision for these functions and the funding is directed to the provincial and national sector departments under the Division of Revenue Act, leaving the municipality to fund these programmes from our own limited internal funds.

Financial Overview: Year 0			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	306,054,190	307,897,190	302,367,320
Taxes, Levies and tariffs	0	0	0
Other	83,075,214	81,425,508	101,974,583
Sub Total	389,129,404	389,322,698	404,341,903
Less: Expenditure	398,884,090	398,768,786	392,005,085
Net Total*	-9,754,686	-9,446,088	12,336,818
* Note: surplus/(defecit)			T 1.4.2

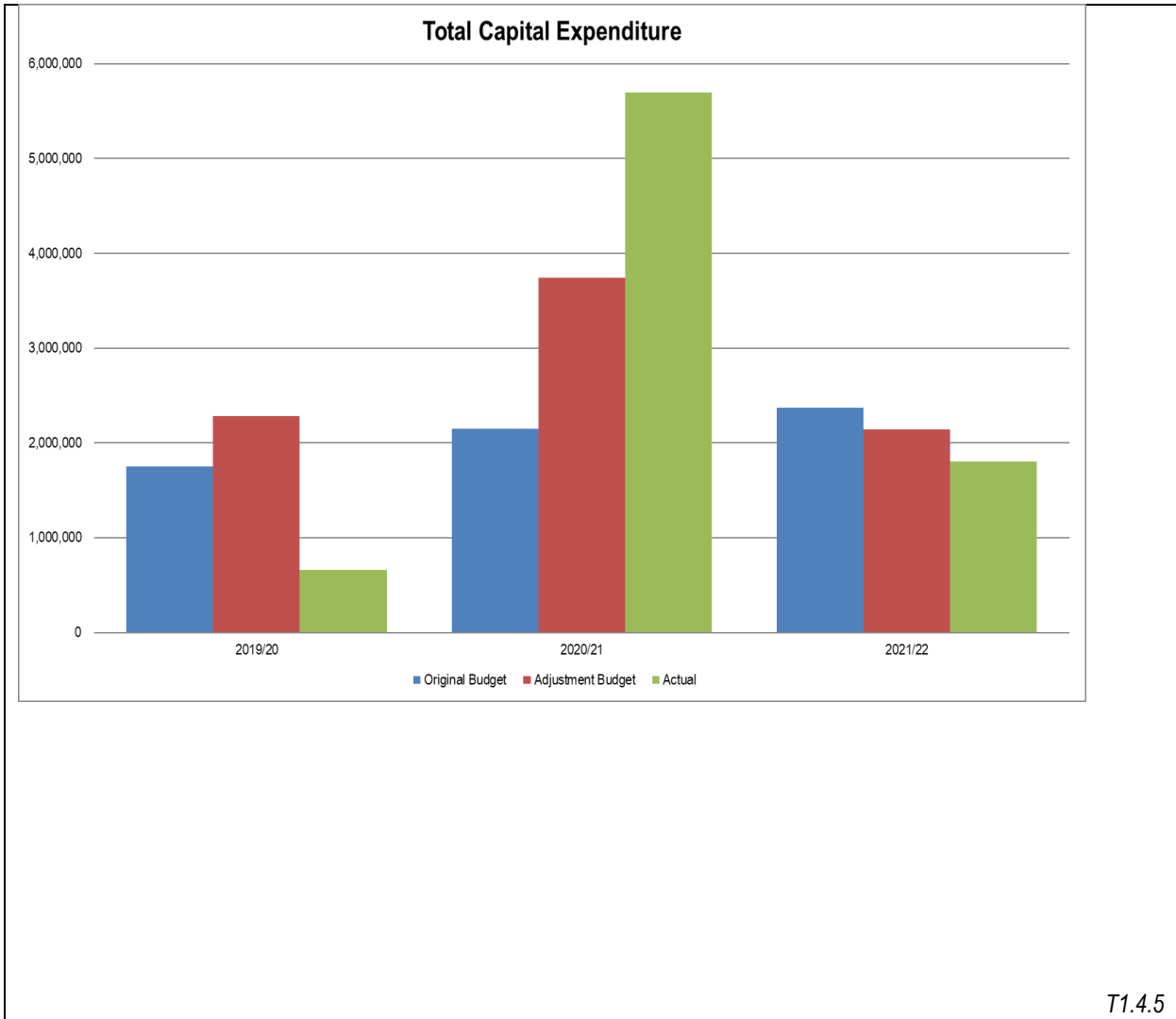
Operating Ratios	
Detail	%
Employee Cost	77%
Repairs & Maintenance	1%
Finance Charges & Impairment	0%
	T 1.4.3

# Chapter 1

## COMMENT ON OPERATING RATIOS

Employee costs is expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%. The Municipality's employee cost is much higher than the expected percentage and therefore the reduction in repair and maintenance cost and general expenses in order to compensate for the employee cost,

Total Capital Expenditure: Year -2 to Year 0			
Detail	2019/20	2020/21	2021/22
Original Budget	1,750,000	2,150,000	2,370,000
Adjustment Budget	2,282,713	3,740,000	2,143,240
Actual	660,410	5,693,418	1,805,630
			T 1.4.4



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## COMMENT ON CAPITAL EXPENDITURE

The District Municipality is not capital intensive based on the current power and functions.

### 1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

For the period under review, the Human Capital of Sedibeng District Municipality comprised of 581 appointed employees, Elected Councillors and appointed community members serving on ad hoc committees. Section 67 of the Municipal Systems Act 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.

In an effort to mainstream systems, processes and procedures, the municipality employed the following:

- Three (3) out of Six (6) section 57 were vacant, i.e. Chief Financial Officer, SPED and TIE. These positions had acting heads, till to date.
- Based on the changing circumstances and the world of work emerging trends, some new policies were developed while other existing ones were reviewed. These were tabled at various council fora for noting and approval at certain levels.
- The district managed to gather and consolidate individual employees' Personal Development Plans, in line with individual job description; and subsequently developed and submitted the Workplace Skills plan for reviewal and soliciting of funds for training.
- The municipality electronic clocking system is being implemented; with electronic leave management adhered to by all employees. Although still having some hiccups with synergising the electronic biometric with the employees' electronic leave management system and the financial system to ensure effective and efficient leave management; there is positive progress that has been made; which will ensure accountability of employees and correct leave credits.
- Through the Employees Assistance Programme roadshows, employees were empowered on psychological and socio-economic programmes as well as work-related enhancement programmes.
- For the period under review, there are no fatalities emanating from work-related accidents; as will be observed in the table relating to workplace injuries.
- Participation by employees on Employee Equity Programme is implemented.
- Although the Local Labour Forum is fully functional and issues are deliberated and resolved at that level; which has assisted effective delivery of services; we are still to move with job evaluation; where the latter should be finalised once SALGA has appointed the service provider to train the Job Evaluation Committee members.
- The municipality, although in the midst of financial constraints, still continues to pay for employees' personal development and career pathing.

### 1.5. AUDITOR GENERAL REPORT

While the aim is always to ensure that the municipality receives a clean audit; for the period under review, the municipality received an unqualified audit with material findings in the performance information and material non-compliance with laws and regulations. Overall picture indicates a regression as opposed to prior year due to repeat findings that have been identified during this audit cycle and further non-compliance relating to asset management.

# Chapter 1

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The municipality has already developed a remedial action plan to address matters raised in the management letter of the Auditor General. The Accounting Officer has put in place various systems to enable improved systems of internal control and the development of processes to enhance reporting throughout the financial year.

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## 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	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

T 1.7.1

# Chapter 2

## CHAPTER 2 – GOVERNANCE



### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

Chapter 7 of the Constitution of the Republic of South Africa, Act 108 of 1996 implores that the legislative and executive functions of a municipality are vested within its Municipal Council.

Sedibeng District Municipality exercised its mandate by separating executive and legislative functions. This it did by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts (MPAC) and its implied oversight role, there has been a further implied split between the two functions. The MPAC, as a structure of the legislative function, which is Council; assist by providing an oversight role over the executive function (the Executive Mayor). The Speaker leads Council which is constituted of all 49 Councillors. Below is the narrative relating to political structures of the municipality.

#### Political Structures and Functions:

Political Head	Functions
 <p data-bbox="228 1350 411 1375">Cllr. Lerato Maloka</p>	<p data-bbox="579 956 743 981"><u>Executive Mayor</u></p> <ul data-bbox="628 1025 1407 1386" style="list-style-type: none"> <li>• Besides the powers and functions accorded to the Executive Mayor in terms of legislation i.e. the MSA, MFMA and others, the Executive Mayor is delegated with the executive function of the Council, as the appointed head of the executive function.</li> <li>• The Executive Mayor exercises political oversight of the administration, except for the Office of the Speaker.</li> <li>• The Executive Mayor presides over the Mayoral Committee Meetings.</li> <li>• Recommends to the Municipality Council strategies, programmes and services to address priority needs through the IDP, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans</li> </ul>
 <p data-bbox="228 1865 456 1890">Cllr. Moipone Modikeng</p>	<p data-bbox="579 1471 766 1496"><u>Speaker of Council</u></p> <ul data-bbox="628 1541 1407 1937" style="list-style-type: none"> <li>• The Speaker of Council performs duties and exercises the powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000);</li> <li>• Presides over Council meetings, and advice on major legislative compliance issues.</li> <li>• Ensures that the council meets at least quarterly;</li> <li>• Maintains order during meetings</li> <li>• Ensures compliance in the council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government Municipal Systems act 32 of 2000; and</li> <li>• Ensures that council meetings are conducted in accordance with the standing rules and orders of the council.</li> </ul>

# Chapter 2



Cllr. Mamohale Moloji

## Chief Whip of Council:

- The Chief Whip of Council is the chairperson of the ruling party Caucus, Whippers, Multiparty, and Political Management Team (PMT) in council and also plays advisory to the Speaker of Council.
- The Chief whip is responsible for allocation of Councillors in different committees of Council and to ensure the attendance and maximum participation in those committees.
- The Chief Whip is responsible for administering the Whipping system that ensures that members of the party attend and vote in Council as the party leadership desire.
- The following functions are delegated by Council to the Whip of Council, in terms of national conventions on the duties and functions of the Whippers. The Chief Whip of Council is required to:
  - Ensure the effective and efficient functioning of the Whips Committee and the Whippers system;
  - Assist with the smooth running of Council meetings by:
    - Determining, prior to Council meetings, items on the agenda which political parties may wish to discuss and advising the Speaker accordingly;
    - Ensuring that all political parties have nominated councillors to represent their parties and lead discussion on those areas identified by the party, and forwarding such names to the Speaker at least 12 hours before the time set for the Council meeting to commence.
    - Allocating speaking times for each of the political parties, in line with the principles of democracy.

## **MEMBERS OF MAYORAL COMMITTEE**

### **Name & Surname**

### **Portfolio**



Cllr Jimmy Sandile Mochawe

### MMC for Finance

- Provides Political Oversight on the rendering supply chain management and financial management services and the increase of revenue collection



# Chapter 2



Cllr Bheki Meshack Mkhize

## MMC for Administration

- Provides Political Oversight on the rendering of centralised Human Resources Services; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; Corporate and Secretariat support.



Cllr Busang Joshua Tsotetsi

## MMC for Sports, Recreation, Arts, Culture, Heritage & Community Safety

- Provides Political Oversight on the facilitation and coordination of efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development;



Cllr Nkubi Frances Mokoena

## MMC for Social Development

- Provides Political Oversight on the provision of comprehensive, integrated, sustainable and high quality health and social development; and the development and implementation of holistic and integrated disaster management planning and practice in a cost effective and participatory manner.



Cllr Mmadisebo Lucia  
Khomoeasera

## MMC for Development Planning and Human Settlement

- Provides Political Oversight on the coordination of Human Settlement, and Development Planning

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	<p><u>MMC for Local Economic Development and Tourism</u></p> <ul style="list-style-type: none"><li>• Provides Political Oversight on the coordination of the Local Economic Development and Tourism, Integrated Development Planning (IDP),</li></ul>
	<p><u>MMC for Environment and Clean Energy</u></p> <ul style="list-style-type: none"><li>• Provides Political Oversight on the establishment of a safe environment with clean energy and build partnerships to ensure integrated environmental awareness, planning and management:</li></ul>
	<p><u>MMC for Transport and Infrastructure</u></p> <ul style="list-style-type: none"><li>• Provides Political Oversight on the provision of safe, efficient, effective and integrated public transport system and facilities within the region</li></ul>

## Committees of Council

Committees of Council Sedibeng District Municipality have established all committees and subcommittees to enhance efficiency and effectiveness of governance structures. Such committees operate with clearly defined roles and responsibilities. For instance, the Section 79 and 80 Committees are set up to deal with oversight roles and provide an advisory role to Council. Council convenes on quarterly basis. The Municipality's Audit Committee members have been appointed with their contracts having ended in June 2021/22 FY. Their contracts are requested to be extended for 6th Months -Starting January till June 2022/23. The Audit Committee is accountable to Council; and it provides opinions and recommendations on financial processes and performance; and provides comments to the Oversight Committee on the Annual Report. The Sedibeng District Municipality also established a Section 79/Oversight Committees. Some of these committees also include Councillors. The following committees were established:

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- Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee (MPAC) plays an oversight role to Council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the Municipal Finance Management Act requirements and guidance. It also ensures the economic, efficient and effective use of municipal resources. By doing so the Committee helps to enhance the public awareness on financial and performance issues of Council. The MPAC consist of members of the majority and opposition parties.

- Gender Committee

The committee oversees and reviews the alignment, efficiency and effectiveness of gender policy, mainstreaming strategy to implementation. It also oversees and ensures that civic education and awareness programmes, gender analysis and impact assessments are activated within the municipality and across the district.

### Petitions Management Committee

The Petitions Committee has been established as a Section 79 Committee reporting directly to Council. The committee meets at intervals not exceeding six months to submit to Council a report indicating all the petitions received, referred and resolved and a summary of the response to the petitioners/community.

### Ethics Committee and Rules committee

Sedibeng resolved to consolidate Ethics and Rules committee to form one committee which is Rules and Ethics Committee. The Committee helps the Speaker with the performance of the delegated functions; while it also exists to create a clear road map on the implementation of rules within the Sedibeng District Municipality.

It enforces compliance in all sittings and official gatherings of the council. It also puts into place systems that enhance the development of members of the council in terms of conducting fruitful gatherings within the Council. Lastly the committee enforces discipline among its employees during council sittings and public gatherings.

### Remunerations Committee

The Remuneration Committee is established and functional; although it has not set for some time. It is chaired by the Executive Mayor, and is constituted by other members of the Mayoral Council and opposition parties. Corporate Services provides a secretarial service to the committee i.e. responsible for meeting registers, minutes and all other logistics. The committee deals with all remuneration matters of the municipality, including the performance bonuses for the Section 56 employees.

### Other Committees include:

- Audit/Performance and Risk Committee

The Audit and Risk Committee was functional for the period under review with four members, audit chairperson, deputy chairperson and two ordinary members. As per the legislative mandate, the Internal Audit Plan was executed by the Internal Audit team, with reports noted with recommendations by the Audit Committee. These reports included the Performance Information, Finance and Operational Audits. The

# Chapter 2

committee also emphasized the need for management to implement remedial action plans timeously to effect the changes required to improve the municipality's internal control environment.

- Section 80 (MSA 32 of 2000) Committees

All 10 Section 80 Committees are established, chaired by relevant members of Mayoral Council, and fully operational. The Municipality has appointed a highly competent and capable administrative leadership led by the Municipal Manager. The administrative wing of governance consists of the Municipal Manager, five Executive Directors, and four Directors (representing the office of the Municipal Manager, Executive Mayor, Speaker and Chief Whip). These members constitute a Management Committee (MANCO) which sits on a fortnightly basis to address both strategic and operational issues.

The municipality has an active inter-governmental relations functions, which is shared across the entire organization. There are constant engagements with all intra-, inter- and external stakeholders, thus to ascertain that information sharing, challenges and updates are communicated on continuous basis. External stakeholders include all spheres of government, and established entities like the office of the Auditor General.

### Political Decision-Making:

The administration develops reports based on requests from councillors, communities, individuals, and various stakeholders. These reports are then submitted to various committees established under Section 80 of the Local Government: Municipal Structures Act, 1998 (as amended). These committees, after extensive deliberations and consideration of the reports in their meetings, they recommend to the Mayoral Committee and Council for resolutions of Council. By law, all Municipal council meeting should be open to the public. In addition, it is common and acceptable, based on the Rules of Council; that Councillors submit motions for consideration by full Council.

Municipal Council passes, amongst others, the following:

- Approving budget and monthly expenditure
- Approving Council Policies
- By-Laws
- Tariffs

## 2.2. ADMINISTRATIVE GOVERNANCE

While legislatively the Executive Mayor exercises political oversight over the administration; MFMA section 60 (b) directs that the Municipal Manager of a municipality is the Accounting Officer of the municipality. This warrants that he/she provides compliance guidance to the political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

In any municipality, the administrative wing of governance consists of the Accounting Officer, Managers directly accountable to the Municipal Manager. In Sedibeng District Municipality, Management Committee consists of the Accounting Officer, managers directly accountable to the municipal manager and the directors in the Political Offices. This has been a long-standing arrangement which enable coordination, integration and synergy between the two governance wings. Management Committee meetings are held on fortnightly basis

# Chapter 2

## Administration Structure and Functions

Name and Surname	Position and Functions
 <p data-bbox="229 692 432 725">Mr. Motsumi Mathe</p>	<p data-bbox="592 322 799 356"><u>Municipal Manager:</u></p> <p data-bbox="592 356 1461 450"><u>Purpose:</u> The formulation, development and management of an economical, effective and accountable administration, in accordance with the Local Government: Municipal Structures Act, 1998 and other applicable legislation</p> <ul data-bbox="651 456 1235 658" style="list-style-type: none"> <li>• Finance Cluster</li> <li>• Corporate Services Cluster</li> <li>• Community Services Cluster</li> <li>• Strategic Planning and Economic Development Cluster</li> <li>• Transport Infrastructure and Environment</li> <li>• Internal Audit</li> </ul>
 <p data-bbox="229 1088 421 1122">Mr. Charles Steyn</p>	<p data-bbox="592 732 890 766"><u>Acting Chief Financial Officer</u></p> <p data-bbox="592 792 1461 860"><u>Purpose:</u> To render accounting supply chain management and financial management services for the Municipality, and to increase revenue collection.</p> <ul data-bbox="699 866 1166 934" style="list-style-type: none"> <li>• Financial Management and Budgets</li> <li>• Organisational Supply Chain Management</li> </ul>
 <p data-bbox="229 1485 461 1518">Ms. Refilwe Mhlwatika</p>	<p data-bbox="592 1128 986 1162"><u>Executive Director: Corporate Services</u></p> <p data-bbox="592 1189 1461 1323"><u>Purpose:</u> To execute functions relating to the rendering of a centralised Human Resources Service; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; and Corporate and Secretariat support:</p> <ul data-bbox="699 1330 1315 1498" style="list-style-type: none"> <li>• Human Resources</li> <li>• Information and Communication Technology Management</li> <li>• Corporate and Secretariat Services</li> <li>• Protection Services</li> <li>• Facilities Management</li> </ul>
 <p data-bbox="229 1881 445 1915">Ms. Jabuile Medupe</p>	<p data-bbox="592 1525 995 1559"><u>Executive Director: Community Services</u></p> <p data-bbox="592 1585 1461 1809"><u>Purpose:</u> To execute functions relating to the provision of comprehensive, integrated, sustainable and high quality health and social development; facilitating and coordinating efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development; developing and implementing holistic and integrated disaster management planning and practice in a cost effective and participatory manner.:</p> <ul data-bbox="699 1816 1198 1951" style="list-style-type: none"> <li>• Health and Social Development</li> <li>• Community Safety</li> <li>• Disaster Management</li> <li>• Sports, Recreation, Arts, Culture and Heritage</li> </ul>

# Chapter 2



Mr. Tebogo Mutlaneng

## Acting Executive Director: Strategic Planning and Economic Development

Purpose: To execute functions relating to the coordination of Strategic Planning and Economic Development; which include Human Settlement, Integrated Development Planning (IDP) Land use management (LUMS), Precinct developments, Local Economic development and Tourism:

- Local Economic Development
- Development Planning
- Human Settlement



Mr. Bheki Ngobese

## Acting Executive Director: Transport, Infrastructure and Environment

Purpose: To execute functions relating to the provision of safe, efficient, effective and integrated public transport system and facilities; the establishment of a safe environment where all people can develop to their full potential; and build partnerships to ensure integrated environmental awareness, planning and management:

- Transport
- Infrastructure Planning
- Environment
- Clean Energy



Ms. Nomvula Khalo

## Director: Office of the Executive Mayor

Purpose: To execute functions relating to members of the public who approach it for assistance on issues that concern them. The office looks after the Executive Mayor's political projects and campaigns; and provide political oversight on all Council events:

- Protocol
- Research
- HIV&AIDS
- Service Delivery Monitoring
- Youth Programmes
- Stakeholders Management
- Communications



Mr. James Dlangamandla

## Director: Office of the Speaker of Council

Purpose: To execute functions relating to Councillors Welfare; Public Participation; Capacity Building; Committees; Research and MPAC:

- Councillors Welfare
- Capacity Building
- Public Participation
- Research
- Committees

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Ms. Disebo Tlebere

Director: Office of the Chief Whip of Council

Purpose: To execute functions relating to Caucus, Whippyery, Multiparty, and allocation of Councillors in different committees of Council and to ensure the attendance and participation is maximal in those committees.

- Committees
- Research & Protocol
- Caucus and Capacity Building



Mr. Mncedisi Mpontshane

Director: Office of the Municipal Manager

Purpose: To execute functions relating to Risk Management; Organisational Performance Management; and Internal Audit.

- Risk Management
- Organisational Performance
- Intergovernmental Relations

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

Sedibeng District Municipality has adopted a democratic model for cooperative governance that provides basis for intergovernmental Relations. The objective of Intergovernmental Relations in the District is to facilitate the intergovernmental dialog and structures with relevant provincial government departments, parastatals and state owned enterprises by creating a conducive working relationship between the municipality, Provincial departments, and other stakeholders. This facilitates systems and relationships that enable the different spheres of government to participate effectively and carry the service delivery mandate to the local community that is being served and to achieve government goals.

The Sedibeng District Municipality established functional structures to undertake its objectives on Inter-Governmental Relations (IGR). The IGR Unit, located in the office of the Municipal Manager, was capacitated with staff in order to fulfil its objective of close interaction with all spheres of government, thus playing a demanding coordination role.

The 'unqualified audit' status of the Sedibeng District Municipality has encouraged constant engagement with other municipalities, entities and government departments on learning, networking and benchmarking. The unit still sits actively in all district, provincial and national forums.

# Chapter 2

## 2.2 INTERGOVERNMENTAL RELATION

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATION.

Increased globalization and the aim to bridge the digital divide has led all governments across the world exploring new forms of international economic cooperation and political interaction. This has also forced different spheres of government to delve into international arena in order to build sustainable regions and communities and deal with the negative impacts of poverty, inequality and marginalization. Of late a huge emphasis is placed on local government as global concerns have local resonance. Also a huge demand is placed on local leaders to move quickly to plan for growth. The speed and the scale of urbanization brings challenges and the capacity to tackle challenges essential to assure safe growth for all living in the district.

The key priorities are to utilize and leverage off strategic national, regional and international partnerships with the aim to;

- 1) Facilitate information and sharing
- 2) Equip councilors and officials with additional skills and capacity,
- 3) Build managerial and technical capacity
- 4) Unlock bottlenecks and challenges
- 5) Promote the district as an attractive location for investment and tourism
- 6) Develop project partnership for mutual benefits
- 7) Address regional and global challenges that have local impact which need to be tackled on a broad basis like climate change and contribute to global understanding, solidarity and peace

#### National Intergovernmental Structures

The Sedibeng District Municipality actively participates in various key forums at a national level. The key forums include the South African Local Government Association (SALGA) and the National Anti - Fraud & Corruption IGR Forum. In SALGA, the Directorate of Community Safety represents Sedibeng District Municipality at the Civilian Secretariat for Police Working Group and Plenary Forums.

These platforms are responsible for policy development and reviews related to the Community Policing Forums, Community Safety Forums, Green Paper on Policing, Rural Safety, etc.

Participation at this level enables the Sedibeng District Municipality to expand and further build its strategic networks, impacting positively in terms of acquisition of best models for the benefit communities within Sedibeng. Information attained from these forums assist the municipality during its policy and procedure processes undertaken on an annual basis.

#### Provincial Intergovernmental Structure

Sedibeng District Municipality also participates in various structures at provincial level, namely the Gauteng Intergovernmental Safety Coordinating Committee, MEC/Mayoral Committee Forum, Gauteng Speaker Forum, Premier's Coordinating Forum, and SALGA Working Groups & Functional Areas. SDM is fully represented by the relevant clusters and members of the Political Management Team. Their participation and continuous feedback keep the municipality informed of current issues related to amendments in legislation and new developments in municipal management and strategies



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The Municipality has set up these Forums and Committees to advise on direct operationalization of policies, systems, projects and programmes as mentioned above. They advocate integration, coordination and synergy in the region, thus curbing duplications and possible waste of time and public resources.

## Relationships with Municipal Entities

Sedibeng District Municipality established and registered an entity; a state-owned company called Vaal River City Promotion Company. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists. This, is envisaged that it will be done through various coordinated marketing initiatives such as promoting Vaal River City brand and encouraging the hosting of unique integrated events. This structure is meant to advance district-wide delivery of desired services towards realization of the Growth and Development Strategy (GDS).

## District Intergovernmental Structures

Sedibeng District Municipality, in consultation with all local municipalities in its municipal area, has set up relevant IGR forums to advance cooperation and consultation towards coordinated development and advancement of the region. These structures meet on monthly, quarterly and bi – annual basis. Sedibeng District Municipality and three local municipalities, namely Emfuleni, Lesedi and Midvaal Local Municipalities, are fully represented in these Forums. Some of these are aligned to both national and provincial structures for direct implementation of plans as designated at higher levels.

The Municipality has set up these Forums and Committees to advise on and direct operationalization of policies, systems, projects and programmes as discussed. Various forums like the CFOs Forum, Safety Management Forum, Municipal Environmental Health Forum, Transport and Roads Forum, IDP Task Team Forum, IDP Steering Committee, IDP District wide Lekgotla, and many more were established. These structures advance district-wide delivery of desired services towards realization of the growth and development strategy.

The following Forums are established and operational:

- Joint Mayors Forum; Sedibeng Speakers Forum; Sedibeng Chief Whips Forum; Joint Municipal Managers Forum; Chief Financial Officers Forum; Community Safety Forum; Municipal Environmental Health Forum; Transport and Roads Forum; Legal IGR Forum; Disaster Management Forum; IDP Task Team Meetings; IDP Steering Committee; IDP District-wide Lekgotla; and many more.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

#### Communication, Participation and Forums

The Sedibeng District Municipality planned for public engagements, including meetings, events and consultations led by both political and administration principals. These occasions were planned according to Sedibeng District Municipality outcomes as aligned to legislative requirements and annual plans; and the District Municipality's Communication Department was meant to play a major role to reach all stakeholders, physically and through electronic media, including website information. However due to Covid-19 pandemic, public gatherings were not allowed and as such most of the planned forums were deferred.

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- WARD COMMITTEES

The Sedibeng District Municipality has no Ward Committees. However, through the Office of Speaker and in collaboration with local municipalities, it provides oversight, capacity building and support to all Ward Committees.

- PUBLIC MEETINGS

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Numbers of Community Members attending	Yes/No) Issues Addressed	Date of feedback given to community
IDP Stakeholders Meeting	November 2022	49	15	200	Electricity Load shading Unemployment Lack of business	
Mayoral Breakfast Meeting	December 2022	49	15	200	Electricity Load shading Unemployment Lack of business	
IDP Stakeholders Meeting (Feedback Session)	May 2022	49	15	200	Electricity Load shading Unemployment Lack of business	

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## 2.5 IDP PARTICIPATION AND ALIGNMENT

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

### COMPONENT D: CORPORATE GOVERNANCE

Sedibeng District Municipality has a strong governance system. All political and administrative structures are set in terms of relevant legislations and aligned in operation to the revised King Report. Municipal Council embraces various circulars from Cooperative Governance and Traditional Affairs (COGTA) and Treasury Departments, to enhance municipal governance.

Sedibeng District Municipality through its Intergovernmental Structures, liaise with all stakeholders at Local, Provincial and National levels. Section 79 and 80 Committees are established to assist political leadership, the Executive Mayor and the Members of the Mayoral Committee with oversight on the total efficiency and effectiveness of the municipal systems. MPAC provides the overall oversight report of the municipality.

Audit Committee is also a critical institution set up as a Section 79 Committee of Council. SDM has built internal capacity in Internal Audit Function, working close with the Audit Committee and technically coordinated and supported by the Chief Audit Executive. The Risk Management Unit, manages and deals decisively with issues of Business Continuity Planning, Ethics & Integrity Management and Anti-Fraud & Corruption related-matters. The Local Labour Forum advocates for harmonious workplace relationship between employer and employees.

The following were achieved during the period under review:

- Intergovernmental Framework is implemented and the coordination is functional and effective.
- All MEC/MMC meetings are attended and reports brought back to the Mayoral Committee.
- Fraud and Corruption issues are addressed as and when they are reported.
- Capacity-building programmes are continuously undertaken by Sedibeng District Municipality.
- Code of Conduct for Councillors and Officials is distributed to all on an annual basis.

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- Sedibeng District Municipality is engaged in capacity building programmes for officials to meet minimum competency requirements.
- Adherence to all legislative and compliance requirements.
- All Committees of Council are fully functional.
- Oversight Committees which are Audit and Municipal Public Accounts Committees are functional.
- Political Management Team is fully functional and provide Politico-administrative direction.

## 2.6 RISK MANAGEMENT

Sedibeng district municipality is making strides to improve its efficiency and to strengthen governance by building a Risk management unit and it is for this reason that risk management is imperative for the municipality to fulfil its mandate. Risk management affords the municipality an opportunity to take informed decisions. Comprehensive managing of risk will permit the district to anticipate and respond to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.

Though risk management culture is not yet at the desired level, the district continues to implement its enterprise-wide risk management strategy to ensure effective mitigation of risks and identification of any opportunities there may be. Risks are assessed at different levels which include strategic, operational and project level. Risk management is not only about identification of risks but what becomes important is the implementation of committed mitigation actions.

The Risk Management Unit should provide a comprehensive support service to ensure systematic, uniform and effective Enterprise Risk Management (ERM). The Risk Management Unit plays a vital communication link between operational level management, senior and executive management, risk management committee and other relevant stakeholders. The Risk Management Unit is the custodian of the Enterprise Risk Management strategy and framework, the coordinator of the risk management processes throughout the institution and the institutional advisor on all risk management matters. Top 9 Strategic Risks of Sedibeng District Municipality are:

- Declining economy within the district;
- Difficulty in fulfilling the District's mandate;
- District not Operating as a Going Concern (Financial Unsustainability);
- Fraud and Corruption; and
- Inadequate Disaster Management in the District.
- Threat to quality of life (District Citizens)
- Inability to continue operations in the event of a disaster (BCM)
- Dilapidated Infrastructure (Municipal Buildings)
- Loss or Unauthorised Access to the Districts' confidential Information (Reputational Risk)

## 2.7 ANTI-CORRUPTION AND FRAUD

Sedibeng District Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent manner. Consequently, SDM is committed to fighting fraudulent behaviour at all levels within the organization. The Municipal Manager bears the ultimate responsibility for fraud and corruption and risk management within the Municipality. This includes the coordination of fraud risk assessment, overseeing the investigation of suspected fraud corruption and facilitation of the reported employees or other parties.

In Sedibeng District Municipality, there is an Anti-Fraud and Corruption Unit which comprises of 2 Internal Investigators who report directly to the Municipal Manager. Sedibeng District Municipality reviewed their Fraud Prevention Plan, together with the Fraud Policy & Response Plan.

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The plan is premised on the organizations core ethical values, intent and commitment to prevent fraud and corruption together with the planning and organizational measures required in achieving that outcome. Effective planning is essential for preventing fraud and corruption and responding promptly and appropriately when it occurs.

## 2.8 SUPPLY CHAIN MANAGEMENT

Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. MFMA section 110 – 119, 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. The Supply Chain Management Unit resides within the Finance Cluster.

MFMA Supply Chain Management Regulations effected June 2005 require that in order to perform the oversight role of Council, the Accounting Officer must submit a quarterly report to the Mayor of the municipality on the implementation of the supply chain management policy. The Supply Chain Management Policy was adopted by Council resolution A1532 on 08 June 2016, in line with the prescripts of Section 111, Local Government: Municipal Finance Management Act (56 of 2003). Annual reviews were conducted for 2017 (as per Council Resolution A2133 of 26 May 2017), 2019 (as per item R03 of 42nd Special Council sitting on 07 June 2019) and 2021 (Council Resolution A2133 on 129th Council sitting of 26 May 2021). Amendments as identified during the 2022 review were awaiting Council adoption at the time of reporting. Reports are compiled monthly to assist Council to perform their oversight function as prescribed under MFMSCM Regulation 6, as well as to promote the municipality's procurement principles of transparency, equal treatment, effectiveness, competitiveness, fairness, ethics, proportionality, uniform application, responsibility, openness, value for money and, commitment to safety, health and the environment.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

The Bid Adjudication Committee was established in terms of the provisions of MFMA SCM Regulation 29. This committee consist of officials with authority to make final recommendation to the Accounting Officer to award bids in accordance with their terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000), Preferential Regulations published in terms of Government Gazette No. 22549, Broad Based Black Economic Empowerment Act (Act No. 53 of 2003), Construction Industry Development Board Act (Act No: 38 of 2000) and also the criteria set out in terms of Municipal Finance Management Act (Act 56 of 2003) Circular 53. Other criteria for technicality, capability and functionality are determined at the cross-functional bid specification stage, wherein due consideration is also given to achievement of Council strategy, project risk assessment, and alignment to the national Expanded Public Works Programme (EPWP).

In terms of "National Treasury MFMA Circular 62 dated 20 July 2012," accounting officers must approve a plan containing all planned procurement for the financial year in respect of goods, services and infrastructure projects anticipated to exceed R200,000. An approved procurement plan for 2021/2022 had been compiled in conjunction with

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the approval process for the 2021/2022 MTREF of Council. The 2021/2022 procurement plan as approved by the accounting officer, had also been submitted to Gauteng Provincial Treasury. The Demand Management function then monitored procurement requests against this plan. Monthly reporting of progress against the 2021/2022 procurement plan was submitted to Gauteng Provincial Treasury for monitoring purposes, as per "Gauteng Provincial Treasury: Municipal Supply Chain Management Circular No. 1 of 2014."

The annual 2021/2022 procurement plan had furthermore been updated and approved by the Accounting Officer as per the amendments arising from the annual adjustment budget for 2021/2022 which was approved by Council in February 2022.

The cross-functional bid specification committee convened on an as-and-when required basis in accordance with the requirements of the approved procurement plan.

The SOLAR system records the database of suppliers and is updated on a daily basis through manual processes. It gives effect to all the SCM and legislative requirements. The department receives new applications on a daily basis which show the interest of suppliers in the local economy, while existing suppliers are required to update their vendor information as and when required.

National Treasury have developed a centralised supplier database (CSD) to optimise the efficiency of service delivery. The CSD is interfaced to South African Revenue Service (SARS) to enable tax clearance status verification of suppliers throughout the Procure-to-Pay process and the Companies and Intellectual Property Commission (CIPC) for vetting of business registration and business ownership. All municipalities were required to migrate onto the CSD by 01 July 2016. The SCM unit at the municipality is registered onto the CSD and the SCM Demand Unit has begun incorporating information from CSD onto the existing SOLAR database, on an as and when required basis. The Acquisition Unit has also begun running parallel processes for the sourcing of quotations between R1,000 up to R30,000 on both, the SOLAR database and the CSD in order to not disadvantage any existing suppliers on the municipal database set. Municipal SCM staff received training on the CSD facilitated by the Gauteng Provincial Treasury.

It should be noted that as these processes are currently not automated, they are being managed internally on a manual basis and this has as a result increased the SCM Acquisition Unit's turnaround time, in order to assure Council that compliance with legislation is not being compromised. SARS has furthermore phased out the issuing of Tax Clearance Certificates and suppliers are encouraged to submit their Personal Identification Number (PIN) codes to municipalities in order to verify their good standing status. The municipality's SCM unit cross-references these letters of good standing against the CSD for verification purposes.

An automated system has been developed in-house whereby supplier data can be extrapolated directly from CSD into the municipal financial system with the intent of automatically rotating and randomising requests for quotations. Due to the Covid-19 Disaster Management lockdown, there were delays in commissioning and initiating the system, however, the system will be fully operational as from the 2022/2023 financial year.

Regulation 36 of the Supply Chain Management Regulations allow for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only in an emergency circumstances; if such goods or services are produced or available from a single provider only)for the acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and to 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.

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Regulation 32 of the Supply Chain Management Regulations allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of the state, but only if-

- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of the state;
- (b) The municipality has no reason to believe that such contract was not validly procured;
- (c) There are demonstrable discounts or benefits for the municipality to do so; and
- (d) That other organ of the state and provider has consented to such procurement in writing.

There were no applications made by Sedibeng District Municipality under SCM Regulation 32 for the 2021/2022 financial year.

National Treasury under MFMA Circular 100 issued on 19 March 2020 provided guidance on emergency procurement under the Disaster Management Act in reaction to the Covid-19 pandemic. Provisions were made for municipalities to procure protective personal equipment and medical consumables under National Treasury transversal contracts. Circular 100 was subsequently replaced by MFMA Circular 101 "Covid-19 Bulk Central Procurement Strategy for Government Institutions" where procurement of high demand medical personal protective equipment (PPE) was centralised under National Treasury's bulk procurement procedures to assist government institutions with defeating artificially inflated prices, as well as to respond to high demand for specific medical goods such as alcohol-based hand sanitizer and face masks. National Treasury also were in conjunction with National Department of Health vetting the goods procured against minimum acceptable quality standards. MFMA Circular No. 105, "Withdrawal of MFMA Circular 102 Emergency Procurement in Response to State of Disaster - 26 Aug 2020" rescinded the prior MFMA Circulars no. 100, 101 and 102 and set maximum prices for Covid-19 related Personal Protective Equipment (PPE) as well as set the reporting requirements for the reporting of Covid-19 related procurement. For 2021/22, R 1,199,133.53 was incurred against Covid-19 related procurement. Normal supply chain procedures were followed. National Treasury MFMA Circular No. 119 issued 07 July 2022 effectively withdrew the reporting requirements relating to Covid expenditure as originally prescribed by MFMA Circular No. 105.

Contract management is the function of the cross-functional Contract Management Committee which resides with Corporate Services: Legal and Support, and their reporting obligations lie under the Office of the Municipal Manager Legal Portfolio. The SCM Policy places the responsibility to conduct performance evaluation based on the vendors' performance with regards to delivery of goods/ services against pre-determined criteria as entered into through service delivery contracts on the end-user departments as the project managers. These performance evaluations are reported on a quarterly basis through to the Contract Management Committee. The service providers are being evaluated on a scale of 01 (Poor) to 05 (Excellent) in the following criteria:

- Delivers Goods/Services Timeously; and
- Provides Products/Services That Meet Specifications/Requirements.

The Broad-Based Black Economic Empowerment Act (53/2003) was promulgated in order to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution. This was achieved through establishing national policy on broad-based black economic empowerment to promote the economic unity of the nation.

BBBEE scoring is conducted through accreditation agencies and points are awarded on the calculation of the following elements on the scorecard:

- The level of black ownership;
- The level of black management;

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- Employment equity in the workplace;
- Development of skills and competencies of black people;
- The level of goods and services that a business procures from BBBEE compliant suppliers;
- The level of contribution to enterprise development; and
- Social economic development.

During the 2021/2022 financial year, the municipality expended a total of R 19,398,420.51 on three hundred and forty-two (342) BEE Level 01 suppliers, equating to 63.7% of the total five hundred and thirty-seven (537) municipal awards for procurement of goods and services.

## 2.9 BY-LAWS

Section 152 (2) of the Constitution of the Republic of South Africa empowers the district to promulgate and implement By-laws; to enable effective and efficient administration of its matters.

These By-laws are anticipated to be reviewed annual and some as and when the need and circumstance arise. For the year under review, only one By-law as promulgated regarding Tariffs. This is done annually as mandated by legislation so that they talk to the Budget of the municipality.

By-laws Introduced during Year 0					
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
	Municipal Tariffs	Yes	During IDP process	Yes	Jun-2021

## 2.10 WEBSITES

Legislation requires that the municipality publishes its business activities in the website. This assists the community to assess how the municipality is doing in terms of programmes and projects, inclusive of the financial spending. Corporate Services Cluster has the responsibility of overseeing the operations of Internal Communication; where the website unit resides. This Unit is responsible for the design, layout and uploading of all relevant documentation related to the District functions and compliance onto the website. It is therefore required of the municipality clusters and departments to furnish the webmaster, on monthly basis, the information to be uploaded in the website.

The Internal Communication Unit has finalised a new and easily accessible website. The website is fully functional on all devices (Personal Computers, laptops, tablets and phones). In collaboration with the External Communications Department, notices and information is posted on social media which then leads stakeholders to the website, other online platforms such as SEO (Search Engine Optimization) are utilised to lead users to the website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date



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Current annual and adjustments budgets and all budget-related documents	Yes	16/09/21
All current budget-related policies	Yes	16/09/21
The previous annual report (Year -1)	Yes	09/03/2022
The annual report (Year 0) published/to be published	Yes	-
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	-
All service delivery agreements (Year 0) (21/22)	N/A	-
All long-term borrowing contracts (Year 0) (21/22)	N/A	None disclose
All supply chain management contracts above a prescribed value (give value) for Year 0(21/22)	N/A	None to disclose
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	N/A	None to disclose
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	-
Public-private partnership agreements referred to in section 120 made in Year 0(21/22)	N/A	None to disclose
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0(21/22)	Yes	02/11/2021 14/01/2022 29/04/2022 19/07/2022

The Public can access information on [www.sedibeng.gov](http://www.sedibeng.gov). 24 hours a day by viewing some information on respective pages. Some other information is available as downloads i.e. PDFs (Readable with Acrobat Reader). In addition, the district is in the process of establishing an Anti-Fraud and Corruption hotline. 0860 061 022; which will be linked to the Office of the Municipal Manager.

The website can be accessed at public libraries for members of the community who do not have devices and can be accessed at public Wi-Fi hotspots for members of the community who have limited data. The website consists of 80% Hyper Text Mark-up Language (HTML) and Cascading Style Sheets (CSS) code which means it does not consume too much network data on any device and can be comfortably viewed on free data.

# Chapter 2

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## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

SDM has no constituency; as such did not conduct public satisfaction levels surveys; however, the municipality relies on the public participation for such as the social media. These and public participation engagements have given the municipality the nod from members of the public.

# Chapter 3

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

### COMPONENT A: BASIC SERVICES

This Chapter provides information and gives account of all services that were provided by the municipality during the year under review. However, it is noted that basic services such as the provision of water (3.1); waste water (sanitation) (3.2); electricity (3.3); waste management (3.4); housing services (3.5); and some free basic services (3.6) are provided at local municipality level. The district plays a facilitating and coordinating role in direct liaison with local municipalities.

Furthermore, this chapter closely focuses at what the district municipality set out to achieve at the beginning of the financial year; and the achievements thereof. All anticipated projects and programmes are enshrined in the IDP and SDBIP; and all are also outlined in the 5+2 Pillars of the IDP. The pillars are:

- Re-invent our Economy
- Renew our Communities
- Re-integrate our Region
- Revive our Environment
- Release Human Potential
- Good Governance
- Deepening Democracy

The Transformation, Modernization and Reindustrialization (TMR) Programme pursued by the Gauteng Province 5th Administration; which brought a sign of urgency and renewed hope is included in the objectives of the municipality as a guiding principle. The municipality achieved most of its objectives in the year under review. The municipality's powers and functions doesn't allow it to offer basic services; as such the municipality renders very few services directly to residents. These include:

- Licensing on agency basis
- Emergency Medical Services
- Facilities e.g., Theatre, Hall

Comprehensive information on the above-mentioned services is captured under the same titles later in the report. While local municipalities provide the following basic services as outlined below, Sedibeng District Municipality only plays a coordinating and facilitating role in housing and transport. They are water, sanitation, electricity, waste management, some free basic services, including indigent services.

# Chapter 3

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## 3.1. WATER PROVISION

The provision of water is primarily a function of local municipalities.

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## 3.2. WASTE WATER (SANITATION) PROVISION

This service is primarily a function of local municipalities.

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## 3.3. ELECTRICITY PROVISION

Some functions are provided by local municipalities while a certain portion is provided by ESKOM.

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## 3.4. WASTE MANAGEMENT

Local Municipalities' primary function is to provide waste management.

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## 3.5. HOUSING

Schedule 4 of our Constitution stipulates what functions each sphere of government is responsible for. It states that housing is a function of our National and Provincial Governments. But in reality, although the finance for housing development is provided by National Government, through Provincial Government, the management and coordination of the implementation of housing projects has become the responsibility of Sedibeng District Municipality. Because of the resources required to take on this responsibility, this is often referred to as an under-funded or unfunded mandate, which are mandates or responsibilities where Sedibeng performs certain functions or activities for which they do not have any clear source of funds. In particular, Sedibeng is expected to carry out functions that are not specified or not allocated in the Constitution.

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The human settlements development function in Sedibeng Region is administered by Gauteng Department of Human Settlements (GDHS) and like in the last financial year, is characterized by different challenges like slow delivery of houses, water logged stands, invasion of houses, delay in allocation to beneficiaries, community protests, delays in electricity reticulation in the almost complete projects etc.

The District Municipality has resolved to embark upon a process to apply for accreditation with the Gauteng Department of Human Settlements. Upon approval, the municipality will be in a favorable position to receive the Urban Settlements Development Grant from National Treasury for purposes of delivering sustainable human settlements for its constituency.

Sedibeng District Municipality (SDM) role is only to coordinate and monitor human settlements programs through established Human Settlements Coordinating Forum. The Forum is made up of GDHS, the three local Municipalities and the District. The Forum discusses issues such as provision of houses, title deeds, engineering services, land use applications and etc. Sedibeng District Municipality received funding from the Gauteng Provincial Treasury (GPT) to register and transfer Title Deeds to beneficiaries. Sedibeng District Municipality subsequently appointed conveyancers to assist with this process which is currently underway. Major concern is that as a district, we are still struggling with the registration and transfer of title deeds.

Financial Performance Year 0: Housing Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					0%
Expenditure:					
Employees	1,601	1,609	1,948	1,898	15%
Repairs and Maintenance					0%
Other	22	17	26	32	46%
<b>Total Operational Expenditure</b>	1,623	1,627	1,974	1,930	16%
<b>Net Operational Expenditure</b>	1,623	1,627	1,974	1,930	16%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5

# Chapter 3

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

Housing is a function of Province and therefore the district municipality can only coordinate and facilitate where it is permitted to do so. The district municipality can only eradicate the current housing backlogs and other related challenges once the function of housing is relocated to the district.

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### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services, including Indigent support are implemented by local municipalities

## COMPONENT B: ROAD TRANSPORT

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### 3.7 ROADS

The provision of roads planning and infrastructure resides within local municipalities in the district. The Sedibeng district municipality is however developing the rural roads asset management system for the local municipalities. This digital system will help municipality to better manage the road infrastructure and develop preventative maintenance plans.

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

The Sedibeng District Municipality is currently not providing the bus services. The Public bus services in the district is provided by the Gauteng Provincial Government through the Department of Roads and Transport.

The Sedibeng District Municipality has developed the Sedibeng District Integrated Plan (DITP) inclusive of the associated local municipalities ITP's consisting of Emfuleni, Lesedi and Midvaal Local municipalities. The plan includes but not limited to:

- Commuter Rail Information
- Rail Infrastructure
- Road based public transport information
- Transport needs assessment

# Chapter 3

## MOTOR VEHICLE LICENSING AND REGISTRATION

Sedibeng District, on an agency basis and on behalf of Provincial Department of Roads and Transport; runs a successful vehicle licensing and operations. This is attested by the increasing number of clients utilising the services.

However, there are incidents of misconducts by employees. These are handled jointly by province and Sedibeng District Municipality. The Service Level Agreement between province and the municipality has been finalised and will be valid until 2024. In addition, the municipality is looking at reviewing the Strategy; which will be in line with the province and the municipality's strategies, goals and objectives.

The risks regarding cash at licensing centres still remain a concern but the municipality is engaging relevant banks to reinforce cash management; which should reduce theft and potential and current robberies at these centres.

Financial Performance Year 0: Transport Services					
Details	R'000				
	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	65,232	77,919	77,192	70,562	-10%
Expenditure:					
Employees	72,996	71,654	71,460	71,325	0%
Repairs and Maintenance		100	100	71	
Other	10,507	11,890	13,598	12,253	3%
<b>Total Operational Expenditure</b>	83,503	83,544	85,059	83,578	0%
<b>Net Operational Expenditure</b>	18,271	5,626	7,866	13,016	57%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.8.5

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

These services are provided by Local municipalities

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## COMPONENT C: PLANNING AND DEVELOPMENT

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The district municipality's area of responsibilities includes planning for the development of space in terms of Schedule 4 of the Constitution read in conjunction with Chapter 5 of the Municipal Systems Act. The district municipality is thus responsible for the development of the Spatial Development Framework and the implementation of projects as detailed in the SDF. Part of these responsibilities includes the management of land use and the Geographic Information Systems.

Through local economic development, the district is responsible for tourism, agriculture and investor/business relations.

The greatest challenge in the region at present is the aged and dilapidated bulk infrastructure that has a negative effect on the economic growth of the region.

The Vaal River, Vaal Dam, Suikerbosrand Nature Reserve and rich political history of the region present premier tourism opportunities for the region. The arable land and currently vacant industrial sites present opportunities for the agro-industry to excel in the region. The N1, N3, N17, R59, R42 and R82 routes are a great opportunity for corridor developments and logistics related land uses.

### 3.10 PLANNING

#### Spatial Planning:

The latest SDF was adopted by Council in 2019 and it is in alignment with the Spatial Planning and Land Use Management Act, 2013. The district is currently in the process of developing a Vaal River Spatial Development Framework that will focus on complimentary development on both sides of the Vaal River, including the Vaal Dam area.

#### Geographic Information Systems:

The district has developed an integrated GIS for the region with a dashboard that depicts spatial data for all municipalities in the region. The main challenge is appointing qualified GIS professional to manage the system.



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## Land Use Management:

The municipality has concluded the Land Use Audit for the region and also developed five (5) precinct plans and two (2) pre-feasibility studies for strategic rural development areas.

The district municipality has in 2018 adopted a Southern Corridor Regional Implementation Plan. This plan is an implementation tool for all strategic and game-changer projects in the region. The listed projects in the plan will contribute massively to the Gauteng City Region and give the region a competitive advantage in the global market. From the 14 listed projects, the following projects were identified as short-term projects that warranted immediate action and intervention from all spheres of government. The projects are as follows:

1. Sedibeng Regional Sewer Scheme

The Department of Water and Sanitation has instituted section 63 of the Water Services Act and subsequently appointed Rand Water as the implementing agent. The purpose of this intervention is to repair and replace pipes, operate and maintain waste water treatment works. The challenge is that there are still water spillages into the Vaal River and there is a shortage of funding for the construction of a new pump station and rising main to service the effluent coming from the north, including from the City of Johannesburg area of jurisdiction.

2. Sedibeng Government Precinct

A Transaction Advisor was appointed by the Gauteng Infrastructure Financing Agency to conduct a Feasibility Study for the project. Due to lack of participation from both the province and national departments in the project, the Project Steering Committee resolved to treat the project as an office accommodation project for the municipal employees. However, the project has hit an impasse due to the recommended solutions options as proposed by the Transaction Advisor. The municipality is in the process of finding alternative solutions to the prominent problem of fragmented government services in the region.

3. Vereeniging Fresh Produce Market

The Feasibility Study was approved by Council in 2019 and the process is currently at the TVRII phase with the National Treasury.

The following table outlines progress made, challenges and interventions:

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Table 8: Projects

PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Sedibeng Regional Sanitation Scheme	7 Service Providers have been appointed and commenced work on site from the 5th of February 2022.	<ul style="list-style-type: none"> <li>• District does not have control over the project due to devolved Powers and Functions.</li> <li>• District has engaged provincial CoGTA to review the powers and functions of municipalities in the Gauteng Province and be consistent with legislation.</li> </ul>
Sedibeng Government Precinct	Impasse on the Feasibility Study Process	<ul style="list-style-type: none"> <li>• Recommended options are not suitable for the objectives of the project and the municipality.</li> <li>• District in the process of exploring alternative methods to fund the project.</li> </ul>
Vereeniging Fresh Produce Market	An application was made to national treasury and awaiting Treasury Views and Recommendation to proceed to the RFP phase.	<ul style="list-style-type: none"> <li>• Funding</li> <li>• District has resolved to partner with the private sector pertaining to operations of the fresh produce market.</li> </ul>
Vaal Logistics Hub	Feasibility study has been concluded. No response from the Request for Proposals.	<ul style="list-style-type: none"> <li>• Project not coordinated by the district.</li> <li>• Proposal to relocate to a site closer to the proposed Vaal Aerotropolis.</li> </ul>
GraceView.	Grace 5 and Grace View developed, but marketing to increase uptake is required.	<ul style="list-style-type: none"> <li>• Bulk Infrastructure.</li> <li>• Awaiting support from the Department of Water and Sanitation.</li> </ul>
The Graceland	Application has been approved by Midvaal Local Municipality.	<ul style="list-style-type: none"> <li>• Sewer is a major challenge.</li> <li>• Solution is part of the Sedibeng Regional Sewer Scheme.</li> </ul>
Heidelberg CBD	None	<ul style="list-style-type: none"> <li>• Funding</li> <li>• Lesedi LM has advised to stall the project for now.</li> </ul>

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Vaal River City	90% of bulk challenges have been resolved and EIA process underway.	<ul style="list-style-type: none"> <li>• Delayed decision-making pertaining to the application for student accommodation of 12 000 beds to support neighboring universities.</li> <li>• K174 delays have a negative impact on the commencement of the project.</li> <li>• District Development Model to try and expedite the K174 project.</li> </ul>
R59 Corridor	Western Side development dependent on road network and services. Servitudes need to be procured which is an ongoing process as budgets allow.	<ul style="list-style-type: none"> <li>• Will require grant funding for services when servitudes procured.</li> <li>• Part of the One Plan catalytic projects.</li> </ul>
Sicelo Precinct	<ul style="list-style-type: none"> <li>• Development underway, housing projects being implemented. Waiting for allocation of MIG funding to build informal trading stalls.</li> <li>• There is a need to integrate Sicelo with the main CDB which requires a pedestrian bridge over R59. Gautrans doing the design.</li> </ul>	<ul style="list-style-type: none"> <li>• The area is inundated by underlying dolomitic rock, making the development of high-density residential blocks unfeasible.</li> <li>• Bridge construction.</li> <li>• Precinct plan developed for the area and incorporated in the latest Midvaal LM Spatial Development Framework.</li> </ul>
Lesedi Transit Hub	<ul style="list-style-type: none"> <li>• Developer in place (Tecino);</li> <li>• Warehouse port is at the Environmental Impact Assessment (EIA) stage;</li> <li>• Commercial development in Kwa-Zenzele awaiting township establishment.</li> </ul>	<ul style="list-style-type: none"> <li>• Project communication is on-going.</li> </ul>
Doornkuil Precinct	<ul style="list-style-type: none"> <li>• Pre-feasibility completed.</li> <li>• Land to be leased to potential investors.</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk infrastructure</li> <li>• District Municipality has resolved to lease the land to prospective investors.</li> </ul>
Devon Tannery	<ul style="list-style-type: none"> <li>• CADRE Planning Pty Ltd has been appointed to develop a Precinct Plan for the area.</li> </ul>	<ul style="list-style-type: none"> <li>• Project is in the analysis phase and progress presented in the PSC.</li> <li>• Lesedi LM has advised to stop the project for now.</li> </ul>

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Langzeekoegat Precinct	Pre-Feasibility study commissioned Sept 2021	<ul style="list-style-type: none"><li>• Limited infrastructure and access.</li><li>• Transfer of land from National Government and Sizanani Community Trust</li></ul>

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## Geographic Information Systems (GIS)

An integrated GIS system has been developed for the district and local municipalities. The system includes a central server which is located at the district offices and a viewer which is accessed by all municipalities.

Lesedi Local Municipality is the only Local Municipality that is not connected to the central server. This is due to the fact that the municipality is not on the centralized ICT network of the Sedibeng District Municipality; which poses a challenge in terms of data transfer and storage.

More funds are required to complete the GIS project that will enable the district and its' local municipalities to make well informed decisions on development of land and land programmes.

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	2	10	10	0	0%
7 - 9	0	7	7	0	0%
10 - 12	2	2	2	0	0%
13 - 15	2	3	3	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0		
<b>Total</b>	<b>6</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0%</b>

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.10.4

Financial Performance Year 0: Planning Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	1,205	7,700	3,160	1,205	-539%	
Expenditure:						
Employees	26,041	26,360	27,344	27,409	4%	
Repairs and Maintenance						
Other	1,948	2,155	2,061	1,919	-12%	
<b>Total Operational Expenditure</b>	<b>27,989</b>	<b>28,515</b>	<b>29,405</b>	<b>29,328</b>	<b>3%</b>	
<b>Net Operational Expenditure</b>	<b>26,784</b>	<b>20,815</b>	<b>26,244</b>	<b>28,123</b>	<b>26%</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 3.10.5

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## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The role of the district is to guide and manage the development of land in the region. Tools such as the Geographic Information Systems are pivotal in executing such a task in that with such a tool, trends can be tracked and disasters can be averted. The district therefore needs financial and human capacity to execute GIS related activities.

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

#### Promote and Develop the Tourism Sector

To unlock and maximize tourism potential in the Sedibeng region the Sedibeng Tourism Development Strategy was developed and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy and the Sedibeng Integrated Development Plan (IDP) 2017-2021 and the Sedibeng Spatial Development Framework (2019). The aforementioned strategies and frameworks have the following goals:

- To address the pillar on “Reinventing the Economy”, as stipulated in the IDP;
- To utilise the existing natural, cultural-historic and man-made resources towards the development of Tourism Precincts and Tourism Corridors throughout the District;
- To develop a common understanding of the tourism industry, defining the roles and the responsibilities of government in particular and the broader stakeholder groups, in growing the tourism industry in Sedibeng.
- To develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector into consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realise these objectives, the following strategic objectives have been identified:

- Tourism Policy, Strategy, Regulations, Monitoring, Evaluation and Transformation
- Partnerships, linkages, enabling institutional framework and relationships
- Tourism Demand: Regional Destination Marketing;
- Tourism Supply: Product and Skills Development;
- Promote the Development of Tourism Infrastructure.

During the 2020/2021 financial year the following deliverables were achieved:

#### Tourism Demand: Regional Destination Marketing

Through the collective effort of government, private sector stakeholders and the community, participation in marketing initiatives for tourism products and related tourism packages benefit a tourism destination.

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Through the Gauteng Tourism Authority (GTA), South African Tourism (SAT), and the Gauteng Department of Economic Development (GDED), marketing initiatives are developed for tourism products to take advantage of. The Sedibeng District Municipality has facilitated or coordinated the following marketing initiatives of 2020/2021, including:

- the sharing of marketing related information, such as leisure events, to GTA, SAT and local publications;
- the participation in South African Tourism's Tourism Recovery Survey;
- the participation of tourism destination content creation for ENCA with Gauteng Tourism Authority;
- the implementation of the Domestic Tourism Scheme with the National Department of Tourism and Gauteng Tourism Authority;
- the participation in the Gauteng Tourism Authority's provincial marketing initiative;
- the participation of tourism products in South African Tourism's Pan-Indian engagements, Country-wide Insights and Halaal Tourism training;
- the participation of local tourism products in the South African Tourism's speed marketing sessions
- the participation of local tourism products for Gauteng Tourism Authority's virtual marketing session with the Indian based, Akbar Holidays;
- the development of regional itineraries as part of Gauteng tourism routes for the European tourism market, through South African Tourism and the Gauteng Tourism Authority;
- the participation in the National Tourism Association's "Villages, Towns and Small Dorpies Project" with South African Tourism and Gauteng Tourism Authority.

## Tourism Supply: Product and Skills Development

Regular training and information sharing within the industry is critical to ensure that quality services are provided at tourism establishments, which will ensure sustainability and growth in tourism businesses, and transformation of this sector. The Sedibeng District Municipality has facilitated a number of product and skills development initiatives in the region in the 2020/2021 financial year. These include:

- Tourism skills training for tourism stakeholders (114 stakeholders were trained in Customer Service and 38 stakeholders were trained in Events Coordination);
- Covid-19 Tourism Relief Measures and Information;
- Gauteng SMME Sustainability Support Programme;
- National Department of Tourism's Service Excellence Programme;
- Gauteng Province Local Government Peer Learning Session;
- National Tourism Information Monitoring System data collectors' training programme;
- National Tourism Equity Fund;
- Gauteng Visitor Information Services' Consultative Forum;
- Gauteng Institutional Framework;
- Gauteng Department of Economic Development's Tourism, Trade and Investment Working Group;
- National Department of Tourism's Food and Safety Assurers Training Programme;
- Gauteng Tourism Infrastructure Assessment.

Relief and Mitigation Measures for the Tourism Sector in Response to the Covid-19 Pandemic and National Lockdown, with the announcement by the President of South Africa that a nationwide lockdown (enacted in terms of the Disaster

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Management Act) would be effective from 27 March 2020 to curb the spread of Covid-19, numerous restrictions and regulations were introduced.

The subsequent lockdown in a phased approach in South Africa has allowed for the tourism and event industries to slowly begin operating again. However, operational and financial challenges are experienced across the board due to amendments of these regulations (such as curfew and the sale of alcohol) and changes in lockdown levels, which determine the level at which establishments and services may operate. This has impacted the tourism sector negatively.

The Tourism Department has ensured that tourism stakeholders in the region have been informed of available national relief funds, information on national and provincial recovery plans and Gazetted Directions that are of relevance to the tourism industry.

To support tourism business and products within the Sedibeng region, the Tourism Department facilitated the sharing of meetings, marketing initiatives, information and training sessions, which were hosted on virtual platforms, with tourism stakeholders.

Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This sub-section reviews the recent economic performance trends in Sedibeng and its local municipalities.

## GDP Growth Performance and Expected Growth.

Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, is expected to have slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 and 2019 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at much slower pace in 2018.

The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its regions, Sedibeng's economy contracted by 0.3 per cent in 2019 and this was driven mainly by the contraction in the mining.

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate.

The decline in economic activity in the Sedibeng region was mainly due to a decline in the mining, electricity and the dominating manufacturing sector. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.



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## COMMENT ON LOCAL JOB OPPORTUNITIES:

The district comprises high levels of poverty and low levels of employment, however there are opportunities in the rural economy such as tourism and agriculture. These two (2) sectors should lead the economy recovery plans of the region and supported by logistics and manufacturing

## TOURISM

The Sedibeng District Municipality has embarked upon a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

The Sedibeng region, with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

A Tourism Development Strategy for the area was developed and adopted in 2003 and principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 strategy (2007).

The Tourism Strategies have the following goals:

- Develop a common understanding of the tourism industry, defining the roles and responsibilities of government in particular and the broader stakeholder groups, in growing the Tourism Industry in Sedibeng;
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng Tourism Sector into consideration;
- Build the capacity of the three major stakeholder groupings (Government, Private Sector and Community) to grow tourism and subsequently create economic and job opportunities.

In order to realize these objectives, the following deliverables have been identified:

- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing
- Tourism Supply: Product and Skills Development
- Promote the Development of Tourism Infrastructure

## Tourism Institutional Arrangements

- Support Regional Tourism Organisation (Vaal River City Tourism Promotion Company (SOC)

The Sedibeng District Municipality has coordinated the establishment of a Regional Tourism Organisation, with Public, Private and Community Stakeholders, to create an enabling and facilitating environment for the Tourism Industry in the

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Sedibeng Region as informed by the National Growth Path, the Constitution of the Republic of South Africa and the National and Provincial Tourism Development Strategies.

A state-owned company (Vaal River City Promotion Company (SOC)) was registered in August 2013. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists, through various coordinated marketing initiatives, such as promoting Vaal River City as a brand and encourage the hosting of unique integrated events.

The Board consists of five Board Members, chaired by Advocate G Malindi.

- Provided technical support to the Municipal Manager
- Tourism demand through targeted tourism marketing initiatives
- Marketing and Exhibitions

The Tourism Department is involved with many exhibitions and events on an annual basis. This platform is an excellent marketing tool to raise the tourism profile of the region. A Generic Tourism Brochure, profiling the tourism offering in the region, is distributed. A Sedibeng tourism website has been developed, which includes accommodation establishments, tourism attractions, packages and events.

Listed graded establishments are linked to their respective websites. Sedibeng District Municipality submits information to the National Department of Tourism, Gauteng Tourism Authority, N3 Gateway and Vaal Meander to be included on their respective websites and digital platforms. The Sedibeng District Municipality and tourism stakeholders participated in numerous exhibitions, such as the International Tourism Indaba, World Travel Market 2018. One hundred and eighty-three (183) Events and Packages in the region were submitted to the N3 Gateway Association, Gauteng Tourism Authority, Vaal Meander, the Sedibeng, External Communications Department and Emfuleni, Midvaal and Lesedi Tourism Departments for inclusion in marketing initiatives.

#### Accommodation and Tourism Product Audit:

The Tourism Department has conducted an audit on the graded and non-graded accommodation facilities in the region. This is an on-going process. A total of 19 databases have been developed and maintained regularly.

- There are 94 graded establishments in the region and 132 non-graded establishments. Approximately 4426 beds (2700 Graded and 1726 Non-Graded), ranging from luxury to budget accommodation, are on offer to tourists.
- There are 75 Conference and Function venues with capacity for 20 to 4000 pax.

#### Tourism Product Development:

The Sedibeng District Municipality has participated or submitted inputs for the development of National and Provincial policies, strategies, studies and plans. These include the Gauteng Suikerbosrand Repositioning Strategy, Gauteng Township Tourism Programmes, and Tourism Signage for Gauteng Township Destinations.

- Tourism Training, Capacity Building and Skills Development.

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Sedibeng, in partnership with the National Department of Tourism, Gauteng Enterprise Propeller, Gauteng Tourism Authority and tertiary institutions, conducts skills development and tourism awareness workshops on a regular basis for emerging and established tourism establishments. The Sedibeng Tourism Department, with relevant stakeholders, facilitated and participated in the following workshops:

- ✓ Gauteng Positioning and Working Group Workshop
- ✓ Economic Township Tourism Stakeholder Engagement Session
- ✓ Gauteng Global City Region Seminar
- ✓ BBBEE Awareness Workshop
- ✓ Township Tourism Coordination Workshop
- ✓ Women in Tourism Workshop
- ✓ Gauteng Tourism Safety Monitors
- ✓ GDED Awareness Workshops
- ✓ Sedibeng Cookout Event
- ✓ My Run Programme

Information on training, capacity building and skills development opportunities by tourism departments and organisations, such as the National Department of Tourism, Gauteng Department of Economic Development, Gauteng Tourism Authority, FEDHASA, N3 Gateway, SAHRA, etc. are sent to all stakeholders to participate.

The Sedibeng District Municipality facilitated the implementation of a National Training Programme, namely The Tourism Youth Hospitality Programme. 47 learners graduated in the programme and 8 got permanent employment.

- Promote the Development and Maintenance of Tourism Infrastructure
  - ✓ Facilitated a Township Tourism site audit with the Gauteng Department of Economic Development for the development of Township Tourism.
  - ✓ Facilitated the application for the approval and installation of Tourism Directional signage of 3 tourism products in Sharpeville.
  - ✓ Submitted information to the Gauteng Department of Economic Development for the inception report on tourism signage for Gauteng Township destinations.
  - ✓ An audit on Tourism Infrastructure in the region was conducted and submitted to the Emfuleni Tourism Routes Working Committee, Midvaal and Lesedi Local Municipalities, Gauteng Department of Economic Development, Gauteng Tourism Authority and the Sedibeng Heritage Department for the consideration in the planning of tourism routes and the maintenance of infrastructure.

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Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				
4 - 6	3	3	4	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	
13 - 15	6	6	3	3	50%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
<b>Total</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>3</b>	<b>27%</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.11.8

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	3,971	2,514	2,668	2,603	3%	
Repairs and Maintenance						
Other	44	65	65	72	10%	
<b>Total Operational Expenditure</b>	<b>4,015</b>	<b>2,579</b>	<b>2,733</b>	<b>2,675</b>	<b>4%</b>	
<b>Net Operational Expenditure</b>	<b>4,015</b>	<b>2,579</b>	<b>2,733</b>	<b>2,675</b>	<b>4%</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 3.11.9

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Capital Expenditure Year 0: Economic Development Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.11.10</i>

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The district municipality is a granted dependent municipality and therefore currently does not have capital budget to implement projects nor execute plans. These subsequently limits the ability to coordinate and facilitate local economic development in the region.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### Introduction

This is a community-based cluster which seeks to release human potential from low to high skills and build social capital through united, non-racial, integrated and safer communities. This is done by providing support services to various areas such as disaster management services, community safety, health care services, social development, youth development, sports, recreation, arts, culture and heritage in the region. Key priority areas of this cluster include the following:

- Promoting and building safer communities
- Promoting disaster resilient communities
- Promoting efficient delivery of primary health care, social development and gender and women programs
- Promoting sports, recreation, arts and culture
- Preserve heritage and museums, including promotion of historical commemorative days
- Facilitate geographical name change process

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## **Children and Older Person Programmes**

The main service delivery priorities of the Directorate are to promote social development of our communities, support and facilitate implementation of youth development through National Youth Development Agency (NYDA) partnership that the municipality entered in 2018, including women and gender programmes. The services relating to children, and old persons are the primary functions of the Provincial Department of Social Development. Sedibeng District Municipality mainly coordinate and give support to the local municipalities in collaboration with the Province to give effect for the implementation of programmes. Various programmes have been implemented in conjunction with the local's municipalities focused on the designated groups i.e. youth, children, women and gender and people with disability.

Issues relating to children care services are a core functionality of the Province in accordance to the Child Care Act. However; the SDM continues to provide relevant support.

SDM support the Early Childhood Development (ECD) through collaborative effort with the Local Municipalities, Department of Social Development and Sedibeng District Health. Following the state of address by Honorable President Cyril Ramaphosa in 2019 February, in his speech, he indicated that ECD's will migrate from the Department of Social development to the Department of Basic Education, the administrative processes should complete by April 2022.

## **Facilitate Implementation of Gender and Women Programmes**

Gender equality and women's empowerment has received much attention in South Africa workforce with concerted efforts being made to bridge the gender inequality gap. However, a lag remains between women and their male counterparts. Women in South Africa have been experiencing gender-based discrimination for many years, especially when they are striving towards executive positions.

Women's access to employment and positions is very important for development, poverty alleviation and promoting gender equality, for women to gain access and participate economically, socially and politically, they need to be capacitated and skilled.

In line with the above, Sedibeng District Municipality with the limited resources continually coordinate, support and implement gender and women programmes; the following programs were implemented for the financial year 2021/22:

Gender and Development (GAD) training was held on the 23<sup>rd</sup> and 24<sup>th</sup> November 2021 at Thoteng Primary School, Zone 13 Sebokeng. Twenty-five (25) delegates participated on a two days workshop. The overall goal was to strengthen the capacity of Stakeholders to implement gender responsive programmes (trainings, awareness campaigns, information dissemination and advocacy). Creating a culture of Human Rights that promotes respect for protection of development, and attainment of gender equality through relevant knowledge,

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skills and values. Gender dynamics should be taken into account when planning and implementing programmes and policies. Explore the networking opportunities for furthering the cause of gender equality and Development.

On the 01<sup>st</sup> December 2021 A Gender Based Violence (GBV) session was conducted for Stakeholders and Community members at Botho Botjha Community Centre Sebokeng-The main objective of the training was to help participants to understand the importance to integrate a gender perspective in programming to effectively prevent and respond to GBV within the context of HIV and AIDS. Participants were sufficiently capacitated in this regard although violence occurs in different forms, the root cause which is gender-inequality. And although culture is often used to justify the use of violence towards women, the right to be free from abuse is a fundamental and universal. Training and capacity on issues such as Religious practices, Beliefs, Traditional culture practices, Labour, Economy, arranged marriages and Community Development. 40 attendees participated.

Understanding Violence against women and girls with disabilities (GBV) session held on the 25<sup>th</sup> March 2022, the objective of the workshop was to educate and capacitate the participants which were mostly people with disability in the development sector, integrate gender perspective and disability lens in the programme. Women and Girls with disabilities are even at the greater risk of GBV as they experience a two-fold discrimination based on their gender as well as their disability.

Work on strategies and ways to fill the gap in disability data, policies and programmes and providing important pointers for NGOs to understand and response to violence against women and girls with disabilities. To apply prevention strategies and interventions.

Heath and Social Department together with Mayor's Office held a Municipal Engagement on GEYODI Mainstreaming for Transformation of programmes and Institutional Arrangement on the 24<sup>th</sup> May 2022 at Banquet Hall, Vereeniging.

The Role of COGTA, SALGA, Office of the Premier on GEYODI Mainstreaming addressed, deliberating on the Institutional Arrangement, Gender Responsive Budgeting, planning, monitoring and evaluation. Sanitary ware programme for schools' girls and National Strategic Plan on Gender- Based Violence and Femicide (GBVF), Human Dignity and Healing, Safety, Freedom & Equality in our lifetime.

A Public Outreach, Advocacy and Awareness on Gender Mainstreaming held on the 7-9 June 2022, at three local Municipalities: Lesedi Local Municipality: Devon Impumelelo Community Centre on the 7<sup>th</sup> June 2022, Midvaal: Mamello Vaal Marina Eyethu Community Hall On the 08<sup>th</sup> June 2022 and Emfuleni Bophelong Community Library on the 09<sup>th</sup> June 2022

This training was facilitated by Commission for Gender and Equality, the overall purpose of the training programme was to introduce various approaches in the phrase of Gender and Development and improvement in terms of technology, economic, growth, health and education. And how gender work is set in place through

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historical processes, examine how the measure and processes of development are gendered as well as what policies have been set in place both national and international to advocate for gender justice.

Training objective was to promote, inspire and support development policy and practice, and pursue justice and equality for all. The training was designed to prompt exploration of common behaviours and attitudes towards gender differences presenting facts and figures about situations of men and women in our society. The training empowered the participants with tools and sector specific guidelines for gender mainstreaming in their various institutions and development planning. It further improves participants' abilities to reduce gender inequalities in their various homes, Organisations and communities. Hundred and seventy-five (175) delegates participated.

This report is in line with the releasing human potential strategy of the Sedibeng District Municipality which seeks to promote efficient delivery of health care services, and Social Development of our communities, promote disaster resilient communities, nurture the development of people's potentials, improve quality of life for vulnerable groups, building safer communities, thus contributing to the growth and development of the region.

## **Support Social Development Programmes**

Sedibeng People with Disability (PWD) Technical Committee has been established and is fully functional. It holds its meetings on quarterly basis for implementation and monitoring of its programme of action, the participants are the officials from the locals, Regional Department of Social Development, Sedibeng District Health, VUT and Gauteng Department of Sports Arts and Culture.

Vaal Disability Forum members which are the office bearers from all three local municipalities hold their meeting quarterly too with the support of the Sedibeng PWD technical committee. It is in these meetings are where the decisions for PWD programmes of action are planned. Sedibeng District Municipality is to support and coordinate all the locals.

Sedibeng has eight (8) residential facilities for older persons, per sub-district are as follows:

- Emfuleni Local Municipality has five residential facilities funded by DSD.
- Lesedi local Municipality has two residential facilities, one funded and the other one is unfunded.
- Midvaal local Municipality has one funded residential facility.
- Flu vaccine was administered to all Older Persons by the Sedibeng District Health during March 2021. And all the older persons in the homes were vaccinated for Covid 19 from the 17 May 2021.
- The residential facilities were visited by family physicians from Sedibeng District Health.
- Food distribution is done to the homes of older persons.

All the facilities were sanitized by the Scientology ministry and each was provided with 10 liters of sanitizer.



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The Department of Social Development is a lead department in the provision of Older Persons programs. The role of Sedibeng is to coordinate and support the locals, DSD and provincial

## **Facilitate Youth Development Programmes through the National Youth Development Agency (NYDA)**

The Sedibeng District Municipality continue to reaffirm its commitment in delivering and identifying holistic interventions that seeks to capacitate and empower the Youth in the region. For over the years, the Municipality has established strategic partnerships with various agencies such as the National Youth Development Agency (NYDA) and government departments, this was done to accelerate the implementation of Youth Development programmes across the District.

The District acknowledges that Youth development still remains a critical area that needs continuous attention to ensure that sustainable development, active participation and skill growth is achieved. As a result, various interventions were implemented by the District and the NYDA to curb the alarming rate of Youth unemployment and vulnerability which was worsened by Covid-19 pandemic.

The NYDA offices in the region have been operating through at a minimal scale, however most of the activities has been advised by the national response to the challenges that are brought by the pandemic, implementation was on staff rotational schedule as advised by the head office.

The following training activities took place during January 2021 to March 2022 with the limited number of participants between 35 and 40, in order to observe Covid-19 protocols.

Programme	Annual Target	Annual Performance
Business Management Training	659	552
BBB – EE	228	318
Sales Pitch	228	300
Mentorship	41	41
Cooperative Governance Training	108	177
Life Skill Workshop	1 216	1 349
Job Preparedness Workshop	1 222	1 362

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The following are the Non-Financial Support Programmes:

Programme	Target	Actual	Variance
Mentorship	41	7	-34
Voucher	41	47	+6
Market Linkages	8	0	-8

## Youth Development Initiatives created with Strategic Partners

NYDA engagement with various stakeholders is ongoing to assist/improve unemployed youth to access skills development and placement opportunities in the region

Cooperatives Development Project – NYDA in Partnership with the regional Department of Social Development and Bokamoso (NPO) has embarked on training project to capacitate cooperatives in different disciplines such as plumbing, electronics, welding, brick making and tiling. This project was launched by the MEC Social Development and handover of machinery/tools done by NYDA on the 22<sup>nd</sup> June 2022 Youth Month.

Innovation Hub/ Ekasi Lab the cell phones repairs project was completed on the 29 June 2022 was a graduation day and all the participants have started working.

## Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

<b>Key Strategic Objective: Promote the efficient delivery of Primary Health Care and Social Development of our Communities</b>									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target	Actual	Target	Target	Target	Target
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To ensure effective service delivery</b>									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

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Youth Development programmes	Facilitate the implementation of youth programmes through NYDA	04	04	04	07	04	08	04	08
									T3.22.3

## Staff Complement

Employees: Disaster Management Services					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	01	01	0	0%
04 – 06	02	04	02	02	0%
07 – 09	12	15	12	05	0%
<b>Total</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>0</b>	<b>0%</b>
NB: One(01) employee (Levels: 09) seconded to the National Youth Development Agency					T3.23.3

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## **The performance of child care, aged care, social programmes overall**

The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2021/22 financial year.

The expected outcome of coordination and support to promote social development of our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period through the Microsoft visual meeting to mitigate the spread of Covid 19. These is inclusive of the Regional IGR structures and the provincial IGR forum chaired by the DSD HOD in preparation of the MEC/MMC IGR.

Issues relating to children care services are a core functionality of the Province in accordance to the Child Care Act. The District continues to provide relevant support in conjunction with the locals including the ECD Steering Committee (ECD).The ECD will soon be relocated from the DSD to the Department of Basic Education as of April 2022, this emanate from the Honorable President Cyril Ramaphosa speech of Nation Address of February 2019, and Gauteng DSD currently is on top of the processes, now consultative meetings are in progress and the cabinet memo is signed, the process is set to be completed and hand over with finances be completed by April 2022.

## **Promotion of Effective Delivery of Primary Health Care Services**

### **Effective Delivery of Primary Health Care Services**

In accordance with the Health Act No. 61 of 2003, health care services are the priority and the mandate of Provincial Department of Health. However; Local government as the closest sphere of government to communities is also expected to coordinate and support this function, as a result Sedibeng District Municipality coordinate and support the function through the District Health Council as stipulated in the chapter five in the Act.

As a result; Council has established an intergovernmental relations structure in the form of a District Health Council for coordination and support purposes. The council is appointed by the MEC for Health, and it sits on quarterly chaired by the SDM: MMC for Health and Social Development. It is at this forum whereby

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various stakeholders from health sector provide regular reports that give synoptic overview of health care services in the region and where resolutions are taken to advise the MEC for health.

For the Financial year 2021/22 District Health Council was held during quarter 1, 3 and 4. Throughout the DHC meetings all the relevant stakeholders from the three hospitals within the region i.e. the Chief Executive Officers (CEO) presented their report and the Emergency Medical Services Director, including the chief director of Sedibeng District health Services and from all the presentations through the 2021/22 financial year the critical challenges which were referred to MEC was the infrastructural challenges and the shortage of human resource to enhance service delivery.

In support and coordination of Primary Health Care services SDM MMC for Health and Social Development together with the locals and the Sedibeng District Health Services took an over sight visit to the regional Sebokeng hospital and the three Primary Health Care facilities at Emfuleni: Osizweni, Evaton Main and Empilisweni clinics and the main challenges at Sebokeng was the infrastructure for example: Sebokeng hospital initially was built for the population of about 40 000 and currently Sedibeng has about 1 300 000 population with the bed capacity of 800 beds, this really is the indication for the new hospital.

Both Osizweni and Evaton Main clinics are managed by Emfuleni Local Municipality and the infrastructural and electricity challenges were noted and it was resolved that transformer application be done to Eskom for the clinics, so that clinics should have their own transformer that supply the electricity and not shared with the household in the area.

The National Department of health has a policy mandate for the National health Systems of South Africa, while the health services rendered by the District Health Systems that are managed by Provincial Department of Health. The District Health Plan is informed by the National and Provincial Annual Performance Plans. The purpose of the DHP is to set goals and strategies to enable the health district to the best meet the health needs of its population.is done on an annual basis, in line with these the District Health Plan for 2021/22 was developed.

To increase Primary Health Care (PHC) accessibility to the population of Sedibeng which is one of the Batho Pele principle, during June 2022 the District Municipality requested the services of Phelophepa Healthcare Train- which is the world's first comprehensive Primary Health Care facility on rail to be implemented in the region of Sedibeng.

The name Phelophepa combines elements of Sotho and Tswana and means "good clean health" which is exactly what they provide. On the 12 July 2021- 23 July 2021 the train was stationed at Vereeniging station and it provided comprehensive PHC including the eye clinic, and about:

- 150 community members attended eye clinic: tested and spectacles were dispensed at the rate of R30.00

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- Covid 19 Vaccination was administered to 117 community members from the age of 40 up wards
- About 200 youth and 12 retired professional nurses manage to get a temporary employment for two weeks.
- Four community members were trained as data capturers.

District Health Council will continue to do their oversight role for improved effective and efficient delivery of Primary Health Care services to the betterment of our communities.

The Intergovernmental structure which was established during Covid 19 are still effective and functional to strengthen District Development Model.

## **Below is the Cumulative summary of Covid 19 Pandemic as of June 2022**

- Accumulated positive cases as of June 2022
- 99% recoveries, 0.02% active cases. The rates for recoveries Increased by 0%, active cases decrease by 0% and new deaths reported in the last 7 days are 0
- Comparison for increase of Active cases for each sub-district individually, in the past seven day;
  1. Emfuleni 60 273 cases (0.02% Increase)
  2. Lesedi 8 229 cases (0.04% Increase)
  3. Midvaal 10 061 cases (0.02% Increase)
  4. District average is 0.02 %
- Cumulative contacts traced and monitored 71 664
- Ratio of cumulative positive cases to cumulative contacts across is 1:0.92
- Total Screenings to Date: 5 460 178
- Deaths: 1 451 (685 (47%) are Female and 766 (53%) are Male)

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## Primary Health Care Facility (PHCFC)

Primary Health Care Facility Committees known as Clinic Committees are statutory bodies appointed by the Member of Executive Council (MEC) for Health and this is stipulated in Section 42 of the National Health Act, No. 61 of 2003.

Their main objectives amongst the others includes:

- Promoting effective and efficient governance through public participation.
- To assist the clinics in addressing the health needs of the communities served.
- To ensure accountability and effective management of facilities and
- To ensure that the Primary Health Care Facility, known as a clinic is responsive to community needs that they serve.

Sedibeng has since played a pivotal role in ensuring that efficient delivery of Primary Health Care services in the region is achieved through public participation, which means governance structure in the form of Primary Health Care Facility Committees (PHCFC) thus known as clinic committees.

The term of office for the current PHCFC is three years i.e. 2021/2024 and the application was published from MEC for Health and the nominations were sent to all the health facilities in the region, the process went well and Sedibeng PHCFC were appointed and received the appointment letters signed by the MEC for Health

Below is the PHCFC Appointment Status report For Sedibeng from 1<sup>st</sup> April 2021 to End of Term

31<sup>st</sup> March 2024:

Total Number of Clinics	38
Clinic with no submissions of nomination forms	17
Clinic with less than 5 members	11
Clinic with five members	08
Total number of clinic committees with appointment letters	74 out of 190 committee members
Total Percentage	38,9%

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Since the establishment and appointment of PHCFC in April 2021 to date training is not yet done awaiting the provincial office to come up with training program as is their key priority area.

## 3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Part A schedule 4 and 5 of the Constitution of South Africa, 108 of 1996 lists the following as provincial competencies: Archives, other than National Archives, Libraries, other than National Libraries, Museums, other than National Museums, Provincial Cultural matters, Provincial Recreation amenities and Provincial Sports.

The Gauteng Department of Sports, Arts, Culture and Recreation operate within the Constitutional Mandate. Part B of the same schedule lists competencies in which the Provincial Department has a role to support and monitor local government i.e., amusement facilities, local amenities, sports facilities, municipal parks and recreational facilities

<b>Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	225	465	262	312	-49%
Expenditure:					
Employees	17,448	17,339	17,332	17,335	0%
Repairs and Maintenance					
Other	476	537	471	531	-1%
<b>Total Operational Expenditure</b>	17,924	17,876	17,803	17,866	0%
<b>Net Operational Expenditure</b>	17,699	17,411	17,541	17,554	1%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.5



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## 3.13 CEMETORIES AND CREMATORIUMS

This function is performed by Local Municipalities

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## 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### CHILD CARE

The main service delivery priorities within this area operation is to promote social development of our communities, support women and gender programmes, including facilitating the implementation of youth development programmes through National Youth Development Agency (NYDA) partnership. However; it should be noted that the services relating to children, and old persons are the primary functions of the Provincial Department of Social Development in accordance to the Child Care Act. Therefore; Sedibeng District Municipality mainly coordinate and give support to the Local Municipalities in collaboration with the province to give effect for the implementation of these programmes. Various programmes have been implemented in conjunction with the Municipality Local Municipalities focused on the designated groups i.e., youth, children, women and gender and people with disability.

SDM support the Early Childhood Development (ECD) through collaborative effort with the Local Municipalities, Department of Social Development and Sedibeng District Health. Following the State of the Nation Address by His Excellency. Honorable President Cyril Ramaphosa in 2019 February, in his speech, he indicated that ECDs will migrate from the Department of Social development to the Department of Basic Education, and the administrative processes thereof should be completed by April 2022.

The following are key delivery areas identified for this financial year (2020/21):

### Facilitate Implementation of Gender and Women Programmes

As a District we uphold to take issues of women and gender seriously and stepping up to ensure that this key delivery area is supported; based on empowerment, capacity building for the target groups. As a result; three (03) women and gender programmes were implemented.

This includes amongst others, Family Law session facilitated by Claudine Coetzee Incorporated, Attorney, Notary& Conveyance, focusing primarily on generating an increased awareness and intervention of drafting a legal will, imparting legal information and educating participants about the process of drafting a will, the program was held on the 09th December 2020 at De-Deur Police Station with 20 delegates in attendance.

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A two (02) days Gender Based Violence (GBV) Workshop was held on the 24-25 March 2021. This was a Virtual Workshop crafted for Social Workers in the Sedibeng region, Dept. of Social Development, and the three (03) Local Municipalities (Emfuleni, Midvaal and Lesedi). The Workshop was focused on building a sense of teamwork and collaboration, build capacity intergovernmental relations, multi-sectoral teams to prevent and to respond to Gender Based Violence (GBV).

On the 14th May 2021 Sedibeng women and gender unit together with MMC for Health and Social development held a Covid-19 Vaccine Roll out awareness, education and registration campaign for older persons from 60 years and above, focusing on Evaton West which falls within Ward 28. About 29 older persons were assisted with the registration and education of the importance of vaccination.

The gender-based violence training was also organized for Stakeholders Men's Forum at Emfuleni, held at Bophelong Community Library activity room on the 08 & 09 June 2021. The sessions were aimed to train, transfer and express a proactive approach in terms of applying knowledge and skills gained during the training in practice.

GBV sessions are planned to serve as a mechanism to support government's outcomes on the protection of women, children and other vulnerable groups.

The training sessions was attended by fifteen (15) men delegates based on the capacity and responding to covid-19 rules and regulations in the Emfuleni area. Training was facilitated by Be Sure Foundation.

## Support Social Development Programmes

Sedibeng People with Disability (PWD) Technical Committee has been established and is fully functional. It holds its meetings on quarterly basis for implementation and monitoring of its programme of action, the participants are the officials from the locals, Regional Department of Social Development, Sedibeng District Health, VUT and Gauteng Department of Sports Arts and Culture.

Vaal Disability Forum members which are the office bearers from all three local municipalities hold their meeting quarterly too with the support of the Sedibeng PWD technical committee. It is in these meetings where the decisions for PWD programmes of action are planned. Sedibeng District Municipality is to support and coordinate all the locals.

Sedibeng has eight (08) residential facilities for older persons, per sub district are as follows:

- Emfuleni Local Municipality has five residential facilities funded by DSD
- Lesedi Local Municipality has two residential facilities, one funded and the other one is unfunded.
- Midvaal Local Municipality has one funded residential facility.
- Flu vaccine was administered to all Elderly Persons by the Sedibeng District Health during March 2021, and all the elderly persons in the homes were vaccinated for Covid 19 from the 17 May 2021

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- The residential facilities were visited by family physicians from Sedibeng District Health.
- Food distribution is done to the homes of older persons

All the facilities were sanitized by the Scientology ministry and each was provided with 10 litres of sanitizer. The Department of Social Development is a lead department in the provision of Older Persons programmes. The role of Sedibeng is to coordinate and support the Local Municipalities and DSD.

## Facilitate Youth Development Programmes through the National Youth Development Agency (NYDA)

Whether it is gender equality, climate crisis, sustainable supply chains, human rights or community transformation; every adult child & young person needs the motivation, mindsets, and skills to lead themselves and others to be change-makers.

Youth development is regarded as a critical area that will ensure that youth readiness for self-sustenance and growth is achieved. This is facilitated through various developmental programmes that are implemented in partnership with National Youth Development Agency (NYDA) that was launched in the region in June 2019 at Mafatsane Thusong Centre. The implementation of Youth Development in the region is through SDM and NYDA

Partnership resulting to the signed MOA in 2018. NYDA paid four Sedibeng employees' salaries for two years and currently there are two Sedibeng employees who are still seconded and working at NYDA Mafatsane Full-service branch.

Since the establishment of Sedibeng NYDA Mafatsane Branch young people within the region are benefiting from the following programmes: Business Management Training, BBB-EE, Sales Pitch, Cooperative Governance Training, Life Skills Workshops, Job Preparedness, Job Placement, Mentorship and Grants. The grant programme consists of four thresholds, 1. R1000 – R10 000; 2. 10,001 – R50 000; 3. 50 001 – R100 000; 100 001 – R200 000. As a result, young people benefited from threshold 1, 2 and 3 grants for their businesses as the Sedibeng NYDA Mafatsane Branch offers them except threshold 4. NYDA paid R715 388 to 39 youth owned businesses like Beauty salon, Printing, Garden services, cooking lessons, Décor and events etc.; to create job opportunities for 61 young people.

The SDM Community Service Cluster partnered with Hydraform and Conloy to train young people on Brick Laying. Therefore, the report on partnership for building was approved by Council for the house project in Evaton West where a young girl wrote a letter to the MMC for Health and Social Development requesting a better livelihood for herself and sibling (brother) and the project was approved by Sedibeng Council in December 2020.

The project started in April 2021 where 20 learners from disadvantaged families were trained by Colony on Brick Laying, to gain experience by assisting Hydraform on building projects. NYS registered the project and young people were given stipend, machinery was delivered and about 4000 building blocks have been manufactured by learners. Emfuleni Local Municipality approved the house plan with the aim of completing the building by September 2021, if there are no hindrances.

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These reports are in line with the “releasing human potential strategy” of the SDM which seeks to promote efficient delivery of health services and promote social development of our communities, and thus contributing to the growth and development of the region.

The performance of child care, aged care, social programmes overall The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2020/21 financial year.

The expected outcome of coordination and support to promote social development for our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period through the Microsoft virtual meeting to mitigate the spread of Covid-19. These is inclusive of the Regional IGR structures and the Provincial IGR forum chaired by the DSD HOD in preparation for the MEC/MMC IGR.

Issues relating to children care services are a core functionality of the province in accordance to the Child Care Act. The District continues to provide relevant support in conjunction with the locals including the ECD Steering Committee (ECD). It should further be noted that, relocation of the ECD from the DSD to the Department of Basic Education as of April 2022, emanated from the Honorable President Cyril Ramaphosa’s State of the Nation Address in February 2019. Gauteng DSD currently is on top of the processes, now consultative meetings are in progress and the cabinet memo is signed, the process is set to be completed and hand over with finances be completed by April 2022.

Key Strategic Objective: “Promote disaster resilient communities”									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To conduct community awareness campaigns</b>									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

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Employees: Disaster Management Services					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	01	01	0	0%
04 – 06	02	04	02	02	0%
07 – 09	12	15	12	05	0%
<b>Total</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>0</b>	<b>0%</b>
NB: Seven (07) employees (Levels: 07 – 09) seconded to the National Youth Development Agency					T3.23.3

## THE PERFORMANCE OF CHILD CARE, AGED CARE, SOCIAL PROGRAMMES OVERALL

The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2019/20 financial year.

The expected outcome of coordination and support to promote social development of our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period. Issues relating to children care services are a core functionality of the Province in accordance to the Child Care Act. The District continues to provide relevant support in conjunction with the locals including the Early Childhood Development Steering Committee.

## COMPONENT E: ENVIRONMENTAL PROTECTION

Environmental protection within the District is covered by a number of Clusters. The district has a specific role to play in terms of air quality management in terms of licensing of listed activities and is performed by the air quality officer of the District. Pollution control is a program within Municipal Health Services and which is rendered by the District Municipality.

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The poor air quality in Sedibeng District to a number of sources; industrial sources, domestic fuel burning, windblown dust, and biomass burning.

Air Quality Management objectives are to:

- (i) Manage the Section 21 industries through Atmospheric Emission Licensing,
- (ii) Ensure the availability of air quality data through Ambient Air Quality Monitoring and National Atmospheric Emission Inventory System (NAEIS); and
- (iii) Provide awareness and education on the impacts of air pollution on health to the communities through Awareness Programmes, Implementation Task Teams, and multi-stakeholders engagement.

In order to tackle the Air Quality Management problems in the district, two coordinators were appointed in October 2019 under Ambient Air Quality Monitoring and Atmospheric Emission Licensing. This brings the total number of employees under Air Quality Management to three.

## 3.15 POLLUTION CONTROL

### 3.15.1 MUNICIPAL HEALTH SERVICES

The Pollution control programme is managed by Sedibeng District Municipality as one of the nine programs under Municipal Health Services. The service is rendered through a service level agreement with the local municipalities who perform the function on behalf of the District. Pollution control activities do not differentiate between communities and the service is rendered equally throughout the District. Priority is given to all related complaints and referred to relevant departments (where applicable) for attention and action. Most of the complaints relating to solid waste removal and sanitation were referred to the responsible service departments only in instances where Environmental Health Practitioners could not resolve the matter and needed assistance.

Table: Environmental pollution complaints

Data element	Emfuleni	Midvaal	Lesedi	Total District
Air pollution	1	13	3	17
Unhygienic conditions	6	0	3	9
Food related	5	0	0	5
Insects/ Pests	0	0	0	0
Noise	4	48	2	54
Sanitation	3	5	1	9
Illegal burning	4	59	1	64
Offensive odour	2	47	0	49
Keeping of animals	1	0	0	1
<b>TOTAL</b>	<b>26</b>	<b>172</b>	<b>10</b>	<b>208</b>

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All communities in the district, including the socio-economically disadvantaged (poverty) population have access to the Municipal Health Services. The top three pollution control priorities within the program are:

- Water pollution control
- Air pollution control
- Noise control

Water quality monitoring: There is a water sampling program in place that ensures water sampling takes place as scheduled within the district. The main objective of water monitoring is to ensure that the water provided to the communities is safe and sound for consumption, including in compliance with the South African National Standard (SANS) 241:2015. Therefore, water samples are taken at the points of the end user (taps, boreholes, and reservoirs). A **total number of 448** water samples were taken. Unfortunately, a total number of 5 samples from a borehole in Midvaal area were non-compliance. As a result, the owner was advised to boil the water before use. However, no water-borne diseases were reported to the Sedibeng District Municipality during this period.

Table: Water Sampling

Data element	Emfuleni	Midvaal	Lesedi	Total District
Drinking Water	80	67	268	415
Bore hole	0	13(*5)	15	28 (*5)
Storage tanks	0	3	0	3
Municipal Reservoir	0	0	2	2
TOTAL	80	83	285	448

*\*Samples not in compliance*

Of great concern are the pollution of the Vaal River and Rietspruit with raw sewerage from the municipal pump stations or water care works. All complaints are handled in line with the complaints protocol and referred to the relevant authorities where and when applicable. Major efficiencies can be summarized as follows:

- Air pollution complaints, including indoor air pollution are covered on a routine basis. All complaints are addressed and referred to the relevant departments for further interventions where necessary. **A total number of 17** air pollution related complaints were received and managed by the Environmental Health Practitioners.
- Noise pollution complaints are handled and resolved or referred where applicable. **A total number of 54** noise-related complaints were received and managed by Environmental Health Practitioners. Most of the cases refer to the playing of loud music, festivals, parties, industrial equipment, barking dogs or the keeping of roosters. All of the complaints were duly handled and resolved.

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Financial Performance Year 0: Pollution Control						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	2,351	1,575	1,575	174	-805%	
Expenditure:						
Employees	2,885	2,952	3,045	3,072	4%	
Repairs and Maintenance						
Other	52	53	55	57	7%	
<b>Total Operational Expenditure</b>	2,936	3,005	3,100	3,129	4%	
<b>Net Operational Expenditure</b>	585	1,430	1,525	2,955	52%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.15.5	

## 3.15.2 AIR QUALITY MANAGEMENT

Sedibeng District Municipality is part of two Air Quality Priority Areas: Vaal Triangle Airshed Priority Area (VTAPA) and Highveld Priority Area. Air Quality Management is mandated to implement National Environment: Air Quality Act 39 of 2004. The key functions of the District are Atmospheric Emission Licensing and Ambient Air Quality Monitoring.

### THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

#### MUNICIPAL HEALTH SERVICES

Despite the shortage of personnel and resources the Environmental Health Practitioners at local municipalities have continuously investigated and managed Environmental Pollution complaints on behalf of the Sedibeng District Municipality.

Most of the pollution within communities relates to dumping of household waste and issues relating to sanitation which are attended to by the relevant services department.



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The several successes have been recorded in the management of air quality in the district. The municipality has appointed two coordinators. The draft VTAPA AQMP has been published for comments, bringing the process closer to completion. In line with Section 105A of the Criminal Act of 1977, the municipality and DEFF instituted a case against Arcellor Mittal SA (Vanderbijlpark Works) and won the case.

After being non-operational due to a lightning incident that occurred in May 2018, the Meyerton Station has finally being brought back to operation, although not yet reporting valid data to SAAQIS. Preplanned stakeholder engagements, awareness campaigns and other engagement have been cancelled due to Covid 19 regulations.

## AIR QUALITY MANAGEMENT

### **Atmospheric Emission Licencing**

Atmospheric emission licensing is one of the key tools in the management and regulation of air quality activities. **The challenge however is the lack of a dedicated Environmental Compliance and Enforcement unit to monitor and enforce compliance of the AEL conditions.**

AEL is used to regulate the activities of listed activities that has potential to release emissions that may have harmful effects on the environment, health and socio-economy. During the financial year 2021/2022, the list of the AELs below were processed.

APPLICANT	TYPE OF APPLICATION	LISTED ACTIVITY	STATUS
Flexilube PTY LTD	Variation	2.4; 7.2	ISSUED
Gryphon Tile and Factory	Variation	5.2; 5.9	ISSUED
Eskort	Renewal	10	ISSUED
SARCO	Variation	4.2; 4.10	ISSUED
SAMANCOR METAL ALLOYS	Transfer	1.4, 4.9, 4.11, 5.1	WITHDRAWN
Pentagon	New Application	4.17	ISSUED
DMSP SA	Transfer	4.1	ISSUED
Naledi RinG Rollers	Transfer	4.2	ISSUED
National Asphalt	Renewal	5.10	IN PROGRESS

**Table 1: AELs PROCESSED**

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## Ambient Air Quality Monitoring

Sedibeng District Municipality has two ambient air quality monitoring stations; Vanderbijlpark and Meyerton ambient air quality monitoring stations. Vanderbijlpark Monitoring station is located on the school grounds of Laerskool Hendrik Van Bijl, while Meyerton monitoring station is located on the premises of Meyerton Sports Ground (Meyerton Bowling Club). The two stations over the years were only measuring PM2.5, PM10, Ozone and SO2 as well as the meteorological data (Rainfall, wind speed, wind direction, relative humidity, ambient temperature, pressure and solar radiation). In line with Section 105A of the Criminal Act of 1977, the municipality and DEFF instituted a case against Arcelor Mittal SA (Vanderbijlpark Works) and won the case in May 2019. The court ordered judgement amount towards ambient air quality monitoring equipment and DEFF Enforcement was appointed the custodian. The procurement and installation of the monitoring equipment was finalized during the fourth quarter of 2021/2022 financial year. The two stations are now reporting an addition of two more parameters, i.e. black carbon and Nitrogen Oxides (NOx)

Both Meyerton and Vanderbijlpark stations are fully operational and reporting to SAAQIS. Vanderbijlpark remains under the management of the DEFF-NAQI project until the end of third quarter 2022/2023. Meyerton station is under the management of Sedibeng District Municipality and requires a substantial budget for the maintenance of the station in order to report credible data at all times to SAAQIS. An insufficient budget for the maintenance and maintenance of the ambient air quality monitoring stations remains a concern.

STATION NAME	LOCATION	RATIONALE	POLUTANTS
MEYERTON MONITORING STATION	Meyerton Bowling Club, 9 Doc Immelman Street, Meyerton, 1961	Industrial	PM2.5, PM10, Ozone, SO2, Black Carbon, NOx
VANDEBIJLPARK MONITORING STATION	Laerskool Hendrik Van der Bijl, 6 Stephenson Street, CW5, Vanderbijlpark, 1900	industrial	PM2.5, PM10, Ozone, SO2, Black Carbon, NOx

Table 2: THE DISTRICT'S STATIONS

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## The station's performance

	Q1 data recovery	Q2 data recovery	Q3 data recovery	Q4 data recovery	COMMENTS
MEYERTON MONITORING STATION	Data invalid	Data invalid	Data invalid	Data invalid	The data at this station is invalid. This is because no maintenance was done as the budget for maintenance is not sufficient and there is no CAPEX for the required calibration equipment.
VANDEBIJLPARK MONITORING STATION	87%	94%	67%	97%	Data recovery is good, above 80% except in the 3 <sup>rd</sup> term where the station was undergoing security upgrades after the station was broken into.

**Table 3: THE STATION'S PERFORMANCE**

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

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality), Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal River). The Sedibeng District Municipality falls within priority areas

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identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional Plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

The three priority service delivery projects are as follows:

- Wetlands Rehabilitation,
- Clear River campaign and
- Maintenance of open space area through grass cutting.

The progress made thus far linked to service delivery priorities include the following:

- Conducting education and awareness on the value played by wetland, Wetlands rehabilitation through re-vegetation and tree planting,
- Clear River clean-up campaigns and Continuous maintenance of open spaces through grass cutting and beautification.

## COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

There were no capital projects under these focus areas due to lack of budget allocation.

## COMPONENT F: HEALTH

### 3.17 CLINICS

Promotion of Effective Delivery of Primary Health Care Services Primary Health Care (PHC): Addresses the main health problems in the community that provides and promote preventative, curative and rehabilitative services. According to the World Health Organisations (WHO's) 1978 Alma Ata Declaration, "primary health care is essential healthcare based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individual and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination. It forms an integral part on both of the country's health system, of which it is the central function and main focus, and of the overall social and economic development of the community. It is

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the first level of contact of individuals, the family and community with the national health system bringing healthcare as close as possible to where people live and work, and constitutes the first element of a continuing health care process”.

In accordance with the Health Act No. 61 of 2003, health care service is a competency of Provincial Department of Health. However; Local government as the closest sphere of government to communities is also expected to coordinate and support this function.

As a result; Council has established an intergovernmental relations structure in the form of a District Health Council (DHC) for support and over sight purposes. This DHC structure was established and appointed by the MEC for Health, the meetings for this Council are held on quarterly basis and chaired by the MMC for Health and Social Development of. It is at this forum whereby various stakeholders from multidisciplinary health sector provide regular reports that give synoptic overview of health care services in the region.

The DHC Microsoft visual meeting chaired by District MMC for Health and Social Development was held on Tuesday 01st September 2020, with section 80 councillors in attendance and Local MMC's for Health and Social Development. The discussion in this meeting was around the readiness of the hospitals in relation to Covid 19 and four (4) critical reports were discussed from Sebokeng, Heidelberg, and Kopanong Hospitals inclusive with the Emergency Medical Services (EMS).

From April 2020 to date the daily Coordination of Health screening and testing for COVID -19 within the region was done and all the daily reports formed part of the situational report that was compiled daily and send to Gauteng Disaster Management Council, Provincial Command Council, Local Government Work stream, District Command Centre and Council.

The second meeting covered the period of April to June 2021 as one of the DHC function is an oversight role as outlined in the Health Act 61 of 2003, on the 18th May 2021 DHC had an oversight visit to verify Covid-19 registered vaccination sites at Sebokeng hospital and Levai Mbatha clinic. The Sebokeng hospital lacked water and the Emfuleni MMC for Health and Social Development contacted Metsi a Lekoa immediately and water tanks were dispatched. Levai Mbatha clinic was faced with more patients and less vaccines and there was a meeting held with the facility manager and the matter was resolved with pharmacist to deliver additional vaccine. All Covid-19 protocols were adhered to. The picture below is the vaccination site at Sebokeng Hospital.

Clinic Committees are statutory bodies appointed by the Member of Executive Council (MEC) for Health, according to Section 42 of the National Health Act, No. 61 of 2003. Their main objectives include promoting effective and efficient governance through public participation, to assist the clinics in addressing the health needs of the communities served, to ensure accountability and effective management of facilities and to ensure that the Primary Health Care Facility, known as a clinic is responsive to community needs.

On Tuesday the 8th June 2021 the Sedibeng District Municipality MMC for Health and Social Development and Emfuleni MMC convened a hand over appointment letter for PHCFC at Thusong Service Centre Mafatsane NYDA offices in Evaton and Palm Springs. Later the meeting continued to be at Sebokeng Masoheng Municipal building for all the Sebokeng clinics including Boitumelo. Lastly the meeting was held in Bophelong library to meet with the clinic committee members from Sharpeville, Bophelong, Boipatong and Johan Heyns. All Covid 19 protocols were adhered to. The term of office is from 2021 to 2024.

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The picture below, depicts handing over of Appointment letters by MMCs of Health and Social Development from both Sedibeng District and Emfuleni Local Municipalities to Johan Heyns PHCFC members.

Sub District	No of Clinics
Emfuleni	28
Midvaal	04
Lesedi	08
Total Sedibeng	40

Key Strategic Objective: "Promote the efficient delivery of Primary Health Care"									
Service Objectives <i>Service Indicators (i)</i>	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To ensure effective service delivery</b>									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

## 3.18 AMBULANCE

It is noted that Ambulance services are a provincial competence; therefore, this service was migrated to province some years ago.

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## 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

According to Schedule 4 Part B of the Constitution, Municipal Health Services (MHS) is a function of a Metropolitan and District Municipality. Subsequently, Municipal Structures Act defines Municipal Health Services as a function of a District or Metropolitan. However, according to the Municipal Systems Act, a Municipality may determine if it can render a service by itself to the communities (if it has the capacity to do so) or can appoint a service provider to render the service on its behalf. The Sedibeng District Municipality opted for the latter option and resolved in 2004 to appoint the local municipalities (Emfuleni, Lesedi and Midvaal) to render the service as “Agents” for the Sedibeng District Municipality. This arrangement is formalized through a service level agreement and is renewed on annual basis by the parties to this agreement. The Service Level agreements with the three local municipalities were signed for the 2021/2022 financial year. The Service is coordinated at Sedibeng District Municipality. The local municipalities are contracted to render the nine (9) components of Municipal Health Services as defined in the National Health Act, 2003 (Act 61 of 2003). Namely;

- Water quality monitoring
- Food control
- Waste Management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases excluding immunization.
- Vector Control
- Environmental pollution control (Noise, air, water and land)
- Disposal of the dead
- Chemical safety and hazardous substances control

The National Environmental Health Norms and Standards as approved by the Minister of Health forms the basis of the agreement between the District and its local municipalities and serve as a guideline on how services are to be rendered and at what frequency.

The top 3 service delivery priorities are:

- water quality monitoring
- Health surveillance of premises
- Disposal of the dead

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- Water quality monitoring

This comprises of the monitoring and surveillance of water quality and availability thereof that is intended for human consumption, recreational, commercial and industrial use. Continuous monitoring of drinking water throughout the District is a preventative measure and serves as an early warning system in the control, management and provision of water to communities which is safe and sound for human consumption.

- The health surveillance of premise

This programme concerns the identification, monitoring and evaluation of health risks, nuisances, hazards and the instituting remedial and preventive measures at all premises. Food premises are prioritizing due to the impact that noncompliance can have on the health of people. Compliance of food premises, including spaza shops in terms of regulation 638: Regulations Governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matter in the township areas is a challenge. Persons in control of premises are informed of non-compliance issues and requested to rectify the problem areas. Statutory notices or prohibition orders are issued as a last resort where there is continuous non-compliance that needs to be addressed. A total number of **7142** food premises were inspected for this period.

Table: Inspection at food premises

Data element	Emfuleni	Midvaal	Lesedi	Total District
Food premises inspected (Number of inspections)	1933	1439	3770	7142

In an effort to improve the general hygiene standards and assist owners in getting their premises to comply with the minimum environmental health standards, Environmental Health Practitioners targeted Early Childhood Development facilities for inspections.

The district was able to perform the required inspection intervals as prescribed in the National Norms and standards. A total number of **1172** inspections were conducted at Early Childhood Development premises during this period. The Environmental Health Practitioners continued to strengthen the collaboration with other enforcement and compliance stakeholders such as social development in the monitoring of Early Childhood Development premises in the District.

A total number of **ninety-seven (97)** Early Childhood Development premises were issued with Health Certificates. As a result, the approved Early Childhood Development premises owners were able to apply for the social grant in the Department of Social development.



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- Disposal of the dead

This refers to compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries, including the management, control and monitoring of the exhumations and reburial or disposal of human remains. The premises were monitored in compliance with regulation 363: regulation relating to the management of human remains.

The premises are monitored in compliance with regulation 363: regulation relating to the management of human remains. A **total number of 291** funeral undertakers were monitored or inspected. In addition, a total **number of fifteen (15)** Certificates of Compliance were issued during the period under review. Moreover, a **total number of 4** exhumations were monitored by the Environmental Health Practitioners.

Table: Surveillance of premises (inspections)

Data Element	Emfuleni	Midvaal	Lesedi	Total District
Funeral undertakers	170	37	84	291

## Chemical Safety

Chemical safety includes the monitoring, identification, evaluation and prevention of the risks of chemicals that are harmful to human health. This includes the following but is not limited to:

- Complaint investigation.
- Monitoring safe disposal of chemical waste.
- Law enforcement by serving compliance notices where necessary
- Compliance monitoring in terms of legislative requirements and provisions and instituting remedial and preventative measures including the removal of chemical spillages.
- Health promotion and training.

Although the provincial Department of Health is responsible for management and control of hazardous substances, Environmental Health Practitioners routinely conduct inspections at all hardware stores, supermarket chain stores, paint dealers, spray painters and other related industrial activities to monitor the safe storage and handling of chemical products. The Monitoring of Chemical safety is part and parcel of the inspection protocol and is applied during all inspections on premises. Data is not specifically kept for these premises as chemicals are available on all premises.

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## THE PERFORMANCE OF HEALTH INSPECTIONS

The resource constraints, including personnel has impacted the delivery of the service within the district. In addition, the COVID-19 pandemic exacerbated the situation where the Environmental Health Practitioners were expected to continuously monitor the compliance to COVID-19 protocols during the public gatherings and special events, including funerals. However, Environmental Health Practitioners were consistent and fair in rendering the Service in the district. The Service was rendered in accordance to the National Environmental Health Norms and Standards.

Financial Performance Year 0: Health Inspection and Etc						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	704		948	999	100%	
Repairs and Maintenance						
Other	18,882	19,933	18,316	18,795	-6%	
<b>Total Operational Expenditure</b>	19,586	19,933	19,264	19,793	-1%	
<b>Net Operational Expenditure</b>	19,586	19,933	19,264	19,793	-1%	
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 3.19.5	

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## COMPONENT G: SECURITY AND SAFETY (COMMUNITY SAFETY)

### 3.20 POLICE

This service is a national competence; however, the district plays a coordination and facilitation role to enhance and enable smooth Police operations.

#### COMMUNITY SAFETY

##### **Implementation of the Community Safety Strategy 2018 - 2022**

In terms of Section 152 (1) (d) of the Constitution of the Republic of South Africa Act, 108 of 1996, municipalities are required to provide safe and healthy environments for the residents. As a result; an intergovernmental relations structure, namely; Sedibeng Community Safety Forum was established to ensure proper coordination for the implementation of this key object.

It is common knowledge that community safety should be every person's concern. Various organizations, community groups and the residents are expected to contribute to the creation of a safe and cohesive living environments. As a result; Sedibeng District Municipality through its Community Safety IGR Forum has been actively involved in fostering joint crime and violence prevention across the region. These safety programmes include schools' safety, community police relations, community corrections, gender-based violence, social crime prevention, stakeholder relations and road safety programmes.

NB: It should further be noted that Sedibeng District Municipality does not have a competency for Traffic Police Services, Fire and Rescue Services, and Emergency Medical Services. These competencies are located at the Local Municipality and Provincial levels, respectively. The following achievements have been recorded during the financial year: 2021-2022.

#### Promoting institutional arrangements which will produce effective and sound crime prevention networks

This is implemented through an IGR Forum (Community Safety Forum, which is responsible for the coordination of the implementation process of community safety programmes in the region. This is done through stakeholders' engagement either in the form a physical or virtual meeting, and joint crime prevention programmes. As a result; the following programmes were implemented in this regard. Several stakeholders' meetings took place where planning and report back of safety programmes occurred.

This included joint special operations such as monitoring and responding to illegal Initiation Schools practices across the Sedibeng region. This multi-faceted approach resulted in an illegal Initiation School being found to be operating in Steelpark (Vereeniging Policing Precinct) on the 04 January 2022, and destroyed accordingly. *"Refer to the pictures below"*

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A stakeholder engagement between SAPS and community members of De Barrage policing precinct was held on the 03 June 2022 at Loch Vaal Hotel. The purpose of this gathering was to build and improve relations between SAPS and the community with the main aim of supporting each other in the fight against crime. *“Refer to pictures below”*

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## Improve crime and violence prevention through social responsibility and tolerance

This is approach that recognizes the complexity socio-economic and cultural norms often associated with crime and violence prevention measures. Key focus is on reducing the risk factors related to alcohol and drug abuse, recidivism, gender-based violence, bullying, teenage pregnancy, etc.

On the 15 October 2021, Sedibeng Community Safety Forum conducted a Trafficking in Person (TIP) awareness in Vereeniging. This awareness campaign was informed by recent human trafficking incidents reported around Vereeniging, which appeared to be the one of the targeted and vulnerable areas for human trafficking.

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As a result; the Sedibeng Community Safety Forum held Men's Dialogue programme on the 12 November 2021 at Quest Conference Centre in Vanderbijlpark. The programme sought to encourage men to be the advocates of gender-based violence and femicide within their communities. The participants at this Men's Dialogue include various Men's Fora and LGBTQI+ structures.

On the 16 November 2021, Community Safety Forum held a workshop on law enforcement's role on liquor consumption and trading monitoring. This was informed by several liquor related incidents which been reported and often resulting in domestic violence, related sexual offences and common robberies.

As a result; as part of "February Safety Month Programme", various schools were visited, whereby safety talks were held with the learners including conducting random search and seizure operations. Some of the schools which were visited in January 2022 include, Thuto Tiro Secondary School (Sebokeng) and Katleho Impumelo Secondary School (Sebokeng) on the 26 January 2022. *"Refer to the pictures below."*



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On the 28 January 2022, the Victim Empowerment Programme Regional Forum had its stakeholders' meeting at the Department of Social Development Offices in Sebokeng. The main responsibility of this Forum is to mobilize various stakeholders towards joint development and implementation of Gender-Based Violence programmes especially those related to sexual offences, counselling and treatment of victim of crimes.

On the 22 April 2022, a Joint March against Gender-Based Violence and Femicide was held in Sebokeng. The march started at Sedibeng TVET College to Sebokeng Magistrate Court and Sebokeng Police Station where a memorandum of demands was handed over. This was part of the Sedibeng District Rapid Response Team on Gender Based Violence and Femicide aimed at creating awareness and reducing/eliminating the scourge across the region. "Refer to picture below"



As part of enhancing community police relations and crime prevention across the district, Gauteng Department of Community Safety in partnership with Sedibeng Community Safety Forum established a "Siyabangena Patrol Team for the South Corridor in the region. The selection process took place on the 28 May 2022 at Saul Tsotetsi Sports Complex in Sebokeng. Community Policing Forum (CPF) structures are also being revived and strengthened across the district. This process includes holding of the Annual General Meetings for election and induction of newly elected CPF Executive Committees.

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During the Child Protection Week (29 May – 05 June 2022), various schools were visited, where learners were engaged on their rights as learners and as children in general. These schools include; Phuthulla Primary School in Boipatong (31 May 2022), Tshirela Primary School in Boipatong (01 June 2022) and Phehello Primary School in Zone 14, Sebokeng (10 June 2022).





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Gender-Based Violence and Femicide (GBVF) has reached a stage where it can also be classified pandemic. Sedibeng District through the Community Safety Forum is constantly participating in GBVF programmes as a response to this challenge. On the 18 June 2022, a GBVF awareness campaign and stakeholder engagement was held Mafatsane Hall in Evaton. “Refer to pictures below”



## Promote road safety awareness and education through active stakeholders' participation

Through this pillar the Community Safety Forum is creating awareness and supporting implementation of road safety law enforcement regulations across the district. This includes visits to schools to engage learners of road safety programmes, taxi ranks to engage and educate taxi operators and commuters on aspects of road safety.

As part of “O Kae Molao Operations”, various joint roadblocks were held at identified strategic points across the district. This includes joint special roadblock at the N1 Gauteng & Free State Border at De Barrage on the 04 January 2022, and N3 Weighbridge in Heidelberg on the 07 January 2022.

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**N1 Gauteng & Free State Border (De Barrage)**



**N3 Weighbridge (Heidelberg)**

A Learner Transport Imbizo was also held on the 22 June 2022 at Sicelo Community Hall, Meyerton. The purpose of Imbizo was to engage stakeholders on various issues affecting the Learner Transport within the Midvaal Local Municipality area. This kind of stakeholder Imbizo will be rolled-out across the Sedibeng region.

Monitor and evaluate the impact of adopted interventions towards elimination and reduction of crime within our communities.

The SAPS Crime Analysis Report showed a significant increase of violent and contact crimes across the region. This includes crimes such as murder, attempted murder, assault GBH and common assault. From these crimes, murder alone, has recorded an alarming increase across the district, which is also a major concern at national level. Research shows that often murders are the outcome of aggressive verbal disagreements between young men, as a result; of excessive alcohol consumption and intoxication, or during the perpetration of another crime, such as robbery. This type of crime is further amplified by men living in communities where there are generally high levels of interpersonal violence; and where firearms are easily obtainable, such as participating in gangsters' activities.

The crime analysis report shows a huge increase of robberies with aggravating circumstances around Boipatong area, with Vaal Marina recording a significant decrease in this types of crimes. A minimal increase has been recorded in property related crimes, such as house burglaries, business burglaries, theft of motor vehicles, theft out of motor vehicles and stock theft in the region. Even though there is a minimal increase in sexual offences across the region, there are positives recorded with regard to rape incidents,

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where there is an overall decrease of rape incidents in most areas across the district. Recorded rape incidents seem to be taking place in areas classified as remote and semi-rural areas, comprising of vast and isolated plots. The causal factors for this significant increase of rape cases may be derived from associated socio-economic conditions such as poverty levels, excessive alcohol consumption, and general criminality often associated with these type of areas. There has also been a marginal increase of rape incidents in areas such as Vanderbijlpark, Sharpeville and Sebokeng, which may be attributed to entertainment places such as taverns and night clubs, and mostly taking place on weekends and at nights.

## Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

Key Strategic Objective: "Promote disaster resilient communities"									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target	Actual	Target	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective: To conduct community awareness campaigns									
Implement community safety programmes	08 Community Safety Programmes	08	08	08	08	08	08	08	08
									T3.22.3

## Staff Complement

Employees: Community Safety					
	Year 01		Year 02		Vacancies (as a % of total posts)
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	
	No	No	No	No	
0 – 03	01	0	01	0	0%
04 – 06	04	01	03	01	0%
07 – 09	01	02	01	02	0%

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10 – 12	01	0	01	0	0%
<b>Total</b>	<b>07</b>	<b>03</b>	<b>06</b>	<b>03</b>	<b>0%</b>
					73.23.3

## **Comment on the performance of Community Safety overall**

There is a high level of damage to assets and infrastructure such as cable theft across district, and this is negatively impacting on economic development of the region. Regular maintenance of infrastructure such as streetlights, potholes, cutting and removal of tall vegetation and bushes, house numbering and strengthening community police relations is highly encouraged, as this could eliminate existing opportunistic gaps often exploited by criminals.

## **COMPONENT G: DISASTER MANAGEMENT & FIRE SERVICES**

### **3.21 FIRE SERVICES**

#### **Introduction to Fire Services**

Firefighting services in terms of Schedule 04, Part B of the South African Constitution is the responsibility of local government with national and provincial oversight. The Fire Brigade Services Act (FBSA), 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services. In terms of the FBSA, local authorities are allowed to establish and maintain a fire brigade service for the following purpose:

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;

In terms of Section 85 of the Municipal Structures Act No. 117 of 1998, the MEC has the power to adjust certain powers and functions between category B and C municipalities, which includes firefighting services. The MEC for Local Government in Gauteng opted to make adjustment/divisions for the function and accordingly, Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act 117 of 1998, which includes:

- planning, co-ordination and regulation of fire services;
- specialized firefighting services such as mountain, veld and chemical fire services;

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- co-ordination of the standardization of infrastructure, vehicles, equipment and procedures; and
- Training of fire officers.

**During the year in question key Delivery Priorities of the district were as follows:**

- Provision of specialized firefighting services. No claims were received from the local municipalities regarding specialized firefighting services as per Section 84 (1) j.
- Emergency Services Forum sittings. The main objective of this forum is to strengthen relations amongst all the Emergency Services within the region and also assist in planning and standardization of the function, inclusive of resources. Only two sittings took place. The third one was scheduled; however it did not sit due to absence of two Local Municipalities.

**Comments on the performance of fire services overall**

Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act and does not render Fire brigade operational duties. In ensuring that principles of cooperative governance are promoted as well as integrated and coordinated efforts, the Emergency Services Forum met 2 times for the year under review. All the sittings were convened by the Sedibeng Disaster Management Directorate. The forum sittings were virtual due to COVID 19 restrictions.

## **3.22 INTRODUCTION TO DISASTER MANAGEMENT**

### **INTRODUCTION**

The purpose of the Disaster Management Directorate, which is established within Community Services cluster, is to promote an integrated; coordinated and multi-disciplinary system of disaster prevention, mitigation and risk management aimed at lessening impacts of natural hazards and related environmental, technological and biological hazards. The presentation of the 2021-2022 Sedibeng Disaster Management Centre Annual Report is in compliance with Section 50 of the Disaster Management Act (Act 57 of 2002, as amended). Section 50 (2a) of the Disaster Management Act stipulates that a Municipal Disaster Management Centre must, at the same time that its report is submitted to the municipal council, submit a copy of the report to the National Centre and the Disaster Management Centre of the province concerned.

### **LEGISLATIVE MANDATE OF THE SEDIBENG DISASTER MANAGEMENT CENTRE**

The Sedibeng Disaster Management Centre draws its legislative mandate from:

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- Disaster Management Act (Act 57 of 2002), which provides for an integrated and coordinated approach to Disaster Management that is focused on rapid and effective response; recovery from disasters as well as reduction of Disaster Risk.
- Disaster Management Amendment Act (Act 16 of 2015), which seek, among others to clarify the policy focus on rehabilitation and functioning of Disaster Management Centres. The Act focuses on the crucial role of Traditional Leaders, the impact of climate change and roles and responsibilities of local municipalities in Disaster Management.

## **SERVICE DELIVERY PRIORITIES**

- Implementation of mechanisms for Disaster Risk Reduction measures,
- Ensure the state of readiness and alertness aimed at combating potential disaster situations within the region, and
- Effective response and recovery efforts.

### **This annual report presents:**

- An overview of the activities undertaken by the directorate during the period under review, relating to the implementation of the Disaster Management Act and the Disaster Management Framework.
- The incidents that occurred during the year and the effects they had.
- Progress on the regular reviewal/updates of the Disaster Management Plan
- Progress made in line with the objective of promoting an integrated and coordinated system of disaster management, with special emphasis on prevention, by organs of state and other role-players involved in disaster management.
- Challenges experienced during the year.

## **ACTIVITIES ACCOMPLISHED DURING THE REPORTING TERM**

### • **REVIEW OF THE REGIONAL DISASTER MANAGEMENT PLAN**

Sections 52 and 53 of the Disaster Management Act (Act 57 of 2002) compel each municipality to develop a disaster management plan. This plan establishes the arrangements for disaster risk management within the Sedibeng District Municipality and has been prepared in accordance with the requirements of the Disaster Management Act, (Act 57 of 2002).

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The plan provides guidelines and a plan of action for the management of incidents that can be classified as a Disaster or may progress into a Disaster, if not managed (as determined by the Disaster Management Act, Act 57 of 2002). It establishes procedures for disaster risk reduction planning as well as the procedures to be implemented in the event of a disaster occurring or threatening to occur in council's area.

To ensure that the above-mentioned legislative provisions are adhered to, the Disaster Management Directorate, through the support from SANTAM, reviewed the Disaster Management Plan, during the year under review. The risk assessment outcomes of the region are also integrated into the plan. The plan has been assessed/reviewed by the National Disaster Management Centre and the Provincial Disaster Management Centre and was adopted by the Sedibeng council in July 2021.

## **PREVENTION AND MITIGATION INITIATIVES**

COVID 19 has highlighted to all of us the importance of being disaster resilient at all times so as to achieve the substantial reduction of disaster risk and loss of lives, livelihoods. The Disaster Management directorate, facilitates and continues to accelerate disaster awareness and education campaigns within communities in the region. Such programs are aimed at educating community members on the prevalence of most of the top identified risks and also to create disaster resilient communities. Moreover, the programs are focused on addressing local disaster risk dynamics and even response to disaster incidents. Through the programs, there is also fostering of partnerships with relevant stakeholders to enhance Disaster Management education and training programmes.

In implementation of the programmes the directorate and other relevant stakeholders strives to instil the culture of risk avoidance, improve response mechanisms and even share indigenous knowledge in dealing with incidents. Hence, the efforts are multi-disciplinary in focus and continuous in nature. Section 44 (1) (h) of the Disaster Management Act, 2002 (Act No. 57 of 2002) calls for the MDMC to "promote disaster management capacity building, training and education, including in schools, in the municipal area. Advocacy and public awareness, as defined in Enabler 2 of the Disaster Management Policy Framework, mandates us to promote the culture of risk avoidance through integrated education, training and public awareness. It is for this reason that the Sedibeng Disaster Management Centre held different initiatives to address this.

During the year under review, the directorate initiated and carried out various disaster prevention and mitigation initiatives. These include the commemoration of commemoration of special days with intention of informing, educating and empowering communities, disaster management campaigns, etc. The initiatives are prescribed by Enabler 2 of the Disaster Management Policy Framework, which recognizes advocacy and public awareness as effective measures for Disaster Risk Reduction.

In efforts to combat disaster risks, the following programs were implemented for the year under review:

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## 2021 INTERNATIONAL DAY FOR DISASTER RISK (IDDR) COMMEMORATION

The annual commemoration of the International Day for Disaster Reduction (IDDR) is a celebration of how people across the globe are reducing their risk to disasters, advocating for risk reduction and raising awareness about the importance of mitigating the disasters they face. This commemoration provides a platform for encouraging individuals, communities, government and civil society to contribute and become agents of change in building disaster resilient communities, countries and regions.

The IDDR is celebrated on 13 October every year as per Resolution 64/200 of the United Nations General Assembly; which, amongst other deliverables, reaffirmed the International Strategy for Disaster Reduction as the primary mechanism for development, promotion and improvement of disaster reduction method. The need to build capacities of institutions at local, national and regional levels as a way of building resilience was also highlighted, as well as systematic incorporation of DRR approaches in the implementation of emergency preparedness, response and recovery programmes, as well as long term development plans.

The 2021 IDDR is commemorated under Target F theme: **“Substantially enhance international cooperation to developing countries through adequate and sustainable support to complement their national actions for implementation of the present framework by 2030”**. This resonates with one of the 13 principles of the Sendai Framework which outlines: **effective and meaningful partnership** and further strengthening of cooperation for enhancement of Disaster Risk Reduction efforts.

In commemorating 2021 IDDR, in line with the theme, the Sedibeng Disaster Management directorate held a dialogue on the 7<sup>th</sup> of December 2021 with the aim of enhancing cooperation and having meaningful partnerships with all relevant stakeholders for Disaster Risk Reduction and safety measures. The dialogue was held at Ratanda New Hall, under the jurisdiction of the Lesedi Local Municipality. Moreover, the dialogue focused on addressing local disaster risk dynamics and even response to disaster incidents or emergencies. Key participants were as follows: Local Neighbourhood watch, NGOs, Youth Centres, GBV Brigades and Community Policing Forum. This was achievable through collaboration and partnership with the following stakeholders:

- Provincial Disaster Management Centre (PDMC)
- Department of Health: COVID 19 Awareness and Vaccination
- Lesedi Traffic: Road Safety
- SAPS: Social Crime Prevention
- Department of Social Development
- Lesedi Fire Services



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The outcomes of the 2021 IDDR commemoration regional dialogue included the following key aspects:

- Are there any Cooperation existing in the region?
- Can they be enhanced?
- Is there adequate support?

**COVID-19 International Health protocol were observed during the rolling out of the programmes**

## **DISASTER MANAGEMENT COMMUNITY TRAINING ON BASIC FIRE FIGHTING AND FIRST AID**

In advocacy for Community capacitation, the Sedibeng Disaster Management Centre, coordinated training of community members in Basic Fire Fighting and Basic First Aid. Over 100 community members from Midvaal Local Municipality and Lesedi Local Municipality were trained. The training was in collaboration with the National Department of Rural Development and took place from the 22<sup>nd</sup> of March to 25 March 2022. The training in general covered the following:

- Demonstration of knowledge for safety during emergency incidents
- Role of being a first Responder
- Management of emergency Scene
- Fire prevention principles
- Different types of fires and how to deal with
- Practical Handling of Fire Extinguishers

The benefits of the training include:

- Understanding disaster risk (fire or any emergency related);
- Investing in disaster risk reduction for resilience; and
- Enhancing disaster preparedness for effective response from communities and to “Build Back Better” in recovery, rehabilitation and reconstruction.
- Self-reliance during emergencies

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COVID-19 International Health protocol were observed during the training.



## DOOR TO DOOR WINTER SAFETY TIPS AWARENESS CAMPAIGN FOR SENIOR CITIZENS

Disasters and emergencies put everyone in their path at risk. Whether it's a house fire, storm or pandemic, lives hang in the balance. But seniors are more at risk. Even more worrying is the fact that for a number of reasons like financial resources, challenges with mobility and others, it can be very hard for senior citizens to be prepared for emergencies or disasters that may emanate.

Key to reducing loss of life, injuries and infections, it is crucial to have wide-spread Public Education and Awareness. Such programs are to ensure that communities are made aware of different types of hazards they are likely to be faced with in their day today life. As part of rolling out Disaster Risk Reduction initiatives, special efforts need to be made to reach for the vulnerable segment of the population like the elderlies.

The Disaster Management Public Education Unit, in efforts to promote culture of risk avoidance among elderlies, held a door to door campaign in Evaton as part of the Nelson Mandela Day Commemoration. The door to door was multi-sectoral and focused on multi –disciplinary information and education themes, including:

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## (1) Home Safety:

- Producing basic information on hazardous events likely to occur at home (i.e. fire)
- Emergency equipment and supplies to be readily available

: Precautionary measures to limit damages

## (2) Community Emergency Calling

: Appropriate use of the 112 emergency calling systems.

: What information to have at hand

## (3) COVID-19 Response

: Safety awareness on COVID-19

: Providing the latest safety guidance

: Providing instruction on how to correctly wear PPE

: Ensuring that they were vaccinated or registered for Vaccination

**COVID-19 International Health protocol were observed during the rolling out of the programmes**

### **DISASTER MANAGEMENT RISK REDUCTION AWARENESS PROGRAM: 2022 WINTER AWARENESS PROGRAMS**

In efforts to educate communities at risk, The Sedibeng District Municipality: Disaster Management spearheaded an awareness campaign at Hapilisi Informal Settlement in Midvaal Local Municipality on the 15<sup>th</sup> of June 2022. The area is prone to fire incidents in winter season, floodings during rainy seasons and pedestrian accidents due to crossing R59 highway. The theme for the campaign was: ***“As temperature decline, let us put safety in our minds”***. The campaign was in the form of a public gathering in compliance to

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the risk reduction approach adopted by the UNISDR for the implementation of the Sendai 7 Campaign. The awareness campaign focused on training community members on bucket brigade method to extinguish fire and to prevent fire from spreading

Other key educational themes covered during the campaign are as follows:

- Fire home safety and candle safety
- COVID 19 Safety protocols
- Road Safety “Be bright and be seen pedestrian awareness”

- GBV Victim Empowerment Social Crime and Community safety Awareness



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**INCIDENTS THAT HAPPENED IN THE REGION  
DURING THE YEAR IN QUESTION AND RESPONSE  
INTERVENTIONS**

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Overall Affected People	Type of Incidents	Total	Type of Relief Material	Total
684	Informal House Fires	70	Blankets	470
	Formal House Fires	59	Food Parcel	34
	Roofs Blown off	4	Tents	3
	Water Log	51	Mattress	428
	House Flooded	2	Tarpaulins	10
	Tree felling: informal House	1	<b>Total Relief Provided</b>	<b>945</b>
	Other	1		
	<b>Total of Incidents</b>	<b>188</b>		

	Total
Fatalities	7
Injured	14



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## REGIONAL RESPONSE TO COVID 19: DISASTER MANAGEMENT

The magnitude and the severity of the COVID 19 pandemic required a multi-sectoral approach in trying to provide containment of the virus. In light of this, Sedibeng Disaster Management Centre served as the Technical Team in support of the District Command Council and Command Centre. The Directorate also participated in the JoCOM regional structure and accordingly formed part of the compliance programmes that took place.

### Service Delivery Budget and Implementation Plan (SDBIP) Performance Report

Key Strategic Objective: "Promote disaster resilient communities"									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To conduct community awareness campaigns</b>									
Intensification of public awareness and education programmes in disaster management throughout the region	Public awareness campaigns conducted	04	04	04	04	04	04	04	04
									T3.22.3

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## Staff Complement

Employees: Disaster Management Services					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	02	01	0	0%
04 – 06	02	02	01	0	50%
07 – 09	02	02	02	0	0%
10 – 12	10	10	10	0	0%
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0%</b>
					<i>T3.23.3</i>

### Comment on the performance of Disaster Management

The directorate achieved its objectives as stipulated in the Service Delivery and Budget Implementation Plan (SDBIP) for the financial year in question. For the region to enhance compliance and to ensure effective implementation of the guidelines as set by the NDMC, it is critical that there is a move towards ensuring that all KPAs are implemented. The KPAs are informed by specific objectives and KPIs to guide and monitor progress.



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Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	9,277	9,251	9,015	9,039	-2%
Repairs and Maintenance					
Other	206	169	168	195	13%
<b>Total Operational Expenditure</b>	9,483	9,420	9,183	9,234	-2%
<b>Net Operational Expenditure</b>	9,483	9,420	9,183	9,234	-2%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.22.5</i>

## COMPONENT H: SPORT AND RECREATION

### 3.23 SPORT AND RECREATION

Promote and support sport and recreation in the region

Of specific importance is the impact of the National Government Gazette 1060 on the 7th October 2020 by the National; Minister of Arts and Culture in the second quarter of the 2020/21 financial year that placed a moratorium on most public participation and involvement in all categories of operations of Sports, Recreation, Arts, Culture and Heritage functions, notwithstanding the complete schedule 5, COVID19 Protocol lockdown that started in March 2020, that only fluctuated in October 2020 during the adjusted Levels when the Government Gazette 1060 mentioned above placed complete restrictions on almost the entire spectrum of operations of SRACH which was further exacerbated by the limited staff compositions schedules including working from Home to minimise the impact of the Pandemic.

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The Sport and Recreation division had to migrate to digital virtual platforms to effectively continue to facilitate the coordinating functions with strategic stakeholders/partners in pursuance of performance targets as per the SDBIP and IDP operational prescriptions which remains unadjusted to the reality of the impact of the COVID 19 Pandemic, however despite these conditions the Sports and Recreation Division sought to comply with the strategic outcomes of the SDBIPs to the best of its ability and continued with its coordination role by assisting and supporting Provincial DSACR, DE, Tertiary Institutions and Local Municipalities in assessing their development trajectory in the 09 Prioritized Sporting Development Codes identified, including giving priority to the Sports Council's in achieving strategic developmental outcomes of the various sports disciplines which is at different phases of development and maturity within Sedibeng region.

The overall impact across all spheres of Government has necessitated the re-think of how business continuity remains viable in the current conditions and the natural migration to a digital platform has brought very interesting and dynamic innovations to the fore that would require in the current conditions complete migration and/or partial re-invention of how to be more effective and sufficient in a re-worked 'Possible Developmental Challenges Document of 2012' for SRACH that can create a conducive environment in fulfilling the Vision and Mission through identified new/modified options of rising to the current challenges as was evident in the collective rendering of the 'Signage of the Constitution' commemorative joint SRACH Program on the 10th December 2020 with picture inserts (below) of how we had to manage a joint SRACH Program within the new protocols environment of COVID 19, on social distancing, wearing of masks, temperature monitoring and trace documentation of participants.

Our Core Responsibilities of Sports and Recreation Division remains constant:

- Is to assist in developing the 9 priority Sporting Codes as identified in Gauteng Province.
- Create Sports and Recreation as a platform that assist in understanding Cultural Diversity and tolerance in Nation Building and the development of a Patriotic Society through integration.
- Establish and assist with the continued development of Sports in collaboration with the Sports Councils/Confederations in the Region.
- Develop the turnaround strategy of our Region through our Sports Plan.
- Facilitate the impact of the Recreational Policy for the Region once approved.
- Facilitate Strategic Partnerships in pursuance of our goals and objectives.

On the 10th of December 2020 at our joint signature event of the 'Signage of the Constitution', SRACH managed to combine our programs as the protocol level afforded the opportunity of having certain outdoor activities with a controlled number of participants which had to be clearly processed within the controlled environment on Constitution Square Vereeniging in the second quarter of our SDBIP's highlight.

Programmes which were scheduled for the third and fourth quarter of 2021, could not be progressively implemented due to a National State of Disaster which has been declared as a result; of Covid-19 pandemic. Most Sectoral programs other than role out limited physical activity programs had to be conducted within the confinement has been on

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lockdown under Level 03 as per Disaster Management Act No. 57 of 2002 Regulations issued in terms of Section 27 (2) and the prescriptions of the National Arts & Culture Government Gazette 1060 of 7th of October 2020 respectively.

## **Promote and Support Arts & Culture Programmes**

The SRACH Directorate in the Arts and Culture Division has the responsibility to manage and operate three major Theatres in the Region being the Vereeniging Theatre, Mphatlalatsane Theatre (Closed as stated earlier) and the Sharpeville Hall/theatre daily which currently under the directive of both the Disaster Management Act 57 of 2002, section 27(2) and the National Government Gazette 1060 as expressed above as indoor facilities could not operate adequately due to the limitations and cost effective sustainability of productions and events, of critical importance is that the Vereeniging Theatre in a joint program with the Health Directorate had established a functional COVID 19 Community free testing station adjacent to the theatre that operates from the facilities in the Vereeniging Theatre of particular consequence is that being cognitive of the testing station utilising the kitchen and latrine facilities within the Vereeniging Regional Theatre currently has an knock-on impact of Arts and Culture patronage at the theatre.

Ongoing strategic partnerships within the Arts & Culture fraternity through good diplomacy and client management principles have managed to continue with drastically scaled down as per Covid-19 Protocols theatrical development of stage productions and plays in the various genres of the art's in collaboration with private sector practitioners in the various fields of Arts and culture which has created a catalyst for developmental opportunities with the underprivileged communities by giving them the expediency necessary to develop within their preferred sectors of the Arts and Culture Industry, Key focus areas in this regard include the following:

- Re-visit/re-draft and modify the strategic 'Possible Development Challenges Document of 2012' In the different sectors and genres of the Arts and other SRACH Divisions based on the best options within the COVID 19 procedures, noting that it might remain a constant situation within the 'New Normal'.
- Create an understanding in Cultural Diversity and Tolerance in Nation Building, the creation of a Patriotic Society fully integrated especially given the xenophobic and societal race issues that is becoming more urgent in processing both the 'National Question' and Social Cohesion in South Africa.
- Establish the Development of the Creative Industries as a New Economic Driver that links to Heritage and Sports Programs that would focus on the unique Memorabilia development for the Region.
- Develop the turnaround strategies for Arts & Culture and Theatres in our Region.
- Develop the South Corridor "School of the Arts" in our Region at our major facilities in a more nuanced method.
- Facilitate Strategic Partnerships and peculiar adoptions of specific sectors/programs through Social Responsibility mechanisms around taxation and the issuing of this types of exemptions as a strategy to overcome under development in our various Divisions within SRACH Holistically (5% write off) as we pay a lot of taxes on salaries but cannot apply for most Government support grants.
- Consider Public, Private, Partnerships that can create mutual beneficiation opportunities for all our operations to advance the development of our various sectors and divisions within SRACH.

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Specific High lights during the period that Arts & Culture had managed to facilitate within the period of the Annual Report is the following:

- Gospel Goes Indigenous 25th April 2021.
- External partnership Klipdraai Talent Search Competition 5th & 6th June 2021.
- Participated with numerous Virtual Webinars with DSACR, GFC & other meetings etc.
- We had established as SRACH a WhatsApp Management site for communication and weekly meetings.
- We have managed to process our service providers documentations & payments including SCM issues.

## Promote and support Heritage & Museums in the Sedibeng Region:

From the perspective of Heritage & Museums basically most of our Commemorative Events was/is categorized as 'COVID 19 Super Spreader Events' that at different periods could not be fully implement as both National and Provincial Government have all been impacted by the working conditions under the pandemic as Museums is still categorized as not being operational since the lockdown in March 2020 till the current period, we have however suffered major infections and loss of life across the entire institution and specific staff components who functioned under the scheduled work attendance programs including those who work from Home.

In the four signature events identified by the SDBIP's for the 2021/22 period we had only managed to facilitate the following programs of Commemorative Events though most of the groundwork and support processes were implemented at a low key under strict Covid-19 regulations that limited a number of gatherings

- Due to Covid-19 restrictions the Sebokeng Night Vigil Massacre on the 12th of January 2022 couldn't be hosted, but in February the Executive Mayor hosted all the Families for a lunch in Vereeniging City Hall
- In March 2022 a series of build-up programs for Human Rights Month were successfully hosted, these programs include Imbawula Story telling, Candlelight and Cleaning of the Graves. These build-ups led to the main event that was hosted and led by the Premier of Gauteng Province and Families of victims and survivors.
- 31st of May 2022 Commemoration of Peace Treaty of Vereeniging was commemorated in partnership with Afrikaner entities at Blockhouse who during the cause of the year had done numerous repair and maintenance at the Peace Monument including the removal and placement of the Voortrekker miniature monument at the Peace Monument etc
- Both the Gauteng Provincial Government and Sedibeng District Municipality hosted the 30<sup>th</sup> Anniversary of Boipatong Massacre that with events that included the Wreath Laying, Candlelight and Memorial Lecture on the 17<sup>th</sup> June 2022

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Peace Treaty of Vereeniging Commemoration (Blockhouse)

The Heritage & Museums Division had engaged with numerous Webinars on programs and process planning with various National, Provincial and Local Governance structures on processing support for a range of our SDBIP Programs in particular the Commemorative Days program, Geographic Name Change Programs, Identification and registration of Heritage Sites in the Region and direct interactions with both the National Heritage Council and PRAG around source work related to UNESCO for Sharpeville and Boipatong Museum respectively.

## **Geographical Name Change Process**

The Sedibeng District Municipality in partnership with the Gauteng Geographical (GGNC) names Change has hosted meetings with Local Municipalities to discuss the roll out plan for the renaming of Provincial roads that cuts across the District. The GGNC has also through the District shared a Draft Concept on Geographical Names for distribution and comments by Locals

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## Comment on the performance of Sports, Recreation, Arts, and Culture & Heritage.

The SRACH Department has not fully met its obligations of the SDBIP for the period with some challenges in all Divisions of SRACH, however despite some severe difficulties we congratulate our collective team on a sterling performance despite the elements of COVID 19 and the new phenomenon of having our facilities consistently being burgled regularly including vandalization, We remain vigilant in aspiring to render service delivery where possible on both Geographic Name Changes and declaration processes that goes through other Provincial and National responding Agencies/Departments, In Arts and Culture we have very serious capacity challenges and financial challenges that impacts the outcome of the division, the same can be classified for Sports and Recreation.

It should also be noted that programmes which were scheduled for the fourth quarter could not be implemented as most functions and facilities have been on lockdown throughout from Level 05, which started on the 26 March 2020 to date, under Level 03 as per Disaster Management Act No. 57 of 2002 Regulations issued in terms of Section 27 (2), However where possible the Department was able to host and implement some programs at a low key under strict compliance with Disaster management Regulations

## Promote and support sport and recreation in the region

Of specific importance is the impact of the National Government Gazette 1060 on the 7th October 2020 by the National; Minister of Arts and Culture in the second quarter of the 2020/21 financial year that placed a moratorium on most public participation and involvement in all categories of operations of Sports, Recreation, Arts, Culture and Heritage functions, notwithstanding the complete schedule 5, COVID19 Protocol lockdown that started in March 2020, that only fluctuated in October 2020 during the adjusted Levels when the Government Gazette 1060 mentioned above placed complete restrictions on almost the entire spectrum of operations of SRACH which was further exacerbated by the limited staff compositions schedules including working from Home to minimise the impact of the Pandemic.

The Sport and Recreation division had to migrate to digital virtual platforms to effectively continue to facilitate the coordinating functions with strategic stakeholders/partners in pursuance of performance targets as per the SDBIP and IDP operational prescriptions which remains unadjusted to the reality of the impact of the COVID 19 Pandemic, however despite these conditions the Sports and Recreation Division sought to comply with the strategic outcomes of the SDBIPs to the best of its ability and continued with its coordination

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role by assisting and supporting Provincial DSACR, DE, Tertiary Institutions and Local Municipalities in assessing their development trajectory in the 09 Prioritized Sporting Development Codes identified, including giving priority to the Sports Council's in achieving strategic developmental outcomes of the various sports disciplines which is at different phases of development and maturity within Sedibeng region.

The overall impact across all spheres of Government has necessitated the re-think of how business continuity remains viable in the current conditions and the natural migration to a digital platform has brought very interesting and dynamic innovations to the fore that would require in the current conditions complete migration and/or partial re-invention of how to be more effective and sufficient in a re-worked 'Possible Developmental Challenges Document of 2012' for SRACH that can create a conducive environment in fulfilling the Vision and Mission through identified new/modified options of rising to the current challenges as was evident in the collective rendering of the 'Signage of the Constitution' commemorative joint SRACH Program on the 10th December 2020 with picture inserts (below) of how we had to manage a joint SRACH Program within the new protocols environment of COVID 19, on social distancing, wearing of masks, temperature monitoring and trace documentation of participants.

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- Establish and assist with the continued development of Sports in collaboration with the Sports Councils/Confederations in the Region.
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## Promote and Support Arts & Culture Programmes

The SRACH Directorate in the Arts and Culture Division has the responsibility to manage and operate three major Theatres in the Region being the Vereeniging Theatre, Mphatlalatsane Theatre (Closed as stated earlier) and the Sharpeville Hall/theatre daily which currently under the directive of both the Disaster Management Act 57 of 2002, section 27(2) and the National Government Gazette 1060 as expressed above as indoor facilities could not operate adequately due to the limitations and cost effective sustainability of productions and events, of critical importance is that the Vereeniging Theatre in a joint program with the Health Directorate had established a functional COVID 19 Community free testing station adjacent to the theatre that operates from the facilities in the Vereeniging Theatre of particular consequence is that being cognitive of the testing station utilising the kitchen and latrine facilities within the Vereeniging Regional Theatre currently has an knock-on impact of Arts and Culture patronage at the theatre.

Ongoing strategic partnerships within the Arts & Culture fraternity through good diplomacy and client management principles have managed to continue with drastically scaled down as per Covid 19 Protocols theatrical development of stage productions and plays in the various genres of the art's in collaboration with private sector practitioners in the various fields of Arts and culture which has created a catalyst for developmental opportunities with the underprivileged communities by giving them the expediency necessary to develop within their preferred sectors of the Arts and Culture Industry, Key focus areas in this regard include the following:

- Re-visit/re-draft and modify the strategic 'Possible Development Challenges Document of 2012' In the different sectors and genres of the Arts and other SRACH Divisions based on the best options within the COVID 19 procedures, noting that it might remain a constant situation within the 'New Normal'.
- Create an understanding in Cultural Diversity and Tolerance in Nation Building, the creation of a Patriotic Society fully integrated especially given the xenophobic and societal race issues that is becoming more urgent in processing both the 'National Question' and Social Cohesion in South Africa.
- Establish the Development of the Creative Industries as a New Economic Driver that links to Heritage and Sports Programs that would focus on the unique Memorabilia development for the Region.
- Develop the turnaround strategies for Arts & Culture and Theatres in our Region.
- Develop the South Corridor "School of the Arts" in our Region at our major facilities in a more nuanced method.
- Facilitate Strategic Partnerships and peculiar adoptions of specific sectors/programs through Social Responsibility mechanisms around taxation and the issuing of this types of exemptions as a strategy to overcome under development in our various Divisions within SRACH Holistically (5% write off) as we pay a lot of taxes on salaries but cannot apply for most Government support grants.
- Consider Public, Private, Partnerships that can create mutual beneficiation opportunities for all our operations to advance the development of our various sectors and divisions within SRACH.

Specific High lights during the period that Arts & Culture had managed to facilitate within the period of the Annual Report is the following:



# Chapter 3

- Gospel Goes Indigenous 25th April 2021.
- External partnership Klipdraai Talent Search Competition 5th & 6th June 2021.
- Participated with numerous Virtual Webinars with DSACR, GFC & other meetings etc.
- We had established as SRACH a WhatsApp Management site for communication and weekly meetings.
- We have managed to process our service providers documentations & payments including SCM issues.

## Promote and support Heritage & Museums in the Sedibeng Region:

From the perspective of Heritage & Museums basically most of our Commemorative Events was/is categorized as 'COVID 19 Super Spreader Events' that at different periods could not be implement as both National and Provincial Government have all been impacted by the working conditions under the pandemic as Museums is still categorized as not being operational since the lockdown in March 2020 till the current period, we have however suffered major infections and loss of life across the entire institution and specific staff components who functioned under the scheduled work attendance programs including those who work from Home.

Financial Performance Year 0: Sport and Recreation						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	1,555	1,536	1,631	1,631	6%	
Repairs and Maintenance						
Other	11	12	13	13	6%	
<b>Total Operational Expenditure</b>	1,566	1,548	1,644	1,644	6%	
<b>Net Operational Expenditure</b>	1,566	1,548	1,644	1,644	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4	

# Chapter 3

## Comment on the performance of Sports, Recreation, Arts, Culture & Heritage

The SRACH Department has not fully met its obligations of the SDBIP for the period with some challenges in in all Divisions of SRACH, however despite some severe difficulties we congratulate our collective team on a sterling performance despite the elements of COVID 19 and the new phenomenon of having our facilities consistently being burgled regularly including vandalization, We remain vigilant in aspiring to render service delivery where possible on both Geographic Name Changes and declaration processes that goes through other Provincial and National responding Agencies/Departments, In Arts and Culture we have very serious capacity challenges and financial challenges that impacts the outcome of the division, the same can be classified for Sports and Recreation.

It should also be noted that programmes which were scheduled for the fourth quarter could not be implemented as most functions and facilities have been on lockdown throughout from Level 05, which started on the 26 March 2020 to date, under Level 03 as per Disaster Management Act No. 57 of 2002 Regulations issued in terms of Section 27 (2).

# Chapter 3

## 3.24 EXECUTIVE AND COUNCIL

On the 3rd of August 2016, South Africa conducted Local Government Elections. Emanating from this process, there were changes in the municipality; where new Councillors were ushered in Council. Subsequently Sedibeng Council was established on the 18th of August 2016; with new political parties constituting Sedibeng Council. Effective corporate governance is a central focus that distinguishes Sedibeng District Municipality from other municipalities. The District Municipality has established important committees to encourage compliance with all legislation and to enhance ethical consideration by all its employees and Councillors.

### INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive and Council include all administrative support that is provided to the offices of the Executive Mayor, the Speaker of Council, the Municipal Public Accounts Committee Chairperson and Councillors. Normally these would include all meetings of Council and those of other committees of council.

The support is rendered by the Committee Section within the Corporate Services Cluster. The primary function of this unit is to ensure support to the Executive Mayor and Speaker of Council; ensuring efficient, well-coordinated and smooth running of the meetings, including minutes recording and archiving of all Mayoral, Council and other Committees of Council minutes.

### COMMENTS ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL

For the period under review, Executive performed well, albeit under financial constraints.

Financial Performance Year 0: The Executive and Council						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	47,770	50,264	49,498	48,172	-4%	
Repairs and Maintenance						
Other	6,173	6,061	6,769	6,455	6%	
<b>Total Operational Expenditure</b>	53,943	56,326	56,267	54,626	-3%	
<b>Net Operational Expenditure</b>	53,943	56,326	56,267	54,626	-3%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.24.5	

## 3.25 FINANCIAL SERVICES

This Cluster is regarded as the aorta for the municipality; hence prudent, effective and efficient service is the blood within this cluster. It is divided into two Directorates, namely, the Financial Management Directorate and the Supply Chain Management Directorate, all reporting the Chief Financial Officer.

The Cluster sees to it that there is prudent spending on all municipality projects. The cluster is highly regulated and ignorance is no excuse in executing duties and responsibilities. Below is graphical and tables enunciating what transpired in terms of financial movements.

# Chapter 3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	3	1	25%
4 - 6	4	9	3	6	67%
7 - 9	7	8	7	1	13%
10 - 12	0	6	0	6	100%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	0	27	13	14	52%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.25.4

# Chapter 3

Financial Performance Year 0: Financial Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	286,014	289,239	290,231	317,037	9%	
Expenditure:						
Employees	18,176	13,124	12,320	12,668	-4%	
Repairs and Maintenance						
Other	6,774	7,755	7,360	6,339	-22%	
<b>Total Operational Expenditure</b>	24,950	20,879	19,679	19,007	-10%	
<b>Net Operational Expenditure</b>	(261,064)	(268,361)	(270,551)	(298,030)	10%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.25.5	

## 3.26 HUMAN RESOURCE SERVICES

Section 51 of Municipal Systems Act, requires that municipality must within its administrative and financial capacity establish and organize its administration in a manner that would enable the municipality to- (a) be responsive to the needs of the local community;(b) facilitate a culture of public service and accountability amongst its staff;(c) be performance orientated and focused on the objects of local government set out in section 152 of the Constitution and its developmental duties as required by section 153 of the Constitution;(d) ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;(e) establish clear relationships, and facilitate co-operation, co- ordination and communication; (f) organize its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;(g) perform its functions; (h) assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;(i) hold the municipal manager accountable for the overall performance of the administration;(j) maximize efficiency of communication and decision-making within the administration; (k) delegate responsibility to the most effective level within the administration ;(l) involve staff in management decisions as far as is practicable; and(m) provide an equitable, fair, open and non-discriminatory working environment. The Directorate is designed to maximize employees' performance of municipality's IDP Strategies and Objectives; paying particular attention to policies, systems and processes. The Directorate is responsible for overseeing employees' benefits design, employee recruitment, training and Development, performance appraisal, and rewarding. It is also tasked with organizational change and industrial relations such as the balancing of organizational practices with requirements arising from collective bargaining and governmental laws.

# Chapter 3

As at the end of the year under review, this Directorate had carried out the following deliverables and objectives:

- Successfully submitted Workplace Skills Plan and Training Plan with LGSETA within prescribed time period;
- Capacitated employees on code of conduct, including conditions of employment;
- Established Job Evaluation Committee;
- Migrating Job Descriptions to tuned Assessment of Skills and Knowledge(TASK) format
- Established Occupational Health and Safety Committee;
- Actively participated in the mitigation and management of Covid-19 scourge among employees;
- Participate in the Local Labour Forum meetings and the implementation of its resolutions;
- Capacitating employees through internal bursaries;
- Recorded yet again zero fatalities and injuries in the workplace.
- Continued with Wellness programmes aimed at empowering employees on a variety of socio-economic issues or challenges faced by employees; including personalised one-on-one Psycho-social support;

Through active participation and cohabitation with organised labour, the Municipality has successfully maintained harmonious workplace relations by proactively preventing disputes, disruptive workplace activities and resolving workplace disputes by application of various dispute resolution mechanisms; for which the testimony is the zero protests by employees.

## SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Level 0-3	3	3	3	0	0%
Level 4-6	5	15	5	10	0%
Level 7-9	4	6	4	2	0%
Level 10-12	0	0	0	0	0%
Level 13- 15	2	3	0	0	33%

# Chapter 3

Level 16-18	0	0	0	0	0%
Level	0	0	0	0	0%
Total	14	14	13	1	7%

Financial Performance Year 0: Human Resource Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	317	488	488	473	-3%	
Expenditure:						
Employees	8,481	8,246	11,074	11,125	26%	
Repairs and Maintenance						
Other	749	984	1,181	1,194	18%	
<b>Total Operational Expenditure</b>	9,230	9,230	12,255	12,320	25%	
<b>Net Operational Expenditure</b>	8,913	8,742	11,767	11,847	26%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5	

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Among other activities performed by the Human Resources Directorate, the following were the key:

- Human Resources Development
- Employee Relations
- Recruitment and Selection
- Health and Safety
- Employment Equity
- Development of HR policies
- HR Administration (HR systems and Leave management)

# Chapter 3

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information technology is critical for the Sedibeng District Municipality's (SDM) mission and its successful operations, and information technology is needed to create a strategic advantage for the municipality. When information technology initiatives align with the strategic goals of SDM, the impact can be transformative – empowering Departments to improve business operations to deliver quality services, and fomenting change through the intelligent use of data.

Accountability and responsibility for the corporate governance of ICT in SDM is assigned to the following:

- The Accounting Officer (MM) is accountable for implementing the Corporate Governance of ICT;
- The Executive Director Corporate Services is responsible for implementing the Corporate Governance of ICT; and
- The SDM Governance Champion is assigned to the Executive Director Corporate Services and is responsible for the operationalization of the Corporate Governance of ICT.

The Directorate of Information and Communication Technology (ICT) Services is situated in the Corporate Services Cluster and reports to directly to the Executive Director: Corporate Services. The Department is headed by the Director ICT and supported with a staff compliment of sixteen. The staff consists of highly skilled technical support personnel, administrative personnel as well as switchboard operators.

The priorities of the Directorate for the year included the following:

### 3.27.1.1 The corporate governance of ICT.

ICT Governance (Information and Communication Technology Governance) is a process used to monitor and control key information technology capability decisions - in an attempt –to ensure the delivery of value to key stakeholders in an organization. The Corporate Governance of ICT is about ICT decisions that have an impact on business value.

The Directorate endeavoured to control and monitor objectives to deliver key value. The imperatives for alignment were identified and responded to as follows:

*Affordability* – the ICT Directorate contained costs and focused on value for money.

*Ease of use* – the Directorate endeavoured to ensure that the ICT technology would be easy to use for all users and supported end-users in numerous ways. Through the Help Desk 802 users were assisted with ICT related queries and 26 audio visual meetings were supported. Training of users in the use of MS Teams is ongoing to ensure compliance with work-from-home requirements through reducing physical contact.



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*Reliability - Systems need to function as intended at all times. ICT supported this objective vigorously and sustained high uptime of systems, servers and hardware. For the period server services were available at 99.916%, internet and electronic mail access at 99.416% and fibre connectivity at 97.583%. Indeed, excellent achievement within budget and scope.*

*Security - Firewalls, anti-virus programs and facilitation of administrators' rights are in place and monitored on an ongoing basis. No security breaches or unusual activities were detected during for the period. Licenses were renewed on time as to ensure a secure environment. The anti-virus system functioned fully in the period and patches and updates are downloaded on a continuous basis to both servers and other tools of the trade.*

### 3.27.1.2 Management of the fibre optic infrastructure.

The Information and Communication Technology (ICT) Department of the Sedibeng District Municipality (SDM) maintains approximately 110 km of fibre underground for fibre-optic communication purposes. This network connects buildings and offices throughout the Sedibeng region and facilitates communication, data sharing and exchange. The functionality of the fibre is vital to ensure connectivity throughout the district, as this infrastructure forms part of the vital fibre optic backbone linking SDM and its local municipalities.

The Directorate maintained a 97.583% uptime in the period. Down-time was caused by a Faulty fibre link at the Meyerton Licensing centre and a tree interfered with radio transmission at the Lesedi Testing Station. After trees were trimmed at the Lesedi Testing station and a new radio was installed at the Meyerton Licensing centre, all remote links came online. No down time further reported. Links are functional and point-to-point communication is available at all off-site locations.

### 3.27.1.3 Securing the ICT operating environment.

The ICT Department is tasked with securing the data and electronic communications environment of Sedibeng. Securing the environment requires physical and technical efforts to build resistance to prevent unauthorised access to servers, data and information. To mitigate any attempt at breaching security, dedicated ICT staff members maintain and regularly review system access violation logs to identify possible hacking attempts. Threats identified are investigated, reviewed and reported to implement a suitable action plan to thwart and prevent any unsolicited attack/breach.

The Sentinel Log Manager application logs and reports such events. In the period the log manager did not report any attempt at infiltration and successfully quarantined any malicious software that attempted to infiltrate the ICT environment.

The ICT Department succeeded in protecting the ICT assets of SDM in the period. Not only was the physical hardware protected, but information stored on computers and networks were protected from unauthorised access and malicious attacks. Daily monitoring of systems is ongoing.

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## 3.27.1.4 Approving and implementing the SDM ICT Strategic plan.

The Information and Communication Technology Strategic Plan (ICTSP) for 2020-2025 provides a blueprint for achieving the vision of leveraging reliable and emerging technologies and information resources to support the mission and vision of the SDM.

The Strategic plan, as approved by Council, was monitored and reported on quarterly. All financial responsibilities in terms of capital expenditure, licensing and other operational expenses were timely met and expenditure on votes remained within the approved budget.

The twelve approved objectives stipulated in the Strategic Plan were all reported on and were successfully met. Policies were continuously enforced and monitored, whilst change management took place within the ambit of approved policies. Service delivery on all objectives were high and the Directorate was dedicated to the implementation of the strategic plan to ensure the achievement of goals and objectives.

## 3.27.1.5 Review and monitor approved contracts in the ICT Department.

The ICT Department currently have four operational service level agreements in place. A summary of the service level agreements is as follow:

*8/2/2/11-2019*- Network cabling and repairs with Netplus CC. Vendor performance was reviewed quarterly and the vendor performed excellent in all performance areas. The contract expires on 31/07/2021 and a new tender will be published to appoint a new vendor in line with Supply Chain Management regulations.

*VPN2021* - VPN Technologies provide IT networking engineering support and internet services. The contract is valid until 2024 and quarterly performance review took place along with monthly security meetings. Service delivery on this contract is in line with service deliver objectives stipulated in contract.

*TMD2021*- High-mast rental through TMD Communications. The contract is valid until 2023and service availability on this contract was 100% uptime in the period.

*SLINK2017*- Telecommunication system (office telephones and switchboard) with the service provider SecureLink CC. This contract was extended on a month-to-month basis in the year because a successful bidder could not be appointed after a full tender process. The bid was re-advertised. The current service provider continued with servicing SDM diligently and in line with service objectives.

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## 3.27.1.6 Performance and improving risk

The ICT risk assessment register was completed with input from the Gauteng Provincial Government Audit Services (GAS). The objective of the ICT risk assessment was to identify ICT risks that could influence the achievement of organisational achievements. To this effect thirteen risks were identified. Of these two had a lower inherent risk rating and the remainder had a high residual risk rating.

Substantial progress was made on improving some of the identified risks. The lack of budget allocation hampered achieving significant improvement in high-risk areas as reducing the risk in these identified areas requires substantial capital investment in ICT. The lack of specialist training of ICT is also of concern.

The lockdown and subsequent extended lockdown severely hampered progress on achieving outcomes identified in the risk register. The finalisation and approval of the ICT strategic plan was a significant achievement for the Department. The plan will provide the ICT Department with a blueprint for achieving the mission and vision of the Sedibeng District Municipality.

T 3.27.1

## SERVICE STATISTICS FOR ICT SERVICES

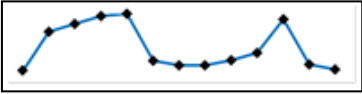
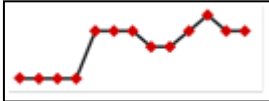
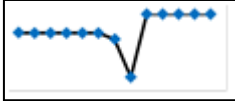

### ICT Service Statistics 2020/2021

#### ICT Governance


Reporting on the status quo of the ICT operational environment regarding the compliance with the corporate governance of information and communication technology (ICT) policy framework (CGICTPF) as approved by Council.

Imperative	Operational Requirements	ICT Environment	
Affordability	SDM require ICT costs to be low and are focused on value for money	<b>ICT expenditure included (in Rand):</b>	
		Mobile communication	239,188
		Telephony	2,630,665
		High mast rental	91,445
		Internet and firewall services	335,280
		Software license fees	3,811,421
		DSTV & SABC TV Licenses	45,267
		Repair and maintenance of hardware	85,268

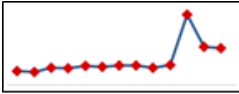
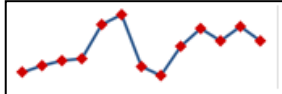
# Chapter 3

		Repair and maintenance of network infrastructure	557,854
		Printing peripherals	545,209
		Capital expenditure computers and peripherals	411,522
		Capital expenditure networking/fibre	144,332
Ease of use	The ICT technology should be easy to use for all users.	In the period a total of 802 calls were logged and resolved through the ICT help desk. The help desk software had a 100% availability during the year.	
		 <p>Activity remained restrained due to the ongoing restrictions experienced due to the SARS Covid-19 pandemic.</p> <p>Audio and visual support was delivered to 26 events.</p>	
Reliability	Systems need to functions as intended at all times	Again, activity remained reserved due to the ongoing restrictions experienced due to the SARS Covid-19 pandemic.	
			
Reliability	Systems need to functions as intended at all times	Fibre optic availability: <b>97.583%</b>	
		<p>The fibre optic infrastructure delivered consistent performance in the period under review. Downtime as mainly caused by operational infractions that was resolved timely.</p> 	
Reliability	Systems need to functions as intended at all times	ICT Operational environment availability: <b>99.916%</b>	
		<p>The servers continue to deliver high uptime and functionality. Downtime occurred due to a sustained power outage (single incident).</p>  <p>Investment in upgrading the aging hardware is essential and should be observed as recommended in the approved ICT Strategic Plan.</p>	

# Chapter 3

		<p>Internet an electronic mail availability: <b>99.416%</b></p>  <p>Overall the performance was excellent with the software and systems continuing to provided very high uptime to users. Downtime was caused by a Telkom cable failure that affected large areas of Johannesburg and the surrounding areas.</p>														
Security	<p>Unauthorized access to data should be prevented and integrity of data/system protected. The SDM host-based intrusion detection system (HIDS) reported and blocked packets on the network interface after analysing exchanged packages. No breaches in security occurred in the year 2020/2021 as the statistics reflect</p>	<table border="1"> <thead> <tr> <th>HIDS data sources</th> <th>12-month total</th> </tr> </thead> <tbody> <tr> <td>Serious malware attack(s)</td> <td>0</td> </tr> <tr> <td>Firewall Version</td> <td>PfSense 2.4.5 release P1 Free BSD 11.3</td> </tr> <tr> <td>Firewall Status</td> <td>Stable</td> </tr> <tr> <td>Floating rules</td> <td>33</td> </tr> <tr> <td>Services published</td> <td>6 Telkom SA</td> </tr> <tr> <td>Top five countries of origin attacks</td> <td>United States of America China Taiwan South Korea Russian Federation</td> </tr> </tbody> </table>	HIDS data sources	12-month total	Serious malware attack(s)	0	Firewall Version	PfSense 2.4.5 release P1 Free BSD 11.3	Firewall Status	Stable	Floating rules	33	Services published	6 Telkom SA	Top five countries of origin attacks	United States of America China Taiwan South Korea Russian Federation
		HIDS data sources	12-month total													
		Serious malware attack(s)	0													
		Firewall Version	PfSense 2.4.5 release P1 Free BSD 11.3													
		Firewall Status	Stable													
		Floating rules	33													
Services published	6 Telkom SA															
Top five countries of origin attacks	United States of America China Taiwan South Korea Russian Federation															
Audit and internal controls	<p>An accurate reflection of processes and procedures is vital to ensure compliance to best practices, ICT standards and regulatory requirements</p>	<p>A full regulatory audit took place in February 2021 through the office of the Auditor General (AG).</p> <p>The AG found that there were slight improvements noted in the area of IT governance while IT systems remained stagnant. As a result, the IT general controls were not effective to support reliance on IT controls and systems. The improvement in IT governance was due to the effectiveness of action plans implemented in the IT function. The stagnation of IT systems was due to the ageing of IT infrastructure, which did not allow for the effective implementation of IT controls. Furthermore, the budget allocated to the ICT function was not adequate to address the weaknesses in the environment</p> <p>No internal audit review of ICT services took place in the period.</p>														
<b>ICT Operational Services</b>																
Vendor performance monitoring	<p>Four contracts are currently managed by the ICT Department.</p> <p>Total cost of contracts managed: R 3,759,576.</p>															

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	All service level agreements are subject to the outcome of performance reviews at regular intervals as agreed upon in the SLA with each vendor. Service targets and performance metrics include standard and specialized critical success factors to ensure the successful management of the SLA. In the period the vendors met and exceeded their performance metrics.	
Manage mobile subscriptions	A total of 67 mobile subscription contracts are managed by the ICT Department.  Total cost of contracts managed: R 616,660.	
Management of switchboard, lines and peripherals	Calls made in the period: <u>284,388</u> Total users: <u>463</u>	Expenditure in the period: <u>R 2,985,934</u> 

ICT Services Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3			
		Target	Actual	Target		Actual	Target			
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
WORLD-CLASS ICT INFRASTRUCTURE IN SUPPORT OF A "SMART SEDIBENG"										
Implement ICT Governance Framework	Report on repairs, maintenance and performance of optic fibre network	4	4	4	4	4	4	4	4	4
Implement ICT Strategy	Number of municipalities participating in the ICT related shared services	4	4	4	4	4	4	4	4	4
Implement ICT Security Controls	To provide oversight to ICT operations	4	4	4	4	4	4	4	4	4
Identify and manage identified ICT risks										T 3.27.3

# Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0		Year 0	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Level 0-3	4	3	3	0	0%
Level 4-6	5	7	7	0	0%
Level 7-9	0	0	0	0	0%
Level 10-12	2	2	2	0	0%
Level 13- 15	2	3	0	0	33%
Level 16-18	0	0	0	0	0%
Level	0	0	0	0	0%
Total	14	14	13	1	7%

# Chapter 3

Financial Performance Year 0: ICT Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	6,618				0%	
Expenditure:						
Employees	16,798	10,752	11,091	11,125	3%	
Repairs and Maintenance	2,281	2,800	1,271	1,250	-124%	
Other	11,919	13,094	12,169	10,205	-28%	
<b>Total Operational Expenditure</b>	30,998	26,646	24,531	22,580	-18%	
<b>Net Operational Expenditure</b>	24,381	26,646	24,531	22,580	-18%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.27.5	

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

Overall, the Directorate performed excellent with the resources apportioned. Server infrastructure and software resources consistently performed well, but as technology age and newer technology becomes available, it is inevitable that upgrades will need to be made, which will require increased capital allocation to ICT capital votes. The fibre infrastructure availability remained in the high throughout. The operational environment remained safeguarded from a security perspective, and software as well as the firewall and supporting resources performed excellent.

Proper governance, like any other aspect of ICT, requires management to be more involved in setting direction and overseeing the management of risk. It is therefore essential to take action to ensure that the importance of information security is communicated to all and that policies are enforced to underpin activities in a changing environment. The ownership and responsibility for information security is not only the responsibility of ICT staff members, but should be accepted by all staff members of Sedibeng.

It is also imperative that any shortage of skilled resource in the ICT area is addressed, as it may be impossible to retain all the necessary skills and functions in-house. Specialist training of staff is essential and also identified in the risk register as a high-risk area that could lead to a breakdown of services or at minimum hamper the effective delivery of ICT services.



# Chapter 3

The successful implementation of the approved strategic plan hinges on the allocation of resources. The budget allocation approved in the policy is conservative, and considers the scarcity of financial resources within Sedibeng. However, technology is a tool that enhances output exponentially, and therefore allocation to specified projects is necessary to achieve the set objectives of this document. The approval of the ICT strategic plan paved the way to implement an extensive plan, but with the limited financial resources allocated to the ICT Department in the 2020/2021 financial year, limited resources were available to implement the strategic objectives of the plan.

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

### Legal Services:

The key objective for Legal Services is to ensure an enabling legal environment for Council to operate in. This is achieved by the, inter alia, rendering of support in the development and vetting of contract, the provision of legal advice to council committees and other functionaries, the perusal of reports and other documents and providing legal comments thereon and the rendering of legal support in the development of by-laws, policies and other documents. Legal Services is also tasked with the management of legal cases instituted by the municipality and the defence of actions that are instituted against the municipality.

The overall objective for the department is ensuring the proper management of Council business. Its other divisions are the committee administration section which renders effective secretarial services to Council and its committees, the records section which continues to be the best nationally and auxiliary services, which provides a courier service and a printing service to the organisation.

The presence of Legal Services is felt in every aspect of Council work, municipalities being a highly regulated environment with a myriad of legislation and regulations that need to be complied with. Legal Services assist in this regard by providing advice when called upon to do so, maintaining a presence at meetings, providing advice in relation to the interpretation of legislation and other legal instruments.

A crucial part of the service that this unit provides is in the development or vetting of contracts. This function is potentially fertile ground for legal challenges and consumes a lot of time and expertise to perform effectively. It is an important indicator of the department's effectiveness in this regard that there has not been a single instance where the municipality was sued as a result of its contracts, this despite the large number of contracts that were dealt with in the period being reported on.

Contract management and administration in particular, and legal services in general cannot be done by the staff in the department. It is a support services department and its work feeds off the inputs and instructions provided by the rest of the organisation. The quarterly contract management meetings are an example of the

# Chapter 3

symbiotic relationship the department has with the other offices, and are aimed at improving the understanding of each functionary of what contract administration entails, the red flags that all should be on the look-out for etc. It is intended that information sessions that go beyond the administration and management of contracts be held going forward, in order to improve performance, efficiencies and cooperation among the internal stake-holders. The key objective for Legal Services is to provide legal services to the political and administrative arms and to ensure an enabling legal environment for Council to operate in. This can be achieved by ensuring that Legal Services performs its core functions accurately. The core functions of the directorate include, but are not limited to the following:

## Litigation management

- Defending all legal action/applications instituted against SDM by third parties,
- Instituting legal action/applications on behalf of the SDM against third parties,
- Management of external attorneys and service providers.

## Corporate and Council legal compliance

- Providing legal comments on all reports submitted to SDM committees, the Mayoral Committee and the Council,
- Providing legal opinions to the Council and the Directorates,
- Drafting and reviewing of SDM by-laws and promulgation thereof and assisting directorates with policy-making that are pertinent to the Municipality,
- Providing legal support to the Council and its functionaries,
- Providing legal services in respect of projects or initiatives of the SDM and serving on the technical task teams concerned,
- Providing legal support in respect of commercial ventures and related contracts,
- Defending litigation cases and managing the legal process to defend or recover damages from third parties regarding SDM property Alienation, acquisitions and development law,
- Administering and rendering effective secretarial services to Council and its committees,
- Drafting, reviewing and implementation of the System of Delegation,
- Vetting, developing and managing all Council contracts,
- Providing legal support in respect of the review process of Council Policies,

Updating or keeping the Council and its functionaries abreast with the new or legislative amendments affecting Local Government.

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## Procurement Services

The Supply Chain Management Unit resides within the Finance Cluster. The Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

All municipal procurement is conducted against the annual procurement plan that has been approved by the Accounting Officer. Demand management performance has been monitored and reported on a monthly basis to the senior management team for oversight and control purposes.

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

A number of contracts were drafted and vetted. Monthly Mayoral and Council meetings are attended. Ad hoc committee meetings are also attended. There were litigation matters for the financial year. Some of these matters were against the municipality; while other matters were the municipality instituting proceedings against third parties.

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Financial Performance Year 0: Property; Legal; Risk Management (Corporate Services)						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	1,214					
Expenditure:						
Employees	54,624	54,967	57,809	57,345	4%	
Repairs and Maintenance	2,195	1,649	1,888	1,794	8%	
Other	29,768	29,867	26,013	29,768	0%	
<b>Total Operational Expenditure</b>	86,587	82,751	82,788	82,378	0%	
<b>Net Operational Expenditure</b>	85,373	82,751	82,788	82,378	0%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.28.5	

## COMPONENT J: MISCELLANEOUS

There are two Airports within Sedibeng District, namely manages both the Vereeniging and Heidelberg Airports. The Vereeniging Airport is currently without operating licensing after the Airport Authority suspended the license due to non-compliance issues, mainly safety and security. The Airport has since also halted the selling of fuel due to fuel tank's safety concerns. This has resulted in the loss of revenue for the municipality.

The Heidelberg Airport is operated by the local flying club and a pilot training school is also based at the facility. The former Vanderbijlpark Airport has been deregistered.

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## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The purpose of this report is to provide summary analysis of Sedibeng District Municipal performance for the 2021/2022 financial year. This is dictated to by the Municipal Systems Act 32 of 2000; which prescribes that the municipality must establish performance management system that is:

- a. Commensurate with its resources
- b. Best suited to its circumstances and:
- c. In line with its priorities, objectives, indicators and targets as contained in the Integrated Development Plan

Currently, Sedibeng is implementing manual organisational performance management system; in line and compatible with all the legislation that governs performance. The system has been in use for about 3 years now, albeit some challenges with regards to principles of objectives and indicators; which we hope to improve on going forward.

The municipality performance system is in line with the vision and mission of the municipality; and also juxtaposed with the 5Rs+2 of the second generation GDS III; which are: Reinvent the Economy; Renew our Communities; Reviving a Sustainable Environment; Reintegrating our Region; Releasing Human Potential; Good and Financial Sustainable Governance; Vibrant Democracy. Progress is tracked every quarter and is accompanied by POEs, signed off by the HOD of respective Clusters and PMT offices. Although there was notable improvement in performance, there are still challenges with regards to implementing the principles underpinning objectives and indicators. We subsequently developed Standard Operating Procedures (SOPs) to guide and support objectives and indicators against the targets.

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## 2021/22 - SEDIBENG DISTRICT MUNICIPALITY ANNUAL PERFORMANCE SUMMARY REPORT

The tabulation below illustrates that the overall Annual Performance of the Municipality for 2021/22 FY achieved was 68 % for Administration compared to the previous performance of 64% in 2020/21 FY. The performance has since improved due to changes in leadership where a permanent Municipal Manager has been employed in May 2021/22 FY., with the intention to strengthen processes within the municipality's internal control environment.

It also be noted that the calculations done are correct, as per the targets as set out in the SDBIP.ADMINISTRATION Calculation of the annual achievement was based on the overall achievement of targets set as supported by evidence made available for the purposes of this report.

2021/22 ADMINISTRATION					2020/21 FY ADMINISTRATION				
OFFICES/CLUSTERS	TOTAL TARGETS PLANNED	TOTAL TARGETS ACHIEVED	VARIANCE	PERCENTAGE (%)	OFFICES/CLUSTERS	TOTAL TARGETS PLANNED	TOTAL TARGETS ACHIEVED	VARIANCE	PERCENTAGE (%)
Office of the Municipal Manager	15	8	7	53%	Office of the Municipal Manager	8	5	3	63%
Finance	9	9	0	100%	Finance	9	9	0	100%
Corporate Services	36	18	18	50%	Corporate Services	34	11	23	32%
Community Services	16	8	8	50%	Community Services	9	4	5	44%
Transport, Infrastructure & Environment & Licensing	9	7	2	78%	Transport, Infrastructure & Environment & Licensing	11	8	3	73%
Strategic Planning & Local Economic Development	13	10	3	77%	Strategic Planning & Local Economic Development	7	5	2	71%
<b>OVERALL ADMINISTRATION PERFORMANCE</b>	<b>99</b>	<b>62</b>	<b>37</b>	<b>68 %</b>	<b>OVERALL ADMINISTRATION PERFORMANCE</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>64%</b>

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

The Organizational Development Unit in the Human Resources Directorate serves as key transformation agent dealing with the structure of the Municipality. This is done to ascertain that the municipality remains relevant and is aligned to its strategy, job description and evaluation process; including paradigm shift by all in the municipality; hence the unit operates separately within the Human Resources Department. The municipality needs to change to enable its responsiveness to citizen's needs, sustainability and resilience; including competitive edge. The municipality has to develop strong competitive advantage for impending evolution, including adoption of the 4<sup>th</sup> Industrial Revolution aspects.

The municipality therefore subscribes to the notion that “clearly defined and espoused organisational values as the compass for the journey towards organisational effectiveness. Values are the behaviours particularly valued in an organisation. They are defined as a set of core beliefs or principles that influence the way people and groups behave and are demonstrated through the behaviours they encourage. They provide a consistent point of reference to steer direction, inform decisions and measure outcomes enabling the organisation to achieve its visions”. The municipality therefore aspires to consistently consult, engage and focus in a manner that is consistent with the intention of those values

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The National Development Plan impresses on the attainment of a capable and developmental state; amongst others, the right quality and quantity of human resources. Therefore, adequately balanced and skilled workforce invariably enhance the quality and sustainable provision of service by the municipality. Although currently out of reach and seems impossible, the municipality is on a concerted efforts for appropriately sized organisation; where skills would match the core functions of the municipality.

As at 30 June 2022, Sedibeng District Municipality had a total workforce of 522 employees, distributed to various departments. The Table below depicts the number of employees and vacancy rate per departments



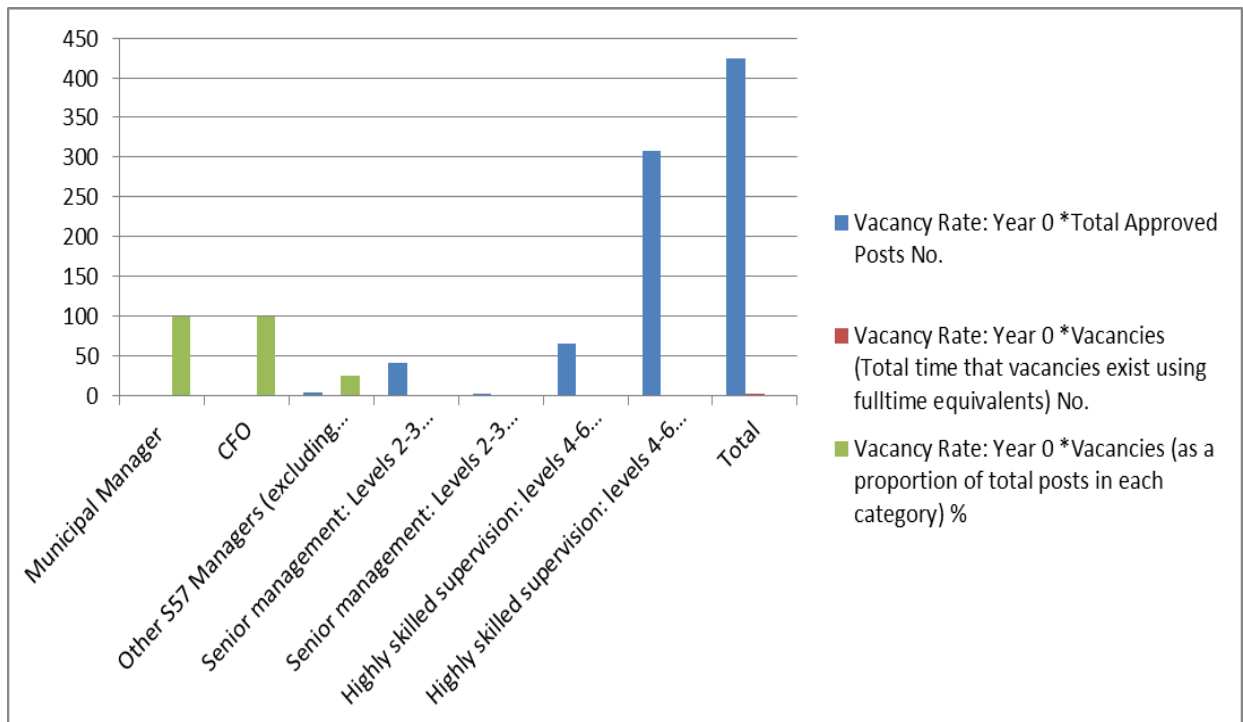
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## 4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TOTAL NUMBER OF STAFF INCLUDING COUNCILLORS FOR JUNE 2022											
CATEGORY	CLUSTERS										
	Councillors	Office of the Mayor	Office of the Speaker	Office of the Chief Whip	Office of the MM	Finance	Corporate Services	TIE	Community Services	SPED	Total Number per Category
Permanent Staff	0	17	6	4	17	19	140	168	77	46	494
Contract Staff	0	3	4	5	0	3	0	1	0	2	18
Section 57 Staff	0	0	0	0	1	0	0	0	1	0	2
Interns	0	0	0	0	0	6	0	2	0	0	8
Committee Members	0	0	0	0	5	0	0	0	5	0	10
Councillors	45	1	2	1	0	0	0	0	0	0	49
<b>TOTAL</b>	<b>45</b>	<b>21</b>	<b>12</b>	<b>10</b>	<b>23</b>	<b>28</b>	<b>140</b>	<b>171</b>	<b>83</b>	<b>48</b>	<b>581</b>

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	3	75.00
Senior management: Levels 2-3 (excluding Finance Posts)	42	6	14.3
Senior management: Levels 2-3 (Finance posts)	3	0	00.00
Highly skilled supervision: levels 4-6 (excluding Finance posts)	102	26	25.00
Highly skilled supervision: levels 4-6 (Finance posts)	9	4	44.00
<b>Total</b>	<b>162</b>	<b>40</b>	<b>24.7</b>

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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	518	28	5.4%
Year -1	616	21	4%
Year 0	595	19	8%

It should be acknowledged that Sedibeng, like other municipalities in the country, experiences financial constraints. As such some vacancies, although approved, will still remain vacant until such time that the municipality's finances improve. It is also commendable that the municipality's vacancy rate is lower than 10%.

The turnover rate is also at the minimal; where in the main the attrition is caused by normal retirements, resignations and deaths, while very low percentage is due to dismissals. Otherwise, the average age of the workforce at this municipality is between 30 and 45 years of age; therefore high turnover rate is unlikely.

# Chapter 4

## COMMENT ON VACANCIES AND TURNOVER

Sedibeng, like any other municipality, is experiencing staff turnover. During the year under review, in the main, staff turnover has been due to retirements and/or deaths; which unfortunately the municipality cannot fill most of them because of efforts to reduce staff.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Workforce management is a core function of each line manager and supervisors; hence the consistent development and reviewal of policies, processes and standards ensure fair and reasonable standardisation in managing the workforce; and those are adopted and approved by various structures within the municipality. Sec 67 of the Municipal Systems Act 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.

In an effort to uphold the provisions of legislation, the municipality reviewed and workshop were held on policies for councilors. Conducted road shows for staff to reinforce and enlighten them about some crucial systems such biometric for time and attendance, code of conduct; and procedures such as grievance procures.

### 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Career Pathing Policy	100%		5-Dec-18
2	Succession Planning Policy	100%		5-Dec-18
3	Retention Policy	100%		5-Dec-18
4	Internship Policy	100%		5-Dec-18
5	Learnership Policy	100%		5-Dec-18
6	Essential Services	100%		26-Nov-14
7	Employee Assistance / Wellness	100%		26-Nov-14
8	Employment Equity	100%		26-Nov-14
9	Exit Management	100%		26-Nov-14
10	Grievance Procedures(SALGA/Labour Collective Agreement)	100%		26-Nov-14
11	HIV/Aids	100%		26-Nov-14
12	Human Resource Development	100%	100%	1-Dec-18
13	Incapacity Policy	100%	100%	5-Dec-18
16	Occupational Health and Safety	100%		26-Nov-14
17	Official Housing	100%		26-Nov-14
18	Official Journeys	100%		26-Nov-14
19	Official transport to attend Funerals (reflected on the Bereavement Policy)	100%		26-Nov-14
21	Organisational Rights	100%		26-Nov-14
22	Bereavement Policy	100%	100%	31-Mar-15
24	Recruitment, Selection and Appointments	100%		7-Jul-10
25	Remuneration Scales and Allowances	100%		26-Nov-14

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26	Resettlement Relocation	100%		26-Nov-14
27	Sexual Harassment	100%		26-Nov-14
28	Flexi Time Policy	100%		26-Nov-14
29	Smoking	100%		26-Nov-14
31	Work Organisation	100%		26-Nov-14
32	Uniforms and Protective Clothing	100%		26-Nov-14
33	Other:			

## COMMENTS ON WORKFORCE POLICY DEVELOPMENT

In any organisation, policies and procedures are instrumental for orderly and logical carrying of particular duties. The review and development of policies are influenced in the main by the changing circumstances and situations such as the municipality trajectory in pursuing particular vision. Most policies carry reviewal period with them; while others are reviewed based on circumstances. The exercise of the development and/or review of policies is not desk- or laptop driven, but rather a concerted, coordinated and synergised effort; where all and sundry in the municipality should be involved

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	00	00	00	00	00
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

*T 4.3.1*

## COMMENT ON INJURY AND SICK LEAVE:

It is noted with concern that applications for sick leave is more predominant in highly skilled to senior management; which hamper smooth running of the municipality.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Like any other municipality currently in the country, there are no sufficient funds to capacitate employees that need personal development. This has to a large extent been compounded by a lack of a comprehensive, holistic and

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integrated framework for human capital development that will guide and integrate key processes such as training needs analysis, career pathing and planning, succession planning, management and leadership development, knowledge exchange and innovation. However, the municipality provided financial assistance (bursary) to employees who needed to further their education; mostly in line with their Personal Development Plans.

During the year under review Council approved several policies. The municipality also complied with the Skills Development Act requirement of submitting to the Local government SETA (LGSETA) the Workplace Skills Plan (WSP) on the due date on the 30th April 2020.

## SKILLS DEVELOPMENT AND TRAINING

The smartest people are those who adopt a positive attitude toward life-long learning; those who realize that there is always a lot to learn, and those who spend their time accumulating knowledge to improve their skills development process.

Learning is, then, a life-long process; there is never a point at which one can say that he or she has learnt everything, or know enough. Irrespective of positions employees hold, all need some skills to improve careers and personal life.

South Africa enacted the Skills Development Act in 1998; and it was hoped that it would help address the skills shortage the country as a whole was and is currently facing. This increased investment in skills development was intended to translate into greater returns on investment for employers, while simultaneously generating a more competent workforce with improved future employment prospects.

Through providing access to further training and education in a controlled environment, the Skills Development Act sought to empower employees while enticing employers to participate with promises of increased profit. The Skills Development Act of 1998, and Skills Development Levy Act of 1999, set the bar for focussed skills development programs, and the Sector Education and Training Authorities (SETAs) were implemented to monitor skills development efforts and ensure that energies spent were in line with the overall Sector Skills Plans.

As a municipality, we pride ourselves with much focussed skills development for our employees and unemployed community members, especially youth. The municipality has, for several years now, complied with the dates for submission of submission dates for skill Development Plans. These plans have subsequently earned the municipality approval for various LGSETA interventions. For the year under review, the municipality got approval for LGSETA Interventions for our employees; and subsequently have paid for those employees who sought financial assistance to further their studies. Below is the table that enunciates training programmes paid for by the municipality

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## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix													
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0										
			Learnerships			Skills programmes & other short courses			Other forms of training			Total	
			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
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	Year 0 Target	
MM and s57	Female	1	0	0	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	24	0	0	0	0	0	0	0	0	0	0	0
	Male	55	0	0	0	0	0	0	0	1	1	0	1
Technicians and associate professionals*	Female	48	0	0	0	0	0	0	0	2	2	0	2
	Male	46	0	0	0	0	0	0	0	2	2	0	2
Professionals	Female	26	0	0	0	0	0	0	0	5	5	0	5
	Male	21	0	0	0	0	0	0	0	2	2	0	2
Sub total	Female	<b>97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
	Male	<b>123</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>Total</b>		<b>220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>

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

T 4.5.1

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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>						
<i>Accounting officer</i>	1	0	1	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	0	2
<i>Any other financial officials</i>	1	0	1	1	0	1
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>4</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

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Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	R -	R -	R -	R -	R 10,755	R -	R 10,755	R -
	Male	1	R -	R -	R -	R -	R 10,755	R -	R 10,755	R -
Legislators, senior officials and managers	Female	24	R -	R -	R -	R -	R 21,510	R -	R 21,510	R -
	Male	55	R -	R -	R -	R -	R 21,510	R 23,000	R 21,510	R 23,000
Professionals	Female	26	R -	R -	R -	R -	R 53,777	R 75,210	R 53,777	R 75,210
	Male	21	R -	R -	R -	R -	R 53,777	R -	R 53,777	R -
Technicians and associate professionals	Female	48	R -	R -	R -	R -	R 53,777	R 25,490	R 53,777	R 25,490
	Male	46	R -	R -	R -	R -	R 53,777	R -	R 53,777	R -
Clerks	Female	85	R -	R -	R -	R -	R 64,532	R 150,945	R 64,532	R 150,945
	Male	44	R -	R -	R -	R -	R 64,532	R -	R 64,532	R -
Service and sales workers	Female	0	R -	R -	R -	R -	R -	R -	R -	R -
	Male	0	R -	R -	R -	R -	R -	R -	R -	R -
Plant and machine operators and assemblers	Female	0	R -	R -	R -	R -	R -	R -	R -	R -
	Male	0	R -	R -	R -	R -	R -	R -	R -	R -
Elementary occupations	Female	50	R -	R -	R -	R -	R 64,532	R 15,680	R 64,532	R 15,680
	Male	39	R -	R -	R -	R -	R 64,532	R -	R 64,532	R -



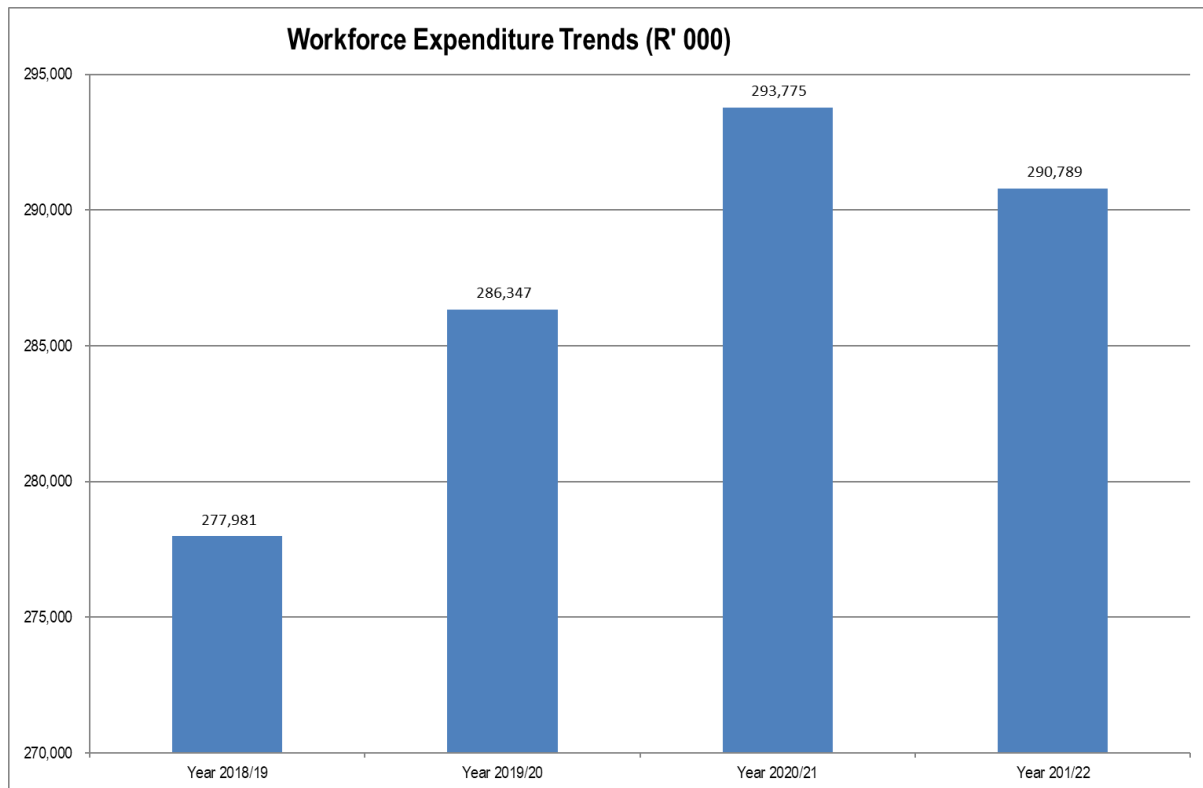
COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Although received late, there is progress made with regards to training of youth and other individuals regarding LGSETA funds.

**COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

INTRODUCTION TO WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE:

Normal increase as per bargaining council was implemented for the 2021/22 financial year. A moratorium on vacancies resulted in savings within employee cost.

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

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#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

# Chapter 5

Financial Summary						
Description	Year -1	Current: Year 0		Year 0 Variance		R' 000
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates					%	%
Service charges					%	%
Investment revenue	1,718	1,035	2,003	1,847	78.47%	-7.76%
Transfers recognised - operational	293,453	305,964	307,296	301,855	-1.34%	-1.77%
Other own revenue	78,370	82,040	79,423	100,127	22.05%	26.07%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>373,540</b>	<b>389,039</b>	<b>388,722</b>	<b>403,830</b>	<b>3.80%</b>	<b>3.89%</b>
Employee costs	293,775	287,430	293,670	290,789	1.17%	-0.98%
Remuneration of councillors	12,448	13,874	12,457	12,271	-11.55%	-1.49%
Depreciation & asset impairment	13,438	11,272	11,272	11,611	3.01%	3.01%
Finance charges	-	-	-	-	%	%
Materials and bulk purchases					%	%
Transfers and grants	2,055	-	550	-	#DIV/0!	-100.00%
Other expenditure	81,681	86,309	80,820	77,334	-10.40%	-4.31%
<b>Total Expenditure</b>	<b>403,397</b>	<b>398,884</b>	<b>398,769</b>	<b>392,005</b>	<b>-1.72%</b>	<b>-1.70%</b>
<b>Surplus/(Deficit)</b>	<b>(29,857)</b>	<b>(9,845)</b>	<b>(10,047)</b>	<b>11,825</b>	<b>-220.12%</b>	<b>-217.69%</b>
Transfers recognised - capital	2,644	90	601	512	%	%
Contributions recognised - capital & contributed assets					%	%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(27,214)</b>	<b>(9,755)</b>	<b>(9,446)</b>	<b>12,337</b>	<b>-226.47%</b>	<b>-230.60%</b>
Share of surplus/ (deficit) of associate					%	%
<b>Surplus/(Deficit) for the year</b>	<b>(27,214)</b>	<b>(9,755)</b>	<b>(9,446)</b>	<b>12,337</b>	<b>-226.47%</b>	<b>-230.60%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	2,644	90	601	512	%	%
Public contributions & donations					%	%
Borrowing					%	%
Internally generated funds	3,050	2,280	1,542	1,294	-43.26%	-16.10%
<b>Total sources of capital funds</b>	<b>5,693</b>	<b>2,370</b>	<b>2,143</b>	<b>1,806</b>	<b>-23.81%</b>	<b>-15.75%</b>
<b>Financial position</b>						
Total current assets	11,971	9,836	8,389	26,463	169.03%	215.45%
Total non current assets	104,176	88,577	88,350	94,600	6.80%	7.07%
Total current liabilities	(237,281)	(217,217)	(215,345)	(229,631)	5.71%	6.63%
Total non current liabilities	-	-	-	-	%	%
Community wealth/Equity	(121,135)	(118,804)	(118,606)	(108,568)	-8.62%	-8.46%
<b>Cash flows</b>						
Net cash from (used) operating	(901)	(2,083)	(1,774)	10,054	-582.69%	-666.65%
Net cash from (used) investing	(5,658)	(2,370)	(2,143)	(1,806)	-23.81%	-15.75%
Net cash from (used) financing	-	-	-	-		
<b>Cash/cash equivalents at the year end</b>	<b>9,572</b>	<b>6,991</b>	<b>5,654</b>	<b>18,429</b>	<b>163.59%</b>	<b>225.93%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	9,572	6,991	5,654	18,429	163.59%	225.93%
Application of cash and investments	-	-	-	-	%	%
<b>Balance - surplus (shortfall)</b>	<b>9,572</b>	<b>6,991</b>	<b>5,654</b>	<b>18,429</b>	<b>163.59%</b>	<b>225.93%</b>
<b>Asset management</b>						
Asset register summary (WDV)	104,176	88,577	88,350	94,600	6.80%	7.07%
Depreciation & asset impairment	13,438	11,272	11,272	11,611	3.01%	3.01%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	5,827	7,303	6,060	4,733	-35.19%	-21.89%
<b>Free services</b>						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
<b>Households below minimum service level</b>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T 5.1.1

# Chapter 5

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water							
Waste Water (Sanitation)							
Electricity							
Waste Management							
Housing	(1,623)	(1,627)	(1,974)	(1,930)	15.72%	-2.30%	
Component A: sub-total	(1,623)	(1,627)	(1,974)	(1,930)	15.72%	-2.30%	
Waste Water (Stormwater Drainage)							
Roads							
Transport	(5,674)	3,609	2,624	(2,577)	240.02%	201.80%	
Component B: sub-total	(5,674)	3,609	2,624	(2,577)	240.02%	201.80%	
Planning							
Local Economic Development							
Component B: sub-total	-	-	-	-			
Planning (Strategic & Regulatory)	(23,974)	(23,566)	(21,124)	(22,240)	-5.96%	5.02%	
Local Economic Development	-	-	-	-			
Component C: sub-total	(23,974)	(23,566)	(21,124)	(22,240)	-5.96%	5.02%	
Community & Social Services	(32,800)	(29,331)	(29,351)	(30,882)	5.02%	4.96%	
Environmental Protection	(5,236)	(5,362)	(5,084)	(5,058)	-6.01%	-0.53%	
Health	(21,122)	(21,757)	(22,877)	(23,437)	7.17%	2.39%	
Security and Safety	(5,464)	(4,528)	(5,001)	(5,241)	13.61%	4.58%	
Sport and Recreation	(2,942)	(2,934)	(3,066)	(3,066)	4.32%	0.02%	
Corporate Policy Offices and Other	71,623	75,740	76,408	106,768	29.06%	28.44%	
Component D: sub-total	4,059	11,829	11,028	39,084	69.74%	71.78%	
<b>Total net Expenditure</b>	<b>(27,214)</b>	<b>(9,755)</b>	<b>(9,446)</b>	<b>12,337</b>	<b>179.07%</b>	<b>176.57%</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	

# Chapter 5

## COMMENT ON FINANCIAL PERFORMANCE

See note 42 within the financial statements for detail on variances above 10%.

### 5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>269,689</b>	<b>286,745</b>	<b>286,745</b>	<b>286,745</b>	0.00%	0.00%	
Equitable share							
Municipal Systems Improvement	–	–	–	–			
Department of Water Affairs							
Levy replacement	268,626	285,545	285,545	285,545	0.00%	0.00%	
Other transfers/grants NDPG	80						
Other transfers/grants FMG	983	1,200	1,200	1,200	0.00%	0.00%	
<b>Provincial Government:</b>	<b>13,041</b>	<b>14,066</b>	<b>14,966</b>	<b>15,072</b>			
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation	2,093	–	–	1,491	100.00%	100.00%	
MSP							
EPWP grant	1,173	123	1,023	1,023	87.98%	0.00%	
LED grant							
Other transfers / Grants	1,832	2,489	2,489	2,489	-0.01%	-0.01%	
HIV & AIDS grant	7,943	11,454	11,454	10,070	-13.75%	-13.75%	
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>			
<b>Other grant providers:</b>	<b>1,618</b>	<b>–</b>	<b>550</b>	<b>550</b>			
NYDA	1,618	–	550	550	100.00%	0.00%	
<b>Total Operating Transfers and Grants</b>	<b>284,349</b>	<b>300,811</b>	<b>302,261</b>	<b>302,367</b>			
<i>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.</i>						T 5.2.1	

## COMMENT ON OPERATING TRANSFERS AND GRANTS

Roll over application was done for the rural roads asset management grant as well as the Boipatong memorial grant due to the Covid-19 pandemic where projects could not be finalized

### 5.3 ASSET MANAGEMENT

# Chapter 5

## INTRODUCTION TO ASSET MANAGEMENT

Note: Refer to Note 1.5 and 1.6 of the Annual Financial Statements for further details on asset management accounting policy, as well as notes 2 to 5 on the reconciliation of non-current assets.

The municipality is not involved in infrastructure assets projects and the bulk of the asset register is comprised of movable assets. Assets are capitalized once procured and will be depreciated over the expected life span of the asset as per the accounting policy and asset management policy. Useful lives have been adjusted during the financial year of assets fully depreciated.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
<b>Asset 1</b>				
Name	IT Equipmnet			
Description	Information Technology procurement of ICT equipment			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2018/19	2019/20	2020/21	2021/22
Asset Value	647,934	340,052	2,273,548	1,195,650
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
<b>Asset 2</b>				
Name	Internal Networks			
Description	Cabelling of Council buildings to link IT network with different servers and hubs.			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2018/19	2019/20	2020/21	2021/22
Asset Value	524,329	23,780	144,332	8,522
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
<b>Asset 3</b>				
Name	Furniture & Equipment			
Description	Moveable asset procurement - Office furniture & Equipment			
Asset Type	Furniture & Equipment			
Key Staff Involved	Facilities			
Staff Responsibilities				
	2018/19	2019/20	2020/21	2021/22
Asset Value	357244	218350	41706	161075
Capital Implications				
Future Purpose of Asset	Furniture & Equipment for offices			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management policy			
				T 5.3.2

# Chapter 5

## COMMENT ON ASSET MANAGEMENT:

Note: Refer to Note 2 of the Annual Financial Statements for greater detail.

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	7,303	6,060	4,733	22%
				T 5.3.4

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

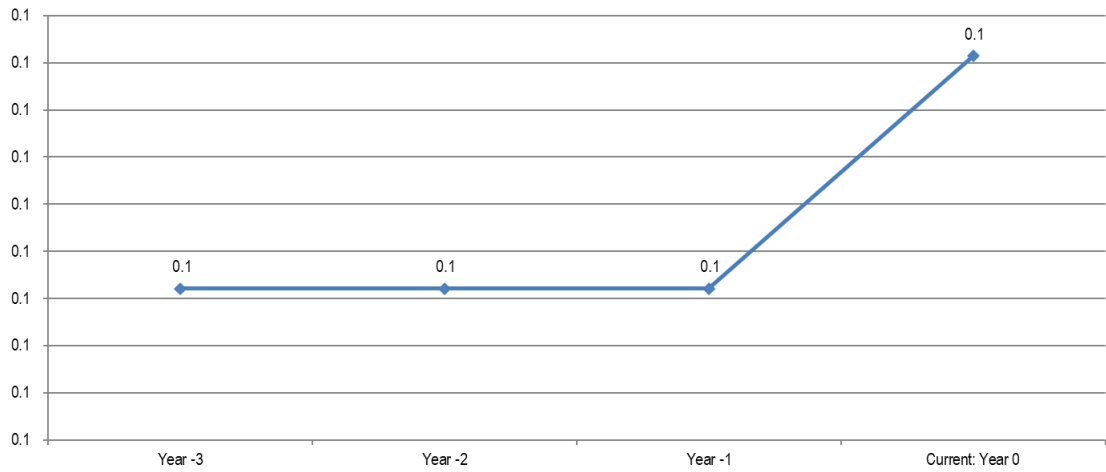
Due to financial constraints, the municipality was not in a position to budget at the 8% benchmark for repairs & maintenance as prescribed by Treasury Norms and Standards

### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



# Chapter 5

## Liquidity Ratio

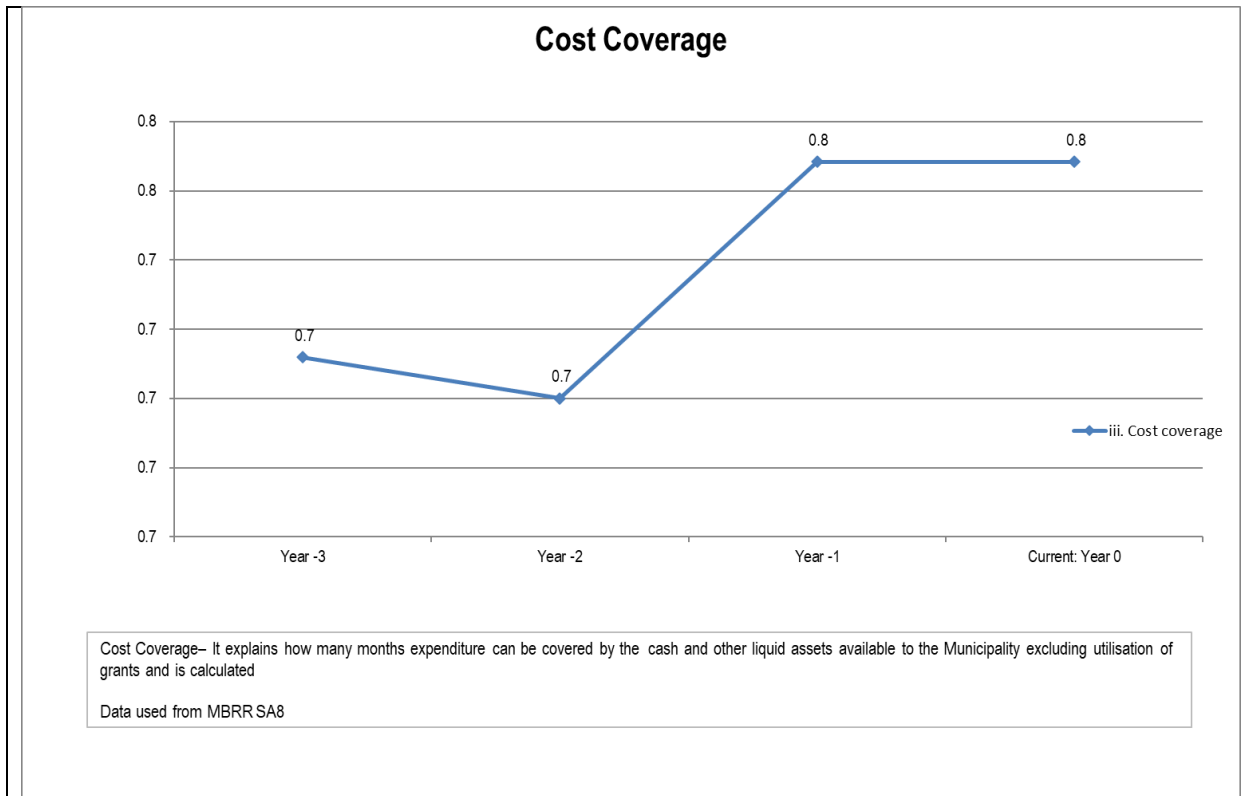


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year ) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

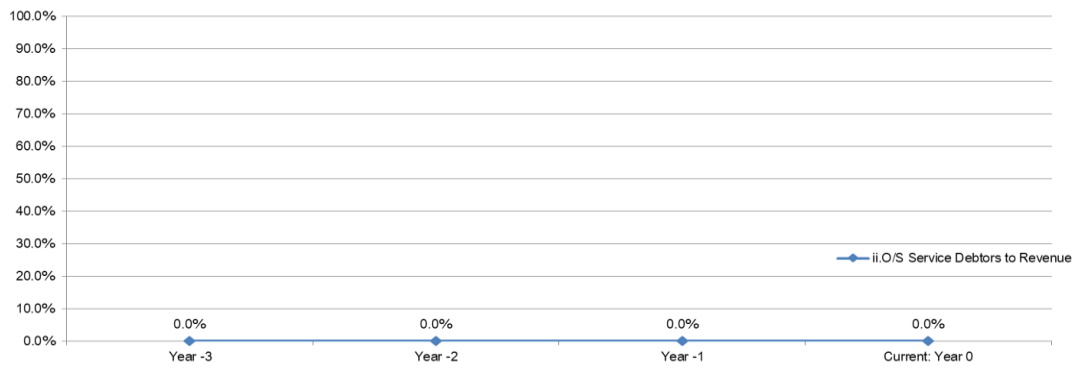
# Chapter 5



T 5.4.2

# Chapter 5

## Total Outstanding Service Debtors

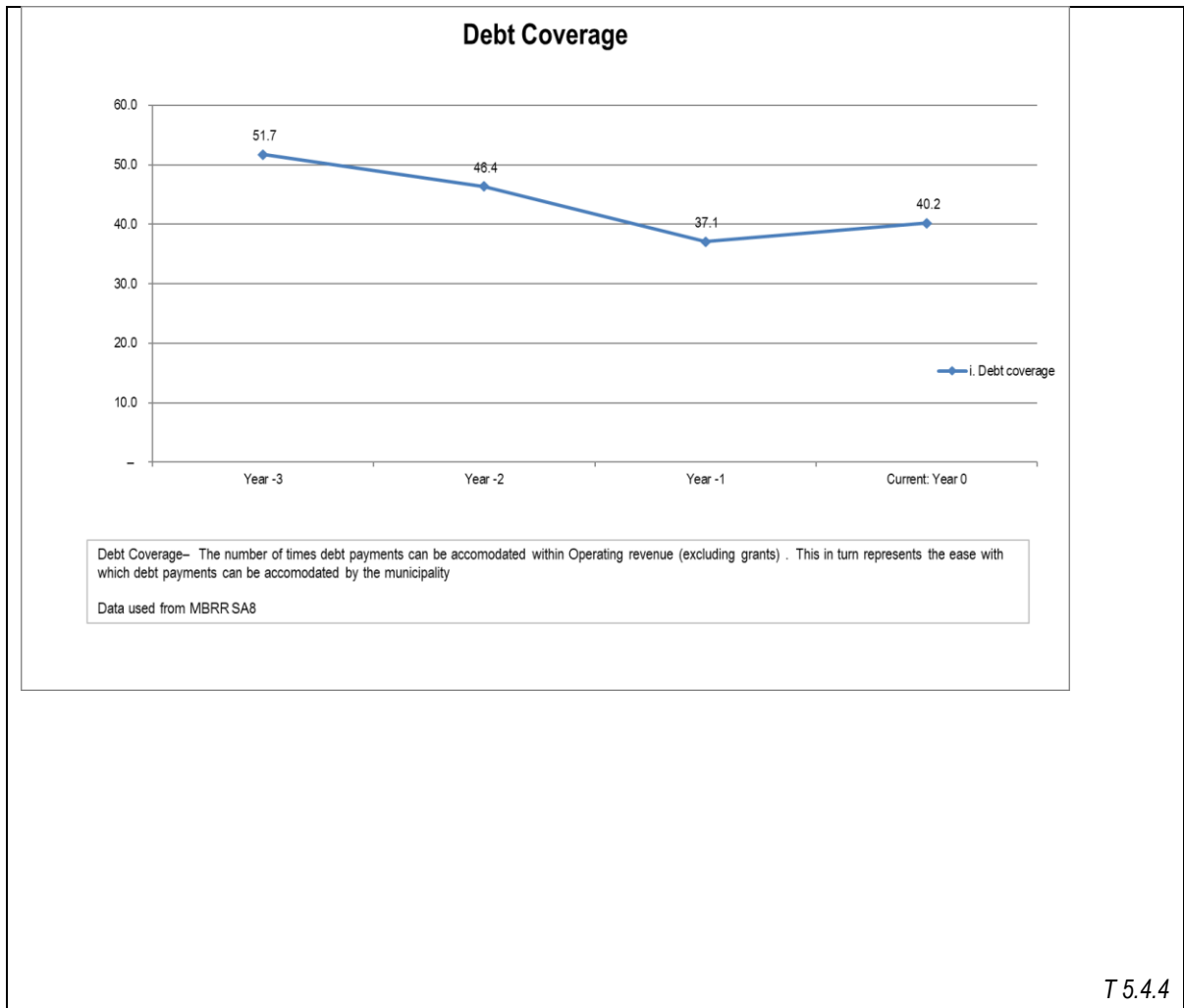


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

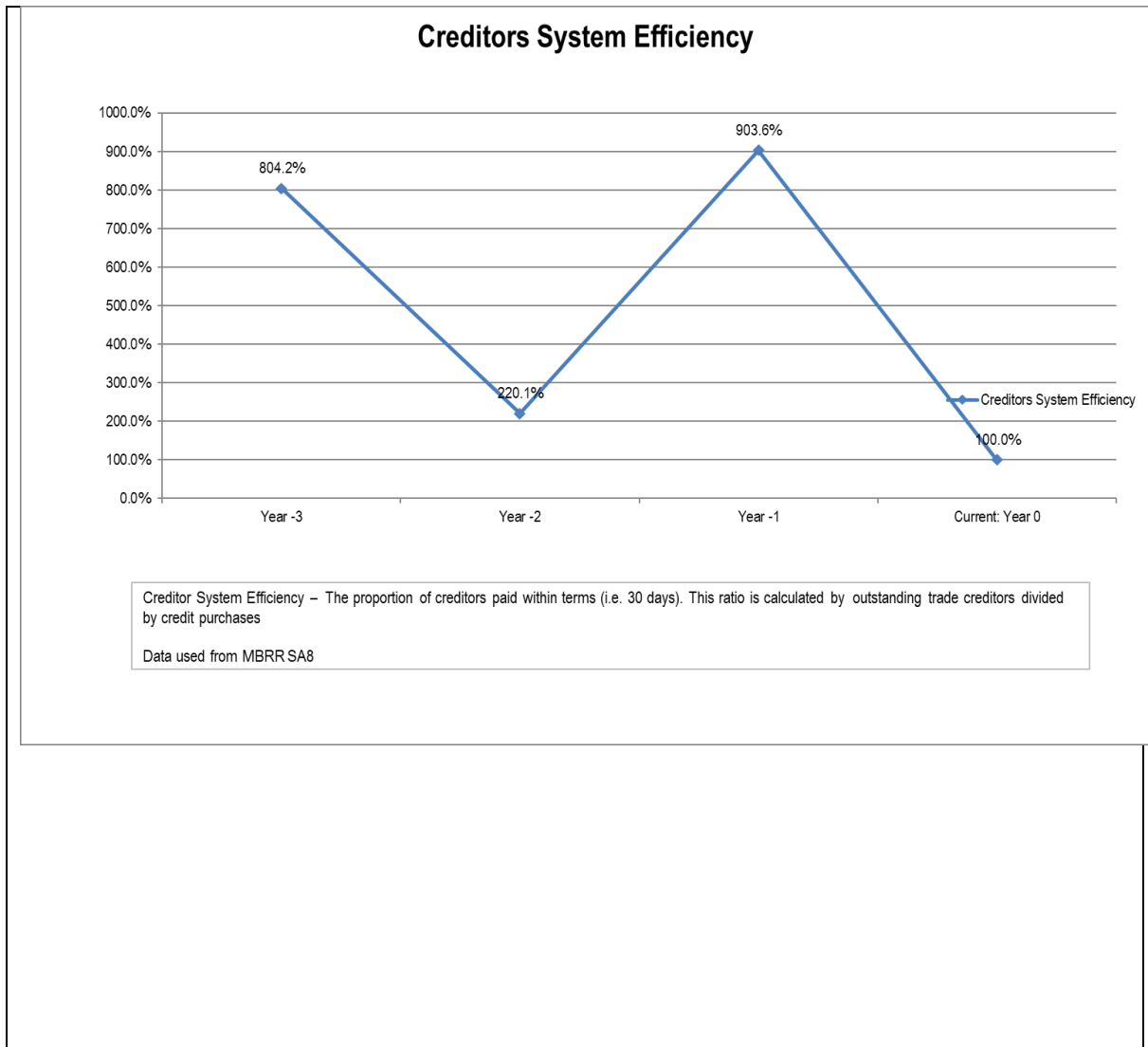
Data used from MBRR SA8

T 5.4.3

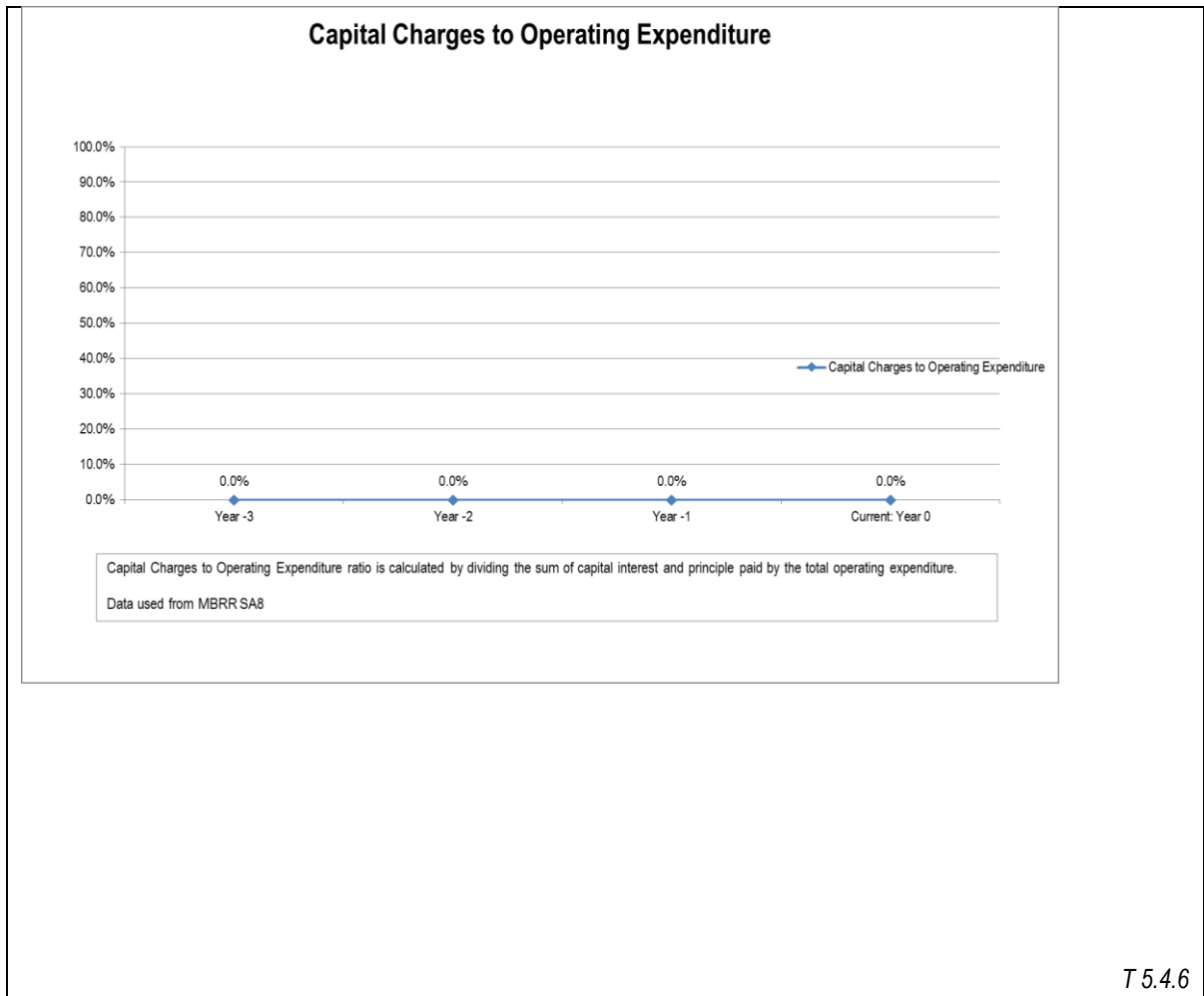
# Chapter 5



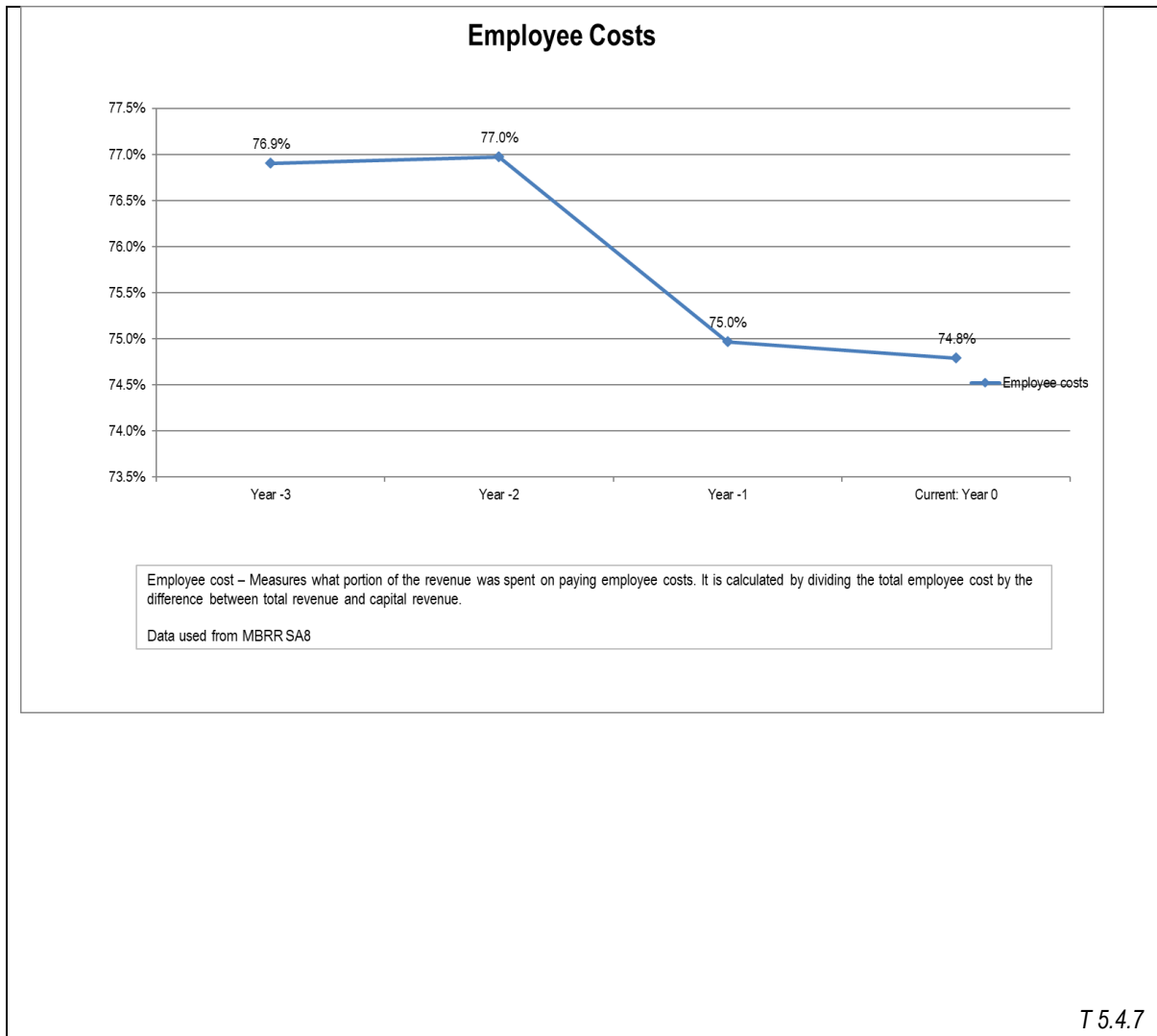
# Chapter 5



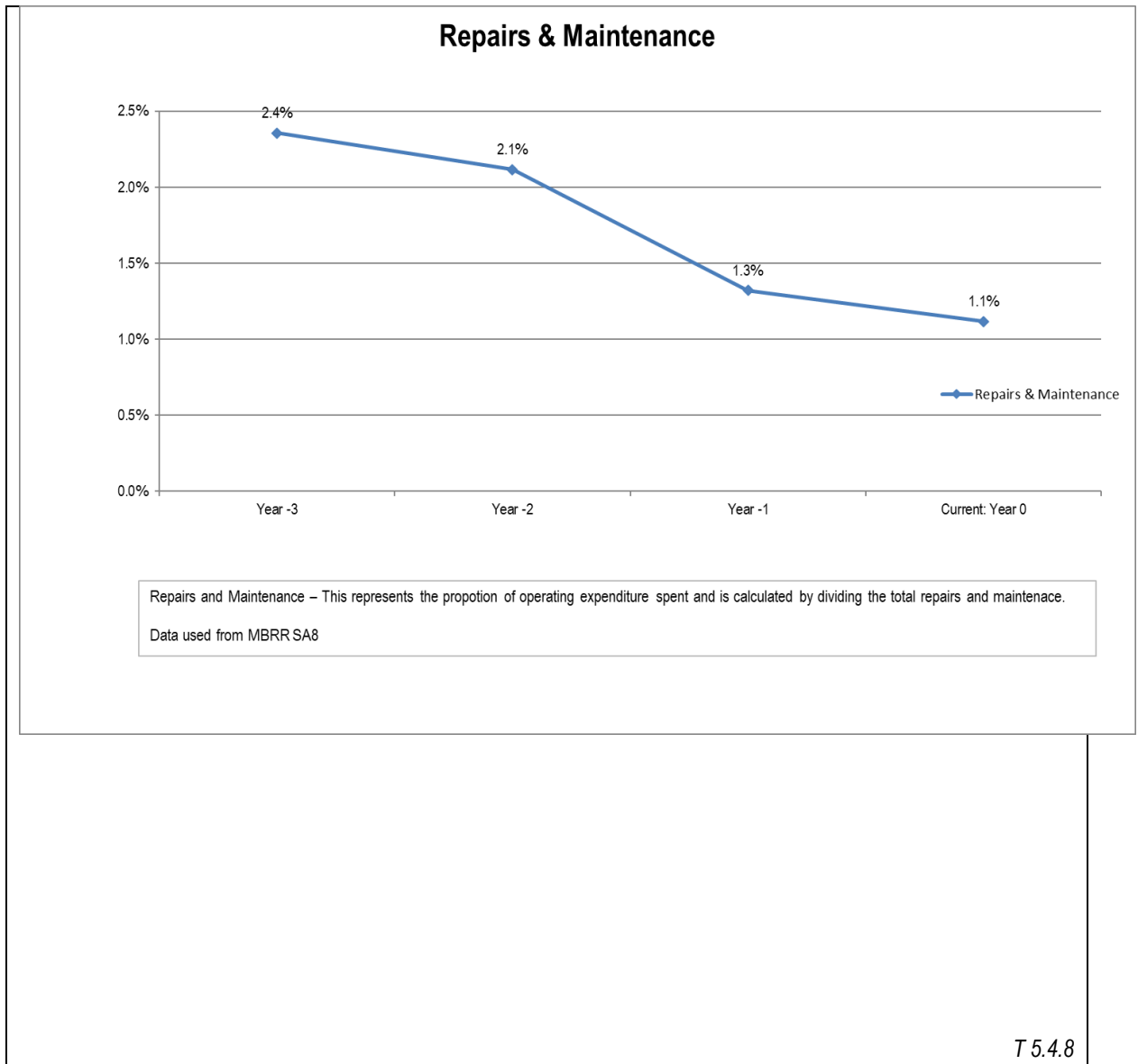
# Chapter 5



# Chapter 5



# Chapter 5



#### COMMENT ON FINANCIAL RATIOS:

MFMA Circular 71 issued 17 January 2014 prescribes the framework for a holistic financial analysis of the municipality of all financial aspects of the institution that should be considered. Ratios are divided into various categories to address the different financial aspects and operations of a municipality or municipal entity.

- Financial Position
- Financial Performance
- Budget Implementation

The application of financial ratio analysis enables and informs our public office bearers and stakeholders decision making with regards to:



# Chapter 5

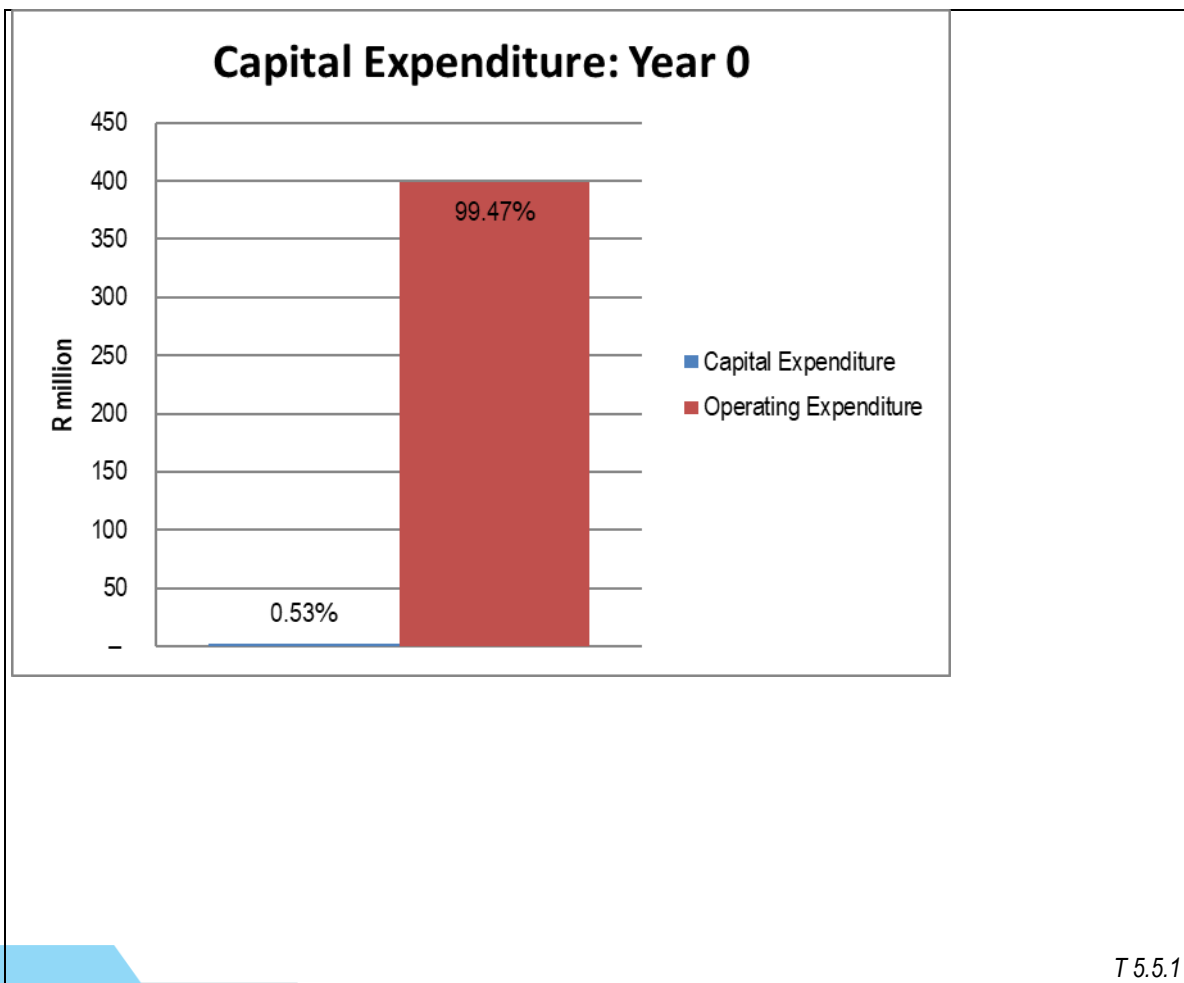
- Ability to meet long-term commitments;
- Ability to meet short-term commitments from liquid resources;
- Determine whether investments are yielding acceptable returns;
- Reduce risks arising from below average performance; and
- Make recommendations to address challenges

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

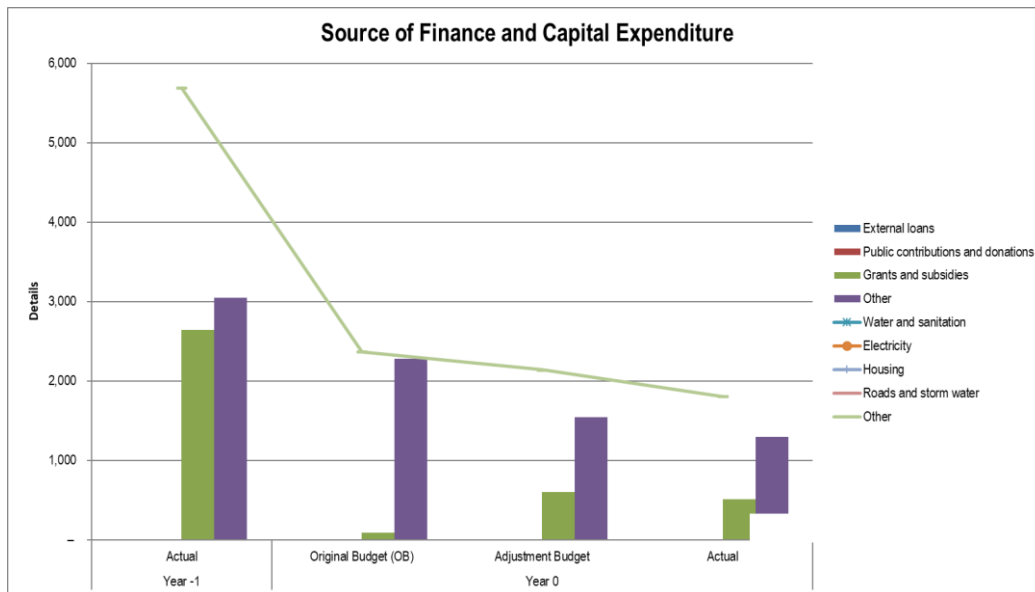
The municipality does not have any bulk infrastructure grant funding and all capital expenditure was budgeted from internal funds. Due to financial constraints, the municipality could not afford to provision for major capital works.

#### 5.5 CAPITAL EXPENDITURE



# Chapter 5

## 5.6 SOURCES OF FINANCE



# Chapter 5

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans							
Public contributions and donations							
Grants and subsidies	2,644	90	601	512	567.92%	468.74%	
Other	3,050	2,280	1,542	1,294	-32.36%	-43.26%	
<b>Total</b>	<b>5,693</b>	<b>2,370</b>	<b>2,143</b>	<b>1,806</b>	<b>535.56%</b>	<b>425.48%</b>	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	46.4%	3.8%	28.0%	28.3%	106.0%	110.2%	
Other	53.6%	96.2%	72.0%	71.7%	-6.0%	-10.2%	
<b>Capital expenditure</b>							
Water and sanitation							
Electricity							
Housing							
Roads and storm water							
Other	5,693	2,370	2,143	1,806	-1.1%	-2.4%	
<b>Total</b>	<b>5,693</b>	<b>2,370</b>	<b>2,143</b>	<b>1,806</b>	<b>-1.13%</b>	<b>-2.39%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
<i>T 5.6.1</i>							

## COMMENT ON SOURCES OF FUNDING:

The municipality was not a recipient of capital projects grant funding and the three capital projects were funded internally

# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Computer Equipment	490	1,541	1,196	-144%	-214%
B - Internal Network	200	100	144	28%	50%
C - Transport assets	1,500	223	204	86%	85%
D - Furniture & Equipment	180	279	161	11%	-55%
E - Name of Project					
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Name of Project - A</b>					
Objective of Project	External Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	IT Communication				
<b>Name of Project - B</b>					
Objective of Project	Internal IT Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	Internal IT connectivity				
<b>Name of Project - C</b>					
Objective of Project	Transport assets				
Delays					
Future Challenges	New to further enhance fleet as current fleet is old and unreliable.				
Anticipated citizen benefits					
<b>Name of Project - D</b>					
Objective of Project	Furniture & Equipment				
Delays					
Future Challenges	Delapidated assets due to age of existing assets				
Anticipated citizen benefits					
<b>Name of Project - E</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

### COMMENT ON CAPITAL PROJECTS:

No major capital projects occur as they will be done at local municipality level.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

# Chapter 5

## INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Information about cash flows may be useful to users of the municipality's financial statements in assessing Council's cash flows, assessing Council's compliance with legislation and regulations (including authorised budgets) and for making decisions about whether to provide resources to, or enter into transactions with Council. These users and stakeholders are generally interested in how Council generates and uses cash and cash equivalents. Municipalities need cash for operations related to service delivery. Municipalities use cash to pay for the goods and services they consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. According to the standards of GRAP all entities are required to present a cash flow statement.

It must be noted that the municipality is heavily dependent on the equitable share as well as collections made on behalf of the Department of Roads and Transport its main sources of revenue and cash in-flows are determined around the triennial disbursement cycle of the equitable share. The municipality closed with a cash balance of R16.1 million which shows an increase of cash of R5.3 million from the previous year. The municipality held no investments during the 21/22 year.

# Chapter 5

## 5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	284,838	322,981	321,901	357,393
Government - operating	301,627	306,054	306,360	298,363
Government - capital				
Interest	1,718	1,035	2,003	1,847
Dividends				
<b>Payments</b>				
Suppliers and employees	(589,085)	(632,153)	(632,038)	(647,549)
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(901)</b>	<b>(2,083)</b>	<b>(1,774)</b>	<b>10,054</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	36	100	-	-
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(5,693)	(2,370)	(2,143)	(1,806)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(5,658)</b>	<b>(2,270)</b>	<b>(2,143)</b>	<b>(1,806)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	-			-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(6,559)</b>	<b>(4,353)</b>	<b>(3,917)</b>	<b>8,248</b>
Cash/cash equivalents at the year begin:	16,131	11,444	9,572	10,181
Cash/cash equivalents at the year end:	9,572	7,091	5,654	18,429
Source: MBRR A7				T 5.9.1

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## COMMENT ON CASH FLOW OUTCOMES:

The municipality under collected against projections against rental of municipal facilities, agency services rendered on behalf of the Department of Transport, and Gains on disposal of assets. The municipality did not realize higher than anticipated collection on air quality license and permits. Grants and subsidies received were lower than projected due to withholding of unspent conditional grants. There was a favorable variance of R12 million between the budgeted and actual net cash flow

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### 5.10 BORROWING AND INVESTMENTS

Not applicable as the municipality do not have ant borrowing or investments

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### 5.11 PUBLIC PRIVATE PARTNERSHIPS

Not applicable

## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. MFMA section 110 – 119, 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. The Supply Chain Management Unit resides within the Finance Cluster.

MFMA Supply Chain Management Regulations effected June 2005 require that in order to perform the oversight role of Council, the Accounting Officer must submit a quarterly report to the Mayor of the municipality on the implementation of the supply chain management policy. The Supply Chain Management Policy) was adopted by Council resolution A1532 on 08 June 2016, in line with the prescripts of Section 111, Local Government: Municipal Finance Management Act (56 of 2003). Annual reviews were conducted for 2017 (as per Council Resolution A2133 of 26 May 2017), 2019 (as per item R03 of 42nd Special Council sitting on 07 June 2019) and 2021 (Council Resolution A2133 on 129th Council sitting of 26 May 2021). Amendments as identified during the 2022 review were awaiting Council adoption at the time of reporting. Reports are compiled monthly to assist Council to perform their oversight function as prescribed under MFMSM Regulation 6, as well as to promote the municipality's procurement principles of transparency, equal treatment, effectiveness, competitiveness, fairness, ethics, proportionality, uniform application, responsibility, openness, value for money and, commitment to safety, health and the environment.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;

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- Bid Evaluation Committee; and
- Bid Adjudication Committee.

The Bid Adjudication Committee was established in terms of the provisions of MFMA SCM Regulation 29. This committee consist of officials with authority to make final recommendation to the Accounting Officer to award bids in accordance with their terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000), Preferential Regulations published in terms of Government Gazette No. 22549, Broad Based Black Economic Empowerment Act (Act No. 53 of 2003), Construction Industry Development Board Act (Act No: 38 of 2000) and also the criteria set out in terms of Municipal Finance Management Act (Act 56 of 2003) Circular 53. Other criteria for technicality, capability and functionality are determined at the cross-functional bid specification stage, wherein due consideration is also given to achievement of Council strategy, project risk assessment, and alignment to the national Expanded Public Works Programme (EPWP).

In terms of "National Treasury MFMA Circular 62 dated 20 July 2012," accounting officers must approve a plan containing all planned procurement for the financial year in respect of goods, services and infrastructure projects anticipated to exceed R200,000. An approved procurement plan for 2020/2021 had been compiled in conjunction with the approval process for the 2021/2022 MTREF of Council. The 2021/2022 procurement plan as approved by the accounting officer, had also been submitted to Gauteng Provincial Treasury. The Demand Management function then monitored procurement requests against this plan. Monthly reporting of progress against the 2021/2022 procurement plan was submitted to Gauteng Provincial Treasury for monitoring purposes, as per "Gauteng Provincial Treasury: Municipal Supply Chain Management Circular No. 1 of 2014."

The annual 2021/2022 procurement plan had furthermore been updated and approved by the Accounting Officer as per the amendments arising from the annual adjustment budget for 2021/2022 which was approved by Council in February 2022.

The cross-functional bid specification committee convened on an as-and-when required basis in accordance with the requirements of the approved procurement plan. Subsequently, the Bid Adjudication Committee made recommendation to cancel the following bids:-

Tender Reference	Cluster	Tender Description	Reason for cancellation
8/2/2/6-2021	Corporate Services	Appointment of a suitable service provider for the installation of network cabling, peripherals and cabling repairs to Sedibeng District Municipality	Tender scope of work no longer fits needs of the municipality
8/2/2/2-2021	Corporate Services	Tender for the supply, installation and maintenance of a hosted internet protocol telephone system (IPT) and IP phones for the Sedibeng District Municipality	Tender scope of work no longer fits needs of the municipality
8/2/5/1-2021	Community Services	Proposal to render maintenance, repairs and equipment (s) replacement services	Tender scope of work no longer fits needs of the municipality



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Tender Reference	Cluster	Tender Description	Reason for cancellation
		on CCTV Surveillance system for Sedibeng District Municipality	
8/2/5/2-2021	Community Services	Supply of identification clothing for the HIV/AIDS ward based educators	Tender scope of work not aligned to grant conditions

Public bids represent acquisition of goods and/or services through a public competitive bidding process for proposals above R 30,000 (Vat Inclusive).

The municipality received an instruction from National Treasury's Office of the Chief Procurement Officer (NT-OCPO) instructing that all tenders advertised after 15th February 2022 be held in abeyance until further notice. The instruction comes as a result of the Constitutional Court judgment handed down 16 February 2022, "Preferential Procurement Regulations, 2017 – Minister of Finance v Afribusines NPC [2022] ZACC 4." Subsequent to this communication, National Treasury issued PPPFA Circular No.01 of 2022/23 on 20 June 2022. The purpose of the circular was to indicate that the 2017 PPPFA Regulations were still valid as from 30 May 2022 and for all new quotations to be requested, and tenders to be advertised, and dealt with, in accordance with the 2017 PPPFA Regulations. To this effect, two competitive bids only were awarded for the 2021/2022 financial year. One (01) extension of contract was awarded in accordance with National Treasury MFMA Circular No. 62 dated July 2013, prescripts that in exceptional cases, an accounting officer of a municipality or municipal entity may deem it necessary to expand or vary orders against the original contract and municipalities were advised that, contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract. Only any expansion or variation in excess of those thresholds should be dealt with in terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment to the contract.

Tender Reference	Tender Description	Cluster	Contract Duration	Successful Bidder(s)	Contract Value
8/2/4/1-2021 (Re-advert)	Appointment of a Service Provider to conduct a Feasibility study into the Aerotropolis Sector within the District.	Strategic Planning Economic Development	10 months (as per project plan)	GWI Africa (Pty) Ltd 2013/052123/07 (CSD: MAAA0198129)  JV  BDO Advisory Services (Pty) Ltd 2010/015322/07 (CSD: MAAA0431420)	R1,140,435-45 (VAT inclusive)
8/2/2/3-2020	Extension of contract for the	Corporate Services	12 months (subject to	JMP Security Solutions (Pty)	R85,001-91 p/m (VAT inclusive)

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	provision of a guarding and security management services to the Sedibeng District Municipality		budget availability)	Ltd 2014/239146/07 (CSD: MAAA0835150)	
8/2/2/10-2021	Supply and delivery of safety shoes for men and women for SDM	Corporate Services	Esizwe Group CC t/a Esizwe Technology 2003/084491/23 (CSD: MAAA0034330)	R73,770.20	8/2/2/10-2021

Regulation 36 of the Supply Chain Management Regulations allow for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only in an emergency circumstances; if such goods or services are produced or available from a single provider only)for the acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and to 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.

Regulation 32 of the Supply Chain Management Regulations allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of the state, but only if-

- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of the state;
- (b) The municipality has no reason to believe that such contract was no validly procured;
- (c) There are demonstrable discounts or benefits for the municipality to do so; and
- (d) That other organ of the state and provider has consented to such procurement in writing.

There were no applications made by Sedibeng District Municipality under SCM Regulation 32 for the 2021/2022 financial year.

The SOLAR system records the database of suppliers and is updated on a daily basis through manual processes. It gives effect to all the SCM and legislative requirements. The department receives new applications on a daily basis which show the interest of suppliers in the local economy, while existing suppliers are required to update their vendor information as and when required.

National Treasury have developed a centralised supplier database (CSD) to optimise the efficiency of service delivery. The CSD is interfaced to South African Revenue Service (SARS) to enable tax clearance status verification of suppliers throughout the Procure-to-Pay process and the Companies and Intellectual Property Commission (CIPC) for vetting of business registration and business ownership. All municipalities were required to migrate onto the CSD by 01 July 2016. The SCM unit at the municipality is registered onto the CSD and the SCM Demand Unit has begun incorporating information from CSD onto the existing SOLAR database, on an as and when required basis. The Acquisition Unit has also begun running parallel processes for the sourcing of quotations between R1,000 up to R30,000 on both, the SOLAR

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database and the CSD in order to not disadvantage any existing suppliers on the municipal database set. Municipal SCM staff received training on the CSD facilitated by the Gauteng Provincial Treasury.

It should be noted that as these processes are currently not automated, they are being managed internally on a manual basis and this has as a result increased the SCM Acquisition Unit's turnaround time, in order to assure Council that compliance with legislation is not being compromised. SARS has furthermore phased out the issuing of Tax Clearance Certificates and suppliers are encouraged to submit their Personal Identification Number (PIN) codes to municipalities in order to verify their good standing status. The municipality's SCM unit cross-references these letters of good standing against the CSD for verification purposes.

An automated system has been developed in-house whereby supplier data can be extrapolated directly from CSD into the municipal financial system with the intent of automatically rotating and randomising requests for quotations. Due to the Covid-19 Disaster Management lockdown, there were delays in commissioning and initiating the system, however, the system will be fully operational as from the 2022/2023 financial year.

National Treasury under MFMA Circular 100 issued on 19 March 2020 provided guidance on emergency procurement under the Disaster Management Act in reaction to the Covid-19 pandemic. Provisions were made for municipalities to procure protective personal equipment and medical consumables under National Treasury transversal contracts. Circular 100 was subsequently replaced by MFMA Circular 101 "Covid-19 Bulk Central Procurement Strategy for Government Institutions" where procurement of high demand medical personal protective equipment (PPE) was centralised under National Treasury's bulk procurement procedures to assist government institutions with defeating artificially inflated prices, as well as to respond to high demand for specific medical goods such as alcohol-based hand sanitizer and face masks. National Treasury also were in conjunction with National Department of Health vetting the goods procured against minimum acceptable quality standards. MFMA Circular No. 105, "Withdrawal of MFMA Circular 102 Emergency Procurement in Response to State of Disaster - 26 Aug 2020" rescinded the prior MFMA Circulars no. 100, 101 and 102 and set maximum prices for Covid-19 related Personal Protective Equipment (PPE) as well as set the reporting requirements for the reporting of Covid-19 related procurement. For 2021/22, R 1,199,133.53 was incurred against Covid-19 related procurement. Normal supply chain procedures were followed. National Treasury MFMA Circular No. 119 issued 07 July 2022 effectively withdrew the reporting requirements relating to Covid expenditure as originally prescribed by MFMA Circular No. 105.

Contract management is the function of the cross-functional Contract Management Committee which resides with Corporate Services: Legal and Support, and their reporting obligations lie under the Office of the Municipal Manager Legal Portfolio. The SCM Policy places the responsibility to conduct performance evaluation based on the vendors' performance with regards to delivery of goods/ services against pre-determined criteria as entered into through service delivery contracts on the end-user departments as the project managers. These performance evaluations are reported on a quarterly basis through to the Contract Management Committee. The service providers are being evaluated on a scale of 01 (Poor) to 05 (Excellent) in the following criteria:

- Delivers Goods/Services Timeously; and
- Provides Products/Services That Meet Specifications/Requirements.

The Broad-Based Black Economic Empowerment Act (53/2003) was promulgated in order to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution. This was achieved through establishing national policy on broad-based black economic empowerment to promote the economic unity of the nation.

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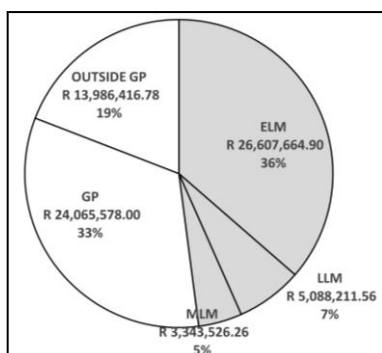
BBBEE scoring is conducted through accreditation agencies and points are awarded on the calculation of the following elements on the scorecard:

- The level of black ownership;
- The level of black management;
- Employment equity in the workplace;
- Development of skills and competencies of black people;
- The level of goods and services that a business procures from BBBEE compliant suppliers;
- The level of contribution to enterprise development; and
- Social economic development.

During the 2021/2022 financial year, the municipality expended a total of R 19,398,420.51 on three hundred and forty-two (342) BEE Level 01 suppliers, equating to 63.7% of the total five hundred and thirty-seven (537) municipal awards for procurement of goods and services.

In order to implement National Treasury & Provincial Treasury Reforms and to ensure the provision of business to people with disabilities, youth and women owned companies, expenditure is tracked based on the BBBEE certificates / sworn affidavits submitted by suppliers. It was further recorded that of the total of five hundred and thirty-seven (537) suppliers contracted during 2021/2022, one hundred and forty-three (143) were women-owned businesses, forty-eight (48) were youth-owned, eight (8) were owned by persons with disabilities, one hundred and fifty-seven (157) of these suppliers are “Emerging Micro Enterprises” (EMEs) which equates to 29.9% of total awards for 2021/2022, while one hundred and six (106) were township-based businesses.

	Total Awards	Men Owned	Woman Owned	Youth Owned	PWD Owned	Township-Based	Emerging Micro Enterprise
Rand value	R 21,100,065.98	R 19,391,976.77	R 3,167,936.54	R 567,129.33	R 8,865.63	R 2,947,293.61	R 3,615,676.99
% of Rand value	100.0%	91.9%	5.2%	2.7%	0.042%	14.0%	17.1%
No. of Suppliers	537 suppliers	458 suppliers	143 suppliers	48 suppliers	8 suppliers	106 suppliers	157 suppliers
% No. of Suppliers	100.0%	85.3%	26.6%	8.9%	1.5%	19.7%	29.2%



Expenditure within the region for 2021/2022 equated to:

- 36% within Emfuleni Local Municipality;
- 7% within Lesedi Local Municipality;
- 5% within Midvaal Local Municipality;
- 33% outside SDM but within Gauteng Province; and
- 19% Outside of Gauteng Province.

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## 5.13 GRAP COMPLIANCE

The Municipality has implemented the GRAP standards applicable to the municipality.

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## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Auditor-General Report on Financial Performance: Year – 2020/2021	
<b>Audit Report Status:</b> Unqualified with Material Findings	
<b>Remedial Action Taken</b> Development of a fit-for purpose Audit Action Plan that will assist the Municipality to remediate on its short-comings in order to deliver on its core- mandate	
T.6.1.1	
Auditor-General Report on Service Delivery Performance: Year – 2020/2021	
<b>Audit Report Status:</b> Material findings raised on the annual performance report	
Non- Compliance Issues	Remedial Action Taken
The audit outcomes of the reported performance information remained stagnant as compared to prior year 2020/21. Poor quality of the performance information submitted for audit was due to inadequate reviews by senior management and slow response in addressing action plans and root causes of external audit findings. Senior management did not to ensure that actual achievements are reported in the performance report and that all performance indicators included in the Strategic Development and Budget Implementation Plan (SDBIP) follow the SMART criteria as required by the Framework for Managing Programme Performance Information (FMPPPI). As a result, reliability testing could not be performed on all material indicators.	Management will have a strategic session with the assistance of the province to:- <ul style="list-style-type: none"> <li>- Review and update the Performance Information KPI's, Targets and Measurement criteria to align to the Framework for Managing Programme Performance Information</li> <li>- Update the Standard Operating Procedures to guide the management of PI</li> </ul>
T.6.1.1	

Auditor-General Report on Financial Performance: Year – 2021/2022	
<b>Audit Report Status:</b>	Unqualified with Material Findings
T.6.2.1	

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## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/2022 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 2021/2022

## Report of the auditor-general to the Gauteng Provincial Legislature and council on Sedibeng District Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Sedibeng District Municipality set out on pages ... to ..., 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 Sedibeng District 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 Practices (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 district 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.

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

## **Material uncertainty relating to going concern**

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 35 to the financial statements, which indicates that the district municipality had accumulated deficit of R108 568 306 at 30 June 2022 and, that the district municipality's total liabilities exceed its assets by R108 568 306. As stated in note 35, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the district municipality's ability to continue as a going concern.

## **Emphasis of matter**

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

## **Restatement of corresponding figures**

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an errors in the financial statements of the district municipality at, and for the year ended, 30 June 2022.

## **Other matter**

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

## **Unaudited disclosure notes**

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

## **Responsibilities of the accounting officer for the financial statements**

12. 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



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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.

13. In preparing the financial statements, the accounting officer is responsible for assessing the district 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 district 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**

14. 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.
15. 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 annual performance report**

16. 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 material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.
18. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.

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19. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, which must be based on the district 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 district 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.
20. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance 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 selected the following material performance indicators contained in the transport, infrastructure and environment key performance area presented in the district municipality's annual performance report for the year ended 30 June 2022, set out on pages ... to .... I selected the indicators that measure the district municipality's performance on its primary mandated functions and that which are of significant national, community or public interest.

<b>Performance indicators – Transport infrastructure and environment</b>
Number of reports produced regarding compliance matters
Number of reports produced regarding the implementation of integrated transport plan
Number of regional infrastructure projects coordinated
Number of reports produced on the implementation of licencing services
Number of reports produced on the ambient air quality monitoring station
Number of environmental awareness campaigns
Percentage of compliance to municipal health norms and standards

22. The material findings on the usefulness and reliability of the performance information of the selected material performance indicators are as follows:

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## Various indicators

Performance indicator	Target	Reported achievement
Number of reports produced regarding the implementation of integrated transport plan	1	1
Number of regional infrastructure projects coordinated	4	4
Number of reports produced on the implementation of licencing services	4	4
Number of reports produced on the ambient air quality monitoring station	4	4

23. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of the achievements reported in the annual performance report of the listed indicators. Furthermore, a comparison between the planned and actual performance was not included in the annual performance report.

## Various indicators

Performance indicator	Target	Reported achievement
Number of environmental awareness campaigns	4	0
Percentage of compliance to municipal health norms and standards	50%	0%

24. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of

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the achievements reported in the annual performance report of the listed indicators. Furthermore, a comparison between the planned and actual performance, and measures taken to improve performance against targets were not reported in the annual performance report.

## Number of reports produced regarding compliance matter

Performance indicator	Target	Reported achievement
Number of reports produced regarding compliance matters		
Target 1.1: Produce four reports on assets management of the cluster	4	4
Target 1.2: Produce 12 reports on website compliance	12	Not reported
Target 1.3: Produce four reports on the management of contracts of the cluster	4	4

25. I was unable to obtain evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed above. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicators were well-defined and verifiable by alternative means. As a result, I was unable to verify the reliability of the achievements reported in the annual performance report of the listed indicator. A comparison between the planned and actual performance was not included in the annual performance report. In addition, the indicator was included in the service delivery and budget implementation plan but was not reported on in the annual performance report. These changes were made without the necessary approval.

### Other matter

26. I draw attention to the matter below.

### Achievement of planned targets

27. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the under achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 25 of this report.

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## Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the district municipality's compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the district municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the district municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and adequately available to report in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statement

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, current liabilities, revenue, disclosure items and cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
33. The oversight report adopted by the council on the 2020-21 annual report was not made public, as required by section 129(3) of the MFMA.

### Strategic planning and performance management

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

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## Utilisation of conditional grants

35. The HIV and Aids, financial management and rural roads management grants were not spent for their intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Division of Revenue Act (Act 9 of 2021).
36. Performance in respect of programmes funded by the HIV and Aids, financial management grant, rural roads and expanded public works programme grants were not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

## Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure of R42 308 948, as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management (SCM) processes.
38. Reasonable steps were not taken to prevent unauthorised expenditure of R2 666 659, as disclosed in note 37 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by inadequate budget processes.
39. Money owed by the district municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

## Consequence management

40. Unauthorised expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
41. Irregular expenditure incurred by the district municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
42. I was unable to obtain sufficient appropriate audit evidence that losses resulting from irregular expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

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## Procurement and contract management

43. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
44. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
45. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
46. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
47. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
48. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
49. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

## Human resource management

50. I was unable to obtain sufficient appropriate audit evidence that the municipal manager and senior managers had signed performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

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## Other information

51. 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 financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported in this auditor's report.
52. My opinion on the financial statements and material 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.
53. 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 material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
54. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

55. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
56. The accounting officer did not adequately exercise their oversight responsibility for financial reporting, performance reporting, compliance with laws and regulations, and implementing consequence management for poor performance and transgressions.
57. Senior management did not ensure adequate controls over daily and monthly processing and reconciling controls were implemented for the preparation of the



financial and performance reports. In addition, management did not regularly monitor and implement action plans that were developed to curb repeat findings.

Auditor-General

Johannesburg

05 December 2022



AUDITOR-GENERAL

SOUTH AFRICA

*Auditing to build public confidence*

# Chapter 6

## Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected compliance requirements for compliance testing

### Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs and the AGSA audit methodology, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected performance indicators and on the district municipality's compliance with selected requirements in key legislation.

### 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 district 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

# Chapter 6

of the Sedibeng District 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 district 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.

# Chapter 6

## Compliance with legislation – selected legislative requirements

5. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	MFMA 122(1) MFMA 122(2) MFMA 126(1)(a) MFMA 126(1)(b) MFMA 127(2) MFMA 127(5)(a)(i) MFMA 127(5)(a)(ii) MFMA 129(1) MFMA 129(3) MFMA 133(1)(a) MFMA 133(1)(c)(i) MFMA 133(1)(c)(ii)  MFMA 11(1) MFMA 15 MFMA 29(1) MFMA 29(2)(b) MFMA 62(1)(d) MFMA 65(2)(a) MFMA 65(2)(b) MFMA 65(2)(e)  MFMA 13(2) MFMA 14(1) MFMA 14(2)(a) MFMA 14(2)(b) MFMA 63(2)(a) MFMA 63(2)(c)  MFMA 53(1)(c)(ii)

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Legislation	Sections or regulations
	<p>MFMA 1 Definition of SDBIP</p> <p>MFMA 72(1)(a)(ii)</p> <p>MFMA 24(2)(c)(iv)</p> <p>MFMA 54(1)(c)</p> <p>MFMA 1 - paragraphs (a), (b) &amp; (d) of the definition: irregular expenditure</p> <p>MFMA 32(2)</p> <p>MFMA 32(2)(a)</p> <p>MFMA 32(2)(a)(i)</p> <p>MFMA 32(2)(a)(ii)</p> <p>MFMA 32(2)(b)</p> <p>MFMA 32(6)(a)</p> <p>MFMA 32(7)</p> <p>MFMA 170</p> <p>MFMA 171(4)(a)</p> <p>MFMA 171(4)(b)</p> <p>MFMA 95(a)</p> <p>MFMA 112(l)(iii)</p> <p>MFMA 112(1)(j)</p> <p>MFMA 116(2)(b)</p> <p>MFMA 116(2)(c)(ii)</p> <p>MFMA 117</p>
<p>LG: MFMA: Municipal budget and reporting regulations, 2009</p>	<p>Regulations 71(1)</p> <p>71(2)</p> <p>72</p>
<p>LG: MFMA: Municipal investment regulations, 2005</p>	<p>Regulations 3(1)(a)</p> <p>3(3)</p> <p>6</p> <p>7</p> <p>12(2)</p> <p>12(3)</p>

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Legislation	Sections or regulations
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Reg 5(4) 6(8)(a) 6(8)(b) 10(1)
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulation 5 12(1)(b) 12(1)(c) 12(3) 13(b) 13(c) 13(c)(i) 16(a) 17(1)(a) 17(1)(b) 17(1)(c) 19(a) 21(b) 22(1)(b)(i) 22(2) 27(2)(a) 27(2)(e) 28(1)(a)(i) 28(1)(a)(ii) 29(1)(a) and (b) 29(5)(a)(ii) 29(5)(b)(ii) 32 36(1) 38(1)(c) 38(1)(d)(ii) 38(1)(e) 38(1)(g)(i) 38(1)(g)(ii)

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Legislation	Sections or regulations
	38(1)(g)(iii) 43 44 46(2)(e) 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	MSA 29(1)(b)(ii) MSA 27(1) MSA 29(2)(a) MSA 29(2)(c) MSA 42 MSA 25(1) MSA 26(a) MSA 26(c) MSA 26(i) MSA 26(h) MSA 41(1)(a) MSA 43(2) MSA 41(1)(b) MSA 34(a) MSA 41(1)(c)(ii) MSA 34(b) MSA 38(a) MSA 93B(a) MSA 93B(b) MSA 93C(a)(iv) MSA 93C(a)(v)  MSA 57(6)(a) MSA 56(a) MSA 66(1)(b) MSA 66(1)(a) MSA 67(1)(d) MSA 57(2)(a)

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Legislation	Sections or regulations
	MSA 57(4B)
LG: MSA: Municipal planning and performance management regulations, 2001	Reg 15(1)(a)(i) 2(1)(e) 2(3)(a) 9(1)(a) 10(a) 12(1) 3(4)(b) 15(1)(a)(ii) 3(5)(a) 3(3) 8 7(1)
LG: MSA: Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a) 4(4)(b) 8(1) 8(2) 8(3)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 36(1)(a) 17(2)
LG: MSA: Disciplinary regulations for senior managers, 2011	Reg 5(2) 5(3) 5(6) 8(4)
Annual Division of Revenue Act (Dora)	Dora 11(6)(b) Dora 12(5) Dora 16(1) Dora 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	CIDB Act section 18(1)
CIDB regulations	CIDB regulation 17 CIDB regulation 25 (7A)



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Legislation	Sections or regulations
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	PPPFA Section 2(1)(a) PPPFA Section 2(1)(f)
Preferential procurement regulations (PPR), 2011	PPR 2011 4(1) PPR 2011 4(3) PPR 2011 4(4) PPR 2011 4(5) PPR 2011 5(1) PPR 2011 5(2) PPR 2011 5(3) PPR 2011 5(5) PPR 2011 6(1) PPR 2011 6(2) PPR 2011 6(3) PPR 2011 6(5) PPR 2011 6(4) PPR 2011 7(1) PPR 2011 10 PPR 2011 11(2) PPR 2011 11(4) PPR 2011 11(5) PPR 2011 11(8)
Preferential procurement regulations (PPR), 2017	PPR 2017 5(1) PPR 2017 5(3) PPR 2017 5(6) PPR 2017 5(7) PPR 2017 6(1) PPR 2017 6(2) PPR 2017 6(3) PPR 2017 6(5) PPR 2017 6(6) PPR 2017 6(8)

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Legislation	Sections or regulations
	PPR 2017 7(1) PPR 2017 7(2) PPR 2017 7(3) PPR 2017 7(5) PPR 2017 7(6) PPR 2017 7(8) PPR 2017 8(2) PPR 2017 8(5) PPR 2017 9(1) PPR 2017 10(1) PPR 2017 10(2) PPR 2017 11(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Precca 34(1)

# Glossary

## GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as

# Glossary

	"what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# Appendices

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
Cllr Baloyi PB	FT	Gender (6) Council Sitting (4)	DA	4 Absent 1 Apology	75%
Cllr Baloyi H	FT	Petitions (6) Council Sitting (4)	EFF	1 Apology √	100%
Cllr Buthongo CT	FT	Gender (6) Council Sitting (4)	ANC	2 Absent √	100%
Cllr Coertze Y	PT	Council Sitting (4)	DA	√	100%
MMC Dlangamandla JM	FT	Council Sitting (4) Section 80 Transport & Infrastructure Planning	ANC	1 Apology, 1 Absent	75%
MMC Gamede LSA	FT	Council Sitting (4)	ANC	√	100%
Cllr Gomes MM	FT	Council Sitting (4)	DA	1 Apology	75%
Cllr Hlanyane BP	FT	Petitions(3) Council Sitting (4)	DA	√	100%
MMC Hlongwane NG	FT	Council Sitting (4)	ANC	√	100%
Cllr Hlophe NC	PT	Petitions (6) Council Sitting (4)	DA	5, 1 Absent 1 Apology	75%
Cllr McLoughlin AR	FT	Ethics () MPAC (3) Council Sitting (4)	DA	3 √	100%
Cllr Khoali AN	PT	Council Sitting (4)	ANC	√	100%
MMC Khomoeasera ML	FT	Council Sitting (4)	ANC	√	100%
Cllr Lekeleketsane AS	PT	Council Sitting (4)	ANC	√	100%
Cllr Lubbe AA	FT	Ethics () Rules () MPAC (9) Council Sitting (4)	EFF+	Absent 6, 1 Apology, 2 Absent √	100%
Cllr Machitje LM	FT	Ethics () MPAC (9) Council Sitting (4)	EFF	1 Apology 5, 1 Apology, 3 Absent √	100%
Cllr Mahlase KM	PT	Ethics () Gender (6) MPAC (9) Council Sitting (4)	ANC	6 9 √	100%
Cllr Makhobotloane N	PT	Gender (1) Council Sitting (4)	ANC	1 Absent	75%
MMC Maphalla TS	FT	Ethics (2)	ANC		

# Appendices

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
		Rules (1) Council Sitting (4)		√	100%
Cllr Maraka TPE	PT	Ethics () MPAC (5) Council Sitting (4)	DA	4, 1 Apology 1 apology	75%
Cllr Masisa LL	PT	Petitions (3) Ethics () MPAC (6) Council Sitting (4)	AIC	3 Apologies 3, 3 Apologies	100%
Cllr Mkhwanazi OA	PT	MPAC (9) Council Sitting (4)	ANC	7, 2 Absent 1 Apology √	100%
Cllr Mncube ME		Council Sitting (4)	DA	1 Apology, 1 Absent	50%
Cllr Mochawe JS	FT	Ethics () MPAC (9) Council Sitting (4)	ANC	9 √	100%
MAYOR Maloka L	FT	Ethics () Rules () Council Sitting (4)	ANC	√	100%
Cllr Mofokeng NT	PT	Council Sitting (4)	ANC	1 Absent, 1 Apology	50%
MMC Mohommed YJ	FT	Council Sitting (4)	ANC	√ 1 Apology,	100%
Cllr Mohono S	PT	Council Sitting (4)	EFF	1 Apology	75%
Cllr Mokoena TA	PT	Council Sitting (4)	DA	1 Absent, 1 Apology	50%
Cllr Mollo DS	PT	Ethics () Rules () Council Sitting (4)	DA	√	100%
Cllr Motaung PM	PT	Rules () Gender (6) Council Sitting (4)	EFF	2, 4 Absent √	100%
Cllr Motsoane TD	PT	Council Sitting (4)	DA	√	100%
SPEAKER Mosai AC	FT	Ethics (), Rules () Council Sitting (4)	ANC	√	100%
CHIEF WHIP Mshudulu SA	FT	Ethics () Rules () Council Sitting (4)	ANC	√	100%
Cllr Mulder M	PT	Council Sitting (4)	DA	1 Apology	75%
Cllr Ndlovu MP	PT	Gender (6) Council Sitting (4)	ANC	4, 2 Absent √	100%
Cllr Ntuthu VJ	PT	Ethics () Gender(6) MPAC (9) Council Sitting (4)	ANC	4, 2 Absent 6, 2 Apologies, 1 Absent √	100%
Cllr Nxongo NPG	PT	Petitions (6)	ANC	6	

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
		Council Sitting (4)		√	100%
Cllr Pretorius PC	PT	Council Sitting (4)	DA	√	100%
MMC Raikane MD	FT	Council Sitting (4)	ANC	√	100%
Cllr Ramongalo TR	FT	Council Sitting (4)	DA	√	100%
Cllr Rapakeng OD	PT	Council Sitting (4)	ANC	√	100%
Cllr Raphesu MR	PT	Ethics (2) Council Sitting (4)	EFF	1 Absent, 1 Apology	50%
Cllr Senekal GM	PT	Gender (6) Petitions(6) Council Sitting (4)	FF+	2, 2 Absent 6 Absent 2 Absent	50%%
Cllr Sikhosana TC		Council Sitting (4)		1 Absent	75%
Cllr Sikukula M	PT	Petitions (5) Council Sitting (4)	ANC	2, 3 Absent 1 Absent	75%
Cllr Sinyanya SS	PT	Petitions (6) MPAC (9) Council Sitting (4)	ANC	6 9 √	100%
Cllr Soxuza DS	PT	Petitions (6) Council Sitting (4)	ANC	6 √	100%
MMC Tsotetsi PB	FT	Rules () Council Sitting (4)	ANC	1 Apology	75%
Cllr Xaba PD	FT	Petitions (5) Council Sitting (4)	DA	3, 1 Absent, 1 Apology 3 Absent √	100%
Cllr Zwedala S	FT	Petitions (3) Council Sitting (4)	AIC	2, 1 Absent 1 Absent	75%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	• Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
KHITHIKA MI	FT	Council Sitting (14) MPAC (8)	EFF	√ 2 Apologies	100%
MAMASELI NS	FT	Council Sitting (14) Gender (1)	EFF	√ √	100%
NAKANA M	FT	Council Sitting (14)	EFF	1 Apology	93%
MOHONO S	PT	Council Sitting (14)	EFF	√	100%
MAPEYI M	PT	Council Sitting (14) Petitions(3)	EFF	1 Absent	93%

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
TSHEHLA LF	PT	Council Sitting (14)	EFF	√	100%
GOMES P	FT	Council Sitting (14)	DA	2 Absent, 3 Apologies	64%
PARSONSON L	FT	Council Sitting (14) Gender (1)	DA	1 Absent, 2 Apologies √	78.5%
MOTSOANE TD	FT	Council Sitting (14) Petitions(3)	DA	2 Absent, 1 Apology	78.5%
DYONASE S	FT	Council Sitting (14)	DA	2 Absent	85.7%
DAMON G	FT	Council Sitting (14) Gender (1)	DA	2 Absent √	85.7%
MSIBI JS	FT	Council Sitting (14)	DA	2 Absent	85.7%
MTHIMKHULU T	FT	Council Sitting (14)	DA	2 Absent	85.7%
PETERS FW	PT	Council Sitting (14)	DA	2 Absent, 2 Apologies	71.4%
KRUGER M	PT	Council Sitting (14)	DA	2 Absent	85.7%
JANSE VAN RENSBURG S	PT	Council Sitting (14 )	DA	2 Absent	85.7%
TLHOKWE T	PT	Council Sitting (14) MPAC (8)	DA	2 Absent	85.7%
HLANYANE P	PT	Council Sitting (14)	DA	2 Absent	85.7%
MOTLOUNG L	PT	Council Sitting (14) Petitions(3)	DA	2 Absent	85.7%
RAMONGALO T	PT	Council Sitting (14) MPAC (8)	DA	1 Absent	85.7%
MTHEMBU DN	PT	Council Sitting (14)	DA	2 Absent	85.7%
HOLTZHAUSEN G	PT	Council Sitting (14)	DA	2 Absent, 3 Apologies	64%
VAN DER LITH H	PT	Council Sitting (14)	DA	2 Absent	85.7%
LUBBE R	FT	Council Sitting (14) MPAC (8)	FF+	2 Absent, 1 Apology	78.5%
JONES MV	PT	Council Sitting (14)	NHM	1 Apology	93%
KANTSO MD MD	PT	Council Sitting (14) MPAC (8)	PAC	√	100%
TSOTETSI BJ	FT	Council Sitting (4)	PAC	1 Apology	93%
MAHLASELA SP	PT	Council Sitting (14)	VAAL	1 Apology	93%



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Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	
MOKHELE SG	PT	Council Sitting (14)	ACDP	√	100%
MOKOENA NF	PT	Council Sitting (14)	CSA	√	100%
MODIKENG ML	FT	Council Sitting (14)	ANC	√	100%
GAMEDE LSA	PT	Council Sitting (14)	ANC	2 Apologies	85.7%
MALOKA LF	FT	Council Sitting (14)	ANC	√	100%
MOSAI AC	FT	Council Sitting (14) Petitions(3) Gender (1)	ANC	√ 1 Absent 1 Absent	100%
MAHOMMED YJ	FT	Council Sitting (14)	ANC	√	100%
MOKONANE SFA	FT	Council Sitting (14) Petitions(3)	ANC	√	100%
KHOMOEASERA ML	FT	Council Sitting (14)	ANC	√	100%
RADEBE V	FT	Council Sitting (14)	ANC	1 Absent	93%
BUTHONGO CT	FT	Council Sitting (14) Petitions(3) MPAC (8) Gender (1)	ANC	2 Absent, 1 apology 3 Absent 3 Apologies 1 Absent	78.5%
MOLOI MEF	FT	Council Sitting (14)	ANC	√	100%
DONDOLO MA	PT	Council Sitting (14) Petitions(3)	ANC	1 Apology 2 Absent	93%
KHOZA TM	PT	Council Sitting (14) MPAC (8)	ANC	√ 1 Apology	100%
MOCHAWA JS	PT	Council Sitting (14)	ANC	√	100%
MOLEPO MV	PT	Council Sitting (12 ) Gender (2)		1 Absent 2 Absent	93%
TLADI JR	PT	Council Sitting (2 )	ANC	√	100%
YONGAMA	PT	Council Sitting (14)	ANC	√	100%
NAAPO SJ	PT	Council Sitting (14)	ANC	√	100%
NDWANDWE NG	PT	Council Sitting (14)	ANC	√	100%
SEFATSA SJ	PT	Council Sitting (14) MPAC (8)	ANC	√ 3 Absent	100%
MKHIZE B	PT	Council Sitting (14)	ANC	1 Absent, 1Apology	85.7%

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## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral/Executive Committee) and Purposes of Committees</b>	
Rules committee	Recommends rules and orders to Council concerning the smooth running of its business
Ethics & Integrity Committee	Promote a culture within the institution which is intolerant to unethical conduct.
Municipal Public Accounts Committee (MPAC).	Reviews the municipal annual report in line with Auditor -General's findings. Provide political oversight to financial management and accounts.
Public Participation & Petitions Committee	Promotes the active involvement of the general public in municipal affairs. Receive petitions from ordinary community members on service delivery matters.
Gender Committee	Responsible for gender mainstreaming within the municipal environment. Monitor gender perspective of policies , programmes, projects and practices in the municipality
Section 80 Committees	Administrative oversight.
<i>Note * Councillors appointed on a proportional basis do not have wards allocation to them</i>	

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	MANAGERS/ASSISTANT MANAGERS (State title and name)
<b>OFFICE OF THE EXECUTIVE MAYOR</b> KHALO NR - DIRECTOR MAYORS OFFICE	MBULAHENI RA - MANAGER ADMINISTRATION
	KGASWANE SK - RESEARCHER & SPEECHWRITER
	MALEKA TT - ASS.MAN.STAKEHOLDER RELAT
	NHLENGETHWA TP - ASS.MANAGER WAR ROOM
	MOYA FN - ASS.MAN.EXT.COMMUNICATION
<b>OFFICE OF THE SPEAKER OF COUNCIL</b> DLANGAMANDLA JM - DIR: SPEAKERS OFFICCE	TSHABALALA DE - ASS.MAN.STAKEHOLDER RELATIONS
	MOTAUNG NB - MANAGER MPAC
<b>OFFICE OF THE CHIEF WHIP OF COUNCIL</b> TLEBERE DN - DIRECTOR CHIEF WHIP	MGUDLWA TS - MANAGER OFFICE CHIEF WHIP
<b>OFFICE OF THE MUNICIPAL MANAGER</b> MATHE FM - MUNICIPAL MANAGER	DEYZEL GR - DIRECTOR SPECIAL PROJECTS
	MPONTSHANE HM - DIRECTOR MUNICIPAL SYSTEM
	PIETERSON M B - EXEC.SECRETARY MM OFFICE
	CUNA R - MANAGER INTERNAL AUDIT
	MASIBIHLELE MB - MANAGER RISK MANAGEMENT
	WIESE IC - ASS.MANAGER COMPLIANCE
<b>FINANCE</b>  <b>SUPPLY CHAIN</b> WIESE KZ - DIRECTOR:SUPPLY CHAIN	LOUW DE - MANAGER:OFFICE OF CFO
	NTJPELA MS - ASS.MANAGER LOGISTICS
	ZWEDALA S - ASS. MAN. MUN.COMPLIANCE

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<b>FINANCIAL MANAGEMENT</b>	
STEYN CE - DIRECTOR FIN.MAN.& BUDGET	LUBBE A - ASS.MAN.ASSETS&LIABILITY
<b>CORPORATE SERVICES</b>	
<b>HR</b>	
RAMOTSEDISI MW - DIRECTOR HUMAN RESOURCES	MALOKA TS - MANAGER LABOUR RELATIONS
	MOKAKO MS - MANAGER: LABOUR RELATIONS
	HLONGWANE BN - ASSISTANT MANAGER:EAP
	MORAJANE OM - ASS.MAN.ORG.DEVELOPMENT
	NKOLI GL - ASS.MAN.HUMAN RESOURCE
	SERAME MC - ASS.MAN.PERSONNEL ADMIN
<b>LEGAL SERVICES</b>	
MHLWATIKA RBT - DIRECTOR LEGAL & SUPPORT	NGAKE MT - SENIOR LEGAL ADVISOR
<b>INFORMATION TECHNOLOGY</b>	
CHAMDA Y - DIRECTOR INFORM.MANAGEMENT	MANS HAJ - MANAGER INFORM/OPERATIONS
	VISAGIE MC - MANAGER INFORM.MANAGEMENT
	MONGA N - ASS.MAN.NETWORKS
	XABA TM - ASS.MAN. TECHNICAL ADMIN
<b>FACILITIES</b>	
MARANDA KD - DIRECTOR FACILITIES	JOHNSON BW - MANAGER BUILDINGS
	MOKOENA TJ - MANAGER FLEET
<b>PROTECTION SERVICES</b>	
MIYA TA - MANAGER: INTERNAL SECURITY	MTSHALI MB - ADMIN OFFICER VIP
<b>RECORDS AND COMMITTEE SECTION</b>	
TSHABALALA NN - RECORDS MANAGER	
<b>STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT</b>	

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LED & TOURISM MBONGO KS - DIRECTOR ECON.DEV.& IDP	DLODLO S - ASS.MANAGER COMPLIANCE
	MAJOLA CH - MANAGER DEV.PLANNING
	PELSER R - MANAGER TOURISM
	VAN WYK PS - ASS.MAN.TOURISM:PRODUCTS
DEVELOPMENT PLANNING AND HUMAN SETTLEMENT MUTLANENG T - MAN.DEVELOPMENT PLANNING	
	PITSO SE - MANAGER HUMAN SETTLEMENT
	RAMAGAGA RD - IDP MANAGER
	DLADLA MD - ASS.MANAGER-MANUFACTURING
PROJECT MANAGEMENT UNIT NETSHIVHALE KR - DIRECTOR:PROJ.MAN.UNIT	MOKGATLHE MD - ASSISTANT MAN.AGRICULTURE
FRESH PRODUCE MARKET TSOTETSI TJ - DIRECTOR FRESH PRO MARKET	
	MAZIBUKO SP - MARKETING OFFICER
	RADEBE SJ - MAN. ENVIRONMENT PLANNING
TRANSPORT INFRASTRUCTURE AND ENVIRONMENT NGOBESE I - ACTING EXEUTIVE DIRECTOR TIE	
	KHALEMA MM - MANAGER TECH SERV.
	THEKISO MF - ASS.MAN. IGR
	MOFOKENG NS - MAN. TRANSPORT MANAGEMENT
	VAN ZYL E - LIC SERV CENTER MANAGER
	LENAKE TM - LSC MANAGER
	MOKOENA M - ASS.MANAGER LICENSING
	MAKGALE NA - ASS.MANAGER LICENSING
LICENSING	
AIRPORT	MOKOENA NCE - MANAGER AIRPORT
ENVIRONMENT	NEMANGAYA NM - AIR QUALITY MANAGER
	BHUDA MF - MANAGER HEALT SERVICES

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<b>COMMUNITY SERVICES</b>	
MEDUPE J - EXEC.DIR. COMM.SERVICES	MOETI NV - ASS.MANAGER COMPLIANCE
<b>HEALTH</b>	
MASUKELA DL - DIR.HEALTH&SOC.DEVELOPMEN	MOHAPELOA BP - HIV/AIDS COORDINATER
<b>DISASTER</b>	
MOTHAPO MS - DIR:EMERGENCY MAN.SERV.	NIEUWENHUIZEN PJ - ASS.MAN.OPERATIONS & LOGI
<b>SRAC &amp; H</b>	
FELIX NJA - DIRECTOR SRAC & H	LUFHUGU NP - ASS.MAN. SPORT&RECREATION
	KHUMALO SA - ASS.MANAGER HERITAGE&MUSE
	VAN WYK A - ASS.MAN. ARTS & CULTURE
<b>SAFETY</b>	
LEACWE MJ - DIRECTOR:PUBLIC SAFETY	KELE PB - ASS.MANAGER CRIME PREVENT

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## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Y	N/A
Building regulations	N	N/A
Child care facilities	N	N/A
Electricity and gas reticulation	N	N/A
Firefighting services	N	N/A
Local tourism	Y	N/A
Municipal airports	Y	N/A
Municipal planning	N	N/A
Municipal health services	Y	N/A
Municipal public transport	Y	N/A
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	N	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N	N/A
Stormwater management systems in built-up areas	N	N/A
Trading regulations	N	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	N	N/A
Beaches and amusement facilities	N	N/A
Billboards and the display of advertisements in public places	N	N/A
Cemeteries, funeral parlors and crematoria	N	N/A
Cleansing	N	N/A
Control of public nuisances	N	N/A
Control of undertakings that sell liquor to the public	N	N/A
Facilities for the accommodation, care and burial of animals	N	N/A
Fencing and fences	N	N/A
Licensing of dogs	N	N/A
Licensing and control of undertakings that sell food to the public	N	N/A
Local amenities	N	N/A
Local sport facilities	N	N/A
Markets	Y	N/A
Municipal abattoirs	Y	N/A

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Municipal parks and recreation	N	N/A
Municipal roads	N	N/A
Noise pollution	N	N/A
Pounds	N	N/A
Public places	N	N/A
Refuse removal, refuse dumps and solid waste disposal	N	N/A
Street trading	N	N/A
Street lighting	N	N/A
Traffic and parking	N	N/A
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

## APPENDIX E – WARD REPORTING

Not applicable to Sedibeng district municipality

## APPENDIX F – WARD INFORMATION

Not applicable to Sedibeng district municipality



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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
3rd	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27 <sup>th</sup> January 2022	<p>Chairperson requested Ms. T Moja to open the meeting to kick-start the process of discussing matters are of concern to Audit Committee with an understanding that the Executive Mayor should be made aware of:-</p> <p><b><u>STRATEGIC DIRECTION OF SDM</u></b></p> <p><b>Going-Concern Status of the municipality</b></p> <ul style="list-style-type: none"> <li>▪ Concerns were raised by AC that the financial state at which the municipality finds itself is dire as it is technically insolvent with asset base that is less than its liabilities. What is more of a concern was the fact the assets base itself, is not the kind of asset that an organisation would immediately sell to try and recover some monetary value in it, as it a unique type of assets. Even with the long-term view, the demand for such assets would be low. For example, a city hall or theatre, would be difficult to find a buyer and sell-off the asset at least at the market value.</li> <li>▪ This begs the question that how does the municipality continue to operate and function, with the “money” that id does not have? How is that case sustainable going forward?</li> <li>▪ Although the municipality currently relies largely on the equitable share and conditional grants, it has been clear that these too are being granted at a declining rate meaning they decrease with time.</li> <li>▪ AC has requested management to provide a solid turn-around strategy with no success. This is critical to identify areas of revenue generating streams that will assist the municipality in reducing the burden of too much reliance of Grant Management schemes.</li> <li>▪ Further, this would be required because focusing on cost-reduction will be become an ineffective method of trying to stay afloat as the biggest line item in terms of expenditure is the employee costs and that by its nature is a fixed line item, that you cannot rely on going forward.</li> <li>▪ Capacity with the Key-Strategic roles remains a big concerns for AC, particularly when it comes to the role of Chief Financial Officer. For more than three years this role has been acted upon by different individuals for the past two financial years.</li> </ul> <p><b>State of Governance &amp; Management Leadership</b></p> <ul style="list-style-type: none"> <li>▪ The issue of continuous Acting- Position in the strategic positions remains a risk</li> </ul>	In-progress

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in the municipality as it constitutes non-compliance to regulation. Where According MSA act, Section 56 an 57 employees are required to formulate Employment Contract and Performance Contracts that should be reviewed on a quarterly basis to assess performance of each, in the space where there is continuous change, not only does it constitutes non-compliance by the municipality, but also impacts the organisational morale, performance and non-accountability from the entire municipality.

## **Inability of the Audit Committee's role in performing its statutory mandate**

- The Audit Committee is unable to review the Mid-term term and Mid-Year reports according to the compliance calendar due to Information (Financial and Non-Financial) is not submitted or is submitted late. Making it difficult for an Internal Audit Function to perform its function, so that the AC can perform its necessary oversight. This includes, inputs that needs to be provided for in the IDP process and report therein, before submission to Mayco and Council for approval.

## **Performance Information Functional Unit**

- The municipality used to have an automated Performance Information that allowed the municipality to be efficient in reporting and measuring its performance against the SDBIP. However, the system has since been disbanded, making the process to be manual, hand-intensive with great risk of errors being introduced.
- Lack of staff capacitation thereof, remains an issue that has been raised by Internal Audit Unit, with no tangible action plan from the admiration.

## **The Risk Management Function**

- This function completely collapsed, with the frequent changing Acting positions of Acting Municipal Manager (AMM), with no proper capacitation within the unit. This makes it difficult for Internal Audit Unit to produce an Annual Internal Audit Plan that is informed by a proper risk assessment process that have not taken place the past three financial years. As a result, the 2020/21 Internal Audit Plan was found to be in-adequate in that it was not informed by the Risk Based approach, where Risk Management Function has assessed and provided for both the Strategic and Operational Risk Registers required for monitoring the municipality's risks.

## **Lack of Consequence Management**

- Lack of consequence management continues to erode the culture of accountability, where those who have been to have transgress the law, know that they will not be taken to task.

## **Staff Morale**

Instability in leadership, too much change in the environment has affected the morale of the municipality's staff overall.

## **AC's Comments**

- The AC stated that it can perform its function thoroughly if the Internal Audit, Risk Management function and Performance Information Unit is not well

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capacitated.

- Concern regarding the Risk Management is also of a key concern, especially where concerted effort was made to request National Treasury to assist and guide the municipality of the Risk Assessment Processes. However, due to non-commitment by management, treasury pulled its participation and support thereof. As such there is vacuum left in the Risk Management unit.

## **Resolutions by AC**

The municipality is encouraged to review its overall strategy to focus on the following:-

- Develop and implement the “The Turn-Around Strategic Plan”
- Implement , Monitor and report on the progress of the Mokhare recommendations
- The role and function of Risk Management should be attended to with urgency.
- These matters should be discussed with the Executive Mayor on a continuous basis with implementation action plans attached.

## **Executive Mayor’s Feedback**

Executive Mayor welcomed the presentation by Audit Committee and emphasised on the following matters:-

- SDM was once a performing municipality with clean audit outcomes. Due to changes in the landscape, there has been change in performance and part of the reasons are due to the following:-
- The Powers and Function that the municipality has limits in that its main focus is more on the co-ordination role as opposed to service provision to the community.
- This places huge reliance on grant funding (Equity shares and conditional grants) from Treasury, where 72 % of the grants are allocated to salary of employees.

Action proposed to remediate the current challenges

- Provide stability within the Administration i.e. appoint full-time position in key-strategic position to ensure that there is stability and headway made to fulfil on our mandate.
- The municipality is in the process of engaging with various partners to foster partnership that will contribute to the growth of the district and its economy.
- There is a plan that will revisit the workforce or employees who are 60 years and older to encourage them to take an early retirement or at the retiring age to ensure that we reduce the workforce in an attrition way.
- Continue to monitor closely on the Audit Action Plan to ensure that the issues are being remediated as soon as possible so that we strive towards attaining clean audits.
- Monitor the progress and the implementation of the Mokhare recommendations.

## **Resolution**

- There be a monthly meeting between the EX and the AC to appraise the EX of the New issues identified and follow up on the issues raised previously.

There be an action/resolution list created to track progress thereof

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## Internal Audit's Feedback:-

The IA Manager read through the content of the Audit Committee Report and summarised the following on the effectiveness of controls:

### Effectiveness of internal control

The committee has observed that the overall control environment of the SDM has regressed compared to the previous financial year. There are a number of actions required to be taken by management to improve the status of the SDM internal control environment. It is noted that the recommendations of audit findings for both the AGSA and Internal Audit unit were not adequately attended to by management resulting in repeat and recurring findings by internal Audit and the AGSA

The committee has also noted a number of repeat findings relating to non - compliance with laws particularly in the Supply Chain Management and Contract Management processes. The consistent high levels of Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) remains a matter of concern to the committee. This includes issues that were raised in the Mokhare report, which are still to be resolved with a matter of urgency. The issue of the vacancy rate at senior management level that is not being addressed in a speedy manner remains a matter of concern and has been reported by both the internal audit unit as well Auditor General.

### Performance Information

The committee reviews quarterly performance reports prepared by management as well as performance information review reports conducted by Internal Audit. The reliability and usefulness of performance information is a concern to the committee. The committee further noted a concern relating to Key Performance Indicator (KPI) owners' not adequately complying with the developed performance information KPI Standard Operating Procedures (SOPs), thus exposing the SDM to reporting shortfalls and reputational damage.

The committee is also concerned about the adequacy of the reporting validation procedures applied by the SDM on performance reporting relating to service level performance indicators.

Lastly, the committee remains concerned about the level of performance achieved in the 2020/21 financial year.

Management's effort in bolstering performance and performance information management was noted, however, prolonged vacancies in critical positions coupled with inadequate systems and processes in place were an impediment to the process of achieving the intended objectives of the municipality

### Risk Management

Section 62 (1) (c)(i) of the MFMA requires that:

- "(1) The accounting officer of a municipality is responsible for managing the

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<p>financial administration of the municipality, and must for this purpose take all responsible steps to ensure -</p> <ul style="list-style-type: none"><li>– (c) that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control.”</li></ul> <p>Section 62(1)(d) of the MFMA provides that the Accounting Officer must take all reasonable steps to ensure that unauthorized, irregular, fruitless and wasteful expenditure or other losses are prevented.</p> <p>For the period ended 30 June 2021, the noted the appointment of a risk position. However the committee remains concerned that the risk management function is still not adequately resourced and managed resulting in lapses in the key internal controls.</p> <p>The capacity of the risk management function requires urgent attention to assist the accounting officer to exercise his responsibilities diligently.</p> <p><b><u>Implementation of Corrective Actions</u></b></p> <p>Internal Audit conducted continuous follow-up audit on previous reported audit findings to give reasonable assurance that committed actions plans are adequately and effectively addressing the root causes of the identified control deficiencies.</p> <p>The committee notes and appreciates the establishment of Operation Clean Audit (OPCA) Steering Committee chaired by the Municipal Manager Office, which sit to monitor and hold accountable the respective Senior Managers on the resolution of both internal and external audit findings. However, the activities of the OPCA processed did not timely resolve prior year findings.</p> <p><b><u>Implementation of Consequence Management</u></b></p> <p>The Audit Committee is aware of the processes in place to remediate the findings raised regarding the Consequence Management processes in place. Furthermore, the committee acknowledges that the Consequence Management Policy and the financial misconduct disciplinary board terms of reference as required by law has been tabled to Council. However, there should be plans in place to ensure that the action is taken to avoid repeat findings and non –compliance to regulation.</p> <p><b><u>The Quality of S71 and S52 Reports Submitted in Terms of the MFMA</u></b></p> <p>The Audit Committee is satisfied with the content and quality of S71 and S52 reports prepared and issued by the Municipal Manager during the year under review.</p> <p>The committee raised concerns that, the section 52(d) reports were submitted to the committee after being approved by council. In contravention of section 166(2) of the MFMA</p> <p><b><u>Evaluation of Financial Statements</u></b></p> <p>The Audit Committee has:</p> <ul style="list-style-type: none"><li>▪ Reviewed and discussed the unaudited the Draft 2020/21 Annual Financial Statements (AFS) to be included in the annual report with the Auditor-General</li></ul>
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	<p>and the Accounting Officer;</p> <ul style="list-style-type: none"> <li>▪ Reviewed that there are no changes to the accounting policies and practices;</li> <li>▪ Reviewed the Municipal's compliance with legal and regulatory provisions;</li> <li>▪ The review notes on the draft unaudited AFS were submitted to management</li> </ul> <p><b>The Quality of S71 and S52 Reports Submitted in Terms of the MFMA</b></p> <ul style="list-style-type: none"> <li>▪ The Audit Committee is satisfied with the content and quality of S71 and S52 reports prepared and issued by the Municipal Manager during the year under review.</li> <li>▪ The committee raised concerns that, the section 52(d) reports were submitted to the committee after being approved by council. In contravention of section 166(2) of the MFMA</li> </ul> <p><b>Evaluation of Financial Statements Performance Information Pre-Issuance by the au</b></p> <p>The committee has:</p> <ul style="list-style-type: none"> <li>▪ Reviewed and discussed the audited Annual Financial Statements to be included in the</li> <li>▪ Annual Report, with the AGSA and the Municipal Manager;</li> <li>▪ Reviewed the Draft Audit Report of the AGSA;</li> <li>▪ Reviewed the AGSA's Management Report and Management's response thereto;</li> <li>▪ Noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined</li> <li>▪ Reviewed the Municipality's compliance with legal and regulatory provisions; and</li> <li>▪ Reviewed significant adjustments resulting from the audit.</li> <li>▪ Reviewed the assurance level and the assessment of Assurance Providers with concern</li> <li>▪ The committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the view that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.</li> </ul> <p><b>Auditor-General South Africa</b></p> <p>The committee confirms that it has met with AGSA and there are no unresolved issues with the AGSA.</p>	
23 <sup>rd</sup> February 2022	<p><b>Draft IDP – SPED</b></p> <p>The AC noted the draft IDP, however has raised issues concerning the following issues:-</p> <ul style="list-style-type: none"> <li>- How will the issues relating to Human Resource (HR) issues in SDM enable the capacitation of the Service Delivery issues currently experienced and the support required form the Local District Municipalities?</li> <li>- This included the skills set required to support and fulfil the mandate of the IDP commitments.</li> </ul>	In- Progress

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- From Disaster Management( DR) perspective given where the country is at with regards to Covid 19 pandemic and other natural disaster incidents- how has the IDP- catered for these to ensure there is some coverage in that space.
- District Development Model (DDM):- From DDM perspective - the AC requested clarity with regards to the inclusion and the co-ordination of Disaster Recovery Implementation Activity Plans.
- Furthermore a confirmation was required from Management to ensure that the DDM was understood by all the stakeholders of SDM.

AC also required confirmation from Management to ensure that necessary Risk Assessment processes were been undertaken to ascertain the level of risk appetite that which the municipality is willing to undertake for the period of IDP execution.

## **Draft Budget - Finance**

### **Additional Revenue and Turn-around Strategy:-**

- The Audit Committee noted the Draft budget - although the budget was presented with recommendations – the alternative Income streams were still silent on how the municipality will have additional revenue streams.
- The Unfunded mandates: The AC required clarification in terms of how will that relate to the New DDM given the current challenges.
- The AC is concerned with the deficit in the budget and as such requested Management to elaborate on whether they have considered the retrenchment “early retrenchment packages“ that may be eligible within the legal prescribes.

Airport: The AC requested clarification in terms of the leasing the airport assets to external companies in order to assist the municipality to regain additional funds and reconsider the option of re-selling of the fuel to private other partners

## **General Issues**

The AC requested clarity from management with regards to the following issues:-

- Asset Management and transfer of Emfuleni resources has been finalised given that it has been some time to finalise the hand-over process.
- Skill Audit report- whether what is reported now - it's a new report of a follow up from what was reported previously? This includes the employees that were reported to be transferred from SDM to Emfuleni??

## **Noting of Internal Audit reports as such with amendments.**

- Quarter 3 2021/22 Performance Information Management Report ; Internal Audit
- Asset Management Follow Report – Internal Audit
- Financial Discipline – Follow Up report -Internal Audit
- Audit Action Plan Report

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	<p><b>Risk Management strategic Report</b></p> <p>- The Risk Assessment report to be noted as such with immediate effect of the Risk assessment that needs to be conducted for the New Financial year.</p> <p><b>Status on the Mokhare Report- AED – Corporate Services</b> That issues relating to Mokhare report be reported to Council for resolution</p>	
<p>2022/08/29</p>	<p>Prior the adoption of the agenda The Chairperson of the Audit Committee highlighted that it had been some time since the audit committee had a meeting and that going forward the Audit Committee Meetings should take place as regularly and as scheduled.</p> <p>Audit Committee Member needed clarity before she could participate in the meeting regarding the membership status in the Sedibeng District Municipality Audit Committee since the contracts had expired and if the process of extending the contract will be retrospective and duration of the extension</p> <p>The Chairperson of the Audit Committee Meeting presented the agenda prior for it to be adopted by everyone present. And further proposed that the item number AC/22/005 “adoption of previous minutes” not to be discussed as were no minutes submitted to Audit Committee for approval</p> <p>AGSA requested to add the engagement letter and the strategy document to the agenda of the day. AGSA highlighted that the documents were provided to management the prior the meeting.</p> <p><b>Resolved,</b></p> <p>Management confirmed that they had not yet commenced with the process of the extension for the Audit Committee members and that it was proposed that the duration of the extension will be for the full financial year and furthermore that the extension for the audit committee members will be retrospective.</p> <p>Management confirmed to have received the AGSA’s engagement letter and strategy document: Owing to management’s oversight, the documents were not furnished to the Audit Committee for attention and the Director in the Office of Municipal Manager rendered an apology.</p> <p>Audit Committee member proposed that the AGSA documents be discussed first so that AGSA can be excused should they wish not to sit through the meeting as there is a list of items to be further discussed and could take long.</p> <ul style="list-style-type: none"> <li>➤ The AC chairperson then proposed for adoption of the agenda and an AC member supported the adoption of the agenda as amended.</li> <li>➤ <b>Audit Committee(AC)</b> referenced the utilization of caaTs, stating that the municipality must not be unfairly prejudice, and that the municipality must have access to check and ensure that there are no employees doing business with the state. The municipality should also take note of the tools that AGSA will be using</li> </ul>	<p>In-Progress</p>



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- That AGSA is to revisit the reference to the Public Service Commission for reporting irregularities as it does not apply to the municipalities.
- AGSA is to revisit the legal interpretation or the impact of **protection of personal information Act (POPIA)** in relation to the Public Audit Act, where the act allows an auditor to have an unrestricted access to all other information where as POPIA on the other side prescribes that the data subject must consent to access to information, that does AGSA have a definitive legal opinion with regards to the reference
- AC, raised concerns over the 6% increases that it is too steep and needed clarity on the large sum of money spent on travel within the province taking note that the Municipality does not have other offices that the AGSA will be travelling to.
- AC requested AGSA to confirm that should there be any material irregularities identified they will be raised
- AC, wished to know how management addresses the issues of risk as there are expenses that needs to be considered in the financials relating to supply chain, contract management
- AC, needed confirmation from AGSA and Management if they have understanding with each other in terms of the permissible adjustment and this is due to the fact that the engagement letter and strategy has an element of strictness on the number of adjustments they will allow and the impact of such adjustment as a non-compliance to be reported and as well to find out on the level of flexibility as with regards to the essential core elements of the engagement, if there is a room for AG and Management to agree to disagree on those core elements
- AC requested clarity on the Engagement Letter and Audit Strategy that AGSA has not indicated how they will be evaluating the audit committee, and the approach on how they will handle the matter and the statutory criteria that AGSA will be using, and that I would have been better if it was incorporated in the engagement letter and strategy document so that there are no disputes arising at the end of the audit

## **Resolutions**

- AG with reference to the Public Service Commission will take the information into account as they finalising the reviews of the document
- The issue of POPIA, the information was shared with management in terms of how the AGSA interprets the issue of POPIA, the information obtained for the audit purposes are solemnly for the audit purposes and will not be shared with anybody else other than for the consumption for the audit purposes, AGSA will double check and share the information with the AC members and Management to provide the comfort on how the AGSA will go about dealing with the issue.
- AGSA will be applying the concept for material irregularities in the current year for that first time in Sedibeng District Municipality
- AGSA highlighted that for the past two years they had not have the audit fees increases and (for lack of better words by the presenter) have been having short falls on their side. That AGSA have been auditing and unable to recover all the costs that incurred during the audit furthermore that for the past two financial years there has been requests from the AC and Management for AGSA to try and contain the fees and for those reasons there were no increases as a result. During this financial year AGSA is unable to offer the audit at the same fees due to the rising prices of goods and services
- AGSA added that the audit team will be travelling for full three months and because of the distance between the AGSA offices and Vereeniging and in some instances there will be a need for the team members to be sleeping over at nearby places to the municipality and therefore will incur additional costs with a team compliment (Staff mix) and also subsistence allowance for team working

# Appendices

away from their place of residence when performing the audits hence the subsistence is higher compared to previous years audits and having the 6% increases

- AC recommended that when AGSA submits an invoice it should be accompanied by a log book and the suggestion welcomed by the AGSA.
- AC proposed a revisit on the travelling issue, as AGSA is aware of the austerity measures that apply to municipalities and looking the municipality in question it is seriously constrained
- Management responded and confirmed that they can foresee further engagements and going forward and will be open to engagements with the AGSA, however on the legal related matters there was an agreement that management will be susceptible to follow laws and regulations and on areas where AGSA and Management can engage and find flexibility.
- AGSA responded with an emphasis that should there be disagreements with Management there is escalation methods outlined in the engagement letter and audit strategy document and also the use of platforms such as audit steering committee meetings to deliberate on matters that will come out during and should there be differences it may enable early detection and to deal with issues as they arise,
- AGSA outlined that they will be very strict and will be granting management one opportunity in making corrections to the financial statements and the Annual Performance Report and that the opportunity granted by AGSA should be used wisely that all adjustments that will need to be processed are done correct and accurately, And that
- There seems to be an overreliance from the auditees where audit process keeps on picking up issues and get corrected the quality process from the audit perspective is compromised and for the current year there will be instances where management may not be granted second opportunity to make corrections and that there was a letter shared by AGSA to Management on the day indicating those instances where AGSA might have identified significant internal control deficiency reported in the current and previous years and for these reasons AGSA might not be granting opportunities to management.
- AC made emphasis that the management should avoid unnecessary disputes and make upfront disclosures where they are having challenges for whatever the reason may be and to give AGSA comfort that whatever that AGSA will test they will both come out with the same conclusion.
- AC, requested AGSA and Management to be close to the process to try and resolve issues as they arise and should not wait until the end of the process to address issues
- AC raised the issues of consistency to be applied throughout the audit and quality assurance and any other review before sign off that can AGSA deal with all upfront and not at the tail of the audit
- Management confirmed that the municipality is ready and committed to ensure added effort to be able to make the monthly payments to the AGSA considering the financial position of the municipality, and there will be some movements and push on some of the bigger revenue space of the municipality i.e. Licensing and cannot comfortably say that it's a budgeted and payment plans that will be smooth sailing.
- Management responded to say that there are direct responses that are noted down as far as the action plans are concerned, that some of the risks have been completed significantly and some will be completed in due course, that management will disclose all areas that still remains a challenge.
- AGSA will be assessing the audit committee based on what the Audit Committee is responsible for and whether the AC has conducted what they were responsible for and in doing so will be checking the impact of the Audit committee in terms of the overall outcome of the municipality.

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- AC members approved the documents with subject to amendments and more emphasis on the issue of audit fees

## **Annual Financial Statements**

Mr. C. Steyn: SDM **Acting Chief Financial Officer** presented the Annual Financial Statements

Audit Committee noted the following on the Statement of financial Position that,

- Page 5, The Inventory was noted as zero balance, and AC needed clarity on what is the plan, and if it came to that stage due to affordability or strategic decision by the Municipality not to run the Aerodrome any longer, furthermore that what will happen to the land and also the risks of keeping the fuel tanks empty furthermore how those risks are mitigated
- Receivables that are impaired each year at an amount of 954K what actions have been taken by management have to collect the revenue as the municipality is endured by the PFMA to collect all revenue due to the state and what has management done to demonstrate that.
- AC requested finance to check if there are no disclosure to statement or accounting standards issued

with regards to heritage assets.

- Page 38, Note 33, contingent assets and liabilities, in the “matters of emphasis” in the audit report it was noted that there were matters of law suit and cases against the municipality and nothing has been shown of the face of the Annual Financial Statements and how it was dealt with
- Page 26, Property Plant Equipment during the current year it did not have disposables and whether that was it an error or that nothing was disposed in the current year and how was the issue of assets that had R1, R100 and those with zero value dealt with
- Page 28 what transactions are “unprocessed bank transactions”
- Page 29 management to provide reasons for the increase in unclaimed salaries and unknown deposits and that does the municipalities have policies in place to give guidance to ensure that the unknown deposits are written off as there was no movement for some time
- Page 30 management to provide reasons for the licensing permits tax revenues decrease
- Page 33 that management to add all totals as they were not balancing
- Note 35, correction to be made with the financial year 2021 to 2022
- Note 4.8 and 4.9 move up above note 49.9

Audit Committee noted the following on the Statement of Financial Performance

- Page 23, Note number 14.1.1 AC needed clarity on transaction relating to the income received on behalf of department of transport whether it is immediately credited as revenue and the cash is kept at the bank and at what stage does finance raise the account payable to the agency and also what transaction are involved in that process.
- Further clarity on the percentage that is kept by the municipality and that the 65million revenue from the transport department is included in the revenue and how is the liability raised by the municipality and what are the transactions involved in that process.
- That are the internal controls on the contracted services in place and all contracts are valid

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- Page 35, Note 26 cost containment not included on the line items
- Accounting policies on impairment on plant and equipment as omitted
- Page 26, Note 2 Why is there impairment on plant and equipment as the lifespan is 5 years that what could have happened in between the 5 years that calls for impairment which is over and above the depreciation, and that 5 years is a reasonable time to be able to manage any plant and equipment to an extent that there may not be a need to impairment
- Leave payable amount is too high, and the amount is equivalent to two months and in order for the municipality to reduce the amount, it was suggested that the municipality can use the lockdown strategies and alternate employees to take leave in order to reduce the cost.
- Aerotropolis- What is meant to be done with the grant and who provides the grant to the municipality
- Typing error Note 10, "grant received by Emfuleni" to be changed to "grant received from Emfuleni"
- Page 33, Note 21 Employee related cost and councilor remuneration has decreased in the current year and AC wished to know the effect and what was done differently in the current financial year.
- Insert rand sign on the top of AFS amounts
- Note 2, Why was there depreciation on land and which land is it
- Note 4 it was suggested that the cost, impairment and the carrying amount balance be shown in the reconciliation as well to be able to see that the current value was reduced
- Where there was no comparative figures for 21/ 22 finance needs to clean and remove those notes
- Page 29 Note 8 ,Why the 40 825K cash on hand keep
- Page 43, Note 38 clarity on Fruitless expenditure amounts at bottom if its Interest on municipal bills
- Page 31, Note 13 why the drastic increase in comparison with previous financial year
- Page 32, agricultural grant it stated as 2,5 million years ago and now it has significantly shrunk
- Page 35, Note 24 lease rentals reasons for the large amount under adhoc line item
- Under the Contracted services the concern is over the cost containment and that it does not give one comfort that cost containment is practiced throughout and expenditure items such as catering was still taking place, that what events does the municipality cater for?
- Page 39, Note 32,2 no office lease line item that, where are the offices located now as there is no lease agreements
- Note 40,7 COVID-19 impact and related expenses, AC needed clarity on the breakdown of expenses incurred and that is there figure related to in terms of the financials statement R 1 083 385
- AC posed a question to management in relation to the issue of the recurring findings that, what effort was made by management to go back to all the findings that occurred previous year

## **Resolved**

- The grant is from the Gauteng Department Economic Development and is for the municipality to conduct a feasibility study on the possibility of having an Aerotropolis, in the region and to ascertain whether or not it would be viable for the region to have an Aerotropolis and the sole purpose of the airport is to offload the cargo for the OR Tambo international Airport and added to that is to develop the region taking into account the city river vision.

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- AC general comments that it would be helpful for the reader to expand the explanation notes under the captions on notes discussed to further elaborate on the line items
- AC requested clarity as to where are the employees working from? Those are they working? Is there mechanisms in place to monitor them since are no office space?
- Management responded to say that, the strategy of trying to have and Aerotropolis within the area and the strategy is linked to the river city plan that is currently being implemented and also linked to the revival of the recovery of the aerodrome to the bigger airport which will also be addressing the needs within the area that,
- Aerodrome currently is non-functional to the extent that the fuel license has expired and also no landing is taking place due to non-compliance. The immediate intervention as management was engaging with the relevant departments was on the financial interjection for assistance because of the said bigger plans. There is commitment from the Department of Transport for assistance on the issue of re-establishing the operation of the airport
- The recommendations on by the AC on leave issue will be highly considered and that Management has developed a work from home policy and will be tabled in the next council meeting
- There are 108 total numbers of employees whom occupied the two buildings, some of those employees are working from home and others have been accommodated in the open plan offices in different directorates and are fully operational. There is an ongoing intervention program called “Ba Kae” developed by management to gradually bring back the employees and or to provide the tools of trade for those employees. There are three open spaces that have been identified and there will be a need to revamp, re-assemble and organize the furniture. The municipality will be going out on a bid for assistance with re assembling the furniture
- During the movement some of the furniture was damaged and
- AFS was recommended and seconded to council for approval with subjects to issues that needed to be rectified by the finance team and for Municipal Manager to take responsibility for the rectification of those issues.

## Resolution

- Management confirmed that performance management report under review will be revised under the same KPI's set as it was approved and implemented and that for the financial year 2022/23 management has revisited SDPIP and all KPI's with the participation of all clusters and have attempted to resolve all issues raised by AC and AGSA.
- AC recommended and advised that since management has a plans going forward and in order not to waste time, effort and spend money that management take a disclaimer approach. The earliest that the municipality has a full complement of senior management there is a need to go back to a pm reporting framework, plans and policies that are proper, a system to report and to provide sufficient training for employees to take responsibility for performance
- AC noted on the pm excel spreadsheet report instances where there is disagreements between the pm and internal audit that there should be consensus between units before they are tabled at AC meeting.
- Growth angle approach by AC total by in at, for that road intensive consultation especially a political level

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	<ul style="list-style-type: none"> <li>➤ Disclose upfront to AGSA and have agreements</li> <li>➤ Proposal and initiate the relevant engagement with the support of AC</li> <li>➤ AC Cost benefit analysis and that is the reason for the approach</li> </ul> <p><b>It was concluded that,</b></p> <ul style="list-style-type: none"> <li>➤ Management should in future grant the AC sufficient time to prepare for the next coming AC meetings in order to be able to accomplish what is on the agenda on time and for a successful meeting</li> <li>➤ AC, Wished management the best with the audit and that they should be open minded and accept findings that will be raised and to consider them to be a system and administration enhancement for the municipality</li> </ul>	
28 November 2022	<p><b><u>AC requested clarity on the following:</u></b></p> <ul style="list-style-type: none"> <li>- Confirm if there are any outstanding issues and disputes and unresolved issues, which there was none except for the updated to AFS to be sent.</li> <li>- AC indicated that the MR Report itself is comprehensive in nature based on classification</li> <li>- AC indicted that Risk – must be allocated to the MM –with oversight responsible on AC – IA is not responsible for coordinating risk activities but to review. Risk is the responsibility of the CRO</li> <li>- AC sought clarity on whether the report was discussed with the Executive Mayor So that are aware on these matters incl. MPAC where their oversight was not effectively exercised</li> <li>- AC noted that it did not influence for the positive audit outcome however based on the stagnation on progress- findings on either than Non compliance, unauthorised and irregular expenditure vs matters of emphasis ( e.g uncertain in the cases, financial instability ) AC required in terms of whether these will included in the report.</li> <li>- Chairperson requested input from AC Members - members added that audit outcome of unqualified with findings for 3 consecutive financial years is a concern and as such intervention is required. Furthermore matters of emphasis not included on the MR report ( i.e. contract Management and Assets Management should be reconsidered to be included in the report,</li> </ul> <p><b><u>Chairperson indicated the following:-</u></b></p> <ul style="list-style-type: none"> <li>- The unfunded budget not elevated as a biggest issue given that it was raised for a number of years</li> <li>- Risk Management is the responsibility of the Accounting Officer – should be highlighted where there is a gap it must be highlighted</li> <li>- CSD – always been used – as public institution should be on the csd and as asuch SDM employees are always identified in there already.</li> <li>- Any outstanding –and unresolved issues in place to ensure that these are closed off before –closed off of the audit.</li> <li>-</li> <li>- Acting Chief Financial Officer (ACFO) will re-submit the adjusted AFS and this will be based on the AGSA's checklists that will assist in collating and correcting the errors raised, particularly on the “irregular expenditure” items raised.</li> <li>- AC recommended that the issues raised should also not be based on remedial action but also to look at the “root Causes” to enable management to implement effective solutions.</li> <li>- MM confirmed that the issues were extensively and intensively discusses wit In</li> </ul>	In-Progress

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as far as indicating to have a “Disclaimer” approach for where the performance information was not forthcoming or in a manner required – what was AGSA’s approach in ensuring that no further testing is done given that information provided was not adequate. This is to ensure that no further work is done and additional costs incurred.

- Where there are material misstatements identified on the AFS – Management should ensure that there is a process in place to identify areas where the “opening balances” will be impacted and these should be verified accordingly.
- 
- The KPI’s and targets will be adjusted as such.
- The Capacity and Capability issues in the Performance Information Unit will be re-defined. This includes the updating of the Standard Operating Procedures.
- AC recommended that key commitments be finalised to ensure that Council is assisted with implementing remedial actions and to ensure the strengthening of the internal controls.
- It was confirmed that there were no further disputes to be discussed.
- AGSA was also requested to confirm whether a Status of Readiness Review was conducted prior to the audit and whether the “Key Commitments” identified by AC are in line with their recommendations:-
  - o AGSA indicated that the state of readiness review was not conducted subsequent to the challenges experienced in 2020/21 pandemic. However with things going back to normal- SDM will definitely benefit from this exercise however depending on whether management has implemented the controls

## Meeting with Executive Mayor

- AC recommended that the MM facilitates the process to ensure that the AGSA and EX discuss the reports before the final dates.
- 
- AC accepts the MR, and where there are challenges these must be communicated on time
- ACFO will ensure to update any differences on the AFS;s
- AGSA was requested to confirm the state of the report based on the adjustment required.
- MM confirmed the audit process went according to the audit strategy.
- Chairperson indicated that it’s the biggest report issues.. AC appreciated the effort and working close with Management, especially the newly appointed Accounting Officer.

## Resolutions

- An Audit report should be prepared to council highlighting key major issues:-
  - o Compliance issue including UIWE – should be noted
  - o Mokhare issues that are still outstanding and council should resolve accordingly
  - o Finalise appointment of Senior Management
  - o Risk Management processes and embedding the processes should be implemented
  - o Assisted capacity and support to Internal Audit
  - o Performance evaluation of Senior Managers must be in place
  - o Preparations of the draft Annual Report should be implemented to enable the oversight committees to exercise their duties.
-

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## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

None

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

None

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
	Lerato Franscina Maloka	Not declared
Member of Mayco/Exco		
	MMC Ndwandwe Nkosinathi	Not declared
	MMC Veronica Radebe	Declared
	MMC. Lulama Shirley-Ann Gamede	Not declared
	MMC Mmadisebo Lucia Khomoeasera	Declared
	MMC Busang Joshua Tsotetsi	Not declared
	MMC Bheki Mkhize	Declared
	MMC Nkubi Frances Mokhele	Not declared
	MMC Jimmy Sandile Mochawe	Declared
Councillors		
	Mgidi Issac Khithika	Declared
	Ntshadi Sarah Mamaseli	Declared
	Mmakhumalo Nakana	Declared
	Shawn Mohono	Not declared
	Mzwakhe Mapeyi	Not declared
	Lindiwe Tshehla	Not declared
	Phil Gomes	Not declared
	Lynda Parsonson	Not declared
	Thabo Duncan Motsoane	Not declared
	Sibusisu Dyonase	Declared
	Grace Damon	Declared
	Jabulani Simon Msibi	Not declared
	Thandi Mthimkhulu	Declared
	Freddie Wilhelm Peters	Declared

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Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
	Marianna Kruger	Not declared
	Salome Janse Van Rensburg	Not declared
	Tebego Tlhokwe	Not declared
	Prudence Hlanyane	Not declared
	Lehlohonolo Motloung	Not declared
	Tumelo Ramongalo	Not declared
	Duncan Nkosi Mthembu	Not declared
	Gerry Holtzhausen	Declared
	Hein Van Der Lith	Declared
	Riaan Lubbe	Declared
	Mcedisi Vincent Jones	Not declared
	Mbuyiselo Daniel Kantso	Not declared
	Sethlare Petrus Mahlasela	Not declared
	Nkubi Frances Mokoena	Not declared
	Moipone Lydia Modikeng	Not declared
	Lerato Franscina	Not declared
	Andiswa Charlene	Declared
	Yusuf Joseph Mahommed	Declared
	Serame Frederik Archie Mokonane	Declared
	Cynthia Thembi Buthongo	Not declared
	Mamohale Emmarentia Fatima-Zahra Moloji	Not declared
	Mathabo Agnes Dondolo	Not declared
	Thandi Maria Khoza	Not declared
	Jacob Rebone Tladi	Not declared
	Moti Yongama	Not declared
	Sibongile Judith Naapo	Not declared
	Sefatsa Sefatsa	Not declared
	Mgidi Issac Khithika	Declared
	Ntshadi Sarah Mamaseli	Declared
Municipal Manager		
	Mr. Motsumi Mathe	Declared
Chief Financial Officer		
	Mr. Charles Steyn	Not declared
Executive Directors		
	Mr. M. Makhutle	Not declared
	Ms. J. Medupe	Not declared
	Mr. Bheki Ngobese	Not declared
	Ms. Teboho Mutlaneng	Not declared
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		

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## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year -1	Current: Year 0		Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 01 - Executive & Council	–	–	–	–		
Vote 02 - Budget & Treasury	286,029	289,379	290,271	317,037	9%	8%
Vote 03 - Corporate Services	11,635	11,726	11,958	10,547	-11%	-13%
Vote 04 - Roads And Transport	64,893	71,680	71,680	66,529	-8%	-8%
Vote 05 - Planning & Development	–	2,489	2,489	2,489	0%	0%
Vote 06 - Community & Social	13,662	13,895	12,965	7,740	-80%	-68%
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
<b>Total Revenue by Vote</b>	<b>376,219</b>	<b>389,169</b>	<b>389,363</b>	<b>404,342</b>	<b>3.75%</b>	<b>3.70%</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>This table is aligned to MBRR table A3</i>						T K.1

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## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates							
Property rates - penalties & collection charges							
Service Charges - electricity revenue							
Service Charges - water revenue							
Service Charges - sanitation revenue							
Service Charges - refuse revenue							
Service Charges - other	-	-	-	-			
Rentals of facilities and equipment	3	555	278	316	-75%	12%	
Interest earned - external investments	1,718	1,035	2,003	1,847	44%	-8%	
Interest earned - outstanding debtors							
Dividends received							
Fines							
Licences and permits	2,351	1,575	1,575	174	-805%	-805%	
Agency services	62,115	71,680	71,680	66,529	-8%	-8%	
Transfers recognised - operational	293,453	306,054	307,897	302,367	-1%	-2%	
Other revenue	13,879	8,130	5,890	33,108	75%	82%	
Gains on disposal of PPE	58	100	-	-	0%	0%	
Environmental Protection							
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>373,575</b>	<b>389,129</b>	<b>389,323</b>	<b>404,342</b>	<b>3.76%</b>	<b>3.71%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						T K.2	

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

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Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management grant	1,200,000	1,200,000	1,200,000	0%	0%	Financial Management and Internship support
Expanded Public Works Programme	1,023,000	1,023,000	1,023,000	0%	0%	Training of unskilled community
Rural roads Asset management grant	2,489,000	2,489,000	2,488,649	0%	0%	Rural roads assessments
HIV and AIDS	11,148,000	11,454,000	10,069,509	-11%	-14%	HIV and AIDS awareness
Sport and recreation	2,654,000	2,654,000	1,491,162	-78%	-78%	Community training and development
National Youth Development	-	550,000	550,000	100%	0%	Community training and development
<b>Total</b>	<b>18,514,000</b>	<b>19,370,000</b>	<b>16,822,320</b>			
<p>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</p>						T L

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

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## APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<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>	2,237	1,500	223	204	500	450	-	
General vehicles	2,237	1,500	223	204	500	450		
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<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 new assets</b>	2,237	1,500	223	204	500	450	-	
<b>Specialised vehicles</b>	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

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## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Infrastructure - Total</b>	-	-		-	-	-	-	
Infrastructure: Road transport -Total	-	-		-	-	-	-	
<i>Roads, Pavements &amp; Bridges</i>								
<i>Storm water</i>								
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-	
<i>Generation</i>								
<i>Transmission &amp; Reticulation</i>								
<i>Street Lighting</i>								
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-	
<i>Dams &amp; Reservoirs</i>								
<i>Water purification</i>								
<i>Reticulation</i>								
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-	
<i>Reticulation</i>								
<i>Sewerage purification</i>								
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-	
<i>Waste Management</i>								
<i>Transportation</i>								
<i>Gas</i>								
<i>Other</i>								
<b>Community</b>	-	-		-	-	-	-	
Parks & gardens								
Sportsfields & stadia								
Swimming pools								
Community halls								
Libraries								
Recreational facilities								
Fire, safety & emergency								
Security and policing								
Buses								
Clinics								
Museums & Art Galleries								
Cemeteries								
Social rental housing								
Other								
<b>Heritage assets</b>	-	-		-	-	-	-	
Buildings								
Other								
<i>Table continued next page</i>								

# Appendices

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Investment properties</b>	-	-	-	-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	3,300	870	1,920	1,431	670	670	-	
General vehicles								
Specialised vehicles								
Plant & equipment	269			66				
Computers - hardware/equipment	2,418	690	1,641	1,204	490	490		
Furniture and other office equipment	417	180	279	161	180	180		
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings	196							
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>	157	-		170	-	-	-	
Computers - software & programming	157			170				
Other (list sub-class)								
<b>Total Capital Expenditure on renewal of existing assets</b>	3,457	870	1,920	1,601	670	670	-	
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Not applicable

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Not applicable



# Appendices

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable

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

Not applicable

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Not applicable

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not applicable

# Volume II

VOLUME II: ANNUAL FINANCIAL STATEMENTS



**Sedibeng District Municipality  
Annual Financial statements  
for the year ended 30 June, 2022**

## General Information

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<b>Nature of business and principal activities</b>	District Municipality – DC42
<b>Capacity of Municipality</b>	Medium capacity municipality
<b>Accounting Officer</b>	Mr. FM Mathe – Appointed 01 May 2022
<b>Chief Financial Officer</b>	Mr. CE Steyn – Acting
<b>Registered office</b>	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
<b>Business address</b>	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
<b>Postal address</b>	PO Box 471 Vereeniging 1930
<b>Bankers</b>	Nedbank (Primary Account) Standard Bank (previous primary banker)
<b>Auditors</b>	Auditor-General of South Africa
<b>Executive Mayor</b>	Councillor LF Maloka
<b>Speaker</b>	Councillor ML Modikeng
<b>Chief Whip</b>	Councillor MEFZ Moloji
<b>Members of Mayoral Committee</b>	Councillor JS Mochawe Councillor BJ Tsotetsi Councillor NG Ndwandwe Councillor NF Mokoena Councillor BM Mkhize Councillor ML Khomoeasera Councillor V Radebe Councillor LSA Gamede

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

## Index

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The reports and statements set out below comprise the financial statements presented to council:

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### Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MMC	Member of the Mayoral Committee
MFMA Act	Municipal Finance Management Act (act 56 of 2003 as amended)
MIG	Municipal Infrastructure Grant
GAMAP	Generally Accepted Municipal Accounting Practice
PPE	Property Plant and Equipment
SCM	Supply Chain Management

## Accounting Officer's Responsibilities and Approval

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

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

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

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


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

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

Every effort has been made to implement the austerity measures which has resulted in restriction of expenditure in certain areas in the financial statements.

We realized that it cannot be business as usual, the District Municipality will have to reduce the list of operations especially the employee cost.

The financial statements set out on pages 7 to 47, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August, 2022 and were signed on its behalf by:



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Mr. MF Mathe  
Municipal Manager

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

## Performance and Audit Committee Annual Report

### Performance and Audit Committee Annual Report

We are pleased to present the Annual Audit Committee Report for Sedibeng District Municipality for the financial year ended 30 June 2022. The Audit Committee is an independent statutory committee appointed by the Council. Duties performed by the committee are in line with the approved committee Terms of Reference as outlined in section 166 of the Municipal Finance Management Act. Integrated Independent Oversight.

#### Audit Committee Responsibility.

The committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, Act 56 of 2003 as amended and as per approved audit committee charter.

#### Integrated Independent Oversight

The Audit committee is established as an independent oversight and advisory body, to advise SDM, Municipal Council ("Council"), Executive Mayor and Mayoral Committee, Accounting Officer and the Management of SDM on governance, risk management and internal controls. The chairpersons report on a quarterly basis, on matters to the Council.

The committee further reports that it has exercised its oversight over the planning and reporting cycles in accordance with the in year reporting requirements as set out in its charter requirements by reviewing the financial reports, performance information, risk management reports and general compliance with laws and regulations.

#### Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder as well as meeting attended for the FY. The management team, representatives from the internal auditors and external auditors were standing invitees to the committee meetings.

Name of AC Members	Date Appointed	Date of Committee Attendance
Ms. N. Jaxa ( Chairperson)	June 2019	30 <sup>th</sup> November 2021 24 <sup>th</sup> January 2022 27 <sup>th</sup> January 2022 <b>23<sup>rd</sup> February 2022</b> 23 <sup>rd</sup> May 2022
Mr. S. Mofokeng (Deputy Chairperson)	November 2017/ July 2019	30 <sup>th</sup> November 2021 24 <sup>th</sup> January 2022 27 <sup>th</sup> January 2022 <b>23<sup>rd</sup> February 2022</b> 23 <sup>rd</sup> May 2022
Ms. T. Thebi	November 2017/ July 2019	30 <sup>th</sup> November 2021 24 <sup>th</sup> January 2022 27 <sup>th</sup> January 2022 <b>23<sup>rd</sup> February 2022</b> 23 <sup>rd</sup> May 2022
Ms. s. A. Socatcha	June 2019	30 <sup>th</sup> November 2021 24 <sup>th</sup> January 2022 27 <sup>th</sup> January 2022 <b>23<sup>rd</sup> February 2022</b> 23 <sup>rd</sup> May 2022

#### Effectiveness of Internal Control

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

The committee has acknowledged the appointment of the permanent Accounting Officer (Municipal Manager), which will establish a stable internal control environment to the municipality. However the committee has also noted that the overall control environment of the SDM has regressed for the past three (3) FY i.e. (2019/20, 2020/21 & 2021/22 FY. There are a number of actions required to be taken by management to improve the status of the SDM internal control environment. It is noted that the recommendations of audit findings for both the AGSA and Internal Audit unit were not attended to by management resulting in repeat and recurring findings by internal Audit and the AGSA. The committee has also noted a number of repeat findings relating to non-compliance with laws particularly in the Supply Chain Management and Contract Management processes. The consistent high levels of Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) remains a matter of serious concern to the committee. The issue of the vacancy rate at senior management level that is currently being addressed has impacted the management of the internal controls and should be prioritized in a speedy manner. This issue remains a matter of concern and has been reported by both the internal audit unit as well Auditor General.

## The Audit of Internal Controls and Performance Information

The committee reviews quarterly performance reports prepared by management as well as performance information reports developed by Internal Audit. The reliability and usefulness of performance information continues to be of concern to the committee. The committee further noted a concern relating to Key Performance Indicator (KPI) owners' not adequately complying with the developed performance information KPI Standard Operating Procedures (SOPs), thus exposing the SDM municipality to reporting shortfalls, which has reputational damage impact. The committee is also concerned about the adequacy of the reporting validation procedures applied by the SDM on performance reporting relating to service level performance indicators, which is attributed to capacity and capability challenges in the PI Function. Lastly, the committee remains concerned about the overall level of performance achieved in the 2021/22 financial year.

Management's effort in bolstering performance and performance information management was noted, however, prolonged vacancies in critical positions were an impediment. Risk Management Section 62 (1) (c)(i) of the MFMA requires that: - The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure that: - the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control." - Section 62(1)(d) of the MFMA provides that the Accounting Officer must take all reasonable steps to ensure that unauthorized, irregular, fruitless and wasteful expenditure or other losses are prevented. For the period ended 30 June 2022.

The committee noted the appointment of risk Management position. However the committee remains concerned that the risk management function is still not adequately resourced and managed resulting in lapses in the key internal controls. The capacity of the risk management function requires urgent attention to assist the accounting officer to exercise his responsibilities diligently.

## Implementation of Corrective Actions

Internal Audit conducted continuous follow-ups on previous reported audit findings to give reasonable assurance that committed actions plans are adequately and effectively addressing the root causes of the identified control deficiencies. The committee urges the municipality to re-instate its Operation Clean Audit (OPCA) Steering Committee chaired by the Municipal Manager's Office, which should convene and commit to monitor and hold accountable the respective Executive Director on the resolution of both internal and external audit findings.

## Implementation of Consequence Management

The Audit Committee is aware of the processes in place to remediate the findings raised regarding the Consequence Management processes in place. Furthermore, the committee acknowledges that the Consequence Management Policy and the financial misconduct disciplinary board terms of reference as required by law, has been tabled to Council. However, there should be plans in place to ensure that the outcomes of Consequence Management and FMDB processes are implemented to avoid not only reporting of repeat findings but also non-compliance to regulation. The recommendations by the Mokhare investigation should be implemented and monitored accordingly.

The Quality of S71 and S52 Reports Submitted in Terms of the MFMA The Audit Committee is satisfied with the content and quality of S71 and S52 reports prepared and issued by the Municipal Manager during the year under review.

## Evaluation of Financial Statements

The Audit Committee has: -

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed that there are no changes to the accounting policies and practices
- Reviewed the Municipal's compliance with legal and regulatory provisions
- Reviewed the Municipal's compliance with legal and regulatory provisions;

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

- Evaluation of Financial Statements The committee has: - Reviewed and discussed the audited Annual Financial Statements to be included in the - Annual Report, with the AGSA and the Municipal Manager;
- - Reviewed the Audit Report of the AGSA; -
- Reviewed the AGSA's Management Report and Management's response thereto; -
- Noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined - Reviewed the Municipality's compliance with legal and regulatory provisions; and –
- Reviewed significant adjustments resulting from the audit. The committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the view that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

## Auditor-General South Africa

- The committee confirms that it has met with the AGSA and that there are no unresolved issues. Appreciation The Audit Committee appreciates the assistance and cooperation of management in assisting the Audit Committee to discharge its responsibility



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Chairperson of the Audit Committee Date: 21<sup>st</sup> January 2023

## Accounting Officer's Report

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The accounting officer submits his report for the year ended 30 June 2022

### 1. Incorporation

The municipality was incorporated on 1 January 1988 and obtained its certificate to commence business on the same day.

### 2. Accounting policies

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

### 3. Accounting Officer

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

Name	Nationality	Appointed
Mr. Fairbridge Motsumi Mathe	RSA	1 May 2022

### 4. Bankers

Nedbank Ltd is the appointed Municipality's primary banker.



# Sedibeng District Municipality

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 as restated
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	-	363,157
Receivables from exchange transactions	6	8,034,693	1,964,976
VAT receivable	7	-	70,989
Cash and cash equivalents	8	18,428,534	10,180,591
		<b>26,463,227</b>	<b>12,579,713</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	88,482,980	97,635,601
Intangible assets	3	1,221,945	1,874,950
Heritage assets	4	4,894,941	4,894,941
		<b>94,599,866</b>	<b>104,405,492</b>
<b>Total Assets</b>		<b>121,063,093</b>	<b>116,985,205</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Unspent conditional grants and receipts	9	16,574,216	20,578,812
Operating lease liability		-	86,774
VAT payable	11	395,411	-
Payables from exchange transactions	10	212,661,772	217,224,747
<b>Total Current Liabilities</b>		<b>229,631,399</b>	<b>237,890,333</b>
<b>Total Liabilities</b>		<b>229,631,399</b>	<b>237,890,333</b>
<b>Net Assets</b>		<b>(108,568,306)</b>	<b>(120,905,128)</b>
<b>Net Assets</b>			
Accumulated (deficit) /surplus		(108,568,306)	(120,905,128)

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

## Statement of Financial Performance

Figures in Rand

	Note(s)	2022	2021 as restated
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		1,544,149	2,689,618
Rental of facilities and equipment	13	316,432	225,220
Agency services	14	66,529,039	68,732,595
Other income	17	1,487,860	1,351,279
Interest received - investment	18	1,847,215	1,717,724
Commission received	16	3,402,962	2,997,520
Gain on disposal of assets		-	15,587
Inventories adjustment		-	7,031
<b>Total revenue from exchange transactions</b>		<b>75,127,657</b>	<b>77,736,574</b>
<b>Revenue from non-exchange transactions</b>			
<b>Non-exchange revenue</b>			
Licenses and permits	15	174,000	2,351,000
Government grants & subsidies	20	302,367,320	296,096,293
Services received in kind	19	26,672,926	
<b>Total revenue from non- exchange transactions</b>		<b>329,214,246</b>	<b>298,447,293</b>
<b>Total revenue</b>	12	<b>404,341,903</b>	<b>376,183,867</b>
<b>Expenditure</b>			
Employee related costs	21	(290,788,716)	(293,774,621)
Remuneration of councillors	22	(12,271,405)	(12,448,450)
Depreciation and amortisation	23	(11,489,080)	(12,438,191)
Lease rentals on operating lease	24	(5,992,731)	(7,897,690)
Debt Impairment	25	-	(5,476)
Contracted services	26	(35,311,551)	(38,199,642)
Impairment loss		(122,177)	(214,609)
Inventory losses/ write-downs		(15,728)	-
Cost of sales	28	(1,228,657)	(2,487,682)
General Expenses	27	(34,785,040)	(35,931,111)
<b>Total expenditure</b>		<b>(392,005,085)</b>	<b>(403,397,473)</b>
<b>Operating surplus / (deficit) for the year</b>		<b>12,336,818</b>	<b>(27,213,606)</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

## Statement of Changes in Net Assets

Figures in Rand	Note	Accumulated surplus	Total net assets
<b>Opening balance as previously reported</b>		(93,920,960)	(93,920,960)
Correction of errors	34.1	229,442	229,442
<b>Balance at 1 July, 2020 as restated*</b>		<b>(93,691,518)</b>	<b>(93,691,518)</b>
Changes in net assets			
Surplus (Deficit) for the year		(27,213,606)	(27,213,606)
Total recognised income and expenses for the year		(27,213,606)	(27,213,606)
<b>Opening balance as previously reported</b>		<b>(121,134,566)</b>	<b>(121,134,566)</b>
Correction of errors	34.1	229,442	229,442
<b>Balance at 1 July, 2021 as restated*</b>		<b>(120,905,124)</b>	<b>(120,905,124)</b>
Surplus (Deficit) for the year		12,336,818	12,336,818
<b>Balance at 30 June, 2022</b>		<b>(108,568,306)</b>	<b>(108,568,306)</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

## Cash Flow Statement

Figures in Rand

	Note(s)	2022	2021 as restated
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants & subsidies		298,362,724	301,627,000
Interest income		1,847,215	1,717,724
Other receipts		3,578,341	10,715,580
Receipts from Agency services (GDRT)		65,963,364	62,114,834
Receipts held on behalf of principal (GDRT)		219,246,249	212,007,927
Receipts from Commission (Fresh Produce Market)		3,402,962	2,997,520
Receipts held on behalf of the principal (Fresh Produce Market)		65,201,957	56,982,461
		<b>657,602,812</b>	<b>648,163,046</b>
<b>Payments</b>			
Employee costs		(305,360,482)	(306,223,071)
Suppliers		(75,070,889)	(90,777,360)
Total Payments (GDRT)		(201,963,176)	(192,084,103)
Payments Fresh Produce Market		(65,154,692)	(59,713,304)
		<b>(647,549,239)</b>	<b>(648,797,838)</b>
<b>Net cash flows from operating activities</b>	30	<b>10,053,573</b>	<b>(634,792)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1,635,477)	(5,536,647)
Proceeds from sale of property, plant and equipment		-	35,649
Purchase of other intangible assets	3	(170,153)	(156,771)
<b>Net cash flows from investing activities</b>		<b>(1,805,630)</b>	<b>(5,657,769)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,247,943</b>	<b>(6,292,561)</b>
Cash and cash equivalents at the beginning of the year		10,180,591	16,473,152
<b>Cash and cash equivalents at the end of the year</b>	8	<b>18,428,534</b>	<b>10,180,591</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

## 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

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Sale of goods	3,750,000	(2,263,733)	1,486,267	1,544,149	57,882
Rental of facilities and equipment	555,000	(277,287)	277,713	316,432	38,719
Agency services	71,679,896	-	71,679,896	66,529,039	(5,150,857)
Commissions received	3,456,154	-	3,456,154	3,402,962	(53,192)
Other income - (rollup)	924,141	23,771	947,912	1,487,860	539,948
Interest received - investment	1,035,023	967,543	2,002,566	1,847,215	(155,351)
<b>Total revenue from exchange transactions</b>	<b>81,400,214</b>	<b>(1,549,706)</b>	<b>79,850,508</b>	<b>75,127,657</b>	<b>(4,722,851)</b>

##### Revenue from non-exchange transactions

Licenses and permits	1,575,000	-	1,575,000	174,000	(1,401,000)
Government grants & subsidies	306,054,190	1,843,000	307,897,190	302,367,320	(5,529,870)
Services received in kind	-	-	-	26,672,926	26,672,926
<b>Total revenue from non-exchange transactions</b>	<b>307,629,190</b>	<b>1,843,000</b>	<b>309,472,190</b>	<b>329,214,246</b>	<b>19,742,056</b>

<b>Total revenue</b>	<b>389,029,404</b>	<b>293,294</b>	<b>389,322,698</b>	<b>404,341,903</b>	<b>15,091,205</b>
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#### Expenditure

Personnel	(287,429,921)	(6,240,529)	(293,670,450)	(290,788,716)	2,881,734
Remuneration of councillors	(13,873,616)	1,416,688	(12,456,928)	(12,271,405)	185,523
Depreciation and amortisation	(11,271,875)	-	(11,271,875)	(11,489,080)	(217,205)
Impairment losses	-	-	-	(122,177)	(122,177)
Lease rentals on operating lease	(7,086,334)	948,971	(6,137,363)	(5,992,731)	144,632
Contracted Services	(42,234,354)	4,314,003	(37,920,351)	(35,311,551)	2,608,800
Cost of sale	(1,892,717)	664,059	(1,228,658)	(1,228,657)	1
General Expenses	(35,095,273)	(987,888)	(36,083,161)	(34,785,040)	1,298,121
<b>Total expenditure</b>	<b>(398,884,090)</b>	<b>115,304</b>	<b>(398,768,786)</b>	<b>(391,989,357)</b>	<b>6,779,429</b>

<b>Operating deficit</b>	<b>(9,854,686)</b>	<b>408,598</b>	<b>(9,446,088)</b>	<b>12,352,546</b>	<b>21,798,634</b>
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(Loss)/Gain on disposal of assets and liabilities	100,000	(100,000)	-	-	-
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Inventories losses/write downs	-	-	-	(15,728)	(15,728)
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	100,000	(100,000)	-	(15,728)	(15,728)
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(9,754,686)</b>	<b>308,598</b>	<b>(9,446,088)</b>	<b>12,336,818</b>	<b>21,782,906</b>
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# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
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### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	472,612	(110,266)	362,346	-	(362,346)
Receivables from exchange transactions	2,372,582	-	2,372,582	8,034,693	5,662,111
Cash and cash equivalents	6,991,294	(1,337,114)	5,654,180	18,428,534	12,774,354
	<b>9,836,488</b>	<b>(1,447,380)</b>	<b>8,389,108</b>	<b>26,463,227</b>	<b>18,074,119</b>

##### Non-Current Assets

Property, plant and equipment	82,039,563	(226,760)	81,812,803	88,482,980	6,670,177
Intangible assets	1,642,247	-	1,642,247	1,221,945	(420,302)
Heritage assets	4,894,941	-	4,894,941	4,894,941	-
	<b>88,576,751</b>	<b>(226,760)</b>	<b>88,349,991</b>	<b>94,599,866</b>	<b>6,249,875</b>

<b>Total Assets</b>	<b>98,413,239</b>	<b>(1,674,140)</b>	<b>96,739,099</b>	<b>121,063,093</b>	<b>24,323,994</b>
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#### Liabilities

##### Current Liabilities

Payables from exchange transactions	203,420,328	(1,872,472)	201,547,856	212,661,772	11,113,916
VAT payable	83,780	-	83,780	395,411	311,631
Unspent conditional grants and receipts	13,713,316	-	13,713,316	16,574,216	2,860,900
	<b>217,217,424</b>	<b>(1,872,472)</b>	<b>215,344,952</b>	<b>229,631,399</b>	<b>14,286,447</b>

<b>Total Liabilities</b>	<b>217,217,424</b>	<b>(1,872,472)</b>	<b>215,344,952</b>	<b>229,631,399</b>	<b>10,037,547</b>
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<b>Net Assets</b>	<b>(118,804,185)</b>	<b>198,332</b>	<b>(118,605,853)</b>	<b>(108,568,306)</b>	<b>10,037,547</b>
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#### Net Assets

##### Net Assets Attributable to Owners of Controlling Entity

##### Reserves

Accumulated surplus	(118,804,185)	198,332	(118,605,853)	(108,568,306)	10,037,547
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<b>Total Net Assets</b>	<b>(118,804,185)</b>	<b>198,332</b>	<b>(118,605,853)</b>	<b>(108,568,306)</b>	<b>10,037,547</b>
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# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
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Figures in Rand

## Cash Flow Statement

### Cash flows from operating activities

#### Receipts

Grants	306,054,190	306,000	<b>306,360,190</b>	298,362,724	<b>(7,997,466)</b>
Interest income	1,035,023	967,543	<b>2,002,566</b>	1,847,215	<b>(155,351)</b>
Other receipts	10,260,295	(1,080,249)	<b>9,180,046</b>	3,578,341	<b>(5,601,705)</b>
Receipts from Agency services (GDRT)	71,679,896	-	<b>71,679,896</b>	65,963,364	<b>(5,716,532)</b>
Receipts held on behalf of principal (GDRT)	241,040,675	-	<b>241,040,675</b>	219,246,249	<b>(21,794,426)</b>
Receipts from Commission (Fresh Produce Market)			-	3,402,962	<b>3,402,962</b>
Receipts held on behalf of the principal (Fresh Produce Market)			-	65,201,957	<b>65,201,957</b>
	<b>630,070,079</b>	<b>193,294</b>	<b>630,263,373</b>	<b>657,602,812</b>	<b>27,339,439</b>

#### Payments

Employee costs	(301,303,537)	(4,823,841)	<b>(306,127,378)</b>	(305,360,482)	<b>766,896</b>
Suppliers	(86,308,678)	4,939,145	<b>(81,369,533)</b>	(75,070,889)	<b>6,298,644</b>
Total Payments (GDRT)	(244,540,675)	-	<b>(244,540,675)</b>	(201,963,176)	<b>42,577,499</b>
Payments Fresh Produce Market	-	-	-	(65,154,692)	<b>(65,154,692)</b>
	<b>(632,152,890)</b>	<b>115,304</b>	<b>(632,037,586)</b>	<b>(647,549,239)</b>	<b>(15,511,653)</b>

<b>Net cash flows from operating activities</b>	<b>(2,082,811)</b>	<b>308,598</b>	<b>(1,774,213)</b>	<b>10,053,573</b>	<b>11,827,786</b>
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### Cash flows from investing activities

Purchase of property, plant and equipment	(2,370,000)	226,760	<b>(2,143,240)</b>	(1,635,477)	<b>507,763</b>
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Purchase of other intangible assets	-	-	-	(170,153)	<b>(170,153)</b>
<b>Net cash flows from investing activities</b>	<b>(2,370,000)</b>	<b>226,760</b>	<b>(2,143,240)</b>	<b>(1,805,630)</b>	<b>337,610</b>
Net increase/(decrease) in cash and cash equivalents	(4,452,811)	535,358	<b>(3,917,453)</b>	8,247,943	<b>12,165,396</b>
Cash and cash equivalents at the beginning of the year	11,444,105	(1,872,472)	<b>9,571,633</b>	10,180,591	-
<b>Cash and cash equivalents at the end of the year</b>	<b>6,991,294</b>	<b>(1,337,114)</b>	<b>5,654,180</b>	<b>18,428,534</b>	<b>12,165,396</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

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## Accounting Policies

### 1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

#### 1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008, including any interpretations and directives issued by the Accounting Standards Board

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

The Minister of Finance has, in terms of General Notice 1290 of 2008 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

The following GRAP standards have been approved and are effective:

GRAP 1 -	Presentation of financial statements
GRAP 2 -	Cash flow statements
GRAP 3 -	Accounting policies, changes in accounting estimates and errors
GRAP 4 -	The effects of changes in foreign exchange rates
GRAP 5 -	Borrowing costs
GRAP 6 -	Consolidated and separate financial statements
GRAP 7 -	Investments in associates
GRAP 8 -	Interest in joint ventures
GRAP 9 -	Revenue from exchange transactions
GRAP 10 -	Financial reporting in hyperinflationary economies
GRAP 11 -	Construction contracts
GRAP 12 -	Inventories
GRAP 13 -	Leases
GRAP 14 -	Events after the reporting date
GRAP 16 -	Investment property
GRAP 17 -	Property, plant and equipment
GRAP 18 -	Segment reporting
GRAP 19 -	Provisions, contingent liabilities and contingent assets
GRAP 20 -	Related party Disclosures
GRAP 21 -	Impairment of non-cash generating assets
GRAP 23 -	Revenue from non-exchange transactions
GRAP 24 -	Presentation of budget information
GRAP 25 -	Employee Benefits
GRAP 26 -	Impairment of cash generating assets
GRAP 31 -	Intangible assets
GRAP 103 -	Heritage assets
GRAP 100 -	Discontinued operations
GRAP 109 -	Principles and Agents
GRAP 27 -	Agriculture
GRAP 104 -	Financial instruments

#### Standards and interpretations issued but not yet effective



# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

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Standard / Interpretation	Effective Date: Years beginning on or after	Expected impact
GRAP 103 Heritage Assets	01 April 2022	Unlikely to have a material impact
GRAP 25 (as revised) Employee Benefits	01 April 2022	Unlikely to have a material impact
GRAP 104 (as revised) Financial instruments	01 April 2022	Unlikely to have a material impact

## Offsets

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

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

## 1.2 PRESENTATION CURRENCY

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

## 1.3 SIGNIFICANT ESTIMATES, JUDGMENTS AND ASSUMPTIONS

### 1.3.1 Going Concern

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

### 1.3.2 Significant Estimates, Judgments and Assumptions

In preparing the annual financial statements to conform with the Standards of GRAP, management is required to make estimates, judgments and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgments and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

Specific areas where these significant estimation uncertainties as well as critical judgments and assumptions were made in the application of accounting policies with the most significant effect in the annual financial statements are included in the following notes:

Note 2, 3 & 4: PPE, Intangible assets and Heritage assets useful lives estimates

Note 33 : Contingencies

Note 10: Lease classification

Note 25: Debt Impairment

## 1.4 GOVERNMENT GRANT

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

## 1.5 PROPERTY, PLANT & EQUIPMENT

### 1.5.1 Recognition and Subsequent Measurement

An item of property, plant and equipment which qualifies for recognition as an asset has been initially measured at cost less subsequent depreciation.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

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

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

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

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

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

### 1.5.2 De-recognition, Sale & Disposal

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the proceeds of disposal and the carrying value and is recognised in the Statement of Financial Performance.

### 1.5.3 Depreciation

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful life of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated useful life:

<b>Community Assets</b>	<b>Years</b>
Community halls	30
Recreation facilities	20 – 30

<b>Other Assets</b>	<b>Years</b>
Motor vehicles	5
Plant and equipment	5
Security measures	5
Buildings	30
IT equipment	5

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

Furniture and office equipment	7
Specialised vehicles	10

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from the previous estimate. Residual values of assets are assigned based on the possible expected value at the end of the useful life.

## 1.6 INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Refer to impairment of assets accounting policy 1.7

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognised in the Statement of Financial Performance as incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Municipality and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

### 1.6.1 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Financial Performance when incurred.

Development activities involve a plan or design for the production of new or substantially new improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the municipality intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the statement of financial performance as incurred.

### 1.6.2 Amortisation

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for current and comparative periods are as follows:

Item	Useful Life
Computer software	3 Years

Each item of intangible asset is amortised separately.

Intangible assets that have an indefinite useful life are tested for impairment annually.

The estimated useful life, the amortisation method and the residual values are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

## 1.7 IMPAIRMENT OF FINANCIAL ASSETS

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2022

Figures in Rand

## Impairment of Non-financial assets

Non-Financial assets, excluding investment property and inventories, are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. Irrespective of whether an indication of impairment exists, the recoverable amount of goodwill, indefinite-life intangible assets and intangible assets not available for use are determined annually.

The recoverable amount of an asset is the higher of its fair value less costs to sale and its value in use. In determining the value in use, the estimated future cash flows of the asset is discounted to their present value based on pre-tax discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset. If the value in use of an asset for which there is an indication of impairment cannot be determined, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset's cash generating unit is the smallest group of identifiable assets that includes the asset and that generates cash inflows from continuing use that are largely independent from cash inflows from other assets.

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit is less than its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

## Impairment of Monetary assets

A provision for impairment is created when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The carrying value is reduced through the use of a provision and is recognised as a charge to the statement of financial performance. When a receivable is uncollectible, it is written off against the provision. Any subsequent recoveries of amounts previously written off are credited directly in the statement of financial performance.

A financial asset is impaired when there is a significant or prolonged decline in the fair value of the asset below its cost price or amortised cost. At such a point, a cumulative gains or losses that have been accumulated in net assets are removed from net assets as a reclassification adjustment and are recognised in the statement of financial performance. Any subsequent impairment losses are recognised directly in the statement of financial performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

## 1.8 LEASES

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

### The Municipality as Lessee

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment; refer to property, plant and equipment policy 1.5. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

# Sedibeng District Municipality

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Obligations incurred under operating leases are charged to the statement of financial performance in equal installments over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

## 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.

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking;
  - non derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

## 1.10 INVENTORIES

Inventories are initially measured at cost, where cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Unsold aviation fuel are valued at the lower of cost and net realisable value on a specific identification cost basis. Fuel are recognized as inventory when purchased, and then charged to expense when sold. Aviation fuel are sold in line with the applicable tariff as promulgated.

## 1.11 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

# Sedibeng District Municipality

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For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with banks. Short term investments are included. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

## 1.12 PROVISIONS AND CONTINGENCIES

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

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate used in calculating the present value is the interest rate implicit in the transaction. Where this is impractical to determine the average interest rate cost of borrowing rate of the Municipality is used.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. 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 is reversed.

The municipality on initial adoption of the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The necessary disclosures have been made for non-recognition of provisions that form part of the cost of an asset.

## 1.13 EMPLOYEE BENEFITS

### 1.13.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

### 1.13.2 Termination Benefits

Termination benefits are recognised when actions have been taken that indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

### 1.13.3 Retirement benefits

The municipality provides retirement benefits for its employees and councilors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councilors have rendered the employment service or served office entitling them to the contributions.

### 1.13.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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## 1.13.5 Post employment medical care benefits

The municipality provides post-employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period.

The municipal post-employment medical care is also on the defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

## 1.14 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

### 1.14.1 Revenue from exchange transactions

#### Rendering of services

Flat rate service charges relating to rental of facilities and the reporting date shall be recognised when:

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

#### Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

#### Sale of Goods

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

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over 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 reliable.

### 1.14.2 Revenue from non-exchange transactions

#### Grants and donations received

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable.



# Sedibeng District Municipality

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Contributed assets are recognised at fair value when the risks and rewards associated with such assets are transferred to the Municipality.

## 1.14.3 Transfer revenue

Assets and revenue recognised as a consequence of a transfer at no or nominal cost is measured at the fair value of the assets recognised as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

## 1.14.4 Other

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councilors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

## 1.15 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the cash basis.

## 1.16 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.19 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## 1.20 CONSTRUCTION OF ASSETS IN PROGRESS

Construction of assets in progress is capital projects done on behalf of the Local Municipalities from the proceeds of conditional grants received and internal contributions. These projects are only handed over after full completion of the project and therefore all those uncompleted capital projects will be shown as Construction of assets in progress until date of transfer.

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## 1.21 RELATED PARTIES

Related parties are identified and disclosed in terms of GRAP 20. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Associates (as per GRAP 7 - Investments in Associates);
- Joint ventures (as per GRAP 8 - Interests in Joint Ventures)
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Management, and close members of the family of management; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the two bullets above, or over which such a person is able to exercise significant influence.

Each municipality and its own municipal entities are related parties. A municipality is not related to another municipality as they are not under common control.

The national government does not control provinces or municipalities for accounting purposes, although funding may be received from the national government.

The Municipality does not have and associates nor any joint ventures or any other form of association that may be defined as related party relation.

## 1.22 HERITAGE ASSETS

A heritage asset is as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held indefinitely for the benefit of present and future generations. The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset 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. The cost of a purchased heritage asset comprises:

- Heritage assets are subsequently measured at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.
- Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.
- Most heritage assets have an indefinite useful life as they are to be preserved for current and future generations and might appreciate in value over time due to their cultural, environmental, historical, natural, scientific, technological and/or artistic significance. Based on this analysis, there is no finite limit to the period over which a heritage asset is expected to be held by the entity. The useful life of the heritage asset is therefore likely to be indefinite or the annual depreciation is likely to be immaterial.
- The entity derecognises heritage asset on disposal, or when no service potential are expected from its use or disposal.
- The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

## 1.23 BUDGET INFORMATION

The 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 the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2021 to 30 June 2022.

The 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 (see page 11 - 13)

# Sedibeng District Municipality

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## 1.24 SEGMENT REPORTING

GRAP 18 defines a segment as a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information. This is done to evaluate the entity's past performance in achieving its objectives and as a basis for decisions about the future allocation of resources.

## 1.25 COMMITMENTS

The Municipality discloses capital expenditure as approved in the budget for each class of capital assets (PPE, investment properties, intangible assets and heritage assets) and as well as future minimum lease payments under non-cancellable operating leases. No commitments are disclosed for operating expenditure as the nature of the contracts "As and When required".

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## 2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	29,628,439	(608,655)	29,019,784	29,628,439	(608,655)	29,019,784
Buildings	75,805,435	(34,798,039)	41,007,396	75,805,435	(32,270,179)	43,535,256
Plant and machinery	11,615,725	(10,411,631)	1,204,094	11,549,727	(9,621,331)	1,928,396
Furniture and fixtures	19,543,754	(16,805,884)	2,737,870	19,382,679	(15,646,944)	3,735,735
Motor vehicles	10,455,228	(7,238,706)	3,216,522	10,250,997	(6,880,263)	3,370,734
Electronic equipment	81,266,584	(73,454,599)	7,811,985	80,062,414	(68,530,026)	11,532,388
Infrastructure	67,418,202	(63,932,873)	3,485,329	67,418,202	(62,904,894)	4,513,308
<b>Total</b>	<b>295,733,367</b>	<b>(207,250,387)</b>	<b>88,482,980</b>	<b>294,097,893</b>	<b>(196,462,292)</b>	<b>97,635,601</b>

### Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	43,535,256	-	-	(2,527,860)	-	41,007,396
Plant and machinery	1,928,396	65,998	-	(785,865)	(4,435)	1,204,094
Furniture and fixtures	3,735,735	161,075	-	(1,138,980)	(19,960)	2,737,870
Motor vehicles	3,370,734	204,231	-	(358,443)	-	3,216,522
Electronic equipment	11,532,388	1,204,173	-	(4,826,794)	(97,782)	7,811,985
Infrastructure	4,513,308	-	-	(1,027,979)	-	3,485,329
	<b>97,635,601</b>	<b>1,635,477</b>	<b>-</b>	<b>(10,665,921)</b>	<b>(122,177)</b>	<b>88,482,980</b>

### Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	45,822,891	195,723	-	(2,483,358)	-	43,535,256
Plant and machinery	2,793,972	105,037	-	(970,613)	-	1,928,396
Furniture and fixtures	4,549,662	416,706	(3,168)	(1,227,465)	-	3,735,735
Motor vehicles	1,417,481	2,236,908	(10,474)	(58,572)	(214,609)	3,370,734
Electronic equipment	14,144,883	2,582,273	(6,420)	(5,188,346)	-	11,532,388
Infrastructure	5,769,435	-	-	(1,256,127)	-	4,513,308
	<b>103,518,108</b>	<b>5,536,647</b>	<b>(20,062)</b>	<b>(11,184,481)</b>	<b>(214,609)</b>	<b>97,635,601</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.

Included in the fixed asset register are items with zero-rand book value. Management has assessed at reporting date the revision of useful lives of assets. The asset currently held at R0.00 book value is impaired based on the conditional assessment and are earmarked for disposal.

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The municipality also incurred **repair and maintenance** on the assets as outlined below. This repair and maintenance cost were not capitalized to the cost of the asset as per GRAP 17.

Buildings, Fences and Sites	2,842,794	2,931,815
Plant and Equipment	367,928	379,376
Infrastructure	1,098,800	2,131,980
Vehicle	423,426	384,067
<b>Total repair and maintenance</b>	<b>4,732,948</b>	<b>5,827,238</b>

### 3. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	14,872,352	(13,650,407)	1,221,945	14,702,199	(12,827,249)	1,874,950

#### Reconciliation of intangible assets – 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,874,950	170,153	(823,158)	1,221,945

#### Reconciliation of intangible assets – 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,971,890	156,771	(1,253,710)	1,874,950

### 4. Heritage assets

	2022			2021		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	1,527,941	(19,000)	1,508,941	1,527,941	(19,000)	1,508,941
Historical monuments	3,386,000	-	3,386,000	3,386,000	-	3,386,000
<b>Total</b>	<b>4,913,941</b>	<b>(19,000)</b>	<b>4,894,941</b>	<b>4,913,941</b>	<b>(19,000)</b>	<b>4,894,941</b>

#### Reconciliation of heritage assets 2022

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	-	1,508,941
Historical monuments	3,386,000	-	-	3,386,000
	<b>4,894,941</b>	<b>-</b>	<b>-</b>	<b>4,894,941</b>

#### Reconciliation of heritage assets 2021

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	-	1,508,941
Historical monuments	3,386,000	-	-	3,386,000
	<b>4,894,941</b>	<b>-</b>	<b>-</b>	<b>4,894,941</b>

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<b>5. Inventories</b>		
Fuel – Airport		
Both AVGAS and JET A1 are sold at the Vereeniging Aerodrome		
Aviation Fuel	-	363,157
	-	363,157

The license for selling of aviation fuel were revoke during the financial year. Currently there is no inventory held.

## 6. Receivables from exchange transactions

Employee costs corrections	6.1	34,212	125,216
Prepayments	6.2	-	1,096
Recoveries from staff	6.3	4,437	8,187
Unprocessed bank transactions	6.4	-	-
Interest Receivable on bank account	6.5	113,743	59,838
Agency services	6.6	1,717,701	1,681,670
Vat on accruals	6.7	38,985	88,969
Principal payments receivable (GDRT)	6.8	6,125,616	-
<b>Gross amount</b>		<b>8,034,693</b>	<b>1,964,976</b>

### 6.1 Employee cost recoverable

Current (0 – 30 days)	34,212	10,656
>91	-	114,560
<b>Total Employee cost recoverable</b>	<b>34,212</b>	<b>125,216</b>

### 6.2 Pre payments

Current (0 – 30 days)		
>91	-	1,096
<b>Total Pre payments</b>	<b>-</b>	<b>1,096</b>

### 6.3 Recoveries from staff

Current (0 – 30 days)	4,437	8,187
-----------------------	-------	-------

### 6.4 Unprocessed bank transactions

Current (0 – 30 days)	-	5,476
Less: Debt Impairment	-	(5,476)
	-	-

### 6.5 Interest receivable

Current (0 – 30 days)	113,743	59,838
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### 6.6 Agency services

Current (0 – 30 days)	1,717,701	1,681,670
>120 days	954,100	954,100
Less: Debt Impairment	(954,100)	(954,100)
<b>Total Local Municipalities Agency services</b>	<b>1,717,701</b>	<b>1,681,670</b>

### 6.7 Vat on Accruals

Current (0 – 30 days)	38,985	88,969
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### 6.8 Principal payment receivable (GDRT)

Current (0 – 30 days)	6,125,616	-
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## 7. VAT receivable

VAT	-	70,989
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The district municipality is registered on the cash basis for VAT, This amount is due from SARS based on submitted returns

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## 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		40,825	40,825
Cash book balances		18,387,709	10,139,766
		<b>18,428,534</b>	<b>10,180,591</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June, 2022	30 June, 2021	30 June, 2022	30 June, 2021
STANDARD BANK – Cheque Account – 21777667	790,207	129,238	790,207	129,238
STANDARD BANK – Licensing Account - 21781494	1,008,733	466,915	1,008,733	466,915
NEDBANK – Primary Account – 1152944835	2,983,408	2,123,968	2,985,328	2,140,436
NEDBANK – Licensing account – 1152944606	12,149,538	6,794,219	12,149,538	6,794,219
NEDBANK Investment Call account 03788117292923-000001	1,007	-	1,007	-
NEDBANK Call account 03788117292923-000002	796,673		796,673	
STANDARD BANK call account -228 499 054 009	0.01	-	0.01	-
STANDARD BANK – Fresh Produce Market - 21779589	7,858	8,708	7,858	8,708
NEDBANK – Fresh Produce Market – 1152944363	648,365	600,250	648,365	600,250
<b>Total</b>	<b>18,385,789</b>	<b>10,123,298</b>	<b>18,387,709</b>	<b>10,139,766</b>

The bank accounts for the Fresh Produce Market and Licensing are held specifically for transactions related to those functions. The bank balance at current is not in a position to settle the unspent conditional grants and payables from exchange transactions which poses a financial risk. This money is being held on behalf of the principals (Fresh Produce Market and Department of Transport)

## 9. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

### Unspent conditional grants and receipts

Provincial Grants	15,769,251	18,200,198
National Grants	804,965	2,378,614
	<b>16,574,216</b>	<b>20,578,812</b>

### Movement during the year

Balance at the beginning of the year	20,578,812	13,713,315
Additions during the year	16,716,000	19,795,000
Income recognition during the year	(16,822,320)	(12,107,503)
Grant Reversal / forfeit	(3,898,276)	(822,000)
	<b>16,574,216</b>	<b>20,578,812</b>

The nature and extent of government grants recognised in the financial statements are an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. The cash and cash equivalent held on behalf of the transferring departments are not available for use as required by paragraph 49 of GRAP 2 based on the current going concern problems of the municipality.

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See note 20 for reconciliation of grants from National/Provincial Government.

## 10. Payables from exchange transactions

Trade payables	433,695	3,400,968
Accrued leave pay	30,332,375	32,632,736
Department of Transport (License fees)	152,732,965	129,974,801
Local Municipalities Accounts	28,043,493	50,427,413
Refundable town hall rental deposits	135,356	105,596
Unclaimed Salaries	240,824	72,286
Unknown deposits	1,989	1,989
VAT on Debtors	84,851	
Fresh Produce Market payables	656,223	608,958
	<b>212,661,772</b>	<b>217,224,747</b>

## 11. VAT Payable

Tax refunds payables	395,411	-
	<b>395,411</b>	<b>-</b>

The district municipality is registered on the cash basis for VAT, This amount is due to SARS based on submitted returns

## 12. Revenue

Sale of goods	1,544,149	2,689,618
Rental of facilities and equipment	316,432	225,220
Agency services	66,529,039	68,732,595
Licenses and permits	174,000	2,351,000
Commissions received	3,402,962	2,997,520
Inventory reversal	-	7,031
Other income	1,487,860	1,351,279
Interest received - investment	1,847,215	1,717,724
Gain on disposal of assets	-	15,587
Government grants & subsidies	302,367,320	296,096,293
Services received in kind	26,672,926	
	<b>404,341,903</b>	<b>376,183,867</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods – Aviation Fuel	1,544,149	2,689,618
Rental of facilities and equipment	316,432	225,220
Agency services	66,529,039	68,732,595
Commissions received	3,402,962	2,997,520
Other income	1,487,860	1,351,279
Gain on disposal of assets	-	15,587
Inventory reversal	-	7,031
Interest received - investment	1,847,215	1,717,724
	<b>75,127,657</b>	<b>77,736,574</b>

The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
Licenses and permits	174,000	2,351,000
Services receive in kind	26,672,926	
<b>Transfer revenue</b>		
Government grants & subsidies	302,367,320	296,096,293
	<b>329,214,246</b>	<b>298,447,293</b>



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<b>13. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Facilities & equipment	101,576	2,589
<b>Garages and parking</b>		
Parking	214,856	222,631
	<b>316,432</b>	<b>225,220</b>
<b>14. Agency services</b>		
Information Technology services	-	6,617,761
Department of Transport	66,529,039	62,114,834
	<b>66,529,039</b>	<b>68,732,595</b>
<b>15. Licenses and permits (from non-exchange transactions)</b>		
Air quality emission fees	174,000	2,351,000
	<b>174,000</b>	<b>2,351,000</b>
<b>16. Commissions received</b>		
Commissions received	3,402,962	2,997,520
	<b>3,402,962</b>	<b>2,997,520</b>
<b>17. Other income</b>		
Ad-hoc Income (Market)	266,222	262,681
Insurance refunds	30,963	18,874
Skills Levy Income	472,509	317,471
Incidental income	245,452	340,190
Tender Income	-	1,226
Commission on Salaries	299,710	231,790
Staff recoveries	173,004	179,047
	<b>1,487,860</b>	<b>1,351,279</b>
<b>18. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	1,847,215	1,717,724
<b>19. Services receive in kind</b>		
Reduction in service charges payable to Emfuleni	26,672,926	-
	<b>26,672,926</b>	<b>-</b>
<b>20 Government grants and subsidies received</b>		
<b>Operating grants</b>		
Equitable share	285,545,000	281,832,000
HIV and AIDS Grants	10,069,509	6,717,202
EPWP Grant	1,023,000	1,000,000
Rural Roads Grant	2,186,166	360,560
Grant in Kind – Emfuleni Local Municipality	-	743,619
National Grants	1,200,000	650,251
GP – Sport and recreation	1,491,162	1,206,052
National Youth Development agency	550,000	942,649
	<b>302,064,837</b>	<b>293,452,733</b>

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<b>Capital Grants</b>		
Rural Roads Grant	302,483	66,516
HIV / AIDS Grant	-	2,106,522
Grant in Kind – Emfuleni Local Municipality	-	470,522
	<b>302,483</b>	<b>2,643,560</b>
	<b>302,367,320</b>	<b>296,096,293</b>

## Equitable Share

Current-year receipts	(285,545,000)	(281,832,000)
Conditions met – transferred to revenue	285,545,000	281,832,000
	-	-

## Provincial Grants

Balance unspent at beginning of year	18,200,198	12,891,374
Current-year receipts	11,454,000	15,339,000
Conditions met – transferred to revenue	(11,560,671)	(10,030,176)
Grants forfeited	(2,324,276)	-
	<b>15,769,251</b>	<b>18,200,198</b>

Conditions still to be met – remain liabilities (see note 9).

## Reconciliation of Unspent Conditional Grants

	Opening Balance July 2021	Grants Forfeited	Grants Received 2021/22	Grants Spent/ 2021/22	Unspent Grants June 2022
LED Project	119,378				119,378
HIV/AIDS	2,324,276	(2,324,276)	11,454,000	(10,069,509)	1,384,491
Sport and Recreation	1,869,401		-	(1,491,162)	378,239
National Youth Development agency	0		550,000	(550,000)	-
Agriculture	79,718		-	-	79,718
Transfer of Informal Settlements	12,270,425		-	-	12,270,425
Aerotropolis Grant	1,537,000		-	-	1,537,000
	<b>18,200,198</b>	<b>(2,324,276)</b>	<b>12,004,000</b>	<b>(12,110,671)</b>	<b>15,769,251</b>

The amount of R2,324,276 was offset against the current year allocation of R11,454,000 related to the HIV/ AIDS grant allocation.

## National Grants

	2022	2021 as restated
Balance unspent at beginning of year	2,378,614	821,941
Current-year receipts	4,712,000	4,456,000
Conditions met - transferred to revenue	(4,711,649)	(2,077,327)
Grant Forfeit	(1,574,000)	(822,000)
	<b>804,965</b>	<b>2,378,614</b>

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Conditions still to be met - remain liabilities (see note 9).

## Reconciliation of Unspent Conditional Grants

	Opening Balance July 2021	Grants Forfeit	Grants Received 2021/22	Grants Spent 2021/22	Unspent Grants June 2022
Municipal Finance Management Grant	349,689	(349,689)	1,200,000	(1,200,000)	-
EPWP Grant	-		1,023,000	(1,023,000)	-
Rural Roads	2,028,925	(1,224,311)	2,489,000	(2,488,649)	804,965
	<b>2,378,614</b>	<b>(1,574,000)</b>	<b>4,712,000</b>	<b>(4,711,649)</b>	<b>804,965</b>

The grants forfeited during the year were offset against the equitable share.

## In kind grants

	2022	2021 as restated
Balance unspent at beginning of year	-	-
Current-year receipts	-	1,214,141
Conditions met - transferred to revenue	-	(1,214,141)
	-	-

An in kind grant was received from Emfuleni local municipality whereby the rates hall, currently owned by Sedibeng was refurbish in 2021

## Changes in level of government grants.

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

### 21. Employee related costs

Employee related cost exclusive of Section 57 employees	186,185,487	186,018,133
13 <sup>th</sup> Cheques	14,412,078	14,348,645
Medical aid - company contributions	17,481,176	17,683,782
UIF	1,101,818	989,013
Other payroll levies	3,495,904	3,547,507
Leave pay provision charge	51,611	5,771,324
Defined contribution plans	36,557,646	36,876,185
Acting Allowance	1,031,038	
Overtime payments	494,651	379,024
Inconvenience allowance	3,232,392	3,035,003
Car allowance	10,384,060	10,261,649
Housing benefits and allowances	1,579,868	1,676,996
Telephone Allowances	257,710	10,800
Standby Allowance	277,062	195,971
EPWP Stipends	989,113	956,432
HIV/AIDS Stipends	8,475,700	6,220,287
Termination benefits (see note 44 for more detail)	2,018,453	2,023,841
	<b>288,025,767</b>	<b>289,994,592</b>

### Remuneration of Municipal Manager

Annual Remuneration	247,409	420,272
Car Allowance	30,000	45,000
Contributions to UIF, Medical and Pension Funds	37,277	446
Other	-	30
Acting allowances paid to Acting incumbents	75,407	45,526
	<b>390,093</b>	<b>511,274</b>

The Municipal Manager position was filled in May 2022 while vacant from July 2021 to April 2022.

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## Remuneration of Chief Financial Officer

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Acting allowance paid to Acting incumbents	79,171	118,339
	<b>79,171</b>	<b>118,339</b>

The CFO is vacant since October 2019 and employees are acting in this position.

## Remuneration of Executive Director – Corporate services

Annual Remuneration	761,024	830,864
Car Allowance	163,494	178,357
Contributions to UIF, Medical and Pension Funds	2,062	1,932
Other	8,681	12,141
Acting allowance paid to Acting incumbents	57,323	-
Encashment of Leave days	73,612	-
	<b>1,066,196</b>	<b>1,023,294</b>

## Remuneration of Executive Director – Community services

Annual Remuneration	840,455	840,455
Car Allowance	180,000	180,000
Contributions to UIF, Medical and Pension Funds	1,932	1,932
Encashment of Leave days	53,982	-
Other	-	-
	<b>1,076,369</b>	<b>1,022,387</b>

## Remuneration of Executive Director – Strategic Planning and Economic development (Vacant since July 2021)

Annual Remuneration	16,358	733,086
Car Allowance	-	176,951
Contributions to UIF, Medical and Pension Funds	164	110,418
Other	-	1,932
Acting allowance paid to Acting incumbents	55,427	-
	<b>71,949</b>	<b>1,022,387</b>

## Remuneration of Executive Director – Transport, Infrastructure and Environment (Vacant since May 2019)

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Acting allowance paid to Acting incumbents	79,171	82,348
	<b>79,171</b>	<b>82,348</b>

<b>Total personnel cost</b>	<b>290,788,716</b>	<b>293,774,621</b>
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The executive directors are being remunerated above the upper limit gazette number 43122 of 20 March 2020 and the excess amounts are reflected as irregular expenditure.

## 22. Remuneration of Councillors

Executive Mayor	984,043	866,492
Mayoral Committee Members	4,982,661	5,865,506
Speaker	594,017	846,182
Councillors	5,710,684	4,870,270
	<b>12,271,405</b>	<b>12,448,450</b>

## In-kind benefits (tools of trade)

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The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have use of a Council owned vehicle for official duties.

The Executive Mayor and Speaker have full-time bodyguards

## 23. Depreciation and amortisation

Property, plant and equipment	10,665,922	11,184,481
Intangible assets	823,158	1,253,710
	<b>11,489,080</b>	<b>12,438,191</b>

## 24. Lease rentals on operating lease

<b>Premises</b>		
Contractual amounts	4,844,050	6,300,493
<b>Motor vehicles</b>		
Contractual amounts	382,752	867,871
<b>Plant and equipment</b>		
Contractual amounts	141,497	139,972
Ad-hoc amounts	624,432	589,354
	<b>5,992,731</b>	<b>7,897,690</b>

## 25. Debt impairment

Debtors	-	5,476
	<b>-</b>	<b>5,476</b>

## 26. Contracted services

### Outsourced Services

Municipal Health services	18,771,259	19,194,814
Fire Services	42,489	23,680
Hygiene Services	136,259	287,478
ICT Services	564,188	893,133
Security Services	6,426,484	7,967,996

### Consultants and Professional Services

Business and Advisory	2,347,202	296,666
Legal Cost	1,773,540	2,758,561

### Contractors

Employee wellness	90,000	285,000
Catering Services	203,201	345,205
Event Promoters	165,621	235,244
Fire Protection	37,143	57,327
Maintenance of Buildings and Facilities	2,842,795	2,931,815
Maintenance of Equipment	1,466,727	2,511,356
Medical Services	2,217	-
Pest Control and Fumigation	19,000	24,948
Stage and Sound Crew	-	8,050
Transportation	423,426	378,367
	<b>35,311,551</b>	<b>38,199,640</b>

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<b>27. General expenses</b>		
Advertising	304,088	34,957
Assessment rates & municipal charges	3,634,117	5,440,485
Auditors remuneration	3,660,134	3,532,346
Bank charges	4,691,611	3,361,281
Computer expenses	254,617	725,413
Consulting and professional fees	186,000	354,500
Consumables	4,320,730	3,692,330
Insurance	1,347,671	1,476,832
Community development and training	550,000	2,055,150
IT expenses	4,185,902	3,917,355
Levies	2,374,354	1,985,357
Printing and Publications	597,059	707,201
Protective clothing	64,148	43,680
Royalties and license fees	37,613	69,387
Subscriptions and membership fees	2,828,919	2,388,206
Telephone and fax	3,688,481	4,431,135
Training	474,280	292,713
Subsistence & Travel	79,772	99,189
Public Participation	221,426	138,227
Congresses & Meetings	52,210	8,000
WCA Contribution	1,231,908	1,177,367
	<b>34,785,040</b>	<b>35,931,111</b>
<b>28. Sale of Goods</b>		
<b>Sale of goods</b>		
Cost of Aviation fuel	1,228,657	2,487,682
Aviation fuel (JET A1 and AVGAS) are sold at the Vereeniging Aerodrome.		
<b>29. Auditors' remuneration</b>		
Fees	3,660,134	3,532,346
<b>30. Cash generated from operations</b>		
Deficit	12,336,818	(27,213,606)
<b>Adjustments for:</b>		
Depreciation	11,489,080	12,438,191
Loss / (Gain) on sale of assets and liabilities	-	(15,586)
Debt impairment	-	5,476
Impairment deficit	122,177	214,609
Movements in operating lease assets and accruals	(86,774)	(171,879)
<b>Changes in working capital:</b>		
Inventories	363,157	110,265
Receivables from exchange transactions	(6,069,717)	2,386,748
Debt Impairment – Related party debtors	-	(5,476)
Payables from exchange transactions	(4,562,972)	4,905,738
VAT	466,400	(154,769)
Unspent conditional grants and receipts	(4,004,596)	6,865,497
	<b>10,053,573</b>	<b>(634,792)</b>

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## 31. Risk management

### 31.1 Financial risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Currently the total liabilities exceed the total assets which create a high level of financial uncertainty.

#### Interest rate risk

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Categories of Financial Instruments	2021	2020 as restated
<b>Financial Assets</b>		
Cash and cash equivalents	18,428,534	10,180,591
Trade and other receivables from exchange transactions	7,957,059	1,378,351
	<b>26,385,593</b>	<b>11,558,942</b>

#### Aging of Financial Assets

2022				2021			
Current to 30 days	90 days plus	Impairment	Total	Current to 30 days	90 days plus	Impairment	Total
7,957,059	954,100	(954,100)	7,957,059	1,378,851	954,100	(954,100)	1,378,351

#### Financial Liabilities

Unspent conditional grants and receipts	16,574,216	20,578,812
Trade and other payables from exchange transactions	181,693,162	184,606,499
<b>Total Liabilities</b>	<b>198,267,378</b>	<b>205,185,311</b>

If the interest rates received on investments increase or decrease by 100 basis points, the effect on the Statement of Financial performance would be as follows:

	2022		2021	
Floating Rate Financial Assets	Rate %	Effect on Surplus	Rate %	Effect on Surp
Cash and cash equivalents	1%	184,285	1%	101,806
Trade and other receivables from exchange transactions	1%	79,571	1%	13,784
<b>Floating Rate Financial Liabilities</b>				
Unspent conditional grants and receipts	1%	(165,742)	1%	(205,788)
Trade and other payables from exchange transactions	1%	(1,816,932)	1%	(1,846,065)

## 32. Commitments

The municipality do not have any contracted capital commitments

### 32.1 Operating leases - as lessee (expense)

#### Minimum lease payments due

Within one year	-	1,562,484
Later than one year but not later than five years		

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## 33. Contingencies

The Municipality may be liable for claims instituted against the Municipality by employees who have disputes against the Municipality. The amount is uncertain as an arbitration award has not yet been issued against those claims.

### 33.1 Contingent assets

NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE	PROGRESS
1. S. Suleman Attorneys	Collection obo municipality/ Cheth Trust	The defendant had leased a building in Fresh Produce Market and failed to pay rental fees and civil action was instituted and he was eventually evicted from the leased building. Currently the council attorneys are busy trying to recover the outstanding rental fees	Apr-09  Mandate of the previous attorney was terminated due to poor service.	R1 145 432.38  (Income for SDM)	Legal action still ongoing and waiting for further progress report. This matter commenced in 2009 and 10 years later it is still not yet finalized. The attorneys were instructed to evict and recover the arrear rental fees from the tenant. The attorneys managed to evict the tenant and struggle to recover the money to and payable to the SDM. This kind of collection matter should have been finalized within a period of 3 or 4 years. It has therefore taken unnecessary long time to be finalized. From the discussions Legal dept had with the Council attorneys, it appears as if there are not good prospects of recovering the money from the debtor and it is therefore recommended that this debt to be written off.
2. S. Suleman Attorneys	Collection obo municipality/ N. Shongwe	Collection of the money owed by the employee (Cashier at FPM) to the municipality	Mar-18	R52 240.79 plus interest  (Income for SDM)	Summons were issued against the debtor which she failed to defend and default judgement against her. The debtor was summoned to the court for emoluments attachment hearing and she failed to appear in court and the warrant of arrest against her was issued. The execution of the warrant of arrest was suspended due to Covid 19 outbreak. We are still waiting for further progress report in this regard.
3. Mokhare report on investigation	Recovery of Irregular expenditure	An investigation conducted on behalf of MEC CoGTA resulted in possible recoveries of money	August 2020 financial year	G Modise R3,765,110  Prince Mudau R4,182,226  Mafoko Security  R14,565,638  Income for SDM	The state attorneys to be approached alternatively the SDM to appoint a legal firm to assist with the issuing of the summons for the recovery of the money due and payable to the SDM.
<b>Total Amount</b>				<b>R 23,710,647</b>	



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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	INTENDED OUTCOME OF CLAIM	EXPECTED LIABILITY	PROGRESS
<b>33.2 Contingent liabilities</b>				
1.Nku (0204 0989)	Human resources dispute	Difference in salary between promoted position and existing position plus future legal costs	Legal Cost R93,595 Plus additional legal cost of R80,000	Sedibeng has instituted an application to review and correct or set aside a rescission ruling. We are awaiting a set down date
2.Khambule M	Human resources dispute	Reinstatement plus back pay to date of dismissal plus legal costs, current and future costs	Legal Costs R1,787,712.73 Plus future legal costs R100 000.00	Sedibeng has instituted an application to review and correct or set aside an Arbitration Award. We are currently awaiting a notice of set down on the unopposed roll.
3 Petlane MM	Human resources dispute	Reinstatement, alternatively, 12 months' compensation plus future legal costs	Legal Costs R750,601.06 Plus future legal costs R150 000.00	Sedibeng filed a counter review in this matter to counter the review application launched by Petlane. It is currently preparing a record of proceedings
4 Irene Honoko	Human resources dispute	Reinstatement (plus Legal Costs R147 011.07) plus future legal costs	Legal Costs R147,011.07 plus future legal costs R80 000.00	Sedibeng is bringing an application to review and correct or set aside an Arbitration Award. We are awaiting a set down date
5 Netshivhale KR	Human resources dispute	Placement (plus Legal Costs R78 711.75) plus future legal costs	Legal Costs R78,711.75 plus future legal costs R100 000.00	Sedibeng is opposing the review and reinstatement application.
6 Mokitimi W	Human resources dispute	Reinstatement (plus Legal Costs R173 994.32) plus future legal costs	Legal Costs R173,994.32 plus future legal costs R80 000.00	Sedibeng is opposing the review application
<b>Total contingent Liability</b>			<b>R3 621 626</b>	

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## 34. Prior year amendments

### 34.1 Correction of errors

See below detail of corrections. The total correction amounts to R 229,442

The correction of the error(s) and change in accounting estimates results in adjustments are as follow:

#### Statement of changes in net assets

<b>Closing balance 1 July 2020</b>	<b>-93,920,960</b>
PPE assets (Motor Vehicles) understated	229,442
<b>Restated closing balance 1 July 2020</b>	<b>-93,691,518</b>
<b>Opening balance as previously reported 1 July 2021</b>	<b>-121,134,566</b>
PPE assets (Motor Vehicles) understated	229,442
Cash and cash equivalent understated	608,598
Trade and other payables from exchange transactions understated	(608,598)
<b>Restated Closing balance 1 July 2021</b>	<b>-120,905,124</b>
<b>Surplus (Deficit) for the year 2021 Previously reported</b>	<b>-27,213,606</b>
<b>Restated Surplus (Deficit) for the year 2021</b>	<b>-27,213,606</b>

#### 34.1.1 Correction on revenue classification

Description	2021 Restated	2021 Previous Year Stated,	Variance
Commission received	2,997,520	3,260,201	(262,681)
Other income	1,351,279	1,088,598	262,681

#### 34.1.2 Correction of an error on PPE

Description	2021 Restated	2021 Previous Year Stated	Variance
<b>Motor vehicles</b>			
Cost	10,250,997	9,161,026	1,089,971
Accumulated Depreciation	(6,880,263)	(6,019,734)	(860,529)
<b>Carrying value</b>	<b>3,370,734</b>	<b>3,141,292</b>	<b>229,442</b>

#### 34.1.3 Correction on asset classification on PPE

Description	2021 Restated	2021 Previous Year Stated	Variance
Plant and equipment	1,928,396	2,092,788	(164,392)
Electronic Equipment	11,532,388	11,367,996	164,392

#### 34.1.4 Correction on Fresh Produce Market transactions incorporated

Description	2021 Restated	2021 Previous Year Stated	Variance
Cash and cash equivalent	10,180,591	9,571,633	608,958
Trade and other payables from exchange transactions	217,224,747	216,615,789	(608,958)

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## 35. Going concern

We draw attention to the fact that at 30 June, 2022, the municipality had accumulated deficit of R 108,568,306 and that the municipality's total liabilities exceed its assets by R 108,568,306.

The 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.

As a District Municipality based on our powers and functions, we are completely grant dependent. No other main revenue source is obtainable. Over the last 9 years, as a result of the global financial economy constraints, National Treasury downscaled and implemented austerity measures which resulted in the reduction of our main source of revenue, the Equitable share. It is as a result of the global financial constraint that the equitable share over the last 10 years was increase far lessor than the CPI for each financial period. In addition the South African Local Bargaining Council was implementing salary increases at a higher rate than the equitable share growth allocated to municipalities over the last 8 years – Uncontrollable to municipalities. The reduction has been reported to National Treasury as our revenue source diminished. It was based on this reason that the District Municipality implemented austerity measures over the last 7 years which is still in place. The municipality performs daily, weekly and monthly cash flow reconciliations with projections to ensure that we are able to meet our obligations. The municipality adopted a pro-poor budgeting approach and followed National Treasury budget guide as a principle for provision on depreciation and employee cost.

We draw further attention to the fact that at 30 June, 2022, the municipality's current liabilities exceed its current assets with R203,168,172. The municipality also had operating surplus in the current financial year of R 12,336,818 (previous financial year loss of R 27,213,606) which resulted in a decrease in the net asset value.

The Municipality is busy with a process of aligning the current powers and functions assigned to the District and the Locals in order to regain sustainability within the district. Drastic cost saving measures will be implemented starting with a process of restructuring the organization based on the assigned powers and functions. The Council has recently approved that it (Sedibeng District Municipality) should perform the section 84(1) powers and functions of the Municipal Structures Act 117 of 1998.

The municipality does not have any fixed-term borrowing or short-term loans and therefore does not put reliance on borrowings.

The municipality does have comprehensive insurance on its assets as set out in the asset register

## 36. Events after the reporting date

None

## 37. Unauthorised expenditure

Opening balance	23,485,418	1,246,785
Add: expenditure identified – current period	2,666,659	9,291,094
Add: expenditure identified – prior period	-	12,947,539
Less: Approved by Council	-	-
	<b>26,152,077</b>	<b>23,485,418</b>
<b>Analysis follow: Cash</b>		
Employee related cost		7,218,047
Other expenses		2,390,161
Lease rentals		769,356
Grant expenses		2,264,709
Transfer and subsidies paid		2,055,150
Amount in excess of revenue budget (unfunded)	2,311,549	
	<b>2,311,549</b>	<b>14,697,423</b>
<b>Analysis follow: Non Cash</b>		
Depreciation and impairment losses	339,382	7,541,210
Inventory write down	15,728	
	<b>355,110</b>	<b>7,541,210</b>

## 38. Fruitless and wasteful expenditure,

Possible fruitless and Wasteful expenditure are investigated and where applicable recovered from the Employee / Councillor concern. An amount of R 49,629 was recovered from an employee related to salary cost recoverable. The municipality has paid interest on a civil claim as part of the court judgement to the value of R31,061 while R496,849 resulted in fruitless and wasteful expenditure based on the forensic investigation conducted

Opening balance	49,629	248,142
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	2022	2021 as restated
Paid off during the year	(49,629)	(198,513)
-Fruitless and wasteful expenditure identified during the year	527,910	-
	<b>527,910</b>	<b>49,629</b>

## 39. Irregular expenditure

Irregular expenditure was incurred in the financial year based on appointments made in deviating from SCM legislation where Irregular expenditure was also incurred on Sect 56 employee-related costs during the financial year.

Opening Balance	53,264,885	15,257,905
Add: expenditure identified during the year	28,439,424	19,916,342
Add: expenditure – prior period identified during the year	13,869,524	18,090,638
Less: Approved by Council	-	-
	<b>95,573,833</b>	<b>53,264,885</b>

## Instances and cases in the current year

Supply chain and contract management processes	42,023,827	36,803,160
Sect 56 & 57 Employee cost above threshold	285,121	1,203,820
	<b>42,308,948</b>	<b>38,006,980</b>

## Cases under investigations

Investigations were not conducted by MPAC oversight committee on the 2020/21 financial year balances for unauthorized and irregular expenditure.

## 40. Additional disclosure in terms of Municipal Finance Management Act

### 40.1 PAYE, UIF & Skills levy

Current year subscription / fee	50,173,580	48,994,394
Amount paid – current year	(50,173,580)	(48,994,394)
	-	-

### 40.2 Pension and Medical Aid Deductions

Current year subscription / fee	82,668,703	83,571,044
Amount paid – current year	(82,668,703)	(83,571,044)
	-	-

### 40.3 VAT

VAT payable	395,411	
VAT receivable	-	70,989
	<b>395,411</b>	<b>70,989</b>

All VAT returns have been submitted by the due date throughout the year.

## 40 Awards made to people in service of the state

### 40.4.1 Awards to close family members of persons in the service of the state

Company Name	Initials	Surname	Designation and Employee NO.	Relationship with the company	Amount Paid
Africa Shades Construction	N	Monga	Assistant Manager Networks (00518)	Son of the Director/Shareholder	R14,892
Panorama Bloemiste	CS	Heunes	Snr Accountant (17530)	Husband to the Director/Shareholder	R25,393
Lu De Big Pty Ltd	LPS	Lamfiti	Admin Assistant (01146)	Wife to the Director/Shareholder	7,948
<b>TOTAL</b>					<b>R 48,233</b>

# Sedibeng District Municipality

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2022

2021 as  
restated

## 40.4.2 Awards made to suppliers in service of the state

No	Supplier name	Employee name	Employee name	Amount
1	Sonke Sibahle Projects Co-Operative Limited	Rupert Mahlangu	Independent Electoral Commission	R3 600,00
2	Fikile Matlaopane Tradings T/A Fikile Tradings (Pt	Fm Matlaopane	Nat: Statistics S.A.	R1 595,86
3	Leribahole Trading And Projects Pty Ltd	Aaron Phooko Leriba	South African Post Office Limited	R3 400,00
<b>Total</b>				<b>R8 595,86</b>

### 41 Related party transactions

Councillors and specifically the Executive Mayor and Speaker remuneration in terms of the government gazette are shown separately in note 22.

Section 56 employees' (Key Management) remuneration packages are shown separately in note 21. Councillors and all officials must annually declare their interests and the interest of close family members to Council.

### 42 Principles and Agents

See segment reporting for further detail (note 43)

### 42.1 Gauteng Department of Transport

The municipality is acting as an agent for the Gauteng Department of Transport by rendering services related to motor vehicle license registrations and renewals, driver license applications and renewals. The municipality also collect AARTO fees as part of the function. The current amount owed to the Department of transport is reflected below as a liability while the current assets still in the municipality's possession are reflected below in the bank account and debtor's account.

Based on the financial position of the municipality the high amount still owing to the Department of Transport contributing to the liquidity problem the municipality is currently facing. Significant cash and cash equivalent held on behalf of the Department of roads and transport is not available for use as disclosed in the financial statements.

The municipality also depicted fraudulent transactions within the licensing sector which are currently under investigation by the special crime investigation unit. This resulted in the debtor's amount reflected in the municipality's records

Account number	Amount as per bank confirmation	
Nedbank- Current Account Licensing (115944606)	12,149,538	6,794,219
Standard bank Licensing account (21781494)	1,008,733	466,915
<b>Total</b>	<b>13,158,271</b>	<b>7,261,134</b>
Debtors amount still receivable	6,125,616	-

### Breakdown of transactions

Collections made on NATIS system	291,209,613	273,935,911
<b>Less:</b>		
Refunds payable to Province	202,495,725	194,190,631
Refunds to AARTO	6,000,374	8,803,623
VAT payable on collections	9,888,556	8,683,583
Refunds to customers	170,304	143,238
Amount retained by Council	66,529,038	62,114,835
Debtor still receivable	6,125,616	
<b>Total Amount</b>	<b>291,209,613</b>	<b>273,935,910</b>

### Liability to Principle

<b>Total liability</b>	<b>152,732,965</b>	<b>129,974,801</b>
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## 42.2 Fresh Produce Market

The municipality is acting as an agent by rendering management services at the fresh produce market where fresh produce are being sold by the market agent on behalf of the farmers. The municipality is managing the financial affairs and are managing two bank accounts on behalf of the agents. These amounts are not available for use. The current balances on the bank accounts are as follow:

Account number	Amount as per bank confirmation	
Nedbank- Current Account (115944363)	R648,365	R600,250
Standard bank (21779589)	R7,858	R8,708
<b>Total</b>	<b>R656,223</b>	<b>R608,958</b>

## Breakdown of transactions

Bank statement o/b	608,958	342,281
Collections on the Fresh mark system	68,871,142	59,979,981
Payments made	(68,823,877)	(59,713,304)
Bank statement c/b held on behalf of the principal	656,223	608,958
<b>Revenue</b>		
Commission on transaction handling fees	3,402,962	2,997,520
Other income	266,223	262,681
<b>Total Amount</b>	<b>3,669,185</b>	<b>3,260,201</b>

## 43. Segment reporting

The municipality has identified the licensing centers and fresh produce market in terms of GRAP 18 as a unit with distinguishable activities of the municipality for which it is appropriate to separately report financial information. See note 42 for more detail.

2022

	Licensing Center's	Fresh Produce Market	Total
<b>Segment revenue</b>			
Revenue from exchange transactions	66,529,039	3,669,185	<b>70,198,224</b>
Revenue from non-exchange transactions	-	-	-
<b>Total Revenue</b>	<b>66,529,039</b>	<b>3,669,185</b>	<b>70,198,224</b>
<b>Segment expenses</b>			
Employee related costs	(61,044,197)	(10,516,001)	<b>(71,560,198)</b>
Remuneration of councillors	-	-	-
Depreciation and amortisation	(264,555)	(1,022,560)	<b>(1,287,115)</b>
Lease rentals on operating leases	(141,497)	-	<b>(141,497)</b>
General Expenses	(7,283,254)	(835,015)	<b>(8,118,269)</b>
<b>Total Expenses</b>	<b>(68,733,503)</b>	<b>(12,373,576)</b>	<b>(81,107,079)</b>
<b>Nett surplus/(deficit)</b>	<b>(2,204,464)</b>	<b>(8,704,391)</b>	<b>(10,908,855)</b>

2021

	Licensing Center's	Fresh Produce Market	Total
<b>Segment revenue</b>			
Revenue from exchange transactions	62,114,835	3,260,201	<b>65,375,036</b>
Revenue from non-exchange transactions	-	-	-
<b>Total Revenue</b>	<b>62,114,835</b>	<b>3,260,201</b>	<b>65,375,036</b>

# Sedibeng District Municipality

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2022

	Licensing Center's	Fresh Produce Market	Total
<b>Segment expenses</b>			
Employee related costs	(61,086,540)	(10,401,102)	<b>(71,487,642)</b>
Remuneration of councillors	-	-	-
Depreciation and amortisation	(298,928)	(1,076,465)	<b>(1,375,393)</b>
Lease rentals on operating leases	(139,972)	-	<b>(139,972)</b>
General Expenses	(5,883,613)	(459,675)	<b>(6,343,288)</b>
<b>Total Expenses</b>	<b>(67,409,053)</b>	<b>(11,937,242)</b>	<b>(79,346,295)</b>
<b>Net surplus/(deficit)</b>	<b>(5,294,218)</b>	<b>(8,677,041)</b>	<b>(13,971,259)</b>

#### 43. Changes in accounting estimate

None

#### 44. Post employee Retirement Benefits

Post employee benefits are defined for medical contributions as defined contribution plans where the legal or constructive obligation is limited to the amount that is agreed to contribute to the fund.

The municipality's obligation towards contributions toward the medical aids are limited to the annual contribution of medical aid premiums and will be a fixed monthly premium. Annual increases will escalate in line with normal inflation.

Termination benefits	2,018,453	2,023,841
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#### 45. Budget differences

##### Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2022

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget
<b>Revenue</b>					
Sale of goods	1,486,267	1,544,149	57,882	3.89%	
Rental of facilities and equipment	277,713	316,432	38,719	13.94%	Increase from budget amount based Covid-19 upliftment
Agency services	71,679,896	66,529,039	(5,150,857)	-7.19%	
Commissions received	3,456,154	3,402,962	(53,192)	-1.54%	
Other income - (rollup)	947,912	1,487,860	539,948	56.96%	Higher than anticipated income based on increase in ad-hoc income
Interest received - investment	2,002,566	1,847,215	(155,351)	-7.76%	
<b>Total revenue from exchange transactions</b>	<b>79,850,508</b>	<b>75,127,657</b>	<b>(4,722,851)</b>	<b>-5.91%</b>	
Licenses and permits	1,575,000	174,000	(1,401,000)	-88.95%	License renewals on air emission not done on an annual basis
Government grants & subsidies	307,897,190	302,367,320	(5,529,870)	-1.80%	
Services receive in kind	-	26,672,926	26,672,926		Reduction in service debt owed to Emfuleni
<b>Total revenue from non-exchange transactions</b>	<b>309,472,190</b>	<b>329,214,246</b>	<b>19,742,056</b>	<b>6.38%</b>	
<b>Total revenue</b>	<b>389,322,698</b>	<b>404,341,903</b>	<b>15,019,205</b>	<b>3.86%</b>	
<b>Expenditure</b>					
Personnel	(293,670,450)	(290,788,716)	2,881,734	-0.98%	
Remuneration of councillors	(12,456,928)	(12,271,405)	185,523	-1.49%	
Depreciation & impairment	(11,271,875)	(11,489,080)	(217,205)	1.93%	



**Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2022**

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget
Impairment Losses	-	(122,177)	(122,177)		
Lease rentals on operating lease	(6,137,363)	(5,992,731)	144,632	-2.36%	
Contracted Services	(37,920,351)	(35,311,551)	2,608,800	-6.88%	
General Expenses	(37,311,819)	(36,013,697)	1,298,122	-3.48%	
<b>Total expenditure</b>	<b>(398,768,786)</b>	<b>(391,989,357)</b>	<b>6,779,429</b>	<b>-1.70%</b>	Refer to note 37
<b>(Loss)/Gain on disposal of assets and liabilities</b>	-	-	-		
<b>Inventories losses/write downs</b>	-	(15,728)	(15,728)		
	-	(15,728)	(15,728)		
<b>Operating deficit</b>	<b>(9,446,088)</b>	<b>12,336,818</b>	<b>21,782,906</b>	<b>230.60%</b>	

## VOLUME II: ORGANISATIONAL ANNUAL PERFORMANCE

SEDIBENG DISTRICT MUNICIPALITY												
OFFICE OF THE MUNICIPAL MANAGER												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
KPA1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
<b>Compliance</b>	Ensure adherence to compliance matters	To ensure that all compliance matters are adhered to	Number of reports produced regarding compliance matters	No baseline	Opex	Produce four reports on Assets management of the Cluster	4/4 reports produced	Achieved	N/A	N/A	New Target	New Target
				Website compliance reports are available		Produce 12 reports on Website compliance	12/12 reports produced	Achieved	N/A	N/A	New Target	New Target
				No baseline	Opex	Produce four reports on the management of contracts of the Cluster	2/4 reports were produced	Not Achieved	N/A	N/A	New Target	New Target
	Produce Four reports on the management of the contracts of the cluster	To assess the performance of senior managers	Number of reports produced regarding compliance matters	No assessments for senior managers	Opex	Produce four assessment reports on website compliance	2/4 (50%) reports were produced reports were produced	Not Achieved	Performance contracts were only concluded in quarter 2 of the 2021/22 FY.	N/A	New Target	New Target

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
	Ensure legislative compliance	To ensure that all compliance reports are submitted on time	Number of compliance reports submitted	Compliance reports are available	Opex	Produce and Submit Four Compliance Reports and submit 12 reports to council for approval	12/12 (100%) Compliance Reports were produced	Achieved	N/A	N/A	N/A	N/A
<b>Sound financial viability of the Municipality</b>	Sound Financial Viability of the Municipality	To ensure that all Clusters have cash-flow plans approved by the MM	Number of Clusters with Cash flow Plans approved by the MM	No cash flow plans available	Opex	MM approved seven cash flow plans for clusters	7/7 (100%) of the Cash Flow Plans were produced	Achieved	N/A	N/A	New Target	New Target
	Sound Financial Viability of the Municipality	To Assess the AFS of the municipality	Number of Clusters with Cash Flow Plans approved by the MM	Availability of AFS for 2020/21	Opex	Assess the AFS misstatements and produce 4 reports	0/4 ( 0%) AFS Misstatements produced	Not Achieved	Target Not Achieved as only 0 % expenditure report was produced	Target Not Achieved as only 0 % expenditure report were produced	Target Not Achieved as only 0 % expenditure report was produced	Target Not Achieved as only 0 % expenditure report was produced
	Ensure Consequence management	To Assess the AFS of the municipality	Number of reports produced by Financial Misconduct Board	Financial Misconduct Board is established	Opex	Financial Misconduct Board produce four reports	0/4 quarterly FMDB reports were produced.	Not Achieved	Whilst the FMDB was established through Council resolution, the board is yet to effectively investigate and report as when cases are reported.	Whilst the FMDB was established through Council resolution, the board is yet to effectively	N/A	N/A

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
										investigate and report as when cases are reported.		
<b>Inter-governmental Relations (IGR)</b>	Cooperative governance, joint planning and joint implementation	To coordinated Intergovernmental collaborations with local, province and national departments	Number of Intergovernmental Collaboration meetings coordinate	Four (4) IGR Forums coordinated in the previous financial year	OPEX	Conduct eight (8) Intergovernmental collaboration meetings	0/8 (0%) Achieved as 8 of IGR Forums were co-ordinated in 2021/22 FY.	Not Achieved	For the 2021/22 FY, there was no evidence IGR Forums held due to the vacancy in the position, there was no incumbent available to fulfil the position.	Management is reviewing the current organogram, and placing of the IGR position.	1 of the 2 (50%) IGR forums was co-ordinated for the FY.	Target Not Achieved
<b>Risk Management</b>	Maintains effective, efficient and transparent systems of financial	To develop Strategic and Operational Risk Registers	Number of Risks registers developed for the municipality	2020 /21 Risk Management Plan	OPEX	Develop one Strategic and one Operational Risk Registers	0% of the 2021/22 Risk registers NOT implemented.	Not Achieved	Although s Strategic Risk Assessment was conducted in Q2 of 2021/22 FY - It was still to be tabled at Council as well as a Risk register Not implemented; due	Gauteng Provincial Treasury (GPT) Risk Management Unit - will assist SDM in	100% Achieved as 1 Risk Management Plan was developed and submitted to Risk Management	Target Achieved

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
	risk management and internal control								to lack of resources and capability in the risk Management Unit..	implementing necessary Risk Management Activities. A secondment will also be provided from SDM MM's office.	Committee for approval.	
<b>Audit Plan</b>	Develop, implement and monitor Risk-based Internal Audit Coverage Plan	Develop and implement Internal Audit Plan	Number of Internal Audit Plans Developed and reports produced	2020/21 Audit Plan	OPEX	Develop one Internal Audit Plan and produce four Internal Audit Reports	1/1 Internal audit plan was developed	Achieved	N/A	N/A	100% achieved. One (1) Risk-Based Internal Audit Coverage Plan was developed.	100% Achieved

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>SDBIP</b>	Ensure measurable and transparent monitoring of the municipal performance.	To develop and monitor the implementation of the SDBIP	Number of Service Delivery and Budget Implementation Plans(SDBIP) approved and implemented	Availability of IDP and SDBIP 2020/21	OPEX	Develop one (1) 2021/22 SDBIP	1/1 (100%) SDBIP was developed for 2021/22 FY	Achieved	N/A	N/A	One (1) 2019/20 SDBIP was reviewed and Signed off	100% Achieved
<b>PMS</b>	Co-ordinate Performance Reporting, Monitoring and Evaluation	To monitor the performance of the municipality through the implementation of the SDBIP	Number of Performance Management Reports produced	Performance Management Framework	OPEX	Monitor and evaluate the performance of the Municipality through the implementation of SDBIP and produce four reports	4/4 ( 100%) Performance Management Reports Produced	Achieved	N/A	N/A	Four 4 Performance Management Reports Produced	100% Achieved

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Quality Assurance</b>	Ensure good governance	To coordinate the remedial actions of the Auditor General Findings	Number of Auditor General findings remediated	66 Auditor General Findings for 2020/21	OPEX	Remediate all Auditor General Findings and produce four reports for Council approval	48% instead of 100 % was achieved	Not Achieved	48% of Target Not Achieved due to the transition in the municipality administration, Acting Section 56 and 57 employees, which created some instability in the responsibility and accountability challenges in terms of owning the risk and findings raised.	Management will execute the following:- 1) Re-institute the OPCA committee meetings to report on the progress on the remediation of issues raised. 2) Further; this will be implemented effectively when all the Executive Directors have been appointed for all the clusters		100% Achieved

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PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
										and 3)a Will be performance managed on a quarterly basis		
	Ensure good governance	To develop Annual Report for the municipality	One Annual Report approved by Council	2020/21 Annual Report Develop and submit to council	OPEX	Produce one Annual report and submit it to Council for approval	Draft Annual Report produced to be submitted to cancel for approval	Achieved	N/A	N/A	Not Achieved	Due to Covid-19 pandemic
<b>Inter-governmental Relations (IGR)</b>	Cooperative governance, joint planning and joint implementation	To coordinate Intergovernmental collaborations with local, province and national departments	Number of Intergovernmental Collaborations meetings coordinate	Four (4) IGR Forums coordinated in the previous financial year	OPEX	Conduct eight (8) Intergovernmental collaboration meetings	0/8 (0%) Achieved as 8 of IGR Forums were co-ordinated in 2021/22 FY.	Not Achieved	For the 2021/22 FY, there was no evidence IGR Forums held due to the vacancy in the position, there was no incumbent available to fulfil the position.	Management is reviewing the current organogram, and placing of the IGR position.	1 of the 2 (50%) IGR forums was co-ordinated for the FY.	Target Not Achieved



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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Risk Management</b>	Maintains effective, efficient and transparent systems of financial risk management and internal control	To develop Strategic and Operational Risk Registers	Number of Risks registers developed for the municipality	2020 /21 Risk Management Plan	OPEX	Develop one Strategic and one Operational Risk Registers	0% of the 2021/22 Risk registers NOT implemented.	Not Achieved	Although s Strategic Risk Assessment was conducted in Q2 of 2021/22 FY - It was still to be tabled at Council as well as a Risk register Not implemented; due to lack of resources and capability in the risk Management Unit..	Gauteng Provincial Treasury (GPT) Risk Management Unit - will assist SDM in implementing necessary Risk Management Activities. A secondment will also be provided from SDM MM's office.	100% Achieved as 1 Risk Management Plan was developed and submitted to Risk Management Committee for approval.	Target Achieved
<b>Audit Plan</b>	Develop, implement and monitor Risk-based Internal	Develop and implement Internal Audit Plan	Number of Internal Audit Plans Developed and reports produced	2020/21 Audit Plan	OPEX	Develop one Internal Audit Plan and produce four Internal Audit Reports	1/1 Internal audit plan was developed	Achieved	N/A	N/A	100% achieved. One (1) Risk-Based Internal Audit Coverage Plan was	100% Achieved

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Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
	Audit Coverage Plan										developed.	
<b>SDBIP</b>	Ensure measurable and transparent monitoring of the municipal performance.	To develop and monitor the implementation of the SDBIP	Number of Service Delivery and Budget Implementation Plans(SDBIP) approved and implemented	Availability of IDP and SDBIP 2020/21	OPEX	Develop one (1) 2021/22 SDBIP	1/1 (100%) SDBIP was developed for 2021/22 FY	Achieved	N/A	N/A	One (1) 2019/20 SDBIP was reviewed and Signed off	100% Achieved
<b>PMS</b>	Co-ordinate Performance Reporting, Monitoring and Evaluation	To monitor the performance of the municipality through the implementation	Number of Performance Management Reports produced	Performance Management Framework	OPEX	Monitor and evaluate the performance of the Municipality through the implementation of SDBIP and produce four reports	4/4 ( 100%) Performance Management Reports Produced	Achieved	N/A	N/A	Four 4 Performance Management Reports Produced	100% Achieved

SEDIBENG DISTRICT MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
		ntation of the SDBIP										
<b>Quality Assurance</b>	Ensure good governance	To coordinate the remedial actions of the Auditor General Findings	Number of Auditor General findings remediated	66 Auditor General Findings for 2020/21	OPEX	Remediate all Auditor General Findings and produce four reports for Council approval	48% instead of 100 % was achieved	Not Achieved	48% of Target Not Achieved due to the transition in the municipality administration, Acting Section 56 and 57 employees, which created some instability in the responsibility and accountability challenges in terms of owning the risk and findings raised.	Management will execute the following:- 1) Re-institute the OPCA committee meetings to report on the progress on the remediation of issues raised. 2) Further; this will be implemented effectively when all		100% Achieved

SEDIBENG DISTRICT MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
										the Executive Directors have been appointed for all the clusters and 3)a Will be performance managed on a quarterly basis		
<b>Overall 2021/22 Overall Performance Summary</b>												
<b>Planned Targets</b>		<b>15</b>										
<b>Targets Achieved</b>		<b>8</b>										
<b>Targets Not Achieved</b>		<b>7</b>										
<b>Achievement in %</b>		<b>53%</b>										

SEDIBENG DISTRICT MUNICIPALITY												
FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>												
<b>OFFICE OF THE CHIEF FINANCIAL OFFICER</b>												
<b>Implementation of MSCOA reforms</b>	Progressive Compliance with MSCOA regulations	To ensure successful implementation of the MSCOA regulations	Percentage of transacting on MSCOA posting accounts	New Target	OPEX	Implement 100% of MSCOA Regulations on account posting of transactions	The Target of 100% as 1 set of revised tariffs was reviewed and submitted to council	Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved
<b>Municipal budget</b>	Compile a realistic and funded budget	To provide a realistic financial planning of the municipality	Number of municipal budgets approved	One (1) annual municipal budget in the previous financial year	Opex	Compile one annual budget and submit to Council for approval	100% of Target was achieved as 1 Budget was submitted and approved by council	Achieved	N/A	N/A	N/A	100% Target was achieved as one (01) annual budget was submitted to council for approval
<b>Procurement Plan</b>	Development of an annual Procurement Plan	To determine procurement	Number of Procurement plans and submitted to	One (01) annual Capex	OPEX	Submit one (01) annual Capex Procurement plan to National	100% of Target was achieved as 1 Budget was submitted	Achieved	N/A	N/A	100% Target was achieved as one (01) annual budget	100% Target Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>												
		requirements and timeframes	National Treasury	Procurement plan submitted to National Treasury in the previous financial year		Treasury	and approved by council				was submitted to council for approval	
<b>Cost Containment</b>	Implement Cost Containment Strategy	To promote sound financial administration practices	Percentage of cost saving realized	5% cost saving realized in the previous financial year	OPEX	Realise 1% of total annual saving on operating budget within general expenses and produce four reports	1/1 savings on operational expenditure was achieved 100% Target Achieved	Achieved	N/A	N/A	Target was achieved	100% Target Achieved
<b>Municipal Tariffs</b>	Review tariff structure and income generating tariffs	To review the effectiveness of the existing tariff structures	Number of municipal tariff reviews conducted	One (1) Review of tariff structures conducted in the previous financial	Opex	Review tariffs for the 2021/22 financial year and submit to Council for approval	The Target of 100% as 1 set of revised tariffs was reviewed and submitted to council	Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>												
				year								
<b>GEYODI Compliance</b>	Monitor adherence to GEYODI	To adhere to GEYODI requirements	Percentage of jobs awarded to people with disability	2% jobs awarded to people with disabilities on the previous financial year	OPEX	1 % of total annual jobs awarded and services rendered by people with disabilities and produce one report	The Target is 100% Achieved as 0.5 % of total annual jobs awarded and services rendered by people with disabilities was achieved.	Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved
			Percentage (%) of jobs awarded to Women owned businesses to date	20% jobs awarded to women owned businesses in the previous financial year	OPEX	20% of total annual jobs awarded and services rendered by women and produce one report	The Target is 100% Achieved as 20 % of total annual jobs awarded and services rendered were awarded to women owned businesses, was achieved.	Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>												
			Percentage of jobs awarded to Youth owned businesses to date	4% jobs awarded to youth owned businesses in the previous financial year	OPEX	4% of total annual jobs awarded and services rendered by youth and produce one report	The Target is 100% Achieved as 4 % of total annual jobs awarded and services rendered by people by youth was achieved.	Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved
<b>Local Business Support</b>	To prioritize procurement of goods and services from local suppliers	To provide support and develop local businesses	Percentage of jobs awarded to local SMMEs and Cooperatives to date	30% jobs awarded to SMME's and Cooperatives in the previous financial year	OPEX	30% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	The Target is 100% Achieved as 30 % of total annual jobs awarded and services rendered by SMME's and Cooperatives was achieved.	Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved
<b>Overall 2021/22 Overall Performance Summary</b>												
<b>Planned Targets</b>		<b>9</b>										
<b>Targets Achieved</b>		<b>9</b>										



SEDIBENG DISTRICT MUNICIPALITY												
FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>												
<b>Targets not Achieved</b>							<b>0</b>					
<b>Achievement in %</b>							<b>100%</b>					

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>												
<b>INFORMATION TECHNOLOGY</b>												
<b>Compliance</b>	Ensure adherence to compliance matters	To ensure that all compliance matters are adhered to	Number of reports produced regarding compliance matters Number of ICT governance Framework reports produced	No baseline	Opex	Produce four reports on Assets management of the Cluster	0/4 (0%) Reports Not produced	Not Achieved	Target was not as achieved as there suggested changes to reallocate the KPI and Targets	The target will be subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	New Target	New Target
				Website compliance reports are available	Opex	Produce 12 reports on website compliance	12/12 reports on website compliance were produced	Achieved	N/A	N/A	New Target	New Target
				No reports submitted	Opex	Produce four reports on the management of contracts of the cluster	4/4 (100%) of the Management of contracts were produced	Achieved	N/A	N/A	New Target	New Target

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>ICT Governance</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To implement ICT Governance Framework		ICT Governance Framework for 2020/21	OPEX	Produce four reports on the Implementation of ICT Governance Framework	4/4 (100%) Reports on ICT Governance Framework were produced	Achieved	N/A	N/A	New Target	New Target
<b>ICT Strategy</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To implement ICT Strategy	Number of reports on the implementation of ICT Strategy	ICT Strategy available	Opex	Produce four reports on the implementation of ICT Strategy	4/4 (100%) Reports on ICT strategy produced	Achieved	N/A	N/A	New Target	New Target
<b>ICT Security Controls</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To implement ICT Security Controls	Number of reports on the implementation of the ICT Security controls	ICT Security control policy in place	Opex	Produce four reports on the implementation of ICT security Controls	4/4 (100%) on ICT security control reports produced	Achieved	N/A	N/A	New Target	New Target
<b>ICT Risks</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To identify and manage identified ICT risks	Number of reports on the remedial action regarding identified ICT risks	Reports on the remedial action of the identified ICT risks for 2020/21	Opex	Produce remedial action reports on the identified ICT risks	4/4 (100%) on ICT risks reports produced	Achieved	N/A	N/A	New Target	New Target

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>ICT Steering Committee</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To implement ICT Steering Committee resolution	Number of reports produced regarding the progress on the implementation of the ICT resolutions	Resolutions tracked and implemented for 2020/21	Opex	Produce four reports regarding progress on the implementation of ICT Steering Committee Resolutions	4/4 (100%) reports on ICT steering committee resolution produced	Achieved	N/A	N/A	New Target	New Target
<b>ICT Policies workshops</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To provide workshops to employees on ICT policies and procedure	Number of ICT policies workshops conducted for employees	Reports on workshops for councillors 2020/21	Opex	Produce 4 reports on ICT Policies workshops conducted for employees	4/4 (100%) reports on ICT Policies' workshops produced	Achieved	N/A	N/A	New Target	New Target
<b>ICT Security Controls</b>	World Class ICT Infrastructure in support of Smart Sedibeng	To implement ICT Security Controls	Number of reports on the implementation of the ICT Security controls	ICT Security control policy in place	Opex	Produce four reports on the implementation of ICT security Controls	4/4 (100%) on ICT security control reports produced	Achieved	N/A	N/A	New Target	New Target
<b>HUMAN RESOURCES</b>												
<b>Human Management Resources Strategy</b>	Ensure Effective component and motivated staff	To implement Human Resources Management	Number of reports on the implementation of Human Resources Strategy	Approved Human Resources Management		Produce four Council approved reports on the implementation of the Human	4/4 (100%) of Human Resources strategy reports were presented to Council for	Achieved	N/A	N/A	target Achieved	Target Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
		ent		ment Strategy for 2020/21		Resources Management Strategy	approval					
<b>Wellness Programme</b>	Ensure effective component and motivated staff	Conduct workplace stress management empowerment programmes for employees	Number of workplace stress management programmes conducted for workers	Workplace stress management programmes for the workers conducted in 2020/21	Opex	Conduct four workplace stress management for workers	4/4 (100%) workplace stress management reports were produced	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
<b>Occupational Health and Safety</b>	Ensure effective, competent and motivated staff	Implement Occupational Health and Safety programmes	Number of Occupational Health and Safety programmes implemented	Occupational Health and Safety Plan for 2020/21	OPEX	Produce four reports on the implementation of the Occupational Health and Safety programmes for employees	4/4 (100%) of the Occupational Health & Safety employee programmes were produced. Produced	Achieved	N/A	Target was achieved	Target Not Achieved	Target Not Achieved
<b>Workplace Policies</b>	Ensure effective, competent and motivated staff	To conduct workplace policies workshops for	Number of workplace policies conducted for employees	Workplace policies for 2020/21	OPEX	Conduct four workplace policies workshops for employees	Not achieved	Not Achieved	Two Policy workshops to be conducted in the second	Target Was not Achieved	Target Not Achieved	Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
		employees							quarter of the FY			
<b>Local Labour Forum</b>	Ensure effective, competent and motivated staff	To conduct LLF meetings to deliberate on issues affecting employees and management	Number of LLF meetings resolutions finalized	LLF meetings resolutions finalized in 2020/21	OPEX	Implement three Local Labour Forum Resolutions every three months	0/4 (0%) Reports Not produced	Not Achieved	LLF should be reconvened after first Council sitting and election of LLF reps nominated by the Mayor	Target was achieved	Target Not Achieved	Target Not Achieved
<b>LEGAL AND SUPPORT</b>												
<b>Contract Management</b>	Oversee the implementation of contract management by clusters	To provide legal support regarding clusters' management of their contracts	Number of contract management oversight reports produced	Four Contract management oversight reports in 2020/21 financial year	OPEX	Oversee the implementation of contract management and produce four reports	2/4(50%) reports were produced	Not Achieved	Movement to restructure the Contract Management and Capacitate Department. Further - introduce systems and policies to effectively	Target Not Achieved		Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
									report to Council			
<b>Legal services</b>	Ensure good governance	To advice council on all matters of legal nature	Number of legal opinions provided to management	No baseline	Opex	Produce four reports regarding legal opinions provided	0/4 reports produced	Not Achieved	Movement to restructure the Contract Management and Capacitate Department. Further - introduce systems and polices to effectively report to Council	Movement to restructure the Contract Management and Capacitate Department. Further - introduce systems and polices to effectively report to Council	Target Not Achieved	Target Not Achieved
		To advice Council on new and/or amended legislation affecting the local government	Number of new and/or amended legislation affecting local government submitted to council	No baseline	Opex	Produce eight reports on new and/or amended legislation affecting the Local government	0/8 ( 0%) reports on legislation affecting Local Government were produced.	Not Achieved	Movement to restructure the Contract Management and Capacitate Department. Further - introduce systems and polices	Movement to restructure the Contract Management and Capacitate Department. Further - introduce systems and polices	Target Not Achieved	Target Not Achieved

SEDIBENG DISTRICT MUNICIPALITY												
CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
									to effectively report to Council	to effectively report to Council		
<b>Council meetings Secretariat Support services</b>	Effective Management of Council Business	To Provide secretariat support to council meetings	Number of council meetings supported	Eight Council meetings for 2020/21	OPEX	Provide four sets of minutes and Agenda of Council meetings	4/4 (100%) council minutes produced	Achieved	Target Achieved	N/A	Target Not Achieved	Target Not Achieved
<b>Records Management</b>	Effective management of Council Business	To implement Records Management Strategy	Number of reports on the implementation of the Records Management Strategy	Records Management Strategy for 2020/21	OPEX	Produce four reports on the implementation of the Records Management Strategy	0/4 Not achieved	Not Achieved	Management to implement the Records Manager Records Strategy			Target Not Achieved
COMMUNICATIONS												
<b>Communications Strategy</b>	Effective management of Council Businesses	To develop Communication Strategy	One Council Approved Report on Communication Strategy	No Communication Strategy in 2020/2021	Opex	Produce one Communication Strategy and submit to Council for approval	0/1 Communication Strategy produced	Not Achieved	Budgetary Constraints	To review the policy and approved through Council	Target Not Achieved	Target Not Achieved
<b>Social Media Policy</b>	Effective management of Council Businesses	To develop Social Media	One Council approved report on Social Media	No Social Media Policy in	Opex	Produce one Social Media Policy and submit to	0/1 Social Media Policy produced and submitted to	Not Achieved	Budgetary Constraints	To review the policy and approved	Target Not Achieved	Target Not Achieved



SEDIBENG DISTRICT MUNICIPALITY												
CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
		Policy	Policy	2020/2021		Council for approval	Council			through Council		
<b>Website</b>	Effective management of Council Businesses	To upload compliance reports and documents on the municipality website	Number of reports uploaded and updated on the website	Reports on municipality the website updates	OPEX	Upload eight compliance reports on the website	8/8 Compliance reports uploaded	Achieved	N/A	N/A	target Achieved	target Achieved
<b>Municipality Image</b>	Effective management of Council Businesses	To promote the municipality image through posting of events, campaigns and commemorative events on the website.	Number of reports regarding municipality events upload on the website	Uploaded write-ups for the municipality events on the website for 2020/2021	Opex	Uploaded four municipality events on the website	four municipality events uploaded on the website	Achieved	N/A	N/A	Target Achieved	Target Achieved
	Effective management of Council Businesses	To implement Communication	Number of Communication strategies Implemented	Communication strategies	OPEX	One Communication Strategy developed and	0/1 Communication Strategy produced	Not Achieved	Budgetary Constraints	It will be done in the next Quarter	Target Not Achieved	Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
		Strategy		Implemented in 2020/21 financial year.		approved by Council						
	Effective management of Council Businesses	To monitor Media Services	Number of Media Monitoring Services Implemented	Media Monitoring Services implemented in 2020/21 financial year.	OPEX	Four Reports on Media monitoring	4/4 (100%) council minutes produced	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
	Build high level stakeholder relations, effective Communication and Branding	To conduct media stakeholders relations meeting	Number of Media Stakeholders meetings conducted	No Baseline	Opex	Conduct four Media Stakeholders meetings	0/4 Media Stakeholder meetings held	Not Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
			Number of Marketing and Branding Strategy Implemented.	Marketing and Branding Strategy	Opex	Produce four Marketing and Branding Strategy implementation reports	0/4 reports on Marketing & Branding Strategy	Not Achieved	Budget constraints	It will be done in the next Quarter		Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
			Number of District Communications forum meetings	No baseline	Oepx	Coordinate 11 District Communications Forum meetings	4/4 Media Stakeholder meetings held	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
			Number of External newsletters developed, printed and distributed.	External newsletters developed, printed and distributed in 2020/21 financial year	OPEX	Develop, Print and Distribute 1 External newsletters each quarter	0 % External Newsletters Printed	Not Achieved	Budgetary Constraints	An online external newsletter to be developed and shared through our social media platforms and various stakeholders in our database.	Target Not Achieved	Target Not Achieved
			Number of media engagements facilitated	No Baseline	Opex	Facilitate four media engagements	4/4 (100%) of the Media Engagements conducted	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
		To implement Social Media Policy	Number of Social Media reports submitted	no baseline	Opex	Submit four reports on Social media	4/4 (100%)Media reports were produced on various Social Media sites	Achieved	N/A	N/A		Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>FLEET MANAGEMENT</b>												
<b>Integrated Fleet Management Policy</b>	Ensure effective and efficient fleet management	To Review Integrated Fleet Management Policy	One Integrated Fleet Management Policy approved by Council	Approved Integrated Fleet Management Policy for 2020/21	Opex	Produce one Integrated Fleet Management Policy and submit it to Council for approval	0% of the IFM Policy was tabled to council	Not Achieved	Not tabled at council yet but report available	Not tabled at council yet but report available	Target Not Achieved	Target Not Achieved
<b>Integrated Fleet Management Strategy</b>	Ensure effective and efficient fleet management	To implement Integrated Fleet Management Strategy	One Integrated Fleet Management Strategy approved by Council	No Integrated Fleet Management Strategy in 2020/21	Opex	Produce one Integrated Fleet Management Strategy and submit to Council for approval	(0%) IFM Strategy submitted	Not Achieved	Not tabled at council yet but report available	Not tabled at council yet but report available	Target Not Achieved	Target Not Achieved
<b>Integrated Fleet Management Plan</b>	Ensure effective and efficient fleet management	To develop Integrated Fleet Management plan	Council approved Integrated Fleet Management plan	Approved Integrated Fleet Management plan for 2020/21	Opex	Produce one Integrated Fleet Management Plan and submit to Council for approval	(0%) of IFM Plan submitted to Council for approval	Not Achieved	Not tabled at council yet but report available	Not tabled at council yet but report available	Target Not Achieved	Target Not Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Integrated Fleet Management Plan</b>	Ensure effective and efficient fleet management	To implement integrated Fleet Management Plan	Number of Council approved Integrated Fleet Management Plan reports produced	Approved Integrated Fleet Management reports for 2020/21	Opex	Produce four reports on the implementation of the integrated fleet management plan for council approval	Not Achieved	Not Achieved	N/A	Target Not Achieved	Target Not Achieved	Target Not Achieved
<b>FACILITIES MANAGEMENT</b>												
<b>Facilities and buildings</b>	Improve Council image and access to Municipality's Buildings and Facilities	To develop General Repairs and Maintenance plan for facilities and buildings	One General Maintenance and Repairs plan for facilities and buildings approved	Approved General Repairs and Maintenance plan for facilities and buildings for 2020/21	Opex	Produce one General Repairs and maintenance plan for buildings and facilities for council approval	0 % target received	Not Achieved	To be tabled in Council	To be tabled in Council	Target Not Achieved	Target Not Achieved
<b>Facilities and buildings</b>	Improve Council image and access to Municipality's	To implement General Repairs	Number of General Repairs and Maintenance	Approved General Repairs	Opex	Produce four reports on General Repairs and	4/4 reports on protection reports were produced	Achieved	N/A	N/A	Target Achieved	New Target

**SEDIBENG DISTRICT MUNICIPALITY**

**CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
	Buildings and Facilities	and Maintenance Plan for facilities and buildings	reports produced	and Maintenance Reports in 2020/21		Maintenance of facilities and buildings						
<b>PROTECTION SERVICES</b>												
<b>Safety and security of councillors, employees and members of the public</b>	Ensure safety of users of municipality facilities and buildings	To implement the Protection Services Strategy	Number of reports submitted on the implementation of the protection services Strategy	Reports on the implementation of the Protection Services Strategy for 2020/2021	Opex	Submit four reports on the implementation of the Protection Services Strategy	4/4 reports were to council	Achieved	N/A	Target was not achieved	Target Not Achieved	Target Not Achieved
<b>OVERALL 2021/22 PERFORMANCE SUMMARY</b>												
<b>Planned Targets</b>							<b>37</b>					
<b>Targets Achieved</b>							<b>20</b>					
<b>Targets not Achieved</b>							<b>17</b>					
<b>Achievement in %</b>							<b>54%</b>					

**SEDIBENG DISTRICT MUNICIPALITY**

**TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT - CUSTODIAN: EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>KPA 4: BASIC SERVICES AND INFRASTRUCTURE</b>												
<b>TRANSPORT</b>												
<b>Compliance</b>	Ensure adherence to compliance matters	To ensure that all compliance matter are adhered to	Number of reports produced regarding compliance matters	No baseline	Opex	Produce four reports on Assets management of the Cluster	4/4 reports produced	Achieved	At the time of the development of the submit Management was not aware of the target	Management to review the SDBIP during the Mid-Term in 2034	New Target	New Target
				No reports submitted	Opex	Produce four reports on the management of contracts of the Cluster	4/4 (100%) reports on the management of the contracts were produced	Achieved	N/A	N/A	New Target	New Target
<b>Development of Integrated Transport Plan (ITP)</b>	Plan and develop accessible, safe and affordable public transport systems and facilities.	To promote to implement the Integrated Transport Plan	Number of reports produced regarding the implementation of integrated transport plan	Integrated Transport Plan (ITP)	Dept. of Transport	Review Integrated Transport plan and submit to council for approval	100% Achieved Integrations was produced and 4/4 Integrations Plan were produced	Achieved	N/A	N/A	100% of ITP was achieved	Target Achieved

**SEDIBENG DISTRICT MUNICIPALITY**

**TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT - CUSTODIAN: EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
Airport	To monitor the operations of the airport	To provide airport services to the customers	Number of service provided to the customers	New	OPEX	Monitor Operations of the airport and produce four reports	4/4 (100%) of the airport monitoring operations reports were produced for the year	Achieved	N/A	N/A	4/4 of the airport monitoring operations reports were produced for the year	Achieved
<b>Regional Infrastructure Projects</b>	Plan for effective, efficient and sustainable infrastructural projects, water and sanitation services, and provision of electricity	To coordinate regional infrastructure projects	Number of Regional Infrastructure Projects coordinated	Bi-annual reports per projects were tabled to council	OPEX	Monitor implementation of one (1) regional infrastructure project and report bi-annually	100% Achieved 1 Regional Infrastructure Project was monitored	Achieved	N/A	N/A	1 Regional Infrastructure Project was monitored	Achieved
<b>License Service Centres</b>	Render effective, efficient and customer oriented licensing services in the region	To provide licensing services to the customers	Number of reports produced on the implementation of Licensing Services.	Four (4) reports in 2019/20	O	Produce four reports on implementation of Licensing Services	4/4 (100%) of the implementation of licences service reports were produced	Achieved	N/A	N/A	(4/4) of the implementation of licences service reports were produced	Achieved
<b>Air Quality</b>	Implementation of effective environment management in the region	To monitor ambient air quality within the region	Number of reports produced on the Ambient Air Quality monitoring station	No Air Quality Management Plan	OPEX	Produce four reports on Ambient Air Quality monitoring stations	4/4 (100%) reports of the Ambient Air Quality monitoring station produced	Achieved	N/A	N/A	(4/4) reports of the Ambient Air Quality monitoring station produced	Achieved



**SEDIBENG DISTRICT MUNICIPALITY**

**TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT - CUSTODIAN: EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Environmental Awareness</b>	Implementation of effective environment management in the region	To conduct environmental awareness campaigns	Number of Environmental Awareness Campaigns	Four (4) Campaigns on 2019/20	OPEX	Conduct Four (4) Environmental Awareness Campaigns	Zero (0/4) of the Environmental Awareness Campaigns were conducted	Not Achieved	Due to Covid-19 Lock-down restrictions - The community gatherings had been prohibited and as such awareness campaigns have been suspended.	The environmental awareness programme will be deferred to 2021/2022 financial year, with alternative ways of conducting such campaigns still to be investigated.	2/4 of environmental awareness campaigns were conducted in the previous FY.	Not Achieved
<b>Municipal Health Services</b>	Ensure a safe and healthy environment for people to live and work in and reduce environmental health risk	To provide municipal health services within the region	Percentage of compliance to Municipal Health Norms and Standards	88% Compliance Achieved in 2019/2020 (2020/21)	OPEX	Render Municipal Health Services at 50% compliance with National Health Norms and Standards and report	Zero (0%) target achieved in rendering the municipality health services as per the required 50% compliance with National Health Norms, standards and reports	Not Achieved	The municipal health norms and standards compliance audit for the 2020/21 FY was not conducted by the National Department of Health Directorate. This was also not conducted by the Gauteng Department of Health: Environmental Health Directorate. This is due to the fact that the Sedibeng's municipality is solely dependent on	Management will review the feasibility of retaining the KPI for the next FY.	Target Exceeded as 92% instead of 50% was achieved	Target Exceeded

**SEDIBENG DISTRICT MUNICIPALITY**

**TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT - CUSTODIAN: EXECUTIVE DIRECTOR**

**PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR**

Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
									the National and Provincial Department of Health Directorate for the audit rating in terms of compliance to the municipal health norms and standards in order for it to determine whether the MHS of 50% compliance was achieved or not.			
<b>OVERALL 2021/22 PERFORMANCE SUMMARY</b>												
<b>Planned Targets</b>							<b>9</b>					
<b>Targets Achieved</b>							<b>7</b>					
<b>Targets Not Achieved</b>							<b>2</b>					
<b>Achievement in %</b>							<b>78%</b>					

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
Compliance	Ensure adherence to compliance matters	To ensure that all compliance matters are adhered to	Number of reports produced regarding compliance matters	No baseline	Opex	Produce four reports on Assets management of the Cluster	0/4 Reports Not produced	Not Achieved	At the time of the development of the SDBIP Management was not aware of the target	Management to review the SDBIP during the Mid-Term in 2024	New Target	New Target
				Website compliance are available	Opex	Produce 12 reports on website compliance	100% Target Achieved as 4/4 Reports produced	Achieved	N/A	N/A	New KPI and target	New KPI and target
				No baseline	Opex	Produce four reports on the management of contracts of the Cluster	4/4 Reports Not produced	Achieved	N/A	N/A	New KPI and target	New KPI and target

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
	Produce four reports on the management of contracts of the Cluster	To assess the performance of senior managers	Number of reports produced regarding compliance matters	No Assessment for senior Managers	Opex	Produce four reports on website compliance	Zero (0%) reports produced	Not Achieved	Due to changes in Acting MM's and Acting Executive Directors in cluster positions	Contracts of all the executive directors will be uploaded on the website once the Executive Director positions have been filled	New Target	New Target
	Ensure legislative compliance	To ensure that all compliance reports are submitted on time	Number of reports produced regarding compliance matters	No assessment for senior managers	Opex	Produce four reports on website compliance	4/4 ( 100%) on the compliance matters were produced	Achieved	N/A	N/A	New Target	New Target

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>GDS III</b>	Ensure coordination of the implementation of Growth and Development Strategy (GDS)	To co-ordinate the implementation of the Growth and development strategy III	Number of progress Reports on implementation of the Growth and Development Strategy III	2020/21 Progress reports on GDS III	OPEX	Produce four progress reports on the implementation of the Growth and Development Strategy III	(4/4) 100% report on progress report on the implementation 1 Spatial Development Framework adopted in previous financial year 2021/22	Achieved	Achieved	N/A	N/A	Four (4) reports on Growth and Development Strategy produced
<b>IDP</b>	Coordinate development ally-oriented municipal planning	Develop a realistic Integrated Development Plan, based on the District Development Model and the One Plans	Number of Integrated Development Plans developed	2020/21 IDP is available	OPEX	Develop one (1) approved IDP	100% achieved	Achieved	N/A	N/A	The target of develop one (1) IDP Process Plan was achieved. The IDP was also submitted to council for approval	100% Target Achieved

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Spatial Development Framework</b>	Review and implementation of Spatial development plan	To implement Spatial Development Plans	Number of Sector Development Plans implemented	1 Spatial Development Framework adopted in previous financial year 2019/20.	DRD LR	Implement the Spatial Development Plan and produce one report	100% Target achieved	Achieved	N/A	N/A	The target of develop one (1) IDP Process Plan was achieved. The IDP was also submitted to council for approval	100% Target Achieved
<b>Housing and Urban Renewal programme</b>	Promote Urban Renewal and modernize urban development	To coordinate Urban Renewal programmes	Number reports on Housing and urban renewal programmes coordinated	Housing and urban renewal Plan available	CAP EX	Coordinate, monitor and produce four reports on Urban Renewal programmes	4 reports on urban renewal programmes produced	Achieved	Management will ensure that programs are co-ordinated to ensure that the reports are produced	Target of 100% was achieved as Four (4) reports on housing and renewal programmes were co-ordinated	100% Target Achieved	Achieved

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Regional Southern Corridor Projects.</b>	Address past spatial imbalances and land-use management	To implement Special Economic Zone	Number of progress reports on the implementation plans of Special Economic Zone	Special Economic Zone Framework available.	CAP EX	Implement Special Economic Zone and produce four reports	Target of 100% was achieved as the Coordination and the implementation of the Southern Corridor Regional Implementation Plans were achieved and four reports were produced in the FY..	Achieved	N/A	N/A	Target of 100% was achieved as the Coordination and the implementation of the Southern Corridor Regional Implementation Plans were achieved and four reports were produced in the FY..	100% Target Achieved
<b>Expanded Programme on Public Works</b>	Creating work opportunities in public social programmes	To appoint sixty EPWP workers on contract	Number Expanded Public Works Program (EPWP) beneficiaries employed	Sixty seven EPWP beneficiaries employed in the previous financial year	CAP EX	Sixty-seven EPWP beneficiaries employed in the previous financial year	50% Target Achieved	Not Achieved	N/A	N/A	The Target of 100% to Coordinate the Implementation of SPLUMA in the region was achieved four reports were	100% Target Achieved

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
											produced for the FY.	
<b>SMMEs and Cooperatives Development</b>	Ensure that adequate financial and non-financial assistance is provided to SMMEs and Cooperatives	To train 10 SMMEs and Cooperatives on non-financial courses as part of empowerment	Number of SMMEs and Cooperatives trained	50 Cooperatives and SMME's trained in the previous financial year	CAP EX	Number of SMMEs and Cooperatives trained	4/4 of the SMME's & Corporative Governance Reports were produced.(75%) Achieved	Achieved	N/A	N/A	Target Not Achieved as training required to capacitate the SMME's did not transpire.	Target Not Achieved
<b>Tourism Demand</b>	Promote and Develop Tourism and Leisure sector	To create tourism demand through targeted tourism marketing initiatives	Number of marketing Initiatives created	Participated in Four Tourism and Marketing Initiatives in the previous financial year 2020/21	OPE X	Create tourism demand through marketing initiatives and produce four reports	4/4 (100%) Tourism & Marketing Initiative Report produced	Achieved	Achieved	N/A	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	100% Target Achieved as a report on (1) identification and participation on Tourism initiatives was



SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
												identified and a report was produced.
<b>Tourism Supply</b>		To improve the Skills and products in the tourism industry	Number of skills that have been improved	Skills development and tourism awareness programmes and reports submitted in 2020/21 financial year.	OPEX	Improve tourism skills among SMMEs and produce four reports	Facilitate four (4/4) (100%) skills development and tourism awareness programmes and reports were produced	Achieved	N/A	N/A	Facilitate four (4) skills development and tourism awareness programmes and report	100% Target Achieved as a report four (4) for skills development & tourism awareness programmes produced

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>Fresh Produce Market</b>	To provide a central market distribution system for the region and maximize municipal revenue	To supply all fresh produce Market products and generate R800,000 rand per month	Number of Fresh Produce Markets product supplied and rand generated	Four (4) Fresh Produce Market Strategy	CAP EX	Four (4) Fresh Produce Market Strategy	4/4 (100 %) Fresh Produced Market Reports produced.	Achieved	N/A	N/A	N/A	100% Target Achieved
<b>Agriculture</b>	To promote and develop agricultural sector	To facilitate Implementation of the Mega Agripark	Number of reports on the Milling plant within the Mega Agripark Project.	Four (4) reports on Milling plant within the Mega Agripark Project in the previous 2020/21 financial year	CAP EX	Implement the Milling plant within the Mega Agripark Project.	Zero (%) was achieved as the Milling Plant Report within the mega Agripark was not produced	Not Achieved	The Approval of Plant is stuck due to water rights certificates, the service provider is claiming 20m for engineering work	The district will attend the challenges that are arising	New KPI.	New KPI

SEDIBENG DISTRICT MUNICIPALITY												
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved
<b>OVERALL 2021/22 PERFORMANCE SUMMARY</b>												
<b>Planned Targets</b>												<b>16</b>
<b>Targets Achieved</b>												<b>12</b>
<b>Targets not Achieved</b>												<b>4</b>
<b>Achievement in %</b>												<b>75%</b>

SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
<b>Compliance</b>	Ensure adherence to compliance matters	To ensure that all compliance matters are adhered to	Number of reports produced regarding compliance matters	No Baseline	Opex	Four reports on Assets management of the Cluster	0/4 Reports were not produced. The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	Not Achieved	The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	New Target	New Target
			Number of reports produced regarding compliance matter	Website compliance are available	Opex	Produce 12 reports on Website compliance	0/12 (0%) Reports were not produced. The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January	Not Achieved	The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	The target was subsequently re-viewed and to be re-allocated during the Mid-Term period in January 2023	New Target	New Target

SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
							2023					
	Produce four reports on contract management of the cluster	To assess the performance of senior Managers	Number of reports regarding compliance matters	No reports submitted	Opex	Produce four reports on the management of contracts of the cluster	0/4 reports produced	Not Achieved	At the time of the development of the SDBIP Management was not aware of the target	Management to review the SDBIP during the Mid-Term in 2034	N/A	New KPI and target
	Produce four reports on website compliance	to assess the performance of senior managers	Number of reports regarding compliance matters	No Assessment for senior managers	Opex	Produce four reports on website compliance	0/4 Compliance reports were produced	Not Achieved	Due to changes in Acting MM's and Acting Executive Directors in cluster positions	Contracts of all the executive directors will be uploaded not website once the Executive Director positions have been filled	New Target	New Target
	Ensure adherence to compliance	To ensure that compliance reports are	Number of compliance reports submitted	Compliance Reports are available	Opex	Produce and submit 12 reports for council	12/12 (100%) Reports submitted	Achieved	N/A	N/A	Target Achieved	Target Achieved

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COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
	matters	submitted on time				approval	to council for approval					
<b>Community Safety Programmes</b>	Promote and build safer communities	To coordinate the implementation of community safety programmes in line with Covid-19	Number of Community Safety Programmes coordinated	2019/20 Community safety Reports	OPE X	Produce twelve reports regarding the coordination of Community Safety Programmes	100% of the Target was achieved as 8/8 Community Safety Programmes and reports were issued	Achieved	N/A	N/A	6 of the 12 (50%) ICT Committees met during the FY.	Target Not Achieved
<b>Disaster management awareness</b>	Promote disaster resilient communities	Implement Disaster Risk Reduction (DRR) programmes in line with Covid-19	Number of Disaster Risk Reduction awareness programmes conducted	Four (4) Awareness campaigns in 2019/20	OPE X	Conduct four (4) Public Disaster Management awareness programmes and report	100 % Target Achieved as 4/4 of the Public Disaster Management Awareness Programmes and Report procured.	Achieved	N/A	N/A	100% of Target was achieved as 4/4 Public Disaster Management awareness Programmes was achieved.	Target Achieved
<b>District Health Council Activities</b>	Promote efficient delivery of Primary	To coordinate implementation of	Number of District Health Council	Three (3) District Health Council	OPE X	Coordinate three (3) District Health	100 % of the Target Achieved as only 3/3	Achieved	N/A	N/A	100% of Target was achieved	Target Achieved

SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
	Health Care	District Health Council programmes in line with Covid-19	programmes coordinated	Meetings On 2019/20 financial year		Council programmes	of the District Health Meetings were co-ordinated				as 4/4 Public Disaster Management awareness Programmes was achieved.	
<b>Youth Development Programmes</b>	Facilitate implementation of youth development programmes in the region through NYDA	To coordinate youth development programmes in the region through NYDA in line with Covid-19	Number of Youth Development Programmes coordinated	-	NYDA Budget	Coordinate four (4) Youth Development Programmes and produce reports	100 % Target achieved as 3/4 were Youth Development Programmes were co-ordinated	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
<b>Women and Gender Programmes</b>	Promote women advocacy and gender equality within our society	To coordinate implementation of women and gender programmes in line with Covid-	Number of Women and Gender Programmes coordinated	Three (3) Women and Gender Programmes in 2018/19 Financial year	OPEX	Coordinate two (2) Women and Gender Programmes and produce reports	100 % of the Target Achieved as only 2/2 of the Women and Gender Programmes were	Achieved	N/A	N/A	The Target of 100% was achieved as three (3) out of Three (3) Women	100% Target Achieved

SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
		19					conducted for the FY				Gender Based Programmes were coordinated and three (3) reports were produced	
<b>Sports and Recreation Programmes</b>	Promote the development of sports and recreation in the region	Coordinate developmental sport and recreational programmes in the region in line with Covid-19	Number of sport and recreation programmes coordinated	Four (4) Programmes in the previous financial year	OPE X	Coordinate (4) Developmental Sports Programmes and produce reports	100% Target Achieved as 4/4 Developmental Sports Programmes were co-ordinated	Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
<b>Arts and Culture</b>	Support Arts and Culture Programmes	Coordinate arts and culture events and programmes in line with Covid-19	Number of Arts and Cultural programmes coordinated	Four (4) Programmes in the previous financial year	OPE X	Coordinate Four (4) Arts and Culture Programmes and produce reports	50% Target Achieved as 2/4 Arts and Cultural programmes were co-ordinated	Not Achieved	Coordination and Budgetary Constraints	Budget to be reviewed and coordinate the programmes	Target Not Achieved	Target Not Achieved
<b>Geographical Name Change</b>	Facilitate the Geographical	Coordinate mobilization of	Number of GNC Stakeholder	GNC stakeholders participation	OPE X	Coordinate four (4) GNC	50 % target achieved as only 2/4	Not Achieved	Coordination and Budgetary	Budget to be reviewed	Not Applicable as it is	N/A



SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
	Local Name Change process	stakeholders' participation for Geographical Name Change process in line with Covid-19	meetings coordinated	meetings held in the previous financial year.		Stakeholders meetings and produce reports	Geographical Name Change (GNC) programme co-ordinated		Constraints	and coordinate the programmes	a new target	
<b>Commemorative Events</b>	Promote and preserve heritage and museums in the region	Coordinate hosting of heritage and commemorative events in the region in line with Covid-19	Number of heritage and commemorative events coordinated	Number of heritage commemorative events in coordinated	OPEX	Coordinate four (04) commemorative events and produce reports	4/4(100%) reports produced on commemorative events conducted.	Achieved	N/a	N/A	Target was not Achieved	Target Not Achieved
<b>Reduce the socio-economic impacts of HIV/AIDS, TB &amp; STIs</b>	Improved Health	To conduct door-to-door educational awareness campaigns within the community	Number of households reached	Baseline available	Grant	Reach 80 000 households per annum	0/280 reports were produced to report on the household reached,	Not Achieved	No portfolio of evidence provided for verification and reasons for not achieving	The Target was subsequently reviewed and to Executive Mayors for oversight	Target Not Achieved	Target Not Achieved

SEDIBENG DISTRICT MUNICIPALITY												
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR												
PERFORMANCE REPORTING FOR 2021/22 FINANCIAL YEAR												
Priority Area	IDP Strategy	IDP Objective	Key Performance Indicator (KPI)	Baseline	Funding Source	Annual Target	Actual Performance Achieved as at 30th June 2022	Achieved/ Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2021	Achieved/ Not Achieved
									the target were not cited, including the corrective actions required.			
<b>Reduce the socio-economic impacts of HIV/AIDS, TB &amp; STIs</b>	Improved Health	To conduct face to face door-to-door educational awareness campaigns within the community	Number of individual reached with the door-to-door awareness campaigns	Baseline available	Grant	reach 2 000 000 people per annum	0/800 000 people were not reached	Not Achieved	No reports received from Management. KPI and Target moved to Executive Mayor Office	The Target was subsequently reviewed and to Executive Mayors for oversight	Not Achieved	not Achieved
OVERALL 2021/22 PERFORMANCE SUMMARY												
<b>Planned Targets</b>							<b>16</b>					
<b>Targets Achieved</b>							<b>8</b>					
<b>Targets not Achieved</b>							<b>8</b>					
<b>Achievement in %</b>							<b>50%</b>					