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23/24 FY —
ANNUAL
PERFORMANCE
REPORT

*DIHLABENG LOCAL
MUNICIPALITY – FS
192*

DRAFT ANNUAL PERFORMANCE REPORT

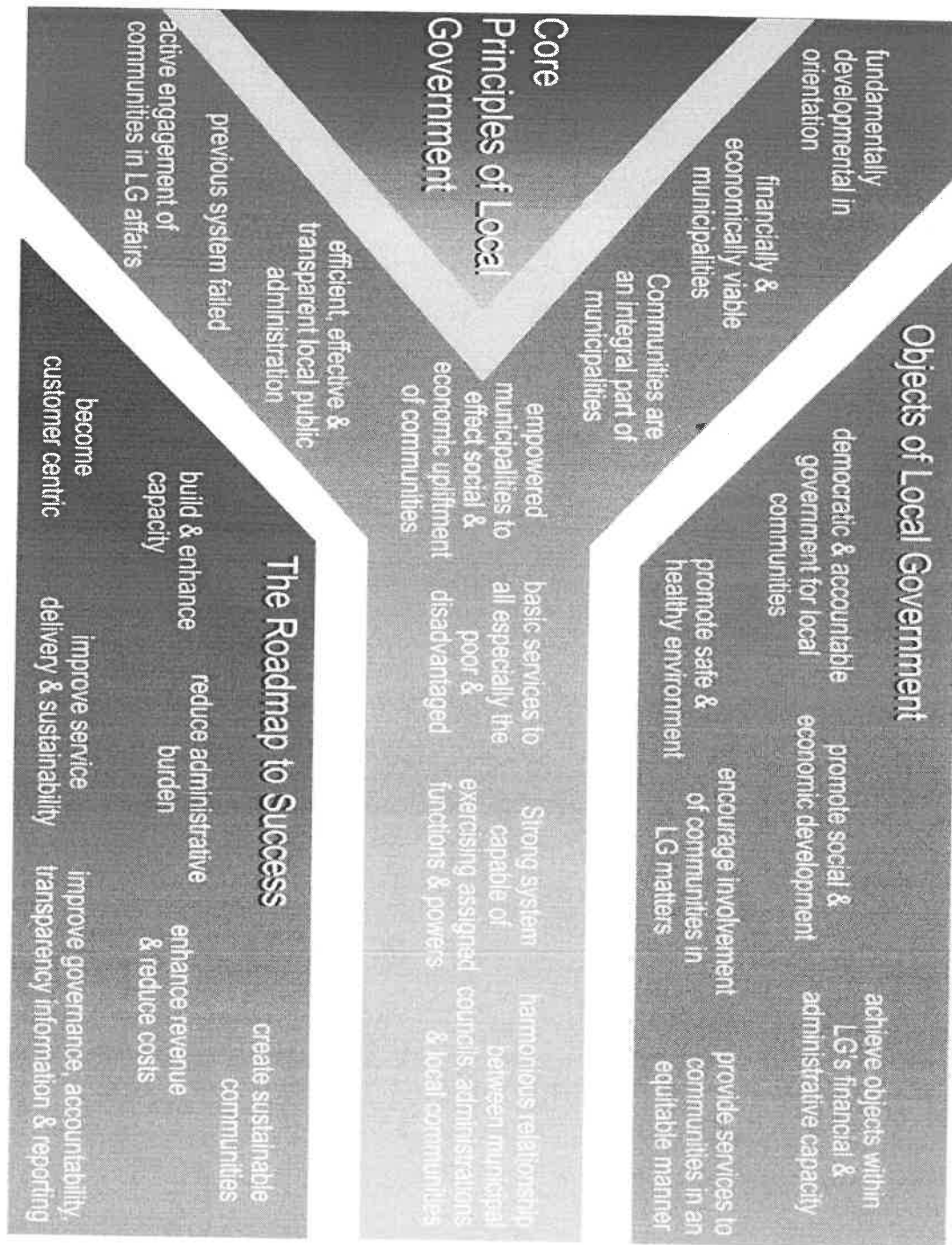


A GOOD STORY TO TELL!

*Everyone, Every Household, Every Entity —
A Testimony of our Excellent Service!*

CULTURE EATS STRATEGY FOR BREAKFAST.

Our dream of a “Developmental Local Government”



“ALL HANDS ON DECK –

TOGETHER MOVING DIHLABENG BEYOND 2030”

Part A: General Information

1. GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome	MAYCO	Mayoral Committee
CBP	Community-Based Planning	MDG	Millennium Development Goals
CDWs	Community Development Workers	MFMA	Municipal Finance Management Act
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
Cllr	Councillor	MM	Municipal Manager
DFA	Development Facilitation Act	MSA	Municipal Systems Act
DLM	Dihlabeng Local Municipality	MTSF	Medium-Term Strategy Framework
DORA	Division of Revenue Act	MTREF	Medium-Term Revenue Expenditure Framework
HIV	Human Immunodeficiency Virus	NAS	National AIDS Strategy
EIA	Environmental Impact Assessment	NDP	National Development Plan
EMP	Environmental Management Plan	NKPI	National Key Performance Indicator
FET	Further Education and Training	NSDP	National Spatial Development Plan
FSGDS	Free State Growth and Development Strategy	PGDS	Free State Provincial Growth Development Strategy
GDP	Gross Domestic Product	PMS	Performance Management System
GRAAP	Generally Accepted Accounting Practices	SCM	Supply Chain Management
HDI	Historically Disadvantaged Individual	SDBIP	Service Delivery and Budget Implementation Plan
ICT	Information Communication Technology	SDF	Spatial Development Framework
IDP	Integrated Development Plan	SMME	Small Medium and Micro Enterprise
IGR	Intergovernmental Relations	SSA	Statistics South Africa
IWMP	Integrated Waste Management Plan	USDG	Urban Settlement Development Grant
KPA	Key Performance Area	VIP	Ventilated Improved Pitt
KPI	Key Performance Indicator	WTW	Water Treatment Works
LGSETA	Local Government Sector Education and Training Authority		
LUMS	Land Use Management System		

3. STRATEGIC OVERVIEW

3.1 VISION

A vision statement reflects the perfect future and enables an organization to focus on future success. An all-encompassing vision will allow employees to be motivated and focused on the bigger picture of the municipality. Our dream is:

“To be people centred, people driven and self-sufficient municipality committed to the provision of effective and quality services to its community.

Revised:

“To be a self-sufficient municipality committed to the provision of quality service”

3.2 MISSION

A mission statement reflects the way in which Dihlabeng Local Municipality will conduct its everyday business. It describes the purpose of the Municipality and the area on which the Municipality should focus in order to achieve its vision. The Dihlabeng Local Municipality is:

“To provide effective and efficient people centred governance that will facilitate the developmental role of Local Government”

Revised:

“To provide basic services to our communities in an efficient, effective, accountable and sustainable manner”

3.3 CORE VALUES

Values are the nexus to our future progress and they are an expression of our emotionalised truths. They serve to guide our decision making and conduct. It is the Devine to the minds of men and women of Dihlabeng to seek and pursue a better life for all, and in no particular order of significance, they are:

- ✓ **Dedication**
- ✓ **Discipline**
- ✓ **Sacrifice; and**
- ✓ **Accountability**

3.4 STRATEGIC OUTCOME ORIENTATED GOALS

Based on the Municipality's Turnaround Strategy, our strategic objectives were refined to be as follows:

- ✓ **Provide democratic and accountable government for local communities.**
- ✓ **Be responsive to the needs of the local municipality.**
- ✓ **Ensure the provision of services to communities in a sustainable manner.**
- ✓ **Promote social and economic development.**
- ✓ **Promote a safe and healthy environment.**
- ✓ **Encourage the involvement of communities and community organizations in the matters of local government.**
- ✓ **Facilitate the culture of public service and accountability amongst staff and**
- ✓ **Assign clear responsibilities for the management and co-ordination of administrative units and mechanisms.**

4. LEADERSHIP AND MANAGEMENT STRUCTURE

- The following Political Parties are being represented in the Council.

Political Party	Ward Councillors	Proportional Councillors	Total
African National Congress	17	5	22
Democratic Alliance	1	6	7
Freedom Front Plus	0	2	2
Economic Freedom Fighters	1	4	5
Independent	1	0	1
All Unemployment Labour Alliance	0	2	2
Forum 4 Service Delivery	0	1	1
Total	20	20	40

- The following are the Names of Political Party's Representatives in the Council.

NAME	DETAILS	NAME	DETAILS
Councillor T J Tseki	EXECUTIVE MAYOR	Councillor M E Sempe	Ward 15 (ANC)
Councillor N P Mofokeng	SPEAKER	Councillor D L Sibisi	Ward 16 (ANC)
Councillor M M Mokotla	COUNCIL WHIP	Councillor M Mofokeng	Ward 17 (EFF)
Councillor M M Twala	Chairperson MPAC	Councillor N E Mabizela	Ward 18 (ANC)
Councillor J T Sibisi	MMC LED	Councillor T V Tsibela	Ward 19 (ANC)
Councillor M E Sempe	MMC Human Settlements & Rural Development	Councillor J J Nhlapo	Ward 20 (ANC)
Councillor M D Makhatini	MMC IDP, Evaluation and Monitoring	L U Makhalema	PR Councillor ANC
Councillor M D Makhatini	ACTING - MMC Finance	N P Mofokeng	PR Councillor ANC
Councillor S M Jacobs	MMC Community Services	T M Mofokeng	PR Councillor ANC
Councillor P R Van Wyk	MMC Corporate Services	M M Mokotla	PR Councillor ANC
Councillor M A Mokwena	MMC Women, Disability and Vulnerable Groups	S M Jacobs	PR Councillor ANC
Councillor J Twala	MMC Infrastructure and Technical Services	N J Nhlapo	PR Councillor AULA
Councillor J T Sibisi	Ward 1 (ANC)	L R Mohlophahi	PR Councillor AULA
Councillor M M Twala	Ward 2 (ANC)	L V Mosala	PR Councillor F4SD
Councillor P R Van Wyk	Ward 3 (ANC)	W H Theunisse	PR Councillor DA
Councillor L L Radebe	Ward 4 (ANC)	E T Motloung	PR Councillor DA
Councillor M Miya	Ward 5 (ANC)	M J Mokoena	PR Councillor DA
Councillor J Twala	Ward 6 (ANC)	I L Rugheimer	PR Councillor DA
Councillor M D Makhatini	Ward 7 (ANC)	S P Makoena	PR Councillor DA
Councillor V J Hadebe	Ward 8 (ANC)	D L Xaba	PR Councillor DA

Councillor P A Maasdorp	Ward 9 (DA)	M A Vilakazi	PR Councillor EFF
Councillor I Laesecke	Ward 10 (IND)	M A Motaung	PR Councillor EFF
Councillor M G Masangane	Ward 11 (ANC)	V M Maseko	PR Councillor EFF
Councillor M A Mokwena	Ward 12 (ANC)	N J Ngqubuka	PR Councillor EFF
Councillor M S Mosia	Ward 13 (ANC)	A Wolmarans	PR Councillor FFP
Councillor T J Tseki	Ward 14 (ANC)	H R Leibenberg	PR Councillor FFP

4.1 EXECUTIVE LEADERSHIP

THE EXECUTIVE MAYOR



HONOURABLE Cllr T J TSEKI



MADAM SPEAKER
Cllr N P MOFOKENG



COUNCIL WHIP
Cllr MM MOKOTLA



CHAIRPERSON: MPAC
Cllr MM TWALA



Cllr. MD Makhathini
MMC IDP & PMS
ACTING MMC FINANCE



Cllr. PR van Wyk
MMC Corporate Services



Vacant
MMC Finance



Cllr. TJ Sibisi
MMC D&TP



MMC S M JACOBS
Community Services



MMC J TWALA
Technical Services



MMC M A MOKWENA
Women, Disability &
Vulnerability



MMC M E SEMPE
Human Settlements &
Rural Development

4.2 EXECUTIVE MANAGEMENT



Municipal Manager: M Ntheli
Qualification: Masters in Public Admin



Chief Financial Officer
Mr. Raymond Provis
Qualification: B. Degree - Fin Accounting



Director: Technical Services
Ms. Lungile Mokoteli
Qualification: B.Tech Civil Engineering



Director: Community Services
Ms. Thokozile Vanqa
Qualification: B. Soc SC

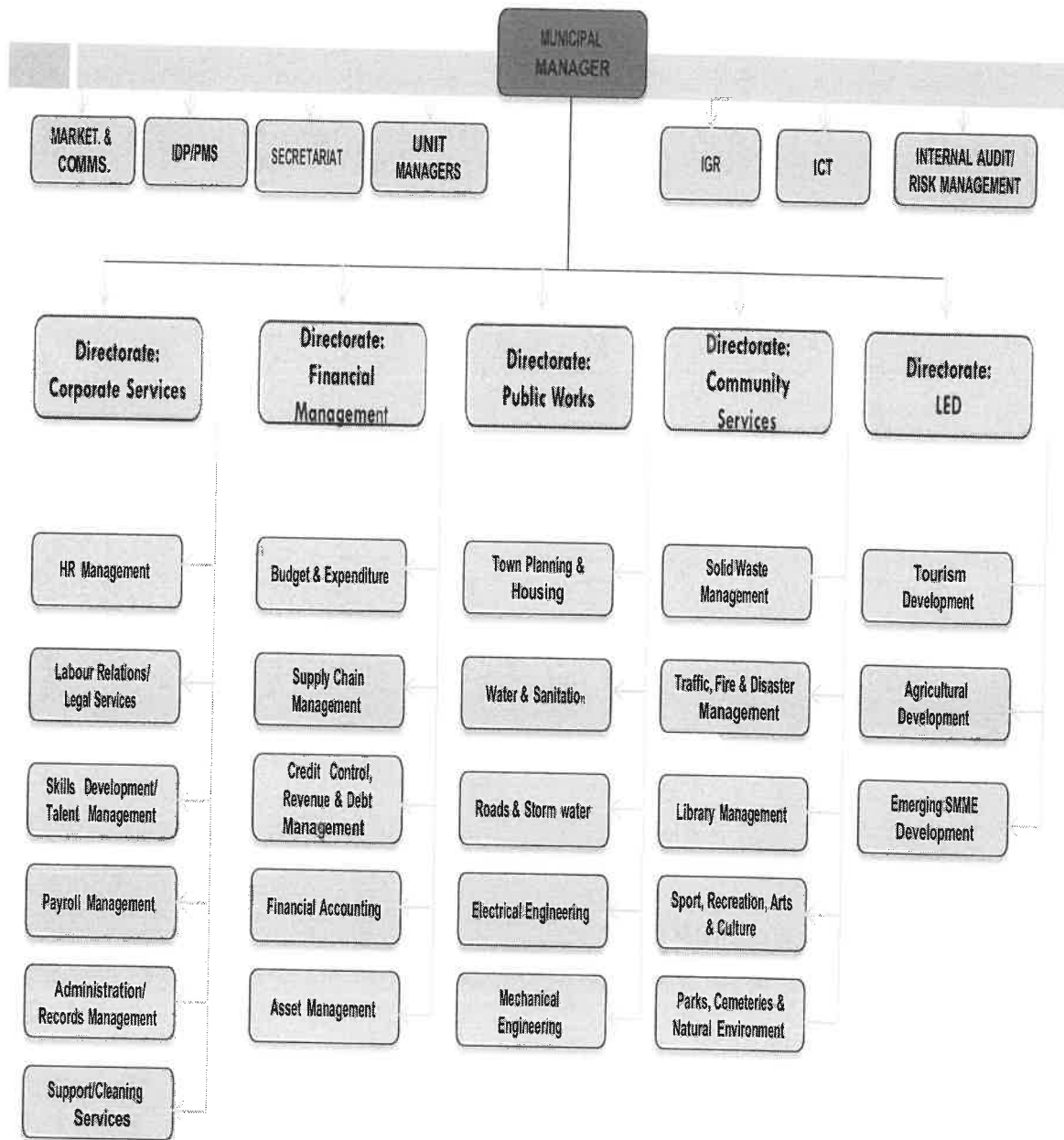


Director: Corporate Services
Mr. Selby Lengoabala
Qualification: Post Graduate
Diploma: Public Management
MBA



Director: Development & TP
Mr. Tsoeu Mokomatsili
Qualifications: Masters: Town
Planning

Functional View of Dihlabeng Local Municipality



4.3 MANAGEMENT TEAM

DESIGNATION	NAME	DESIGNATION	NAME
Municipal Manager	Mr M Ntheli	Manager: Libraries	Mrs M Sethole
Chief Financial Officer	Mr R P Provis	Manager: Water & Sanitation	Mr L Ramulwela
Director: Corporate Services	Mr M S Lengoabala	Manager: Assets	Mr Q Lethlatla
Director: Technical Services	Ms H N L Mokoteli	Manager: Internal Audit	Mr M Ndabezitha
Director: Community Services	Ms T Vanqa	Manager: IDP	Mr J Potsane
Director: Development and Town Planning	Mr T P Mokomatsili	Manager: Sport & Recreation	Ms N P Mdakane
Manager: Project Management Unit	Ms J Mkontwane	Manager: Solid Waste	Ms M Makibinyane
Unit Manager: Clarens	Mr K Mokoena	Manager: Revenue	Mr L Mabula
Unit Manager: Fouriesburg	Mr L P Ncala	Manager: Secretariat	Mr J L Botha
Acting Unit Manager: Paul Roux	Mr TMH Mofokeng	Manager: PMS	Mr M Zondo
Acting Unit Manager – Rosendal	Ms K Mothebeli	Acting Manager: Human Resources	Ms M Dlamini
Manager: Financial Accounting	Ms L Mosia	Manager: Roads & Storm Water	Mr. S Thobejane
Acting Manager: Supply Chain	Mr L Matsoso	Acting Manager: Legal Services	Ms T Mokoena
Manager: Budget & Expenditure	Mr K V Mokhele	Manager: Marketing/Communication	Mr T E Maitse
Manager: Human Settlement	Mr M Nhlapo	Manager: Mechanical Engineering	Mr J Delpoit
Manager: Tourism	Mr T Dladla	Manager: Public Safety & Emergency Services	Mr L Fukisi
Manager: Electricity	Mr S Masoeu	Acting Manager: Town Planning	Ms N Lesuthu
Manager: Risk	Mr F Khambule	Manager: SMME Development	Ms P R Lengoabala
Strategic Manager: Office of the Executive Mayor	Mr TMH Mofokeng	Manager: Security Services	Ms D Sehlabaka
Manager in the MPAC Office	Mr S Malinga	Manager: Support Services	Ms N Mfundisi
Manager: Agriculture	Ms M Mokoena	Manager: Office of the Speaker	Mr R Mokoena
Acting Manager: Fleet	Vacant	Manager: Debt Collection	Ms H N Zondo
Manager: Business Development	Vacant	Acting Manager: Parks	Mr P V Sesele
Manager: Office of the MM	Vacant	Manager: Arts & Culture	Vacant

Draft FOREWORD: EXECUTIVE MAYOR

Hon. T J Tseki

This Annual Report that is presented here gives a comprehensive overview of the performance against predetermined strategic objectives during the 2023/2024 financial year.

Every effort has been made to ensure that the detail of performance as reported are accurate and a true reflection of the achievements during the 2023/2024 financial year. We achieved 49% of planned targets compared to the 57% achieved in the previous financial year. This represents a slight improvement in our performance going forward.

The 2023/2024 financial year was a challenging for the Municipality as we had to do our outmost best with limited resources, given that the expectations of the community remains high as we endure to tackle the triple challenges of poverty, inequality and unemployment. We acknowledge our shortcoming and low revenue collection rates within our operations thus leading to inadequacies in meeting the needs of our people within the expected turn-around times.

We continue to make service excellence an enduring habit to our approach to service delivery and in order to address challenges faced by our local community, we will continue to focus and implement for following strategic objectives:

- Putting our people and their concerns first and ensure constant contact with communities through effective public participation platforms.
- Creating conditions for decent living by consistently delivering municipal services of the right quality and standard. This includes planning for and timely delivery of infrastructure and public amenities, maintenance and upkeep, including the budgeting to do this. Ensuring no collapse in services and where such are noted, restore services with urgency.
- Demonstrate good governance and administration by cutting wastages, spending public funds prudently, hire competent staff and ensure transparency and accountability.
- Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
- Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.

We recognised the need for unity and the pursuit for a better life for all. On that note, I would like to thank the Speaker, Members of the Executive Committee, Comrades and Fellow Councillors, Officials and the Community of Dihlabeng Local Municipality.

.....
Honourable Cllr. T J Tseki
EXECUTIVE MAYOR – DIHLABENG

Part B: Introduction and Overview of Dihlabeng

1. INTRODUCTION AND OVERVIEW OF DIHLABENG LOCAL MUNICIPALITY**1.1. LOCATION, COMPOSITION AND SIZE**

The Dihlabeng Local Municipality is located within the Thabo Mofutsanyane District Municipality which is one of the four (4) districts in the Free State Province, which covers an area of approximately 129 825 km². The total district population was 736 238 as per the Statistics South Africa Census 2011. The 2016 Community Survey estimated the District population to 779 600. This indicates rapid population growth in the District within five (5) years.

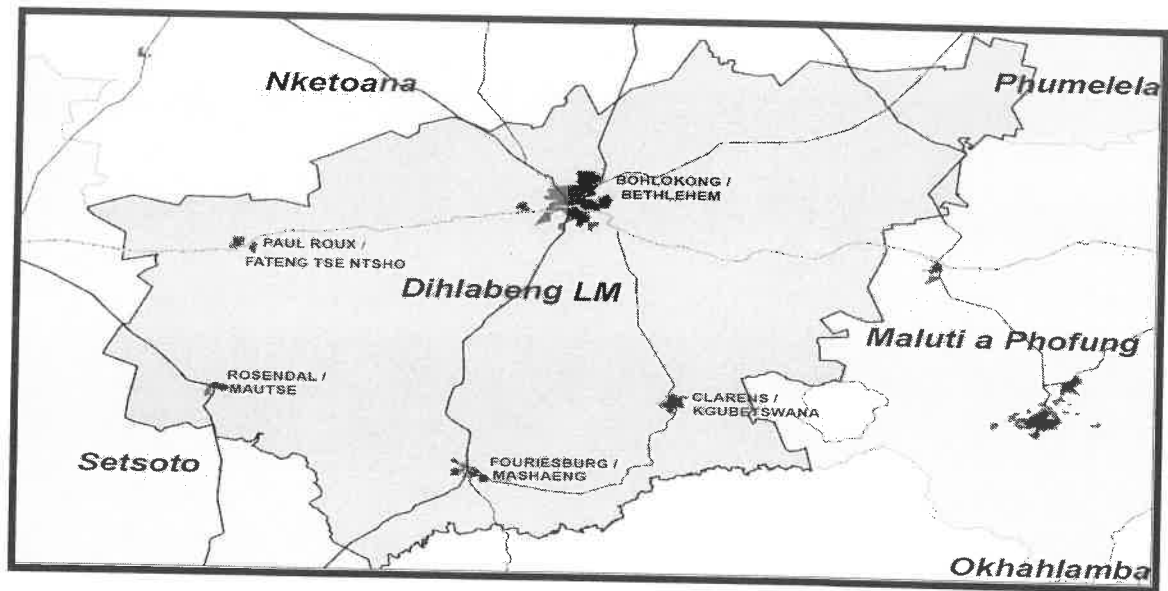
Dihlabeng Local Municipality makes up approximately 18.0% of the population of Thabo Mofutsanyane District Municipality. The figures below depict the total population of the district. The District Municipality is made up of the following Local Municipalities:

Figure 1: DISTRICT MUNICIPALITY CONFIGURATION

Local Municipality	Population	Area	%
Maluti-a-Phofung Local Municipality	335 784	4 338 km ²	13.0%
Dihlabeng Local Municipality	128 704	4 880 km ²	14.7%
Setsoto Local Municipality	112 597	5 966 km ²	17.9%
Nketoana Local Municipality	60 324	5 611 km ²	16.9%
Mantsopa Local Municipality	51 056	4 291 km ²	12.9%
Phumelela Local Municipality	47 772	8 183 km ²	24.6%
Thabo Mofutsanyane District Municipality	736 238	33 269 km²	100%

Source: Statistics South Africa 2011

Source: Statistics South Africa 2011, Community Survey 2016



The Dihlabeng Local Municipality is one of six local municipalities within the Thabo Mofutsanyane District Municipality within the eastern Free State. The municipality is surrounded by the Maluti-aPhofung Local Municipality to the east, the Lesotho to the south, Setsoto Local Municipality to the west, Nketoana Local Municipality to the North, and the Phumelela Local Municipality to the north-east. The Dihlabeng Local Municipality consists of the following major settlements:

Bethlehem/ Bohllokong (Area 27.8km²)

The town is strategically located in the heart of the picturesque Eastern Free State. It is a principal town of the Eastern Free State as it originally developed as a service centre and still plays this role on a regional level. It is situated approximately 240 km north-east of Bloemfontein, 140 km east of Kroonstad, 90 km west of Harrismith and 75 km from QwaQwa. Growth is stimulated by the strategic location and its position adjacent to the N5 between Bloemfontein and Durban.

Clarens/ Kgubetswana (Area: 13.7 km²)

This scenic town with splendid views of the Maluti Mountains often referred to as the “Switzerland of South Africa” is situated approximately 34 km south-east of Bethlehem and approximately 20 km from the Golden Gate Highlands National Park. The Lesotho highlands Water Project has also played an important part in the development of the town. The town has experienced a rapid growth in terms of tourism and is also one of the most popular tourist attractions areas in the Free State.

Fouriesburg/ Mashaeng (Area: 12.8 km²)

This town predominantly functions as a small service centre to the surrounding agricultural communities and is increasingly being supported by the tourism industry. It is situated on the R26 route and is approximately 10 km from the border of Lesotho. Fouriesburg is located approximately 49 km south from Bethlehem and 49 km north-east from Ficksburg.

Paul Roux/ Fateng-Tse-Ntsho (Area: 6.6 km²)

This town is located in an area of agricultural and tourism significance and mainly provides related services to the surrounding rural areas. It is located along the N5 approximately 35 km west of Bethlehem and 36km from Senekal within the Setsoto Local Municipality. The area is a service centre that has seen a significant growth in size and development.

Rosendal/ Mautse (Area: 8.5 km²)

The town is also located in an area of agricultural significance and mainly provides related services to the surrounding rural areas, tourism is also gaining momentum although at a relatively slow pace. It is located at the foot of the Witteberg mountain range on the R70. The area is approximately 64 km southwest of Bethlehem, 41 km south-east of Senekal and 45 km north of Ficksburg.

MUNICIPAL POPULATION PROJECTIONS

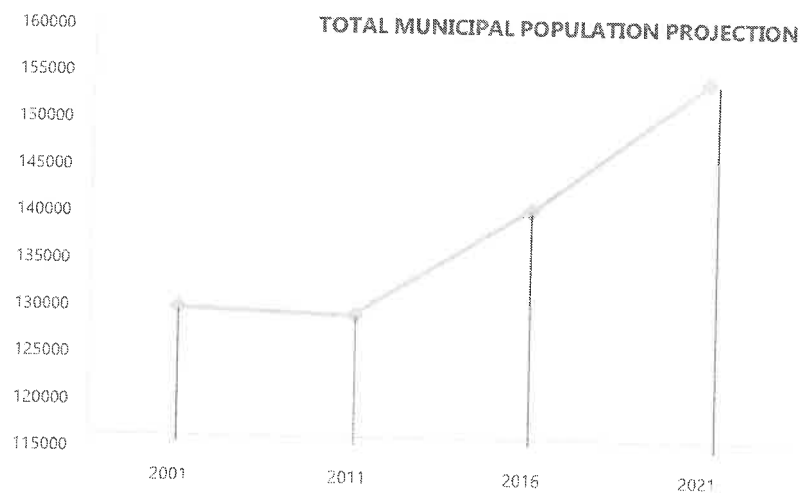
The population within the Municipality has increase by approximately 11 340 persons within a period of five (5) years. This equates to a 1.8% per year population growth rate and an 8.8% population growth rate within a five (5) year period. Based on the current statistics, by 2021, it is estimated that the population will grow to 153 836 people in the next five (5) years. By the year 2050, it is estimated that the population will grow to approximately 258 073 people, should the municipality continue to grow at a steady rate of 1.8% per year below is population size growth estimates,

Figure 2: POPULATION DIFFERENCE



Source: Dihlabeng Draft Spatial Development Framework 2021

Graph 1: POPULATION PROJECTIONS



Source: Dihlabeng Draft Spatial Development Framework 2021

Table 1: NODAL AREA POPULATION

Towns	Population	%
Bethlehem/Bohlokong	89 778	69
Clarens/ Kgubetswana	7 014	5
Paul Roux/ Fateng Tse Ntsho	7 905	6
Fouriesburg /Mashaeng	19 725	15
Rosendal/ Mautse	6 611	5
Dihlabeng Municipality 2011	128 044	
Dihlabeng Municipality 2016	140 044	

Source: Dihlabeng Draft Spatial Development Framework 2021

Population Group Distribution

The majority of this population constitutes of the Black African population group. There are other noticeable population groups within the Municipality, including Coloured, Indian/Asian, White, although in a smaller percentage, as per the Statistics South Africa Census 2011.

Despite an increase to the population, the distribution between the population groups remains relatively similar, with the Black African, White and Indian/ Asian population groups increasing while the coloured population group decreased by 381 people, as depicted below. Due to pattern of migration to bigger cities, there is a possibility that people migrate to Bethlehem in search of job opportunities. Farm evictions are also experienced within the province which has resulted in the increase of a number of people in Dihlabeng Local Municipality living in backyards and informal settlements. The table below provides a comparison of the population group distribution within each major town:

Table 2: DIHLABENG POPULATION GROUP WITHIN MAJOR TOWNS

TOWNS	BLACK AFRICAN	COLOURED	INDIAN /ASIAN	WHITES
Bethlehem/Bohlokong	75.1	88.5	77.61	90.9
Clarens/ Kgubetswana	5.2	2.3	4.97	3.3
Paul Roux/ Fateng Tse Ntsho	5	3.7	4.14	2.71
Fouriesburg /Mashaeng	11.1	2.1	11.94	2.42
Rosendal/ Mautse	3.6	1.4	1.32	0.61
TOTAL Composition: Census 2011	87.6	1,5	0.5	10.4
TOTAL : Composition : CS 2016	90.3	2	0	10

Source: Dihlabeng Draft Spatial Development Framework 2021 /2022& Statssa CS 2016

Population Age Groups

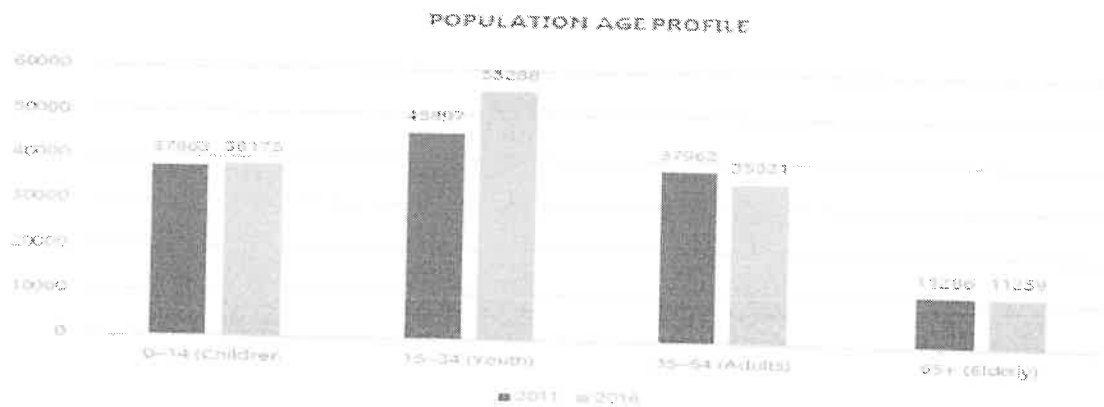
Based on the Statistics South Africa Census 2011 and the Community Survey 2016, the children and youth populations have increased, the adults category has however decreased by more than 2000 people, equating to approximately 9.3%. This poses a serious issue within the Municipality as these are the people that contribute to the local economy, employment statistics, etc. According to Statistics South Africa Community Survey 2016, 65.4% of Dihlabeng population are persons with age below 35 years. The age group between the ages of 35 to 59 comprises 29.4% of the population and those 60 and above comprises 5.1% of the population. The economically active age group from 15 to 64 years comprises 67.6% of the population.

Figure 3: POPULATION BY AGE



Source: Dihlabeng Draft Spatial Development Framework 2021 /2022& Statssa CS 2016

Graph 2: POPULATION BY AGE



Source: Dikhalabeng Draft Spatial Development Framework 2021 /2022& Statssa CS 2016

Population Gender Distribution

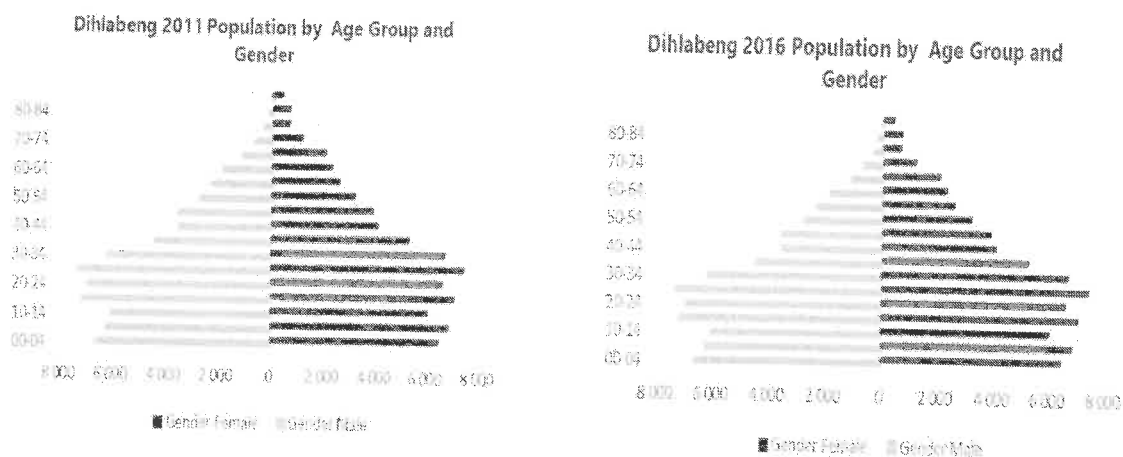
The gender profile of the municipality is typical of the trend in most other municipal areas in the country. There are a greater number of females estimated at 52% as compared to males which make up 48% of the population.

Figure 4: POPULATION BY GENDER



The gender distribution of the municipality indicates a high female population. This means that there should be services provided such as clinics dedicated for pregnant women and childcare, etc. in order to cater for the higher female population group within the municipality. The female population comprises 52% of the overall Municipal population, as per the Statistics South Africa CS 2016

Graph 3: POPULATION AGE GROUP BY GENDER



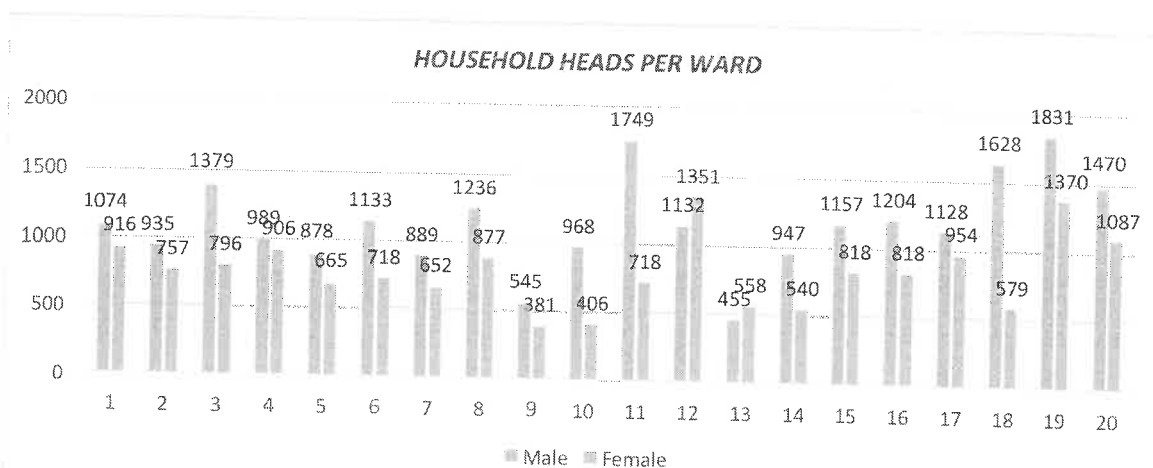
MUNICIPAL HOUSEHOLDS

Below is the total population number of households as well as average household size in Dihlabeng local Municipality between the 2011 and 2016. Although the total population as well as the number of household has increased the average household size has decreased from 3.3 to 3.0 but in principle it remains constant to 3 members per household.

HOUSEHOLDS			
Census 2011		Community Survey 2016	
Total households	Household Size	Total households	Household Size
38 593	3.3	46 857	3.0

Table 3: HOUSEHOLDS

Graph 4: DIHLABENG HOUSEHOLD HEADS BY GENDER

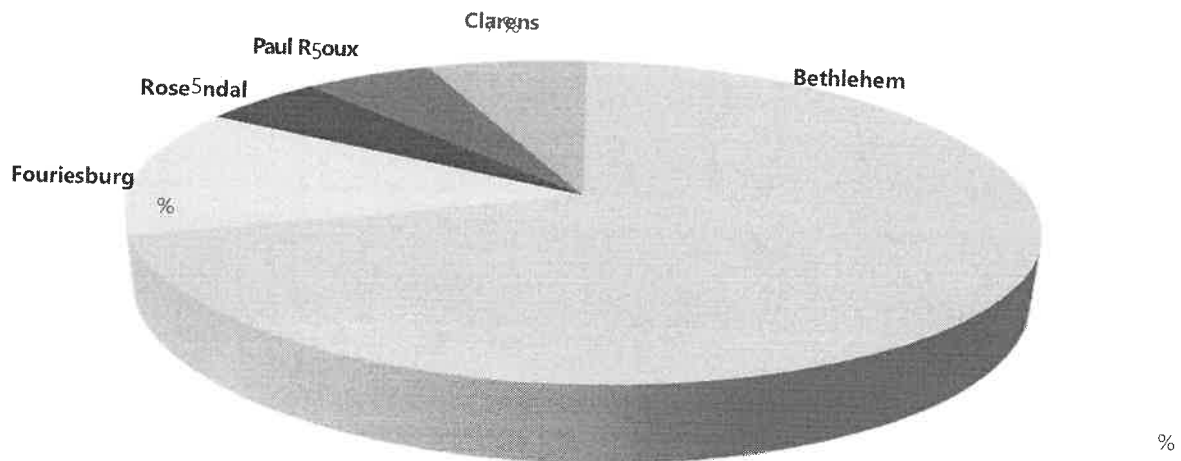


Statssa: Census 2011

Households Distribution by Town

The chart below shows that largest number of households are found in Bethlehem as this is the town with the highest population. It is followed by Fouriesburg which is the town with the second largest household population. Census 2011 also revealed that majority of households are male headed households at 58% with 42% being female headed households.

Graph 5: HOUSEHOLD DISTRIBUTION BETWEEN AREAS

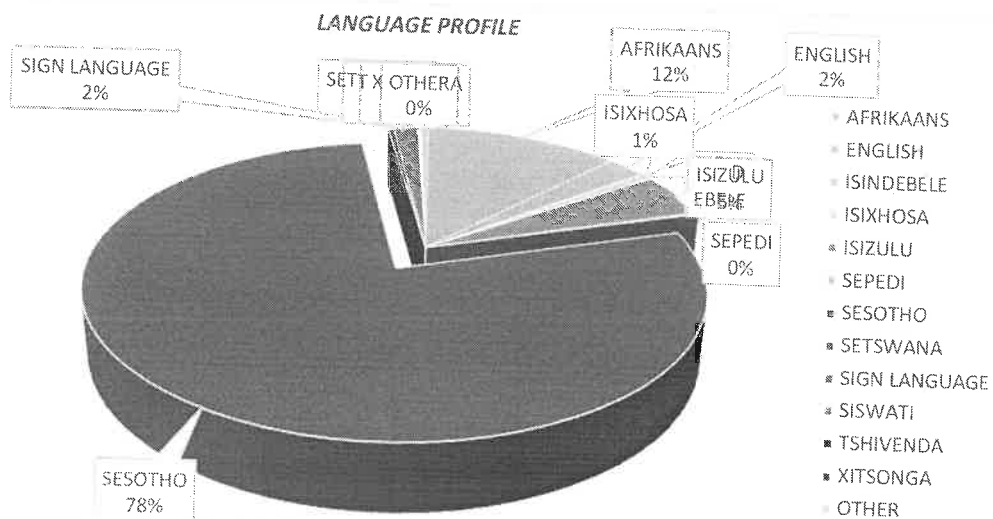


Source Census: 2011

Language Profile

From the Census 2011 it was evident that in Dihlabeng the most dominant language is Sesotho with 78%, followed by Afrikaans with 12%. Other languages used are spoken by the minority groups in the area.

Graph 6: LANGUAGE PROFILE



Statssa: Census 2011

SOCIAL FACILITIES PROFILE

Consideration should especially be given to the disadvantaged and/ or marginalised population groups, as this will guide poverty reduction efforts effectively. During the analysis process an overview of social strengths and weaknesses within the municipality was done, as well as the opportunities and threats outside the municipality. This enables the identification of Social; Economical; and Environmental needs and constraints that need to be considered and addressed during the process. Based on the analysis done, the following were identified:

Community Facilities

Access to and availability of social facilities is an important factor which attracts and keeps people in an area. Therefore, the section below indicates the number of social facilities within the municipality jurisdiction. The Council for Scientific Research (CSIR), in December 2011, compiled a draft report containing guidelines for the planning of social facilities and recreational facilities.

This study is a valuable resource for determining the thresholds for various facilities and the minimum site requirements for various facilities in urban areas. The standards provided were developed based on South African and international standards and guidelines. The provided standards aim to:

- Determine the threshold populations for facilities and basic land requirements.
- Serve as a departure point for negotiations with respect to land provision between developers and municipalities;
- Provide a basis for developing a spatial distribution network for a facility; and
- Provide an input to prioritise capital investment based on relative backlog with respect to standards.

The section below aims to highlight the number of social facilities which are currently accessible to the people of the Municipality, as well as determine if these social facilities are sufficient to cater to the population as per the CSIR thresholds.

Table 4: EDUCATION FACILITIES PER AREA

AREAS	PRIMARY SCHOOL	SECONDARY SCHOOL	COMBINED SCHOOL	PRIVATE SCHOOL	INTERMEDIATE SCHOOL	ABET FACILITIES
Bethlehem	8	5	1	6	2	1
Clarens	2	1	1	1	2	-
Paul Roux	2	1	1	1	-	-
Fouriesburg	3	1	-	-	1	-
Rosendal	2	1	-	-	-	-
Total	17	9	3	8	5	1

Source: Dihlabeng Draft Spatial Development Framework 2021 /2022

Education Facilities

From the information depicted below, it is clear that the existing education facilities are not sufficient to cater for the existing population. There is a shortage in the number of Primary and Secondary Schools provided. In terms of the CSIR Guidelines approximately 5 ABET facilities are required to serve the area, however only one currently exists within the Municipal area.

Table 5: EDUCATION FACILITIES

FACILITY	EXISTING NO. OF FACILITIES	REQUIRED NO. OF FACILITIES
Primary School	17	20
Secondary/High School	9	11
ABET Facilities	1	4

Source: Dhlalabeng Draft Spatial Development Framework 2021 /2022

Community Facilities

According to the information presented below, the community facilities existing within the municipality are not sufficient to serve the community.

Table 6: COMMUNITY FACILITIES

Facilities	Number of Available Facilities	Number of Required Facilities
Police Station	7	7
Post Office	5	3
Library	9	22
Fire Station	4	2
Cemeteries	14	28
Stadiums	10	Variable
Golf Course	1	Variable
Heritage Site	14	Variable
Facilities		
Clinic	8	Variable
Mobile Clinic	4	2
Hospital	5	Variable
Medical Centre	3	7

Source: Dhlalabeng Draft Spatial Development Framework 2021 /2022

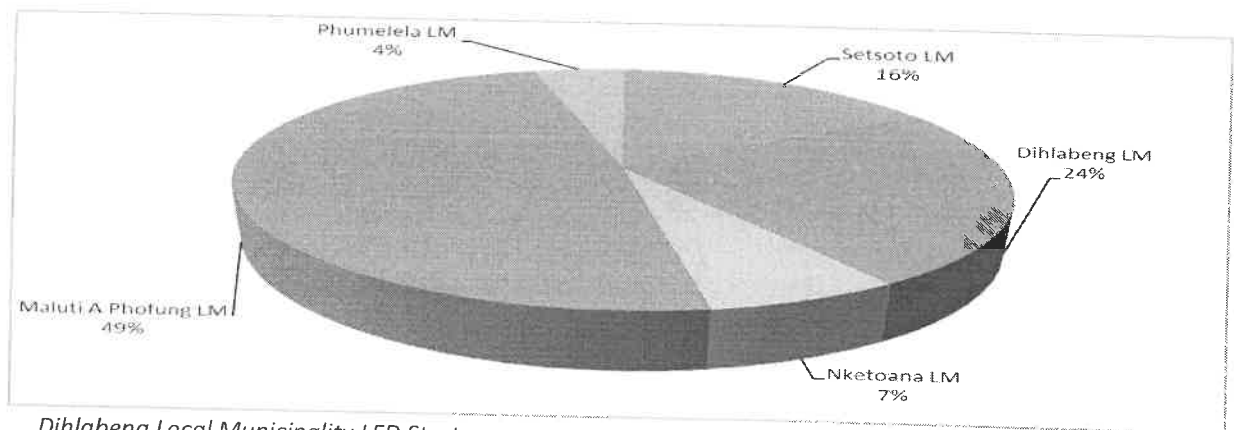
According to the information above, the only community facility which poses a major issue is that of the cemeteries in all major settlements throughout the Municipality. Despite having access to 14 cemeteries, these are currently at full capacity levels and need to be expanded or closed. Based on the CSIR guidelines, there should be 28 cemeteries within the Municipality. Land for the development of cemeteries requires specialist studies, these must be conducted to identify the most favourable of these areas.

1.2 SOCIO-ECONOMIC PROFILE

The purpose of this Section is to provide a broad economic analysis of the regional and local economic development. It is important to understand the economy of Dihlabeng within the context of the broader region so that comparisons and linkages with the broader economic community can be made. In doing so, this Section discusses and analyses each economic sector in terms of a sectoral analysis and identifies those sectors with growth potential.

The GDP contribution of the Dihlabeng Local municipality in comparison to the other 4 local municipalities in the Thabo Mofutsanyana District. Dihlabeng contributed the second most (24%) to the District economy, followed by Setsoto (16%). Overall, Maluti a Phofung contributed (49%) to the economy of Thabo Mofutsanyana.

Graph 7: ECONOMIC GROWTH



Dihlabeng Local Municipality LED Strategy

Dihlabeng experience an average annual growth rate of 2.9%, compared to a 2.1% growth rate in Thabo Mofutsanyana and the Free State. The graph indicates the annual growth from 2001 to 2011 in Dihlabeng, compared with the District and the Province. The economic activities within the Municipality are dominated by:

- Agriculture (29.4%);
- Business (17.2%)
- Social Services (±15%)
- Trade (±11%)

There are more than 3 000 hectares of farmlands in the Eastern Free State, 34% thereof is located within the Dihlabeng Local Municipality. The normal industrial incentives, with specific reference to affordable purchase prices, endorsed by Dihlabeng Local Council, ensure growth in the industrial area.

Lesotho Highlands Water and the Bethlehem Hydro Electricity projects are also relevant in this regard. Upmarket Residential, Business and Tourism Development at a large scale is currently taking place in the region. The agricultural sector of the Dihlabeng region is extremely prominent.

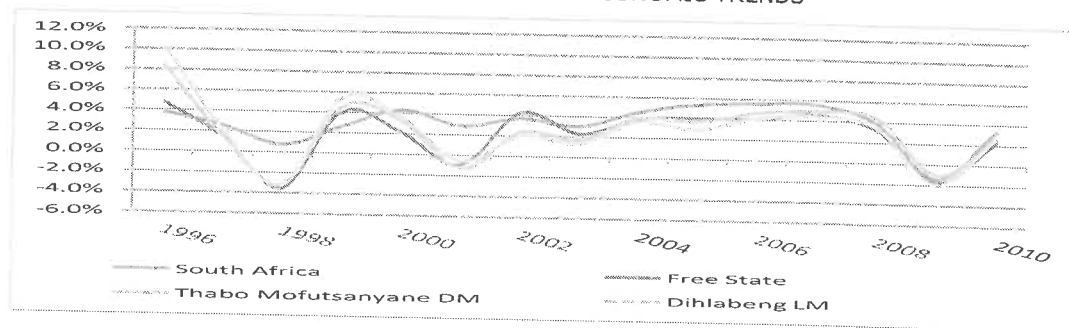
Considering small scale processing industries and intensive farming activities will result in future economic growth in the Agriculture Sector. Effective productive grazing and small-scale farming programmes on the existing and identified land for commonage have future growth potential. As part of the DRDLR Programme, emerging farmers are trained and supported to ensure productive farming practices, which ensures economic growth in Dihlabeng.

Dihlabeng has some of the best tourist attractions and facilities in the Eastern Free State. The diversity of the centre ranges from Cultural, Heritage, Waterrelated, Hiking, Fishing, Abseiling, 4x4 trails, Site Seeing, Bird & Game watching and Shopping. Proclaimed historical monuments in sandstone are prominent.

The GDP contribution of the Dihlabeng Local Municipality in comparison to the other 4 local municipalities in the Thabo Mofutsanyane District. Dihlabeng contributed the second most GDP of (24%) to the District economy, followed by Setsoto (16%). Overall, Maluti-A-Phofung contributed (49%) to the economy of Thabo Mofutsanyane.

Dihlabeng experiences an average annual growth rate of 2.9%, compared to a 2.1% growth rate in Thabo Mofutsanyane and the Free State. The graph indicates the annual growth from 2001 to 2010 in Dihlabeng, compared with the District and the Province.

Graph 8: NATIONAL COMPARISON WITH NATIONAL ECONOMIC TRENDS



Source: Dihlabeng LED Strategy

Economic Sector Contribution

Based on the table below, it is evident that the Dihlabeng economy has a comparative advantage in the following sectors with regards to the District economy, as identified within the DLM LED Strategy 2011:

- Agriculture
- Manufacturing
- Trade
- Transport
- Government Services

A quotient larger than one indicates a comparative advantage and a smaller than one indicates a comparative disadvantage in an economic activity. A quotient greater than five indicates a dependence on an industry sector.

Table7: DIHLABENG LOCATION QUOTIENT

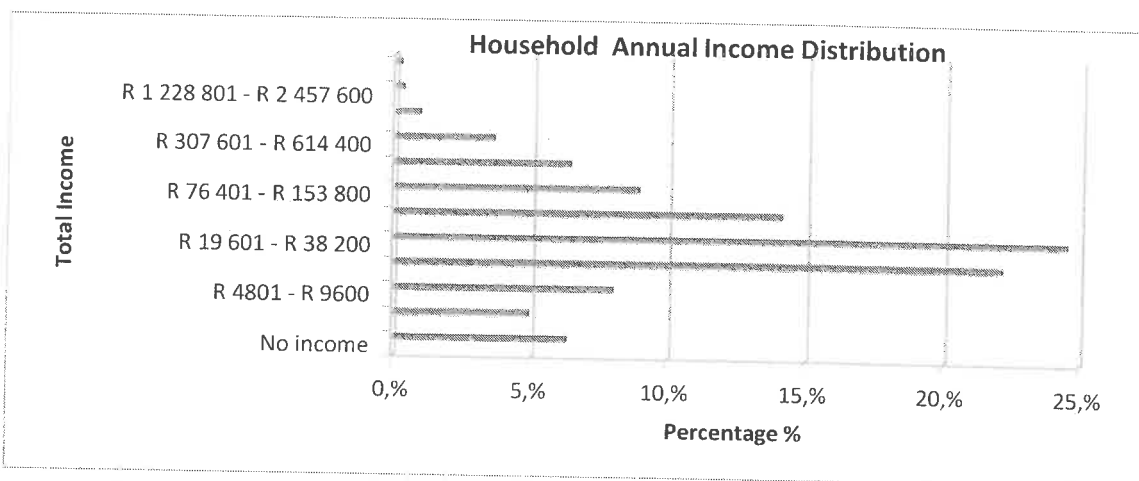
ECONOMIC SECTOR	SECTORAL CONTRIBUTION	GDP (%)	LOCATION QUOTIENT
Agriculture	6.2%	6.4	1.0
Mining	0.4%	0.3	0.8
Manufacturing	13.3%	13.2	1.0
Electricity	2.6%	0.9	0.3
Construction	2.1%	1.9	0.9
Trade	15.6%	18.1	1.2
Transport	7.2%	9.2	1.3
Finances	21.7%	19.9	0.9
Services	30.8%	30.1	1.0
TOTAL	100	100	1

The largest group of businesses in the municipal area are involved with the procurement and sale of food, beverage and liquor related (11.9%) products. The second largest group of businesses in the area are involved with clothing and fashion accessories (8.5) %, while the 3rd largest group is involved in beauty care and hair salons (8.3%). There is also a significant amount of businesses involving medical related services (7.3%)

Income Distribution

The majority of the population of the municipality earn between R19 201-R38 400 (25.44%), the second largest group earns between R9 601-R19 200 (21.39%) and the third largest earns between R38 401-R76 800 (17.51%). The smallest population earns between R1 228 801-R2 457 600 (0.40%) and R2 457 601 or more (0.22%).

Graph 9: INCOME DISTRIBUTION



Statssa: Census 2011

Household Income Levels

The income levels of households are considerably low considering the increased cost of living. Below are the Poverty line categories:

- **Poverty line:** It is a measure used to separate the poor and the non-poor by determining the amount of money required to purchase enough food for survival. This is equivalent to R561 or R18.70/day. 54% of South Africans live below this level of income.
- **Upper bound poverty line:** R1227 defines the upper poverty line in South Africa. People who have this much to spend can buy essential food items and spend R666 a month on essential nonfood items.
- **Lower Bound Poverty Line:** Is defined as R810 per person per month or R27 per day. People at this level of income probably have to sacrifice some food items to be able to afford to buy essential non-food items if these items cost more than R249 a month. Lower poverty line: is defined as an income of R335 per person per month/R11.00 per day. People who live below this line struggle to afford their daily food requirements.

This shows that majority of the population live below the South African Poverty line. This is worrisome as growing number of forecasts have concluded that food prices will rise sharply throughout the years. The agriculture industry is struggling due to droughts South Africa has faced in 23 years. Inflation has adjusted the poverty line by 27% from R441 in 2015 to R561 in 2019.

Table 8: Persons Indicators

POVERTY LEVELS				HOUSEHOLDS			
2011		2016		2011		2016	
Headcount	Intensity	Headcount	Intensity	Total	Size	Total	Size
6.1%	42.3%	5.2%	42.4%	38 593	3.3	46 857	3.0

Statssa:

Employment Status

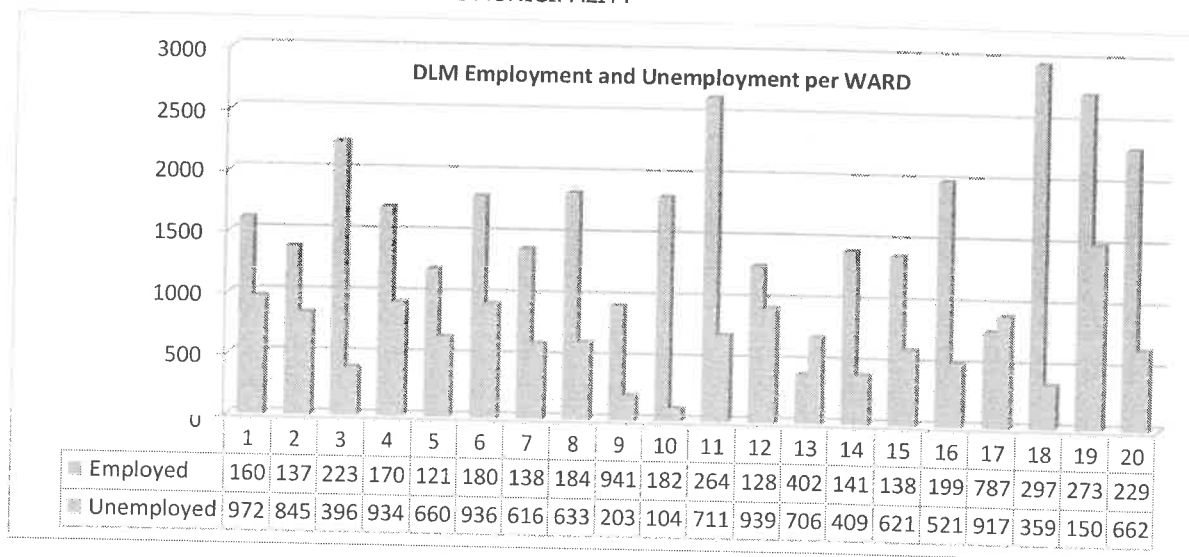
The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e., people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Approximately 23% of the Free State population was regarded as officially employed in 2011. The Thabo Mofutsanyane District Municipality had the lowest percentage of employment in 2011 with only 19.5% of the region's population officially employed. A high percentage of the population is unemployed (43%), this unemployment is of concern as the total labour force is unemployed. Interventions for job creation in the formal and informal sector are needed as less than half of the population is employed (40%). A significant amount of the population is economically inactive (17%).

In terms of the Dihlabeng Local Municipality there are (13 653) unemployed residents, however there is a substantial number of residents (33 843) that are currently employed and (31 467) residents have indicated that they are not economically active.

Unemployment in the municipality has decreased from 2011 (43%) to 2016 (23.6%), this indicates a decrease of 19.4%. Employment has increased from 2011 (40%) to 2016 (44.43%), this indicates an increase of 4.43%. Although this is the case, there has been a significant increase of the population that is economically inactive (23.69%).

Graph 10: EMPLOYMENT STATUS IN THE MUNICIPALITY



Source: Census 2011

2. HOUSEHOLD ACCESS TO MUNICIPAL SERVICES

2.1 Access to Water

The Dihlabeng Local Municipality as a Water Service Authority (WSA) is committed to improve the physical, socio-economic and institutional environment in order to address poverty and promote infrastructure development. The Municipality is assisted by the Department of Water Affairs to review its Water Service Development Plan (WSDP).

The WSDP outlines service level profiles, resources profile and future bulk needs, as well as programmes that must be pursued in order to address the identified challenges. The WSDP provides a holistic integrated view of the water and sanitation service requirements and planning within the Dihlabeng Municipal area.

Table 9: PROVISION OF WATER SERVICE

Water Service Provision				
Status of Sector Plan (WSDP)			Draft 2015 WSDP	
Availability and status of operation and maintenance plan.			Available and in use.	
Status of bulk supply storage.			Sufficient except in Rosendal/ Mautse	
National target for water service.			100% access to all	
Is the Municipality the Water Service Authority?(Yes/No) Indicate the arrangements for service delivery of water.			Yes the Municipality delivers water to all residents.	
Approved service level of Municipality.				
Formal Areas			Basic yard connection.(37 729)	
Informal Areas			Communal standpipe.(847)	
Number of HH with access to water				
Total HHs-	RDP and Above	Below RDP	No Service	Interventions Required
38 593 Census 2011	37 827	766	0	
46 857 CS 2016				

Table 10: DISTRICT ACCESS TO WATER

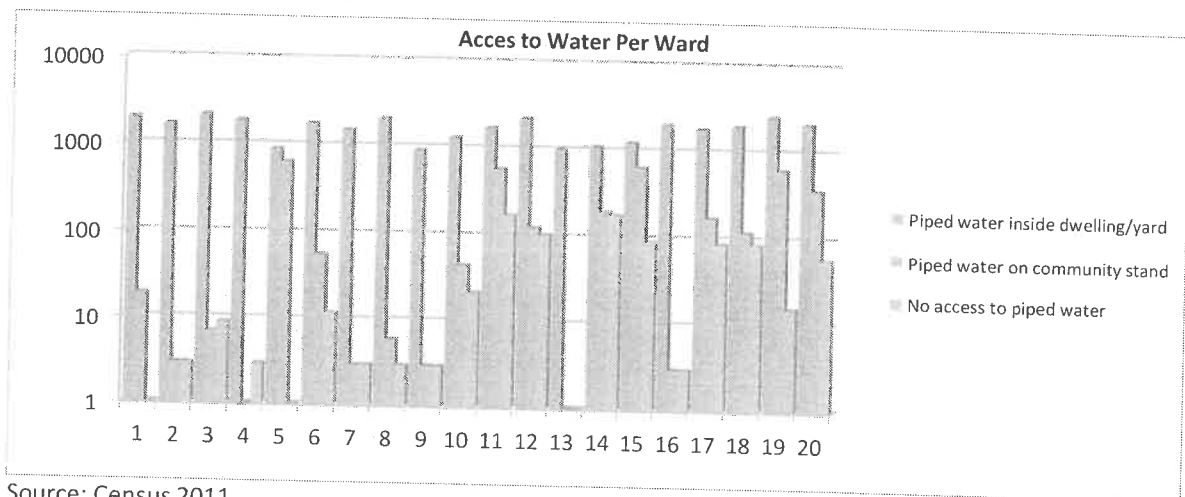
Census 2011			Community Survey 2016	
MUNICIPALITY	Households with access to pipe water	Households without access to pipe water	Households with access to pipe water	Households without access to pipe water
Setsoto	33057	631	33 513	3 875
Dihlabeng	37739	854	43 926	2 931
Nketoana	16372	946	18 960	704
Maluti A Phofung	96300	3927	93 304	17 420
Phumelela	12372	516	13 091	1 495
Mantsopa	14993	176	15 806	1 145
Thabo Mofutsanyana	210834	7051	218 601	2 757

Source: Census 2011 / CS 2016

Dihlabeng has a high number of households with RDP water services standards with 88, 4% of households receiving water. With a backlog of 2 931 according to 2016 Community Survey and this shows a need for improved service delivery, especially in rural areas. Access to clean drinking water is part of one's basic human rights as it provides access to a healthy wellbeing and sanitary environments.

The table below indicates that the majority of people in the Dihlabeng Local Municipality have access to piped water. Only 4, 5 % of the Municipalities population have no access to piped water through community standpipes, inside the yard as well as inside their dwellings.

Graph 11: ACCESS TO PIPED WATER



Source: Census 2011

Water service provision in the municipality indicates that all five towns have access to water services, and it is evident that the provision of water has increased from 2011 to 2016. Most areas in the Municipality have access to water (according to RDP standards) except informal areas.

TOWN	HOUSEHOLDS CENSUS 2011	HH RDP WATER SERVICE LEVELS 2011 CENSUS		WATER BACKLOG 2011 CENSUS	HOUSEHOLDS COMMUNIT	WATER BACKLOG 2016 COMMUNITY SURVEY
		NUMBER	%			
Bethlehem	26 996	24 556	90.0	2 448		No access to piped water
Clarens	2 557	2 131	83.3	426		
Paul Roux	2 083	1 824	87.6	256		
Rosendal	1 975	1 244	62.9	729		
Fouriesburg	4 982	4 372	87.8	607		
TOTAL	38 593	34 127	88.4	4 466	46 857	2 931

Table 11: WATER SERVICE LEVELS

Source: Census 2011/ CS 2016

Water Service Institution		Dihlabeng Local Municipality				
Water Service Provider		Dihlabeng Local Municipality				
Municipal Green Drop Score		VROOM Impression (Towards restoring functionality): Civil and mechanical works dilapidated - upgrades underway Sub-standard workmanship - PST, weir, concrete quality 2. Staff facilities and fencing 3. Major flooding and pollutions events 4. SBR aerators 5. - 8 months not operational - effluent quality compromised 6. Grounds keeping lacking VROOM Estimate: - R17,496,000				
2021 Green Drop Score	49%↑					
2013 Green Drop Score	47%					
2011 Green Drop Score	32%					
2009 Green Drop Score	0%					
Key Performance Area	Weight	Bethlehem	Clarens	Mashaeng	Mautse	Paul Roux
A. Capacity Management	15%	80.0%	70.0%	70.0%	70.0%	74.0%
B. Environmental Management	15%	55.0%	52.0%	54.0%	39.0%	54.0%
C. Financial Management	20%	30.0%	27.5%	27.5%	27.5%	27.5%
D. Technical Management	20%	55.0%	47.0%	35.0%	37.0%	44.5%
E. Effluent & Sludge Compliance	30%	21.0%	44.0%	21.0%	24.0%	21.0%
F. Bonus		56.0%	42.5%	27.5%	8.0%	20.0%
G. Penalties		0.0%	0.0%	0.0%	-25.0%	-25.0%
H. Disqualifiers		None	None	Intent to Directive	None	None
Green Drop Score (2021)		51%	52%	41%	33%	38%
2013 Green Drop Score		49%	42%	28%	27%	43%
2011 Green Drop Score		31%	22%	16%	23%	18%
2009 Green Drop Score		0%	0%	0%	0%	0%
System Design Capacity	MI/d	25.6	2.5	1.1	2	1.2
Design Capacity Utilisation (%)		84%	56%	45%	17%	33%
Resource Discharged into		Jordan River	Little Caledon River	Meiringspoort spruit	Meulspruit	Sand River
Microbiological Compliance	%	17%	9%	17%	0%	17%
Chemical Compliance	%	38%	97%	42%	60%	50%
Physical Compliance	%	69%	91%	58%	56%	72%
Wastewater Risk Rating (CRR% of CRR_{max})		Bethlehem	Clarens	Mashaeng	Mautse	Paul Roux
CRR (2011)	%	70.4%	76.5%	82.4%	88.2%	94.1%
CRR (2013)	%	55.6%	76.5%	76.5%	58.8%	76.5%
CRR (2021)	%	66.7%	47.1%	70.6%	70.6%	70.6%

2.2 Access to Sanitation

Access to sanitation is equally important as access to water. The figure below indicates that the majority of people within the Municipality have Flush toilets (connected to sewerage system) as sanitation facilities. There is only a small number of people who don't have access to flush toilets, which are connected to the municipal sewer system or septic tank. It is a matter of concern that there is a large number of people that use a Pit latrine without ventilation. There is also a number of households which have no access to sanitation. According to the 2016 Community Survey, the figure below indicates that the majority of people within the Municipality have Flush toilets (connected to sewerage system) as sanitation facilities.

Table 12: Sanitation Service Levels

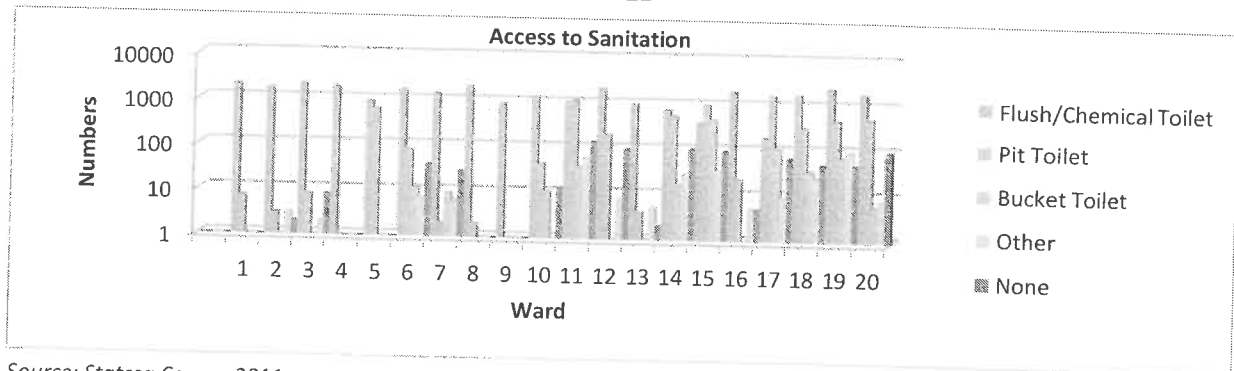
STATUS OF SECTOR PLAN (WSDP)				PHASE 1
Availability and status of operation and maintenance plan.				Available and in use.
Status of bulk supply storage.				Good, sufficient to provide for 38 593 HHs
National target for sanitation service.				100% access to all
Is the Municipality the service authority? (Yes/No)				Yes the Municipality delivers Sanitation to all residents.
Indicate the arrangements for service delivery of sanitation				
Approved service level of Municipality.				
Formal Areas				Basic Household waterborne
Informal Areas				Communal VIP toilets
Number of HH with access to sanitation				Interventions Required
Total HHs-	RDP & above	Below RDP	No Service	
38 593	37 827	766	0	Bulk water supply in Rosendal/ Mautse

TABLE 13: DISTRICT ACCESS TO SANITATION

CENSUS 2011		Community Survey 2016			
Municipality	Flush/chemical toilet	Other	Flush/chemical toilet	Other	None
Setsoto	20 743	11 568	25 816	11 572	560
Dihlabeng	29 890	7 881	40 016	6 841	249
Nketoana	11 217	5 607	16 563	3101	354
Maluti a Phofung	35 636	61 951	40 470	70254	1 865
Phumelela	8 136	3 951	10 264	4323	400
Mantsopa	10 677	4 106	14 869	2083	144
Thabo Mofutsanyana	116 298	95 065	147 997	98174	3 572

Statssa: Census 2011 and Community Survey 2016.

Graph 12: ACCESS TO SANITATION AT WARD LEVEL



Source: Statssa Census 2011

Table 14: INFORMAL SETTLEMENTS WITH NO ACCESS TO SANITATION AS PER RDP STANDARD

TOWN	INFORMAL SETTLEMENTS	INFORMAL AREAS
Bohlokong	Captain Charles Selahliwe	1097
Kgubetswana	Mokobobong	300
Fateng tse Ntsho	Makwetu	93
Mautse	Metati	1000
Mashaeng	None	None

Dihlabeng Local Municipality

Table 15: SERVICE LEVEL FOR THE CORE FUNCTION SANITATION

UNIT	HOUSEHOLD CENSUS 2011	SANITATION SERVICE LEVEL		SANITATION 2011 CENSUS BACKLOG		HOUSEHOLD COMMUNITY SURVEY 2016	2016 SANITATION BACKLOG
		Number	%	Number	%		
Bethlehem	26 996	23 458	86.9	3 538	13.1		NO ACCESS
Clarens	2 557	1 912	74.8	645	25.2		
Paul Roux	2 083	195	9.4	1 888	90.6		
Rosendal	1 975	388	19.6	1 587	80.4		
Fouriesburg	4 982	3 938	79.0	1 044	21.0		
TOTAL	38 593	29 891	75.1	8 702	24.9	46 857	249

Table 15: TYPES OF SANITATION SYSTEMS

UNITS	UNITS	OFF SITE / Informal Settlement
Bethlehem/Bohlokong	Bethlehem/Bohlokong	Waterborne system on Communal Toilets
Clarens/Kgubetswana	Clarens/Kgubetswana	VIP
Paul Roux/Fateng tse Ntsho	Paul Roux/Fateng tse Ntsho	VIP
Rosendal/Mautse	Rosendal/Mautse	VIP
Fouriesburg/Mashaeng	Fouriesburg/Mashaeng	-

The overview of the utilization the Water Treatment Works (WTW) and Wastewater Treatment Works (WWTW) in the DLM presents an unsettled picture as shown: Several of the plants are currently utilized at maximum level.

Table 16: WASTEWATER TREATMENT WORKS

TOWN	NAME OF TREATMENT	% CAPACITY	AVAILABLE CAPACITY	PROPOSED PLANS
Bethlehem/Bohlokong	Sol Plaatje WTW	75	25	The Treatment Works may be upgraded through Bethlehem/Fouriesburg Bulk Water Pipeline project.
	Bethlehem WWTW	75	25	
Clarens/Kgubetswana	Clarens WTW	100	0	The Treatment Works upgraded.
	Clarens WWTW	60	40	
Fouriesburg/Mashaeng	Fouriesburg WTW	60	40	New Bethlehem/ Fouriesburg Bulk Water constructed due to unreliable Raw Water Availability.
	Mashaeng WWTW	100	0	
Rosendal/Mautse	Rosendal	90	10	The Treatment Works may be upgraded through Rosendal Dam project.
	Mautse	100	0	
Paul Roux/Fateng tse Ntsho	Paul Roux	80	20	Bulk Water service to be supplied through Bethlehem/Paul Roux Bulk Water Pipeline project.
	Fateng tse Ntsho	100	0	

Table 17: REASONS FOR HH WITHOUT ACCESS TO SANITATION

Name of settlement		Ward	Total Nr of HH	Reasons
Bohlokong (Captain Charles Selahliwe, Riverside)		5,7,19	±1097	INFORMAL SETTLEMENT
Fateng tse Ntsho		17	±93	
Kgubetswana		20	±300	
Mashaeng		12,13,14	±200	
Status of the provision of Free basic sanitation				
Is there an approved FBS policy? (Yes/No)				

2.3 Access to Electricity

Communities in the Municipality are fairly well supplied with electricity. The Census 2011 statistics indicate that 84.9% of the households of DLM have access to electricity, Bethlehem has the highest percentage of households with access to electricity.

STATUS OF SECTOR PLAN (ENERGY PLAN)	STATUS
Availability and status of operation and maintenance plan.	Available and in use.
National target for electricity service.	100% by 2030 to households
Is the Municipality the service authority?(Yes/No) Indicate the arrangements for service delivery of electricity.	Yes Eskom : Bohlokong, Mautse, Mashaeng, Clarens, Kgubetswana Municipality : Bethlehem, Paul Roux, Fateng Tse Ntsho Rosendal, Fouriesburg
Approved service level of Municipality.	
Formal Areas	32 723 house connections
Informal Areas	5 870 (none)
What are the reasons for HHs without access or below RDP access?	None availability of Network in the rural areas (farms).
Areas or settlements without access to basic services standard/level.	Informal settlement.
Status of the provision of free basic Electricity.	
Is there approved FBS policy? (Yes/No)	Yes
If no indicate reasons	N/A
How many HHs are benefiting from the Council approved FBS.	5 870
Challenges.	

Table 18: PROVISION OF ELECTRICITY

The Dihlabeng Local Municipality has realized the need to explore other forms of energy, which includes renewable energy, beyond focusing on coal generated electricity as the main supply of energy.

The areas of Bethlehem & Bakenpark are serviced by the Municipality while the Bohlokong is serviced by Eskom. The capacity of electricity is sufficient, but the internal reticulation of electrical lines may be a constraint for future development. Three existing hydro facilities are located on the farms Merino and De Brug Susan, as well as at the Sol Plaatjes Dam.

There are currently three new applications for hydro facilities, these facilities are all located along the Ash River. The Municipality has approved the development of the **Hydro Power Station** on a portion of the Farm Kruis valley 190 and a **portion of the Farm Middle Valley 130**.

A **photovoltaic Solar Power** has been approved and it is established on Subdivision 2 of the Farm Merino No 1487 and Subdivision 1 of the Farm De Burg Susan.

Table 19: ACCESS TO ELECTRICITY PER TOWN

DIHLABENG TOWNS	NUMBER OF HOUSEHOLD 2011	WITH ACCESS 2011	WITHOUT ACCESS 2011	NUMBER OF HOUSEHOLD 2016	BACKLOG 2016
Bethlehem/Bohlokong	26 996	23 622	3374		NO ACCESS
Fouriesburg/Mashaeng	4982	4089	893		
Rosendal/Mautse	1975	1187	788		
Paul Roux/Fateng tse Ntsho	2083	1749	334		
Clarens/Kgubetswana	2557	2076	481		
TOTAL	38 593	32 723	5 870	46 857	4 297

2.4 Access to Roads

The Municipality is mandated in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and other applicable legislation to provide infrastructure and services to all the people within its area of jurisdiction. Maintaining the functionality and conditions of roads and associated inventories in acceptable state is of vital importance to the vehicle operating costs in the long run. The lack of continuing upgrade and maintenance will negatively impact on the socioeconomic state of the municipality through elements such as transport costs and neighbourhood accessibility challenges amongst other things.

Furthermore, sustainable economic development is under-pinned by a sound road network. However the challenging reality of limited financial resources leads to the need for road investment optimization and prioritization. This proves to be a working rational approach towards maximizing and harmonizing the benefits of road investment choices through decision support tools like the Rural Roads Asset Management System (RRAMS) in terms of Pavement Management System (PMS) and Gravel Roads Management System (GRMS).

These two systems are constituted by a set of procedures of systematically evaluating alternative strategies for the monitoring, maintenance, rehabilitation, reconstruction and upgrading of roads, normally with the aid of specialized computer applications, to provide and maintain a road network effectively and to the economical transport costs.

Economic activities within the municipality consist of both agricultural and industrial sectors, and the N5 National Road, R26 and R76 roads are important transportation routes towards improving the efficiency of commerce. This results in heavy duty motor vehicles using the towns as passageways to their respective destinations. There is also a continuous urban development that leads to increased traffic volume in posting additional pressure on the aged and gravely deteriorated roads infrastructure which needs urgent maintenance in terms of upgrading, rehabilitation and reconstruction. There is a need for a Roads Master Plan which will serve as a guide and a strategy in new constructions and maintenance of existing roads infrastructure network. The municipality is currently using the RRAMS in the absence of the Roads Master Plan.

Roads:

All areas of Dihlabeng Local Municipality have access to roads and the general state and conditions of roads through the DLM has been identified as an area that needs urgent attention as roads network is critical in promoting economic growth and tourism. The growth in road freight haulage and heavy vehicles are putting pressure on the road infrastructure network of Dihlabeng Local Municipality resulting in a need for urgent intervention in terms of maintenance. Approximately 45% of roads have reached their lifespans and therefore unable to handle the imposed loads by the increasing volume of heavy vehicles along the N5 National Road, R76 and R26 Roads through Bethlehem.

In order to address this challenge, there is a need for a pavement management system and roads master planning. Yearly maintenance plans are developed and implemented, and routine maintenance is being implemented. However, there is an urgent need of maintenance of at least 2km in length on a financial year basis in terms of rehabilitation and reconstruction of the main or collector roads such as Muller Street, Kerk Street, N5 East Bound, Riemland Road/R26, Commissioner Street/R76; to name but a few.

Rail:

The municipality has approximately 4.8km railway line siding which serves the Total S.A and Pioneer Foods. The railway line sidings in the Industrial area provide an alternative option to businesses using rail as transport option. The railway sidings requires continuous maintenance on an annual basis to keep it functional as well as compliance with the Railway Safety Regulator Act No. 16 of 2002. The railway line links Bethlehem with outside towns such as Vaalsrivier and Kransfontein.

Airfield

There is one airfield and several landing strips within the municipality. The landing strips are owned by the farmers and other individuals for private use. Bethlehem has one Airfield, which is mainly used by crop spraying aircraft and for the repairing of aircrafts. Paramount Aviation Academy is an exclusive aviation school in the town of Bethlehem.

The Airfield resides at an elevation of 1,695 m above mean sea level. It has two runways: 11/29 has an asphalt surface measuring 1 175 by 15 metres and 13/31 with a grass surface measuring 1 311 by 46 metres. This means that the Airfield is able to be used all year round for passenger and cargo distribution throughout the country. This is an important aspect which should be expanded upon further. Furthermore, the airfield is used by the South African Weather Services.

Public Transport:

Taxis provide predominant public transport to the people of Dihlabeng Local Municipality. Sound and solid transport infrastructure remains crucial to generating economic growth, alleviating poverty, reducing inequality and increasing domestic and international competitiveness. Transport infrastructure and services support economic growth and development by connecting people and goods to markets. The development and maintenance of an efficient and competitive transport system is a key objective. Taxis are also the main form of transportation for long distance trips to Vereeniging, Bloemfontein, Qwa – Qwa and other surrounding towns.

Table 20: STATUS OF MUNICIPAL ROADS

STATUS QUO OF MUNICIPAL ROADS	
Bethlehem/Bohlokong	There is a total sum of 253.94 km (paved/unpaved) of road network in Bethlehem and Bohlokong combined, of which 69.73% is paved and 30.27% is unpaved. Out of that 69.73% of paved network, 71.68% of flexible pave in Bethlehem is in poor condition and 86.82% of roads in Bohlokong are in poor condition.
Clarens/Kgubetswana	There is 38.28km (paved/unpaved) of road network in Clarens and Kgubetswana combined, and 45.59% is paved and 54.41% is unpaved. Out of that 52.87% of paved network, 55.95% is in poor condition.
Rosendal/Mautse	There is 48.97km (paved/unpaved) of road network in Rosendal/Mautse and 15.40% is paved and 84.60% is unpaved. About 84.8% of flexible has gravely deteriorated and therefore suitable Maintenance action is required. About 84.60% of unpaved network is in need of upgrade to interlocking or flexible paved.
Fouriesburg/Mashaeng	There is 69.784 km (paved/unpaved) of road network in Fouriesburg and Mashaeng combined, and 31.81% is paved and 68.19% is unpaved. In paved network, about 45.79% of flexible is in poor conditions and relevant Maintenance action is required.
Paul Roux/Fateng tse Ntsho	There is 42.34 km (Paved/unpaved) of road network in Paul Roux and Fateng tse Ntsho combined, and 36.94% is paved and 63.06% is unpaved. About 96.13% of the paved network is in poor conditions and relevant maintenance action is required.

Table 21: ROADS STATISTICS PER TOWN

DLM ROAD STATISTICS PER TOWN					
TOWN/TOWNSHIP	FLEXIBLE	INTERLOCKING BLOCK	GRAVEL	EARTH	TOTAL
BETHLEHEM	114.53	0	0	0	114.53
BOHLOKONG	39.72	22.82	67.37	9.50	139.41
PAUL ROUX	2.98	0	5,64	10,90	19.52
FATENG TSE NTSHO	0	12,66	0	10,17	22.83
FOURIESBURG	7.63	0	0	15,24	22.87
MASHAENG	3.45	12,64	7,62	24,72	48.43
ROSENDAL	1,12	0	0	21,64	22.76
MAUTSE	0	6,41	0	19,79	26,20
CLARENS	7.63	0	2.12	15.17	24.92
KGUBETSWANA	0	9.82	1.08	2.46	13.36
TOTAL	177.06	64.35	83.83	129,59	454.83

Table 22: STATUS OF STORMWATER DRAINAGE SYSTEM

TOWN	BRIDGES	CULVETS	
		MAJOR	LESSER
Bethlehem/Bohlokong	3	6	58
Paul-Roux/ Fateng Tse Ntsho	1	2	6
Rosendal/Mautse	1	1	4
Fouriesburg/ Mashaeng	0	1	20
Clarens/Kgubetswana	0	2	15
TOTAL	5	12	103

Part B of Schedule 5 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) outlines the powers and functions exclusive to the Municipality and one of those is the maintenance of storm water drainage system of the Municipality. The quality of the Municipal roads is affected directly by the maintenance of the storm water systems for if these systems are not effectively maintained they damage the roads infrastructure. There's a need of routine maintenance with the use of special equipment to re-effect the functionality of the storm water lesser culverts.

2.5 Access to Refuse Removal

Waste collection is a Local Government competency and should therefore be conducted by the five local municipalities under Thabo Mofutsanyane District. Waste removal service is offered 100% in the established township areas. Waste receptacles (240L wheelie bins and 85L bins) have been distributed to the previously disadvantaged communities. The provision of receptacles has reduced unnecessary delays during collection and refuse bags are the most common receptacle used in certain parts of the town.

The Municipality continues to provide free basic refuse removal to all registered indigent households around our area of jurisdiction in a sustainable manner. To ensure the smooth and uninterrupted provision of refuse collection and at the same time reducing overheads, the municipality three (3) haulage trucks and 3 Roll-on-Roll off trucks. Over and above this initiative the municipality embarked on a number of cleaning campaigns and initiated recycling projects around the Dihlabeng Communities. The CBD's of all the towns are maintained and cleaned on a daily basis, although Bethlehem is in need of public bins around the town in order to encourage a litter free community.

DLM has 4 waste compactors that are utilized for refuse removal once a week as per the collection schedule. The Bethlehem Unit has 3 compactors, whilst Clarens have one. Tractors and Trailers continue to be used for collection in other Units (Paul Roux, Fouriesburg and Rosendal). Bethlehem alone has 188 corner dumps in and around Bohlokong and Bethlehem.

Council continues to face an enormous challenge in the sense that our community members have lost the drive and pride to keep their environment clean. Leasing of fleet is utilized on a month to month basis for removing of such corner dumps. Environmental cleaning campaign have been embarked on, but if the community does not change its mind-set the Municipality will continue to fight a losing battle. The Municipality owns a permitted regional Landfill site and records of decisions for all four transfer stations. Only Clarens transfer station is operational, whilst the other three transfer stations require containers in order for them to operational. Bethlehem has two transfer stations that are not licensed as they were meant only for garden waste. To date lack of control in terms of management poses an Environmental risk. The landfill site as is operated and maintained by a contracted service provider and is regulated under the

license conditions issued by the Department of Environmental Affairs as a well minimum requirements of waste disposal by landfill.

Recycling is happening at a very small scale within DLM due to challenges faced by the community members intended in recycling such as land, transportation and equipment. There is recycling in Bethlehem, Fouriesburg and Clarens. Waste generated within Thabo Mofutsanyane is not sufficient to justify any waste treatment facilities being constructed, except Bethlehem.

The DLM has conducted community survey on level of services in our Wards and under Waste Management there has been issues raised with regard to waste collection and disposal in the region. Based on an estimated Census 2001 62.8% have accesses to refuse removal and in 2011 81.6% of Household receiving refuse removal service increased by 18.8%.

As expected, the highest quantities of waste are generated within the Bethlehem and Bohlokong typical towns characterized by a higher socio economic population generating higher tonnages of waste and industrial activities. This landfills vary in status from small, medium and large. From available information it will appear that sufficient landfill airspace (lifespan) exist within Dihlabeng Regional Landfill site. The Municipality has a District Integrated Waste Management Plan as well as a draft Integrated Waste Management Plan.

Table 23: INDICATION OF WASTE & REFUSE REMOVAL SERVICE

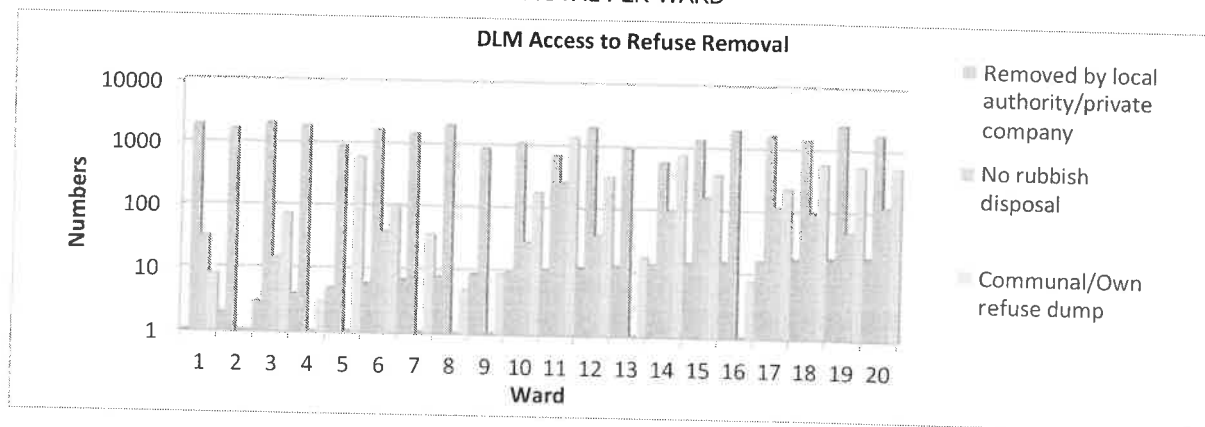
STRUCTURES	AVAILABILITY	STATUS
Integrated Waste Management Plan	Draft local IWMP	Draft local IWMP
Landfill sites	Available in Bethlehem	Licensed and operational
Licensing and compliance	Available in Clarens	Licensed and operational
Environmental recycling	External	Businesses
Operation and Maintenance Plan	Yes	Operational
Waste management Fleet	Available	9 Government garage
Personnel and staff	72	Refuse Removal & Street sweeper personnel.

Table 24: DISTRICT ACCESS TO REFUSE REMOVAL

DISTRICT ACCESS TO REFUSE REMOVALS												
Municipality	2011						2016					
	Removed once a week	Removed less often	Communal Refuse dump	Own Refuse dump	No Refuse disposal	Other	Removed once a week	Removed less often	Communal Refuse dump	Own Refuse dump	No Refuse disposal	Other
Setsoto	18 534	841	808	10 961	2 323	220	21 705	995	2 037	10 159	1 792	545
Dihlabeng	30 963	395	1031	4 965	1 088	152	38 611	545	1 708	4 254	656	131
Nketoane	12 506	262	545	3 225	682	97	16 068	359	545	2 039	355	254
Maluti Phofung	24 873	424	4 591	61 972	7 414	953	23 361	1 159	5 682	65 648	12 181	2 415
Phumelela	8 390	58	586	3 334	460	60	8 891	1 016	123	2 594	1 734	216
Mantsopa	11 860	61	683	2 223	286	87	11 520	133	2 231	2 297	609	96
TMDM	107125	2042	8245	86 680	12 254	1 539	120 155	4 208	12 325	86 991	17 327	3 657

Statssa: Community Survey 2016

Graph 13: DIHLABENG ACCESS TO REFUSE REMOVAL PER WARD



Statssa Census 2011

Dihlabeng Local Municipality spares no effort in ensuring that refuse removal is done at least once a week at every household, to ensure the efficient management of the solid waste disposal sites, to prevent littering and to ensure that the street and pavements are regularly cleaned. Refuse collection between 2011 and 2016 has increase from 30963 to 38611 of households receiving services from the municipality whereby collections are made once a week by the Local Municipality.

Municipalities are required to ensure that waste is properly managed and disposed of according to waste license conditions. It is also important that municipalities must establish the size of their waste disposal facilities; the anticipated lifespan and/ or available airspace, types and quantities of waste disposed, and should take note of whether these are operated in a sound and environmentally acceptable manner.

Table 25: DIHLABENG STATUS OF LANDFILLS SITES

TOWN	LICENSED	COLLECTION SYSTEM (Frequency)	CAPACITY/
Bethlehem (Regional Landfill site)	Permitted	Once a week	25-30 years
Rosendal (Transfer Station, but not operational)	Permitted	Once to twice a week	25-30 years
Paul Roux (Transfer Station)	Permitted	Once to twice a week	25-30 years
Clarens(Transfer Station operational)	Permitted	Once to twice a week	25-30 years
Fouriesburg (Transfer Station , but not operational)	Permitted	Once to twice a week	25-30 years

Table 26: WASTE REMOVAL FREQUENCY

Type of Waste	Area	Type of Receptacle	Collection method	Frequency
General Domestic Waste	Bethlehem, Paul Roux, Rosendal, Fouriesburg, Clarens including General Domestic Waste from Health Care facilities and Industries	Garbage Bags and Waste bins	Compactor trucks	Once per week
Commercial waste	Businesses, Industries	Waste Skip rented from the Municipality, Own Dustbins	Compactor Trucks Roll-on-Roll-Off Trucks	Twice per week/as and when it is needed
Health Care Risk Waste	Hospitals, Clinics, Laboratories & General Doctors Rooms	Own Storage facility	Private Collection (Compass/Buhle Waste)	On request for collection
Hazardous Waste	Used Oil	Own Collection	Own Collection/Private Collection	No Collection by the Municipality.
Garbage Bags and Waste bins	CBD: STREET SWEEPING	Garbage Bags and Waste bins	CWP, EPWP Municipal Officials	1-2 Times per week
Garbage Bags and Waste bins	CBD: Litter Picking	Garbage Bags and Waste bins	CWP, EPWP Municipal Officials	Daily

The main objective is to provide sustainable environmental practices for recycling through different recycling projects. Dihlabeng Local Municipality takes initiative in maintaining a clean and safe environment. Recycling has proven to create many job opportunities for both formal and informal recyclers. The installation of Material Recovery Facility at the Bethlehem Landfill Site can be a major breakthrough for Dihlabeng Local Municipality through job opportunities and waste minimization.

There are currently no formal Municipal driven waste minimisation activities taking place in the Municipality. Informal reclamation activities are evident on Bethlehem Landfill Site and Transfer Stations, during normal household waste collection and in other waste disposal sites. The extent of reclamation is however not known as no records are kept of material volumes removed from the various waste disposal sites.

2.6 Level and Standard of Service – Town Planning & Housing

Town Planning is responsible for determining the development direction of the Local Municipality. It provides services relating to Spatial Planning, Building Control, Development Control and Land Use Management. Although the Dihlabeng Local Municipality does not have powers to approve the respective Land use applications, it does provide recommendations to the Free State Province.

• BUILDING AND ZONING PLANS

The submission and approval of building plans within a Local Municipality is used as an economic indicator within its boundaries.

The submission and approval of building plans is classified as follows:

- New Residential Buildings;
- Extensions to Residential Buildings;
- Non-residential Buildings; and
- Extensions to Non-Residential Buildings.

Table 27

Approvals	New Residential		New Residential	
	2020/2021	2021/2022	2022/2023	2023/2024
Bethlehem/Bohlokong				
Number	34	27	28	19
Value	R29 748 613.00	R528 602 000.00	R21 497 000.00	15 321 000.00
Clarens/ Kgubetswana				
Number	18	22	22	17
Value	R13 874 013.46	29 872 000.00	R28 179 000.00	11 456 000.00
Paul Roux/Fateng-tse-Ntsho				
Number	10	2	9	8
Value	R5 107 115.60	R2 400 000.00	R7 032 000.00	12 300 000.00
Rosendal/Mautse				
Number	4	14	10	13
Value	R2 268 000.00	R11 340 400.00	R10 430 000.00	12 300 000.00
Fouriesburg/Mashaeng				
Number	8	7	8	6
Value	R2 810 008.60	R15 286 200.00	R13 300 000.00	10 111 000.00
Total Number	74	72	77	63
Total Value	R53 807 750.66	R587 500 600.00	R81 536 000.00	54 189 000.00

Source: Dihlabeng Local Municipality 2024

It is evident that the majority of building activity within the residential market is focused within Bethlehem/Bohlokong followed by Clarens/Kgubetswana. This trend is a national phenomenon with a significant slow-down in the new property market.

• EXTENSIONS TO RESIDENTIAL BUILDING

Trend seems to be that property owners rather opted to upgrade their existing properties as opposed to build new buildings.

Table 28

Approvals	Extension to Residential			
	2020/2021	2021/2022	2022/2023	2023/2024
Bethlehem/Bohlokong				
Number	107	50	58	65
Value	R38 046 684.73	R83 140 000.00	23 096 000.00	39 336 000.00
Clarens/ Kgubetswana				
Number	14	14	10	20
Value	R4 052 600.00	R3 491 000.00	R17 546 000.00	19 325 000.00
Paul Roux/ Fateng-tse-Ntsho				
Number	2	1	0	4
Value	R582 000.00	R192 000.00	0	10 251 000.00
Rosendal/Mautse				
Number	1	6	0	1
Value	R222 000.00	R1 651 000.00	0	8 400 000.00
Fouriesburg/Mashaeng				
Number	1	3	0	1
Value	R960 000.00	R2 829 000.00	0	8 211 000.00
Total Number	125	74	68	91
Total Value	R43 811 284.73	R91 293 000.00	R40 642 000.00	85 523 000.00

• EXTENSIONS TO NON-RESIDENTIAL BUILDINGS

The majority of non-residential activities are taking place in Bethlehem/Bohlokong, with marginal activities in Clarens. The total number of applications for non-residential buildings and extensions thereto is summarized below.

Table 29

Approvals	Extension to Non- Residential			
	2020/2021	2021/2022	2022/2023	2023/2024
Bethlehem/Bohlokong				
Number	1	0	4	11
Value	R67 000.00	0	R6 221 000.00	30 998 000.00
Clarens/ Kgubetswana				
Number	1	0	1	1
Value	R228 000.00	0	R214 000.00	190 000.00
Paul Roux/ Fateng-tse-Ntsho				
Number	0	0	1	0
Value	0	0	R4 900 000.00	0
Rosendal/Mautse				
Number	0	0	0	0
Value	0	0	0	0
Fouriesburg/Mashaeng				
Number	0	0	0	0
Value	0	0	0	0
Total Number	2	0	6	12
Total Value	R295 000.00	0	R6 925 000.00	31 188 000.00

The future development proposals of each of the urban areas are contained in the Draft SDF 2022/2023. Details pertaining to each of the proposals are contained in the Dihlabeng Local Municipality SDF.

Part C: Municipal Performance Highlights

1. MUNICIPAL PERFORMANCE HIGHLIGHTS

1.1 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

This Annual Report is published by the Dihlabeng Local Municipality. It seeks to give an overview of the performance against predetermined strategic objectives as we review progress on all projected targets of the Municipality for the period as at July 2023 to June 2024.

Every effort has been made to ensure that the facts as reported are accurate and a true reflection of achievements for the year under review. Every municipality and municipal entity must prepare and adopt an Annual Report for each financial year in accordance with the Municipal Finance Management Act 56 of 2003 (MFMA) and, the Municipal Systems Act 32 of 2000 (MSA) as Amended.

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1.2 PROGRAMME PERFORMANCE HIGHLIGHTS

As a directive of the Constitution of the Republic of South Africa, Dihlabeng Local Municipality provides services as outlined in Schedules 4 (Part B) and 5 (Part B) of the Republic of South Africa Act, (Act 108 of 1996). These services include water provision, waste water (sanitation), electricity distribution, waste management (including refuse removal and solid waste disposal) and the facilitation of housing and provision of sites.

In accordance with National Treasury Guidelines and Directives, the Municipality also provides Free Basic Services (FBE) to indigent households within our communities. This is meant to provide relief to those households that are not able to pay their consumer accounts.

1.2.1 SERVICE DELIVERY IMPROVEMENT INITIATIVES – WATER AND SANITATION SERVICES

The Municipality initiated a number of programmes to drive the achievement of the set strategic objectives which included the provision of water reticulation networks in all underserved areas around Dihlabeng and at the same time continue to carry out the maintenance and upgrading of existing water networks programme.

We continue to provide quality portable water access to all our Schools, Public Hospitals and Clinics around our jurisdiction in a sustainable manner. Dihlabeng Local Municipality complies and continues to improve our ratings with regards to adherence to the water services regulation in particular taking into account the Blue Drop Assessment Criterion.

SERVICE DELIVERY IMPROVEMENT INITIATIVES – WATER AND SANITATION SERVICES

Project Name	Project Category	Project Status	Remedial Action
Upgrading of Caledon Raw Water Abstraction Point in Fouriesburg by 2024.	Water	Not Realised – request additional funding.	Project moved to outer years subject to securing additional funding.
Clarens/Kgubetswana: Upgrading of the water purification works from 1.1 ML to 4ML capacity by 2024.	Water	In Progress – 84%	Project rolled over to the next financial year for completion.
Upgrading of Saulspoort water treatment works Section A: Raw water abstraction point.	Water	In Progress – 95%	Project rolled over to the next financial year for completion.
Upgrading of Saulspoort water treatment works Section C: Mechanical, electrical and civil.	Water	In Progress – 75%	Project rolled over to the next financial year for completion.
Upgrading of Saulspoort water treatment works Section E: Upgrading of 40ML to 60ML/d module/plant.	Water	Not Realised	Project rolled over to the next financial year for completion.
6 Replacement of two 450mm diameter asbestos pipes from Saulsport WTW to Birdcage Hill reservoir with two 630mm diameter pipelines for 6.5 km.	Water	Not Realised	Project rolled over to the next financial year for completion.
Clarens/ Kgubetswana: Upgrading of Raw waterpump station including Rising Main to the dam	Water	In Progress – 22%	Project rolled over to the next financial year for completion

We are committed to provide the highest level of sanitation services to our residents. In our area of jurisdiction the highest level of sanitation services provided by the municipality is a flush toilet connected to the sewerage system and the basic level of service includes flush toilet with septic tank and a PIT latrine with ventilation.

We continue to provide quality, full and intermediate access to sanitation to all our Schools, Public Hospitals and Clinics around our jurisdiction in a sustainable manner.

Dihlabeng Local Municipality complies and continues to improve our ratings with regards to adherence to the water services regulation in particular taking into account the Blue and Green Drop Assessment Criterion.

1.2.2 SERVICE DELIVERY IMPROVEMENT INITIATIVES – ACCESS TO ELECTRICITY

Project Name	Project Category	Project Status	Remedial Action
Electrification of Slabberts 200 Households connection.	Electricity	Not Realised	Subject to approved applications
Pre-Engineering of Bakernpark Extension 6&7, 1 600 Households connection. Pre Engineering	Electricity	Not Realised	In Progress and rolled over to the next financial year.
Maintenance of protection scheme at three main 11kV substation	Electricity	In Progress	In Progress and rolled over to the next financial year.
Implementation of maintenance program for all public lighting, high mast light, traffic signals with DLM.	Electricity	In Progress	In Progress and rolled over to the next financial year.
Installation of electricity smart/split metering within the jurisdiction of DLM	Electricity	Not Realised	In Progress and rolled over to the next financial year.

1.2.3 SERVICE DELIVERY IMPROVEMENT INITIATIVES – ACCESS ROADS

Project Name	Project Category	Project Status	Remedial Action
Bohlokong Construction of 0.8 KM Ramakoko Street to blocked paved road and storm water.	Roads	100% Completed	None
Morleg: Rehabilitation of Atbara street 1 KM to blocked paved road	Roads	100% Completed	None
Ongoing Maintenance	Roads	In Progress	Additional funding required

1.2.4 LEVEL AND STANDARD OF SERVICE – REFUSE REMOVAL & SOLID WASTE MANAGEMENT

Dihlabeng Local Municipality spares no effort in ensuring that refuse removal is done at least once a week at every household, to ensure the efficient management of the solid waste disposal sites, to prevent littering and to ensure that the street and pavements are regularly cleaned.

Refuse collection service is rendered to 38 611 households, with collections being made once a week by the Local Municipality.

Indeed, we refer to our situation with reference to the 2016 StatsSA Community Survey which indicates our total number of households at 46 857 and those HH with access to weekly refuse removal as 83.6%. Due to the nature of the report i.e. 2016 community survey the break down of households into towns and service levels is not provided for hence the table below talks to the District Access to Refuse Removal as published in the StatsSA Community Survey 2016 report.

We continue to provide free basic refuse removal to all registered indigent households around our area of jurisdiction in a sustainable manner.

To ensure the smooth and uninterrupted provision of refuse collection and at the same reducing overheads the municipality leased six (6) haulage trucks from the Government Garage on a contract basis, over and above this initiative the municipality embarked on a number of cleaning campaigns and initiated recycling projects around the Dihlabeng Communities.

The Dihlabeng Local Municipality is characterized by large areas of natural beauty (mountains, rivers) which contributes to the vibrant tourism activities within the area. Apart from a number of policy guidelines, environmental activities are regulated in terms of the National Environmental Management Act and the Regulations thereto.

Table 30: DISTRICT ACCESS TO REFUSE REMOVAL

DISTRICT ACCESS TO REFUSE REMOVALS												
Municipality	2011						2016					
	Removed once a week	Removed less often	Communal Refuse dump	Own Refuse dump	No Refuse disposal	Other	Removed once a week	Removed less often	Communal Refuse dump	Own Refuse dump	No Refuse disposal	Other
Setsoto	18 534	841	808	10 961	2 323	220	21 705	995	2 037	10 159	1 792	545
Dihlabeng	30 963	395	1031	4 965	1 088	152	38 611	545	1 708	4 254	656	131
Nketoane	12 506	262	545	3 225	682	97	16 068	359	545	2 039	355	254
Maluti Phofung	24 873	424	4 591	61 972	7 414	953	23 361	1 159				
Phumelela	8 390	58	586	3 334	460	60	8 891	1 016	5 682	65 648	12 181	2 415
Mantsopa	11 860	61	683	2 223	286	87	11 520	133	123	2 594	1 734	216
TMDM	107125	2042	8245	86 680	12 254	1 539	120 155	4 208	2 231	2 297	609	96
									12 325	86 991	17 327	3 657

Statssa: Community Survey 2016

Part D: Human Resource and other Organisational Management

1. HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

The Human Resources function is located within the Department of Corporate Services and is headed by the Director: Corporate Services who is accountable to the Municipal Manager. The Section serves as a catalyst to all Departments of the Municipality with regards to Human Capital Placement, Development and Retention amongst other services rendered by the Directorate.

1.1 WORKFORCE PROFILE

During the year under review, the municipality continues to revise its organisational structure to ensure that it is aligned to strategic priorities and the Municipal Staff Regulations. Subsequently, the municipality ensured that most critical posts were filled, and the positions were filled through internal movements and external appointments. Below is a breakdown of the staff establishment of the municipality:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	20	0	0	2	10	0	0	0	1	0	33
Senior management	33	1	0	0	15	0	0	1	1	0	50
Professionally qualified and experienced specialists and mid-management	89	1	0	12	79	1	0	9	0	0	191
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	80	1	0	2	20	0	0	0	0	0	102
Semi-skilled and discretionary decision making	47	0	0	1	8	0	0	0	0	0	56
Unskilled and defined decision making	139	5	0	0	121	1	0	0	0	0	266
TOTAL PERMANENT	408	7	0	17	253	2	0	10	1	0	698
Temporary employees	240	2	0	12	238	2	1	12	0	0	507
GRAND TOTAL	648	9	0	29	491	4	1	22	1	0	1205

In an attempt to fill all critical posts, the municipality took into account, the Employment Equity Plan. It ensured that deliberate measures were being taken to promote the appointment of women. However, most appointments could not be finalised due to budget constraints. This was an important step in the right direction since the municipality is not doing particularly well on the employment equity front, and the filling of these critical posts will be rolled over to the next financial year.

Over and above the many human resource policies that are already in place, the municipality continuously reviews and updates its policies to ensure the acceleration of our organisational development and transformation goals, in particular talking to talent management and leadership development.

Below is a list of existing HR policies adopted by Council:

POLICY TITLE	DATE OF POLICY COMMITTEE APPROVAL	DATE OF COUNCIL APPROVAL	POLICY TITLE	DATE OF POLICY COMMITTEE APPROVAL	DATE OF COUNCIL APPROVAL
ANTI FRAUD & CORRUPTION	26/06/2018	15/09/2020	INCAPACITY	26/06/2018	15/09/2020
ATTENDANCE & PUNCTUALITY	26/06/2018	15/09/2020	INCAPACITY POOR PERFORMANCE	26/06/2018	15/09/2020
INTERNAL BURSARY	26/06/2018	15/09/2020	INDUCTION	26/06/2018	15/09/2020
CAREER SUCCESSION PLANNING	26/06/2018	15/09/2020	LEAVE	26/06/2018	15/09/2020
CELL PHONE ALLOWANCE	26/06/2018	15/09/2020	LEGAL AID	26/06/2018	15/09/2020
CODE OF CONDUCT	26/06/2018	15/09/2020	OCCUPATIONAL HEALTH & SAFETY	26/06/2018	15/09/2020
CONFIDENTIALITY & INFORMATION	26/06/2018	15/09/2020	OVERTIME	26/06/2018	15/09/2020
CONFLICT OF INTEREST	26/06/2018	15/09/2020	PRIVATE & CONFIDENTIALITY	26/06/2018	15/09/2020
CELL & COMPUTER	26/06/2018	15/09/2020	PROMOTION	26/06/2018	15/09/2020
RETENTION & EXIT MANAGEMENT	26/06/2018	15/09/2020	PROTECTED DISCLOSURE	26/06/2018	15/09/2020
RISK MANAGEMENT	26/06/2018	15/09/2020	PUBLIC PARTICIPATION	26/06/2018	15/09/2020
EMPLOYEE WELLNESS	26/06/2018	15/09/2020	RECORDS MANAGEMENT	26/06/2018	15/09/2020
EMPLOYMENT EQUITY	26/06/2018	15/09/2020	RECRUITMENT & SELECTION	26/06/2018	15/09/2020
EMPLOYMENT PRACTICE	26/06/2018	15/09/2020	RELOCATION EXPENDITURE	26/06/2018	15/09/2020
ENTERTAINMENT POLICY	26/06/2018	15/09/2020	RELOCATION	26/06/2018	15/09/2020
EXTRANEIOUS EMPLOYMENT	26/06/2018	15/09/2020	RISK CHARTER	26/06/2018	15/09/2020
GIFT TO EMPLOYEES	26/06/2018	15/09/2020	RISK MANAGEMENT STRATEGY	26/06/2018	15/09/2020
HIV & AIDS	26/06/2018	15/09/2020	SECURITY MANAGEMENT & ACCESS CONTROL	26/06/2018	15/09/2020
HUMAN RESOURCES	26/06/2018	15/09/2020	SEXUAL HARASSMENT	26/06/2018	15/09/2020
ILL-HEALTH & INJURY	26/06/2018	15/09/2020	SKILLS DEVELOPMENT	26/06/2018	15/09/2020
CIVIC FUNERAL	26/06/2018	15/09/2020	SUBSTANCE ABUSE	26/06/2018	15/09/2020
CORPORATE GOVERNANCE	26/06/2018	15/09/2020	TERMINATION OF SERVICE	26/06/2018	15/09/2020
DISASTER MANAGEMENT	26/06/2018	15/09/2020	TRAINING & DEVELOPMENT	26/06/2018	15/09/2020
INFORMATION, COMMUNICATION & TECHNOLOGY STRATEGY	26/06/2018	15/09/2020	TRANSFER	26/06/2018	15/09/2020
PROTECTIVE CLOTHING & EQUIPMENT	26/06/2018	15/09/2020	VEHICLE	26/06/2018	15/09/2020
SOCIAL MEDIA	26/06/2018	15/09/2020	WHISTLEBLOWING CHARTER	26/06/2018	15/09/2020

On Labour Relations, the municipality made efforts to resuscitate the Labour Forum including its sub-committees, in particular the Health and Safety Committee and the Human Resources Committee. Dispute the challenges, the forum and its sub-committees managed to meet on a regular basis and progressive decisions taken in the interest of both parties.

The Minister has in terms of sections 120 read with section 72 of the Systems Act promulgated the Local Government Regulations on the Appointment and Conditions of Employment of Senior Manager. Regulation 16 (1) of the Local Government: Regulations on the Appointment and Conditions of Employment of Senior Managers of 2014 states that candidates recommended for appointment to the post of a Senior Manager must undergo a competency assessment.

Position	Name & Surname	CBA Completed	Date of Appointment
Accounting Officer	Mr. M Ntheli	Yes	01/08/2023
Chief Financial Officer	Mr. R Provis	Yes	01/11/2023
Director Corporate Services	Mr. S Lengoabala	Yes	01/08/2024
Director Technical Services	Ms. L Mokoteli	Yes	01/08/2024
Director Community Services	Me. T. Vanqa	Yes	02/01/2024
Director Development & Town Planning	Mr T Mokomatsili	Yes	18/12/2023

1.2 HUMAN CAPITAL DEVELOPMENT

In relation to skills development, the municipality ensured that training needs are identified and the Workplace skills plan is compiled and submitted to the LGSETA. The municipality ensured in implementing its workplace skills plan that most of the training targets were met for the period under review. Below is a breakdown of the interventions implemented by the municipality during the period under review:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	0	0	0	0	0
Senior management	9	1	0	0	3	0	0	0	13
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	0	0	0	4	1	0	0	9
Semi-skilled and discretionary decision making	1	0	0	0	7	0	0	0	8
Unskilled and defined decision making	3	0	0	0	0	0	0	0	3
TOTAL PERMANENT	17	1	0	0	14	1	0	0	33
Temporary employees	7	1	0	0	3	0	0	0	11
GRAND TOTAL	24	2	0	0	17	1	0	0	44

The municipality in compliance with the Treasury Regulations ensured that all senior managers are enrolled and in the process of complying with the minimum competency requirements as prescribed by the Department of Treasury. This is one of the matters that the Auditor General has been raising consistently with the municipality hence the exerted effort to ensure adherence and compliance to the regulation.

Part E: functional Area Service Delivery Report

1. FUNTIONAL AREA SERVICE DELIVERY REPORT

1.1 SUMMARY OF BUSINESS PERFORMANCE

Dihlabeng Local Municipality is executing its core business, which in the main is focused on expediting effective and efficient people centred governance and ensure continued provision of value for money basic services to the community. During the year under review as the Local Council we continued to focus on the following Key Performance Areas:

- Encouraging and creating conditions conducive for public involvement in the affairs of Dihlabeng Local Municipality
- Ensuring Financial Viability and compliance to relevant legislation
- Transforming and Strengthening Institutional Capacity aimed at ensuring effective and efficient service delivery
- Building the Economic Capacity of Dihlabeng to improve the economic future, sustainability and quality of life for all
- Ensuring that services are delivered to the Community in line with strategies as outlined in the IDP

A comparative analysis of our performance on each of the key service delivery areas is addressed below.

Key Objective	22/23 Financial Year		23/24 Financial Year	
	Performance	Project	Project	Status
Access to Water				
To increase the No of Households with Access to water from 96.8% to 100% by 2027.		Upgrading of Caledon Raw Water Abstraction Point in Foriesburg by 2024.	Upgrading of Caledon Raw Water Abstraction Point in Foriesburg by 2024.	In Progress – Contractor Appointed
		Upgrading of Saulspoort water treatment works Section A: Raw water abstraction point.	Upgrading of Saulspoort water treatment works Section A: Raw water abstraction point.	In Progress – 95% Completion Stage
		Upgrading of Saulspoort water treatment works Section B: Replacement of asbestos cement pipe at water treatment works.	Upgrading of Saulspoort water treatment works Section B: Replacement of asbestos cement pipe at water treatment works.	100% Completed
		Clarens/Kgubetswana: Upgrading of the water purification works from 1.1 MI to 4MI/d by 2024	Clarens/Kgubetswana: Upgrading of the water purification works from 1.1 MI to 4MI/d by 2024	In Progress – 84% Completion Stage
		Upgrading of Saulspoort water treatment works Section C: Mechanical, electrical and civil.	Upgrading of Saulspoort water treatment works Section C: Mechanical, electrical and civil.	In Progress – 75% Completion Stage
		Upgrading of Saulspoort water treatment works Section D: Filter automation.	Upgrading of Saulspoort water treatment works Section D: Filter automation.	100% Completed
		Upgrading of Saulspoort water treatment works Section E: Upgrading of 40MI to 60MI/d module/plant by 2026.	Upgrading of Saulspoort water treatment works Section E: Upgrading of 40MI to 60MI/d module/plant by 2026.	Not Started – awaiting DWS to issue an approval to start the project
		Replacement of two 450mm diameter	Replacement of two 450mm diameter	Not Started – awaiting additional Funding

	asbestos pipes from Saulsport WTW to Birdcage Hill reservoir with two 550mm diameter pipelines for 6.5 km.		asbestos pipes from Saulsport WTW to Birdcage Hill reservoir with two 550mm diameter pipelines for 6.5 km.	
			Clarens/Kgubetswana : Upgrading of Raw water pump station including rising main to the dam by 2025.	In Progress – 22 % Completion Stage
22/23 Financial Year			23/24 Financial Year	
Key Objective	Performance	Project	Status	
Roads & Storm-water Management				
Improve access to Municipal Roads and maintenance of Municipal Roads		Bohlokong construction of 0.8km Ramakokostreet to block paved road and stormwater.	In Progress – 49% Completion Stage	Bohlokong construction of 0.8km Ramakokostreet to block paved road and stormwater.
		Bohlokong/Morleg: Rehabilitation of Atbara street 1km to a block paved street.	In Progress – 51% Completion Stage	Bohlokong/Morleg: Rehabilitation of Atbara street 1km to a block paved street.
		4 Quarterly Report on work done for all sections in terms of Service Delivery Objects – ongoing maintenance of the roads infrastructure.	In Progress	4 Quarterly Report on work done for all sections in terms of Service Delivery Objects – ongoing maintenance of the roads infrastructure.
22/23 Financial Year			23/24 Financial Year	
Key Objective	Performance	Project	Status	
Access to Electricity				
To Increase the number of Households with Access to electricity from 85% to 100% by 2022.		Maintenance of protection scheme at three main 11kV substations	Realised: Replaced one 630 amps and constructed 15 meter 11KV overhead line and installed two 11KV auto re-closure	Realised: Replaced one 630 amps and constructed 15 meter 11KV overhead line and installed two 11KV auto re-closure
		Electrification of farm dwellers as per the approval of the Farm Owner and capacity availability from Eskom at least 12 farms will be Targeted	Not Started	Electrification of Slabberts 200 Households
		Implementation of maintenance program for all public lighting, high mast light, traffic signals with DLM.	On-going	Implementation of maintenance program for all public lighting, high mast light, traffic signals with DLM.
		Installation of electricity smart/ split metering within the jurisdiction of DLM	On-going	Installation of electricity smart/ split metering within the jurisdiction of DLM
			Pre-Engineering of Baken Park Extension 6&7 – 1 600 HH connection.	Not Started – awaiting additional Funding
Access to Refuse Removal				
97% of HH with Access to weekly Refuse Removal & Solid waste Disposal		Improve collection method and adherence to schedule.	On-going	Improve collection method and adherence to schedule.
		Illegal dumps cleaned quarterly	On-going	Illegal dumps cleaned quarterly

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
	Ensure street sweepers clean the CBD daily and are assigned streets.	On-going	Ensure street sweepers clean the CBD daily and are assigned streets.	On-going
	Management of landfill sites.	On-going	Management of landfill sites.	On-going
	Waste information being reported on the WIS at the Department of Environmental Affairs as required by legislation.	On-going	Waste information being reported on the WIS at the Department of Environmental Affairs as required by legislation.	On-going

2023/2024 financial year proved to be the most challenging year compared to the 22/23 financial year. Due to low revenue collection rates the Institution had to re-prioritise and as a result Council continued to monitor the implementation of the financial recovery plan, in order to deal and address the Eskom account shortfall. This meant that most, if not, all internally funded project had to be rolled over to the 24/25 financial year hence the high percentage of targets not achieved during the year under review.

1.2 ANALYSIS OF BUSINESS PERFORMANCE

The Council's Strategic objective is to oversee, coordinate and manage the transformation and strategic agenda of the Municipality as well as facilitating the developmental process by providing Strategic Leadership, Project and Programme Management Support to the Executive Mayor and thereby ensuring Political and Administrative cohesion.

Table 1

23/24 FINANCIAL YEAR MANAGEMENT RATING					
Key Performance Area	Number of Annual target as per SDBIP	Number of Annual target Realised	Number of Annual target Not Realised	% Realised	Rating
Accelerated Service Delivery & Infrastructure Development - Technical Services	16	3	13	19%	
Accelerated Service Delivery & Infrastructure Development - Community Services	26	21	5	81%	
Local Economic Development	10	1	9	10%	
Organisational Transformation and Development	17	6	11	35%	
Enhancing Good Governance and Public Participation (Political Office)	14	8	6	57%	
Enhancing Good Governance and Public Participation (Management & Admin)	6	3	3	50%	
Sound Financial Management	9	6	3	67%	
TOTAL	98	48	50	49%	

During the year under review Council continued to focus on settling the Eskom account among others and ensuring the ongoing provision of essential services in a consistent manner. This meant deviating from the original plan and prioritising the implementation of the Council's approved financial recovery plan and budget adjustments. This internally audited performance report is based on the original service delivery and budget implementation plan as entered into between the Accounting officer and the Executive Mayor at the start of the financial year under review.






The main root cause and reason for our average performance was as a result of low revenue collection rates, re-directing of resources in order to respond to pressing issues coupled with the lack of consistency at leadership level.

We were able to realise 49% of the SDBIP Annual projected targets during the year under review. A detailed report of our performance is attached as ANNEXURE 1 of this report.

1.2.1 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR PUBLIC INFRASTRUCTURE DEVELOPMENT

The Programme's Strategic objective is to deliver infrastructural services in a manner that achieves a high level of customer satisfaction and cost effectiveness, improving on sustainability.

Table 1.2

Directorate: TECHNICAL SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Civil Engineering Services: Water & Sanitation	7	0	7	0%	
Civil Engineering Services: Roads & Storm water	3	3	0	100%	
Electricity	5	0	5	0%	
Town Planning & Building Control	1	0	1	0%	
TOTAL	16	3	13	19%	

We were able to realise 19% of the SDBIP approved annual targets. Table 1.2 gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached as Annexure 1 of this report.

For the year ahead we will be focusing on the following areas: but not limited to,








- Distribution of quality water to 96.8 % Households around DLM.
- To increase the number of Households with Access to water from 96.8% to 100% by 2027.
- Provision of quality basic Sanitation services to 85.4% of Households around DLM.
- To Increase the number of Households with Access to sanitation from 85.4% to 100% by 2027.
- Improve access to Municipal Roads by construction of paved roads and maintenance of 225.4km of Trafficable Municipal Roads around DLM by 2027.
- To Increase the number of Households with Access to electricity from 85% to 100% by 2027.
- To provide a clear and logical framework for spatial development, promote orderly planning and guide physical development of Dihlabeng Local Municipality.

It should be noted that this report was prepared given the following assumptions albeit our progress as reported is accurate and a true reflection of achievements for the period under review. Where **Quarterly Progress Reports** were not submitted give the timelines of reporting, the status of such Projects or Programs is regarded as **Not Realised** until such time progress reports are generated coupled with relevant and sufficient Portfolio of Evidence.

1.2.2 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR COMMUNITY BASIC SERVICES

The Programme's Strategic objective is to ensure that social services are effectively provided to the Dihlabeng Community.

Table 1.3

Directorate: COMMUNITY SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Refuse Removal & Solid Waste	3	2	1	67%	
Sports & Recreation	2	1	1	50%	
Library Services	5	5	0	100%	
Parks & Cemeteries Management	6	6	0	100%	
Public Safety	9	7	2	78%	
Environment	1	0	1	0%	
TOTAL	26	21	5	81%	

During the year under review, the following priority areas were identified and appropriate strategies deployed to ensure effective provision of social services.

- To provide an effective Fire Fighting and Rescue service
- To establish institutional capacity to handle all natural disasters
- To enforce traffic law and order on public roads and ensure safety in the use of municipal roads
- To provide library facilities to all residents, promote a culture of reading and lifelong learning
- To identify and develop new environmental areas
- To ensure timeous upgrading and integration of cemeteries
- To refurbish sport facilities within Dihlabeng Local Municipality
- To promote and develop all sporting codes
- To promote, develop and preserve arts, cultural and heritage activities
- To ensure effective and prompt provision of waste disposal services to all towns within Dihlabeng Local Municipality
- To develop and implement an integrated Waste Management Plan

We were able to realise 81% of the SDBIP targets. Table 1.3 gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached as Annexure 1 of this report.





For the year ahead we will be focusing on the following areas: but not limited to,

- Improved Waste Management System and Facilities
- Improved community services such as Disaster Management, Cemeteries, Parks, Sport and Libraries

1.2.3 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR LOCAL ECONOMIC DEVELOPMENT

The Programme's Strategic objective is to stimulate economic growth, create jobs and business opportunities and thus alleviate poverty.

Table 1.4

Directorate: LED	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Agriculture & Agro Processing	4	0	4	0%	
Tourism Development	3	0	3	0%	
SMME Development	3	1	2	33%	
TOTAL	10	1	9	10%	

The primary function of this key performance area is to create and encourage conditions conducive for economic development and SMME Development. In essence it was our mandate to oversee the following:

- To create an enabling environment that stimulates economic development
- To promote and enhance tourism opportunities in order to become a popular tourist destination
- To implement measures in order to broaden the economic base of the area
- To create employment by promoting viable economic opportunities through tourism

The purpose of Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

It is a process by which the public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to advance the economic identity, based on a local competitive and comparative economic profile.

We were able to realise 10% of the SDBIP targets. Table 1.4 gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached as Annexure 1 of this report. An LED strategy is currently under review, for the year ahead we will be focusing on achieving enhanced economic growth and creating new employment opportunities in the following key areas, Agriculture and agro-processing; Tourism Development; Trade and Business including manufacturing. This will be accomplished through:








- Enhancing social equity
- Encouraging competitiveness
- Mobilizing domestic investment
- Ensuring stakeholder participation
- Broad Based Black Economic Empowerment
- Provision of appropriate infrastructure

Dihlabeng commitment to LED will be facilitated through a dedicated administration and bureaucracy.

1.2.4 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR GOOD GOVERNANCE AND PUBLIC PARTICIPATION
The primary function of this area is to create and encourage conditions conducive for good governance and effective public participation process. In essence it was our mandate to oversee the following:

- Functional Ward Committees and Council
- Integrated Development Planning
- Sufficient internal controls and effective Risk Management
- Skills Development and talent management
- IT Infrastructure to facilitate business processes
- And constant communication and accountability

Table 1.5

Directorate: OFFICE OF THE MM	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Office of the Executive Mayor	6	4	2	67%	
Office of the Speaker	4	2	2	50%	
MPAC	2	1	1	50%	
Public Engagement (Petitions and Complaints Management)	2	1	1	50%	
TOTAL	14	8	6	57%	
Enhancing Good Governance and Public Participation (Management & Admin)	6	3	3	50%	
TOTAL	20	11	9	55%	





We were able to realise 55% of the SDBIP targets during the year under review. Table 1.5 gives reflection on how we performed against predetermined targets in particular talking to Good Governance and Public Participation. A detailed report of our performance is attached as Annexure 1 of this report. For the year ahead we will be focusing on the following: but not limited to,

- Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality
- Implement the Community Work Programme
- Ensure Ward Committees are representative and fully involved in community consultation processes around the IDP, Budget and other strategic service delivery issues
- Functional Organisational Performance Management system
- Effective Internal Audit and Risk Management practices

1.2.5 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION

The Programme's Strategic objective is to provide internal support services, facilitate transformation and development and ensure service excellence to the Dihlabeng Community.

Table 1.6

Directorate: CORPORATE SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realized	Rating
Organisational Design	5	1	4	20%	
Human Capital Development	8	3	5	38%	
Labour Relations	4	2	2	50%	
TOTAL	17	6	11	35%	

During the year under review, the following priority areas were identified and appropriate strategies deployed to ensure sufficient transformation and Human Capital Development.

With regard to institutional development, the municipality focused on leadership development aimed at driving change initiatives within the organisation, some of the interventions implemented included training of Ward Committees, Councillors and Senior Managers to ensure that we meet the minimum requirements as stipulated by National Treasury.

- To implement Graduate Development Programme
- To finalise the implementation of the organisational structure and placement of employees
- To develop governance policies and by-laws that affect the functioning of the organisation
- To strengthen employer and employee labour relationships
- To ensure effective contract management and centralization of legal services
- To ensure high levels of hygiene and cleanliness of all Council buildings

We were able to realise 35% of the SDBIP targets. Table 1.6 gives a reflection of our performance against predetermined targets. A detailed report of our performance is attached as Annexure 1 of this report.







For the year ahead we will be focusing on the following: but not limited to,

- Review the Organisational Structure and ensure all funded posts are filled.
- Policy and By-Law development and effective implementation
- Effective talent management and skills development
- Provision of legal services and integrated HR management systems
- Improved Labour Relations

1.2.6 ANALYSIS OF BUSINESS UNIT RESPONSIBLE FOR FINANCIAL VIABILITY & MANAGEMENT

The Programme's Strategic objective is to manage and control all financial functions of the municipality so that the current and future effectiveness of Council services, programmes and operations are asserted in a sustainable way.

Table 1.7

Directorate: FINANCE	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realized	Rating
Budget & Expenditure	2	1	1	50%	
Revenue Enhancement & Billing Services	2	1	1	50%	
Financial Accounting services	3	2	1	67%	
Supply chain management	1	1	0	100%	
Fleet Management	1	1	0	100%	
TOTAL	9	6	3	67%	

During the year under review, the following strategic priorities were identified and appropriate internal controls deployed to manage and improve on our financial viability:

- To ensure availability of a credible budget
- Revenue enhancement
- Effective debt management
- Proper cash flow management
- Ensure proper accounting for public funds
- GRAP compliant asset register
- Transparent supply chain management processes
- Property rates policy implementation
- Proper indigent management
- Ensure accurate and proper financial reporting

We were able to realise 67% of the SDBIP targets. Table 1.7 gives a reflection of our performance against predetermined targets with regards to financial viability. A detailed report of our performance is attached as Annexure 1 of this report.

For the year ahead we will be focusing on the following: but not limited to,

- Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption
- Intensify the implementation of a Revenue Enhancement Strategy
- Effective implementation of an integrated financial management system

1.2.7 BENEFITS OF A PERFORMANCE MANAGEMENT SYSTEM

Performance Management can be defined as “a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organization”.

It is a two way communication process between the municipality and the community that is making use of the municipal services. The performance of the municipality is therefore measured against specific standards and priorities, which have been mutually developed and agreed upon during the IDP process.

The system is designed to ensure that all leaders, managers and individuals in a municipality are held accountable for their actions, which is aimed at bringing about improved service delivery and value for money.

For a Performance Management to be successful it is important that:

- Top management and the Council drive the system;
- There is a clear understanding and appreciation of its value by all stakeholders; and
- Senior and Line Managers are trained and take responsibility for performance management.

The following are the objectives of PMS:

- Create a **culture of performance**;
- Promote **accountability**;
- Improve **quality, cost, efficiency**, effectiveness, customer service, employee alignment, motivation and skills in order to enhance performance;
- Provide a **basis in terms of which the organisation's performance** as well as individual employee's performance is managed.

PMS is intended and should fulfil the following functions:

- **Facilitate increased accountability** between the local community, politicians, the Executive Council and Management team.
- **Facilitate learning and improvement** in order to enable the Municipality to improve service delivery.
- **Provide early warning signals** to ensure that decision-makers are timeously informed of performance related risks, so that they can facilitate intervention and take appropriate measures to improve performance, if necessary.
- **Facilitate decision-making** by providing appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarise the intended benefits of the system.

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23/24 FY – ANNUAL REPORT

2023/2024

Part F: Audited Financial Statements and Related Financial Information

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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

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Abbreviations used:

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

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GENERAL INFORMATION**Members of the Executive Mayoral Committee:**

Councillor T J Tseki	Chairperson
Councillor SM Jacobs	MMC for Community Services
Councillor J Twala	MMC for Public Works and Rural Development
Councillor P M Van Wyk	MMC for Corporate Services
Councillor M E Sempe	MMC for Human Settlement
Councillor L S Moloi	MMC for Finance (Deceased January 2023)
Councillor M D Makhathini	MMC for IDP, Performance Management and Monitoring
Councillor M A Mokwena	MMC for Special Programmes
Councillor J T Sibisi	MMC for Local Economic Development

Grade of Local Authority:

Grade 8

Auditor:

Auditor-General South Africa

Bankers:

ABSA Bank
Branch 502-233 Account number 4052898986

Registered Office:

Civic centre	PO Box 551	Telephone:	058-303 5732
Muller street	Bethlehem	Fax:	058-303 5076
Bethlehem	9700		

E-mail address:

info@dihlabeng.co.za

Dihlabeng Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

Municipal Manager:

Mr Mohau Ntheli

Chief Financial Officer:

Mr Raymond Provis

Members of the Dihlabeng Local Municipality

<u>Ward No:</u>	<u>Councillor</u>
1	Mr J T Sibisi
2	Mr M M Twala
3	Mr P R Van Wyk
4	Mr L L Radebe
5	Mrs M Miya
6	Ms J Twala
7	Mr M D Makhathini
8	Mr V J Radebe
9	Mr P A Maasdorp
10	Mrs I Laesecke
11	Ms M G Masangane
12	Ms M A Mokwena
13	Mr M S Mosia
14	Mr T J Tseki
15	Ms M E Sempe
16	Ms D L Sibisi
17	Mr M S Mokoena
18	Mrs N E Mabizela
19	Mr T V Tsibela
20	Mr J J Nhlapo

Public Representatives Councillors

Mrs L U Makhalema	Mr E T Motloung
Ms N P Mofokeng	Mr M A Vilakazi
Ms T M Mofokeng	Mrs I L Rugheimer
Ms M M Mokotla	Mr S P Makoena
Mrs S M Jacobs	Mr D L Xaba
Mr N J Nhlapo	Ms M Vilakazi
Mr L V Mosala	Mrs M A Motaung

Annual Financial Statements for the year ended 30 June 2024

Mr W H Theunissen

Ms N J Ngqubuka

Mr H R Liebenburg

Mr V M Maseko

Mr A Wolmarans

Ms N J Nhlapo

Mr M R Lephoi

Executive Mayor:

Councillor T J Tseki

Speaker:

Councillor N P Mofokeng

Members of the Audit Committee:

Vacant

Nature of the entity

The municipality is established in terms of Chapter 7 of the Constitution of the Republic of South Africa.

Relevant legislation

Constitution of the Republic of South Africa

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act (Act No 5 of 2012)

The Income Tax Act (Act No 28 of 1997)

Value Added Tax Act (Act No 89 of 1991)

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Annual Financial Statements for the year ended 30 June 2024

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Disaster Management Act (Act no 57 of 2002)

Municipal Electoral Act (Act no 27 of 2000)

Municipal Demarcation Act (Act no 27 of 1998)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

APPROVAL OF FINANCIAL STATEMENTS:

I am responsible for the preparation of these annual financial statements, which are set out on pages - 17 to 105 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in Note 31 and 32 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Municipal Manager
Mohau Ntheli



Chief Financial Officer
Raymond Provis

ACCOUNTING OFFICER'S REPORT

1. INTRODUCTION

The 2023/24 financial year posed many challenges and obstacles which had to be addressed and accommodated by the limited financial and other resources.

The budget and the IDP are aligned with the vision and imperatives of national government, which are to address service delivery backlogs and the following strategic areas, were focussed on during the 2023/24 budget:

- The eradication of backlogs and investment in infrastructure for basic services and growth
- Economic growth and development that is shared and creates sustainable jobs
- Building safer, more secure and more sustainable communities
- The deepening of democracy
- Financial viability and management of resources
- A caring and effective government
- Institutional capacity and transformation

To budget for improved service delivery and then subsequently realising operational efficiency while it is also ensured that the deliverables are attained in a sustainable manner, has been a huge challenge during the 2023/24 financial year.

The challenge of addressing unlimited needs within the constraints of limited resources has necessitated a change in the way we do business to ensure that we stretch our resources to the maximum.

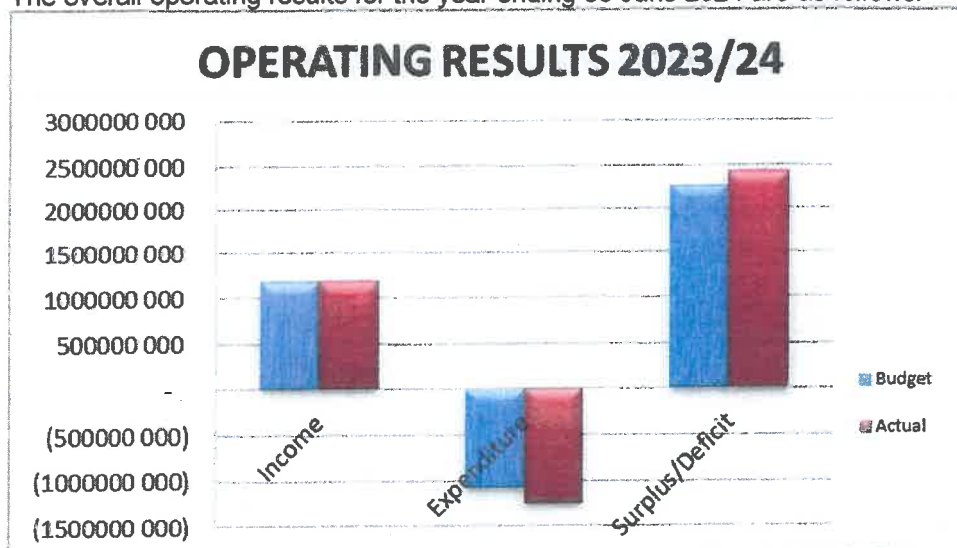
2. REVIEW OF OPERATING RESULTS

The 2023/24 budget of Dihlabeng Local Municipality was approved by Council in May 2023.

2.1 General

Details of the 2023/24 operating results and classification of revenue and expenditure are included in the Statement of Financial Performance. A graphical presentation of the operating results is shown in the graph below:

The overall operating results for the year ending 30 June 2024 are as follows:



	Original Budget 2023/24	Adjusted 2023/24	Actual 2023/24	Variance Actual / Adjusted budget	Actual 2022/23
Description	R'000	R'000	R'000	%	R'000
REVENUE					
Operating revenue for the year	1 187 725	1 187 725	1 183 849	0.19%	1 181 563
	1 187 725	1 187 725	1 183 849		1 181 563
EXPENDITURE					
Operating expenditure for the year	1 078 751	1 078 751	1 249 298	6.15%	1 177 119
	1 078 751	1 078 751	1 249 298		1 177 119

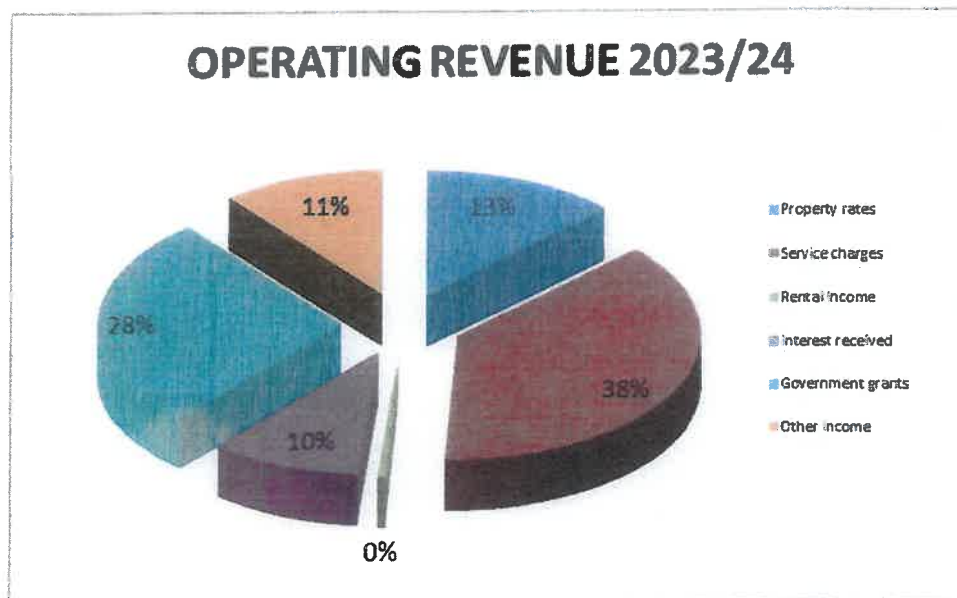
The actual net expenditure of the Municipality reflects an increase 6% while the actual revenue of the Municipality has increased by 0.2% in 2023/24

The largest increase on revenue occurred on Service Charges (12%), Property Rates (8%), Interest received on consumer accounts (29%) and Rental income (9%).

The largest increase on expenditure occurred on Bulk Purchases (28%), Debt impairment (22%), Finance Costs (13%).

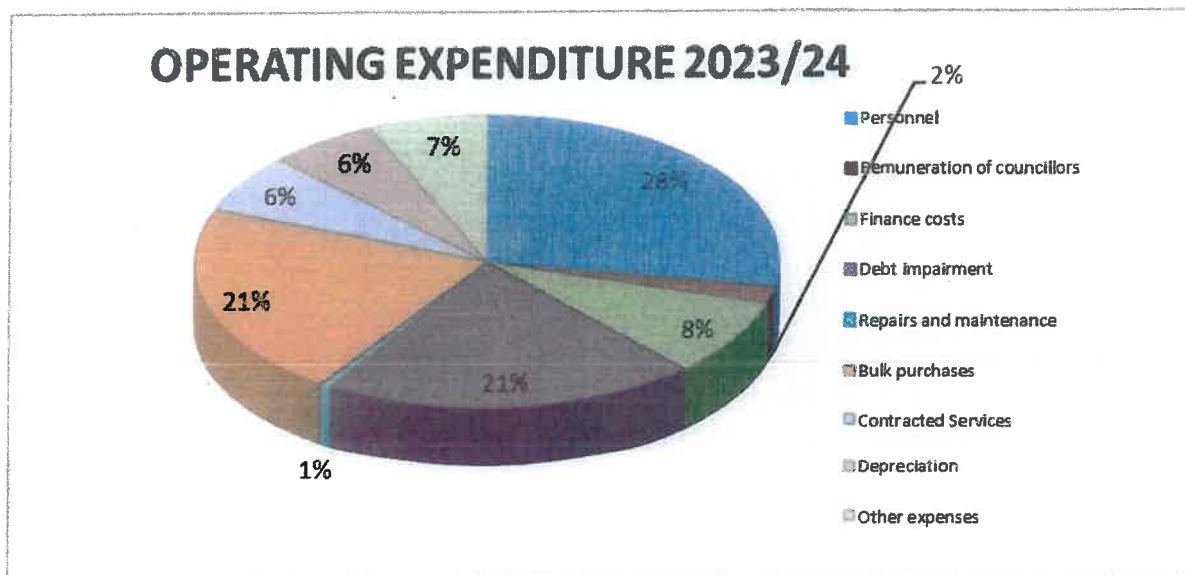
2.2 Operating Revenue

The following graph indicates a breakdown of the largest categories of revenue.



2.3 Operating expenditure

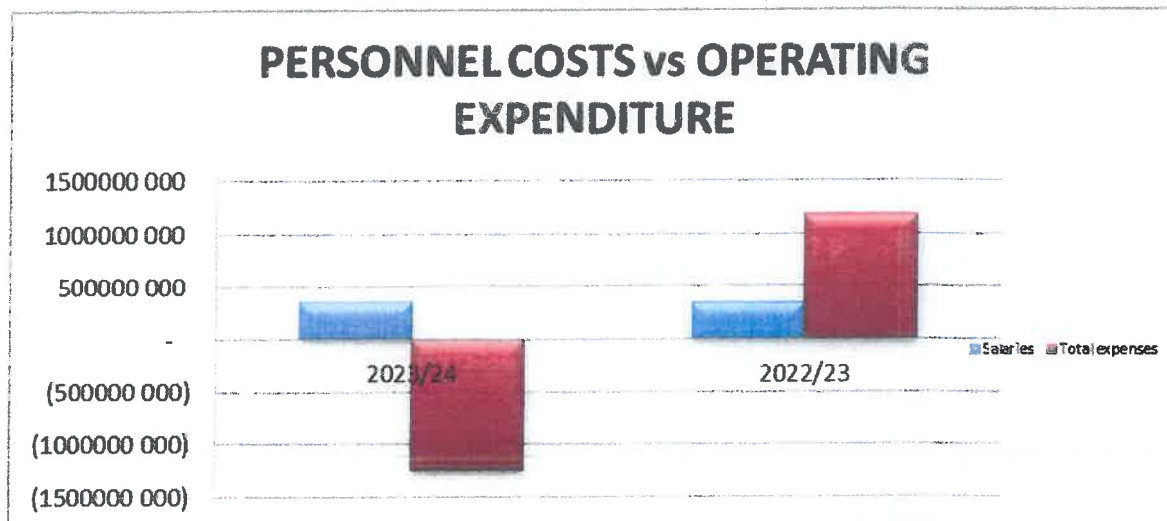
The graph below indicates the break down per main expenditure group.



Remuneration

The actual expenditure on remuneration expressed as a percentage of the total expenditure shows a decrease of 1.14% from 29.04% in 2022/23 to 27.90% in 2023/24. These figures have a large impact on the going concern capabilities of the municipality. The total remuneration cost and the allocation of individual items in a remuneration package differ from municipality to municipality for example; certain municipalities are more contract intensive whilst others might be more labour intensive. The target for remuneration as a percentage of expenditure is 30%.

Description	2023/24 R'000	2022/23 R'000
Total operating expenditure	1 249 298	1 177 119
Total operating revenue	1 183 849	1 181 583
Employee remuneration	348 666	341 854
Ratio: % of total expenditure	27.90%	29.04%
Ratio: % of total revenue	29.46%	28.93%
% in/decrease in remuneration	1.99%	1.90%



Dihlabeng Local Municipality

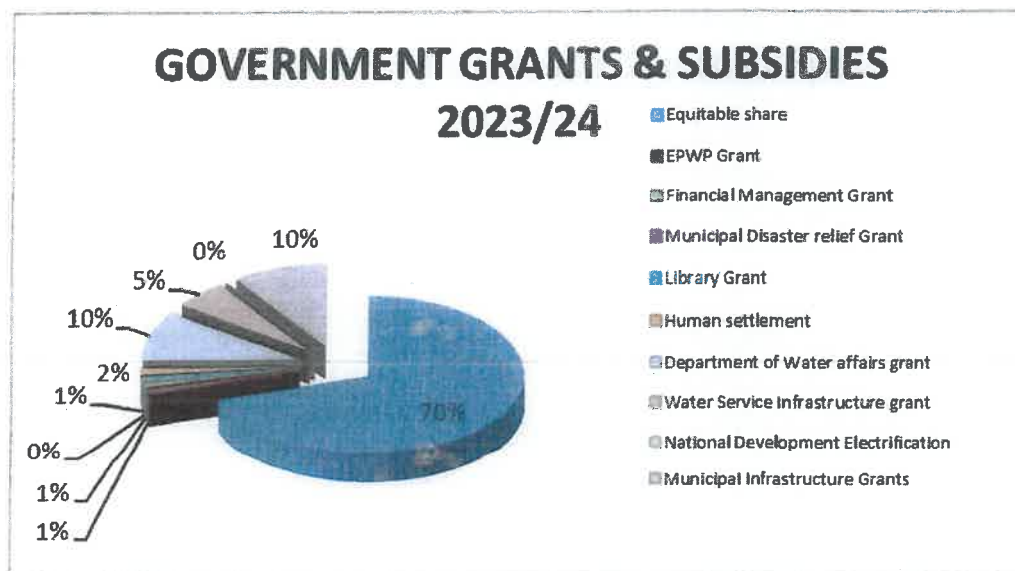
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Government grants and subsidies

The following table and graph show the amounts received in terms of grants, contributions and subsidies from the Central Government and the Free State Provincial Government, which have been included in the total revenue:

Description	2023/24	2022/23
Equitable share	230 471 000	210 193 000
EPWP Grant	4 064 000	5 591 000
Financial Management Grant	2 750 000	2 750 000
Municipal Disaster relief Grant	-	-
Library Grant	4 000 000	7 500 000
Human Settlement Grant	5 000 000	-
Department of Water affairs grant	32 979 974	78 477 373
Water Service Infrastructure grant	18 022 000	23 618 896
National Development Electrification	-	-
Municipal Infrastructure Grant	31 726 454	21 737 160
	329 013 428	346 367 429



2.4 Operating statement analysis

The following differences occurred with regards to the operating results for the 2023/24 financial year. Please refer to pages 22 of the financial statements.

Descriptions	Final Adjustment budget	Virements (l.t.o council approved policy)	Final budget	Actual outcomes	Variances	Actual outcome as % of final budget	Reasons for variances
Property rates	180 611	-	180 611	154 135	-26 476	85%	Due to lower property rates billed for domestic properties than budgeted.
Services charges	499 373	-	499 373	447 123	-52 250	90%	Due to decrease in utilization of water and electricity. Most of the consumers are using gas
Interest received	93 660	-	93 660	118 865	25 205	127%	Due to non-payment of debts by consumers
Government grants received	367 710	18 502	386 212	329 013	-57 199	85%	Dora Allocation
Other own revenue	31 961	-4 092	27 869	134 568	106 699	221%	Increase due to Eskom debt relief program
TOTAL REVENUE (Excluding capital transfers and contributions)	1 173 315	14 410	1 187 725	1 183 849	-3 876	100%	

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Annual Financial Statements for the year ended 30 June 2024

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Descriptions	Final Adjustment budget	Virements (i.e. to council approved policy)	Final budget	Actual outcomes	Variances	Actual outcome as % of final budget	Reasons for variances
Employees cost	374 545	-25 563	348 982	348 666	316	100%	Annual increase
Remuneration of councillors	20 720	2 318	23 038	22 146	892	96%	As per Council Gazette 49142 of 2023
Asset impairment	137 639	-63 878	73 761	261 307	-187 546	354%	Due to non-payments by consumers and indigent not written off
Depreciation and asset impairment	88 716	1 017	89 733	74 859	14 874	83%	Due to processing of actual depreciation on assets for the month as per the asset register
Finance charges	12 355	13	12 368	104 763	92 395	847%	Under budget and Interest paid to Eskom and other creditors due to none payment within 30 days
Capital purchases	175 000	110 685	285 685	266 734	18 951	96%	Under budgeting on bulk purchase
Other expenditure	213 988	31 196	245 184	170 823	74 361	70%	Within the budget
TOTAL EXPENDITURE	1 022 963	-55 788	1 078 751	1 249 298	-78 152	116%	

2.5 Financial Position statement analysis

The following difference occurred with regards to the operating results for the 2023/24 financial year. Please refer to pages 18 to 23 of the financial statements.

	Approved budget	Adjustments	Final budget	Actual amounts	Variances	Actual outcome as % of final budget	Reasons for variances
CURRENT ASSETS							
Other financial assets	2 519 000	-	2 519 000	1 445 660	1 073 340	73%	No budget
Inventories	117 508 000	-	117 508 000	105 428 106	12 079 894	90%	No budget
Receivables from exchange transactions	-	-	-	156 020 956	-156 020 956		Over budgeted
Other receivables from non-exchange transactions	-	-	53 000	4 603 568	-4 550 568		Increase in provision for impairment
Statutory Receivables	356 235 000	-	356 235 000	2382	356 232 618		More money in the bank
Consumer debtors	217 154 000	-	217 154 000	90 319 265	126 834 735	42%	
Cash and cash equivalents	23 328 000	-	23 328 000	45 185 572	-21 857 572	194%	
NON CURRENT ASSETS							
Investment property	572 453 000	-	572 453 000	436 650 411	135 802 589	76%	Property moved from the list
Property, plant and equipment	2 110 945 000	-	2 110 945 000	1 820 260 241	290 684 759	86%	Capital projects not spent
Biological assets	-	-	-	8 917 311	-8 917 311		No budget
Heritage assets	48 660 000	-	48 660 000	64 450 000	-15 790 000	132%	Re valuation done in 2023
Intangible assets	929 000	-	929 000	1 431 083	-502 083	154%	New software licenses purchased in 2023
Other financial assets	0	-	0	732 237	-732 237		No Budget
CURRENT LIABILITIES							
Other financial liabilities	5 966 000	-	5 966 000	7 432 485	-1 466 485	125%	Under budgeting
Long service awards	-	-	-	2 735 000	-2 735 000	-	No budget
Payables from exchange	158 558 000	-	158 558 000	519 324 210	-360 766 210	328%	Increase in creditors book
Consumer deposit	12 496 000	-	12 496 000	13 659 940	-1 163 940	115%	Improved data cleansing and collections
Employee obligations	-	-	-	3 380 000	-3 380 000		As per report
Unspent Conditional Grants	120 000 000	-	120 000 000	25 708 546	94 291 454	21%	Non spending on Capital Grants
Provisions	-	-	-	45 204 625	-45 204 625		No budget
Current Portion of long term -	-	-	-	251 104 231	-251 104 231		No Budget
Bank overdraft	-	-	-	5 599 439	-5 599 439		No Budget
NON CURRENT LIABILITIES							
Employee benefit obligations	-	-	-	94 116 000	-94 116 000		No budget
Long service awards	-	-	-	17 421 000	-17 421 000		No budget
Other financial liabilities	12 063 000	-	12 063 000	-	-12 063 000	0	DBSA loans restructuring
Long term trade and other pay	-	-	-	424 378 962	-424 378 962	-	No Budget
Provisions	6 563 000	-	6 563 000	6 050 080	512 920	92%	Budget did not split current and non-current

3. DEBTORS

The following is an indication of the effectiveness of credit control measures, as well as the ability to convert debtors into cash:

Description	2023/24	2022/23
Income on Consumer debtors	726 401 755	639 024 786
Balance on 1 July	1 494 276 754	1 281 834 602
Balance on 30 June	1 783 458 588	1 494 276 754
Average balance	1 638 867 671	1 388 055 678
Days in the financial year	365	365
Turnover: Number of days	823	793
Turnover: Number of times (levies/average balance)	0.44	0.46

From the table it is clear that, the number of days to recover decreased from 793 to 823 in 2023/24. This high turnover has serious implications on the cash flow of the Municipality. A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The credit control by-law and the actions taken in terms of the by-law started producing better results. Measures have been put in place to recover the debts and the legal actions taken are starting to have an impact on the poor payment culture within our municipality. The increase in debtors has a serious impact on the going concern of the municipality.

4. CAPITAL EXPENDITURE AND FINANCING

The Municipality's original approved Capital Expenditure Budget for 2023/24 amounted to R112 516 390 million (as per DORA allocation) and was accepted by National Treasury. Of these funds the MIG funding of R31 million was spent in the 2023/24 financial year, R7.6 million was unspent. R33 million was spent from RBIG funding, R18 million from WISG, R1.2 million from INEP was not spend and R16 million of Municipal Disaster Relief Grant was unspent.

Conclusion:

When comparing the actual expenditure to the budgeted expenditure the financing source of capital projects plays an important role. The funding from own sources can largely influence the following aspects:

- The raising of loans
- The cash flow of the Municipality

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5. ACCOUNTING RATIOS

5.1 Current asset ratio

This ratio mainly involves the financial resources used in the operating cycle of a local authority. Operating capital represents the surplus of current assets over current liabilities. This is a useful indicator when determining the ability to fund operating expenditure. This ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk since short-term debt can be paid out of short-term assets. The following table shows the calculation of the operating capital ratio:

Description	2023/24	2022/23
CURRENT ASSETS:		
Cash	45 185 572	16 209 863
Inventory	105 428 106	101 792 316
Consumer Debtors	90 319 265	77 578 371
Receivables from exchange transactions	156 020 956	126 578 314
Receivables from non-exchange transactions	-	-
Other financial assets	1 445 660	1 445 660
Other receivables from exchange transactions	5 524 152	5 106 080
Statutory receivables	2 382	14 399
Total	403 926 093	328 725 003
CURRENT LIABILITIES:		
Creditors	519 324 210	369 970 506
Employee Benefit Obligation	3 380 000	2 853 000
Unspent conditional grants and receipts	25 708 546	29 079 416
Other financial liabilities	7 432 485	6 755 184
Provisions	45 204 625	42 344 373
Consumer deposits	14 381 701	13 659 940
Overdrawn cash book balance	5 599 439	-
Long service awards	2 735 000	1 751 000
Current Portion of long term trade and other receivables	251 104 231	-
Total	874 870 237	446 413 419
Net Operating Capital	(470 944 144)	(137 688 416)
Current asset Ratio	0.46 : 1	0.70 : 1

This is due to the fact that the current liabilities increased by 88% whilst the current assets increased with 23%. The municipality has prioritised this fact of its business to ensure the sustainability of the municipality.

The private sector sets a ratio of 2:1 as being acceptable, however a norm for local government is currently not available.

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5.2 Quick asset ratio (Acid test)

This ratio is a more accurate test of a local authority's ability to settle its short-term debt. When calculating this ratio, only assets that can be converted into cash are taken into account. Since material and stock are for the local authority's own use and are not for sale, they are not included in the calculations. The private sector sets a ratio of 1:1 as being acceptable. The figures that follow reflect the Municipality's quick asset ratio for the following years:

DESCRIPTION	2023/24	2022/23
Current assets	403 926 093	328 725 003
Less: Inventory	105 428 106	101 792 316
Total	298 497 987	226 932 687
Current Liabilities	874 870 237	466 413 419
Quick asset ratio	0.34: 1	0.48:1

The ratio decreased due to increase in the current liabilities (Eskom debt relief programme), serious attention will be required to increase the ratio even further in this area to ensure the going concern of the municipality.

5.3 Solvability

In this ratio, the total assets are compared to the total liabilities, and it shows the ability of the Municipality to meet its obligations in the long term. A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio:

DESCRIPTION	2023/24	2022/23
TOTAL ASSETS:		
Current assets	403 926 093	328 725 003
Non-current assets	2 332 441 283	2 319 868 698
Total	2 736 367 376	2 648 593 701
TOTAL LIABILITIES:		
Current liabilities	874 870 237	466 413 419
Plus: Long-term loans	-	7 026 348
Non-current provisions	6 050 080	7 167 070
Total	880 920 317	480 606 837
Solvability Ratio	3.11:1	5.51:1

The total assets of the Municipality increased by 3.31% in the current financial year while the total liabilities increased with 83%, resulting in a decrease in the solvability ratio as stated above. Non-current assets increased with 0.54% while external loans decreased with 100%.

5.4 Total debt to total revenue ratio

According to credit rating companies, the benchmark for local government is a ratio of less than 50%. The ratio increased from 107% to 120 in 2023/22. The total debt increased with 12% and increase of 0.0019% in total revenue.

DESCRIPTION	2023/24	2022/23
Total debt	1 416 836 279	1 263 614 031
Total revenue	1 183 849 297	1 181 563 207
Ratio	120%	107%

5.5 Cashbook balance plus short-term loans to total operating revenue

DESCRIPTION	2023/24	2022/23
Short term debt	7 432 485	6 755 184
Total revenue	1 183 849 297	1 181 563 207
Ratio	0.63%	0.57%

According to credit rating companies, the benchmark is a ratio of less than 5

5.6 Cash to interest coverage

This ratio indicates to what extent a local authority can generate sufficient cash from its normal activities to cover its external interest liabilities. If the ratio is less than 1:1, it may indicate future cash flow problems. The ratio for the past two financial years is as follows:

DESCRIPTION	2023/24	2022/23
Cash generated from operations (Nett cash flow)	108 898 806	142 691 491
Interest paid on external loans	104 763 184	92 591 774
Ratio	1.04:1	1.54:1

5.7 Net debtors to total annual operating revenue

DESCRIPTIONS	2023/24	2022/23
Annual operating revenue	1 183 849 297	1 181 563 207
Debtors (excluding provision for bad debt)	1 783 458 588	1 494 276 602
Percentage	151%	126%

This ratio had increased by 24%. It is still clear that the debt collection process of the municipality has problems and still needs to be improved even more.

6. CHALLENGES EXPERIENCED DURING 2023/24

6.1 GOING CONCERN ISSUES

The going concern of the municipality remains an issue that management needs to address; the following areas are of concern:

- The government subsidies equate to 28% of our income. The situation decreased by 1% from the 2022/23 financial year. This means that there is still more reliance by the municipality on government grants.

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Annual Financial Statements for the year ended 30 June 2024

- We draw attention to the fact that at 30 June 2024, the municipality had a loss of R65 448 584 (2023: Profit of R4 444 355) and that the municipality's current liabilities exceed its current assets by R470 944 144 (2023: R137 688 416). In addition, the municipality owed Eskom R1 101 383 148 subject to debt relief program (2023: R937 912 491), Free State Fleet Management Trading entity R62 684 617 (2023 R62 684 617), the Department of Water Affairs R83 131 607 (2023 R62 293 443) and Department of Labour R31 373 804 (2023 R27 124 489) at 30 June 2024 which is long overdue and indicate that material uncertainty exists that may result in a significant doubt on the municipality's ability to continue as a going concern. The municipality is not able to timeously recover outstanding amounts from consumer debtors and this is resulting in the inability to pay their suppliers within the 30 day time period.
- During the 2023 financial year there were contingencies that amounted to R2 276 732 316 and if successful the municipality will not be able to pay it.
- The municipality has applied for debt relief from National Treasury with regards to the outstanding Eskom account of R 843 710 217. The debt relief was approved on the 19th of December 2023. According to the agreement the municipality must pay the current Eskom account for the next three financial years, the Eskom debt will be written off over the next three municipal financial years. One of the requirements for the approval of the debt relief is that the municipality must prepare a funding plan. The funding plan is intended to address the fact that if the municipality's 2023/24 MTREF does not comply with the MFMA Circular No. 124 (A funded MTREF). A funding plan has been developed and the municipality is in the process of implementing the plan. The funding plan highlights various areas of improving revenue, increasing debt collection and decreasing expenditure.
- 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.

6.2 IMPLEMENTATION OF ACCOUNTING STANDARDS

The Municipality had to comply with the accounting framework as set out in paragraph 1 of the Accounting policies as contained in the Annual Financial Statements of 2023/24. This accounting framework was determined in Directive 5 issued by the Accounting Standards Board on 31 March 2009.

7. APPRECIATION

I am grateful to the Executive Mayor, Members of the Mayoral Committee, Councillors, and office of the Municipal Manager, CFO, Acting Directors, Managers and Staff members. A special word of appreciation to everybody for the months of hard work, sacrifices and concentrated efforts during the financial year to enable my office to finalise and submit the annual financial statements within the prescribed period.



MOHALE NTHELI
MUNICIPAL MANAGER

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	105,428,106	101,792,316
Other financial assets	4	1,445,660	1,445,660
Receivables from exchange transactions	5	157,439,982	126,578,314
Receivables from non-exchange transactions	6	5,524,152	5,106,080
Other statutory receivables	14	2,382	14,399
Consumer debtors from exchange revenue	7	76,925,213	66,231,133
Consumer debtors from non-exchange transactions	7	13,394,052	11,347,238
Cash and cash equivalents	8	55,829,898	16,209,863
		415,989,445	328,725,003
Non-Current Assets			
Biological assets that form part of an agricultural activity	9	8,917,311	5,779,895
Investment property	10	436,650,411	440,501,211
Property, plant and equipment	11	1,818,841,215	1,806,431,081
Intangible assets	12	1,431,083	2,118,194
Heritage assets	13	64,450,000	64,450,000
Other financial assets	4	732,237	588,317
		2,331,022,257	2,319,868,698
Total Assets		2,747,011,702	2,648,593,701
Liabilities			
Current Liabilities			
Other financial liabilities	16	7,432,485	6,755,184
Payables from exchange transactions	18	535,574,754	1,213,680,724
Consumer deposits	19	14,381,701	13,659,940
Employee benefit obligation	21	3,380,000	2,853,000
Unspent conditional grants and receipts	17	25,708,546	29,079,416
Provisions	20	45,204,625	42,344,373
Long service leave award	22	2,735,000	1,751,000
Current portion of long term trade and other payables	23	255,090,013	-
		889,507,124	1,310,123,637
Non-Current Liabilities			
Other financial liabilities	16	-	7,026,348
Employee benefit obligation	21	94,116,000	91,065,000
Provisions	20	6,050,080	7,167,070
Long service leave award	22	17,421,000	16,459,000
Long term trade and other payables	23	441,237,346	-
		558,824,426	121,717,418
Total Liabilities		1,448,331,550	1,431,841,055
Net Assets		1,298,680,152	1,216,752,646
Reserves			
Revaluation reserve	15	15,790,000	15,790,000
Accumulated surplus		1,282,890,152	1,200,962,646
Total Net Assets		1,298,680,152	1,216,752,646

* See Note 52 & 51

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	25	447,123,079	398,383,823
Rendering of services		2,384,419	1,435,923
Rental of facilities and equipment	26	6,278,150	5,740,812
Interest on consumer accounts	27	99,699,089	77,287,918
Licences and permits		243,704	126,736
Other income	28	6,354,374	5,161,476
Interest received - investment	29	1,397,182	374,386
Gain on disposal of assets and liabilities		3,198,265	-
Fair value adjustments	43	143,920	-
Actuarial gains		9,158,193	19,382,383
Gain on biological assets and agricultural produce	42	3,137,416	435,310
Dividends or similar distributions received	29	13,435	12,728
Total revenue from exchange transactions		579,131,226	508,341,495
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	30	154,135,349	142,481,360
Interest - Taxation revenue	27	19,166,088	15,130,873
Transfer revenue			
Government grants & subsidies	33	329,013,428	346,367,429
Donations received in kind		-	120,000
Fines, penalties and forfeits		879,649	895,026
Debt Relief received	31	101,523,557	-
Fair value adjustment on long term liability	32	147,382,858	-
Total revenue from non-exchange transactions		752,100,929	504,994,688
Total revenue	24	1,331,232,155	1,013,336,183
Expenditure			
Employee related costs	34	(348,672,614)	(341,854,351)
Remuneration of councillors	35	(22,146,376)	(20,116,991)
Depreciation and amortisation	36	(74,859,309)	(73,283,563)
Finance costs	37	(104,763,184)	(92,591,774)
Debt Impairment	38	(261,306,690)	(214,740,393)
Bulk purchases	39	(266,733,568)	(208,466,283)
Contracted services	40	(80,629,952)	(94,424,496)
Repairs and maintenance		(7,328,219)	(16,328,558)
Loss on disposal of assets and liabilities		-	(2,253,803)
Fair value adjustments	43	-	(25,296,224)
General expenses	41	(82,864,749)	(87,762,416)
Total expenditure		(1,249,304,661)	(1,177,118,852)
Surplus (deficit) for the year		81,927,494	(163,782,669)

* See Note 52 & 51

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported		- 1,460,151,324	1,460,151,324
Adjustments			
Correction of errors 51	-	(95,406,004)	(95,406,004)
Balance at 01 July 2022 as restated*	-	1,364,745,320	1,364,745,320
Changes in net assets			
Surplus for the year	-	(163,782,669)	(163,782,669)
Changes in revaluation surplus arising from changes in existing decommissioning, restoration and similar liabilities	15,790,000	-	15,790,000
Total changes	15,790,000	(163,782,669)	(147,992,669)
Opening balance as previously reported	15,790,000	1,296,368,656	1,312,158,656
Adjustments			
Correction of errors 51	-	(95,406,004)	(95,406,004)
Restated* Balance at 01 July 2023 as restated*	15,790,000	1,200,962,652	1,216,752,652
Changes in net assets			
Surplus for the year	-	81,927,494	81,927,494
Total changes	-	81,927,494	81,927,494
Balance at 30 June 2024	15,790,000	1,282,890,146	1,298,680,146

* See Note 52 & 51

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Disclosure items

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		426,501,818	407,844,984
Grants		324,721,974	345,339,373
Interest income		9,650,266	11,494,286
Dividends or similar distributions received		13,435	12,728
		<u>760,887,493</u>	<u>764,691,371</u>
Payments			
Employee costs		(375,838,720)	(359,443,176)
Suppliers		(171,382,289)	(186,745,321)
Finance costs		(90,179,597)	(75,811,384)
		<u>(637,400,606)</u>	<u>(621,999,881)</u>
Undefined difference compared to the cash generated from operations note		1,057,527	-
Net cash flows from operating activities	46	<u>124,544,414</u>	<u>142,691,490</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(80,663,274)	(127,596,299)
Proceeds from sale of property, plant and equipment	11	3,198,265	-
Proceeds from sale of investment property	10	-	489,565
Purchase of other intangible assets	12	-	(493,950)
Net cash flows from investing activities		<u>(77,465,009)</u>	<u>(127,600,684)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(8,057,527)	(7,459,380)
Finance lease payments		-	(391,936)
Net cash flows from financing activities		<u>(8,057,527)</u>	<u>(7,851,316)</u>
Net increase/(decrease) in cash and cash equivalents		39,021,878	7,239,490
Cash and cash equivalents at the beginning of the year		16,209,863	8,970,372
Cash and cash equivalents at the end of the year	8	<u>55,231,741</u>	<u>16,209,862</u>

* See Note 52 & 51

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	499,373,000	-	499,373,000	447,123,079	(52,249,921)	Refer Note 61
Rendering of services	3,716,000	-	3,716,000	2,384,419	(1,331,581)	
Rental of facilities and equipment	6,492,000	-	6,492,000	6,278,150	(213,850)	
Interest on consumer accounts	79,072,000	-	79,072,000	99,699,089	20,627,089	Refer Note 61
Licences and permits	78,000	-	78,000	243,704	165,704	
Other income	2,123,000	-	2,123,000	6,354,374	4,231,374	
Interest received - investment	376,000	-	376,000	1,397,182	1,021,182	
Dividends or similar distributions received	27,000	-	27,000	13,435	(13,565)	
Total revenue from exchange transactions	591,257,000	-	591,257,000	563,493,432	(27,763,568)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	180,611,000	-	180,611,000	154,135,349	(26,475,651)	Refer Note 61
Interest received on consumer accounts	14,588,000	-	14,588,000	19,166,088	4,578,088	
Transfer revenue						
Government grants & subsidies	367,710,000	18,503,000	386,213,000	329,013,428	(57,199,572)	Refer Note 61
Fines, Penalties and Forfeits	1,903,000	-	1,903,000	879,649	(1,023,351)	
Debt relief received	17,246,000	(4,092,000)	13,154,000	101,523,557	88,369,557	Refer Note 61
Fair value adjustments on long term liabilities	-	-	-	147,382,858	147,382,858	
Total revenue from non-exchange transactions	582,058,000	14,411,000	596,469,000	752,100,929	155,631,929	
Total revenue	1,173,315,000	14,411,000	1,187,726,000	1,315,594,361	127,868,361	
Expenditure						
Personnel	(374,545,000)	25,563,000	(348,982,000)	(348,672,614)	309,386	
Remuneration of councillors	(20,720,000)	(2,318,000)	(23,038,000)	(22,146,376)	891,624	
Depreciation and amortisation	(88,716,000)	(1,017,000)	(89,733,000)	(74,859,309)	14,873,691	Refer Note 61
Inventory consumed	(4,790,000)	(30,993,000)	(35,783,000)	(29,798,758)	5,984,242	
Finance costs	(12,355,000)	(13,000)	(12,368,000)	(104,763,184)	(92,395,184)	Refer Note 61
Debt Impairment	(56,330,000)	(15,000,000)	(71,330,000)	(258,852,703)	(187,522,703)	Refer Note 61
Bad debts written off	(81,309,000)	78,878,000	(2,431,000)	(2,453,987)	(22,987)	
Bulk purchases	(175,000,000)	(110,685,000)	(285,685,000)	(250,094,496)	35,590,504	Refer Note 61
Contracted Services	(156,696,000)	23,826,000	(132,870,000)	(74,324,677)	58,545,323	Refer Note 61
Transfers and subsidies	(453,000)	-	(453,000)	-	453,000	
General Expenses	(49,149,000)	(26,929,000)	(76,078,000)	(83,338,557)	(7,260,557)	Refer Note 61
Total expenditure	(1,020,063,000)	(58,688,000)	(1,078,751,000)	(1,249,304,661)	(170,553,661)	
Operating surplus	153,252,000	(44,277,000)	108,975,000	66,289,700	(42,685,300)	
Gain on disposal of assets and liabilities	-	-	-	3,198,265	3,198,265	

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts**Budget on Cash Basis**

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Fair value adjustments	-	-	-	143,920	143,920	
Actuarial gains/losses	-	-	-	9,158,193	9,158,193	
Gain on biological assets and agricultural produce	-	-	-	3,137,416	3,137,416	
	-	-	-	15,637,794	15,637,794	
Surplus before taxation	153,252,000	(44,277,000)	108,975,000	81,927,494	(27,047,506)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	153,252,000	(44,277,000)	108,975,000	81,927,494	(27,047,506)	

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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Statement of Comparison of Budget and Actual Amounts**Budget on Cash Basis**

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position**Assets****Current Assets**

Inventories	117,761,000	(253,000)	117,508,000	105,428,106	(12,079,894)
Other financial assets	2,519,000	-	2,519,000	1,445,660	(1,073,340)
Receivables from exchange transactions	-	-	-	157,439,982	157,439,982
Receivables from non-exchange transactions	53,000	-	53,000	5,524,152	5,471,152
Statutory receivables	356,235,000	-	356,235,000	2,382	(356,232,618)
Consumer debtors	200,178,000	-	200,178,000	76,925,213	(123,252,787)
Consumer debtors from non-exchange transactions	16,976,000	-	16,976,000	13,394,052	(3,581,948)
Cash and cash equivalents	23,328,000	-	23,328,000	55,829,898	32,501,898
	717,050,000	(253,000)	716,797,000	415,989,445	(300,807,555)

Non-Current Assets

Biological assets that form part of an agricultural activity	-	-	-	8,917,311	8,917,311
Investment property	572,453,000	-	572,453,000	436,650,411	(135,802,589)
Property, plant and equipment	2,093,317,000	17,628,000	2,110,945,000	1,818,841,215	(292,103,785)
Intangible assets	929,000	-	929,000	1,431,083	502,083
Heritage assets	48,660,000	-	48,660,000	64,450,000	15,790,000
Other financial assets	-	-	-	732,237	732,237
	2,715,359,000	17,628,000	2,732,987,000	2,331,022,257	(401,964,743)

Total Assets

	3,432,409,000	17,375,000	3,449,784,000	2,747,011,702	(702,772,298)
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Liabilities**Current Liabilities**

Other financial liabilities	5,966,000	-	5,966,000	7,432,485	1,466,485
Payables from exchange transactions	158,558,000	-	158,558,000	535,574,754	377,016,754
Consumer deposits	12,496,000	-	12,496,000	14,381,701	1,885,701
Employee benefit obligation	-	-	-	3,380,000	3,380,000
Unspent conditional grants and receipts	120,000,000	-	120,000,000	25,708,546	(94,291,454)
Provisions	-	-	-	45,204,625	45,204,625
Long service leave award	-	-	-	2,735,000	2,735,000
Current portion of long term trade and other payables	-	-	-	255,090,013	255,090,013
	297,020,000	-	297,020,000	889,507,124	592,487,124

Non-Current Liabilities

Other financial liabilities	12,063,000	-	12,063,000	-	(12,063,000)
Employee benefit obligation	-	-	-	94,116,000	94,116,000
Provisions	6,563,000	-	6,563,000	6,050,080	(512,920)
Long service leave award	-	-	-	17,421,000	17,421,000
Long term trade and other payables	-	-	-	441,237,346	441,237,346

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
	18,626,000	-	18,626,000	558,824,426	540,198,426	
Total Liabilities	315,646,000	-	315,646,000	1,448,331,550	1,132,685,550	
Net Assets	3,116,763,000	17,375,000	3,134,138,000	1,298,680,152	(1,835,457,848)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Revaluation reserve	2,400,000	-	2,400,000	15,790,000	13,390,000	
Accumulated surplus	3,114,363,000	17,375,000	3,131,738,000	1,282,890,152	(1,848,847,848)	
Total Net Assets	3,116,763,000	17,375,000	3,134,138,000	1,298,680,152	(1,835,457,848)	

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023
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1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 Significant judgements and sources of estimation uncertainty

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

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

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

The municipality assesses its statutory receivables, trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for statutory receivables, trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)**Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 21.

Effective interest rate

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)**Allowance for doubtful debts**

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

The credit balances are excluded specifically from the provision. The payments done on the accounts and indigent status is used as basis for the calculations. The VAT portion is also taken out to the VAT provision account. Interest is added to the overdue outstanding balance on a monthly basis.

1.6 Biological assets that form part of an agricultural activity

The entity recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

1.7 Investment property

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

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

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

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

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

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

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.7 Investment property (continued)**Fair value**

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

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

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

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

1.8 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Dihlabeng Local Municipality

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Significant Accounting Policies**1.8 Property, plant and equipment (continued)**

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

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

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	5 - 50 years
Plant and equipment	Straight-line	2 - 37 years
Furniture and fixtures	Straight-line	5 - 22 years
Motor vehicles	Straight-line	5 - 22 years
Office equipment	Straight-line	5 - 22 years
IT Infrastructure equipment	Straight-line	5 - 22 years
Infrastructure - Electrical	Straight-line	5 - 50 years
Infrastructure - Roads	Straight-line	7 - 80 years
Infrastructure - Sewer	Straight-line	5 - 50 years
Infrastructure - Water	Straight-line	5 - 100 years
Infrastructure - Solid Waste	Straight-line	5 - 50 years
Other assets	Straight-line	5 - 22 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.8 Property, plant and equipment (continued)

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

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the disclosure items.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

1.9 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies**1.9 Intangible assets (continued)**

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3 years

1.10 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

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

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

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.

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

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

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

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

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

Recognition

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.10 Heritage assets (continued)**Initial measurement**

Heritage assets are measured at cost.

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

Subsequent measurement

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

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

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

Impairment

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

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

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

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

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

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

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.11 Financial instruments (continued)

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

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

A financial asset is:

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

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

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

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

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

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

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

Consumer deposits are current financial liabilities and they are recorded in accordance with trade and other payables.

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

Long term trade and other payables are financial liabilities.

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 unissued 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
-

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies**1.11 Financial instruments (continued)**

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

Classification

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

Class

Trade and other receivables from exchange transactions
Other receivables from non-exchange transactions
Consumer debtors from exchange and non-exchange transactions
Cash and cash equivalents
Other financial assets

Category

Financial asset measured at amortised cost and cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at fair value

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

Class

Trade and other payable from exchange transactions
Bank overdraft
Consumer deposits
Other financial liabilities

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial measurement:

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The entity recognises financial assets using trade date accounting. The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Dihlabeng Local Municipality

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Significant Accounting Policies

1.11 Financial instruments (continued)**Subsequent measurement of financial assets and financial liabilities**

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

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

All financial instruments measured at amortised cost and cost, are subject to an impairment review.

Impairment of financial instruments:

Receivables:

Receivables are classified as financial assets at amortised cost, and are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. For amounts due from receivable carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant at the end of each reporting period. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in surplus or deficit. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is recognised in the surplus or deficit. The present value of the estimated future cash flows is discounted at the original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the original effective interest rate.

Payables and long term liabilities:

Financial liabilities consist of payables and long term liabilities. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

Cash and cash equivalents:

Cash and Cash Equivalents are initially measured at fair value. Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost. Non-Current Investments Investments which include fixed deposits invested in registered commercial banks, are stated at amortised cost. Gains and losses For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.11 Financial instruments (continued)**Fair value measurement:**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Derecognition:**Financial assets:**

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity : - derecognise the asset; and - recognise separately any rights and obligations created or retained in the transfer. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

Financial liabilities:

A financial liability (or a part of a financial liability) is derecognised from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Offsetting of financial instruments:

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Dihlabeng Local Municipality

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Significant Accounting Policies

1.12 Statutory receivables**Identification**

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

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

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

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

Other charges

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

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies**1.12 Statutory receivables (continued)**

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

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

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

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

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

Derecognition

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

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

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

1.13 Tax**VAT**

The entity accounts for VAT on the accrual basis, and is liable for VAT on the payment basis. The entity is liable to account for VAT at the standard rate in terms of section 7(1)(a) of the Value Added Tax Act, (Act 89 of 1991) in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11 of the VAT Act, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The entity accounts for VAT on a monthly basis.

1.14 Leases

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

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

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1.14 Leases (continued)**Finance leases - lessee**

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

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

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

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

Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

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

1.15 Inventories

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

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

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

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

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

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

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

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

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

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1.15 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.16 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

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

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

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

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

1.17 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

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Significant Accounting Policies

1.17 Impairment of cash-generating assets (continued)**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of impairment loss

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

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

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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Significant Accounting Policies

1.18 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

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

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

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

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

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Significant Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)**Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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Significant Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)

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

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.19 Employee benefits**Identification****Employee benefits**

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

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

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

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

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

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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Significant Accounting Policies

1.19 Employee benefits (continued)**Short-term employee benefits****Recognition and measurement****All short-term employee benefits**

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

Short-term employee benefits include items such as:

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

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

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

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Significant Accounting Policies

1.19 Employee benefits (continued)

Post-employment benefits

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

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans and/or State plans

The entity classifies a multi-employer plan and/or state plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms). If the entity participates in a multi-employer defined benefit plan, the entity:

(a) accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan; and

(b) disclose the information required. When sufficient information is not available to use defined benefit accounting for multi-employer defined benefit plan, the entity: (a) accounts for the plan as if it were a defined contribution plan; and (b) disclose the information required.

In determining when to recognise, and how to measure, a liability relating to the wind-up of a multi-employer defined benefit plan, or the entity's withdrawal from a multi-employer defined benefit plan, the entity applies the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets (GRAP 19).

Post-employment benefits: Defined contribution plans

Recognition and measurement

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

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

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

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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1.19 Employee benefits (continued)**Post-employment benefits: Defined benefit plans**

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

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

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Recognition and measurement

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

Past service cost and gains and losses on settlement

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

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

Past service cost

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

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

Gains and losses on settlement

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

Recognition and measurement: Plan assets**Components of defined benefit cost**

The entity recognises the components of defined benefit cost in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset, as follows:

- (a) service cost;
- (b) net interest on the net defined benefit liability (asset); and
- (c) remeasurements of the net defined benefit liability (asset).

Current service cost

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Significant Accounting Policies

1.19 Employee benefits (continued)

The entity determines current service cost using actuarial assumptions determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, it determines current service cost for the remainder of the reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

Net interest on the net defined benefit liability (asset)

The entity determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate specified.

To determine net interest, the entity uses the net defined benefit liability (asset) and the discount rate determined at the start of the reporting period. However, if the entity remeasures the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement, the entity determines net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement using:

(a) the net defined benefit liability (asset) determined in accordance with the section on Past service cost gains and losses on settlement (part b); and

(b) the discount rate used to remeasure the net defined benefit liability (asset) in accordance with the section on Past service cost gains and losses on settlement (part b).

In applying this, the entity also takes into account any changes in the net defined benefit liability (asset) during the period resulting from contributions or benefit payments.

Other long-term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Recognition and measurement

For other long-term employee benefits, the entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

(a) service cost;

(b) net interest on the net defined benefit liability (asset); and

(c) remeasurements of the net defined benefit liability (asset).

Long service award**Recognition**

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality.

Measurement

The said reward comprises a certain number of accumulated vacation leave days and a fixed percentage of his or her basic salary applicable at the time the award become due.

The provision represents an estimate of the award to which employees in the service of the municipality at 30 June 2022 may become entitled to in future, based on actuarial valuation at that date.

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Significant Accounting Policies

1.20 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 49. A brief description of the nature of each class of contingent liability should be provided and where possible:

- an estimate of its financial effect,
- an indication of the uncertainties relating to the amount or timing of any outflow; and
- the possibility of any reimbursements.

1.21 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.21 Commitments (continued)

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

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

1.22 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

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

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.22 Revenue from exchange transactions (continued)**Interest, royalties and dividends**

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

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

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

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

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

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

Dihlabeng Local Municipality

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Significant Accounting Policies

1.23 Revenue from non-exchange transactions

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

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

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

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

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

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

Interest written off as part of the municipal debt relief program are considered to be income from non-exchange transactions.

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

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

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

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

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

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

Recognition

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

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

Measurement

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

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.23 Revenue from non-exchange transactions (continued)

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

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

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

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Government grants and unspent conditional grants

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. To qualify as a conditional grant, the conditions of the grant must be clearly stipulated including:

- The required outputs and outcomes; and
- That any unspent portion must be repaid to the grantor.

1.24 Investment income

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

1.25 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.26 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.27 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.28 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.29 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

National Treasury MFMA Circular No 68 of June 2019 which was issued and updated on 13 October 2021 in terms of sections 76(1) to 76(4) of the MFMA requires the following:

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure 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.

1.30 Revaluation reserve

The surplus arising from the revaluation of heritage assets is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.31 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

General Information:

Identification of segments

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Corporate Services, Office of the Municipal Manager, Political Office, Financial Services and Local Economic Development directorates are the governance and administration units of the municipality. However, they are not reportable segments; their results are reported as non-reportable segments to reconcile the results of the reportable segments to the total revenue and expenses of the municipality for the year under review.

Segments were identified based on the Municipal Finance Management Act, section 71 monthly budget statements, which executive management and Council review to make strategic decisions and monitor segment performance. The disclosure of information about segments in the budget statements is organised around the type of service delivered, in a standardised format, and is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Segments are aggregated for reporting purposes where management consider the economic characteristics and nature of services as sufficiently similar to warrant aggregation. The components of each aggregated segment is explained under the description of segment operations.

Reportable segments are identified based on activities of the municipality that generate economic benefits or service potential, including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management does monitor performance geographically, but does not at present have reliable separate financial information for decision making purpose. Procedure will be put in place to generate this information at a transactional level and in the most cost effective manner.

The inter-departmental transactions is transactions between the different departments within the municipality and are accounted for using the normal accounting policies used by the municipality.

A measure of assets and liabilities for each reportable segment has not been presented as these amounts are not regularly provided to management. The only measure of asset information that is regularly provided to management is the additions to non-current assets. Accordingly, additions to non-current assets is the only asset measure presented for the reportable segments.

1.32 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2023 to 30/06/2024.

The budget for the economic entity includes all the entities approved budgets under its control.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.32 Budget information (continued)

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.33 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.34 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.35 Living and non-living resources

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an municipality of the biological transformation and harvest of biological assets for:

(a) sale;

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.35 Living and non-living resources (continued)

(b) distribution at no charge or for a nominal charge; or

(c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

(a) is used in the production or supply of agricultural produce;

(b) is expected to bear produce for more than one period; and

(c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

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.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

The residual value of an asset is the estimated amount that an municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an municipality, or the number of production or similar units expected to be obtained from the asset by an municipality.

Recognition

Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the annual financial statements.

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

Where the municipality is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the annual financial statements.

Where the municipality holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the annual financial statements. When the information about the cost or fair value of the living resource becomes available, the municipality recognise, from that date, the living resource and apply the measurement principles.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.35 Living and non-living resources (continued)

Where a living resource 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 living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after recognition**Revaluation model**

After recognition as an asset, a group of living resources, whose fair value can be measured reliably, are carried at a revalued amount, which is its fair value at the date of the revaluation less any accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

If a living resource is revalued, the entire group of living resources to which that resource belongs, are revalued.

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

If the carrying amount of a living resource is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that living resource. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

If the fair value of a living resource can no longer be determined because market-determined prices or values are not available and alternative estimates of fair value are determined to be clearly unreliable, the carrying amount of the living resource is its revalued amount as at the date of the last revaluation by reference to market-determined prices or values that were determined based on alternative estimates, less any subsequent depreciation and subsequent impairment losses. The municipality measures the living resource using the cost model until the fair value of the living resource becomes available. The municipality measures from that date the living resource at its fair value.

Depreciation

Living resources are depreciated and the depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate.

The depreciable amount of a living resource is allocated on a systematic basis over its useful life.

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

In assessing whether there is any indication that the expected useful life of the living resource has changed, the municipality considers the following indications:

(a) The use of the living resource has changed, because of the following:

- The municipality has changed the manner in which the living resource is used.
- The municipality has made a decision to dispose of the living resource in a future reporting period(s) such that this decision changes the expected period over which the living resource will be used.
- Legislation, government policy or similar means have been amended or implemented during the reporting period that have, or will, change the use of the living resource.
- The living resource was idle or retired from use during the reporting period.

(b) The living resource is approaching the end of its previously expected useful life.**(c) There is evidence that the condition of the living resource improved or declined based on assessments undertaken during the reporting period.**

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies**1.35 Living and non-living resources (continued)**

(d) The living resource is assessed as being impaired.

In assessing whether there is any indication that the expected residual value of the living resource has changed, the municipality considers whether there has been any change in the expected timing of disposal of the living resource, as well as any relevant indicators as noted above.

The depreciation method used reflects the pattern in which the future economic benefits or service potential of the living resource is expected to be consumed by the entity.

The depreciation method applied to a living resource is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the living resource, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

Item	Depreciation method	Average useful life
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Impairment

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

Compensation from third parties for living resources that have been impaired, lost or given up, is included in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

Transfers to living resources are made when the asset meets the definition of a living resource.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a living resource is included in surplus or deficit when the item is derecognised.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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2. New standards and interpretations**2.1 Standards and interpretations issued, but not yet effective**

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
3. Inventories		
Land held for sale	104,090,055	100,239,255
Consumable stores	437,496	448,896
Water for distribution	226,455	233,521
Fuel (Diesel, Petrol)	-	169,958
Water chemicals	674,100	700,686
	105,428,106	101,792,316
Inventories recognised as an expense during the year	33,647,917	34,274,264
4. Other financial assets		
Designated at fair value		
Listed shares	337,355	243,261
4 169 shares in Sanlam @ R80.92 (2023 : R58.35)		
Unlisted shares	394,882	345,056
8 662 shares in Oos Vrystaat Kaap Operations Ltd @ R24.25 (2023 : R21.10)		
9 016 shares in Oos Vrystaat Kaap Holdings Ltd @ R20.50 (2023 : R18.00)		
Sanlam short term deposit	1,220,078	1,220,078
The short term deposit at Sanlam is fixed and matures at a future date.		
ABSA short term deposit	225,582	225,582
The short term deposit at ABSA is fixed and matures at a future date.		
	2,177,897	2,033,977
Non-current assets		
Designated at fair value	732,237	588,317
Current assets		
Designated at fair value	1,445,660	1,445,660
5. Receivables from exchange transactions		
Unbilled consumption to trade debtors	14,776,759	12,093,296
Pre-paid electricity from third party vendors	3,484,839	2,933,337
Input VAT accrual on creditors	136,883,111	110,957,090
Prepaid expenses	1,631,880	-
Sale of property debtors	663,393	594,591
	157,439,982	126,578,314
6. Receivables from non-exchange transactions		
Other receivables from non-exchange revenue	4,503,568	4,936,080
Government grants and subsidies	920,584	-
Post office and petrol deposits	100,000	170,000
	5,524,152	5,106,080

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

7. Consumer debtors from exchange and non-exchange transactions**Gross balances****Consumer debtors from non-exchange transactions**

Rates

264,481,079 218,564,959

Consumer debtors from exchange transactions

Electricity

95,493,444 71,281,213

Water

544,987,977 465,928,010

Sewerage

352,788,707 295,961,680

Refuse

451,746,824 377,165,353

Rentals, advertising and sundry charges

73,960,557 65,375,539

1,783,458,588 1,494,276,754**Less: Allowances for impairment****Consumer debtors from non-exchange transactions**

Rates

(251,087,027) (207,217,721)

Consumer debtors from exchange transactions

Electricity

(90,657,393) (67,580,506)

Water

(517,388,282) (441,738,424)

Sewerage

(334,922,513) (280,596,236)

Refuse

(428,869,118) (357,584,058)

Rentals, advertising and sundry charges

(70,214,990) (61,981,438)

(1,693,139,323) (1,416,698,383)**Net balance****Consumer debtors from non-exchange transactions**

Rates

13,394,052 11,347,238

Consumer debtors from exchange transactions

Electricity

4,836,051 3,700,707

Water

27,599,695 24,189,586

Sewerage

17,866,194 15,365,444

Refuse

22,877,706 19,581,295

Rentals, advertising and sundry charges

3,745,567 3,394,101

90,319,265 77,578,371**Rates****Consumer debtors from non-exchange transactions**

Current (0 -30 days)

11,680,685 9,622,481

31 - 60 days

5,916,533 5,315,472

61 - 90 days

5,040,385 4,393,147

91 - 120 days

4,714,148 4,148,762

121 - 365 days

51,698,551 35,703,906

> 365 days

185,430,777 159,381,192

Less: Debt impairment

(251,087,027) (207,217,722)

13,394,052 11,347,238**Consumer debtors from exchange transactions****Electricity**

Current (0 -30 days)

16,366,961 11,920,836

31 - 60 days

3,543,780 4,167,310

61 - 90 days

2,448,755 2,180,712

91 - 120 days

1,985,818 1,523,443

121 - 365 days

19,516,349 15,282,501

> 365 days

51,631,781 36,206,411

Less: Debt impairment

(90,657,393) (67,580,506)

4,836,051 3,700,707

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Water		
Current (0 -30 days)	10,309,892	9,088,909
31 - 60 days	8,328,795	7,346,662
61 - 90 days	8,724,894	7,122,252
91 - 120 days	8,004,470	6,620,542
121 - 365 days	65,585,018	59,210,341
> 365 days	444,034,908	376,539,304
Less: Debt impairment	(517,388,282)	(441,738,424)
	27,599,695	24,189,586
Sewerage		
Current (0 -30 days)	7,219,291	6,533,853
31 - 60 days	5,802,978	5,184,929
61 - 90 days	5,489,666	4,858,795
91 - 120 days	5,355,734	4,717,620
121 - 365 days	46,314,148	39,361,713
> 365 days	282,606,890	235,304,771
Less: Debt impairment	(334,922,513)	(280,596,237)
	17,866,194	15,365,444
Refuse		
Current (0 -30 days)	8,079,414	7,237,683
31 - 60 days	7,085,441	6,237,111
61 - 90 days	6,857,995	6,061,463
91 - 120 days	6,749,587	5,863,804
121 - 365 days	59,337,327	49,565,125
> 365 days	363,637,060	302,200,167
Less: Debt impairment	(428,869,118)	(357,584,058)
	22,877,706	19,581,295
Rental, advertising and sundry charges		
Current (0 -30 days)	1,216,640	1,190,779
31 - 60 days	967,734	747,655
61 - 90 days	800,265	715,906
91 - 120 days	762,127	679,288
121 - 365 days	7,289,488	6,146,044
> 365 days	62,924,303	55,895,867
Less: Debt impairment	(70,214,990)	(61,981,438)
	3,745,567	3,394,101

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	50,279,864	41,283,995
31 - 60 days	28,040,760	25,781,045
61 - 90 days	26,067,589	22,302,313
91 - 120 days	24,663,943	20,856,652
121 - 365 days	214,276,629	163,295,576
> 365 days	1,301,030,144	1,107,356,850
	<u>1,644,358,929</u>	<u>1,380,876,431</u>
Less: Allowance for impairment	(1,564,307,397)	(1,315,286,334)
	<u>80,051,532</u>	<u>65,590,097</u>
National and provincial government		
Current (0 -30 days)	4,592,854	4,310,545
31 - 60 days	3,604,502	3,218,094
61 - 90 days	3,294,370	3,029,961
91 - 120 days	2,907,941	2,696,807
121 - 365 days	35,464,252	22,752,287
> 365 days	89,235,574	77,392,629
	<u>139,099,493</u>	<u>113,400,323</u>
Less: Allowance for impairment	(128,831,925)	(101,412,049)
	<u>10,267,568</u>	<u>11,988,274</u>
Total		
Current (0 -30 days)	54,872,883	45,594,540
31 - 60 days	31,645,262	28,999,138
61 - 90 days	29,361,959	25,332,275
91 - 120 days	27,571,884	23,553,459
121 - 365 days	249,740,882	186,047,864
> 365 days	1,390,265,718	1,184,749,478
	<u>1,783,458,588</u>	<u>1,494,276,754</u>
Less: Allowance for impairment	(1,693,139,323)	(1,416,698,383)
	<u>90,319,265</u>	<u>77,578,371</u>
Less: Allowance for impairment		
Current (0 -30 days)	(12,103,252)	(11,240,001)
31 - 60 days	(13,765,759)	(12,640,274)
61 - 90 days	(15,897,628)	(13,250,418)
91 - 120 days	(18,541,800)	(15,367,123)
121 - 365 days	(242,565,166)	(179,451,089)
> 365 days	(1,390,265,718)	(1,184,749,478)
	<u>(1,693,139,323)</u>	<u>(1,416,698,383)</u>
Total debtor past due but not impaired		
Current (0 -30 days)	42,769,631	34,354,539
31 - 60 days	17,879,503	16,358,864
61 - 90 days	13,464,331	12,081,857
91 - 120 days	9,030,084	8,186,336
121 - 365 days	7,175,715	6,596,775
	<u>90,319,264</u>	<u>77,578,371</u>

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Reconciliation of allowance for impairment		
Balance at beginning of the year	(1,416,698,383)	(1,206,462,244)
Contributions to allowance	(276,440,940)	(210,236,139)
	(1,693,139,323)	(1,416,698,383)

Statutory receivables general information

Included in the receivables at 30 June 2024 is statutory receivables of R6,724,347 (2023 : R5,902,467).

Rates:

Revenue type - Non-exchange revenue.

Legislation that gives rise to the transactions - Municipal Property Rates Act (Act 6 of 2004).

Rates and interest charges - Municipal Tariff Policy, Interest charged.

Impairment consideration - Individual collection rates, interest charged at discount rate.

Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. No other levies were charged.

Reconciliation of provision for impairment**Relating specifically to Statutory Receivables**

Opening balance	207,217,721	177,166,762
Provision for impairment	43,869,306	30,050,959
	251,087,027	207,217,721

Receivables impaired**Relating specifically to Statutory Receivables**

As of 30 June 2024, statutory receivables of R251,087,027 (2023: R207,217,721) were impaired and provided for.

The amount of the provision was R43,869,306 30 June 2024 (2023: R30,050,959).

Consumer debtors impaired

As of 30 June 2024, consumer debtors of R1,693,139,323 (2023: R1,416,698,383) were impaired and provided for.

The amount of the provision was R276,440,940 as of 30 June 2024 (2023: R280,408,994).

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	263,249	252,422
Bank balances	55,566,649	15,957,441
	55,829,898	16,209,863

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
ABSA Bank - Cheque account (Primary) - 405-289-8966	6,504,174	15,415,597	7,497,803	10,644,325	15,736,774	8,708,442
ABSA Bank - Cheque account (Project) - 100-001-0223	44,947,422	180,991	21,195	44,922,302	155,871	(3,926)
ABSA Bank - Cheque account - 40-8862-1820	122	64,897	27,550	22	64,897	27,450
Total	51,451,718	15,661,485	7,546,548	55,566,649	15,957,542	8,731,966

9. Biological assets that form part of an agricultural activity

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game stock	8,917,311	-	8,917,311	5,779,895	-	5,779,895

Reconciliation of biological assets that form part of an agricultural activity - 2024

	Opening balance	Gains or losses arising from changes in fair value	Total
Game stock	5,779,895	3,137,416	8,917,311

Reconciliation of biological assets that form part of an agricultural activity - 2023

	Opening balance	Gains or losses arising from changes in fair value	Total
Game stock	5,344,585	435,310	5,779,895

Non-financial information**Quantities of each biological asset**

Game stock	2,789	2,532
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A foot based count were performed by the Community Service department and the rangers from Golden Gate National Park on 27 June 2024 and the actual numbers counted were used. The field rangers from Golden Gate Highlands National Park assists the municipality in managing the Wolhuterskop Private Nature Reserve by giving a report indicating which animals should be removed and / or culled during the next financial year.

The game stock are all kept at Wolhuterskop Nature reserve and are open to the public to visit at an entry fee per vehicle.

Pledged as security

No biological assets were pledged as security.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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10. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	436,650,411	-	436,650,411	440,501,211	-	440,501,211

Reconciliation of investment property - 2024

	Opening balance	Transfers to inventory	Total
Investment property	440,501,211	(3,850,800)	436,650,411

Reconciliation of investment property - 2023

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	467,603,362	(1,740,000)	(25,362,151)	440,501,211

Pledged as security

No investment property were pledged as security.

Re-classification of Investment property to inventory

A council resolution was taken to put land parcels in Bakenpark Ext 6 (165 residential sites) and Panorama East (15 residential sites) available for purchase via tender process. Refer to tender LED001/2024.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was 01 June 2023. Revaluations were performed by an independent valuer, Mr Arthur Lelosa (Professional Valuer), of Manna Holdings (Pty) Ltd. Manna Holdings are not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	1,935,231	1,928,666
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Dihlabeng Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

11. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Community assets and buildings	362,312,217	(188,650,955)	173,661,262	356,222,355	(178,801,792)	177,420,563
Furniture and fittings	10,716,505	(8,238,032)	2,478,473	10,508,677	(7,204,924)	3,303,753
Infrastructure - Electrical	356,286,944	(171,000,965)	185,285,979	342,235,895	(164,327,935)	177,907,960
Infrastructure - Roads	1,060,253,202	(674,253,131)	386,000,071	1,052,129,539	(650,918,234)	401,211,305
Infrastructure - Sewer	495,841,902	(227,856,228)	267,985,674	495,841,903	(220,010,803)	275,831,100
Infrastructure - Solid waste	5,509,630	(1,686,578)	3,823,052	5,509,630	(1,595,590)	3,914,040
Infrastructure - Storm water	103,886,118	(50,638,115)	53,248,003	103,886,118	(49,240,620)	54,645,498
Infrastructure - Water	736,000,311	(232,686,691)	503,313,620	695,021,737	(230,161,386)	464,860,351
Land owned	210,954,361	-	210,954,361	210,954,361	-	210,954,361
Motor vehicles	49,112,052	(31,190,998)	17,921,054	43,329,024	(25,625,240)	17,703,784
Office equipment	17,506,002	(11,150,322)	6,355,680	16,361,839	(8,787,596)	7,574,243
Plant and equipment	12,474,043	(9,426,615)	3,047,428	11,799,667	(8,298,660)	3,501,007
Railways	48,921,029	(44,154,471)	4,766,558	48,921,029	(41,317,913)	7,603,116
Total	3,469,774,316	(1,650,933,101)	1,818,841,215	3,392,721,774	(1,586,290,693)	1,806,431,081

Dihlabeng Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Community assets and buildings	177,420,563	6,089,863	(9,849,164)	173,661,262
Furniture and fittings	3,303,753	207,828	(1,033,108)	2,478,473
Infrastructure - Electrical	177,907,960	14,051,049	(6,673,030)	185,285,979
Infrastructure - Roads	401,211,305	8,123,664	(23,334,898)	386,000,071
Infrastructure - Sewer	275,831,100	-	(7,845,426)	267,985,674
Infrastructure - Solid waste	3,914,040	-	(90,988)	3,823,052
Infrastructure - Storm water	54,645,498	-	(1,397,495)	53,248,003
Infrastructure - Water	464,860,351	50,508,361	(12,055,092)	503,313,620
Land owned	210,954,361	-	-	210,954,361
Motor vehicles	17,703,784	5,783,028	(5,565,758)	17,921,054
Office equipment	7,574,243	1,144,163	(2,362,726)	6,355,680
Plant and equipment	3,501,007	674,376	(1,127,955)	3,047,428
Railways	7,603,116	-	(2,836,558)	4,766,558
	1,806,431,081	86,582,332	(74,172,198)	1,818,841,215

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals / write-offs	Classification Adjustment (*)	Depreciation	Total
Community assets and buildings	182,885,179	4,606,090	(450,632)	-	(9,620,074)	177,420,563
Furniture and fittings	2,968,704	1,235,547	(9,982)	-	(890,516)	3,303,753
Infrastructure - Electrical	151,861,577	32,686,259	-	-	(6,639,876)	177,907,960
Infrastructure - Roads	410,189,929	13,912,363	-	-	(22,890,987)	401,211,305
Infrastructure - Sewer	283,676,547	32,872,586	-	(32,872,586)	(7,845,447)	275,831,100
Infrastructure - Solid waste	3,982,028	23,000	-	-	(90,988)	3,914,040
Infrastructure - Storm water	56,042,993	-	-	-	(1,397,495)	54,645,498
Infrastructure - Water	412,544,165	31,203,455	-	32,872,586	(11,759,855)	464,860,351
Land owned	210,954,361	-	-	-	-	210,954,361
Motor vehicles	23,835,541	-	(347,719)	-	(5,784,038)	17,703,784
Office equipment	5,370,319	4,180,964	(32,002)	-	(1,945,038)	7,574,243
Plant and equipment	3,474,174	1,041,493	(55,744)	-	(958,916)	3,501,007
Railways	10,439,674	-	-	-	(2,836,558)	7,603,116
	1,758,225,191	121,761,757	(896,079)	-	(72,659,788)	1,806,431,081

* During the 2023 year these additions were wrongly classified as Sewer projects, but should be Water projects, this is now corrected.

Pledged as security

No items of property, plant and equipment were pledged as security.

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

2.2 Ml Reservoir in Fouriesburg
Currently awaiting funding for this project to be completed
Container Park in Bethlehem
Current dispute with the contractor regarding work done and investigation into the payments done.

5,074,231	5,074,231
3,525,503	3,525,503
8,599,734	8,599,734

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Reconciliation of Work-in-Progress 2024

	Opening balance	Additions	Completed	Closing Balance
Community buildings	9,957,438	6,042,162	(7,457,792)	8,541,808
Infrastructure - Electrical	44,836,205	14,051,049	(1,154,490)	57,732,764
Infrastructure - Roads	15,471,796	8,123,662	(23,595,458)	-
Infrastructure - Sewer	9,461,978	-	-	9,461,978
Infrastructure - Solid waste	1,589,576	-	-	1,589,576
Infrastructure - Water	95,541,896	50,508,360	-	146,050,256
	176,858,889	78,725,233	(32,207,740)	223,376,382

Reconciliation of Work-in-Progress 2023

	Opening balance	Additions	Re-classification of additions (*)	Closing balance
Community buildings	5,777,505	4,179,933	-	9,957,438
Infrastructure - Electrical	15,996,354	28,839,851	-	44,836,205
Infrastructure - Roads	2,306,104	13,165,692	-	15,471,796
Infrastructure - Sewer	9,461,978	32,872,586	(32,872,586)	9,461,978
Infrastructure - Solid waste	1,566,576	23,000	-	1,589,576
Infrastructure - Water	42,131,140	20,538,170	32,872,586	95,541,896
	77,239,657	99,619,232	-	176,858,889

* During the 2023 year these additions were wrongly classified as Sewer projects, but should be Water projects, this is now corrected.

Expenditure incurred to repair and maintain property, plant and equipment**Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance**

Repairs and maintenance of Infrastructure assets	5,089,872	10,598,870
Repairs and maintenance of other assets	2,238,347	5,729,688
	7,328,219	16,328,558

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.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

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12. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5,905,253	(4,474,170)	1,431,083	5,905,253	(3,787,059)	2,118,194

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	2,118,195	(687,112)	1,431,083

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,237,253	493,950	(613,009)	2,118,194

Pledged as security

No intangible assets were pledged as security.

13. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical buildings	64,450,000	-	64,450,000	64,450,000	-	64,450,000

Reconciliation of heritage assets 2024

	Opening balance	Total
Historical buildings	64,450,000	64,450,000

Reconciliation of heritage assets 2023

	Opening balance	Revaluation increase/(decre ase)	Total
Historical buildings	48,660,000	15,790,000	64,450,000

Valuation of heritage assets

Valuations were performed by an independent valuer, Mr Athur Lelosa, from the firm Manna Holdings (Pty) Ltd, who holds a recognised and relevant qualification, during May 2023. A certificate to this extent was received from the above-mentioned valuator. The depreciated replacement cost method were used during the valuations.

Pledged as security

No heritage assets were pledged as security.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Revaluations**Historical buildings**

The effective date of the revaluation was 31/05/2023. Revaluations were performed by independent valuer, Mr Athur Lelosa, from the firm Manna Holdings (Pty) Ltd, who holds a recognised and relevant qualification, during May 2023.

A certificate to this extent was received from the above-mentioned valuator. The depreciated replacement cost method were used during the valuations.

The revaluation surplus relating to the heritage asset is as follows:

Opening balance	15,790,000	-
Change/movement	-	15,790,000
Closing balance	15,790,000	15,790,000

Expenditure incurred to repair and maintain heritage assets

Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance
Repairs and maintenance

-	-
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14. Statutory receivables

The entity had the following statutory receivables where the Framework for the Preparation and Presentation of Financial Statements have been applied, for the initial recognition:

Unpaid traffic fines	64,448,507	63,781,057
Provision for traffic fines not recoverable	(64,446,125)	(63,766,658)
	2,382	14,399
Current assets	2,382	14,399

Statutory receivables general information**Transaction(s) arising from statute**

Traffic fines arises from fines revenue in accordance with Section 341 of the Criminal procedure Act (Act 51 of 1977) and National Traffic Act (Act 93 of 1996).

Determination of transaction amount

The fines amount are determined in accordance with the Administrative Adjudication of Road Traffic Offences Act, 1998.

Interest or other charges levied/charged

The Administrative Adjudication of Road Traffic Offences Act determines rates and no interest or other levies are charged.

Basis used to assess and test whether a statutory receivable is impaired

The collection rate of the outstanding traffic fines balance as a whole is considered based on past collection experiences, thereafter discounting is considered in terms of materiality.

Statutory receivables past due but not impaired

All traffic fines are impaired based on expected collection of these fines which is very low.

Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Statutory receivables impaired

As of 30 June 2024, Statutory receivables from traffic fines of R679,467 (2023: R533,841) were impaired and provided for.

The amount of the unpaid traffic fine provision was R64,446,125 as of 30 June 2024 (2023: R63,766,658).

The ageing of these traffic fines is as follows:

0 to 6 months	377,000	226,700
Over 6 months	64,071,507	63,554,357

Reconciliation of provision for impairment for statutory receivables

Opening balance	(63,766,658)	(63,232,817)
Provision for impairment	(679,467)	(533,841)
	(64,446,125)	(63,766,658)

15. Revaluation reserve

Opening balance	15,790,000	-
Revaluation of heritage assets	-	15,790,000
	15,790,000	15,790,000

Heritage assets were revalued by an independent valuer, Mr Athur Lelosa, from the firm Manna Holdings (Pty) Ltd, who holds a recognised and relevant qualification, during May 2023. A certificate to this extent was received from the above-mentioned valuator. The depreciated replacement cost method were used during the valuations.

16. Other financial liabilities**At amortised cost**

Development Bank of South Africa (DBSA)	7,432,485	13,781,532
Interest is charges at 10% per year and an additional 2% are levied on any late payments. The loan is repayable in monthly installments of R621,615 over a period of 1 year.		

Non-current liabilities

At amortised cost	-	7,026,348
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Current liabilities

At amortised cost	7,432,485	6,755,184
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17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Infrastructure Grant (MIG)	7,605,546	19,513,425
Municipal Disaster Response Grant (MDRG)	16,853,000	-
Water Services Infrastructure Grant (WSIG)	-	3,995,991
National Development Electrification Grant (INEP)	1,250,000	5,570,000
	25,708,546	29,079,416

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Movement during the year		
Balance at the beginning of the year	29,079,416	30,107,472
Additions during the year	26,629,130	18,971,944
Income recognition during the year	(30,000,000)	(20,000,000)
	25,708,546	29,079,416

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

18. Payables from exchange transactions

Trade payables	456,802,743	1,155,462,459
Trade receivables with credit balances	23,498,460	21,442,447
Deposits on land sales	215,767	215,767
Deposits received	229,099	320,586
Sundry creditors	21,770,671	4,130,923
Salary related creditors	5,307,905	13,356,370
Accrued bonus	6,870,196	6,786,883
Retention on projects	13,736,687	6,398,604
VAT control - payable to SARS	1,846,680	1,015,076
Output VAT accrual on consumer debtors	131,352,224	112,339,583
Output VAT accrual - Provision for doubtful debt impairment	(126,055,678)	(107,787,974)
	535,574,754	1,213,680,724

19. Consumer deposits

Water and electricity	14,328,617	13,581,462
Sundry	53,084	78,478
	14,381,701	13,659,940

20. Provisions**Reconciliation of provisions - 2024**

	Opening Balance	Additions	Change in discount factor	Total
Environmental rehabilitation	11,888,608	-	(13,747)	11,874,861
Leave provision	37,622,835	1,757,009	-	39,379,844
	49,511,443	1,757,009	(13,747)	51,254,705

Reconciliation of provisions - 2023

	Opening Balance	Additions	Change in discount factor	Total
Environmental rehabilitation	9,650,641	-	2,237,967	11,888,608
Leave provision	37,195,592	427,243	-	37,622,835
	46,846,233	427,243	2,237,967	49,511,443

Non-current liabilities	6,050,080	7,167,070
Current liabilities	45,204,625	42,344,373
	51,254,705	49,511,443

Environmental rehabilitation provision

Dihlabeng Local Municipality

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Bethlehem Dumping site:

The new dumping site in Bethlehem became operational on 1 December 2010 as the old dumping site was closed. On a monthly basis the site is filled with approximately 6,200 cubic meters of cover material, garden waste, industrial waste and building rubble. The landfill site was originally assessed by Metsi Metseng Geological & Environmental Services and based on the assessment, the provision for the rehabilitation and the closure of the landfill site was calculated over a period of 20 years. The landfill site was assessed by EnviroMatrix (Pty) Ltd and due to the decrease in the amount of waste (due to recycling) the lifespan was increased to 30 years (2023 : 25 years).

The following key assumptions were made that can impact considerably on the calculations of the provision if they change:

- provision was made for the disposal of 2 985 100 cubic meters waste what will fill an area of 115 600 square metres x 18 meters high over a lifespan of 30 years
- an average disposal tempo of 150 cubic meters/day over the remaining 16 years lifespan was used for the cost calculations
- an annual inflationary increase of 6.0% (2023 : 5.5%) was used of the projected costs

Mashaeng Dumping Site:

The site was developed in 1992 with a lifespan of approximately 30 years. On a monthly basis, the site is filled with approximately 210 cubic meters of cover material, garden waste, industrial waste and building rubble. The landfill site was assessed by EnviroMatrix (Pty) Ltd and based on the assessment, the provision for the rehabilitation and the closure of the landfill site will have an estimated lifespan of 2 years.

The following key assumptions were made that can impact considerably on the calculations of the provision if they change:

- provision was made for the disposal of 55 270 cubic meters waste what will fill the area within the remaining lifespan of 1 year
- an average disposal tempo of 7 cubic meters per day over the 1 year lifespan was used for the cost calculations
- an annual inflationary increase of 6.0% (2023 : 5.5%) was used of the projected costs
- This site needs to be closed in the near future and the municipality is in the process of establishing a new site and obtaining the necessary licences.

General for both sites:

Proper management of the site will increase the number of years of operation and will ensure that environmental compliance is adhered to. The timing of the cashflow is uncertain.

An assessment was done on 16 August 2024 by the firm EnviroMatrix (Pty) Ltd to estimate the total closure cost of the current dumping sites in accordance with its licence agreements.

21. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation	(97,496,000)	(93,918,000)
Non-current liabilities	(94,116,000)	(91,065,000)
Current liabilities	(3,380,000)	(2,853,000)
	(97,496,000)	(93,918,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(93,918,000)	(99,658,000)
Service cost	(4,068,000)	(4,660,000)
Interest cost	(11,576,000)	(11,128,000)
Remeasurements	9,334,193	18,646,383
Contributions by employer	2,731,807	2,881,617
	(97,496,000)	(93,918,000)

Dihlabeng Local Municipality

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Net expense recognised in the statement of financial performance are as follows:

Service cost	(4,068,000)	(4,660,000)
- Current service cost	(4,068,000)	(4,660,000)
Net interest on the net defined benefit liability (asset)	(11,576,000)	(11,128,000)
Remeasurements of the net defined benefit liability (asset)	9,334,193	18,646,383
- Actuarial gains and losses arising from:	9,334,193	18,646,383
- Changes in financial assumptions	2,603,193	16,666,383
- Subsidy inflation increases differ from assumed	(657,000)	260,000
- Change in membership profile	7,388,000	1,720,000
	(6,309,807)	2,858,383

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12.65 %	12.51 %
Health care cost inflation	8.07 %	8.12 %
Maximum subsidy inflation rates	5.68 %	5.72 %
Net-of-health-care-cost-inflation discount rate	4.24 %	4.06 %
Net-of-maximum-subsidy-inflation discount rate	6.60 %	6.43 %

The post retirement medical aid liability is valued on a generally accepted actuarial valuation method. The liability was calculated on a member-by-member basis, taking into account the liabilities arising in respect of principal members and their spouses as well as current employees that are eligible for this scheme. Ages are calculated as per age on 30 June 2024.

The projected unit credit method was used as prescribed by IAS 19 and GRAP 25. This method is based on the approximation that the post-retirement benefit is notionally built up over the employees' working life.

The actuarial valuation of the PRMA (post-retirement medical aid) liability involves the following:

- the projection of future post-retirement medical contribution subsidy cash flows, taking into account the probabilities of survival, withdrawal, ill-health retirement, early retirement and death in service
- the medical contribution subsidies arising in respect of adult dependents of employees
- increasing the projected subsidy cashflows in line with expected long-term contribution escalation
- discounting these cashflows in order to express the PRMA liability in current Rand terms

The basis on which the discount rate has been determined is as follow:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Defined contribution plans

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose. All councillors and employees belong to three defined benefit retirement funds.

The municipality is under no obligation to cover any unfunded benefits.

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
22. Long service leave award		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation	(20,156,000)	(18,210,000)
Non-current liabilities	(17,421,000)	(16,459,000)
Current liabilities	(2,735,000)	(1,751,000)
	(20,156,000)	(18,210,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(18,210,000)	(17,382,000)
Service cost	(1,610,000)	(1,685,000)
Interest cost	(1,911,000)	(1,689,000)
Remeasurements	(176,000)	736,000
Expected benefits vesting	1,751,000	1,810,000
	(20,156,000)	(18,210,000)

Net expense recognised in the statement of financial performance are as follows:

Service cost	(1,610,000)	(1,685,000)
- Current service cost	(1,610,000)	(1,685,000)
Net interest on the net defined benefit liability (asset)	(1,911,000)	(1,689,000)
Remeasurements of the net defined benefit liability (asset)	(176,000)	736,000
- Actuarial gains and losses arising from:	(176,000)	736,000
- Changes in financial assumptions	115,000	1,289,000
- Earnings vs expected	140,000	59,000
- Change in employee profile	(431,000)	(612,000)
	(3,697,000)	(2,638,000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.89 %	11.01 %
CPI inflation rate	5.19 %	5.44 %
General earnings inflation rate	6.19 %	6.44 %
Net discount rate	4.42 %	4.29 %

The Municipality offers employees Long Service Award (LSA) for every five years of service completed, from five years of service to 45 years of service, inclusive. In the month that each "Completed Service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/250th of annual earnings per day. The Municipality does not pay any pro-rata LSA.

The projected unit credit method was used as prescribed by IAS 19 and GRAP 25. This method is based on the expected value of each employee's LSA and is projected to the next interval by allowing for future salary growth.

The actuarial valuation of the Long Service leave liability involves the following:

- long service benefits are awarded in the form of leave days and a percentage of salary
- the calculated award values are then discounted at the assumed discount interest rate to the date of the calculations
- mortality, retirements and withdrawals from service are also taken into account
- the liability is determined on the basis that each employee's long service benefits accrues uniformly over the working life of an employee up to the end of the interval at which the benefits becomes payable
- the current policy for awarding long service awards remains unchanged in the future

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Dihlabeng Local Municipality

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23. Long term trade and other payables

Eskom Debt Relief - Non-current portion	441,237,346	-
	441,237,346	-
Eskom Debt Relief - Current portion	255,090,013	-
	255,090,013	-

The municipality has applied for debt relief from National Treasury in terms of Circular 124 of the MFMA with regards to the outstanding Eskom account. The debt relief was approved on the 19th of December 2023, effective from 1 December 2023. According to the agreement, the municipality must pay the current Eskom account for the next three financial years, then Eskom will write-off the debt (R843,710,217) over the next three municipal financial years. Eskom will also not charge any interest on the amount outstanding as at 31 March 2023. The municipality must keep the current account up to date from December 2023 and then Eskom will write-off one third each year over a 3 year period

Management used a discount rate of 10.25% to account for the fair value of this long term debt.

24. Revenue

Dividends received	13,435	12,728
Fines, penalties and forfeits	879,649	895,026
Government grants & subsidies	329,013,428	346,367,429
Interest received on consumer accounts	118,865,177	92,418,791
Interest received on investment	1,397,182	374,386
Donations received	-	120,000
Licences and permits	243,704	126,736
Other income	6,354,374	5,161,476
Debt relief received	101,523,557	-
Fair value adjustments on long term trade payables	147,382,858	-
Property rates	154,135,349	142,481,360
Rendering of services	2,384,419	1,435,923
Rental of facilities and equipment	6,278,150	5,740,812
Service charges	447,123,079	398,383,823
	1,315,594,361	993,518,490

The amount included in revenue arising from exchanges of goods or services are as follows:

Dividends received	13,435	12,728
Interest received on consumer accounts	99,749,089	77,287,918
Interest received on investment	1,397,182	374,386
Licences and permits	243,704	126,736
Other income	6,354,374	5,161,476
Rendering of services	2,384,419	1,435,923
Rental of facilities and equipment	6,278,150	5,740,812
Service charges	447,123,079	398,383,823
	563,543,432	488,523,802

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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Figures in Rand

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2023

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Interest received on consumer accounts

19,116,088 15,130,873

Property rates

154,135,349 142,481,360

Transfer revenue

Donations received

- 120,000

Fines, penalties and forfeits

879,649 895,026

Government grants & subsidies

329,013,428 346,367,429

Debt relief received

101,523,557 -

Fair value adjustments on long term trade payable

147,382,858 -

752,050,929 504,994,688
25. Service charges

Sale of electricity

252,581,339 218,077,547

Sale of water

74,316,199 68,400,430

Sewerage and sanitation charges

59,513,285 55,717,204

Refuse removal

60,712,256 56,188,642

447,123,079 398,383,823
26. Rental of facilities and equipment**Premises**

Premises

6,278,150 5,740,812

27. Interest received on consumer accounts**Revenue from non exchange transactions**

Property rates

19,166,088 15,130,873

Revenue from exchange transactions

Electricity

3,009,547 2,342,286

Water

36,500,530 28,767,102

Sewerage and sanitation

24,200,345 18,623,632

Refuse

31,790,093 24,312,392

Rentals, advertising and sundry charges

4,198,574 3,242,506

118,865,177 92,418,791
28. Other income

Building plan fees

482,752 457,941

Clearance certificates

537,543 540,421

Encroachment charges

1,704,561 1,588,914

Escorting of abnormal freights

592,887 119,467

Insurance claims received

1,348,621 425,809

Skills development levies received

1,578,159 1,984,599

Sundry income

13,998 (42,051)

Tender documents, photocopies and faxes

95,853 86,376

6,354,374 5,161,476

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
29. Investment revenue		
Dividend revenue		
Investments	13,435	12,728
Interest revenue		
Bank	1,328,379	312,719
Investments	68,803	61,667
	1,397,182	374,386
	1,410,617	387,114
30. Property rates		
Rates received		
Residential	60,082,638	55,886,506
Commercial	74,218,370	79,424,100
State	12,077,158	-
Small holdings and farms	7,757,183	7,170,754
	154,135,349	142,481,360
Valuations		
	R	R
	'000	'000
Residential	7,179,140	7,163,769
Commercial	2,493,314	2,836,312
State	346,810	12,128
Municipal	708,453	708,582
Small holdings and farms	4,880,374	4,877,212
	15,608,091	15,598,003

Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R0.01041899 (2023: R0.0098015) is applied to residential and small holding property valuations to determine assessment rates. Rebates of R40,000 (2023 : R40,000) are granted to residential property owners and a further 25% (2023 : 25%) rebate to pensioners.

A general rate of R0.03125709 (2023 : R0.0294046) is applied to business, industrial commercial and public service infrastructure property valuations to determine assessment rates. A rebate of 100% (2023 : 100%) are granted to public service infrastructure only.

A general rate of R0.01041899 (2023 : R0.0098015) is applied to farm property valuations to determine assessment rates. Rebate of 75% (2023 : 85%) are granted to farmers and small holdings. The rebate granted to farmers are done in accordance with Section 21 of the Municipal Property Rates Act (Act nr 6 of 2004).

Rates to farmers and national government are levied on an annual basis with the final date of payment being 7 August 2024. Rates for all other consumers are levied on a monthly basis with the final day of payment before the 7th of each month. Interest at prime plus 1% per annum (2023 : prime plus 1%) is levied on rates outstanding after the due date.

The new general valuation were to be implemented on 01 July 2022, but an extension of 2 years were requested from council and approved on 26 August 2021 (Item 48/2021). Approval were also obtained from the provincial MEC for local Government dated 25 May 2022.

The new general valuation will be implemented on 01 July 2024.

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Dihlabeng Local Municipality

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31. Debt Relief received**Interest written off**

Eskom	98,030,479	-
Water Affairs	3,493,078	-
	101,523,557	-

The municipality has applied for debt relief from National Treasury in terms of Circular 124 of the MFMA with regards to the outstanding Eskom account. The debt relief was approved on the 19th of December 2023, effective from 1 December 2023. According to the agreement, interest will also be written-off on condition of compliance with the requirements as per the agreement.

32. Fair value adjustments on long term trade payable

Fair value adjustment on Eskom debt relief	147,382,858	-
	147,382,858	-

The municipality has applied for debt relief from National Treasury in terms of Circular 124 of the MFMA with regards to the outstanding Eskom account. The debt relief was approved on the 19th of December 2023, effective from 1 December 2023. According to the agreement, Eskom will write off the debt as at 31 March 2023 on condition that the municipality keep their current account up to date from December 2023.

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
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33. Government grants & subsidies**Operating grants**

Equitable share	230,471,000	210,193,000
Expanded Public Works Program grant (EPWP)	4,064,000	5,591,000
Finance Management grant	2,750,000	2,750,000
Library grant	4,000,000	4,000,000
	241,285,000	222,534,000

Capital grants

Municipal Infrastructure grant (MIG)	31,726,454	21,737,160
Department of Water Affairs grant (RBIG)	32,979,974	78,477,373
Water Service Infrastructure grant (WSIG)	18,022,000	23,618,896
Human Settlements grant	5,000,000	-
	87,728,428	123,833,429
	329,013,428	346,367,429

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy for all basic services, 6Kl of water and where applicable, 50 Kw of electricity, which is funded from the grant.

Expanded Public Works Program grant

Current-year receipts	4,064,000	5,591,000
Conditions met - transferred to revenue	(4,064,000)	(5,591,000)
	-	-

The expanded public works program grant was fully utilised during the financial year.

Financial Management grant

Current-year receipts	2,750,000	2,750,000
Conditions met - transferred to revenue	(2,750,000)	(2,750,000)
	-	-

The municipal management grant was fully utilised during the financial year.

Library grant

Current-year receipts	4,000,000	4,000,000
Conditions met - transferred to revenue	(4,000,000)	(4,000,000)
	-	-

The library grant was fully utilised during the financial year.

Grants in kind - Free State COGTA

Salary of acting Municipal Manager	104,265	729,858
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An acting Municipal manager is seconded by Free State of COGTA.

- Mr Masekoane from 1 December 2022 to 28 February 2023.
- Mr Goliath from 1 March 2023 to 31 July 2023.

Dihlabeng Local Municipality

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Municipal Infrastructure grant (MIG)

Balance unspent at beginning of year	19,513,425	21,922,585
Current year receipts	39,332,000	39,328,000
Conditions met - transferred to revenue	(31,726,454)	(21,737,160)
Unspent withheld from Equitable share	(19,513,425)	(20,000,000)
	7,605,546	19,513,425

Conditions still to be met - remain liabilities (see note 17).

Grant was not fully utilised for the rehabilitation of roads and the upgrading of cemetery and waste and raw water facilities.

An amount of R20,434,009 were withheld from the equitable share that exceeded the unspent MIG grant at the previous financial year or R19,513,425. This difference of R920,584 were deducted from the current year unspent grant.

Department of Water Affairs grant (RBIG)

Current year receipts	32,979,974	78,477,373
Conditions met - transferred to revenue	(32,979,974)	(78,477,373)
	-	-

This grant was utilised during the year for the upgrading of the Water infrastructure network at Saulspoort.

Municipal Disaster Response grant (MDRG)

Current-year receipts	16,853,000	-
	16,853,000	-

Conditions still to be met - remain liabilities (see note 17).

The grant was for the infrastructure damage caused by storms in January 2024 in various areas within the municipality. A total of 6 projects were identified for this grant.

Water Services Infrastructure grant (WSIG)

Balance unspent at beginning of year	3,995,991	2,614,887
Current year receipts	18,022,000	25,000,000
Conditions met - transferred to revenue	(18,022,000)	(23,618,896)
Unspent withheld from Equitable share	(3,995,991)	-
	-	3,995,991

Conditions still to be met - remain liabilities (see note 17).

This grant was not fully utilised during the year for the upgrading of Water infrastructure network in Clarens.

National Development Electrification grant

Balance unspent at beginning of year	5,570,000	5,570,000
Current-year receipts	1,250,000	-
Unspent withheld from Equitable share	(5,570,000)	-
	1,250,000	5,570,000

Conditions still to be met - remain liabilities (see note 17).

This grant is for the electrification of Bakenpark Extension for 1,600 house holds (pre engineering).

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
Human Settlement Grant (COGTA)		
Current-year receipts	5,000,000	-
Conditions met - transferred to revenue	(5,000,000)	-
	-	-

This grant were used to establish new townships in Clarens and Fouriesburg.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 5 of 2024), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

34. Employee related costs

Basic	210,033,758	207,422,178
Bonus	14,706,552	14,294,170
Medical aid - company contributions	26,299,239	24,676,075
UIF	1,776,932	1,831,347
WCA	2,633,074	2,251,264
SDL	3,097,803	3,042,876
Other payroll levies	112,969	108,346
Leave paid out and provision charge	3,069,985	1,658,512
Medical aid contributions for pensioners	4,068,000	4,443,989
Overtime payments	16,978,652	17,140,933
Long-service awards	729,327	728,599
Standby allowances	10,103,684	10,092,473
Acting allowances	7,298,857	7,738,803
Car allowance	8,354,555	8,541,811
Housing benefits and allowances	2,083,142	2,015,349
Arbitration awards and other incidental cost	563,699	287,471
Group life insurance	429,359	404,429
Pension fund contributions	31,271,110	30,404,871
Other allowances	825,324	773,151
Telephone allowances	347,600	373,600
	344,783,621	338,230,247

Remuneration of municipal manager

Annual Remuneration	1,151,603	435,221
Car Allowance	369,771	128,233
Non-pensionable allowance	18,645	-
Contributions to UIF	2,125	1,240
Cellphone Allowance	16,500	6,000
Leave paid out	-	135,414
Acting allowance KJ Masekoane	-	66,504
Acting allowance HA Goliath	123,073	-
	1,681,717	772,612

Mr BP Molatseli as from 1 July 2022 to 31 October 2022.

Mr MK Ntheli as from 1 August 2023

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Remuneration of chief finance officer

Annual Remuneration	684,143	-
Car Allowance	220,082	-
Non-pensionable allowance	13,560	-
Contributions to UIF	1,417	-
Cellphone Allowance	8,000	-
	927,202	-

This position was vacant from December 2020 till 31 October 2023.

Mr RP Provis as from 1 November 2023.

Remuneration of director public works

Annual Remuneration	-	279,334
Car Allowance	-	78,618
Contributions to UIF	-	886
Cellphone Allowance	-	3,000
Leave paid out	-	291,839
	-	653,677

Mr NE Shabalala from 1 July 2022 to 30 September 2022. The position is vacant since then.

Remuneration of director corporate services

Annual Remuneration	-	519,067
Car Allowance	-	157,630
Contributions to UIF	-	1,240
Cellphone Allowance	-	6,000
Leave paid out	-	423,138
	-	1,107,075

Me MS Mabula from 1 July 2022 to 31 December 2022 and the position is vacant since then.

Remuneration of director community services

Annual Remuneration	396,337	279,334
Car Allowance	127,806	78,618
Non-pensionable allowance	10,170	-
Contributions to UIF	1,063	886
Cellphone Allowance	6,000	3,000
Leave paid out	-	372,344
	541,376	734,182

Mrs MAB Mosina from 1 July 2022 to 30 September 2022.

Mrs TS Vanqa from 1 January 2024.

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Remuneration of director local economic development		
Annual Remuneration	556,178	39,208
Car Allowance	165,287	-
Non-pensionable allowance	10,170	-
Contributions to UIF	1,063	354
Cellphone Allowance	6,000	-
Leave paid out	-	316,996
	738,698	356,558

Mr NP Mondi was terminated on 30 June 2022.

Mr TP Mokomatsili from 18 December 2023.

35. Remuneration of councillors

2024	Allowance	Travel allowance	Cellphone allowance	Backpay	Total
Executive Mayor	926,936	63,710	45,600	-	1,036,246
Speaker	792,506	-	45,600	-	838,106
Chief Whip	742,668	-	45,600	-	788,268
Chairperson Public Accounts committee	695,712	-	45,600	500,408	1,241,720
Chairperson Policy committee	402,324	-	45,600	-	447,924
Mayoral executive committee	4,680,537	518,139	319,200	-	5,517,876
Councillors	10,583,903	416,524	1,275,809	-	12,276,236
	18,824,586	998,373	1,823,009	500,408	22,146,376

2023	Allowance	Travel allowance	Cellphone allowance	Total
Executive Mayor	920,656	-	40,800	961,456
Speaker	736,530	-	40,800	777,330
Chief Whip	690,808	-	40,800	731,608
Chairperson Public Accounts committee	373,908	-	40,800	414,708
Chairperson Policy committee	373,908	-	40,800	414,708
Mayoral executive committee	5,098,033	140,594	309,400	5,548,027
Councillors	9,796,837	369,869	1,102,448	11,269,154
	17,990,680	510,463	1,615,848	20,116,991

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

36. Depreciation, impairment and amortisation

Property, plant and equipment	74,172,197	72,658,597
Intangible assets	687,112	624,966
	74,859,309	73,283,563

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Figures in Rand	2024	2023
37. Finance costs		
Employee benefit obligation	11,576,000	11,128,000
Long service awards	1,911,000	1,689,000
Loans and finance leases	1,110,334	1,725,423
Bank	13,308	25,477
Penalties and interest on late payment of VAT and PAYE	10	1,272,911
Creditors and other interest paid	90,152,532	76,750,963
	104,763,184	92,591,774
38. Debt impairment		
Contributions to debt impairment on consumer debtors from exchange transactions	214,303,930	165,751,775
Contributions to debt impairment on consumer debtors from non-exchange transactions	43,869,306	30,050,959
Contributions to debt impairment on statutory receivables	679,467	533,841
Bad debts written off	2,453,987	18,403,817
	261,306,690	214,740,392
On 20 August 2024 the council resolved (Item 34/2024) that the debt of 4,592 registered indigent account to the amount of R130,761,259 will be written off in September 2024.		
39. Bulk purchases		
Electricity - Eskom	250,094,496	208,095,515
Water	16,639,072	370,768
	266,733,568	208,466,283
Electricity losses		
	Units 2024	Units 2023
Units purchased	136,876,028	128,263,641
Units sold	(105,023,417)	(102,429,744)
Total loss	31,852,611	25,833,897
Rand value of loss		
Technical losses	58,199,838	41,913,033
Percentage loss		
Technical losses	23.27 %	20.14 %

The annual electricity distribution losses are made up of technical and non-technical losses which are the difference between electricity purchased and electricity sold to the end user at differentiated tariffs levels. The municipality purchases 100% of its electricity from Eskom at transmission and distribution levels.

Technical losses are as a result of electricity lost while being distributed from the source of generation through transmission and distribution network to the final consumer. The wires (copper or aluminum) being used to distribute electricity has certain resistance which resist the throughput of current, as a results there is certain portion of electricity that is lost due to distribution, and it is termed technical losses.

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
Water losses		
	Units 2024	Units 2023
Units purified	12,912,626	12,623,248
Units sold	(9,806,794)	(6,365,385)
Total	3,105,832	6,257,863
 Rand value of losses		
Technical losses	18,231,235	34,793,719
 Percentage Loss:		
Technical losses	24.05 %	49.57 %

Apparent losses are made up from the unauthorised consumption (theft or illegal use) plus all technical and administrative inaccuracies associated with customer metering/billing. This is thus water which "disappears" through inaccurate metering, inaccurate meter accounting processes, meter and billing data integrity, illegal connections, etc. The water is not physically lost from the system but it is never measured or accounted for, and most importantly, never paid for.

Real losses represent the physical leakage from the pressurised system, up to the point of measurement of customer use. This is water which physically disappears from the distribution system through water leaks or pipe bursts, water theft etc. It is thus water which does not reach the customer and is not paid for by customers.

40. Contracted services**Outsourced Services**

Burial services	165,167	512,926
Catering services	412,763	221,905
Commissions and committees	-	94,899
Meter management	4,043,310	4,869,555
Occupational health and safety	448,254	95,376
Landfill site management	2,978,027	6,549,818
Security services	40,383,525	39,010,931

Consultants and Professional Services

Business and advisory	11,457,572	16,823,156
Infrastructure and planning	432,776	2,315,818
Legal cost	4,843,654	7,549,464

Contractors

Audio-visual services	57,116	-
Bore waterhole drilling	367,887	-
Chemicals	6,305,275	5,786,792
Catering services	138,139	184,269
Electrical	4,136,801	6,346,787
Employee wellness	56,230	29,500
Prepaid electricity vendors	4,302,522	3,864,816
Sports and recreation	750	110,424
Stage and sound crew	100,184	58,060
	80,629,952	94,424,496

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Figures in Rand	2024	2023
41. General expenses		
Advertising	480,357	1,065,081
Auditors remuneration	8,122,795	7,935,713
Bank charges	1,631,341	1,521,804
Bursaries	1,550,291	1,252,660
Consumables	23,493,483	19,142,693
Donations	449,042	56,080
Electricity	13,229,350	13,069,327
Entertainment	32,604	17,073
Fuel and oil	3,849,159	9,344,779
IT expenses	126,967	-
Insurance	3,973,088	3,354,433
License fees	669,057	729,563
Postage and courier	733,176	935,388
Printing and stationery	1,330,935	1,213,588
Promotions and sponsorships	164,818	372,916
Property lease payments	1,274,512	885,005
Rental of equipment	9,625,439	15,469,614
Subscriptions and membership fees	4,046,790	3,922,289
Telephone and fax	5,497,925	5,292,602
Transport cost	197,036	44,170
Travel - local	1,142,474	856,391
Uniforms and protective clothing	1,244,110	1,281,247
	82,864,749	87,762,416
42. Gains or losses on biological assets		
Gains or losses arising from a change in fair value less point of sale costs	3,137,416	435,310
43. Revaluation and fair value adjustments		
Investment property (Fair value model)	-	(25,362,151)
Other financial assets		
• Other financial assets (Designated as at FV through P&L)	143,920	65,927
	143,920	(25,296,224)
44. Auditors' remuneration		
Fees	8,122,795	7,935,713
45. Operating lease income		
Projected income from operating lease agreements		
Within one year	41,229	124,639
In second to fifth years (inclusive)	-	41,229
	41,229	165,868

Rental contracts for the different flats (100), vacant land (7) and houses (160) are signed for a period of 12 months, thereafter the contract is done on a month to month basis. All the houses and flat contracts have a one month notice period. New tenants are normally found within that period. The projected income are thus only included in the period within one year. Contracts for business premises (7) rental are signed for a period of 3 years to 9 years and 11 months. Escalation on these contracts are done on an annual basis linked to the inflation rate.

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Dihlabeng Local Municipality

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Figures in Rand	2024	2023
46. Cash generated from operations		
Surplus (deficit)	81,927,494	(163,782,669)
Adjustments for:		
Depreciation and amortisation	74,859,309	73,283,563
Gain / (loss) on sale of assets and liabilities	(3,198,265)	2,253,803
Gain / (loss) on sale of biological assets	(3,137,416)	(435,310)
Gain / (loss) on actuarial valuation	(9,158,193)	(19,382,383)
Debt relief received	(101,523,557)	-
Fair value adjustments	(147,526,778)	25,296,224
Finance costs - Finance leases and loans	1,110,334	16,780,390
Debt impairment	261,306,690	214,740,393
Movements in Employee benefit obligation	3,578,000	(5,740,000)
Movements in Long service awards	1,946,000	828,000
Changes in working capital:		
Inventories	215,010	140,593
Receivables from exchange transactions	(29,442,642)	(931,852)
Consumer debtors	(291,190,905)	(216,412,566)
Other receivables from non-exchange transactions	57,596	3,155,921
Statutory receivables	-	(26,916,969)
Payables from exchange transactions	285,627,220	236,731,260
Unspent conditional grants and receipts	(3,370,870)	(1,028,056)
Consumer deposits	721,761	1,445,938
Provision	1,743,626	2,665,210
	124,544,414	142,691,490

47. Financial instruments disclosure**Categories of financial instruments****2024****Financial assets**

	At fair value	At amortised cost	At cost	Total
Other financial assets	2,177,897	-	-	2,177,897
Trade and other receivables from exchange transactions	-	156,020,956	-	156,020,956
Other receivables from non-exchange transactions	-	4,503,568	100,000	4,603,568
Consumer debtors from exchange and non-exchange transactions	-	90,319,265	-	90,319,265
Cash and cash equivalents	-	55,829,898	-	55,829,898
Statutory receivables	-	2,382	-	2,382
	2,177,897	306,676,069	100,000	308,953,966

Financial liabilities

	At fair value	At amortised cost	Total
Other financial liabilities	-	7,432,485	7,432,485
Trade and other payables from exchange transactions	-	535,574,754	535,574,754
Long term trade and other payables from exchange transactions	696,327,359	-	696,327,359
Consumer deposits	-	14,381,701	14,381,701
Unspent conditional grant	-	25,708,546	25,708,546
	696,327,359	583,097,486	1,279,424,845

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

2023

Financial assets

	At fair value	At amortised cost	At cost	Total
Other financial assets	2,033,977	-	-	2,033,977
Trade and other receivables from exchange transactions	-	126,578,314	-	126,578,314
Other receivables from non-exchange transactions	-	4,936,080	170,000	5,106,080
Consumer debtors from exchange and non-exchange transactions	-	77,578,371	-	77,578,371
Cash and cash equivalents	-	16,209,863	-	16,209,863
Statutory receivables	-	14,399	-	14,399
	2,033,977	225,317,027	170,000	227,521,004

Financial liabilities

	At amortised cost	Total
Other financial liabilities	13,781,532	13,781,532
Trade and other payables from exchange transactions	1,213,680,724	1,213,680,724
Consumer deposits	13,659,940	13,659,940
Unspent conditional grants	29,079,416	29,079,416
	1,270,201,612	1,270,201,612

48. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment - Infrastructure: Community assets	745,350	2,569,677
• Property, plant and equipment - Infrastructure: Water	774,502,563	22,783,587
• Property, plant and equipment - Infrastructure: Roads	-	8,845,023
• Property, plant and equipment - Plant and equipment	-	7,185,066
	775,247,913	41,383,353

Total capital commitments

Already contracted for but not provided for	775,247,913	41,383,353
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Total commitments

Total commitments

Authorised capital expenditure	775,247,913	41,383,353
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Dihlabeng Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
49. Contingencies		
The following civil cases are currently being finalized:		
Telkom Limited SA: Telkom claim that a sewerage spillage damaged their equipment. File closed: Plaintiff has abandoned the proceedings.	-	404,729
Udumo Trading 147 CC: Udumo claim that they completed a reservoir in Clarens and was not fully paid. File closed: Plaintiff has abandoned the proceedings.	-	1,972,373
MVD Xariep Raadgewende Ingenieurs CC: Regarding an outstanding payment for professional services rendered to the municipality. File closed: Plaintiff has abandoned the proceedings.	-	122,980
Hexing Electrical SA (Pty) Ltd: Regarding a claim against the municipality for cancellation of a contract to install electrical meters around Dihlabeng. File closed: Plaintiff has abandoned the proceedings.	-	99,508,065
IMATU obo TJ Mofokeng, JFM du Toit, JL Prinsloo & DM Jacobs This case is regarding the employer that placed the employees in higher positions during the placement process which took place during 2005 without paying them the remuneration of the higher posts. This case was settled during the current year.	-	2,717,665
Osho Agri Investments (Pty) Ltd: This case is regarding a claim for damage suffered as a result of loss of apple orchards/trees, hail nets, water and irrigation equipment, electrical infrastructure, fencing and buildings as a result of the spread of the fire from the firebreak prepared by Dihlabeng Fire brigade on 15 June 2020.	2,675,500,000	205,825,974
Telkom Limited SA: This case is regarding a claim for damage to Telkom infrastructure at Eeufees street, Bethlehem on 5 March 2019. This case was settled during the year.	-	63,430
MD & AMJ Coetzer: Regarding a motor vehicle accident where a Municipal Fire Department truck was involved.	39,410	39,410
Morne Barnard: Regarding a motorbike that was damaged as a result of a large hole in the road and he is also claiming damages of pain and suffering.	332,711	308,524
Leonard Slabbert: Regarding a motorbike that was damaged as a result of a large hole in the road and he is also claiming damages for personal injuries, suffering and disfigurement.	779,005	733,938
HT Pelatona Projects (Pty) Ltd: This case is regarding the stopping of a tender awarded to the company for the upgrading of Clarens Water Works. File closed: Plaintiff has abandoned the proceedings.	-	4,165,992
Boss Directories (Pty) Ltd: This case is regarding an outstanding payment for adversarial services rendered in terms of a concluded written agreement.	695,288	682,873

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AL Bartlet: This case is regarding a claim for the repair costs for his vehicle after an accident with a municipal vehicle in Bloemfontein.	235,847	220,022
AC de Sousa: This case is regarding claim for damages suffered as a result of an accident that occurred between a municipal vehicle and the plaintiff's vehicle.	108,170	108,170
Transnet SOC Limited: This case is regarding an overcharge/billing for electricity supplied. The calculated credit must be paid back in installments.	21,818,732	21,818,732
H Malan: This case is regarding a claim for damage to his motor vehicle after colliding with a large pothole. This case was settled during the year.	-	24,361
N Jonker: This case is regarding the claim for a vehicle damaged beyond economical repair as a result of the vehicle collision that occurred due to the defendant failing and/or neglected to repair and/or neglected to replace a stop sign. This case was settled during the year.	-	39,437
L Piek: This case is regarding the claim for damages to a motor bike due to an accident after colliding with a large pothole on 7 March 2021.	47,131	-
Kaykaysim Projects (Pty) Ltd: This case is regarding the claim for outstanding money for services rendered on the construction of 2km road in Nkitsing.	1,314,765	-
CDH Joineries CC t/a CDH Pumps, Thoboza Investment and Projects Joint Venture: This case is regarding the claim for outstanding money for services for repair and maintenance, refurbishments and upgrading of water and sanitation infrastructure for a period of 3 years.	486,444	-
Telkom Limited SA: This case is regarding a claim for damage to Telkom infrastructure at Lamond street, Bethlehem on 23 November 2017.	234,813	217,100
	2,701,592,316	338,973,775

Litigation is in the process against the municipality in the above cases. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. The amount and possible outflow of payments in this regard is uncertain at this stage.

Dihlabeng Local Municipality

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50. Related parties

Relationships
Free State Department of COGTA
Councillors
Members of key management

Remuneration of Acting Municipal Manager
All municipal councillors
All Section 57 managers and acting senior managers
in these positions

Related party balances

Amounts included in Consumer debtors regarding related parties		
Councillors in arrears (refer to Note 60)	89,529	47,843
Provision for doubtful debts related to outstanding balances with related parties		
Councillors	65,651	56,595
Donation in kind		
Remuneration of Acting Municipal Manager	104,265	729,858
An acting Municipal manager was seconded by Free State of COGTA.		
- Mr Masekoane from 1 December 2022 to 28 February 2023.		
- Mr Goliath from 1 March 2023 to 31 July 2023.		
Remuneration paid to related parties		
Section 57 Managers (refer to Note 34)	3,759,139	3,557,600
Councillors (refer to Note 35)	22,146,376	20,116,991
Mr V Mokhele (Acting allowance for CFO)	-	76,734
Mr M Tsatsa (Acting allowance for CFO)	62,445	39,440
Mr K Masekoane (Acting allowance for MM)	-	66,504
Mr HA Goliath (Acting allowance for MM)	123,073	-
	26,091,033	23,857,269

51. Prior period errors

A work in progress asset for water to the amount of R9,529,787 was previously impaired, but this impairment was now written back as the project received additional funding and continued in Clarens.

Investment property to the amount of R106,949,330 were written off as the municipality lost control of these properties as structures are now build on these properties.

A creditor to the amount of R8,148,592 were reversed as it is not a valid creditor for 2023 and Property, plant and equipment (R7,085,732) and related VAT accrual (R1,062,960) was also reduced

The outstanding amount owed to SARS were corrected to agree to their statement of account.

An amount of R3,214,915 was added to the fruitless and wasteful expenditure in 2023 due to additional costs as a result of dispute with a supplier.

The disclosure note on Commitments were corrected (reduced by R37,750,031) to agree with contracts signed with suppliers and actual expenditure to date.

The correction of the error(s) results in adjustments as follows:

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	2023	2022
Statement of Financial Position		
Property, plant and equipment	2,444,055	9,529,787
Receivable from exchange transactions	(1,062,860)	-
Investment property	(106,949,330)	(106,949,330)
Opening Accumulated Surplus or Deficit	95,406,004	95,406,004
Payables from exchange transactions	10,162,131	2,013,538
Disclosure items		
Disclosure notes to the Financial Statements		
Fruitless and wasteful expenditure (Note 57)	3,214,915	-
Capital commitments (Note 48)	(37,750,031)	-
Irregular expenditure (Note 58)	42,222,665	-
	7,687,549	-

52. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position**2023**

	As previously reported	Correction of error	Re-classification	Restated
Long service awards (current liability)	22 -	-	1,751,000	1,751,000
Long service awards (non-current liability)	22 18,210,000	-	(1,751,000)	16,459,000
Payables from exchange transactions	18 (1,216,262,630)	10,162,130	(7,580,223)	(1,213,680,723)
Property, plant and equipment	11 1,803,987,026	2,444,055	-	1,806,431,081
Investment property	10 547,450,541	(106,949,330)	-	440,501,211
Provision (non-current liability)	20 16,610,146	-	(9,443,076)	7,167,070
Provision (current liability)	20 32,901,297	-	9,443,076	42,344,373
Accumulated surplus	(1,296,368,652)	95,406,005	-	(1,200,962,647)
Statutory receivables	14 104,454,126	-	(104,439,727)	14,399
Receivables from exchange transactions	5 15,621,224	(1,062,860)	112,019,950	126,578,314
	26,603,078	-	-	26,603,078

Reclassifications

According to the latest guidance received from National Treasury, the municipality must only classify the actual amount receivable from SARS on VAT as a statutory receivable and the suspense VAT accounts on debtors should be part of payables for exchange transactions and the suspense VAT account on the creditors should be part of receivables from exchange transactions. The municipality owes SARS VAT at year-end and it was included as part of payables from exchange transactions.

The balance for the Long service awards are split between current and non-current liabilities as per the expert report and the split between non-current and current provisions were also corrected.

Dhlabeng Local Municipality

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53. Risk management**Financial risk management**

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	7,432,485	-	-	-
Trade and other payables	535,574,754	-	-	-
Long term trade and other payables	255,090,013	231,374,161	209,863,185	-
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	6,755,184	7,026,348	-	-
Trade and other payables	1,213,680,724	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Market risk**Interest rate risk**

The municipality's interest rate risk arises from consumer debtors. Consumer debtors are levied at variable rates expose the municipality to cash flow interest rate risk. The interest rate is linked to the prime interest rate and the risk is considered to be material at this stage. Long term borrowings are done at a fixed rates and interest rate risk will not impact the financial position of the municipality.

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
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Price risk

The municipality is exposed to equity securities price risk because of investments held by the municipality and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the municipality diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the municipality.

The municipality's investments in equity of other entities that are publicly traded on the JSE, but does not have a material effect on the municipality's income.

Post-tax surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

54. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had a loss of R65,448,584 (2023 : R4,444,355 profit) and that the municipality's current liabilities exceed its current assets by R470,944,144 (2023 : R137,688,416). In addition, the municipality owed Eskom R1,101,383,148 (2023 : R937,912,491) (*subject to debt relief - refer to next paragraph*), Free State Fleet Management Trading Entity R62,684,617 (2023 : R62,684,617), the Department of Water Affairs R83,131,607 (2023 : R62,293,443) and the Department of Labour R31,373,804 (2023 : R27,124,489) at 30 June 2024 which is long overdue.

The municipality has applied for debt relief from National Treasury with regards to the outstanding Eskom account of R843,710,217. The debt relief was approved on the 19th of December 2023. According to the agreement, the municipality must pay the current Eskom account for the next three financial years, then Eskom will write-off the debt over the next three municipal financial years. One of the requirements for the approval of the debt relief is that the municipality must prepare a funding plan. The funding plan is intended to address the fact that if the municipality's 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) does not comply with the MFMA Circular No. 124 (A funded MTREF). A funding plan has been developed and the municipality is in the process of implementing the plan. The funding plan highlights various areas of improving revenue, increasing debt collection and decreasing expenditure.

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.

55. Events after the reporting date

There is no events after the reporting date.

56. Unauthorised expenditure

Opening balance as previously reported	1,286,064,938	919,327,492
Add: Unauthorised expenditure - current	287,201,431	366,737,446
Closing balance	1,573,266,369	1,286,064,938

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	187,545,690	201,611,973
Cash	99,655,741	165,125,473
	287,201,431	366,737,446

Analysed as follows: non-cash

Loss on disposal of property, plant and equipment	-	27,550,027
Provision of impairment	187,522,703	161,192,383
Irrecoverable debt written off	22,987	-
Unspent conditional grant not cash backed	-	12,869,553
	187,545,690	201,611,963

Dihlabeng Local Municipality

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Figures in Rand	2024	2023
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Analysed as follows: cash

Bulk purchases	-	77,416,283
General expenditure	7,260,557	16,959,416
Finance cost	92,395,184	70,749,774
	99,655,741	165,125,473

Disciplinary steps taken/criminal proceedings

No disciplinary steps were taken during the year under review.

Recoverability of unauthorised expenditure

No amounts will be recovered.

57. Fruitless and wasteful expenditure

Opening balance as previously reported	259,238,874	180,212,574
Add: Fruitless and wasteful expenditure identified - current	90,179,598	79,026,300
Less: Amount written off by Eskom	(98,030,479)	-
Less: Amount written off by Department of Water Affairs	(3,493,078)	-
Closing balance	247,894,915	259,238,874

Expenditure identified in the current year included those listed below:

Interest paid	90,179,598	75,811,385
Capital expenditure	-	3,214,915
	90,179,598	79,026,300

Amount written-off

The municipality has applied for debt relief from National Treasury in terms of Circular 124 of the MFMA with regards to the outstanding interest on the 19th of December 2023, effective from 1 December 2023. According to the agreement, interest will also be written-off on condition of agreement.

Recoverability steps taken/criminal proceedings

No amounts will be recovered.

Disciplinary steps taken/criminal proceedings

No disciplinary steps were taken during the year under review.

58. Irregular expenditure

Opening balance as previously reported	834,061,914	619,800,888
Add: Irregular expenditure - current	165,396,591	211,183,750
Add: Irregular expenditure - prior year identified in current year	-	3,077,276
Closing balance	999,458,505	834,061,914

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Incidents/cases identified/reported in the current year include those listed below:		
Local content not specified on bid invitation	8,306,900	14,356,888
Deviations were not reasonable	-	3,782,591
No contract signed	1,221,345	1,017,642
Senior Manager without necessary qualifications	-	1,117,818
Appointment of employees without proper process followed	34,907,099	37,188,326
Actual expenditure exceeded the contract amount	-	22,556,292
Composition of bid committee	-	5,068,646
Adjudication and specification committee meeting minutes not submitted	28,282,555	23,938,208
Competitive bidding process not followed	10,892,522	49,524,358
Appointment of supplier after 90 days	54,685,235	16,736,191
Emergency	147,888	-
Performance of contractor not evaluated	-	6,688,195
Splitting of orders	-	658,800
Insufficient document submitted	26,953,047	31,627,071
	165,396,591	214,261,026

Recoverability steps taken/criminal proceedings

No amounts will be recovered.

Disciplinary steps taken/criminal proceedings

No disciplinary steps were taken during the year under review.

59. In-kind donations and assistance

Sanitary towels	-	5,040
150 pairs of school shoes for Bohlakong Primary Farm School	-	51,040
25 Blankets for Mandela Day for Khoabonina Old Age Home	18,750	-
Medals, trophy and kits for soccer and netball tournament at Ntsu Secondary School	56,020	-
700 Food parcels for Poverty Alleviation program at Rosendal, Paul Roux, Fouriesburg and Clarens farms	389,550	-
Groceries for Hare Bapale games at Ethiopia farm	14,642	-
	478,962	56,080

60. Additional disclosure in terms of Municipal Finance Management Act**Contributions to organised local government**

Opening balance	3,903,710	3,699,362
Current year subscription / fee	3,937,411	3,903,710
Amount paid - previous years	(3,901,005)	(3,699,362)
	3,940,116	3,903,710

Audit fees

Opening balance	2,201,661	2,431,123
Current year subscription / fee	9,459,495	9,326,830
Amount paid - current year	(9,459,495)	(7,153,109)
Amount paid - previous years	(2,201,661)	(2,403,183)
	-	2,201,661

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Dihlabeng Local Municipality

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Figures in Rand	2024	2023
PAYE and UIF		
Opening balance	3,688,137	3,938,602
Current year subscription / fee	51,339,854	49,843,892
Amount paid - current year	(47,012,216)	(46,155,755)
Amount paid - previous years	(3,688,137)	(3,938,602)
	4,327,638	3,688,137
Pension and Medical Aid Deductions		
Opening balance	7,348,274	6,874,652
Current year subscription / fee	89,451,830	84,990,737
Amount paid - current year	(89,451,830)	(77,642,463)
Amount paid - previous years	(7,348,274)	(6,874,652)
	-	7,348,274
VAT		
VAT payable	1,846,680	1,015,076

The municipality is registered on the payments/cash basis for VAT. VAT output suspense on payables (see Note 5) and VAT input suspense on receivables are shown in note 18.

All VAT returns have been submitted by the last business day of the month following the end of the VAT period throughout the year and were paid timeously.

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Dihlabeng Local Municipality

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Figures in Rand	2024	2023
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
MM Mokotla	2,527	742	3,269
JT Sibisi	3,692	6,267	9,959
MS Masangana	1,406	16,396	17,802
LU Makhalema	7,079	2,014	9,093
MS Mokoena	1,563	516	2,079
JJ Nhlapo	2,625	41,110	43,735
PA Maasdorp	2,696	896	3,592
	21,588	67,941	89,529

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
JT Sibisi	2,906	11,293	14,199
JJ Nhlapo	2,319	31,325	33,644
	5,225	42,618	47,843

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2024	Highest outstanding amount	Aging (in days)
MM Mokotla	3,269	90
JT Sibisi	9,959	240
MS Masangane	17,802	930
LU Makjalema	9,093	90
MS Mokoena	2,079	90
JJ Nhlapo	43,735	1,830
PA Maasdorp	3,592	270
	89,529	3,540

30 June 2023	Highest outstanding amount	Aging (in days)
JT Sibisi	14,199	270
JJ Nhlapo	33,644	270
	47,843	540

Dihlabeng Local Municipality

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61. Budget differences

Descriptions	Actual outcome as % of final budget	Reasons for variances
Property rates	85%	Due to lower property rates billed for domestic properties than budgeted.
Services charges	90%	Due to decrease in utilization of water and electricity. Most of the consumers are using gas
Interest received on consumer accounts	127%	Due to non-payment of debts by consumers
Government grants and subsidies	85%	Dora Allocation
Other revenue from non-exchange transactions	221%	Due to the write-off from Eskom and Water Affairs on the interest on their accounts
Depreciation and asset impairment	83%	Due to processing of actual depreciation on assets for the month as per the asset register
Debt impairment	354%	Due to non-payments by consumers and indigent not written off
Contracted services	61%	Cost containment measures during the year to limit legal and business cost
Finance charges	847%	Under budget and Interest paid to Eskom and other creditors due to none payment within 30 days
Bulk purchases	96%	Within the norms of 10%
General expenditure	74	Cost containment measures during the year to limit any unnecessary expenditure

62. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Deviation reason

Emergency	279,835	10,539,053
Impractical	-	501,265
Sole provider	55,090	68,543
	334,925	11,108,861

Ditlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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63. Segment information**Segment surplus or deficit, assets and liabilities****2024**

	Public Works	Community Services	Unallocated	Total
Revenue				
External Revenue from non-exchange transactions	264,809,207	62,333,871	258,408,907	585,551,985
External Revenue from exchange transactions	389,368,232	64,990,980	9,428,446	463,787,658
Interest on consumer debtors from exchange and non-exchange transactions	63,710,423	31,790,093	23,364,662	118,865,178
Other income transactions	147,382,859	3,137,416	12,500,377	163,020,652
Revenue from transactions with other segments	6,663,152	33,612	18,360,962	25,057,726
Total segment revenue	871,933,873	162,285,972	322,063,354	1,356,283,199
Entity's revenue				1,356,283,199
Expenditure				
Employee cost and councillors	94,962,680	82,130,855	193,779,526	370,873,061
Finance cost	-	-	103,705,657	103,705,657
Depreciation	56,657,857	1,248,702	16,952,750	74,859,309
Debt impairment	150,578,422	65,849,113	44,879,155	261,306,690
Bulk purchases	266,733,568	-	-	266,733,568
Other expenses	54,388,247	4,921,819	112,509,623	171,819,689
Internal Charges	23,159,116	515,646	1,382,965	25,057,727
Total segment expenditure	646,479,890	154,666,135	473,209,676	1,274,355,701
Total segmental surplus/(deficit)	225,453,983	7,619,837	(151,146,322)	81,927,498
Assets				
Additions to Non-current assets	79,182,756	6,363,297	2,455,299	88,001,352
Total assets as per Statement of financial Position				88,001,352

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Dihlabeng Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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	Public Works	Community Services	Unallocated	Total
Revenue				
External Revenue from non-exchange transactions	129,612,207	4,707,248	355,424,360	489,743,815
External Revenue from exchange transactions	344,409,945	59,015,545	7,930,394	411,355,884
Interest on consumer debtors from exchange and non-exchange transactions	49,733,020	24,312,392	18,373,379	92,418,791
Other revenue transactions	-	435,310	19,448,310	19,883,620
Revenue from transactions with other segments	6,745,637	31,410	16,803,304	23,580,351
Total segment revenue	530,500,809	88,501,905	417,979,747	1,036,982,461
Entity's revenue				1,036,982,461
Expenditure				
Employee cost and councillors	91,468,923	80,707,135	189,795,281	361,971,339
Finance cost	-	-	92,591,775	92,591,775
Depreciation	55,792,813	1,282,596	16,208,155	73,283,564
Debt impairment	119,107,386	57,518,488	38,114,518	214,740,392
Bulk purchases	208,466,284	-	-	208,466,284
Total other costs	59,212,710	9,294,977	157,623,737	226,131,424
Internal charges	22,271,667	499,404	809,280	23,580,351
Total segment expenditure	556,319,783	149,302,600	495,142,746	1,200,765,129
Total segmental surplus/(deficit)	(25,818,974)	(60,800,695)	(77,162,999)	(163,782,668)
Assets				
Additions to Non-current assets	110,010,029	4,680,995	7,355,453	122,046,477
Total assets as per Statement of financial Position				122,046,477

Dihlabeng Local Municipality
Appendix A - Unaudited schedule
June 2024

Schedule of external loans as at 30 June 2024

Loan Number	Redeemable	Balance at 30 June 2023	Received during the period	Rand	Redeemed written off during the period	Rand	Balance at 30 June 2024	Rand	Carrying Value of Property, Plant & Equip	Rand	Other Costs in accordance with the MFMA
Development Bank of South Africa	DBSA	61007269	30/06/2025	13,781,532	-	6,349,047	7,432,485	-	-	-	-
Lease liability	Total external loans	Development Bank of South Africa	Lease liability	13,781,532	-	6,349,047	7,432,485	-	-	-	-
Lease liability	Total external loans	Development Bank of South Africa	Lease liability	13,781,532	-	6,349,047	7,432,485	-	-	-	-

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1. AUDITOR GENERAL'S REPORT

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AUDITOR-GENERAL
SOUTH AFRICA

The Mayor
Dihlabeng Local Municipality
P.O. Box 551
Bethlehem
9700

30 November 2024

Reference: 21389REG23/24

Honorable Mayor

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of the Dihlabeng Local Municipality for the year ended 30 June 2024

Attached please find the Report of the Auditor-General on the financial statements and other legal and regulatory requirements for the year ended 30 June 2024.

It should be emphasised that this report will only become a public document at date of Tabling, except if the provisions of the MFMA are not complied with and should therefore be treated as confidential until then.

My office will be glad to assist in any uncertainties that may exist regarding the contents of the report.

I trust that you will find this in order.

Yours sincerely,

M. Khaile
Senior Manager: Free State

Email: mafokotsak@agsa.co.za

**Report of the auditor-general to the Free State Provincial Legislature
and the council on the Dihlabeng Local Municipality**

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Dihlabeng Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Dihlabeng Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion

Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence to confirm the retention on projects included in payables from exchange transactions in note 18 to the financial statements as the municipality did not have adequate systems in place to account for the retention on projects. I was unable to confirm the retention on projects included in payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the retention on projects included in payables from exchange transactions stated at R13 736 687 in note 18 to the financial statements.
4. During 2023, the municipality did not correctly account for payables from exchange transactions in accordance with GRAP 104, *Financial instruments* as the municipality incorrectly classified finance lease obligations as payables from exchange transactions. Consequently, payables from exchange transactions were overstated and finance lease obligations were understated by R2 753 280 respectively. In addition, I was unable to obtain sufficient appropriate evidence for the payable from exchange transactions due to the status of the accounting records. I was unable to confirm the payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payables from exchange transactions stated at R1 213 680 724 in note 18 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the payables from exchange transactions for the current period.

Investment property

5. The municipality did not account for investment properties in accordance with GRAP 16, *Investment property*. This was because the assumptions used in calculating the fair value of the investment properties were not reasonable, which resulted in differences between the fair values recorded and the recalculated amounts. I was unable to determine the full extent of the misstatement to investment property stated at R436 650 411 (2023: R440 501 211) in note 10 to the financial statements and fair value adjustments stated at R25 362 151 in note 43 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the deficit for the year and accumulated surplus.
6. During 2023, the municipality did not account for investment property in accordance with GRAP 16, *Investment property* as the municipality did not record investment properties that were under its control in the fixed asset register and the municipality also incorrectly recorded properties in the fixed asset register that they did not control. Consequently, the investment property was understated by R50 176 159 and the fair value adjustment in note 43 was also understated by the same amount. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the investment property for the current period.

Contracted services

7. During 2023, I was unable to obtain sufficient appropriate audit evidence to confirm the contracted services as the municipality did not have adequate systems in place to account for the contracted services. I was unable to confirm the contracted services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the contracted services stated at R94 424 496 in note 40 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the contracted services for the current period.

Commitments

8. The municipality did not account for commitments in accordance with GRAP 17, *Property, plant and equipment*. This was due to differences being identified between the commitments register and the amounts recalculated. Consequently, this resulted in the commitments disclosed in note 48 to the financial statements being understated by R13 984 824.
9. In addition, I was unable to obtain sufficient appropriate audit evidence for commitments as the municipality did not have adequate systems in place to account for commitments. I was unable to determine commitments by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to commitments stated at R775 247 913 in note 48 to the financial statements.

Context for opinion

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

Emphasis of matters

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

Irregular expenditure

14. As disclosed in note 58 to the financial statements, irregular expenditure of R157 089 691 (2023: R168 961 085) was incurred, due to non-compliance with supply chain management (SCM) requirements.

Unauthorised expenditure

15. As disclosed in note 56 to the financial statements, unauthorised expenditure of R287 201 431 (2023: R366 737 446) was incurred, due to overspending of the budget.

Fruitless and wasteful expenditure

16. As disclosed in note 57 to the financial statements, fruitless and wasteful expenditure of R90 179 598 (2023: R79 026 300) was incurred, due to interest on late payment to suppliers.

Restatement of corresponding figures

17. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material uncertainty relating to claims against the municipality

18. With reference to note 49 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.

Material losses

19. As disclosed in note 39 to the financial statements, material water distribution losses of R18 231 235 (2023: R34 793 719) and electricity distribution losses of R58 199 838 (2023: R41 913 033) were incurred by the municipality, mainly due to the wires used to distribute electricity resisting the flow of current and physical water leakages from the pressurized system.

Material impairments

20. As disclosed in note 38 to the financial statements, consumer debtors from exchange and non-exchange transactions were impaired by R258 173 236 (2023: R195 802 734).

Other matters

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

Unaudited disclosure notes

22. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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

23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and 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.
24. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

25. 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.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.

Report on the audit of the annual performance report

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

28. I selected the following KPA presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a KPA that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

KPA	Page numbers	Purpose
Accelerated service delivery & infrastructure development	XX	To ensure access to clean, quality and sustainable water services to households, public facilities and businesses

29. I evaluated the reported performance information for the selected KPA against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

30. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

31. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
32. The material findings on the reported performance information for the selected KPA are as follows:

Accelerated service delivery and infrastructure development

Various indicators

33. Measures taken to improve performance against underachieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Performance indicator	Planned target	Reported achievement
Electrification of slabberts 200 households connection.	Construction and budget progress at 100% completion stage	Not realised 0%
Pre-engineering of Bakernpark extension 6&7, 1 600 households connection pre engineering	Electrical eng. design stage 100%	Not realised 0%

Various indicators

34. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Performance indicators	Planned targets	Reported achievements
Upgrading of Saulspoort water treatment works Section C: Mechanical, electrical and civil by 2024.	Construction and budget progress at 100% completion stage	Not realised 76% Construction 67,61% Financial progress
Quarterly reports on the work done for all sections in terms of service delivery objects and as per the Roads Management Act 2004.	1 quarterly report submitted on the implementation of the maintenance plan.	On-going routine maintenance

12 reports submitted on compliance to the landfill site licence conditions and minimum requirements for waste disposal by landfill.	3 monthly reports submitted on the daily operation, which includes receiving of waste, compacting and covering of waste as per the minimum requirements for waste disposal by landfill and licence conditions.	Realised Maintenance and operation of the landfill site was done only for 1-12 April 2024. Service provider was appointed and is onsite as from 1 June 2024.
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Various indicators

35. A comparison of the actual performance for the year against the prior year's performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

- 12 reports submitted on compliance to the landfill site licence conditions and minimum requirements for waste disposal by landfill.
- 1 reviewed disaster risk plan and approved by council in the 2023-24 financial year.
- 4 reviewed contingency plan and approved by council in the 2023-24 financial year.

Various indicators

36. The reported achievements were not consistent with planned targets. Consequently, the indicator and their target below are not useful for measuring and reporting on progress against the municipality's planned objectives

Performance indicator	Planned target	Reported achievement
Quarterly reports on the work done for all sections in terms of service delivery objects and as per the Roads Management Act 2004.	1 quarterly report submitted on the implementation of the maintenance plan.	On-going routine maintenance
Reports submitted on compliance to the landfill site licence conditions and minimum requirements for waste disposal by landfill.	3 monthly reports submitted per quarter on the daily operation, which includes receiving of waste, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill and licence conditions.	Realised Maintenance and operation of the landfill site was done only for 1-12 April 2024. Service provider was appointed and is onsite as from 1 June 2024.

Other matters

37. I draw attention to the matters below.

Achievement of planned targets

38. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
39. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Accelerated service delivery and infrastructure development

<i>Targets achieved: 53%</i> <i>Budget spent: 90%</i>		
Key service delivery indicators not achieved	Planned target	Reported achievement
Upgrading of Caledon raw water abstraction point in Foriesburg by 2024.	Construction and budget progress at 20% completion stage	Not realised 0% Progress
Clarens/Kgubetswana: Upgrading of the water purification works from 1.1 MI to 4MI/d by 2024	Construction and budget progress at 100% completion stage	Not realised. 87% physical progress 80,5% financial progress
Upgrading of Saulspoort water treatment works Section A: raw water abstraction point by 2024.	Construction and budget progress at 100% completion stage	Construction and budget progress at 100% completion stage
Upgrading of Saulspoort water treatment works Section C: mechanical, electrical and civil by 2024.	Construction and budget progress at 100% completion stage	Not realised 76% Construction 67,61% Financial progress
Upgrading of Saulspoort water treatment works Section E: Upgrading of 40MI to 60MI/d module/plant by 2026.	Construction and budget progress at 15% completion stage	Not realised 0% progress
4 quarterly reports on the work done for all sections in terms of service delivery objects and as per the roads management act 2004.	4 quarterly report submitted on the implementation of the maintenance plan.	On-going routine maintenance

Electrification of Slabberts 200 households connection.	Construction and budget progress at 100% completion stage	Not realised 0%
Pre-engineering of Bakernpark extension 6&7, 1 600 households connection. pre-engineering	Electrical eng. design stage 100%	Not realised 0%
Maintenance of protection scheme at three main 11kV substation	Construction and budget progress at 100% completion stage	Not realised 0%
Implementation of maintenance program for all public lighting, high mast light, traffic signals with DLM.	Budget progress at 100% completion stage	22%
Installation of electricity smart/split metering within the jurisdiction of DLM	Installation of smart metering within - D LM jurisdiction 100%	Not realised 0%

Material misstatements

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

Report on compliance with legislation

41. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
42. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
43. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
44. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement

45. 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

non-current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

46. Reasonable steps were not taken to prevent irregular expenditure amounting to R165 396 591 (2023: R211 183 750) as disclosed in note 58 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by SCM requirements that were not followed in the procurement process and appointment of employees without following proper recruitment processes.
47. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R90 179 598 (2023: R79 026 300) as disclosed in note 57 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to suppliers.
48. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R287 201 431 (2023: R366 737 446), as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget.
49. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Human resources management

50. Senior managers were appointed without submitting proof of previous employment prior to signing employment contracts, as required by municipal performance regulations for municipal managers and managers directly accountable to municipal managers 4(4)(b).

Strategic planning and performance management

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

Consequence management

52. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
53. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
54. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Asset management

55. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

56. 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.
57. Some of the 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).
58. Some of the goods and services within the prescribed transaction value for competitive bids 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).
59. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM regulations 29(1)(a) and (b) and preferential procurement regulations.
60. Some of the contracts were awarded to providers 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.
61. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM regulation 5.

<h3>Other information in the annual report</h3>

62. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported on in this auditor's report.
63. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
64. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
65. 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

66. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
67. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
68. Leadership and management did not exercise oversight over financial and performance reporting and compliance and related internal controls. Leadership also did not take effective steps to ensure that there were consequences for the poor performance and transgressions of laws and regulations, as limited steps were taken to prevent unauthorised, irregular and fruitless and wasteful expenditure during the current and prior periods.
69. Management did not develop and monitor the implementation of audit action plans to address internal control deficiencies identified in the prior year, this has resulted in repeat material misstatements.
70. Adequate information technology governance processes were not in place due to the leadership not prioritising the resources of the IT function, this in turn, resulted in the municipality's IT system not producing information reliable for audit purposes and this resulted in the identified material misstatements.
71. Management did not exercise oversight responsibility regarding reviewing and monitoring compliance with laws and regulations, and this resulted in the reported material non-compliance with laws and regulations.
72. Senior management did not implement adequate processes to ensure regular updating of schedules, adequate reviews and monitoring of action plans are in place and this resulted in the reported material misstatements on the financial statements and performance information.

73. The audit committee was not appropriately constituted, which affected the execution of its oversight roles including the review of the annual financial statements and annual performance report before submission for the audit, this has resulted in the material misstatements identified in the financial statements and annual performance report.

Auditor General

Bloemfontein

30 November 2024



AUDITOR-GENERAL
SOUTH AFRICA

Availing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. 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.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), Sections 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), Sections 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), Sections 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), Sections 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), Regulations 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MSA: Municipal Staff Regulations	Regulations 7(1), 31
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), Regulations 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), Regulations 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), Regulations 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 54A(1)(a), 56(1)(a), Sections 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), Regulations 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of	Regulations 17(2), 36(1)(a)

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Legislation	Sections or regulations
Employment of Senior Managers, 2014	
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Division of Revenue Act 5 of 2023	Sections 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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Explanatory information and examples

General

2. AUDITOR GENERAL'S REPORT ACTION PLAN

3. AUDIT COMMITTEE REPORT

4. FUNCTIONAL AREA SERVICE DELIVERY REPORT









DIHLABENG LOCAL MUNICIPALITY








FUNCTIONAL AREA SERVICE DELIVERY REPORT

2023 – 2024 FINANCIAL YEAR

"EVERYONE, EVERY HOUSEHOLD, EVERY ENTITY – A TESTIMONY OF OUR EXCELLENT SERVICE"

23/24 FINANCIAL YEAR MANAGEMENT RATING					
Key Performance Area					
	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Accelerated Service Delivery & Infrastructure Development (Technical Services)	16	4	12	19%	
Accelerated Service Delivery & Infrastructure Development (Community Services)	26	21	5	81%	
Local Economic Development	10	1	9	10%	
Organisational Transformation and Development (Corporate Services)	17	6	11	35%	
Enhancing Good Governance and Public Participation (Political Office)	14	8	6	57%	
Enhancing Good Governance and Public Participation (Management & Admin)	6	3	3	50%	
Sound Financial Management	9	6	3	67%	
TOTAL	98	48	50	49%	

KEY PERFORMANCE AREA 1: ACCELERATED SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (PUBLIC WORKS - TECHNICAL SERVICES)

Directorate: TECHNICAL SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Civil Engineering Services: Water & Sanitation	7	1	6	0%	
Civil Engineering Services: Roads & Storm water	3	3	0	100%	
Electricity	5	0	5	0%	
Town Planning & Building Control	1	0	1	0%	
TOTAL	16	3	13	19%	

000200

PRIORITY 1: Access to Water

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress			
To increase the No of Households with access to water from 98.9% to 100% by 2026.	WS2.1 Percentage of households with access to basic water supply.	Construction and Budget Progress at 20% completion stage	12,13,14	28°41'41.07"S 28°14'0.87"E	Total Project Budget - R 49 000 000 Annual Budget R11 022 000 Source of Funding: WSIG Expenditure - R 9 201 979.16	1.1 Upgrading of Caledon Raw Water Abstraction Point in Fortesburg by 2024.	1 st	Advertise Tender and Appoint Contractor.	R0,00	Realised	none	N/A	<ul style="list-style-type: none"> - Tender Advert - Appointment Letters - Service Level Agreement - Program of works - Project Progress Reports - Payment certificates
							2 nd	Appointment of Contractor. Construction and Budget Progress at 5% completion stage	R0,00	Not Realised 0% Progress	There was a delay in the adjudication process.	The council must appoint acting Directors so that adjudication committee can seat.	
							3 rd	Construction and Budget Progress at 10% completion stage	R0,00	Not Realised 0% Progress	There was a delay in appointing of contractor	Contractor appointed.	
							4 th	Construction and Budget Progress at 20% completion stage	R0,00	Not Realised 0% Progress	There was a delay in appointing of contractor	DWS approved the project on the 30 th of June 2024. Project implementation to start in July 2024.	
		Construction and Budget Progress at 100% completion stage	Ward 20	28°15'06"S 28°18'45"E	Total Project Budget - R 42 000 000 Annual Budget R 4 000 000 Source of Funding: WSIG Expenditure - R 35 794 692.03	1.2 Clarens/Kgubetswana: Upgrading of the water purification works from 1.1 MI to 4MI/d by 2024	1 st	Construction and Budget Progress at 80% completion stage	R 4 010 374,06	Realised 80% Physical progress 80% Expenditure = 78%	None	N/A	<ul style="list-style-type: none"> - Program of works - Project Progress Report - Payment certificates
							2 nd	Construction and Budget Progress at 90% completion stage	R 2 871 180, 55	Realised 90% Physical progress Expenditure Progress = 88%	None	N/A	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
							3 rd	Construction and Budget Progress at 100% completion stage	R 4 518 394.19	Not Realised 89.8% Physical progress Expenditure Progress = 72.7%	Late approval of Variation Order by DWS	Variation Order approved and extension of time granted	<ul style="list-style-type: none">- Tender Advert- Appointment Letters- Service Level Agreement- Program of works- Project Progress Reports- Payment certificates
							4 th	No Target Project Completed	R6 629 639.69	Not Realised. 87% Physical progress 80.5% Financial progress	No enough funds to complete the project this current financial year	Extension of time approved	
							1 st	Construction and Budget Progress at 70% completion stage	R 2 254 231.59	Realised 70% Financial Progress = 69%	None	N/A	
							2 nd	Construction and Budget Progress at 80% completion stage	R 1 682 831.64	Realised 80% Financial Progress = 80%	None	N/A	
							3 rd	Construction and Budget Progress at 100% completion stage	R4 697 919.56	Not Realised 89.8% Financial Progress = 72.7%	Late approval of Variation Order by DWS	Extension of Time Granted	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
		Construction and Budget Progress at 100% completion on stage	Ward 3	28°13'01"S 28°21'36"E	Total Project Budget - R 65 000 000 Annual Budget R 30 000 000 Source of Funding: RBIG Expenditure - R 25 786 393.48	1.4 Upgrading of Saulspoort water treatment works Section C: Mechanical, electrical and civil by 2024.	4 th	No Target Project Completed	R 743 838,73	Not Realised 90% Construction. 82% Financial Progress	Late approval of Variation order	Extension of time Granted	Project Progress Report Program of works Payment certificates
							1 st	Construction and Budget Progress at 60% completion stage	R 1 958 101,17	Not Realised 48% Financial Progress = 47,8%	Contractor is slow due to cash flow problems	Contractor to do a session with suppliers	
							2 nd	Construction and Budget Progress at 80% completion stage	R 911 543,19	Not Realised 55% Financial Progress = 49,28%	Contractor is slow due to cash flow problems	Contractor signed a session with a funder	
							3 rd	Construction and Budget Progress at 100% completion stage	R4 517 718,77	Not Realised 60% Financial Progress = 60%	Due to previous cash flow problems material delivery was delayed	Extension of time was granted	
							4 th	No Target Project Completed	R 8 634 395,53	Not Realised 76% Construction 67,61% Financial Progress	Slow Progress. by contractor, penalties	Extension of time Granted with penalties	
							1 st	Advertise Tender.	R	Realised	None	N/A	
							2 nd	Appointment of Contractor. Construction and Budget Progress at 5%	R0.00	Not Realised 0% progress	There was a delay in the appointment of contractor.	Contractor appointed in January 2024 and is going to establish site.	
		Construction and Budget Progress at 15% completion on stage	Ward 3	28°13'01"S 28°21'36"E	Total Project Budget - R 235 000 000 Annual Budget R	1.5 Upgrading of Saulspoort water treatment works Section E: Upgrading of 40Ml to 60Ml/d	1 st	Advertise Tender.	R	Realised	None	N/A	Tender Advert Appointment Letters Service Level Agreement Program of works
							2 nd	Appointment of Contractor. Construction and Budget Progress at 5%	R0.00	Not Realised 0% progress	There was a delay in the appointment of contractor.	Contractor appointed in January 2024 and is going to establish site.	

000204

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
					5 000 000 Source of Funding: RBIG Expenditure - R	module/plant by 2026.		completion stage					- Project Progress Reports Payment certificates
							3 rd	Construction and Budget Progress at 10% completion stage	R0.00	Not Realised 0% progress	There was a delay in site establishment due to DWS procedures	Contractor appointed in January 2024 and is going to establish site.	
							4 th	Construction and Budget Progress at 15% completion stage	R0.00	Not Realised 0% progress	DWS delaying to issue approval to start project	Meetings held with DWS to expedite approvals	
							1 st	Advertise Tender.		Realised	None	None	
		Construction and Budget Progress at 25% completion stage	Ward 3	28°13'01"S 28°21'32"E	Total Project Budget - R 46 000 000 Annual Budget R 10 000 000 Source of Funding: RBIG Expenditure - R	1.6 Replacement of two 450mm diameter asbestos pipes from Saulsport WTW to Birdcage Hill reservoir with two 630mm diameter pipelines for 6.5 km by 2026.	2 nd	Appointment of Contractor. Construction and Budget Progress at 5% completion stage	R0.00	Not Realised 0% progress	There was a delay in the appointment of contractor.	The council must appoint acting Directors so that adjudication committee can seat.	- Tender Advert Letters - Appointment Service Level Agreement - Program of works - Project Progress Reports Payment certificates
							3 rd	Construction and Budget Progress at 15% completion stage	R0.00	Not Realised 0% progress	There was a delay in the appointment of contractor.	Bid adjudication to seat and finalize the appointment process.	
							4 th	Construction and Budget Progress at 25% completion stage	R0.00	Not Realised 0% progress	DWS stopped the project due to limited funds available.	Project will be readvertised on the outer years	
							1 st	Appointment of Contractor.	R0.00	Not Realised	Contractor not yet appointed, due to high bid amount	Awaiting MIG to approve budget maintenance	
		Construction and Budget Progress at 30%	Ward 20	28°25'18"E 28°30'42"N	Total Project Budget – R	1.7 Clarens/Kgubetswana: Upgrading of Raw waterpump station including							- Bid adjudication minutes - Bid adjudication report

000205

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
	completion stage				40 553 12 8.50 Annual Budget R 27 119 67 2.70 Expenditure – R 3 643 507.93 Source of funding: MIG	Rising Main to the dam by 2025.	2 nd	Construction and Budget Progress at 10% completion stage	R 10 898 999,65	Realised 21,81% Physical Progress 21,81 Financial progress	None	None	- Revised technical report
							3 rd	Construction and Budget Progress at 20% completion stage	R 10 898 999,65	Not Realised 0% physical progress	Contractor awaiting Construction permit from department of labour	It takes 4 weeks for the permit to be approved. The permit was expected around 15 April 2024 around 15 April 2024. Site Establishment is complete Material is paid for and awaiting for the rest around 15 April 2024	
							4 th	Construction and Budget Progress at 30% completion stage	R 15 473 926,70	Realised 33% Physical Progress 31.84% financial progress	Project commenced Mid April upon receipt of the construction permit.	Contractor submitted the revised implementation plan, and it is progressing well.	

PRIORITY 2: Access To Roads and Storm Water Management

MONITORING FRAMEWORK														
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
Increase Access to Municipal Roads by Construction of 1.8KM Blocked Paved Road completed by 2023.	TR6.13 KM of new municipal road lanes built	0.8 KM blocked paved road constructed and complete d by end 2023	16	28°31'11"E 28°24'23"E	Total Project Budget – R 8 615 426.57 Annual Budget R 1 743 897.11 Expenditure – R 6 871 529.46 Source of funding: MIG	2.1 Bohlakong: Construction of 0,8km Ramakoko street to block paved road and storm water channels by 2023	1 st	Construction and Budget Progress at 100% completion stage	R 7 625 372.19	100% Practical Completion	Delay due administrative issues	The issues were resolved and the Contractor is back on site for snag-list	MIG site visit report Practical Completion Snag-List Attendance Register Proof of Payments	
							2 nd	No Target Project Completed	R 9 126 539.09	100% Practical Completion 93% Expenditure Progress	No	N/A		
							3 rd	No Target Project Completed		Project on retention				
							4 th	No Target Project Completed						
							NO TARGET FOR QUARTER 4							
5. TR6. Improved quality of municipal road network.	TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	1 KM blocked paved road constructed and complete d by end 2023	18	28°13'60"S 28°18'0"E	Total Project Budget – R 10 074 970.72 Annual Budget R 3 836 474.05 Expenditure – R 6 238 496.67 Source of funding: MIG	2.2 Bohlakong/Morellog: Rehabilitation on of Atbara street (1km) to a block paved street by 2023	1 st	Construction and Budget Progress at 90% completion stage	R 7 240 584.26	100% Practical Completion	Delay due administrative issues	The issues were resolved and the Contractor is back on site for snag-list	MIG site visit report Practical Completion Snag-List Attendance Register Proof of Payments	
							2 nd	Construction and Budget Progress at 100% completion stage	R 11 380 801.00	100% Practical Completion 96% Expenditure Progress	No	N/A		

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
	TR6.11 Percentage of unsurfaced road graded TR6.21 Percentage of reported pothole complaints resolved within standard municipal response time	4 Quarterly Reports on the work done for all sections in terms of Service Delivery Objects and as per The Roads Management Act 2004.	All		Internal Funding	2.3 4 Quarterly Reports on the work done for all sections in terms of Service Delivery Objects and as per The Roads Management Act 2004.	3 rd	No Target Project Completed		Project on retention		Quarterly Reports of completed and/or in-progress maintenance/ repair works. Log Sheets. Photographs.	
							4 th	No Target Project Completed		NO TARGET FOR QUARTER 4			
							1 st	1 Quarterly Report submitted on the implementation of the maintenance plan.		On-going Routine Maintenance	Lack of conventional material resources		Prompt procurement of materials and SPs
							2 nd	1 Quarterly Report submitted on the implementation of the maintenance plan.		On-going Routine Maintenance	Lack of conventional material resources		Prompt procurement of materials and SPs
							3 rd	1 Quarterly Report submitted on the implementation of the maintenance plan.		On-going Routine Maintenance	Lack of conventional material resources		Prompt procurement of materials and SPs
							4 th	1 Quarterly Report submitted on the implementation of the maintenance plan.		On-going Routine Maintenance	Lack of conventional material resources		Prompt procurement of materials and SPs

PRIORITY 3: Electricity

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To Increase the number of Households with Access to electricity from 85% to 100% by 2027.	EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality	200 Households connections.	- Ward 15	28°13'21.86 E 28°19'06.15 N	R 3 700 000.00 Source of funding: INEP	3.1 Electrification of Slabberts 200 Households connection.	1 st	Appointment of Electrical Consultant and Contractor	R0.00	Not Realised Tender advertised and closed on the 08/03/2023	None	N/A	Submission of completion certificates and proof of payment certificates & signed register from the farm dwellers
	EE1.12 Number of dwellings provided with connections to mains electricity supply by Eskom within the municipal area						2 nd	Completion of pre-engineering and Site hand over	R0.00	Not Realised 0%	Tender is at evaluation & Adjudication processes	Tender awarding processes should be fasttracked.	-Copy of tender advert
	EE1.13 Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards							3 rd	Construction and Budget implementation on 60% completion stage	R0.00	Not Realized 0%	- Tender is at evaluation & Adjudication processes	-The municipality failed to appoint the service provider on time
EE2. Improved affordability of electricity							4 th	Construction and Budget Progress at 100% completion stage	R0.00	Not Realised 0%	Tender lapsed	Project cannot continue due to insufficient budget	-N/A
		- Electrical Eng.	- Ward 3	-	R 1 780 000.00	3.2 Pre-Engineering	1 st	Advertise Tender and	R0.00	Not Realised:	None	N/A	-

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	WORKING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress				
		Design stage 100%			Source of funding: DMRE	of Bakernpark Extension 6&7, 1 600 Households connection. Pre Engineering		Appoint The Consultant.		Tender advertised and closed on the 8 of September 2023				-4 quarterly project progress reports with POE @100% to be submitted Payment certificates and completion certificates
							2 nd	Electrical Eng. Design stage 25% completion stage	R0.00	Not Realised 0%				
							3 rd	Electrical Eng. Design stage 65%	R0.00	Not Realised 0%	- Tender is at evaluation & Adjudication processes	The municipality failed to appoint the service provider on time	-DMRE Addendum to the Contract (or Memorandum of Agreement)	
							4 th	Electrical Eng. Design stage 100%	R0.00	Not Realised 0%	Tender lapsed	Project cannot continue due to insufficient budget		DMRE
							1 st	Advertise Tender and Appoint Contractor.	R0.00	Not Realised: Tender advertised and closed on the 8 of September 2023	None	N/A	- Copy of tender advert	- Copy of tender re-advert
							2 nd	Construction and Budget Progress at 25% completion stage	R0.00	Not Realised 0%	None	N/A		
	- Implementation of the maintenance plan for the protection scheme	- Maintenance Repair, and the unjust settings of the protection	- All wards	- All wards	R 8 200 000.00	Source of Funding: internal	3.3 Maintenance of protection scheme at three main 11KV substation							

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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projection Target	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
		scheme /yearly					3 rd	Construction and Budget Progress at 50% completion stage	R0.00	Not Realized 0%	- Tender is at evaluation & Adjudication processes	N/A		
							4 th	Construction and Budget Progress at 100% completion stage	R415 750,00	Not Realized 0%	None	N/A		
							1 st	Budget Progress at 25% completion stage	R 357 560.00	-96% of streetlight in Fouriesburg attended	None	N/A		Task Completion certificate Expenditure report
							2 nd	Budget Progress at 50% completion stage	R0.00	-94% maintained in Clarens -32% maintained in Bethlehem -46% maintained in Paul Roux	Shortage of Cherry Pickers	Procurement of Cherry Pickers/ hiring of cherry pickers for a long term period		Task Completion Certificates
							3 rd	Budget Progress at 75% completion stage	R180 000.00	Realized -45% maintained in Bethlehem -65% maintained in Paul Roux	Shortage of Cherry Pickers	Procurement of Cherry Pickers/ hiring of cherry pickers for a long term period		
							4 th	Budget Progress at 100% completion stage	R144 000.00 R129 425.00 R187 000.00	Not Realized 0%	Very slow procurement of relevant materials	Panel of service providers appointed to assist with quicker procurement		Appointment letters -Orders -Delivery Notes -Completion Certificate
							1 st	Installation of smart metering within-DLM	R0.00	Not Realised 0%	None	Seven days tender advertised		Copy tender advert
	- Reduction of distribution	- Installation of smart meterin	- All wards	-	R7 000 000. Source of Funding: Internal	3.5 Installation of electricity smart/split								

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GIS Code	2024 Annual Budget Allocation	2024 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
	losses by 10%	g within-DLM jurisdiction 100%				metering within the jurisdiction of DLM		jurisdiction 20%					
							2 nd	Installation of smart metering within-DLM jurisdiction 40%	R0.00	Not Realised 0%	Tender was re advertised	N/A	-Copy of tender re-advert
							3 rd	Installation of smart metering within DLM jurisdiction 60%	R0.00	Not Realized 0%	Tender lapsed	RT 29 was launched and DLM applied for the Grant.	Copy of tender re-advert
							4 th	Installation of smart metering within-DLM jurisdiction 100%	R0.00	Not Realized 0%	Approved for the grant awaiting funding from NT		-Appointment letters -Orders -Delivery Notes --Completion Certificate

PRIORITY 4: Town Planning & Building Control

Key Performance Objective	Key Performance Indicator	Unit of Measure	Wasl Number	GPS Code	MONITORING FRAMEWORK				Challenges	Remedial Action	Evidence Attached
					2024-2025 Annual Budget Allocation	2024-2025 Annual Target	QTR	Currently Projected Targets			
To provide a clear and logical framework for spatial development, promote orderly planning and guide physical development of Dhlabeng.	An adopted Spatial Development Framework that guides future planning and development applications received	Adopted SDF	- Output		Source of Funding: internal	4.1 Review the current SDF and submit to Council for adoption.	1 st	Advertise draft Municipal Spatial Development Framework for a period of 60 days in the media and the Provincial Gazette where the public will be invited to submit written comments.	Document was advertised in 2 local newspapers and the provincial gazette for the 60 days		-Newspaper articles -Provincial Gazette No 1.3 -Council resolution as per Item 21/2023 -Public Participation schedule
							2 nd	Amendment of the Final Municipal Spatial Development Framework and table before Council for adoption.	Public participation was conducted in all Municipal towns	Table the final Draft Spatial Development Framework for adoption by Council.	
							3 rd	Adoption of the Municipal Spatial Development Framework.	Amendment of the Final Spatial Development Framework completed and awaiting for final adoption by Council	The workshop was scheduled in the new financial year	
									Not realised. Item prepared and presented to Section 80 Committee		- MAYCO Resolution on SDF, Item 8/2024 - Council Resolution on SDF, Item 17/2024

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							Q1A	Quarterly Projected Targets	Expenditure	Progress	Challenges	
									on the 9 th of April 2024.			
									Item presented and considered at MAYCO meeting held on the 17 th of April 2024.			
									Item presented to Council for final adoption on the 7 th of May 2024			
						4 th	NO TARGET FOR QUARTER 4					

KEY PERFORMANCE AREA 1: ACCELERATED SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (COMMUNITY SERVICES)

Directorate: COMMUNITY SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Refuse Removal & Solid Waste	3	2	1	67%	😐
Sports & Recreation	2	1	1	50%	😐
Library Services	5	5	0	100%	😊
Parks & Cemeteries Management	6	6	0	100%	😊
Public Safety	9	7	2	78%	😐
Environment	1	0	1	0%	😞
TOTAL	26	21	5	81%	😊

PRIORITY 5: Access to Refuse Removal & Solid Waste Disposal

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	21/23 Annual Budget Allocation	21/24 Annual Target	Q18	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To minimize environmental and health risks by operating and managing the landfill sites in line with the minimum requirements of landfill site as well as the licence conditions.	Daily operations of the Landfill site in line with the minimum requirements of landfill site as well as the licence conditions: Receiving of waste, compacting and covering of waste.	12 reports submitted on the daily operations which includes receiving, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill.	All Wards	Dihlabeng	R10 512 640.00 Source of Funding: Internal	5.1. 12 Reports submitted on compliance to the Landfill Site Licence conditions and minimum requirements for waste disposal by landfill.	1 st	3 Monthly reports submitted on the daily operation, which includes receiving of waste, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill and licence conditions.	R418 033.05 (Ingwe July 2023) & R189 520.00 Invoices for work done since 21 August 2023 TOTAL R607 553.05.	Realised Maintenance and operation of the landfill site is done temporarily through the lease of equipment for operation and maintenance of the landfill site.	No dedicated landfill service provider onsite. The site is temporarily operated by leased equipment.	Appointment of the new service provider for the operation and maintenance of the landfill site on a 3 year contract.	-Monthly Report received from the service Provider - Internal Inspection Report of the Land fill site -Invoices
							2 nd	3 Monthly reports submitted on the daily operation, which includes receiving of waste, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill and licence conditions.	R253 920.00	Realised Maintenance and operation of the landfill site is done temporarily through the lease of equipment for operation and maintenance of the landfill site.	No dedicated landfill service provider onsite. The site is temporarily operated by leased equipment.	Appointment of the new service provider for the operation and maintenance of the landfill site on a 3 year contract. The landfill site tender was advertised on the 9 October 2023 and will close on the 6 November 2023.	-Monthly Report received from the service Provider and Internal Inspection Report of the Land fill site -Invoices

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/22 Annual Target	MONTHLY REPORT FRAMEWORK					Evidence Attached	
							QTR	Quantity Projected Target	Expenditure	Progress	Challenges		Remedial Action
1. ENV2. Minimised solid waste	ENV1.1 Tonnes of municipal waste	9 Monthly submissions of data on tonnages of	All Wards	Dihlabeng	None	5.2 12 Monthly submissions of data on	3 rd	3 Monthly reports submitted on the daily operation, which includes receiving of waste, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill and licence conditions.	R253 920.00	Realised Maintenance and operation of the landfill site is done temporarily through the lease of equipment for operation and maintenance of the landfill site.	No dedicated landfill service provider onsite. The site is temporarily operated by leased equipment. The leased equipment started on 17 February 2024.	Appointment of the new service provider for the operation and maintenance of the landfill site on a 3 year contract. The landfill site tender was advertised on the 9 October 2023 and will close on the 6 November 2023.	Monthly Report received from the service Provider -Internal Inspection Report of the Land fill site -Invoices
							4 th	3 Monthly reports submitted on the daily operation, which includes receiving of waste, compacting and covering of waste as per the Minimum requirements for waste disposal by landfill and licence conditions.	R992 916.00	Realised Maintenance and operation of the landfill site was done only for 1-12 April 2024. Service Provider was appointed and is onsite as from 1 June 2024.	No dedicated landfill service provider onsite for April and May. The site was temporarily operated by leased equipment.	The new service provider for the operation and maintenance of the landfill site has been appointed since 1 June 2024	-Monthly Report received from the service Provider - Internal Inspection Report of the Land fill site -Invoices
							1 st	3 Monthly submissions of data on tonnages of	R0.00	Not Realised 1 x Monthly report submitted. August and September	Waste tonnages data could not be	Department of Environmental Affairs needs	-E-mail report confirming receipt of monthly

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action
To provide effective solid waste removal & disposal to 38 611	solid waste sent to landfill	waste disposed at the landfill site on the Waste Information System				tonnages of waste disposed at the landfill site on the Waste Information System at the Department of Environment al Affairs as required by legislation.		waste disposed at the landfill site on the Waste Information System	waste tonnages data could not be captured on SAWIS system due to system error.	captured on SAWIS system due to system fault	to update their system and provide new access to users.	reporting from DEA
							2 nd	3 Monthly submissions of data on tonnages of waste disposed at the landfill site on the Waste Information System	Realised: Monthly report submitted. Waste tonnages data is captured on the SAWIS on monthly basis	None	None	E-mail report confirming receipt of monthly reporting from DEA
							3 rd	3 Monthly submissions of data on tonnages of waste disposed at the landfill site on the Waste Information System	Realised Monthly report submitted. Waste tonnages data is captured on the SAWIS on monthly basis	None	None	E-mail report confirming receipt of monthly reporting from DEA
							4 th	3 Monthly submissions of data on tonnages of waste disposed at the landfill site on the Waste Information System	Realised: Waste tonnages data was only captured on the SAWIS system for April and June 2024, due to the unavailability of a service provider.	None	Submission of waste tonnages record on SAWIS	E- mail report Confirming receipt of monthly reporting DEA
							1 st	3 Monthly Reports submitted weekly solid	Realised 3 Monthly reports submitted.	Breakdown and shortage of fleet	Procurement of compactor truck to improve	-Schedule of weekly waste Removal

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Households and commercial businesses around DLM. ENW3. Increase access to refuse removal.	refuse removal services or better ENW3.2 Percentage of scheduled waste collection service users reporting non-collection	d on the 46 857 of HH with access to weekly solid waste collection & disposal as per the approved weekly waste removal schedule.				on weekly solid waste collection & disposal as per the approved weekly waste removal schedule.		waste collection & disposal as per the approved weekly waste removal schedule.	R29 500.00 (Invoices not paid yet)	Refuse removal was done as per the weekly refuse removal schedule	causes a delay in collection of Refuse and also contribute d to overtime.	waste collection service and minimize overtime worked.	- Monthly Report on Refuse collection -Attendance Register -Log Sheets -Petty Cash Vouchers
							2 nd	3 Monthly Reports submitted on weekly solid waste collection & disposal as per the approved weekly waste removal schedule.	R1 171.50 (Petty cash vouchers)	Realised: 3 Monthly Reports submitted. Refuse removal was done as per the weekly refuse removal schedule, however some areas were not serviced due to breakdown of compactor trucks.	Breakdown and shortage of fleet causes a delay in collection of Refuse and also contribute d to overtime.	Procurement of compactor trucks to improve waste collection service and minimize overtime worked.	-Schedule of weekly waste Removal - Monthly Report on Refuse collection -Attendance Register -Log Sheets -Petty Cash Vouchers
							3 rd	3 Monthly Reports submitted on weekly solid waste collection & disposal as per the approved weekly waste removal schedule.	R2 566.70	Realised 3 Monthly reports Submitted. Refuse removal was done as per the weekly refuse removal schedule.	Breakdown and shortage of fleet causes a delay in collection of refuse and also contribute d to overtime.	Procurement of compactor trucks to improve waste collection service and minimize overtime worked.	Schedule of weekly waste Removal Monthly Report on refuse collection Attendance register Log sheets Petty cash vouchers
							4 th	3 Monthly Reports submitted on weekly solid waste collection & disposal as per the approved weekly waste removal schedule.	R5 068.41 (Petty cash vouchers)	Realised 3 Monthly reports submitted. Refuse removal was done as per the weekly refuse removal schedule.	Breakdown and shortage of fleet causes a delay in collection of Refuse	Procurement of compactor trucks to improve waste collection service and minimize	-Schedule of weekly waste Removal - Monthly Report on Refuse collection -Attendance Register

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress		
								removal schedule.			and also contribute d to overtime.	-Log Sheets -Petty Cash Vouchers

PRIORITY 6: Parks and Cemeteries

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress		
To provide cemetery space and an effective cemetery management services	Ensure that the required burial space is available by digging and squaring of graves.	1 000 available grave sites	All wards	BETHLEHE M: 28°24'23"S 28°31'11"E	R0.00 Source of funding: Internal	6.1. 12 Reports submitted on the regular digging of graves (average of 1000 graves for the year)	1 st	Dig and prepare an average of 264 graves (3 Reports on Burial Statistics)	R0.00	Realised 1 Quarterly report submitted. Dug and prepared 242 graves (July - September 2023) Bethlehem: High Maintenance: :24 Low: Maintenance: 131 (Adults) 14 (Children)	None	Photos Signed Quarterly Burial Statistics-
				PAUL ROUX: 28°30'32"S 27°9'59"E								
				ROSENDAL : 28°50'43"S 27°9'30"E								
				FOURIESB URG:								

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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
				28°61'55"S 28°20'01"E CLARENS: 28°51'44"S 28°41'05"E										
							2 nd	Dig and prepare an average of 264 graves (3 Reports on Burial Statistics)	R0.00	Realised: 1 Quarterly report submitted Dug and prepared 223 graves (Oct - Dec 2023) Bethlehem: High Maintenance: :20 Low: Maintenance: 114 (Adults) 21 (Children) Paul-Roux: 14 Rosendal :13 Fouriesburg : 26 Clarens : 15	None	None	Photos Signed Quarterly Burial Statistics-	
							3 rd	Dig and prepare an average of 237 graves (3 Reports on Burial Statistics)	R0.00	REALISED: 1 Quarterly report submitted Dug and prepared graves (Jan - Mar 2024) Bethlehem:	None	None	-Photos -Signed Quarterly Burial Statistics-	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
									High Maintenance: :16 Low: Maintenance: 104 (Adults) 24 (Children) BHM 144 Paul-Roux: 13 Rosendal :14 Fouriesburg : 38 Clarens : 14 Total 223 Realised 1 Quarterly report submitted Dug and prepared 269 graves. (April –June 2024) Bethlehem: 170 High Maintenance: :27 Low: Maintenance: 124 (Adults) 19 (Children) Paul-Roux: 15 Rosendal :23 Fouriesburg : 42 Clarens : 19				
				4 th			Dig and prepare an average of 235 graves (3 Reports on Burial Statistics)	R0.00		None	None	-Photos -Signed Quarterly Burial Statistics	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	Gr/S Code	MONITORING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
					23/24 Annual Target	23/24 Annual Budget Allocation	QTR	Quarterly Projected Targets	Expenditure	Progress		
Daily maintenance of cemeteries as per the approved maintenance programme by cutting grass, cleaning of ablution facilities, pruning of trees etc.	7 Well maintained cemeteries	All wards			6.2.12 Reports submitted on the implementation of the maintenance plan of cemeteries or before 10 th of each month.		1 st	3 Reports submitted on the implementation of the maintenance plan of cemeteries (25%)	R0.00	Realised: 3 Monthly reports submitted. Maintenance was done on an ongoing basis. (July - Sept 2023)	None	-Maintenance programme - Monthly report on the maintenance - Attendance Register - Photos - Tool register
							2 nd	3 Reports submitted on the implementation of the maintenance plan of cemeteries (50%)	R0.00	Realised: 3 Monthly reports submitted. Maintenance was done on an ongoing basis. (October - December 2023)	None	-Maintenance programme - Monthly report on the maintenance - Attendance Register - Photos - Tool register
							3 rd	3 Reports submitted on the implementation of the maintenance plan of cemeteries (75%)	R0.00	Realised: 3 Monthly reports submitted. Maintenance was done on an ongoing basis. (January - March 2024)	None	Maintenance programme - Monthly report on the maintenance - Attendance Register - Photos - Tool register
							4 th	3 Reports submitted on the implementation of the maintenance plan of	R0.00	REALISED: 3 Monthly reports submitted. Maintenance was done on an ongoing	None	-Maintenance plan - Monthly report on the maintenance - Attendance Register - Photos - Tool register

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GP5 Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Maintenance of parks, open spaces, nursery and environmental areas	Daily maintenance of parks, open spaces, and environmental areas as per the approved maintenance programme by cutting grass.	75 parks and open spaces maintained	All wards		R467 282.00 Source of funding: Internal	6.3.12 Reports submitted on implementation of approved parks maintenance plan or before 10 th of each month.	1 st	cemeteries (100%) 3 Reports submitted on implementation of approved parks maintenance plan (25%)	R1 839.00 (Petty Cash Vouchers)	Realised basis. (April – June 2024) 3 Monthly reports submitted. Ongoing maintenance of parks: Cleaning of parks, sidewalks and traffic island (July – September 2023)	None	None	-Maintenance Plan -Monthly Report on maintenance plan -Petty Cash Vouchers -Machinery and Equipment Register. -Attendance Register - Photos
							2 nd	3 Reports submitted on implementation of approved parks maintenance plan (50%)	R3 758.60 (Petty Cash Vouchers) And R29 950.00 (invoice not paid yet)	Realised 3 Monthly report submitted. Ongoing maintenance of parks: Cleaning of parks, sidewalks, traffic island and town entrances. (Oct – December 2023)	None	None	-Maintenance Plan -Monthly Report on maintenance plan -Petty Cash Vouchers -Machinery and Equipment Register. -Attendance Register - Photos
							3 rd	3 Reports submitted on implementation of approved parks	R7 503.59 (Petty Cash Vouchers)	Realised 3 Monthly report submitted. Ongoing maintenance	None	None	Maintenance Plan -Monthly Report on maintenance plan -Petty Cash Vouchers -Machinery and Equipment Register. -Attendance Register

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
								maintenance plan (75%)		of parks: Cleaning of parks, sidewalks, traffic island and town entrances. (Jan –March 2024)				- Photos
							4 th	3 Reports submitted on implementation of approved parks maintenance plan (100%)	R2 641.80 (Petty Cash Vouchers)	Realised 3 Monthly report submitted. Ongoing maintenance of parks: Cleaning of parks, sidewalks, traffic island and town entrances. (April – June 2024)	None	None		-Maintenance Plan -Monthly Report on maintenance plan -Petty Cash Vouchers -Machinery and Equipment Register. -Attendance Register - Photos
	Daily maintenance of nursery by propagating plants, weeding, fertilising, pruning and watering of plants.	- Well maintained nursery	Ward 10	BETHLEHE M: 28°24'23"S 28.3111°E		6.4 12 Reports submitted on implementation of the approved maintenance plan of nursery on or before 10 th of each month.	1 st	3 Reports submitted on implementation of approved maintenance plan of nursery (25%)	R0.00	Realised 3 Monthly reports submitted. Cleaning of green House. Ongoing maintenance of watering, weeding. Transplanting and Prepared new tree cutting of	None	None		-Maintenance plan of nursery. - Report on maintenance plan -Attendance Register - Photos - Plant Register

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MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GFS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
										Populus Simoni. Fertilizing roses and other plants, (July – September 2023)			
							2 nd	3 Reports submitted on implementation of the approved maintenance plan of nursery (50%)	R0.00	Realised: 3 Monthly reports submitted. Cleaning of green House. Ongoing maintenance of watering, weeding. Transplanting and Prepared new tree cutting Fertilizing roses and other plants, (Oct 2023 – Dec 2023)	None	None	-Maintenance plan of nursery. - Report on maintenance plan -Attendance Register - Photos - Plant Register

Key Performance Objective	Key Performance Indicator	Units of Measure	Word Number	GFS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Expenditure	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							3 rd	3 Reports submitted on implementation of the approved maintenance plan of nursery 75%	R0.00	Realised: 3 Monthly report submitted. Cleaning of green House. Ongoing maintenance of watering, weeding. Transplanting and Prepared new tree cutting Fertilizing roses and other plants, Transplanted Palm trees (Jan - March 2024)	None	None	- Maintenance plan of nursery. - Report on maintenance plan - Attendance Register - Photos - Plant Register
							4 th	3 Reports submitted on implementation of the approved maintenance plan of nursery 100%	R0.00	REALISED: 3 Monthly reports submitted. Pruning of Shrubs and trees, Cleaning of green House. Ongoing maintenance of watering, weeding. Fertilizing roses. (April - June 2024)	None	None	Maintenance plan of nursery. - Report on maintenance plan - Attendance Register - Photos - Plant Register

Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quantity Proposed Target	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
	Daily maintenance/pruning of street trees as per the approved maintenance programme for the pruning of street trees.	- 400 street trees be pruned by the end of the 2023/2024 financial year	All Wards	BETHLEHEM: 28°24'23"S 28°31'11"E PAUL ROUX: 28°30'32"S 27°56'59"E ROSENDAL : 28°50'43"S 27°53'08"E FOURIESBURG: 28°51'44"S 28°20'01"E CLARENS: 28°51'44"S 28°41'05"E		6.5 12 Reports submitted on implementation of the approved maintenance plan for the pruning of street trees – an average of 100 trees on or before the 10 th of each month (An average of 400 trees per year)	1 st	3 Reports submitted on implementation of the approved maintenance plan for pruning of street trees – an average of 100 trees per quarter	R0.00	Realised: 3 Monthly reports submitted. Ongoing maintenance of pruning of street trees. 68 Celtis Africana, 10 Shrubs, 30 Moppet, 06 Palm, 17 Ulmus, 10 White Karee Total of 141 Street Trees pruned (July - Sept 2023)	None	None	- Maintenance plan of pruning municipal street trees - Monthly report on the maintenance - Photos - Tool register
							2 nd	3 Reports submitted on implementation of the approved maintenance plan for pruning of street trees – an average of 100	R0.00	Realised: 3 Monthly reports submitted. Ongoing maintenance of pruning of street trees. Total of 210 Street Trees pruned Oct 23: 82 Nov 23: 71 Dec 23: 57	None	None	- Maintenance plan of pruning municipal street trees - Report on the maintenance plan - Photos

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GFS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quarterly/Projected Targets	Expenditure	Progress	Challenges	
							3 rd	3 Reports submitted on implementation of the approved maintenance plan for pruning of street trees – Pruning of an average of 100	R0.00	Realised 3 Monthly report submitted. Ongoing maintenance of pruning of street trees. Total of 141 Street Trees pruned Jan 24: 40 Feb 24: 53 Mar 24: 48	None	-Maintenance plan of pruning municipal street trees -Report on the maintenance plan -Photos

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
Urban Greening	Planting of 300 Municipal trees by the end of the 2023/24 financial year	All Wards				6.6 Reports submitted on implementation of the approved plan for planting trees in public places on or before the 10 th of each month.	4 th	3 Reports submitted on implementation of the approved maintenance plan for pruning of street trees – Pruning of an average of 100	R0.00	REALISED: 3 Monthly reports submitted. Ongoing maintenance of pruning of street trees. Total of 102 Street Trees pruned April 24: 17 May 24: 40 June 24: 45	None	None	-Maintenance plan of pruning municipal street trees -Report on the maintenance plan -Photos	
							1 st	NO TARGET FOR QUARTER 1						-Maintenance plan. - Report on trees planted
							2 nd	3 Reports submitted on implementation of the approved maintenance plan of parks (50%)	R0.00	Realised: Planted Trees: Total 694 Oct 23 : 47 Nov 23: 147 Dec 23: 500	None	None	-Maintenance plan. - Report on trees planted - Photos	
							3 rd	3 Reports submitted on implementation of the approved maintenance plan of parks (100%)	R0.00	REALISED: 3 Monthly report submitted. Planted trees: Total 364 Jan 24 : 1 Feb 24: 321	None	None	-Maintenance plan. - Report on trees planted - Photos	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				
							QTR	Quarterly Projected Targets	Expenditure	Progress	Evidence Attached
										Mar 24: 42	
							4 th				
								NO TARGET FOR QUARTER 4			

PRIORITY 7: Library Services

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Remedial Action	Evidence Attached
To provide facilities, promote a culture of reading and lifelong learning.	HS3.6 Average number of library visits per library	Submit 4 quarterly reports on the average number of library visits.	All	BETHLEHE M: 28°24'23"S 28°31'11"E PAUL ROUX: 28°30'27"S 27°9'59"E ROSENDAL : 28°50'43"S 27°9'08"E FOURIESB URG: 28°61'55"S 28°20'01"E CLARENS: 28°51'44"S 28°41'05"E	R 10 000.00	7.14	1 st	1 Quarterly Report submitted on the average number of library visits	R0.00	Realised 1 Quarterly report submitted. Average number of library visits per quarter: July 23:429 Aug 23:749 Sep 23: 723	None	Quarterly Report
	HS3. Increased access to and utilisation of social and community facilities						2 nd	1 Quarterly Report submitted on the average number of library visits	R0.00	Realised 1 Quarterly Report Submitted. Average Number Of Library Visits Per Quarter	None	Quarterly Report

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Grids	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
										Oct 23: 547 Nov 23: 614 Dec 23: 396			
			3 rd					1 Quarterly Report submitted on the average number of library visits	R0.00	Realised 1 Quarterly report submitted. Average number of 2013 library visits per quarter	None	None	Quarterly Report
										JAN 24: 666 FEB 24: 826 MAR 24: 521			
			4 th					1 Quarterly Report submitted on the average number of library visits	R0.00	Realised 1 Quarterly report submitted. Average number of 1 957 library visits per quarter	None	None	Quarterly Report
										Apr24: 687 May 24: 774 June 24: 496			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	MONITORING FRAMEWORK						Evidence Attached
			23/24 Annual Budget Allocation	23/24 Annual Target	Q1A	Quarterly Progress Targets	Expenditure	Progress	Challenges	Remedial Action	
To submit a business plan to DSACR and to implement the quarterly targets which includes: hosting of events and paying of salaries of library employees and submitting expenditure report to DSACR at end of financial year 2024.		Business Plan submitted to DSACR and Implementation of the submitted Business Plan	R4 mil Conditional Grant Source of funding MOA (DSACR)	7.2 Submitted Business plan and expenditure report to DSACR 12 Reports submitted on the implementation of approved business plan.	1 st	No Target			None		Commitment letter, Proof of transfer, Salary Audit Trail Expenditure Report
						3 Reports on the implementation of approved business plan.	R853 936.26	Realised Employee Salaries were paid for the month of July, August and September 2023			
					2 nd	1 expenditure report submitted to DSACR.		Realised Expenditure report was submitted to DSACR.			Salary Audit Trail Expenditure Report
				Monitor expenditure and submit 4 reports to DSACR.	2 nd	No Target			None		
						3 Reports submitted on the implementation of approved business plan.	R826 561.01	Realised Employee Salaries Were Paid For The Month Of October – December 2023			
						1 expenditure report submitted to DSACR.		Realised Expenditure Report Was Submitted To DSACR.			

000233

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Target	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							3 rd	No Target 3 Reports submitted on the implementation of approved business plan. 1 expenditure report submitted to DSACR.	R841445.59	Realised: Employee Salaries were paid for the month of January, February and March 2024. Realised Expenditure report was submitted to DSACR.	None	None	Salary Audit Trail Expenditure Report
							4 th	Submit 2024/2025 Business Plan to DSACR at end of June 2024. 3 Reports submitted on the implementation of approved business plan. 1 expenditure report submitted to DSACR.	R931 155.31	Realised 2024/2025 Business Plan was submitted to DSACR. Realised Employee Salaries were paid for the month of April – June 2024 Realised Expenditure report was submitted to DSACR.	None	None	Commitment letter, Proof of transfer, Receipt and 2024/25 business plan Salary Audit Trail Expenditure Report

000234

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	MONITORING FRAMEWORK										Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action			
To promote usage and access within the libraries by hosting 4 library events (Word Festival, Employee Capacity, Library Week, World Book Day)	Hosted 4 Library Events	All			R0	7.3 4 Reports submitted on 4 library events held (Word Festival, Employee Capacity, Library Week, World Book Day)	1 st	1 Report submitted on Word Festival held	R0.00	Realised Word Festival was success fully held on 28 September 2023 at Mashaeng Library in Mashaeng	None	None	Reports on Event Attendance Register, Photos, Programme Invite		
							2 nd	1 Report submitted on Employee Capacity held Report submitted on Employee Capacity held	R0.00	Realised: Employee Capacity was successfully held on 19 December 2023 at Bethlehem Public Library.	None	None	Reports on Event Attendance Register, Photos, Programme Invite		
							3 rd	1 Report submitted on Library Week held	R0.00	Realised: Library Week Event has been held the 20 March 2024 at Mashaeng Public Library	None	None	Reports on Event Attendance Register, Photos, Programme Invite		
							4 th	1 Report submitted on World Book Day held	R0.00	Realised: World Book Day Event has been held the 25 April 2024	None	None	Reports on Event Attendance Register, Photos, Programme Invite		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	MONITORING FRAMEWORK									
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
											at Mashaeng Public Library			

PRIORITY 8: Sports Art and Culture and Recreation

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To provide and maintain sports facilities according to detailed needs assessment	HS3.4 Percentage utilisation rate of sports fields	24 well maintained sport and recreation facilities.	All Wards	All Wards	R2 435 824.00 Source of Funding: Internal	8.1 12 Reports submitted on the implementation of the approved maintenance plan for sport facilities on or before 10 th of each month.	1 st	3 Reports submitted on implementation of the approved maintenance plan for sport facilities	R2 312.00 (Petty cash vouchers) & R55 647.03 (Invoices not paid yet)	Realised 3 Monthly reports submitted. Maintenance of all sports facilities were done on an ongoing basis (July to September 2023)	None	None	Maintenance Plan Monthly Report on Maintenance plan Requests Photo's Attendance registers Petty Cash Vouchers
							2 nd	3 Reports submitted on implementation of the approved maintenance plan for sport facilities	R2 813 000 (Petty cash vouchers) & R139865.70 (Invoices not paid yet)	Realised: 3 Monthly Report Submitted. All Sports Facilities Are Well Maintained	None	None	Maintenance Plan Monthly Report on Maintenance plan Requests Photo's Attendance registers Petty Cash Vouchers

Key Performance Objective	Key Performance Indicator	Unit of Measure	Who	GPS Codes	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To create an enabling environment for the participation in Arts and Culture activities	Support artists to participate in Arts and Culture activities	4x artists supported to participate in Arts and Culture activities	All wards	All wards	R 0.00	8.2 4 reports submitted on the supporting of arts and culture artists on or before 10 th of each quarter.	3 rd	3 Reports submitted on implementation of the approved maintenance plan for sport facilities	Realised: 3 Monthly reports Submitted. All Sports facilities are well maintained Jan – Mar 2024	None	None	-Maintenance Plan -Monthly Report on Maintenance plan -Requests -Photo's Attendance registers Petty Cash Vouchers
							4 th	3 Reports submitted on implementation of the approved maintenance plan for sport facilities	Realised: 3 Monthly reports Submitted. All Sports facilities are well maintained April – June 2024	None	None	-Maintenance Plan -Monthly Report on Maintenance plan -Requests -Photo's Attendance registers Petty Cash Vouchers
							1 st	1 Report submitted on the supporting of arts and culture artists.	Realised Lengau Choral Music Association was supported on 26 August 2023 with a venue	None	None	Requests Photo's Attendance Register Report
							2 nd	1 Report submitted on the supporting of arts and culture artists.	Not Realised	The section depend on organisation's or association of artists to realise the	To revive associations and ensure that they can come up with	None

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Codes	23/24 Annual Budget Allocation	23/24 Annual Actual Target	MONITORING FRAMEWORK						
							Qtr	Quarterly Projected Targets	Expenditure	Progress	Challenges	Revised Action	Evidence Attached
							3 rd	1 Report submitted on the supporting of arts and culture artists.	R0.00	Not Realised	The section depend on organisation s or association of artists to realise this target. No organisation of artists or associations requested assistance	programme s that can be assisted.	None
							4 th	1 Report submitted on the supporting of arts and culture artists.	R0.00	Realised: Lejulle-Botebo Theatre Production was supported on 6 April 2024 with a venue.	None	Memorandum Request Report Photos Attendance Registers	

PRIORITY 9: Public Safety, Fire Services Emergency & Disaster Management

Public Safety, Fire Services Emergency & Disaster Management													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GIS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To prevent, reduce and mitigate the severity/consequences of disaster.	To establish and maintain effective communication between stakeholders by having a quarterly meeting to communicate institutional arrangements in case of a Disaster.	Hold quarterly meetings of the Inter Departmental Risk Management Committee and Advisory forum	All wards	All Wards	Source of Funding: Internal	9.1 4 Reports submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meetings held on a quarterly basis.	1 st	1 Report submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meeting held	R0.00	Realised Interdepartmental Disaster Risk Management Committee (IDRMC) meeting was held on 1 September 2023	None	None	Report Attendance register Invites
							2 nd	1 Report submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meeting held	R0.00	Realised Interdepartmental Disaster Risk Management Committee (Idrmc) Meeting Was Held On 24 November 2023	None	None	Report Attendance Register Invites
							3 rd	1 Report submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meeting held	R0.00	Realised Interdepartmental Disaster Risk Management Committee (Idrmc) Meeting Was Held On 24 November 2023	None	None	Report Attendance register Invites

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
								Risk Management Committee (IDRMC) meeting held		Management Committee (IDRMC) meeting was held on 28 February 2024				
							4 th	1 Report submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meeting held	R0.00	Not Realised	Interdepartmental Disaster Risk Management Committee meeting was not held	None	None	Report Attendance register Invites
							1 st	1 Report submitted on the Advisory Forum meeting	R0.00	Realised	Advisory Forum meeting was held on 20 September 2023	None	None	Report Minutes Attendance register Invites
							2 nd	1 Report submitted on the Advisory Forum meeting	R0.00	Not Realised	Stakeholders did not attend	None	None	Report Invites
	To comply with Disaster Risk Management Act by submitting of the approved Disaster Risk Management Plan.	Approved Disaster Risk Management Plan	All wards	All wards		9.2 4 Reports submitted on the Interdepartmental Disaster Risk Management Committee (IDRMC) meetings held on a quarterly basis.								

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	EPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Named/Action	Evidence Attached
To comply with Disaster Risk Management Act by submitting of the approved Disaster Risk Management Plan.	Approved Disaster Risk Management Plan	All wards	All wards	9.3	1 Reviewed Disaster Risk Plan and approved by Council in the 2023/24 financial year.	3 rd	1 Report submitted on the Advisory Forum meeting	R0.00	Realised Interdepartmental Disaster Risk Management Committee (IDRMC) meeting was held on 28 February 2024	None	None	Report Attendance register Invites	
						4 th	1 Report submitted on the Advisory Forum meeting	R0.00	Not Realised Was scheduled for 5 June 2024	Stakeholders did not attend	None	Report Attendance register Invites	
						NO TARGET FOR QUARTER							Council Resolution- Reviewed plan
						2 nd	Submitted the reviewed Disaster Risk Plan	R0.00	Realised: Disaster Risk Plan Was Reviewed And Submitted	None	None	- Reviewed Plan	
						3 rd	Submitted Disaster Risk Plan to Council	R0.00	Realised Disaster Risk Plan was submitted to the Section 80 Committee	None	None	- Reviewed plan	

MONITORING FRAMEWORK									
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GHS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure
	To capacitate community by means of conducting public awareness/e ducation on fire and disaster hazards in all five units on a quarterly basis as per the approved public awareness/e ducation programme.	5 Public awareness/ education programmes conducted to minimize Fire and disaster risks	All wards	- All wards		9.4 5 Reports submitted on the implementation of approved public awareness/e ducation programmes conducted in all units on a quarterly basis.	4 th	Approval of the plan	R0.00
								meeting on 15 February 2024	
								Realised Disaster Risk Plan was approved by Council on 7 May 2024	
								- Council Resolution	
							1 st	1 Report submitted on the implementation of approved public awareness/ed ucation programme in Bohlakong	R0.00
								Realised A public awareness/ education programme was held in Bohlakong on 23 August 2023	
								-Attendance registers -Invites -Report -Photos	
							2 nd	1 Report submitted on the implementation of approved public awareness/ed ucation programme in Fouriesburg	R0.00
								Realised A Public Awareness/ Education Programme Was Held In Fouriesburg On 22 November 2023	
								-Attendance Registers -Invites -Report -Photos	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							3 rd	1 Report submitted on the implementation of approved public awareness/education programme in Clarens	R0.00	Realised A public awareness/education programme was held in Clarens on 21 February 2024	None	None	-Attendance registers -Invites -Report -Photos
							4 th	2 Reports submitted on the implementation of approved public awareness/education programme in Paul Roux and Rosendal	R0.00	Realised A public awareness/education programme s were held in Paul Roux and Rosendal on 12 June and 26 June respectively	None	None	-Attendance registers -Invites -Report -Photos
							1 st	Review Snow & Windstorms Contingency Plan	R0.00	Realised Snow & Windstorm Contingency Plans were reviewed	None	None	Snow and Windstorms Contingency Plans
							2 nd	Review Floods Contingency Plan	R0.00	Realised Floods Contingency	None	None	Flood Contingency Plan

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GHS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To ensure equitable and sustainable fire and rescue service delivery for all communities	To minimise response time to reported emergencies from receiving a call to despatched time	12 Reports submitted on the functionality of emergency services	All Wards	All Wards	R107 354.00 Source of Funding: Internal	9,6 12 Reports submitted on the functionality of emergency services on or before 10 th of each month.	3 rd	Review Veldfire Contingency Plan	R0.00	y Plan Was Reviewed Realised Veldfire Contingency Plan was reviewed	None	None	Veldfire Contingency Plan
							4 th	Approval of 4 reviewed Contingency Plans	R0.00	REALISED: 4 reviewed Contingency Plans were approved by Council on 28 Feb 2024 and 7 May 2024	None	None	Council resolutions
							1 st	3 Reports submitted on the functionality of emergency services.	R0.00	Realised 3 Monthly reports submitted. Responded to 170 emergency Calls;	None	None	Monthly Incident Reports
							2 nd	3 Reports submitted on the functionality of emergency services.	R0.00	Realised: 3 Monthly Reports Submitted. Responded To	None	None	Monthly Incident Reports

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK								
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached		
										Emergency Calls: 83 Oct 2023: 24 Nov 2023: 28 Dec 2023: 31					
							3 rd	3 Reports submitted on the functionality of emergency services.	R0.00	Realised: 3 Monthly report submitted. Responded to emergency Calls: 79 Jan 24: 19 Feb 24: 20 Mar 24: 40	None	R0.00	Monthly Incident Reports		
							4 th	3 Reports submitted on the functionality of emergency services.	R0.00	Realised: 3 Monthly reports submitted. Responded to 93 emergency calls: Apr 24: 20 May 24: 24 June 24: 49	None	None	Monthly Incident Reports		
							1 st	3 Reports submitted on fire safety programmes.	R0.00	Realised: Conducted 16 Fire Inspections	NONE	NONE	Monthly reports Awareness reports Incident reports		
	To initiate community fire safety programmes	Fire safety programmes conducted to minimize	All Wards	All Wards		9.7.12 Reports submitted on fire safety programmes									

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
	by conducting : fire inspections, prevention initiatives at schools/churches/business and firebreaks.	Fire and disaster risks				on or before 10 th of each month.				July 23: 6 Aug 23: 4 Sep 23: 6 Conducted 16 <u>Prevention Initiatives:</u> July 23: 1 Aug 23: 8 Sep 23: 7 Conduct 19 <u>Firebreaks:</u> July 23: 15 Aug 23: 3 Sep 23: 1			Awareness reports Incident reports
							2 nd	3 Reports submitted on fire safety programmes	R0.00	Realised: Conducted 46 Fire <u>Inspections</u> : Oct 23: 9 Nov 23: 34 Dec 23: 3 Conducted 6 <u>Prevention Initiatives:</u> Oct 23: 1 Nov 23: 3	None	None	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
										Dec 23: 2 Conducted 1 Firebreaks: Oct 23: 1 Nov 23: 0 Dec 23: 0				
							3 rd	3 Reports submitted on fire safety programmes.	R0.00	Realised Conducted 24 Fire Inspections Jan: 5 Feb: 14 Mar: 5 Conducted 7 Prevention initiatives: Jan: 1 Feb: 3 Mar: 3 Conducted 1 Firebreaks: Jan: 0 Feb: 0 Mar: 1	NONE	NONE	Awareness reports Incident reports	
							4 th	3 Reports submitted on fire safety programmes.	R0.00	Realised: Conducted 42 Fire Inspections	NONE	NONE	Awareness reports Incident reports	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GFS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action
Enforcement of Traffic Laws and Crime Prevention	Conducting 12 roadblocks per quarter and scholar patrol programs daily at schools.	12 reports submitted on enforcement of traffic laws and crime prevention	All Wards	All Wards	R97 846.00	9.8 12 Reports submitted on enforcement of traffic laws on or before 10 th of each month.	1 st	3 Reports submitted on enforcement of traffic laws.	R0.00	Apr 24: 11 May 24:29 June 24: 2	None	Monthly Report
										Conducted 10		
										Prevention Initiatives: Apr 24:5 May 24: 5 June 24: 0		
										Conducted 19		
										Firebreaks: Apr 24:0 May 24:4 June 24: 15		
										Realised 3 Monthly reports submitted.	None	
										Conducted 16 Roadblocks July 23: 04 Aug 23: 06 Sep 23: 06		
							2 nd	3 Reports submitted on	R0.00	Realised 3 Monthly	None	Monthly Report

MONITORING FRAMEWORK									
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure
								enforcement of traffic laws.	
							3 rd	3 Reports submitted on enforcement of traffic laws.	R0.00
								Reports Submitted. Conducted 13 Roadblocks Oct 23: 04 Nov 23: 03 Dec 23: 06 Realised 3 Monthly report Submitted.	
								Conducted 15 Roadblocks Jan 24: 05 Feb 24: 04 March : 06 REALISED 3 Monthly reports Submitted.	
							4 th	3 Reports submitted on enforcement of traffic laws.	R0.00
								Conducted 12 Roadblocks Apr 24: 4 May 24: 3 June 24: 5 Realised 3 Monthly reports Submitted.	
							1 st	3 Reports submitted on the implementation of the approved scholar patrol	R0.00
								9.9.12 Reports submitted on the implementation of the approved	
		School patrols conducted	All Wards	All Wards					
								Scholar patrol	
								Approved scholar patrol program Monthly Report	
								None	
								None	
								None	
								Monthly Report	
								Monthly Report	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Vand Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONTHLY PERFORMANCE REPORT							
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
						scholar patrol program to improve Road Safety.		program conducted daily at school		program was conducted daily at school				
							2 nd	3 Reports submitted on the implementation of the approved scholar patrol program conducted daily at school	R0.00	Realised 3 Monthly Report Submitted. Scholar Patrol Program Was Conducted Daily At School	None	None	Approved Scholar Patrol Program Monthly Report	
							3 rd	3 Reports submitted on the implementation of the approved scholar patrol program conducted daily at school	R0.00	Realised 3 Monthly report Submitted. Scholar patrol program was conducted daily at school	None	None	Approved scholar patrol program Monthly Report	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							4 th	3 Reports submitted on the implementation of the approved scholar patrol program conducted daily at school	R0.00	Realised 3 Monthly reports Submitted. Scholar patrol program was conducted daily at school	None	None	Approved scholar patrol program Monthly Report





PRIORITY 10: Environment

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	Qtr	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Facilitate and coordinate environmental capacity building and awareness initiatives	ENV1.1 Annual Number of day with GOOD air quality.	5 Environmental education and awareness	All Wards	All wards	R0	10.1 5 Reports submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution in Bohlakong	1 st	1 Report submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution in Bohlakong	R0.00	Realised Education and awareness was done in Ward 8 on 20 September 2023	None	None	Approved environmental public awareness/education programme Invite. Attendance register Photos Report
	ENV1.3 Percentage of households experiencing a problem with noise pollution.	programmes were conducted to minimize health risks and environmental pollution.	All Wards	All wards	Source of Funding: Internal	10.1 5 Reports submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution.	2 nd	1 Report submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution.	R0.00	Not Realised	Preparation of exams in schools had a lot of impact in	Awareness to be done before end of January 2024	None

MONITORING FRAMEWORK									
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure
						and land pollution conducted in all five units on a quarterly basis.			
							3 rd	pollution in Fouriesburg 1 Report submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution in Clarens	R0.00
								conducting awareness None	Realised Environmental education and awareness was done at Reitumetse Clinic in Fouriesburg on the 30 January 2024. Environmental education and awareness was done at Clarens Primary School on 28 February 2024.
								Approved environmental public awareness/education programme Invite. Attendance register Photos Report	None
								Approved environmental public awareness/education programme Invite. Attendance register Photos Report	Approved environmental public awareness/education programme Invite. Attendance register Photos Report
							4 th	2 Reports submitted on the implementation of approved environmental public awareness/education programme on air-, water-, and land pollution in Paul Roux and Rosendal	R0.00
								The unavailability of the Environmental Officer is a challenge due to the fact that Manager Solid Waste is the only qualified person to perform	Partly Realised Environmental education and awareness was done at Mautse Primary School on 26 April 2024. No environmental public awareness/education programme was done in Paul Roux
								Manager Solid Waste does conduct awareness as and when she is not committed in other duties she is responsible for.	Approved environmental public awareness/education programme Invite. Attendance register Photos Report

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK						Challenge	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quantity Projected Targets	Expenditure	Progress			
											the duties.		

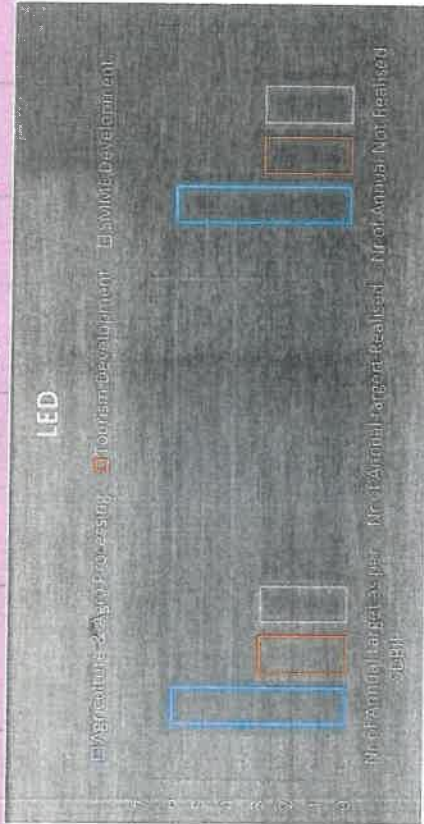
KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

Directorate: LED	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Agriculture & Agro Processing	4	0	4	0%	
Tourism Development	3	0	3	0%	
SMME Development	3	1	2	33%	
TOTAL	10	1	9	10%	

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000253

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
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PRIORITY 11: Agriculture and Agro-Processing

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To promote the agricultural economy and sustainability by 2027	Enabling environment for Agronomic growth and development	Revitalisation of 2 youth owned/managed farms.	All	All	Source of funding Internal	11.1 Facilitate food security projects by providing production	1 st	Invite eligible farmers to submit proposals.	R0.00	Realised	None	None	- Copy of Invitation Advert - Register of applications received - Proof of procurement - Hand over register

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Program	Challenges	Remedial Action	Evidence Attached
						inputs to 4 projects by 23/24 financial year.	2 nd	Assessment of applications and identification of 4 eligible farmers.	R0.00	Realised	None	None	Copy of applicant proposal Assessment form
							3 rd	Advertise and procure equipment/Inputs.	R0.00	Not Realised	The finance Department has not yet advertised	Memo was drafted to the CFO's Office awaiting reply	Request memo
							4 th	Handover of equipment/Inputs.	R0.00	Unrealised	The Finance Department did not procure	Will be referred to 2024/25 financial year	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	Q1A	Quarterly Projected Targets	Expenditure	Progress	Challenge	Remedial Action	Evidence Attached
		Establishment of 2 rabbitry project	All	All	Source of funding Internal	11.2 Facilitate rabbit production by providing production inputs and equipment to 2 rabbitry projects by 23/24 financial year	1 st	Invite eligible rabbit production farmers to submit proposals.	R0.00	Realised	None	None	- Copy of Invitation Advert - Register of applications received - Proof of procurement Hand over register

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure R	Progress	Challenged R	
Revitalisation of the agro processing sector	Provision of equipment and machinery to 4 agro processing units	All	All	Source of funding Internal	11.3 Facilitate the agro-processing sector by supporting 4 processing units by 23/24 financial year.	2 nd	Assessment of applications and identification of 2 eligible farmers	R0.00	Realised	None	None	Copy of applicant proposal Assessment form
						3 rd	Advertise and procure equipment/inputs	R0.00	Not Realised	The finance department has not yet advertised	Memo was drafted to the CFO's Office awaiting reply	Request memo
						4 th	Handover of equipment/inputs.	R0.00	Unrealised	The Finance Department did not procure	Will be referred to 2024/25 financial year	
						1 st	Invite eligible agro-processing entrepreneur to submit proposals.	R0.00	Realised	None	None	- Copy of Invitation Advert - Register of application received - Proof of procurement Hand over register
						2 nd	Assessment of applications and identification of 4 eligible entrepreneur	R0.00	Realised	None	None	Copy of applicant proposal Assessment form
						3 rd	Advertise and procure equipment	R0.00	Not Realised	The finance department has not yet advertised	Memo was drafted to the CFO's Office awaiting reply	
						4 th	Handover of equipment	R0.00	Unrealised	The Finance Department did not procure	Will be referred to 2024/25 financial year	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quantity/Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
	Revitalisation of 2 Municipal Pound	All	All	All	Source of funding Internal	11.4 Promotion and facilitation of the animal production sector through the provision of safe and secure pounding services by 23/24 financial year.	1 st	Prepare needs assessment report	R0.00	Realised	None	None	- Pound Assessment Report - Specification MEMO - Copy of advert - Images of the upgraded facility
							2 nd	Prepare request for procurement of material for maintenance of 2 pounds (specification document)	R0.00	Realised	None	None	Request for procurement memo
							3 rd	Advertise and procure equipment	R0.00	Not Realised	The finance department has not yet advertised	Memo was drafted to the CFO's Office awaiting reply	Copy of memo
							4 th	Maintenance of pounds and ongoing operations	R0.00	Unrealised	The Finance Department did not procure	Will be referred to 2024/25 financial year	

000258

Key Performance Objective	Key Performance Indicator	Unit of Measure	Work Number	GPS Code	MONITORING FRAMEWORK						Evidence Attached		
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress		Challenges	Remedial Action
Key Performance Objective	Key Performance Indicator	Unit of Measure	Work Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
							1 st	Assess eligible proposals.	0.00	Realised	None at this stage	N/A	
							2 nd	Identification of 10 eligible beneficiaries.	0.00	Realised	None at this stage	N/A	
							3 rd	Advertise and procure equipment.	R0.00	Not Realised	Awaiting the Director Development and planning to finalise the specification document	Follow up with the Director Development and Town Planning	
Key Performance Objective	Key Performance Indicator	Unit of Measure	Work Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	4 th	Hand over equipment and provide ongoing mentorship		Not realised	Awaiting for the Director: Development and planning to finalise the specification document	Refer to the 2024-2025 financial year	Request memo
							1 st	Develop a specification document	0.00	Realised	None at this stage	N/A	- Memo of request with specification
							2 nd	Advertise for the procurement of a service provider	0.00	Not Realised	The finance department has not yet advertised	Submitted follow up memo to the finance department but did not	Follow up memo

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Budget Allocation	Quarterly Projected Targets	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
							3 rd	0.00	Not Realised	The finance department has not yet advertised	receive any feedback	
										Submitted another follow up memo to the finance department but did not receive any feedback		
							4 th		Not realised	The Finance department did not advertise	Refer to the 2024-2025 financial year	
							1 st	0.00	Realised	None at this Stage	N/A	Memo send to BID and Specification committee with the relevant specification
							2 nd	0.00	Not Realised	The Bid and specification committee has not yet set with the proposed specification	Submitted a follow up memo to the finance department but did not receive any feedback	Follow up memo
							3 rd	0.00	Not Realised	The Bid and specification committee has not yet set	Submitted another follow up memo to the finance department	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Actual Target	MONITORING FRAMEWORK						Evidence Attached	
							QTR	Quarterly projected Targets	Expenditure	Progress	Challenges	Remedial Action		
								trading issuing						
							4 th	Issue of hawkler licenses and ongoing monitoring		Not realised	The specification document went to the Bid and Specification committee and was referred back due to time frames	Will be referred back to the bid and specification committee in the 2024-2025 financial year		

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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure R	Progress	Challenges	Remedial Action	Evidence Attached
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PRIORITY 13: Tourism

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Create an enabling environment for Tourism growth and development.	Establishment of Tourism Infrastructure Projects.	Support of Tourism establishments.	Ward 20	aAll	Source of funding Internal	13.1 Support of Tourism establishments (Support of PDI Businesses).	1 st	N/A		Realised.	None	None	- Advertisement letter - Appointment letter - Proof of Payment
							2 nd	Identification and Profiling of Tourism Products			None		
							3 rd	Adverts via 7 day Tender and procure Tourism Signage		Not Realised	Awaiting Supply Chain process		Memo to Finance Department for procurement
							4 th	Delivery of goods		Not Realised.	Follow up memo sent to Supply Chain.		
	Development of Clarens Visitor Information Centre and Curio Shop	Ward 20	Ward 20		Source of funding Internal	13.2 Development of a Visitor Information Centre and Curio Shop	1 st	Development of Specification and Tender Document.	R0.00	Realised	None	None	Tender document
							2 nd	Advertise for the Development of Clarens Visitor Information Centre.		Not Realised.	Item to go to Spec Committee	Finalization and approval by Spec Committee.	- Advertisement letter - Appointment Register for hand-over of equipment to beneficiaries

000262

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Support of Tourism SMME's	Support of Tourism SMME's	Procurement of equipment and tools for Tourism SMME's.	All	All	All	Source of funding Internal	13.3 Support and assistance of Tourism SMME's	3 rd	Advertise for the Development of Clarens Visitor Information Centre.	Not Realised	DLM Financial capacity	Engaged Private Sector, to develop a joint partnership	- DLM letter to VBC Supply
								4 th	Appointment of Service Provider and handover of equipment.	Not Realised			
								1 st	Identification of 10 eligible beneficiaries.	Realised	None	None	Request Memos Adver Tender document
								2 nd	Develop 7 Day Tender Document.	Realised	None	None	
								3 rd	Advertise and procure equipment	Realised	None	None	
								4 th	Handover of equipment.	Realised			





Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK							Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action		

000263

SECOND – LAYER SDBIP

Key Performance Objective	Key Performance Indicator	Unit of Measure	Wind Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged	

KEY PERFORMANCE AREA 3: ORGANISATIONAL TRANSFORMATION AND DEVELOPMENT

Directorate: CORPORATE SERVICES	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realized	Rating
Organisational Design	5	1	4	20%	
Human Capital Development	8	3	5	38%	
Labour Relations	4	2	2	50%	
TOTAL	17	6	11	35%	

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PRIORITY 14: EFFECTIVE HUMAN CAPITAL DEVELOPMENT
14.1 Organisational Design

Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Reviewed and approved Staff Establishment.	- Council adopted organisational structure	- Reviewed and adopted Organisational Structure	All	All	N/A	14.1.1 Approved program and fill	1 st	To review program and get Council approval.		Not Realised Lack of capacity		Organizational structure has to go for review and get council approval	

MONITORING FRAMEWORK														
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached	
	- Nr of Council adopted HR policies and By-Laws	- All developed HR policies adopted by Council. - Conduct workshops on all approved HR policies - All gazetted By-Laws implemented	All Wards	All	N/A	budgeted vacancies. Job descriptions completed, graded and signed by all stakeholders.	2 nd	Identify posts for Job Evaluation (Internally)		Not Realised	The Organisational Structure has not been approved by the council yet.	The Organisational Structure must be approved by the Council first.	Attached letter to Salga	
								Report of Job Evaluation Committee presented and approved by Municipal Manager/ Council.						
								3 rd	Approved job descriptions filled in personnel files.	Not Realised	There is no reviewed staff establishment that is approved by council	The municipality has sent a letter to Salga requesting assistance with staff establishment		
								4 th	To balance payroll with the Budget by conducting personnel verification.	Realised				
								1 st	To review policies according to Systems Act and collective agreement.	Not Realised	All the Policies are under review by policy committee			
							2 nd	Present Draft HR policies to Policy Committee for recommendation. Council adopted HR Policies.	Not Realised	Policy committee meeting was postponed.	The Policy committee meeting will be held in Jan/Feb.			

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	23/24 Annual Budget Allocation	23/25 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
GG1.2 Top management stability	- GG1.21 Staff vacancy rate - GG1.22 Percentage of vacant posts filled within 3 months Payroll not exceeding 35% of the total	and kept on a register.				14.1.3 Proposed By-Laws approved by Council and to be gazetted.	3 rd	Conduct workshops on adopted HR policies.		Not realised	The HR subcommittee is not formed	The HR subcommittee is in the process of being established and an item is being prepared for meeting	
							4 th	Report on implementation of Council adopted HR policies.		Not Realised	HR policies has not been adopted by council.		
							1 st	Draft By-Laws adopted by Policy Committee		Not Realised	Depended on the adoption of policies by policy committee		
							2 nd	Hold public participation on draft By-Laws and present to Council for adoption.					
							3 rd	Publish Council By-Laws for gazetting.					
							4 th	Monitor implementation and report to Council.					
							1 st	Critical posts filled as per approved org structure.		Not Realised	Organisational structure has to go for review and get approval by council		
							2 nd	Critical posts filled as per approved org structure.		Realised			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GOS Code	23/24 Annual Budget Allocation	25/26 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
	operating revenue.	personnel verification.					3 rd	Critical posts filled as per approved org structure.		Not Realised	The appointment of Director Corporate Services and Technical Services was delayed.	The posts have been re-advertised	Attached Advert
							4 th	Critical posts filled as per approved org structure.		Realised			Attached appointment letters and the advert of the post

14.2 Human Capital Design

MONITORING FRAMEWORK										
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Evidence Attached
MONITORING FRAMEWORK										
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Evidence Attached
Skills Development and Employee Wellness. Improved municipal capability	Nr of learners exposed to Learnership / Apprenticeship training.	Specify no of (45) learners to be developed.	All	All	Source of funding: external SETA	14.2.1 5 Learnership / Apprenticeship Training development programme implemented for 45 Learners around Dhlabeng for a period ending June 2024.	1 st	- Learnership / Apprenticeship programme implemented for 45 learners around Dhlabeng	Realised	- Contracts - Attendance registers - letter from Seta
							2 nd	- Learnership / Apprenticeship programme implemented for 45 learners around Dhlabeng	Not Realised	Electricity Apprenticeship Programme is on hold
							3 rd	- Learnership / Apprenticeship programme implemented for 45 learners around Dhlabeng	Realised	The programme has been put on hold due to delay of payments of the Municipality and Service Provider
							4 th	- Learnership / Apprenticeship programme	Realised	The municipality is waiting the release of the second year addendum by CETA in order to resume the programme, as the outstanding amount has been paid
										Letter from CETA -Attendance Register

000270

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quantity/Projected Targets	Expenditure	Progress	Challenged	Remedial Action	Evidence Attached
	GG1.1 Percentage of municipal skills development levy recovered	WSP Implemented as approved and allocated funding. 4 training reports submitted to LGSETA	All		R 500 000 Source of funding Internal	14.2.2 WSP implemented as approved and per allocated funding.	1 st	Implemented for 45 learners around Dhlabeng		Realised			- submission reports to LGSETA - Approved WSP - Attendance Register - Certificates - Attendance Minutes
								1 training report per quarter		Not realised	No items for reporting	Items to be prepared for the next quarter	
							2 nd	1 Report submitted on functionality of training committee		Realised			Attached training report
								1 training report per quarter		Not realised	Items were prepared, committee members were not available for the sitting.	Training Committee to sit on the third week of January.	Attached agenda and register of the meeting
							3 rd	1 Report submitted on functionality of training committee		Realised			
							4 th	1 training report per quarter		Realised			- Training Report - Agenda for training committee meeting

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MIZIMTORING FRAMEWORK					Evidence Attached		
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action	
Internal and External Bursaries awarded for critical skills.	Internal and External Bursaries awarded for critical skills.	Internal and External Bursaries awarded for critical skills.	All	All	14.2.3 4 Reports submitted on Internal and External Bursaries awarded for critical skills.							-Attendance Register -minute of the training committee meeting.		
														Acknowledgement of receipt of WSP 2024/2025 and ATR 2023/2024 submission
						1 st	1 Report submitted on Bursary holder management and progress submitted.		Realised				-Bursary form -Proof of payment Academic results.	
						2 nd	1 Report submitted on Bursary holder management and progress submitted.		Realised					
						3 rd	1 Report submitted on Bursary holder management and progress submitted.		Not Realised	Applications for bursaries were sent CFO office, but they were not paid	To make a follow up with the CFO regarding the expected timing of the bursary payments.			
						4 th	1 Report submitted on Bursary holder management		Realised			-Bursary form and proof of payment		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	33/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quantity Projected Target	Expenditure	Progress	Challenges	
Uniform & Protective Clothing. Provided to employees by 2023.	Uniform & Protective Clothing provided to municipal employee in DLM.	All	All	R2 500 000.00	14.2.4 Uniform & Protective Clothing							
						1 st	and progress submitted.		Not realised	The tender has lapsed	The Sections started to procure for themselves	- Report on protective clothing Register on receipt of protective clothing.
						2 nd	Advertising of a tender and appointment of service providers.		Realised: PPE was procured as per departmental needs.	PPE was procured by cash on delivery.	3 years' tender should be advertised.	Registers for receipt of protective clothing.
						NO TARGET FOR QUARTER 3						
						4 th	Issuing out new protective clothing.		Not realised	Delay on Supply Chain.	Supply Chain will finalize the matter.	None
						1 st	2 wellness workshop		Realised			- 2 Report on employee wellness workshop.
						14.2.5 Employee wellness programmes.	Refer Employees to Medical/ psychological and rehabilitation Check-ups.		Realised			-12 employees were referred to psychological services.

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							2 nd	2 wellness workshop Refer Employees to Medical/psychological and rehabilitation Check-ups.		<p>Not Realised</p> <p>Realised During the period October to December 2023 seven (7) employees were referred to Mondia and Aurora respectively</p> <p>Realised During the month of November fifty-two (52) employees from Solid Waste were referred for annual medical check up.</p>		Request Memorandums not signed on time for approval	
							3 rd	2 wellness workshop		<p>Realised: on 13 January 2024 a planning & goal setting workshop was conducted. On 29 February 2024 a Wellness Day was hosted.</p>			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	SPs Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Challenged	Remedial Action	Evidence Attached
							QTR	Quantitatively Targeted	Expenditure	Progress			
								Refer Employees to Medical Check-up.		Realised: 55 employees were referred for medical examination on 18 March 2024.			- ICT strategy Quarterly ICT reports
								Refer Employees to Rehabilitation Centre		Realised: Two employees were referred to rehabilitation Centre.			
							4 th	2 wellness workshop		Partially Realised 1 workshop was conducted by Apathia.			
								Refer Employees to Medical Check-up.		Not Realised due to financial constraints.		Increase Budget to have sufficient for employees	
								Refer Employees to Rehabilitation Centre		Realised 10 employees were referred to different Rehabilitation centre			
							1 st	ICT Strategy implementation					
							2 nd	ICT Strategy implementation					
							3 rd	ICT Strategy implementation					
							4 th	ICT Strategy implementation					
								14.2.6 ICT strategy implementation to ensure compliance and business continuity	Internal Budget				
	- ICT Best Practice compliance.												

MONITORING FRAMEWORK												
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Target	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
- Good Governance and adherence to Local government legislative framework.				Internal Budget	14.2.7 Secretariat Functionality to ensure Administrative and Council structures' Support	1 st	Provision of secretariat function to Council and its sub-committees according to standard rules and orders.	Realised Council meetings 4 Mayco meetings 2 Other meetings 7				- Schedule of Council meetings. Attendance registers and minutes of meetings
						2 nd	Provision of secretariat function to Council and its sub-committees according to standard rules and orders.	Realised Council meetings 4 Mayco meetings 3 Other meetings 13				
						3 rd	Provision of secretariat function to Council and its sub-committees according to standard rules and orders.	Realised Council meetings_2 Mayco _0 Section 80 meetings_5 Section 79 Meetings_2 Other meetings_1	None	None		

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	2023/24 Annual Budget Allocation	2023/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
Increase access to and utilisation of social and community facilities	- HS3.4 Percentage utilisation rate of community halls				Internal Budget	14.2.8 Facilitate community halls upkeep and bookings	4 th	Provision of secretariat function to Council and its sub-committees according to standard rules and orders.	Realised Council Meetings 4 Mayco 5 Section 80_7 Section 79_5 Other meetings_2	None	None	None	Schedule of Council meetings. Attendance registers and minutes of meetings
							1 st	1 Quarterly Report submitted on upkeep and utilisation of community facilities	R25,397.80 purchase of cleaning material R5000 for petty cash	Realised 115 booking of community halls.	Income not generated	None	4 Reports submitted on upkeep and utilisation of community facilities
							2 nd	1 Quarterly Report submitted on upkeep and utilisation of community facilities	R 20192.00 Purchase of cleaning material	Realised (7777)bookings for Community Halls	Income Not generated	None	
							3 rd	1 Quarterly Report submitted on upkeep and utilisation of community facilities	(26112.10) Purchase of cleaning material	Realised (240)bookings for Community Halls	Income Not generated	None	
							4 th	1 Quarterly Report submitted on upkeep and utilisation of community facilities	(46465.50) Purchase of cleaning material	Realised (350) bookings for community halls	Income not generated	None	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged	Remedial Action	Evidence Attached
									0				

14.2 : Labour Relations

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Functionality of LLF and Labour Relations matters as per IDP	- 12 LLF meetings held as per the approved schedule	- 100% adherence to the approved LLF meeting schedule	All Wards	All	N/A	14.2.9 Level of functionality of Local Labour Forum (LLF) and its sub-committees.	1 st	3 LLF meetings held as per approved schedule		Not realised	Previous acting Municipal Managers could not appoint managers and senior managers for composition of the LLF.	That the new Municipal Manager appoint senior managers as part of the LLF Committee.	None
	- 4 OHS committee meetings held.	- 100% adherence to OHS committee meetings schedule					2 nd	3 LLF meetings held as per approved schedule		Not realised: The LLF meeting was scheduled for 12 October 2023. Realised: The LLF meeting was held on 1 November 2023.	The LLF meeting was rescheduled to 1 November 2023.	The LLF meeting was rescheduled to 1 November 2023.	Notice of the meeting and attendance register.
	- Reduced Number of disputes and grievances handled	- Nr of disputes and grievances handled									None.	None.	Attendance register and minutes of the meeting.
	- Compliance with contract management due diligence processes	To provide legal support to Council and management staff in discharge of responsibilities generally								Not realised. The LLF meeting was scheduled for 7 December 2023.	No meeting was held the election of the Chairperson and Deputy	Waiting for a date from SALGA.	None.

000278

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	Geo Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Target	Expenditure	Progress	Challenged at		Remedial Action
										Chairperson was referred back.	None.	None.	Notice of the meeting, attendance register and minutes of the meeting.
						3 rd	3 LLF meetings held as per approved schedule		Realised: The LLF meeting was held on 31 January 2024.	LLF was on	None.	The LLF meeting was rescheduled for 6 March 2024.	None.
									Not realised: The LLF meeting was scheduled for 22 February 2024.	LLF was scheduled for	No items were submitted.	The LLF meeting was rescheduled for 15 March 2024.	None.
									Not realised: The LLF meeting was scheduled for 6 March 2024.	LLF was scheduled for	The LLF meeting could not sit because there was no quorum.	The LLF meeting was rescheduled for 15 March 2024.	Notice of the meeting

000280

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	Q1H	Quarterly/Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
			All Wards	All	14.2.10 Compliance with all applicable OHS legislation. Revised	1 st 1 OHS committee meetings held as per approved schedule				Not realised: A special LLF meeting was scheduled for 26 June 2024.	The meeting could not sit because there was no quorum.	A meeting will be scheduled for July 2024.	Notice of the meeting and attendance register.
										Not realised	The previous committee's time has lapsed and the other members have lost interest.	We need to appoint new representatives and provide OHS training for them.	None
							2 nd	1 OHS committee meetings held as per approved schedule		Realised: Occupational Health and Safety representatives have been elected.	None.	Occupational Health and Safety meetings will commence in January 2024.	None.
							3 rd	1 OHS committee meetings held as per approved schedule		Realised: An OHS meeting was held on 19 February 2024.	None.	None.	Notice of the meeting, attendance register and minutes of the meeting.
							4 th	1 OHS committee meetings held as per approved schedule		Not realised	Delay on Supply Chain.	Supply Chain will finalize the matter.	None
							1 st	Number of disputes and grievances handled		Realised: IMATU obo T J Ndaba Arbitration was set down for 4 July 2023.	Arbitrator was absent from arbitration.	Arbitration was set down for 24 October 2023.	Notice of arbitrations.
							All Wards	All					

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	SPS Code	23/24 Annual Budget Allocation	22/23 Annual Target	MONITORING FRAMEWORK				Evidence Attached																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Quarterly Actuals					
										13 October 2023. Arbitration was set down for 13 October 2023.	None.	Municipality to review the decision of the Arbitrator in the Labour Court.	Notice of Arbitration and Enforcement Award.	
										Realised: SALGBC & IMATU obo M S Twala & 5 Others Arbitration was set down for 7 August 2023. Enforcement Award – Compliance Order issued on 14 June 2023 confirmed and enforced.	None.	None.	Notice of arbitration and Jurisdictional Ruling.	
										Realised: IMATU obo L J Msibi & 39 Others Arbitration was set down for 16-17 August 2023. Jurisdictional Ruling – SALGBC lacks jurisdiction to arbitrate this matter.	None.	Awaiting the outcome from the Bargaining Council.	Notice of arbitration.	
										The matter remained unresolved. The Commissioner issued the		Awaiting date for Arbitration from the Bargaining Council.	Notice of conciliation and Certificate of outcome.	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							Q1A	Q2A	Q3A	Q4A						
													Realised: SALGBC & IMATU obo D Mokoena Arbitration was set down for 31 August 2023.	certificate of outcome and referred the matter for Arbitration.		
													Realised: IMATU obo P T Tsotetsi Conciliation was set down for 22 September 2023.			
													Realised: IMATU obo M V Malakoane & 11 Others Arbitration was set down for 13 & 31 October 2023, 1, 23 & 24 November 2023.	None.	Awaiting new date for arbitration from the Bargaining Council.	Notice of arbitrations.
													Realised IMATU obo S S Tshabalala Arbitration was set down for 16-18 October 2023.	None.	None.	Notice of arbitration and Settlement Agreement.
													Settlement Agreement – Employee to be reinstated from			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK			Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure					
										23 October 2023.	Realised: SAMWU obo S S Hlubi Conciliation was set down for 19 October 2023. Remained unsolved and the Commissioner referred the matter for Arbitration. Arbitration was set down for 7 February 2024.	None.	None.	Notice of conciliation, certificate of outcome and Notice of arbitration.
											Realised: IMATU obo T J Ndaba Arbitration was set down for 24 October 2023. Settlement Agreement Respondent agreed to formalise and approve the applicant's job description of the position of Accountant: Fleet Management	None.	None.	Notice of arbitration and Settlement Agreement.

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Target							
											on Friday, 27 October 2023 by 14:00. Realised: SAMWU obo K Simelane Conciliation was set down for 25 October 2023.	The matter remained unresolved. The Commissioner issued the certificate of outcome and referred the matter for Arbitration.	Awaiting date for Arbitration from the Bargaining Council.	Notice of conciliation and certificate of outcome.	
											None.	None.	None.	Notice of conciliation, certificate of outcome and Notice of arbitration.	
											Realised: SAMWU obo B Moeti Conciliation was set down for 26 October 2023. Remained unresolved and the Commissioner referred the matter for Arbitration. Arbitration was set down for 26 January 2024.	The matter remained unresolved. The	Awaiting date for Arbitration from the	Notice of conciliation and certificate of outcome.	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress		Challenges
									SAMWU obo J Tshabalala Conciliation was set down for 26 October 2023.	Commissioner issued the certificate of outcome and referred the matter for arbitration.	Bargaining Council.	
									Realised: SAMWU obo B E Radebe Conciliation was set down for 29 November 2023. Remained unresolved and the Commissioner referred the matter for Arbitration. Arbitration was set down for 5 February 2024.	None.	None.	Notice of conciliation, certificate of outcome and Notice of arbitration.
									Realised: T Ramonotsi & 2 Others Conciliation was set down for	The matter remained unresolved. The Commissioner issued the certificate of outcome and referred the matter	Awaiting date for Arbitration from the Bargaining Council.	1

000287

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	
									13 December 2023.	for Arbitration. None.	Employees were remunerated for the overtime worked.	
									Realised: P S Moloi and T P Mofokeng submitted a grievance application form regarding unpaid overtime that was worked.	None.	Employees were remunerated for the overtime worked.	Notice of conciliation and Certificate of outcome.
									Realised: HM Becker and M A Mofokeng submitted a grievance application form regarding unpaid overtime that was worked.			Grievance application form and memo.
												Grievance application form and memo.
							3 rd	Number of disputes and grievances handled	Realised: SAMWU obo B Moeti Arbitration was set down for 26 January 2024. Jurisdictional Ruling - SALGBC does not have jurisdiction to	None.	None.	Notice of arbitration, Jurisdictional Ruling and notice of arbitration (CCMA).

Key Performance Objective	Key Performance Indicator	Unit of Measure	Weight Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK			Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets						
										entertain the dispute and the file should be transferred to the CCMA for arbitration. Arbitration (CCMA) was set down for 10 June 2024.				Notice of conciliation and certificate of outcome.
										Realised: SAMWU obo B N Shabangu Conciliation was set down for 26 January 2024.	The matter remained unresolved. The Commissioner issued the certificate of outcome and referred the matter for Arbitration. Employee referred the matter to the CCMA.	Awaiting date for Arbitration from the CCMA.		Notice of arbitration and Settlement Agreement.
										Realised: SAMWU obo B E Radebe Arbitration was set down for 5 February 2024. Settlement Agreement	None.	None		Notice of arbitration and Settlement Agreement.

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							Q18	Quarterly Projected Target	Quarterly Projected	Quarterly Projected					
												The employee be paid an amount of R40 134,22 on/or before 26 February 2024. The parties agree on mutual separation due to the end of employment contract effective from 31 December 2023.	None.	None.	Notice of arbitration and Arbitration Award.
												Realised: SAMWU obo S S Hlubi Arbitration was set down for 7 February 2024. Settlement Agree-ment - The em-ployee be paid an amount of R9 000,00 on/or before 25 February 2024 and an amount of R3 327,54 be paid every month which will increase by 5% in the next financial year.	None.	None.	Notice of arbitration.
															Notice of arbitration.

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Challenged	Remedial Action	Evidence Attached
							QTR	Quantity Projected	Expenditure	Progress			
										Realised: IMATU obo M V Malakoane & 11 Others Arbitration was set down for 20-22 February 2024. Award – The Arbitration Applicants failed to prove that they were dismissed by the Respondent and the file can be closed.	None.	Awaiting the outcome from the Bargaining Council.	Grievance application form, memo and verbal warnings.
										Realised: IMATU obo P T Tsotetsi Arbitration was set down for 27 March 2024.	None.	Awaiting the outcome from the Bargaining Council.	Grievance application form and notice of grievance hearing
										Realised: SAMWU obo K Simelane Arbitration was set down for 28 March 2024.	None.	Aggrieved employee and Fire Chief were sanctioned a 3 months verbal warning and the aggrieved employee were compensated for the night hours worked.	
										Realised: S Matsie Submitted a grievance application		The issue was resolved between the two employees.	




Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quantity Target	Projected	Expenditure				
										postponed to 25 June 2024. Dispute was withdrawn by the Applicant.				Notice of conciliation and certificate of outcome.
										Realised: P Tsoetsi Conciliation was set down for 2 April 2024.	The matter remained unresolved. The Commissioner issued the certificate of outcome and referred the matter for Arbitration.	Awaiting date for Arbitration from the Bargaining Council.		Notice of arbitration and Arbitration Award.
										Realised: T Ramonotsi & Z Others Arbitration was set down for 3 April 2024. Arbitration Award -- The applicants were not unfairly dismissed and the matter is dismissed.	None.	None.		Notice of conciliation, Certificate of outcome and Notice of arbitration.
										Realised: F L Kambele Conciliation was set down for 7 May 2024.	None.	Arbitration was set down for 26 July 2024.		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							Q1R	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
	Compliance with contract management due diligence processes	To provide legal support to Council and management staff in discharge of responsibilities generally	All	All	14.2.12 Numbers of litigations handled				Remained unresolved and the Commissioner referred the matter for Arbitration.	None.		None.	Notice of Arbitration and Jurisdictional Ruling.
									Realised: SAMWU obo TV B Moeti Arbitration was set down for 10 June 2024 (CCMA). Jurisdictional Ruling – The CCMA lacks jurisdiction to entertain the dispute and is ordered to close the file.				
						1 st	Number of litigations handled		Realised: 1 case was handled.	None.	None.	Combined Summons.	
						2 nd	Number of litigations handled		Realised: 1 case was handled.	None.	None.	Notice of Motion.	
						3 rd	Number of litigations handled		Realised: 1 case was handled.	None.	None.	Notice of Motion	
						4 th	Number of litigations handled		Realised: 2 cases were handled.	None.	None.	Combined Summons and Notice of Motion.	

000294

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK				Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets					

KEY PERFORMANCE AREA 4: ENHANCING GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Directorate: POLITICAL OFFICE		Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Office of the Executive Mayor		6	4	2	67%	
Office of the Speaker		4	2	2	50%	
MPAC		2	1	1	50%	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK						Challenge	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress			
	Public Engagement (Petitions and Complaints Management)				2	1	1	50%					
	TOTAL				14	8	6	57%					

15.1 MPAC

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK						Challenge	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress			
To promote good governance	4 MPAC meetings	4 reports presented to Council	All Wards	All	Source of funding Internal	15.1.1 4 MPAC meetings held	1 st	1 MPAC meeting held and report	None	Realised	None	None	

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure £	Progress	Challenges	Planned Action	Evidence Attached
and accountability on the use of municipal resources	to consider Annual report, oversight report and AG Action Plan progress reporting						2 nd	1 MPAC meeting held and report serving in Council	None	Realised	None	None	Attendance Registers
							3 rd	1 MPAC meeting held and report serving in Council	None	Realised	None	None	Attendance Register
							4 th	1 MPAC meeting held and report serving in Council	None	Realised	None	None	Minutes of the meetings 6,11,13 and 19 June 2024
							1 st						
	15.1.2 To promote good governance, transparency and accountability.	2 Stakeholder Engagements	All Wards	All			2 nd	1 Stakeholder engagement initiative	None	Not Realised	NO TARGET FOR QUARTER 1 The Committee was busy with the UFW investigation		None
							3 rd				NO TARGET FOR QUARTER 3		
							4 th	1 Stakeholder engagement initiative	None	Not Realised	No budget allocation	Budget Allocation	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure			
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure			
To promote good governance and accountability.	Number of initiatives implemented by 2019.	Number of initiatives implemented.	All	All	15.2.1 .1Women Empowerment programmes. 4 initiative implemented	15.2.1 .1Women Empowerment programmes. 4 initiative implemented	1 st	1 initiative implemented		Realised 18 AUGUST 2023 WOMEN EMPOWERMENT TALK DAY IN WOMEN MONTH CELEBRATION TOWN HALL 17 AUGUST 2023 CLEANING CAMPAIGN IN CELEBRATION WOMEN 'S MONTH WARD 5 & 16		-Photos -Registers -Reports
							2 nd	1 initiative implemented		Realised 07 Nov 2023 DONATION OF SANITARY TOWELS BREDIA COMBINED SCHOOL		-Photos -Registers -Reports
							3 rd	1 initiative implemented		16 FEB 2024 WOMEN EMPOWERMENT TALK DAY/ BUSINESS/HEALTH TOWN HALL		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached		
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action	
			All	All	15.2.2 Youth Empowerment Programmes. Implementation of youth development strategy (education, health, entrepreneurship and activism)	5 initiative implemented	4 th	1 initiative implemented		Not Realised				
							1 st	2 initiative implemented		Realised 05-07 Sept 2023 JUMPSTART PROGRAM YOUTH EMPOWERMENTS PROGRAMME TOWN HALL			-Photos -Registers -Reports	
							2 nd	1 initiative implemented		Realised 10 Nov 2023 HANDING OVER OF OF TRADE FOR SMM AIMED AT YOUTH ENTREPRENEURS TOWN HALL			Photos -Registers -Reports	
							3 rd	1 initiative implemented		29 -31 March 2024 Mashaeng Stadium EASTER SOCCER TOUNAMENT				
							4 th	1 initiative implemented		16 June 2024 New hall Mayoral Youth Imbizo				
			All	All		15.2.3 EDUCATION	1 st	2 initiatives implemented		Not Realised				

MONITORING FRAMEWORK														
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GIPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached	
	6 initiatives implemented						2 nd	2 initiatives implemented		Realised 20 Oct 2023 MATRIC PLEDGE SIGNATURES DIHLABENG PUBLIC SCHOOLS 07 Nov 2023 DONATION OF SANITARY TOWELS BREDAS COMBINED SCHOOL 15 MARCH 2024 IPOKELLENG S.S DRUG AWARENESS			-Photos -Registers -Reports	
								1 initiative implemented						
								1 initiative implemented						
								4 th						
								1 st						
	15.2.4 Health Awareness Campaigns: HIV/Aids/HCT/STI/Breast Cancer. 4 initiatives implemented									Breda SS Realised 16 AUGUST 2023 HEALTH AWARENESS CAMPAIGN WARD 12, 13 & 14			-Photos -Reports -Registers	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							Q1R	Q2R	Q3R	Q4R						
											2 nd		MASHAENG STADIUM			
											1 initiative implemented					
											3 rd		12 MARCH 2024 AIDS/HIV STI & TB WORKSHOP			
											4 th		TOWN HALL Not Realised			
											1 st		Realised SEPT MONTH AWARENESS & CLEANING CAMPAIGN Ward 1,2,3,8 &16 18 JULY 2023 SERVICE DELIVERY CELEBRATING MANDELA DAY PHEKOLONG HOSPITAL			-Photos -Reports -Registers
											2 nd		Realised 03, 10, 17, 24 Nov 2023 AWARENESS & CLEANING CAMPAIGN BETHLEHEM & BOHLOKONG			Photos -Reports -Registers
											4 initiatives implement:					

000301

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							Qtr	Quarterly Projected Targets	Quarterly Projected Targets	Quarterly Projected Targets					
												17 & 27 Nov 2023			
								3 rd	3 initiatives implement:			ISSUING OF TITLE DEEDS			
												23 FEB 2024			
												WARD 18			
												AWARENESS & CLEAN CAMPAIGN			
								4 th	2 initiatives implement			18 May 2024			
												Meeting with the farm dwellers near Helena Farm			
												16-26 April 2024			
												2024/2025 Draft IDP & Budget meetings			
												Around Dhlabeng L			
												22 May 2024			
												Budget Vote			
												Clarens Square			
												Realised			Photos Reports Register
								1 st	4 initiatives implement: Mayoral Imbizo			16 AUGUST 2023			
												WOMEN SOCIO-ECONOMIC IMBIZO			
												MASHAENG STADIUM			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
								2 nd	2 initiatives implement: Mayoral Imbizo	Realised 03, 10, 17, 24 Nov 2023 AWARENESS & CLEANING CAMPAIGN BETHLEHEM & BOHLOKONG 17 & 27 Nov 2023 ISSUING OF TITLE DEEDS BOHLOKONG 15 Dec 2023 DISASTER INTERVENTION BOHLOKONG 21 MARCH 2024			
								3 rd	3 initiatives implement: Mayoral Imbizo	MASHAENG SITE DISTRIBUTION WARD 18			
								4 th	2 initiatives implement Mayoral Imbizo	23 April 2024 Distribution of title Deeds Bakenpark ext 5&6			

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK			Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly/Projected Targets						
											5 May 2024			
											Mayoral Rural Imbizo Utopia farm			
											12 May 2024			
											Mayoral Rural Imbizo Sheridan farm			
											19 May 2024			
											Mayoral Rural Imbizo Ashtenville farm			

15.3 Public Participation: Office Of The Speaker

15.3 Public Participation: Office of the Speaker												
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action
31. Functionality and Stability of Council (Pg 213 IDP)	Preside over Council Meetings and adherence to council meeting schedule	- 4 Council Meetings facilitated	All	All	Source of Funding: Internal	15.3.1 Council meetings held as per approved schedule	1 st	1 Council meetings held	Realised: Council held four Meetings during the quarter. 19/07/23 31/08/23 07/09/23 14/09/23			- 4 quarterly reports -Minutes and attendance register of meetings held

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							2 nd	1 Council meetings held	Realised: Council Held four Meetings during the quarter. 11/10/23 24/10/23 31/10/23				
							3 rd	1 Council meetings held	Realised 1 Council meeting was a success	Special council collapsed due to disagreement between councillor	Another council meeting must be called.	- Attendance registers to be attached	
							4 th	1 Council meetings held	Realised 5 Council meetings were successful	1 was postponed due to quorum not met.	Another meeting was held afterwards.	- Attendance registers to be attached.	
							1 st	Organise 1 Training programmes: Induction training for the new Council.	Not Realised:			- Invitations - Attendance Registers	
							2 nd	No TARGET FOR QUARTER 2					
							3 rd	Organise 1 Training programmes: Induction training for the new Council.	Not Realised Training programme for councillors did not materialised. Looking at future dates and budget	No agreement with the councillors on their schedules.	We have requested the annual schedules from both councillors of community meetings and ward committee meetings.	The PA of the Speaker and the PPOs have sent the communications through to the councillors.	
								Source of Funding: Internal					

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	SP's Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
Functionality of Ward Committees and broader Public Participation. (Pg 212 IDP)	- Ward committee meeting schedule. - 4 Ward Committee Reports tabled in Council	100 % of functional ward committees in terms of the new model.	All	All		15.3.3 Quarterly ward committee management meetings held and reports submitted to the office of the Speaker.	4 th	NO TARGET FOR QUARTER 4	Not Realised Training programme for councillors did not materialised. Looking at future dates and budget	Due to National and Provincial election campaigning, we could not get a suitable date.	We need to go back to the Speaker of the Council and try to draft a new schedule for training. We are running out of time as local elections are around the corner.		
							1 st	20 ward committee meeting held	Not Realised:	Only ward 18 not holding meetings		- 4 quarterly reports - Minutes and attendance register of meetings held	
							2 nd	20 ward committee meeting held	Not Realised:	Only ward 18 not holding meetings			
							3 rd	20 ward committee meeting held	Realised 13 Ward Committee Slight improvement in most of the wards	7 wards have not submitted their POEs	Ward assessment meeting to be scheduled.	POE's	
							4 th	20 ward committee meeting held	Realised 7 Ward Committees held their meetings this quarter	Most wards do not call their committee meetings which shows instability in those wards. The main challenges in the wards are unstable relationship between the	- COGTA is currently assisting us in reinvigorating those dysfunctional ward committees.	POE's	

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Progress	Challenging as	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress				
- Nr of Public participation initiatives	Community programmes initiated	All	All	15.3.4 Awareness programme	1 st	Awareness programme	Realised: 2 awareness program were held.	councillor and the ward committee members.						
						Awareness programme	Realised: 3 awareness program were held.							
						Awareness programme	Realised Awareness programme held and 85 new students' voters were registered in 3 different high schools.	Not getting adequate time to interact with students due to their school commitments.	Future communication with Department of Education.	Copies of voter registration records				
						Awareness programme	Realised We had two biggest outreach programmes which were Women Manyano (Women gathering) of different organisation and denominations. We had a youth council to celebrate youth month.	Our main challenge was the office budget.	- We need to use our annual budget wisely so that it caters for those kind of programmes in the future.	- Attendance registers of the event.				
						4 th								

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK							Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	

15.4 Public Engagement Mechanism

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To promote good governance and accountability	- Number of petitions resolved within the required turn-around times	-4 petitions committee reports	All	All	Source of Funding: Internal	15.4.1 .Functional Petition's Committee.	1 st	Number of petitions received and resolved		Realised: 1 petition was received and resolved	None	None	-4 quarterly reports - Minutes and attendance register of meetings held
							2 nd	Number of petitions received and resolved		Realised: 2 petitions received and 1 resolved	Awaiting Council to take a decision		
							3 rd	Number of petitions received and resolved					
							4 th	Number of petitions received and resolved					
	- Number of complaints resolved within the required turn-around times	-4 complaints management system reports	All	All	Source of Funding: Internal	15.4.2 Complaints Management System.	1 st	Functional complaints management system		Realised: Complaints were captured and reported to the relevant departments.	None	None	-4 quarterly reports
							2 nd	Functional complaints management system		Realised: Complaints were captured and reported to the relevant departments.	None	Quarterly reports	
							3 rd	Functional complaints					

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Expenditure	Progress	Challenging BS	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Quarterly Projected Targets	Quarterly Projected Targets	Quarterly Projected Targets					
								management system								
							4 th	Functional complaints management system					Realised: Complaints were captured and reported to the relevant departments.	None	None	Quarterly reports

000308

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Challenged	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress		

PRIORITY 15 : ENHANCED PUBLIC ENGAGEMENT AND ACCOUNTABLE ADMINISTRATION

Directorate: OFFICE OF THE MM	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realised	Rating
Office of the Executive Mayor	6	4	2	67%	🙄
Office of the Speaker	4	2	2	50%	🙄
MPAC	2	1	1	50%	🙄
Public Engagement (Petitions and Complaints Management)	2	1	1	50%	🙄
TOTAL	14	8	6	57%	🙄
Enhancing Good Governance and Public Participation (Management & Admin)	6	3	3	50%	🙄
TOTAL	20	11	9	55%	🙄

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK				Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	

15.5 Management And Administration

15.5 Management and Administration													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK				Evidence Attached				
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets		Expenditure	Progress	Challenges	Remedial Action
To add value and improve the municipality's operations. To assist the municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.	Advising the accounting officer and report to the audit committee on the implementation of the internal audit plan.	Furnishing of documentation on the audits performed as per the annual Internal Audit plan, mainly the Letter of engagement and the report.			R	15.5.1 Internal Audit Functionality as per the approved risk based audit plan	1 st	Approval of Strategic Documents of Internal Audit Unit	Not Realised	The municipality did not appoint the Audit and Performance Management Committee, the interviews could not be held due to lapsing of the advert that was placed.	Internal Audit Strategic documents were distributed to Management for comments. The municipality is in the process of appointing the Audit and Performance Management Committee.	Strategic Documents	
								Assets Management – Additions	Realised				
								SCM – Formal Written Quotation	Realised				
								Implementation of the approved risk based audit plan					
								Revenue – Cancellation Audit					
							2 nd				The planning processes of the audit took long as to understand the environment of the auditee.	The internal Audit Unit submitted the audited component of FMCMM to Management for	

MONITORING FRAMEWORK										
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress
To provide through good governance a high performing, people-centred administration (Pg. 234 IDP)	Establish and maintain a positive image of the Organisation	- Nr of Audit and Risk Committee's Reports tabled in Council	All	All	N/A	15.5.2 Risk Management functionality as per the approved risk management strategy	1 st	Reviewed and updated Risk Register	Not realised	that were are currently processing took long than we anticipated, in addition the shortage of resources contribute to not completing certain projects.
	Adherence to legislative requirements						2 nd	Update and report on risk register	Not realised	New template was introduced, Manager Risk to discuss with Internal Audit
							3 rd	Reviewed and updated Risk Register	Not Realised	Draft Policy has not yet been approved; however, a risk chairperson advertisement has been placed.
										There is no risk committee in place, and it is busy with the risk owners appointed after the MM approval
								Occupation Health and Safety	Not Achieved	report will highlight components that were completed.
										Immediately after the new template discussion
										Immediately after the new template discussion

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged	Remedial Action	Evidence Attached
							4 th	Updated risk register submitted to Council for Noting	Not Realised	Draft Policy has not yet been approved; however, a risk chairperson advertisement has been placed.	There is no risk committee in place, and we have advertised twice with no qualified candidates		
					N/A	15.5.3 Implementation of the approved Anti-corruption strategy	1 st	Development of an Anti-corruption strategy	Not Realised	Non responsive applications	No Risk committee in place		
							2 nd	Adoption and implementation of the Anti-corruption strategy	Not Realised	Draft Policy not approved yet	No Risk committee in place		
							3 rd	Implementation and reporting on Anti-corruption					
							4 th	Implementation and reporting on Anti-corruption	Not Realised	Policy not approved yet	No Risk committee in place		

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
- Functional OPMS					N/A	15.5.4 Functional Organisational PMS in line with Municipal resources and priorities	1 st	Effective PMS implemented	Realised Developed, Facilitated approval & submission of 2023/2024 SDBIP & SDBIP Reporting template to Council	Section 80 to Sit on the 03 October 2023	None		Evidence Attached, -Section 80 Agenda
									Developed & facilitated 23/24 Performance Contracts of Directors.	Delay of Acting Senior Directors to submit signed Performance Contracts	Signed Performance contracts of Senior Directors	-23/24 Performance Contracts of	
										None	None	-Municipal Manager -Chief Financial Officer -Submission Letters	
									Realised Developed 2022/2023 Draft Annual Report.	None	None	2022/2023 Draft annual report.	
									Mailed 2022/2023 Draft Annual Report to AG, Cogta, National Treasury, Provincial Treasury and Legislature.	None	None	Submission letters.	
									Conducted the 2023 2024 Performance information Audit	None			-Performance Audit report -Quantitative Analysis

000316

Key Performance Objective	Key Performance Indicator	Unit of Measure	Wind Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress		Challenges
							2 nd	Effective PMS implemented	Realised Consolidated Q1 SDBIP Progress Report. Conducted 23/24 Q2 Performance Information Audit. Developed the 2023/2024 Performance Contracts of Acting Senior Managers Attending to Auditor General matters	None	None	Q1 SDBIP Progress report. Performance Audit Report. Quantitative Analysis. 2023/2024 Performance Contracts of Acting Senior Managers Auditor General's Matters
							3 rd	Effective PMS implemented	Realised Consolidated the draft Q2 SDBIP Progress Report and presented to committee of Council. Realised Conducted 23/24 Q2 Performance Information Audit. Realised Distributed Notice of 22/23	None	None	Draft Q2 SDBIP Performance Audit Report. Quantitative Analysis. Notice

000317

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	Z3/24 Annual Budget Allocation	Z3/24 Annual Target	MONITORING FRAMEWORK			Expenditure e	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Target						
										Draft Annual Report to All Public Libraries & Units including Municipality website & facebook				Email correspondence 22/23 Draft Annual Report
										Realised Prepared the 2023/2024 Performance contracts of Senior Managers	Section 80 meetings postponed	Meeting rescheduled for the 03 April 2024		2023/2024 Draft Performance contracts of Senior Managers
										Realised emailed 22/23Draft Annual Report to COGTA, Provincial & National, Treasury Free State Legislature	None	None		(Agenda) Attendance Register. Letters
										Realised Continued and Consolidated the draft Q3 SDBIP Progress Report and presented to committee of Council.	None	Meeting rescheduled to 03 April 2024		Proof of submissions. Email Correspondence
							4 th	Effective PMS implemented						

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK			Quarterly Projects Targets	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
							QTR	QTR	QTR						
											Invitation Letters of 22/23 Draft Annual Report to AG, COGTA, Provincial & National, Treasury Free State Legislature				Agenda Attendance Register
											Distributed Notice of Draft 2022/2023 Annual Report for the invitation of public comments inputs to all Libraries, units and AG, COGTA, Provincial & National, Treasury Free State Legislature				Proof of mailed invitation letters
											Addressing Auditor General's matters and queries concerning 22/23 Draft Annual Report				Proof of mailed Notice
											Developed the 2024/2025 1 st draft SDBIP Report &				

Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	MONITORING FRAMEWORK				Expenditure #	Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets					
	- Approved and Adopted IDP document by council. - Credible IDP adopted and implemented					15.5.5 Review and Adopt the Integrated Development Planning	1 st	Adoption of Process Plan by end of August	Submitted to Manager Budget & Expenditure (Provincial & National Treasury)	Realised 2023/2024 IDP and budget process plan was adopted on the 7 September 2023	Delay of council sitting		Amended 2022/2023 Annual Report
							2 nd	IDP Review Meetings in all DLM Units.	Realised IDP Representative Forum scheduled on the 27 September 2023 took place at Bohlolong New Hall.	None	None		- Process plan - Attendance registers of IDP meetings Submission Letters
							3 rd	Adoption of Draft IDP document by end of march 2024	Realised 2024/2025 Draft IDP was presented to section 80 meeting on the 07 March 2024.	Section 80 meetings did not form a quorum for the meeting of 7 April 2024 and Special Council	It is for Councilors to comply with legislation, and for Council to adopt 2024/2025 Draft IDP on its next sitting		Attendance register of Special council meeting (28 March 2024)
								N/A	The Draft IDP was also				Attendance register of 07 March 2024

000320

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Target	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
							QTR	QTR	QTR	QTR						
												presented to special Council meeting of 28 March 2024.	meeting which was scheduled on the 28 March 2024 refereed IDP item back for section 80 meeting.			
							4 th	Approval of the IDP by end of May 2024.	N/A		Realised 2024/ 2025 IDP was adopted on the 22 May 2024.	None	None	None		- 2024-2025 IDP Document. - Council Resolution. - Advert. - Submission letters
							1 st	Communication s & Marketing Strategy Implementation 25%			Realised: Reacted to media enquiries. -All announcement s, notice are updated on Facebook. -All municipal events were attended -September Newsletter	None	None	None		-Council Resolution - Emails/Whatsapp -Screenshots on updated announcements and notices. -Dated Photos -Event Report -Screenshots on updated Facebook and Instagram pages -Copies of newsletters
							2 nd	Communication s & Marketing Strategy Implementation 50%			Realised: Reacted to media enquiries. -All announcement s, notice are	None	None	None		Emails/Whatsapp -Screenshots on public announcements, notices and updated

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	21/24 Annual Budget Allocation	21/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
									updated on Facebook. -All municipal events were - Updating Social media pages. -Oct, Nov Newsletters				Facebook & Instagram pages. -Dated Photos -Event Report -Copies of newsletters
							3 rd	Communications & Marketing Strategy Implementation 75%	Realised: Reacted to media enquiries. -All announcement s, notice are updated on Facebook. -All municipal events were attended by marketing and communication s Team. -Updating Social media pages.	None	None		-Council Resolution Copy of Communications Strategy Screenshots of Public Announcements, Notices, and Facebook and Instagram Updates Events Photos Newspaper Clippings
							4 th	Communications & Marketing Strategy Implementation 100%	Realised: Reacted to media enquiries. -All announcement s, notice are updated on Facebook. -All municipal events were attended by marketing and communication s Team.	None	None		Council Resolution -Copy of Communications Strategy -Emails -Screenshots on public announcements, notices and updated Facebook & Instagram pages. -Dated Photos -Event Report

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
									-Updating Social media pages.				

KEY PERFORMANCE AREA 5: SOUND FINANCIAL MANAGEMENT

Directorate: FINANCE	Nr of Annual target as per SDBIP	Nr of Annual target Realised	Nr of Annual Not Realised	% Realized	Rating
Budget & Expenditure	2	1	1	50%	😞
Revenue Enhancement & Billing Services	2	1	1	50%	😞
Financial Accounting services	3	2	1	67%	😞
Supply chain management	1	1	0	100%	😄
Fleet Management	1	1	0	100%	😄
TOTAL	9	6	3	67%	😞

000324

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/25 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged		Remedial Action
							2 nd	Monitor 3 monthly performance of both revenue and expenditure targets based on the budget.		Realised Monitored 3 monthly performance of both revenue and expenditure targets based on the budget.	None	None	Expenditure Reports sent to MM, Directors and Managers
							3 rd	Monitor 3 monthly performance of both revenue and expenditure targets based on the budget		Realised	None	None	
								Prepare final draft adjustment budget for approval by Council. (If Necessary)		Realised	None	None	
								Capture final approved adjustment budget if approved by Council on the system.		Realised	None	None	Final Budget resolution

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Expenditure £	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Target							
								Advertise and place schedule on website			Realised	None	None	Nine	Public hearings 23/24 draft budget and 23/24 draft IDP public meetings newspaper advert
							4 th	Prepare budget participation schedule for the public the public participation process.			Realised	None	None	None	
								Submit draft budget to Treasury in hard and soft copy.			Realised	None	None	None	Public hearings 23/24 draft budget and 23/24 draft IDP public meetings and newspaper advert
								Conduct public participation as per agreed schedule.			Realised	None	None	None	Proof of submission of draft budget to treasury
								Revise budget to incorporate public comments and Present final budget for approval by Council			Realised	None	None	None	Public hearings 23/24 draft budget and 23/24 draft IDP public meetings and newspaper advert 23/24 Final integrated development plan and budget

16.2 Revenue Enhancement

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK						Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
Improved revenue collection	Collect R 480 million per annum.	R480 Million collected	Outcome		Internal	16.2.1 Improved collection	1 st	1. Monthly debt management meeting with credit control and debt collection section.		Realised			-Minutes of the debt collection meeting
	Collection of 120 000 000 per quarter							2. Collection of 122 500 000 per quarter.		Not realised	Collection by means of cutting electricity cannot be fully implemented in townships as they are supplied by Eskom.	Recommend the appointment of litigators to access the debtors in the townships	- List of debtors per ward - Copy BS 902 report - Receipt report
	Debtors do not exceed R 1 500 000 000 billion	Effective Debt management	Activity		Internal			3. Implementation of collection strategy.		Not Realised	COVID -19 impacted the payment of municipal accounts negatively	Implementation of the collection strategy is an on-going process.	- Incentive policy - Collection strategy.
								2 nd	1. Monthly debt management meeting with credit control and debt collection section.		Realised		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Word Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	MONITORING FRAMEWORK					Evidence Attached
								Quarterly/Projected Targets	Expenditure	Progress	Challenges	Remedial Action	
								2. Collection of 120 000 000 per quarter.		Not realised	Collection by means of cutting electricity cannot be fully implemented in townships as they are supplied by Eskom. COVID -19 impacted the payment of municipal accounts negatively	Recommend the appointment of litigators to access the debtors in the townships	- List of debtors per ward - Copy BS 902 report - Receipt report - Incentive policy - Collection strategy. - Credit control and Debt Collection policy
								3. Implementation of collection strategy.		Not Realised		Implementation of the collection strategy is an on-going process.	
							3 rd	1. Monthly debt management meeting with credit control and debt collection section. 2. Collection of 120 000 000 per quarter.		Realised			-Minutes of the debt collection meeting
										Not realised	Collection by means of cutting electricity	Recommend the appointment of litigators to	- List of debtors per ward - Copy BS 902 report

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							Q1	3. Implementation of collection strategy.		Not Realised	cannot be fully implemented in townships as they are supplied by Eskom. COVID -19 impacted the payment of municipal accounts negatively	access the debtors in the townships	<ul style="list-style-type: none"> - Receipt report - Incentive policy - Collection strategy. - Credit control and Debt Collection policy
							Q2	3. Implementation of collection strategy.		Realised	Implementation of the collection strategy is an on-going process.		<ul style="list-style-type: none"> - Minutes of the debt collection meeting
							Q3	3. Implementation of collection strategy.		Not realised	Collection by means of cutting electricity cannot be fully implemented in townships as they are fully supplied by Eskom. COVID -19 impacted the payment of municipal	Recommend the appointment of litigators to access the debtors in the townships	<ul style="list-style-type: none"> - List of debtors per ward - Copy BS 902 report - Receipt report - Incentive policy - Collection strategy. - Credit control and Debt Collection policy
							Q4	3. Implementation of collection strategy.		Realised	Implementation of the collection strategy is an on-going process.		<ul style="list-style-type: none"> - Minutes of the debt collection meeting

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Targets	Expenditure	Progress	Challenge	Remedial Action	Evidence Attached
							QTR	Q1	Q2	Q3						
Proper Indigent management	Approved Indigents with access to free basic services	Updated Indigent policy and financial system	20			16.2.2 Updated indigent register	1 st						Not Realised	accounts negatively	on-going process.	Indigent Register Report sent to COGTA Indigent verification and registration time table
								Prepare Ward profile					Realised: Ward Profiles for Q1 Prepared and submitted as POE. Realised: verification and registration of indigents done on an ongoing basis and register updated and signed off			
								Verification and registration of new Indigents as per Indigent campaign								

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							QTR									
			2 nd					Prepare Ward profile				Realised: Ward Profiles for Q2 Prepared and submitted as POE.				
								Ongoing registration of Indigents				Realised: Indigent registration				
								Updating of indigent register				Realised: Indigent Register updated on an ongoing basis				
			3 rd					Prepare Ward profile	None			Realised: Ward Profiles for Q3 Prepared and submitted as POE.	Deceased Estate, Previous financial year debt not written off. High water usage by Indigents. Communication between Eskom and Municipality to provide FBE for Eskom supplied areas	Transfer of Ownership to the heir of the deceased. Council resolution to write off the debt of the previous financial year. Monthly updates report sent to Eskom to update the registered indigents.	Indigent Register Report sent to Cogta	
								Ongoing registration of Indigents				Realised: verification and registration of indigents done on an ongoing basis and register			Indigent verification and registration time table	
								Updating of indigent register.				Realised updated				

MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GP's Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly/Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
										and signed off.			
			4 th					Prepare Ward profile	None	<p>Realised: Ward Profiles for Q4 Prepared and submitted as POE.</p> <p>Realised: verification and registration of indigents done on an ongoing basis and register updated and signed off</p>	<p>Deceased Estate, Previous financial year debt not written off. High water usage by Indigents. Communication between Eskom and Municipality to provide FBE for Eskom supplied areas</p>	<p>Transfer of Ownership to the heir of the deceased. Council resolution to write off the debt of the previous financial year. Monthly updates report sent to Eskom to update the registered indigents.</p>	<p>Indigent Register</p> <p>Report sent to Cogta</p> <p>Indigent verification and registration time table</p>
								Ongoing registration of Indigents					
								Updating of indigent register					

16.3 Financial Accounting And Reporting

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached	
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges		Remedial Action
							1 st	1. Prepare 2022/2023 Annual Financial Statement and Submit Annual Financial Statement to Auditor General and Provincial /National Treasury 2. Ensure that all requests for information by the AG are provided within specified time frame. 3. Ensure that all exceptions are answered within the specified time frame.		Realised	None		-
Ensure proper accounting for public funds.	21/2022 Audit report	AG Opinion.	Whole of Municipality		Internal	16.3.1 Submission of audited 2023/24 Financial statements, audited and AG report.	1 st			Realised	Management not responding to Auditor General on Time	Respond to AG request within 3 days as per Audit Strategy	Request for information register
							2 nd			Realised	Management not responding to Auditor General on time		Communication Register
								1. Ensure that all requests for information by the AG are provided within		Realised	None		Request for information register

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK					Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged	
								specified time frame. 2. Ensure that all exceptions are answered within the specified time frame. 3. Receive Audit Report on Annual financial Statement	Realised	None	Auditors came on site on the 07 October 2023 And AG didn't have enough staff this year. Report will be available in January 2024	Communication register E mail from AG regarding Audit Report and MR
							3 rd	1. Prepare action plan to address all audit queries resulting from the 2022/2023 audit. 2. Implement 50% of the action plan for addressing the 2022/2023 financial statements audit.	Not Realised	Still waiting for the Final Management Report from Auditor General	Correspondence from AG regarding 2022/23 audit report	
									Not realised			
							4 th	1. Implement 100% of the action plan for addressing the 2022/2023 financial	Realised			Audit Report received in Q4. Final Management report Action Plan

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GRS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Quarterly Projected Targets	Expenditure #	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Quarterly Projected Targets	Quarterly Projected Targets						
GRAP compliant asset register.	GRAP compliant asset register	AG Opinion			Internal	16.3.2 Full GRAP compliant asset register.	1 st	statements audit.	2. Prepare current year Financial Statement Audit Action Plan	Realised	None	None	None	None	None	Q1: Documentary proof of updated assets. Q2: Report to finance committee Q4: Monthly Reconciliations Q2: Reports to be submitted to council Q4: Prepare item to council
								Update asset register to ensure that all assets are recorded as per GRAP 17.	Assist with audit queries and verification by Auditor General	Realised	None	None	None	None	None	Q2: Verification schedule
								Prepare action plan for the asset verification process for adoption by Finance Portfolio Committee.	Resolve audit queries and correct them on asset registers and financial statements	Realised	None	None	None	None	None	Request for information schedule and Communication register
										Realised	None	None	None	None	None	

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MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenged or	Remedial Action	Evidence Attached
							4 th	Perform 100% asset verification for movable assets as per approved asset verification plan.	None	Partially realised	The audit was only completed on the 05/04/2024 so there was little time to complete 100% verification.	None	Schedule for assets verified
								Continuously update the asset register to ensure that asset register continuously complies with GRAP.	None	Realised		None	Updated asset register
								Send item to council for the assets to be written off and assets to be auctioned (if Necessary)	None	Not realised		None	Verification process still on going
Ensure accurate and proper financial reporting.	Monthly report to finance portfolio committee	12 Sec 80 Reports			Internal	16.3.4 12 month reports tabled to finance portfolio committee.	1 st	Prepare monthly reports in accordance with Section 71 of the MFMA.		Realised	Section 80 not sitting as per schedule		Section 71 Reports July 2023- September 2023
								Prepare section 52(d) report for end June		Realised			Section 52(d) Reports

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Progress			
								accordance with Section 71 of the MFMA.		Realised			Section 71 April 2024 - June 2024
								Prepare section 52(d) report and submit to finance portfolio.					Section 52 d

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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK						
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges

16.4 Supply Chain

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK					Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure				
Transparent supply chain management processes.	Fully functional supply chain management unit with reduced queries from Internal Audit and External audit.	Transparent and compliant supply chain management. 100% adherence to SCM processes. Reduced irregular, Unauthorized, fruitless & wasteful expenditure.	Whole of municipality		Internal	16.4.1 All supply chain regulations and policies applied.	1 st	1. Update SCM database with qualified service providers and implement the supplier database. 2. Implement supply chain processes for quotes 3. All deviation reports signed by the MM.	Realised	Realised			Updated Supplier database Spread sheet List of awarded bidders Deviation reports signed by the MM
							2 nd	1. Update SCM database with qualified service providers and implement the supplier database. 2. Implement supply chain					

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK				Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Expenditure	Realised				
							processes for quotes 3.All deviation reports signed by the MM.			Realised				
			3 rd				1. Vehicle Certificate of Fitness	R2820.00		Realised	Failure to subject vehicles for C.O.F test in time.	Consequence management to be implemented	Roadworthy Certificates of Fitness as per VTC Bethlehem Private VTS	
							2. Vehicle Licence Renewal	R185323.20		Realised	None	None	Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R75276.00</u>	
													Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R475.5</u>	
													Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in	

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Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	MONITORING FRAMEWORK				Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly/Projected Targets					
													the amount of R34112,00
								3. Fleet Administration	R0,00	Realised	Shortage of staff	Filling of vacant positions	Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of R75459,70
								4. Fleet Expenses Control	R1 728 136	Realised	None	None	Memo: Misuse of municipal vehicles at night-time Summary: Total Fuel Consumptions: R1 130 000,00
								5. Fleet Policy Implementation	R0,00	Unrealised	Shortage of staff	Filling of vacant positions	Vehicle maintenance =R47492 Vehicle Repairs = R10444,00
								6. Fuel report or monthly use					

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	Quarterly Projected Targets	Expenditure	Progress	Challenge	Remedial Action	Evidence Attached
							4 th	1. Update SCM database with qualified service providers and implement the supplier database. 2. Implement supply chain processes for quotes 3. All deviation reports signed by the MM 4. Obtain council approval for changes to the Supply Chain Policy	Realised	None	None	Database (it can be accessed through Solar system)
								None	Realised	None	None	SCM report
								None	Realised	None	None	List of deviation signed by MM
								None	Realised	None	None	Council Resolution

16.5 Fleet Management

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
To remove or minimize the risks associated with vehicle investment	Fully functional Fleet Management Services to enhance and support	Implementation of Fleet Management disciplines as follows: Manage the Fleet Policy, Fleet	In and out of the Dhlaleni's jurisdiction	Internal	16.5.1 Application of the Municipality Vehicle Policy and the National	1 st	1. Vehicle Certificate of Fitness	R210822.00	Realised	Payment of the certificate of fitness for non-functional vehicles and trailers	All non-functional vehicle and trailers be scrapped off as soon as they are repaired	Roadworthy Certificates of Fitness as per VTC Bethlehem Private VTS HJD 705FS, DCJ 765FS, DCM494FS, DFL970FS, DCJ763FS, BFG857FS, DRZ637FS

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MONITORING FRAMEWORK																				
Key Performance Objective	Key Performance Indicator	Unit of Measure	Weight Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challeng es	Remedial Action	Evidence Attached							
to improve efficiency, productivity and providing 100% compliance with government legislation	service delivery through well maintained fleet of vehicles and both vehicle and driver compliance	Administration and Fleet Expense control			Road Traffic Act					they can be re-used and undergo the roadworth y testing.										
										2. Vehicle Licence Renewal	R298728.00	Realised	Payment of the licence renewal on non-functional vehicles and trailers	All non-functional vehicles and trailers be scrapped off and as soon as they are repaired they can be licensed.	Memorandum for the payments dated 11 August 2023 for an amount of R48744.00 Memorandum for the payment dated 07 September 2023 for an amount of R91254.00 Memorandum for the payment dated 04 October 2023 for an amount of R158730.00					
										3. Fleet Administration	R0.00	Realised	Shortage of staff, Fleet management services operates on temporary staff and the technical position does not have a temporary employee.	Filling of vacant positions	Approved Municipal Staff Establishment					
										Repairs reconciliations with an amount of R50176.93 and Infringement of R850.00, While HTN 662 FS an amount of R750.00 and DCB 385 FS an amount of R100.00										
										Dihlabeng Local Municipality Vehicle Policy										

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MONITORING FRAMEWORK									
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure
						4. Fleet Expenses Control		Realised R50276.93	None
						5. Fleet Policy Formulation		Realised R0.00	Vehicle policy in place and all responsibilities are assigned to mechanical workshop and the policy does not address fleet management challenges
						6. Fuel report or monthly use		Realised Diesel 53600 L R1179650.00 Petrol 22436 L R521000.00 Total fuel R1700650.00	Have permanent based employee with the relevant skills for each department which will enable to reduce the daily travelling
									HWC315 ,BWL 487FS,HTY467FS,HWC691FS,HWC685FS,DC M495FS, travel all units on a daily basis Monthly fuel report for the month of July. August and September 2023

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	2024 Annual Budget Allocation	2024 Annual Target	MONITORING FRAMEWORK			Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
							QTR	Q1	Q2						
						2 nd	1. Vehicle Certificate of Fitness			Realised	None	from Bethlehem to all units			
							2. Vehicle Licence Renewal			Realised	None	None	License renewal payments		
							3. Fleet Administration			Not Realised	Shortage of staff	Filling of vacant positions			
							4. Fleet Expenses Control			Realised	No Manager or acting manager appointed	An acting manager or fleet manager to be appointed for smooth fleet management operation			
							5. Fleet Policy Consultation Process			Realised	Vehicle policy in place and all responsibilities are assigned to mechanical workshop and the	Policy to be reviewed	Dihlabeng Local Municipality Vehicle Policy		

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GP5 Code	2024/25 Annual Budget Allocation	2024/25 Annual Target	Q1-3 Target	Quarterly Projected Target	Expenditure	Progress	Challenging	Remedial Action	Evidence Attached
									policy does not address fleet management challenges				
								Realised	Monthly recons not done on time	Appointment of acting or fleet manager			Monthly fuel usage (October, November and December)
								Realised	Failure to subject vehicles for C.O.F test in time.	Consequence management to be implemented			Roadworthy Certificates of Fitness as per VTC Bethlehem Private VTS
								Realised	None	None			Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R75276.00</u>
								Realised	None	None			Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R475.5</u>
													Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R34112.00</u>
													Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R75459.70</u>

MONITORING FRAMEWORK									
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Target	Expenditure
									Progress
									Challenging or
									Nominal Action
									Evidence Attached
Memo: Misuse of municipal vehicles at night-time									
Summary: Total Fuel Consumptions:									
R1 130 000.00									
Vehicle maintenance = R47492									
Vehicle Repairs = R10444.00									
			3. Fleet Administration			R0.00		Realised	Shortage of staff
									Filling of vacant positions
			4. Fleet Expenses Control			R1 728 136		Realised	None
			5. Fleet Policy Implementation			R0.00		Unrealised	Shortage of staff
									Filling of vacant positions

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	MONITORING FRAMEWORK			Expenditure	Progress	Challenged	Remedial Action	Evidence Attached
							QTR	Quarterly Projected Targets	Realised					
	6. Fuel report or monthly use	1. Vehicle Certificate of Fitness	4 th					R3450.00	Realised	Failure to subject vehicles for C.O.F test in time.	Consequence management to be implemented		Roadworthy Certificates of Fitness as per VTC Bethlehem Private VTS DFT 161 FS, HY7475FS	
										None	None		Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R38148.00</u>	
								R118713.50	Realised				Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R1006.00</u>	
													Memo: Request for payment of the Vehicle Licenses (EFT Payment to the Free State Provincial Government) in the amount of <u>R79559.50</u>	
	3. Fleet Administration							R2 150 000.00	Realised				Summary: Total Fuel Consumptions: R2 150 000.00 Vehicle maintenance = Vehicle Repairs =	
										Shortage of staff	Filling of vacant position			

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MONITORING FRAMEWORK													
Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GPS Code	23/24 Annual Budget Allocation	23/24 Annual Target	QTR	Quarterly Projected Targets	Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
						4. Fleet Expenses Control		R1 728 136	Realised	None			
						5. Fleet Policy Implementation		R0,00	Unrealised	Shortage of staff		Filling of vacant positions	
						5. Fuel report or monthly use							

Key Performance Objective	Key Performance Indicator	Unit of Measure	Ward Number	GP's Code	MONITORING FRAMEWORK			Expenditure	Progress	Challenges	Remedial Action	Evidence Attached
					23/24 Annual Budget Allocation	24/24 Annual Target	Quarterly Projected Targets					

MUNICIPAL MANAGER

NTHELI

DIHLABENG LOCAL MUNICIPALITY

SERVICE DELIVERY AND BUDGET IMPLEMENTATION REPORT
FOR THE PERIOD: 01 July 2023 TO 30 June 2024

SIGNED AND APPROVED BY THE MUNICIPAL MANAGER:

DATE: 01/07/2023 to 30/06/2024

SIGNED AND APPROVED BY THE EXECUTIVE MAYOR

DATE: 01/07/2023 to 30/06/2024

