

Kgatelopele Local Municipality

2023/2024

DRAFT ANNUAL REPORT



Re gatela Pele” “We moving Forward” “Ons gaan Vorentoe”

LIST OF ABBREVIATIONS

ACIP	Accelerated Com. Infrastructure Programme
AFS	Annual Financial Statements
APR	Annual Performance Report
AMP	Asset Management Plan
BDS	Blue Drop System
CRC	Current Replacement Cost
CRR	Cumulative Risk Ratio
CRU	Community Residential Units
DRC	Depreciated Replacement Cost
DWQ	Drinking Water Quality
DWS	Department of Water and Sanitation
EIA	Environmental Impact Assessment
EMS	Environmental Management Services
EPHP	Enhanced People's Housing Process
EPWP	Expanded Public Works Programme
GAMAP	General Accepted Municipal Accounting Practice
GDIP	Green Drop Improvement Plan
GDPR	Regional Gross Domestic Product
GDS	Green Drop System
HIV	Human Immunodeficiency Virus
IAMP	Immovable Asset Management Programme
IDP	Integrated Development Plan
ILI	Infrastructure Leakage Index
ISP	Internal Strategic Perspective
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
MI	Mega Litre
MI/a	Mega Litre per Annum
MTEF	Medium-Term Expenditure Framework
NGO	non-governmental organization
NRW	Non-Revenue Water
NWRS	National Water Resource Strategy
PDA	Previously Disadvantage Area
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
RUL	Remaining Useful Life
SANS	South African National Standard
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
VAT	Value Added Tax
WDM	Water Demand Management

Table of Contents

CHAPTER 1 MAYOR'S FOREWORD	1
COMPONENT: B MUNICIPAL MANAGERS FOREWORD	3
1.1 MUNICIPAL MANAGER OVERVIEW	3
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	6
1.2.1 TABLE FOR POPULATION GROUP OF KGATELOPELE MUNICIPALITY	7
1.2.2 POPULATION GROUP OF KGATELOPELE MUNICIPALITY IN PERCENTAGES.....	7
1.2.3 SEX IN PERCENTAGE %.....	8
1.2.4 TABLE OF SEX IN PERCENTAGE %	8
1.1 TABLE FOR SEX AND AGE DISTRIBUTION FOR KGATELOPELE MUNICIPALITY	9
1.3 SERVICE DELIVERY OVERVIEW.....	11
1.4 FINANCIAL WEALTH OVERVIEW.....	14
1.5 AUDIT GENERAL REPORT.....	18
1.5.1 AUDIT OUTCOME / OPINION	18
1.5.2 INTERNAL CONTROLS	18
CHAPTER 2 – GOVERNANCE.....	19
COMPONENT A – POLITICAL AND ADMINSTRATIVE GOVERNANCE.....	19
2.1 POLITICAL GOVERNMENT	14
2.1.1. COUNCIL MEETING	15
2.1.2. PORTFOLIO AND COMMITTEES / SECTION 79 & 80 COMMITTEES	15
2.1.3. DIRECTORATES.....	15
2.2 ADMINSTRATIVE GOVERNANCE	16
COMPONENT B – INTERGOVERNMENTAL RELATIONS	17
2.3 INTERGOVEMENTAL RELATIONS.....	17
COMPONENT C- PUBLIC ACCOUNTABILTY AND PARTICIPATION	17
2.4 PUBLIC MEETINGS.....	17
2.4.1 WARD COMMITTEES	18
2.5 IDP PARTICIPATION AND ALIGNMENT.....	19

COMPONENT D- CORPORATE GOVERNANCE.....	19
2.6 OVERVIEW CORPORATE GOVERNANCE.....	19
2.7 RISK MANAGEMENT	20
2.7.1 THE ROLE/FUNCTION OF RISK MANAGEMENT	20
2.8 ANTI- CORRUPTION	21
2.8.1 ANTI-CORRUPTION / FRAUD	22
2.8.2 WHISTLE BLOWING ACT	22
2.9 SUPPLY CHAIN MANAGEMENT	23
2.9.1 IMPLEMENTATION OF SCM PROCESS.....	23
2.9.2 DEMAND MANAGEMENT	23
2.9.3 BIDS (PROCUREMENT ABOVE R 200 000 00):.....	23
2.10 BY-LAW.....	27
2.11 WEBSITE	28
CHAPTER 3- SERVICE DELIVERY	29
COMPONENT: A BASIC SERVICES.....	29
3.1 WATER PROVISION.....	29
3.2 WATER AND SANITATION.....	30
3.2.1. SANITATION/SEWER SERVICES.....	30
3.2.2. WATER QUALITY.....	32
3.2.3. DRAINS.....	32
3.2.4. ELECTRICITY	33
3.3 WASTE MANAGEMENT.....	34
3.3.1. CONSTRUCTION OF NEW LANDFILL SITE	35
COMPONENT: B PLANNING AND DEVELOPMENT	36
3.4 PLANNING	36
3.5 PERFORMANCE ASSESSMENT :2023/2024	36
3.6 COMPLIANCE WITH SPLUMA.....	37
3.6 LAND USE MANAGEMENT.....	37
3.7 CEMETRIES	39
3.8 SOCIAL PROGRAMMES	39
3.9 PROJECTS FOR 2023/2024 FINANCIAL YEAR	40
CHAPTER 4- ORGANISATIONAL DEVELOPMENT PERFORMANCE	48

COMPONENT A: AN INTRODUCTION TO MUNICIPAL PERFORMANCE	48
4.1 PERFORMANCE MANAGEMENT SYSTEM	48
COMPONENT: B MANAGING THE MUNICIPAL WORKFORCE	49
4.2 RE-ASSIGNMENTS/PLACEMENTS/PROMOTIONS	49
4.2.1 RESIGNATION	50
5.1 ORGANISATIONAL STRUCTURE.....	51
.....	51
COMPONENT -D MANAGING THE WORKFORCE EXPENDITURE	68
5.2 Task CATEGORY 2023/2024	68
CHAPTER 5 – FINANCIAL PERFORMANCE.....	70
5.1 STATEMENT OF FINANCIAL STATEMENTS -COMPARISON BUDGETED FIGURES AGAINST VERSUS ACTUAL.....	70
.....	72
5.2 ASSETS MANAGEMENT	73
CHAPTER 6 – AUDITOR GENERAL	75
ANNEXTURE A: ANNUAL PERFORMANCE REPORT.....	76
ANNEXTURE B: AUDIT COMMITTEE REPORT	76
ANNEXTURE C: AUDIT REPORT	76
ANNEXTURE D: ANNUAL FINANCIAL STATEMENTS.....	76

CHAPTER 1 MAYOR'S FOREWORD COMPONENT: A MAYOR'S FOREWORD



On behalf of Kgatelopele Local Municipality's Council and Officials I hereby present the 2023/2024 Annual Report. This report will give our Stakeholders and communities an insight into the performances and achievements of the Municipality.

Council committees have been established as per Section 79 of the Local Government Municipal Structures Act 117 of 1998. All committees are functioning well, the Executive Committee membership is as per political party proportional representation.

Our vision is aimed at improving the quality of life for the residents of Kgatelopele Local Municipality.

This annual report outlines the successes and shortcomings during this period under review for the Financial Year 2023/2024.

The Strategic objectives of the municipality are to ensure the provision of sustainable basic services to our communities. Municipal Transformation and Organizational development, to promote a conducive environment for economic development, by ensuring an effective and efficient financially viable Municipality. To ensure Democratic and accountable governance.

Key service delivery developments in Kgatelopele, Council is continuously working hand in hand with the Technical Department to ensure complaints from the community reach the relevant unit within the Technical Department and receives the necessary attention at the soonest time possible. I would like to comment the leadership of our administration in the manner we overcame our limitations and adjusted our thoughts to improve service delivery.

Regardless of the challenges we have faced I'm proud to mention the completion of the following Key projects:

- Kuilsville, Rhodes, Tlhakatlou Replacement of Existing Asbestos cement rising main.
- Replacement of asbestos water pipes.
- Construction of Concrete Palisade Perimeter Fencing.
- Eradication of Conservancy Tanks of sewer network.
- Refurbishment of Municipal Buildings Construction of paving.

Public Participation

Number of Ward Committee meetings held is 12 from the targeted 48

Number of Community meetings held is 6 from the targeted 48

IDP/Budget Consultative meetings 8, the IDP/Budget Consultative meetings are fully effective.

The Mayoral Imbizo was held on the 08th November 2023, the main objective of this programme was to take services to the people by having all Departments on site as well as our Municipal Departments especially Billing and Housing. More improvement is still needed in terms of community engagement as evident from the low number of ward community meetings.

Council meetings are always open to the public to attend, we also have an active Facebook page where the public is frequently briefed and updated on matters concerning the community.

The municipality seeks to achieve economic growth and poverty alleviation by coordinating sustainable social and economic development programs, to ensure a better life for society. CWP, EPWP and the Mayoral Project contributes to alleviating poverty through job opportunities to the poorest of the poor.

In conclusion I would like to thank my fellow Councillors, the Speaker and Chief Whip as well as members of the Executive Committee, the Municipal Manager and Senior Management team for ensuring that we stay aligned with our vision.

Signed by: _____


Honourable Mayor Irene Williams

COMPONENT: B MUNICIPAL MANAGERS FOREWORD

1.1 MUNICIPAL MANAGER OVERVIEW



The 2023/24 Annual Report reflects on the performance of Kgatelopele Local Municipality for the period 1 July 2023 to 30 June 2024. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year. Rates and taxes remain the municipality's main source of revenue in relation to billing, followed by electricity during peak season, which is over autumn and winter.

The annual report serves as a catalyst and platform to account for the activities and financial performance of Kgatelopele

Local Municipality. The report highlights the progress and achievements made towards the outlined priorities set out in the Integrated Development Plan (IDP) and aligned projects of the Service Delivery Budget and Implementation Plan (SDBIP).

Unemployment in the community has a huge impact on the financial stability of the municipality and so doing put much pressure on the employment challenges and effective service delivery.

Kgatelopele Local Municipality face the following challenges;

- Aging of infrastructure in respect of electricity, water and sanitation;
- Vandalism by the members of community;
- Lack of skills;
- Infrastructure damage due to age;

- Infrastructure that does not have the capacity to handle the various challenges.

This caused Kgatelopele local Municipality to face increased operational and budgetary challenges. A decrease in revenue collection, a direct increase in poverty and indigent support and an increasing demand for access to basic services, linked to the continued growth of informal settlements and illegal land invasion, have been recorded.

The restrictions have also tested our flexibility to adapt to a new normal and a changed way of ensuring public participation. Despite these challenges, progress was made. Various interventions could be implemented, because of political collaboration, accountable, administrative governance and the committed support of all other government spheres.

We proudly upheld our record of maintaining a Qualified audit finding by the Auditor-General of South Africa, underpinning our compliance with legislation and the management of public funds to the benefit of our citizens. The achievements and challenges for each of our strategic objectives are listed below, including some projects that were carried over from the previous financial year, and which were completed in the 2022/2023 financial year.

1. Effective approach to human settlement and improved living conditions of all households

- One of the municipality's major challenges is the continued spate of illegal squatters in the Danielskuil area. This puts pressure on service delivery, financial viability and a housing backlog that cannot be met. The municipality however continues the aim for integrated communities and improved living.
- Completed purchase agreements for the registration of title deeds.

2. Maintain and replacement of the infrastructure to provide basic services to all citizens

- Spent 100% of the budget allocation for **MIG on the following projects**;
- Replacement of asbestos water pipes
- Solid waste site
- Construction of Roads in Danielskuil
- Sport Complex development
- Storm water canal construction
- Bulk water supply
- Replacement of asbestos sewerage pipes throughout Danielskuil

- Upgrading of sewerage pump stations
- Fencing of Oxidation ponds
- Eradication of septic tanks
- Repair of municipal buildings
- Municipal Parking area upgrade
- Replacement of transformers
- Replacement of water pumps
- Replacement of sewerage pumps in Marenteng
- Replacement and repair of electrical prepaid meters

3. Create an enabling environment for economic growth and decent employment

- Created job opportunities through the Expanded Public Works Programme

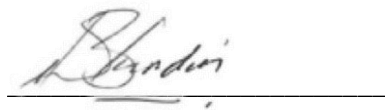
4. An efficient, effective, responsive and accountable administration

- Limited the water losses.
- Limited the electrical losses.
- Comply with the approved EE Plan, in terms of the number of people from the employment equity target groups, employed in the 3 highest levels of management
- Implemented the Workplace Skills Plan
- Submitted the draft Annual Report to Council
- Submitted the Mid-Year Performance Report to Council, in terms of Sect. 72 of the MFMA
- Submitted the final, reviewed IDP to Council
- Reviewed the Disaster Management Plan and submitted it for assessment
- Submitted the Top Layer SDBIP to the Mayor for approval, within 14 days after the approval of the Annual Budget
- Completed the review of the Spatial Development Framework and submitted to Council
- Submitted the Oversight Report on the Annual Report
- Developed a Risk Based Audit Plan, submitted to the MM and Audit Committee

5. Sound financial management: adherence to all laws and regulations applicable to Local Government

- Provided free basic water to 1430 indigent households
- Provided free basic electricity to 1430 indigent households
- Provided free basic sanitation to 1430 indigent households
- Provided free basic refuse removal to 1430 indigent households
- Provided water to 3053 formal residential households
- Provided electricity to 3509 formal residential households
- Provided sanitation to 3207 formal residential household
- Provided refuse removal to 3148 formal residential households

Despite the various challenges the Municipality went out of their way to enhance the life of the community and provide an effective and decent service to restore our community's dignity and integrity.



Adv. W. Blundin
Accounting Officer
Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

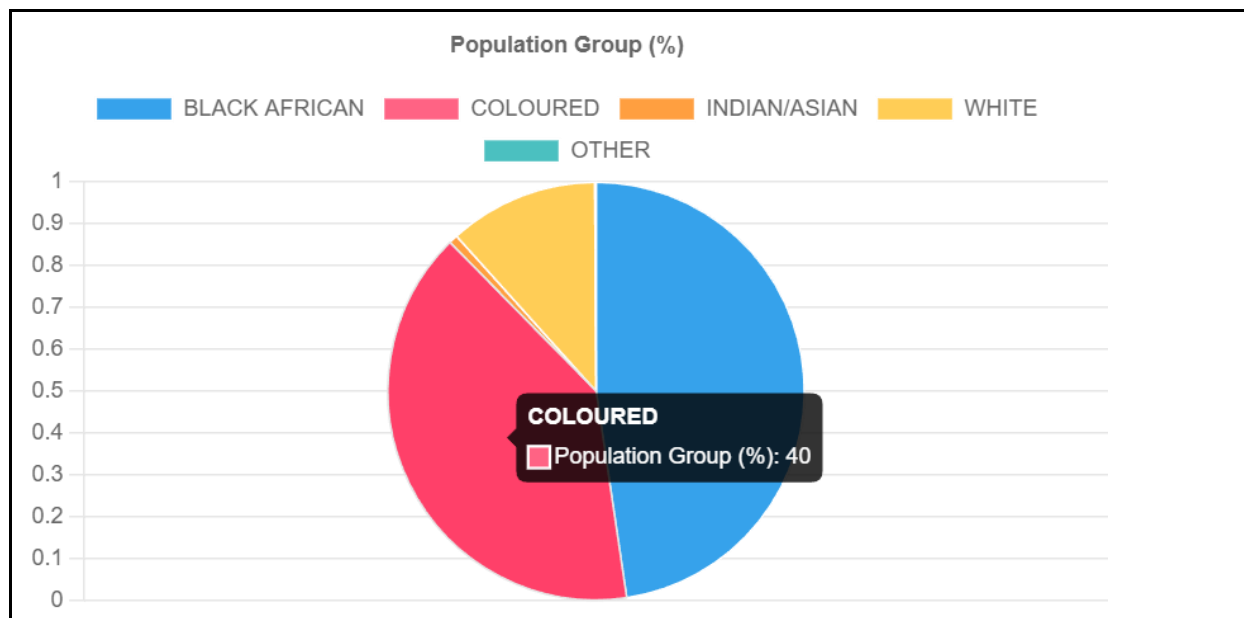
DEMOGRAPHIC PROFILE

Kgatelopele Local Municipality falls under ZF Mgcawu District Municipality. The municipality is bordered by Ga-Segonyana LM on the north, on the west it is Tsantsabane LM, east it is Dikgatlong LM and South it is Siyancuma LM. The municipal area is divided into 6 wards and has 2 towns which are Danielskuil and Lime Acres. The administrative town of the municipality is Danielskuil. Kgatelopele Local Municipality consist of Danielskuil, kuilsville, Maranteng, Tlhakalatlou, Lime Acres and the surroundings farms. The municipality's name is Kgatelopele, is a Setswana name which means moving forward. The municipality is situated 154km west of Kimberley and 91 km to Kuruman.

1.2.1 TABLE FOR POPULATION GROUP OF KGATELOPELE MUNICIPALITY

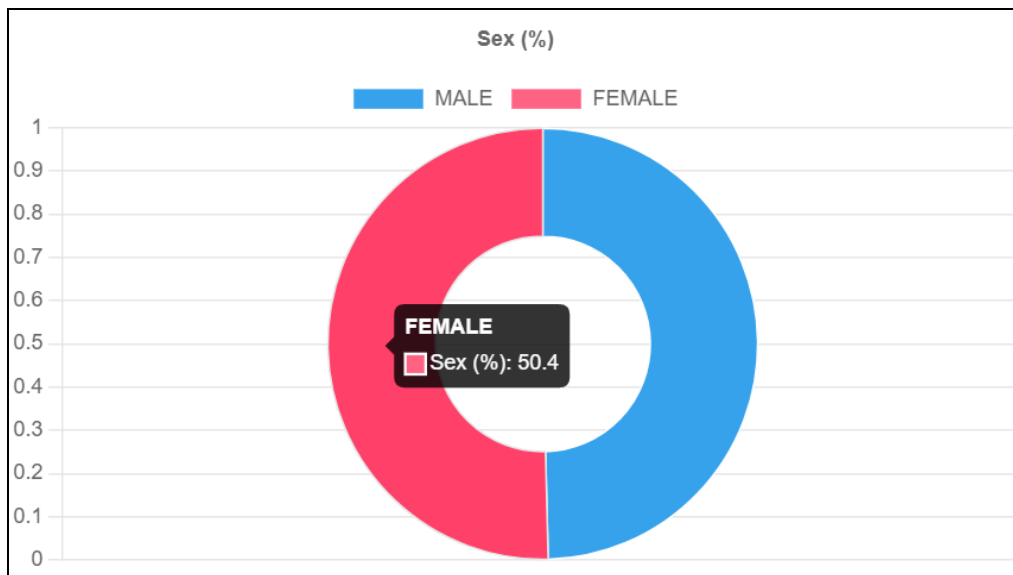
Name	Frequency	%
BLACK AFRICAN	9 464	47,7%
COLOURED	7 945	40,0%
INDIAN/ASIAN	134	0,7%
WHITE	2 297	11,6%
OTHER	12	0,1%

1.2.2 POPULATION GROUP OF KGATELOPELE MUNICIPALITY IN PERCENTAGES



Source: Stats SA Census 2022

1.2.3 SEX IN PERCENTAGE %

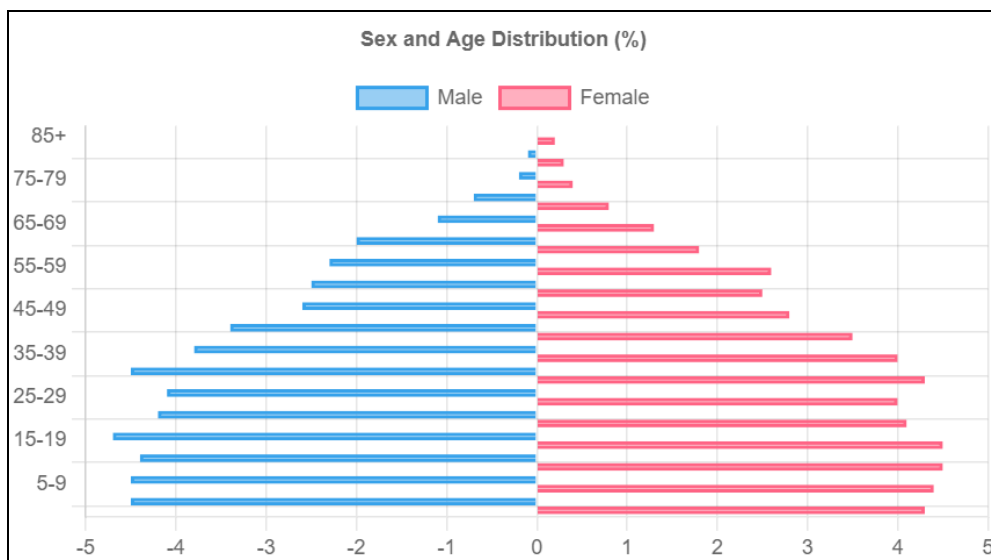


Source: Stats SA Census 2022

1.2.4 TABLE OF SEX IN PERCENTAGE %

Name	Frequency	%
MALE	9 841	49,6%
FEMALE	10 012	50,4%

Sex and Age distribution in %



Source: Stats SA Census 2022

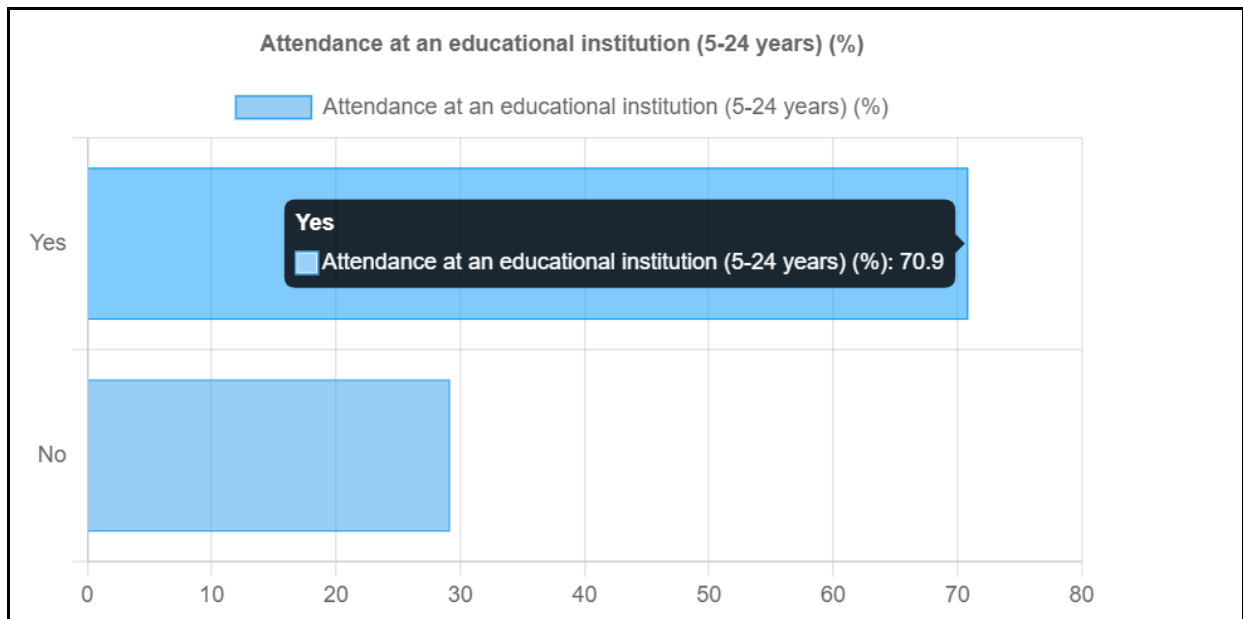
1.2.5 TABLE FOR SEX AND AGE DISTRIBUTION FOR KGATELOPELE MUNICIPALITY

Name	Male	Male (%)	Female	Female (%)
85+	4	0,0%	37	0,2%
80-84	18	0,1%	51	0,3%
75-79	46	0,2%	84	0,4%
70-74	145	0,7%	167	0,8%
65-69	218	1,1%	262	1,3%
60-64	388	2,0%	350	1,8%
55-59	452	2,3%	525	2,6%
50-54	494	2,5%	501	2,5%
45-49	508	2,6%	556	2,8%
40-44	675	3,4%	704	3,5%
35-39	752	3,8%	793	4,0%
30-34	895	4,5%	845	4,3%
25-29	818	4,1%	795	4,0%
20-24	837	4,2%	820	4,1%
15-19	932	4,7%	893	4,5%
10-14	882	4,4%	897	4,5%
5-9	891	4,5%	876	4,4%
0-4	885	4,5%	856	4,3%

Source: Stats SA Census 2022

EDUCATIONAL LEVEL

Attendance at an educational institution (5-24 years) in percentage



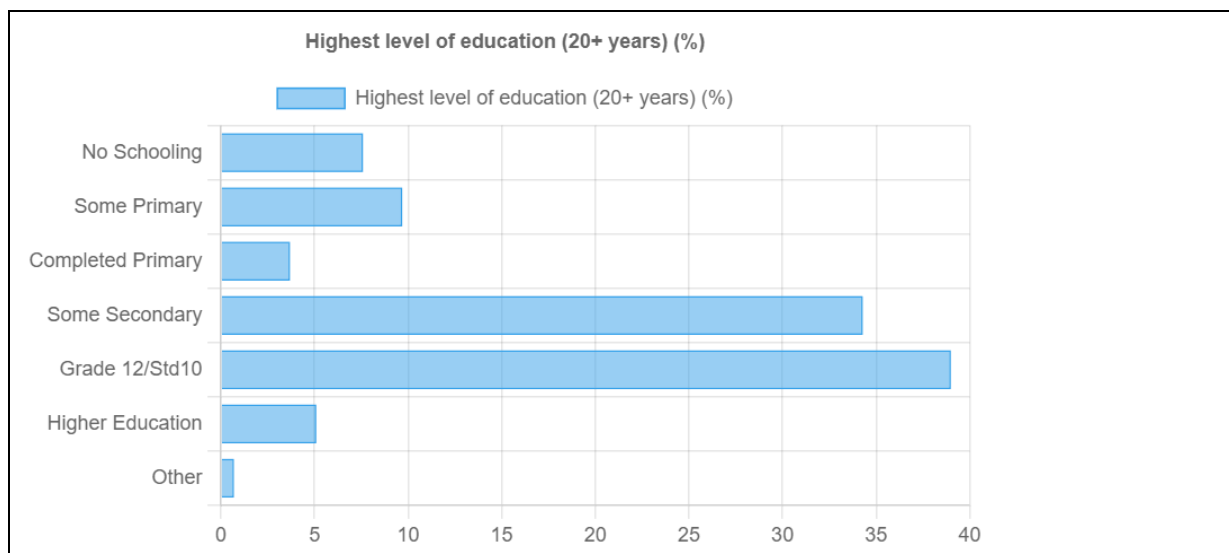
Source: Stats SA Census 2022

Table for attendance at an educational institution (5-24 years)

Name	Frequency	%
Yes	4 812	70,9%
No	1 980	29,2%

Source: Stats SA Census 2022

Highest level of education (20+ years) in percentage



Source: Stats SA Census 2022



1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Water

Section 27(1)(b) of the Bill of Rights provides that ‘everyone has the right to have access to sufficient water’, and section 27(2) obliges the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization” of everyone’s right of access to sufficient water” (Basic Sanitation Guideline in South Africa, 2011: 20). A Water Services Authority (WSA) refers to a municipality’s responsibility to ensure access to water services. WSAs derive their authority from the Municipal Structures Act. The water service authority is the Kgatelopele Local Municipality.

Chapter 4 of the National Development Plan (NDP) envisages a South Africa that recognizes the importance of secure and equitable access to water and sanitation as catalysts for socioeconomic development. In line with this vision, over the medium term, the Municipality seeks to focus on developing and investing in water infrastructure, improving planning in and regulation of the water sector, and monitoring and protecting Danielskuil’s water resources as the main source of supply in the area.

The following key performance activities were used to evaluate the Unit's performance during the 2023/24 fiscal year:

- Sewer Blockages (Reticulation lines),
- Water Meters,

- Water Quality,
- Maintenance of Sewer Pumpstations,
- Drains.

Water Meters

Both conventional and prepaid meters have been installed in Kgatelopele Local Municipality's inhabitants as of late. By installing these prepaid meters, the municipality hopes to cut down on water losses while also making it easier for homeowners to keep track of their water usage and pay their bills.

Water Quality

It is impossible to overstate the significance of having access to potable clean water because a lack of it may lead to many health-related problems. The city collects water samples every month and sends them to a lab for analysis in an effort to guarantee that all inhabitants have access to safe water. The municipality has always complied with the requirements of South African National Standard (SANS) 241-1:2015 over the years, using the 19 sample locations that have been designated.

The acceptable drinking water quality is described in this section of SANS 241 in terms of microbiological, physical, aesthetic, and chemical factors. A lifetime consumption of water that conforms with this section of SANS 241 is considered to constitute an acceptable health risk. For this reason, the municipality received the famous Blue Drop accreditation, making it the best performer in the province in terms of the provision of drinking water with a compliance rate of 99.9%. By putting procedures in place for monthly reporting of its water quality data on the Regulatory Information System (IRIS), the Municipality hopes to obtain that status once more.

Sewage blockages

There are now 10 sewer pumpstations in the Municipality that feed into the main line that directs water to the oxidation pond. In Kgatelopele, which has a population of 20,000, 11,000 houses have access to waterborne sanitation facilities. Sewer obstructions come in two varieties: Blockages in the main sewer line and the private pipe that connects your house to the main line of sewage. According to tradition, the Municipality often responds to obstructions related to the aforementioned circumstance.

1.3.2 Electricity

The existing 22kV Daniëlskuil, Kuilsville and Tlhakatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.

The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies 3578 customers, of which are made up of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Electricity unit is facing the following challenges:

- Cable theft & vandalism of pillar boxes,
- By-passing of electrical meters & aged infrastructure,
- Insufficient budget to undertake consistent maintenance,
- insufficient supply from ESKOM, un-firm electrical capacity in our substation,
- Increasing cost of electricity supply

Kgatelopele Local Municipality efforts in trying to ensure suitable provision of electricity services includes the following initiatives:

The Electrical Master Plan that was developed during the 2023/24 Financial year in order to guide the implementation of the electrical projects.

3524 households are connected to electricity and a total number of 3289 households have been registered for prepaid meters and 235 conventional meters for use of electricity as a source of energy for lighting this initiative was introduced in order to test its feasibility.

The following outlines the Units' performance in terms of;

- Planned power outages
- Meter inspections
- HV-electrical network

- LV-electrical network
- Illegal connections inspections
 - Inspection of illegal supply to informal settlements
- Street lighting
 - Repair of street lights and highmast lights
- Sewer pump stations-repairs
 - Reset circuit breakers
 - Cleaning panels
 - Replacement of level switches
- Water pump stations-repairs
- Inspection and cleaning of panels

1.4.2 FINANCIAL WEALTH OVERVIEW

1.4.1 Expenditure

In the 2023/24 financial year the municipality remains committed to this objective, to ensure creditors are paid within 30 days. We need to start prioritising expenditure and reduce the nice to have expenditure. Expenditure should be incurred in a manner where service delivery is prioritised

Creditors analysis

The municipality outstanding creditors is R 40 466 million, creditors are not always paid within 30 days, due to cashflow constraints The municipality however constantly strives to pay its smaller suppliers within 30 Days.

NC086 Kgatelopele - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description	Budget Year 2023/24									Prior year totals for chart (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	5,053	-	-	2,401	-	-	12,911	-	20,364	20,364
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	(707)	-	-	-	-	-	70	9,906	9,269	9,269
Auditor General	2,902	-	143	148	-	-	-	7,144	10,337	10,337
Other	427	55	14	-	-	-	-	(1)	495	495
Total By Customer Type	7,675	55	157	2,549	-	-	12,981	17,049	40,466	40,466

Below are the top three creditors for the municipality have to date.

- Department of Safety
- Auditor General
- Eskom

Repairs and Maintenance

The main cost drive over the quarter was the repairs of the council sewerage truck and the rental of another while awaiting repairs. The municipality currently does not have maintenance plans, all maintenance is reactive and not plan and scheduled.

1.4.2 Grands and Subsidies

The capital budget has adjusted upwards due to the rollover for conditional grant, Municipal Infrastructure Grant that was approved. This has been adjusted upwards in the adjustment budget for 2023/24.

The municipality has maintained all grant deposits in separate call accounts with withdrawals only being made when the grant expenditure is approved by the Municipal manager and chief Ffinancial Officer

Operational Grant Spending:

GRANT NAME	ALLOCATION	TOTAL SPENT	TOTAL REMAINING	% SPENT
FMG	R 3 100 000	R 3 100 000	R 0.00	100%
LIBRARY	R 1 147 000	R 1 147 000	R 0.00	100%
EPWP	R 960 000	R 960 000	R 0.00	100%

Finance Management Grant

- The grant shows a percentage spent of 100% expenditure

Library Grant

- The grant shows a percentage spent of 100%

EPWP Grant

- The grant performed at 100%
- Grant is used for municipal property

Capital grant spending

GRANT NAME	ALLOCATE RECEIVED	TOTAL SPENT	TOTAL REMAINING	% SPENT
MIG	R 23 975 000	R 23 975 000	R 8 928 870	37%
EE&DM	R 0.00	R 0.00	R 5 017	0%
WSIG	R 23 975 000	R 23 975 000	R 0.00	100%
RBIG	R 46 372 372	R 46 372 372	R 0.00	100%
Disaster	R 0.00	R 0.00	R 1 436	0%

The capital grants expenditure performed exceptionally well as at end June 2024, with all allocations being utilized efficiently and spent within the designated time-frame.

- RBIG – the municipality received the allocation that were allocated for the RBG grant from National Treasury but the business plan for project needs to be approved first before the money is used

- The municipality need to apply for roll over for all grants not spent 100% due date is on the 31 August 2024

Interest received for 2023/2024

DAY TO DAY		
ACCOUNT NAME	ACCOUNT NUMBER	INTEREST EARNED FROM JULY TO JUNE _ 30 JUNE 2024
CHEQUE ACCOUNT	52003878794	336 888.30
CORPORATE (TRAFFIC)	62798890630	33.93
TOTAL		336,922.23

SAVINGS AND INVESTMENT		
ACCOUNT NAME		
WSIG	62714846500	142,416.29
DISASTER MANAGEMENT	62822654530	97.88
EPWP	62627396915	19,869.52
FMG	62627396155	48,264.15
ENERGY	62289233547	288.56
LIBRARY	62627394498	17,828.25
MIG	62021476313	1,227,311.16
EQUITABLE SHARE	62627395347	251.10
7 DAYS INVESTMENT	76200036773	1,452,846.24
RETENTION	76203316375	185,673.62
TOTAL		3,094,846.77
DAY TO DAY & INVESTMENT		3,431,769.00

Total interest received at 30 June 2024 from bank confirmation R 3 431 769

1.5 AUDIT GENERAL REPORT

1.5.1 AUDIT OUTCOME / OPINION

The municipality has obtained a qualified audit opinion on the annual financial statements for year ending 30 June 2024. This is similar to the opinion of the prior year. Material instances of non-compliance have been identified and material findings as well have been reported for performance information. This was due to inadequate action taken by management in addressing issues previously raised by the AGSA in all three areas as some of the issues identified in the current are similar to those of the previous year(s). Recommendations of the AGSA have not been fully implemented.

1.5.2 INTERNAL CONTROLS

We identified significant internal control deficiencies in financial recordkeeping and the financial statement preparation and related business processes, which caused the misstatements or could cause misstatements in future.

- Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
- Inadequate or proper review of the AFS was not done.
- The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review / and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation (Various AOPO findings).
- The municipality did not comply with the prescribed requirements for the amendment of the IDP, as the adjusted IDP was submitted to COGHSTA 11 days after the due date, rather than within the required 10-day period.

The findings identified above are what lead to material findings to be reported under performance information. The absence of reliable, accurate, and transparent performance reporting hinders the municipality for reporting accurately the services being delivered and measures of the municipality's performance in efficient manner.

CHAPTER 2 – GOVERNANCE

COMPONENT A – POLITICAL AND ADMINSTRATIVE GOVERNANCE

The municipality has a political and administrative component, the section below will give an analysis of the two and how they operate in making sure that the developmental mandate is achieved. The Municipal Elections took place on 01 November 2021 where different political organizations elected its representatives to contest into the elections for the next 5 years, and different organizations did part take and the outcome of the elections came out different whereby the then regime (ANC) which led Kgatelopele Council for the past years formed a collision with newly formed political organization known as Patriotic Alliance (PA) , Democratic Alliance (DA) has 2 seats ,whereas Economic Freedom Fighter (EFF) and Freedom Front Plus (FFP) has obtained 1 seat and the new regime was then inaugurated into office to take over the Municipal Council for a Period of five (5) years. The council has changed from the original council elected in November 2021 Elections, as a result some councillors resigned and were replaced. The Municipality is currently running the political structures of the Municipality in collision between African National Congress (ANC) and Patriotic Alliance (PA).

2.1 POLITICAL GOVERNMENT

The municipality is led by a Council, which performs both legislative and executive functions

The Council for the 2023/24 financial year was led by the Hon. Mayor Cllr I. Williams.

NO	NAME & SURNAME	POSITION	POLITICAL PARTY	WARD/PR	GENDER
1.	Irene Nona Williams	Mayor	African National Congress (ANC)	Ward 5 Cllr	Female
2.	Mosala George Leutlwetse	Speaker	African National Congress (ANC)	Ward 1 Cllr	Male
3.	Ronell Haai	Council Whip	African National Congress (ANC)	Ward 2 Cllr	Female
4.	Jan Slinger	Council member	African National Congress (ANC)	Ward 4 Cllr	Male
5.	Denys Pienaar	Council member	African National Congress (ANC)	Ward 6 Cllr	Male
6.	Anna Van Zyl	Institutional Committee Chairperson	Democratic Alliance (DA)	Ward 3 Cllr	Female
7.	Dorcas Burger	Council member	Democratic Alliance (DA)	PR Cllr	Female
8.	Frikkie Sebelego	Technical, Infrastructure & Community Services Chairperson	Patriotic Alliance (PA)	PR Cllr	Male
9.	Sylvester Vukeya	Municipal Public Accounts Committee (MPAC) Chairperson	Patriotic Alliance (PA)	PR Cllr	Male
10.	François Maritz	Council member	Freedom Front Plus (FFP)	PR Cllr	Male
11	Govern Letlhogonolo Teteme	Council member	Economic Freedom Fighters (EFF)	PR Cllr	Male
	Total No of Cllrs: 11				4x Female 7x Male

2.1.1. COUNCIL MEETING

The following reflect the number of Council meetings that took place in the year 2023/2024:

(04) Normal Council Meetings

(06) Special Council Meetings

2.1.2. PORTFOLIO AND COMMITTEES / SECTION 79 & 80 COMMITTEES

Council has also established committees to ensure its effectiveness in terms of Section 79 and 80 of the Municipal Structures Act 1998.

- Finance Committee
- Institutional Committee
- Technical Committee
- Audit, Risk and Performance Committee
- MPAC

2.1.3. DIRECTORATES

Technical, infrastructure and Community services Directorate

This directorate's main functions are to see to it that residents have basic services. The Unit headed by the Technical and Community Services Manager. The unit is responsible for:

- Basic Services
- Management & Maintenance of all infrastructure
- MIG Projects
- Coordinating the building of houses
- Library services
- Housing administrator
- Traffic services
- Town Planning, Land Use Management and the SDF

- Waste management

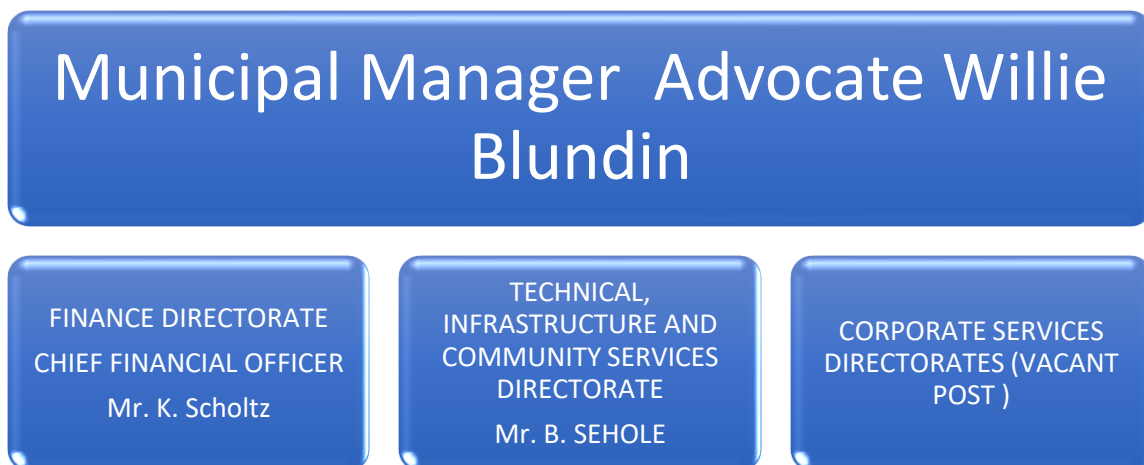
Financial Management Directorates

This directorate is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. This Unit has been headed by Chief Financial Officer. The Unit is responsible for the following:

- Financial systems
- Budget and treasury
- Revenue/Income
- Expenditure
- Assets Management

2.2 ADMINSTRATIVE GOVERNANCE

The Municipal Finance Management Act section 60 (b) states that the Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with Act to political structures; political office bearer, and any entity under the sole or shared control of the municipality. Top level structure of Kgatelopele local municipality is as follow:



COMPONENT B – INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

There is a need to coordinate and integrate activities of government in delivering services to the communities and that forms the basis because intergovernmental relation is crucial. The need for the three spheres of government to work together is a Constitutional obligation reconfirmed by various pieces of legislations. The Intergovernmental Fiscal Relation Act, of 1997, Section 4, provides that all spheres of government to facilitate coordination in the implementation of policy and legislation in cooperate with one another in mutual trust and good faith by.

- Fostering friendly relations
- Assisting and supporting one another
- Informing one another of; and consulting one another on matters of common interest
- Coordinating their actions and legislation with one another
- Adhering to agreed procedures; and
- Avoiding legal proceedings against one another

Kgatelopele Local Municipality is instrumental in the process of Intergovernmental relations by participating in various legislated forums i.e., District Intergovernmental Forum and Premiers Intergovernmental Forum, and attendance hereby attested.

COMPONENT C- PUBLIC ACCOUNTABILTY AND PARTICIPATION

2.4 PUBLIC MEETINGS

The Constitution of South Africa affirms the right of public involvement in legislative and development policy. The intention is to allow communities and other non-state sectors another platform with which to engage the State other than through political representatives elected through the ballot. The concept of ward committees is meant to speak to this need. Section 152 (1) of the Constitution enjoins local governments ‘to encourage the involvement of communities and community organizations in the matters of local government.’ (Republic of South Africa, 1996). The establishment of ward committees is provided for in Chapter 4 of the

Municipal Structures Act of 1998. According to the Act, ward committees should be established in each ward of a Category A or Category B municipality. The Municipal Systems Act of 2000 elaborates further on the issue of community participation in municipal affairs and encourages municipalities to establish alternative forums where no municipal structures for community participation exist. An important provision of the Act is that these forums are to be representative of the different interests within communities.

2.4.1 WARD COMMITTEES

No	Scheduled Meetings	Dates	Venues	Time
1.	Ward 1	26 July 2024	Tlhakatlou Hall	17:00
2.	Ward 2	28 July 2023 16 July 2023 23 August 2023 13 February 2024	Smirna Church	17:00
3.	Ward 3	28 July 2023 05 July 2023 23 March 2	Kgatelopele Tourism Centre (1933)	17:00
4.	Ward 4	22 August 2023 13 September 2023 15 March 2024	Kuilsville Hall	17:00
5.	Ward 5	August 2022 23 September 2022 14 July 2022	Church Park	17:00
6.	Ward 6	18 August 2022 23 September 2022 10 May 2024 22 June 2024	Roman Catholic church / Shaleje Hall	17:00

2.5 IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D- CORPORATE GOVERNANCE

2.6 OVERVIEW CORPORATE GOVERNANCE

The national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management. They must support the efforts of municipalities to identify and resolve their financial problems. National and provincial departments and public entities must:

- In their fiscal and financial relations with the local sphere of government, promote cooperative government in accordance with Chapter 3 of the Constitution.
- Promptly meet their financial commitments towards municipalities.
- Provide timely information and assistance to municipalities to enable municipalities.
- To plan properly, including in developing and revising their integrated development plans.
- To prepare their budgets in accordance with processes set out in Chapter 4 of the Local Government Municipal Finance Management Act.
Comply with the Public Finance Management Act, the annual Division of Revenue Act and the Intergovernmental Fiscal Relations Act, 1997.

2.7 RISK MANAGEMENT

Section 62 of the Municipal Finance Management Act requires the Accounting Officer to take all reasonable steps to ensure that the Municipality has, and maintains, effective, efficient and transparent systems of financial and risk management, internal control, internal audit as well as the effective, efficient and economical use of the resources of the Municipality. Risk Management is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organization to minimize losses and maximize opportunities. Strategic and operational risk assessment are done in quarterly basis by Management and departmental officials. The participants for operational risk assessment sessions were senior managers and extended managers and lower official where possible. The focus was on progress to date on mitigation strategies, emerging risk for the institution and the way forward to improve on what has been done.

2.7.1 THE ROLE/FUNCTION OF RISK MANAGEMENT

The risk management function within the municipal manager environment is a critical component of strategic management. Risk management must be able to influence Strategy in relation to the major risks that the municipality is facing and must be informed by the extent of its risk exposure, be it financial, reputational or operational in nature. With the modern-day economic uncertainties that directly and indirectly impact on the municipality 's own business environment, risk management plays a crucial role in the identifying both risks and opportunities that are present and to take a strategic position in minimizing the said risks and maximizing present opportunities for the benefits of the Kgatelopele Local Municipality.

The role of the Risk Management unit is to provide the municipality with the expertise and support for institutionalizing ERM and thereby embedding a risk intelligent culture

2.8 ANTI- CORRUPTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. The Anti-Fraud and Corruption Policy was developed and it outlines the municipality's commitment to the reduction and possible eradication to fraud and misconduct. The policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption as well as to provide guidelines as to how instances of fraud and corruption could be identified and gives effect to various legislative instruments.

Legislative instruments include various acts such as the Constitution, Protected Disclosure Act, Prevention and Combating of Corrupt Activities, MFMA, Municipal Systems Act and Schedule 1 and 2 of the Municipal Systems Act. The policy sets out a stance with regard to fraud and corruption as well reinforcing existing legislation aimed at preventing, reacting and reducing the impact of fraud and corruption. The policy was successfully work shopped with the municipal staff members. All employees were also required to declare under oath their direct and indirect business interests. The principle is for employees to abide by the principles of local government and foster an environment, where all employees and councillors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal. Consistent with such an Act, the municipality has the responsibility to take reasonable steps to ensure that "whistle Blowers" who disclose such information are protected from any reprisals as a result of such disclosure.

2.8.1 ANTI-CORRUPTION / FRAUD

The primary objective of the Policy is to prevent fraudulent conduct before it occurs by encouraging a culture within the municipality where all employees, members of the public and other stakeholders continuously behave with and promote integrity in their dealings with or on behalf of the municipality. Fraud represents a significant potential risk to the municipality's assets and reputation. Fraud represents a significant potential risk to the municipality's assets and reputation. The principle of the strategy is for employees to abide by the principles of local government. The policy also aims to develop and foster an environment, where all employees and councillors shall strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and reactive measures at their disposal. Consistent with such an Act, the municipality has the responsibility to take reasonable steps to ensure that "whistle Blowers" who disclose such information are protected from any reprisals as a result of such disclosure.

2.8.2 WHISTLE BLOWING ACT

The whistle blowing act further-more aims to provide avenues for staff to raise concerns and receive feedback on any action taken, inform staff on how to take the matter further if they are dissatisfied with the response and re-assure staff they will be protected from abuse and victimization for blowing the whistle in good faith. The policy contains detailed procedures that should be followed when employees, councillors', service providers and members of the public should they wish to report fraud and corruption allegations. The policy included Whistle Blowing Act, as it is designed to make it clear that the Kgatelopele Local Municipality is committed to fighting Fraud and Corruption whether the perpetrators are internal and external. Enforcing whistle blowing act is part of the municipality commitment towards a culture of accountability, transparency, excellence and efficiency the Protected Disclosure Act 26 of 2000 provides protection to employees who make disclosures in good faith.

Fraud and Corruption represent a significant potential risk to the Municipality's' assets, service delivery efficiency and reputation. The Municipality will not tolerate corrupt or fraudulent activities, whether internal or external to the institution and will vigorously pursue and prosecute any parties which engage in such practices or attempt to do so by all legal means available. For the year 2023-2024 FY, they hasn't been any cases reported or referred to the Risk Unit.

2.9 SUPPLY CHAIN MANAGEMENT

2.9.1 IMPLEMENTATION OF SCM PROCESS

Integrated Supply Chain Management aims to add value at each stage of the process, from demand of goods and services to their acquisitions and managing the logistics process.

The municipality has a fully approved SCM policy in place. The policy is aligned to the MFMA, regulations, circulars and all other relevant legislations. A system of internal controls is in place even though not always adhered to. The services of internal audit are utilised in order to continually identify shortfalls and to address them.

Currently, the municipality has no long-term contracts in place. When such a need arises, the relevant legislation will be applied and the relevant stakeholders such as provincial treasury will be contacted for comment.

The municipality uses the GRAP compliance checklist and other tools available by National Treasury in order to ensure compliance.

There have been instances where the municipality was found not to be in compliance on components such as revenue, receivables and payables.

2.9.2 DEMAND MANAGEMENT

The procurement plan for 2023/2024 has been developed and approved by the Accounting Officer. The goods and services above R200 000.00 (vat inclusive) are procured according to the procurement plan.

2.9.3 BIDS (PROCUREMENT ABOVE R 200 000 00):

BIDS AWARDED FOR 2023/2024 FY

NO	BID NUMBER	BID DESCRIPTION	DATE OF ADVERT	CLOSING DATE OF ADVERT	BIDS RECEIVED	TENDERED AMOUNT	STATUS	BIDS AWARDED TO:
1	KLM2023/24/006	Panel of service provider for the provision of water store items	23/02/2024	25/03/2024	Marg T Pty Ltd	R 105,907.00	Awarded	Calmdy Construction and Projects
					Calmdy Construction and Projects	R 89,836.50		Best Enough Trading T/A Leanolarona Holdings
					Best Enough Trading T/A Leanolarona Holdings	R 75,662.94		H and I enterprises
					H and I enterprises	R 101,339.97		Praysa Trade 1094cc T/a C-Pac Pumps Valves
					Praysa Trade 1094cc T/a C-Pac Pumps Valves	R 183,075.18		Qongqo TG Trading CC
					Top Matthews Construction	R 105,019.45		PPD Engineering and Hardware Supplies cc
					Qongqo TG Trading CC	R 126,186.55		Perseverance Ent Pty LTD
					PPD Engineering and Hardware Supplies cc	R 92,084.04		Newgen Pumps and Valves Pty Ltd
					Perseverance Ent Pty LTD	R 68,109.20		Makhonatsolthe Trading Pty Ltd
					Newgen Pumps and Valves Pty Ltd	R 197,259.50		Sebotime Pty Ltd

					Makhonatsotlhe Trading Pty Ltd	R	105,248.29		
					Sebotime Pty Ltd	R	76,551.63		
2	KLM2023/24/007	Panel of service providers of electrical store items	23/02/2024	25/03/2024	Makhonatsotlhe Trading Pty Ltd	R	2,986,780.49	Awarded	Makhonatsotlhe Trading Pty Ltd
					ARB Electrical Wholesaler	R	4,062,393.44		Sebotime Pty Ltd
					Transformer Field Services	R	5,227,523.55		Best Enough Trading t/a Leanolarona Holdings
					Cash Assets Trading T/a N.B Mechanical Sales	R	2,753,650.29		ARB Electrical Wholesaler
					Top Matthews Construction	R	4,259,303.99		
					Sebotime Pty Ltd	R	1,756,689.20		
					Makhonatsotlhe Trading Pty Ltd	R	1,130,371.00		
3	KLM2023/24/008	Panel of Service providers for the provision of repairs and maintenance of water and sewer pumps	23/02/2024	25/03/2024	Marg T Pty Ltd	R	1,211,936.00	Awarded	Mkhonatsotlhe Trading Pty Ltd
					Richtrau Trading Zz	R	4,576,389.35		Newgen Pumps and Valves Pty Ltd
					Newgen Pumps and Valves Pty Ltd	R	1,231,570.65		Richtrau Trading Zz
					Makhonatsotlhe Trading Pty Ltd	R	599,062.60		

4	KLM2023/24/009	Danielskuil: Paving of Municipal Parking	23/02/2024	8/3/2024	Reatlareitse Services (Pty) Ltd	R	503,450.00	Awarded	Makhonatsohle Trading Pty Ltd
					ABL Corporate Development Consultants	R	709,883.50		
					Calmdy Construction Projects	R	543,760.00		
					Mkhonatsohle Trading Pty Ltd	R	481,020.00		
					Givah Construction	R	681,800.50		
					Skal Enterprise Construction	R	497,271.50		
5	KLM2023/24/010	Danielskuil: Construction of roads in the greater Danielskuil	25/04/2024	24/05/2024	Taanil Construction (pty); ltd			Awarded	Taanil Construction (pty); ltd
					Hilarious	R	19,936,586.00		
					Thsepiso Mbokodo Trading Enterprise Elephant Holding	R	24,923,396.85		
					Best enough makhonatsohle	R	26,722,745.50		
					Elohm Erets Retailers cc	R	23,488,129.58		
					Kwagga Holdings (Pty) Ltd	R	28,920,191.95		
					Commoway (Pty) Ltd	R	19,067,282.90		
					P and E Artisan	R	26,141,094.53		
					Renaissance Skills Centre	R	22,049,363.38		
					Khomanani Construction	R	31,569,390.60		
					Top Matthews Construction	R	60,653,613.24		

Contract Management

Contracts Register is updated on a quarterly basis, and finalization is done at the end of each financial year.

Insufficient supporting documents

The unit has been experiencing the issue of service providers who are reluctant to register on the National Treasury's Central Supplier Database (CSD).

Records management

All Tender documents and Quotation documents are stored in the lockable filing cabinet. The Register has been implemented for all the documents that were issued.

SCM information on website

Reports on SCM and bid invitations were also available on the municipality's official website at www.kgatelopele.gov.za.

2.10 BY-LAW

Bylaws are a type of law and specifically a type of legislation made by a municipal council rather than the other two spheres of government (i.e. provincial and national government). Bylaws as legislation must be distinguished from common law. Like all legislation bylaws are – made by a legislature (your municipal council) and intended to comprehensively regulate a particular situation (such as, street trading).

2.11 WEBSITE

Kgatelopele Municipality has a website which is available and accessible to all who has internet access. The website link to access the website is www.kgatelopele.gov.za. All information about Kgatelopele Local Municipality is placed on the municipality website. For enquiries, reporting and complaints the tab “CONTACT US” can be clicked on and an email will be sent automatically to the Customer care and Reception department, Thus, the community can enter: His/her name and surname as well as email and contact number. Customer care will respond back and also capture one’s enquiries. All Documents or Reports are found under the tab All Tender and Bids documents will be placed under Supply Chain Tenders as well as the municipality policies with other options/tabs as well for each department.

Kgatelopele Local Municipal website is available accessible and to all who has internet access:

- Website: www.kgatelopele.gov.za
- Email: customercare@kgatelopele.gov.za

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICE

Public Satisfaction Municipal survey was not undertaken in the year under review; however, customer care unit will make all social media platform available for public to participate and to register all complaints.

CHAPTER 3- SERVICE DELIVERY

COMPONENT: A BASIC SERVICES

3.1 WATER PROVISION

Water is currently extracted from three boreholes and pumped into two reservoirs situated on the hill towards the Northern most side of Danielskuil. These two reservoirs are commonly described as the Old (3.5 megalitres) and New (4 megalitres) reservoirs and their combined capacity is 7.5 megalitres. The former is made of concrete and it was constructed in the early nineteen seventies (approximately 50 years old). It was sealed in 1986, and was rehabilitated in 2000 which included the installation of a Geotextile lining. The New Reservoir is made of steel and it was constructed in 2016. The Municipality supplies portable water to the community through the use of municipal boreholes. The breakdown of the existing boreholes and their status are as follows: Number of Municipal boreholes- Four (4), namely:

- Danlime 1 standby pump
- Danlime 1 main pump
- Danlime 2
- Tlhakalatlou borehole

Number of boreholes in use-2

- Danlime 1 standby pump
- Danlime 1 main pump
- Tlhakalatlou borehole

Reasons for non-functionality of boreholes:

- Danlime2: Submerges with water due to heavy rainfalls experienced in the 2022/23 FY

Current Levels of Boreholes (As of June 2024)

NAME OF BOREHOLE	TOTAL DEPTH OF BOREHOLE (Meters)	DIP METER LEVEL (Meters)	CURRENT WATER LEVEL (Meters)
DANLIME 1	60m	12m	42m
DANLIME 1(STANDBY)	60m	15 m	45m
DANLIME 2	50m	9m	41m
TLHAKALATLOU NEW BOREHOLE	34m	13m	21m

3.2 WATER AND SANITATION

3.2.1. SANITATION/SEWER SERVICES

The following key performance activities were used to evaluate the Unit's performance during the 2023/24 fiscal year:

- Sewer Blockages (Reticulation lines),
- Water Meters,
- Water Quality,
- Maintenance of Sewer Pumpstations,
- Drains

Sewer Blockages (Reticulation Lines)

There are now 10 sewer pumpstations in the Municipality that feed into the main line that directs water to the oxidation pond. In Kgatelopele, which has a population of 20,000, 11,000 houses have access to waterborne sanitation facilities. Approximately 860 recorded cases of sewage line blockages were reported during the fiscal year 2023–202. This indicates that over the fiscal year, there were, on average, 57 blockages each month that required attention.

Sewer obstructions come in two varieties: Blockages in the main sewer line and the private pipe that connects your house to the main line of sewage. According to tradition, the Municipality often responds to obstructions related to the aforementioned circumstance

Foreign Objects

Items flushed down the toilet are the primary cause of sewage backups. Our major sewer pipes become blocked as a result of stones getting inside.

Although most people are aware of the negative effects of flushing foreign things down the toilet, additional awareness campaigns and activities need to be held to remind the community on a regular basis. There are several causes for blockages, however the following are the primary offenders:

- Cat litter;
- Oil and Grease;
- Clip-on toilet freshener holders;
- Diapers and baby wipes;
- Menstrual pads,
- tampons, and sanitary napkins;
- Children's toys;
- Cotton balls; Hair;

3.2.2. WATER QUALITY

The importance of access to clean water cannot be over emphasized, as the absence of that can result to a lot of health-related challenges. In a bid to ensure that all residents receive clean water, the municipality takes water samples on a monthly basis and they are sent to the laboratory for analysis. With 19 sampling points identified, the municipality has, throughout the years, consistently complied with the provisions of South African National Standard (SANS) 241-1: 2015. This part of SANS 241 specifies the acceptable quality of drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants. Water that complies with this part of SANS 241 is deemed to present an acceptable health risk for lifetime consumption. It is for this reason that the municipality was awarded the prestigious Blue Drop status with 99.9% compliance making the municipality the top performer in the province, with regards to the provision of drinkable water. No audit has been done by DWS in the 2023/24 FY.

3.2.3. DRAINS

The Municipality currently has approximately over 300 households that are not connected to the main sewer line and instead making use of septic tanks. This requires the Municipality to ensure that the drains are emptied out daily through the two Sewer Trucks that the Municipality currently has. During the 2019/20 Financial year, the Municipality was able to register a Sewer Reticulation Project with the Department of Water and Sanitation (WSIG) with the intention of connecting households that are making use of septic tanks to the main sewer network. The project was valued at an amount of R 36 000 000.00 and earmarked to be implemented during the 2021/22 Financial year as per the indication received from the Sector Department. The Unit has been performing above average during the financial year with a good turn-around time in terms of addressing complaints in the short, Medium Long-Term Plans. The oxidation pond was upgraded in 2022/2023 FY and will be completed in 2023/24 FY

- Water Services Development Plan
- Water Resource Strategy
- Water & Sanitation Master Plan

3.2.4. ELECTRICITY

The Electrical section falls within the Technical Services Directorate and is responsible for the provision of quality and sustainable electrical services to all customers within the Kgatelopele electrical distribution area. The functions of the electricity unit are to maintain the electrical infrastructure, monitor implementation of electrical projects, upgrading of dilapidated electricity infrastructure, reduction of electricity losses and improve quality of supply.

The existing 22kV Daniëlskuil, Kuilsville and Tlhakatlou under the Kgatelopele Municipality's main intake is at the Ouplaas 88/22kV Substation, as the existing 22kV infrastructure does not have adequate capacity to accommodate any further development within Kgatelopele Municipality. Development in Daniëlskuil constitutes of mostly domestic/residential and commercial expansion because of the mining activities in the surrounding area of the town.

The Ouplaas Substation consists of 2 x 10 MVA 132k/22kV transformers which supply the Kgatelopele Municipality via the Daniëlskuil 22kV feeder (at an NMD of 5MVA) and the Idwala Lime Mine (at NMD 15MVA). The figure 1 below is the MV & LV network being supplied by the Ouplaas Substation via the Daniëlskuil 22kV feeder. The Daniëlskuil 22kV feeder supplies ±3578 customer, of which are made up of residential customers, local business customers and other customers (clinics, libraries, municipal offices etc.)

Kgatelopele Municipality is and has been supplied by Eskom at a Medium voltage supply of 22kV from Ouplaas 88/22kV substation. The municipality is currently being supplied from a single source POS i.e. no premium supply, and that would usually translate to the fact that any loss of supply from Ouplaas substation, whether through planned or unplanned outages will leave the municipality without any alternative form of electrical supply to its domestic, industrial and other customers. Due to vandalism the power stations are being damaged hence; municipality will increase security to monitor the power station. Furthermore, this loss of supply will also leave the municipality with the inability of being unable to maintain reliability and continuity of supply and that means loss of revenue to the municipality.

3.3 WASTE MANAGEMENT

Section 84(1)E) of the Municipal Structures Act (117 of 1998) mandate the Waste Management section of Kgatelopele Local Municipality to make provision for the collection and disposal of waste from the community and this includes; determining and implementing its Waste Management Strategy i.e. refuse collection, waste recycling, transportation, disposal etc.; regulating the disposal of waste within its area of jurisdiction; establishing, operating and controlling waste disposal facilities including waste transfer .

In order to achieve its legislative mandate, the section is subdivided into the following functional categories, namely:

- Refuse removal services
- Street Cleaning & litter-Picking
- Illegal Dumping Removal
- Waste Minimization
- Landfill site Operations & Management

Since protecting the environment is one of the Municipality's strategic goals, disposing of garbage in an ecologically sustainable way is crucial. The Municipality started using in-house trash during the latter quarter of the fiscal year. For this, the Municipality makes use of a dump site. This role is crucial since it protects the natural environment's honor in addition to improving the aesthetics of the local community. Due to this, it is the Municipality's obligation to organize awareness campaigns and instructional sessions for those who utilize their own disposal sites. This is crucial in order to inform them about the need to dispose of particular goods privately, such as batteries and medical waste, which can be harmful to the environment.

Daily street cleaning operations are conducted in residential regions' major streets and the CBD. Residential cleaning is done in coordination with the Community Workers Program.

3.3.1. CONSTRUCTION OF NEW LANDFILL SITE

The Kgatelopele Municipality proposed to close its existing, landfill site and find a suitable site for the establishment of a new landfill site at Daniëlskuil for the disposal of General Urban waste.

The Department of Water and Sanitation (DWS) has set out minimum requirements by which a landfill must be designed and operated. The requirements are aimed at protecting the public and environment from the impacts of bad waste management.

The proposed solid waste disposal site is situated approximately 3.5km along the D3399 gravel road linking Daniëlskuil to Koopmansfontein on the remainder of Erf 1 Daniëlskuil. the scope of the project involves:

- Construction Of Landfill Site & Leachate Ponds
- Construction of Water Distributing Network and Connection
- Construction Of Weigh Bridge Structure H Building Works
- Construction Of Roads & Storm Water
- Fencing
- Closing Of Existing Landfill Site

Due to unavailability of funds the landfill site is still in progress, the municipality appointed a contractor to commence with the scope of work. The municipality is currently sourcing funds to complete the project.

COMPONENT: B PLANNING AND DEVELOPMENT

3.4 PLANNING

The Town Planning Unit is responsible for the management of the key performance areas associated with the spatial planning and land use management aspect of development planning and control in the Municipality.

The Unit is structured according to legislative requirements which its primary mandate is to enforce the following in the local sphere of government:

- Spatial Planning and Land Use Management By-law, 2015;
- Zoning Scheme, 2010;
- Spatial Development Framework, 2010;
- Advertising Signs By-law, 2017;
- Dolomite Risk Management Policy, 2016; and
- Church Erven Allocation Policy, 2016.

3.5 PERFORMANCE ASSESSMENT :2023/2024

The Unit was faced with several challenges concerning planning and land development issues during the 2023/24 financial year that ranged from land invasions (including dolomitic land) which led to informal settlements, contraventions in terms of non-adherence to by-laws and policies, substandard land-use and development applications as well as the compliance of building plans with the development parameters outlined in the zoning scheme.

The Municipality managed to appoint a Town Planner during the 2023/2024 financial year to enforce the credibility and assurance of compliance with legislated requirements in terms of spatial planning. Despite this, the Unit remains to be under-capacitated which has also posed as a challenge in ensuring that exceptional deliverables are attained in terms of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013).

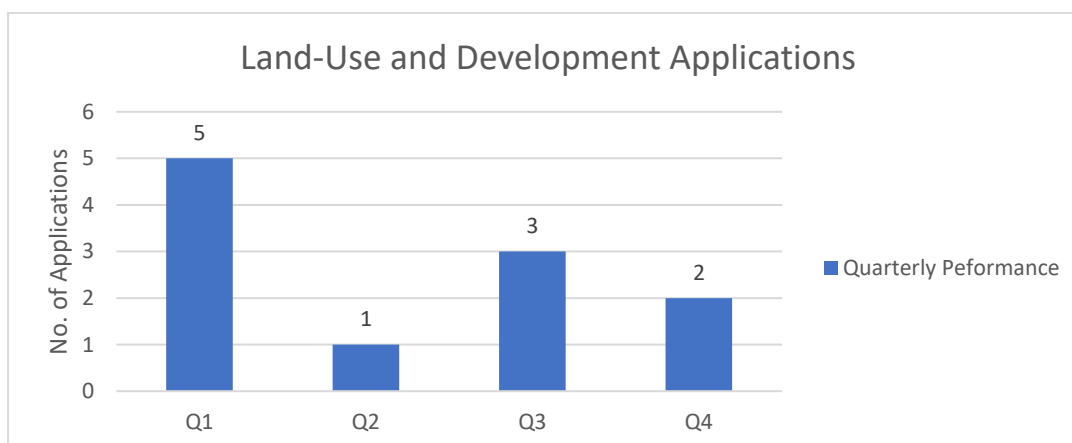
3.6 COMPLIANCE WITH SPLUMA

As required by Section 35(1) of the Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA), the Kgatelopele Local Municipality has a functional Municipal Planning Tribunal in the form of a joint structure with the Kai! Garib Local Municipality, Tsantsabane Local Municipality and Kheis Local Municipality while the ZF Mgcawu District Municipality provides administrative assistance. The Municipality is represented by two officials. Its meetings take place in Upington at the offices of the District Municipality subject to receipt of land use and development applications. In line with Section 35(2) of SPLUMA, Council delegated the function to decide on “Category-2” land use and development applications to the Town Planner.

Furthermore, the Municipality managed to finalize and adopt a SPLUMA compliant Spatial Development Framework (SDF) through Council during the 2022/23 financial year which will allow the Municipality to guide and attain its economic, sectoral, spatial, social, institutional and environmental vision. In addition, the Municipality also approved a comprehensive Land Use Management System during the same year composed of a SPLUMA compliant Land Use Scheme, By-law, Application Manual and application forms. While the SDF project was internally funded, the Land Use Management System project was funded by the National Department of Rural Development and Land Reform.

3.6 LAND USE MANAGEMENT

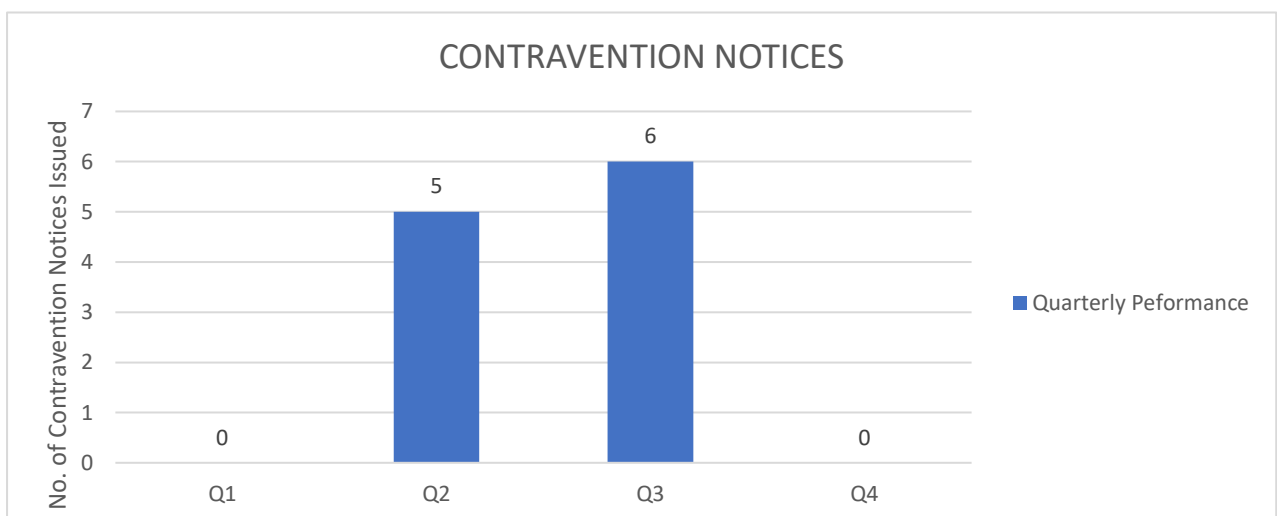
Land use and Development Applications



Land use and development applications received during the 2023/24 financial year were primarily dictated by the submissions made by the public to the Municipality. Performance thereof cannot be accurately assessed as the approval and finalisation of applications is subjected to the Joint Municipal Planning Tribunal processes with the Municipality still playing a vital role in the facilitation of all processes. Despite administrative challenges outlined above, all applications were handled within stipulated timeframes. The applications received during the period under review were for:

- Rezoning;
- Subdivision;
- Consolidation; and
- Removal of restrictive conditions.

The Municipality has encountered several challenges with regards to non-compliance with the by-laws by the public; in the main, the Zoning Scheme. This is demonstrated through non-submission of land use and development applications and construction of buildings and usage of properties for purposes they are not zoned for. In the main, these town planning contraventions relate to the operation of tuckshops and construction of additional dwelling units on residential properties without having followed the applicable land use change processes. This is despite the availability of the Spatial Development Framework and Zoning Scheme on the Municipal website and offices as well as the awareness campaigns that were held. It is quite vital to emphasise the importance of adhering to the development parameters, mainly because of the nature of the geology in most parts of Danielskuil which is dolomitic. Ordinarily, town planning contravention notices are a means to enforce the provision of the Zoning scheme.



The above graphical presentation denotes that more emphasis in terms of monitoring and enforcement of by-laws needs to be a key focus in addressing issues of non-compliance and contraventions of town planning regulations. This can be achieved through constant public participation and awareness for the community to take heed on the kind of impact that non-adherence to these regulations has on the planning of the Municipality at large especially on the efficient and effective delivery of basic services to the community as well as the well-being and safety of properties and residents.

3.7 CEMETRIES

a) Number of Cemeteries in the municipal area

- 1 in Kuilsville
- 1 in Tlhakalatlou
- 1 in Daniëlskuil

b) There is no Crematoriums in the Municipal area.

c) Maintenance and management are done by the Municipality through the Operation and Maintenance Budget along with the assistance of the community Works Programme (CWP). As part of supporting indigent households, the municipality allocates graves for free to the latter household. The municipality will in the new financial year appoint caretakers of cemeteries and community halls.

3.8 SOCIAL PROGRAMMES

Accessibility of computer training provided by mines for local youth in particular matriculants sitting at home, so as to meet the employment requirements. Improvement: Information dissemination by mines on training opportunities to the communities. Kgatelopele youth centre had a programme to uplift unemployed youth and encourage them to enrol in tertiary institutions. The unit of IDP/LED and Youth co-ordinator collaborated in hosting a career exhibition for the matriculants of 2024 to educate, them on different career opportunities. The IDP/LED unit hosted a driver's license leanernship for 6 candidates 4 learners passes their test and received their drivers' licences.

3.9 PROJECTS FOR 2023/2024 FINANCIAL YEAR

3.9.1 Eradication of conveyance tanks through the construction of HDPE sewer network phase 2

The entire Kgatelopele Municipality is situated on Dolomite as we know Dolomite is soluble in water. Rainwater and percolating ground water gradually dissolve the rock over time as it seeps through joints, fractures and fault zones in the rock. The dissolution of the dolomite gives rise to cave systems and voids in the rock. Soils covering the rock can collapse into these caves or voids resulting in catastrophic ground movement on the surface such as sinkholes or dolines.

Currently there are numerous erven in Danielskuil and Kuilsville which have conservancy tanks which were constructed many years ago and the possibility of leaks developing over many years is inevitable.

Secondly the eradication of the conservancy tanks would alleviate the costs associated with the continuous maintenance (emptying) of the conservancy tanks and acquiring funding for additional sewer suction vehicles is challenging.

During the IDP review process in 2009, the Kgatelopele Local Municipality resolved to provide sewer connections to the erven in Danielskuil who are currently making use of conservancy tanks.

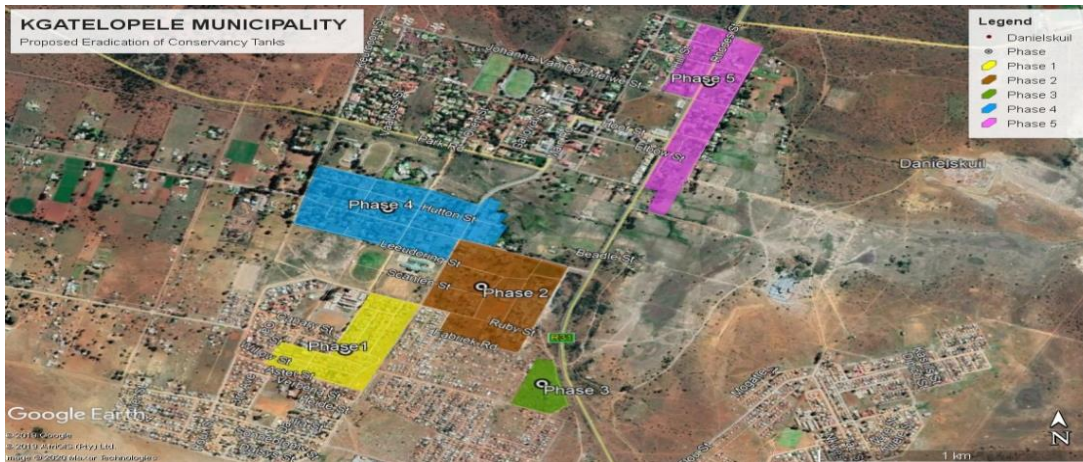
Kgatelopele Local Municipality applied for Municipal Infrastructure Grant (MIG) funding several years ago, however, at that stage the abovementioned erven didn't meet the MIG criteria as the erven effectively had waterborne sewerage.

Therefore, Kgatelopele Local Municipality has reverted to apply for funding from Department of Human Settlements Water and Sanitation through the Water Services Infrastructure Grant (WSIG).

The areas which will be serviced are some businesses in Kuilsville and existing residential areas in Danielskuil and Kuilsville. No new development areas are included in this application.

The erven that require connections to a gravitational network comprise of the following:

- 309 residential sites,
- and 60 Commercial sites



Scope of Works:

The Eradication of Conservancy Tanks can be divided into the following portions, namely:

- Portion 1 : Sewer Reticulation Network Phase 1:
 - This portion is approximately 2,048m long and consists of the following:
 - 122 Residential Erven
 - 8 Commercial Erven
 - Portion 2: Sewer Reticulation Network Phase 2:
 - This portion is approximately 1,629m long and consists of the following:
 - 44 Residential Erven
 - 22 Commercial Erven

The purpose of this project is to provide 170 households, 21 Commercial Erven with a connection to the sewer gravitational systems, by constructing the following infrastructure, namely:

- The total length of the proposed gravitational sewer reticulation is approximately 5,268 m in length gravitating towards an existing sewer pump station.

Portion 1 : Sewer Reticulation Network Phase 1: This portion is approximately 2,048 m long and consists of the following:

- 122 Residential Erven

- 8 Commercial Erven
 - Portion 2 : Sewer Reticulation Network Phase 2(A): This portion is approximately 3,220 m long and consists of the following:
 - 48 Residential Erven
 - 13 Commercial Erven
- The proposed gravitational network will comprise of 160 and 200mm diameter HDPE sewer pipes. HDPE Manholes will be placed at a maximum distance of 80 m apart.
- Numerous sewer pump stations will receive additional effluent, namely:
 - Kuilsville Pump Station 2 commonly referred to as Lemaro Pump Station
 - Kuilsville Main Pump Station commonly referred to as Koos Buckle Pump Station
 - Daniëlskuil Pump Station 1 commonly referred to as Rhodes Pump Station.
- The proposed gravitational network will comprise of 160 and 200mm diameter HDPE sewer pipes. HDPE Manholes will be placed at a maximum distance of 80 m apart.
- Numerous sewer pump stations will receive additional effluent, namely:
 - Daniëlskuil Pump Station 1 commonly referred to as Rhodes Pump Station.
- However, the abovementioned pump stations were initially designed in 1990 to accommodate these areas and have been refurbished, therefore no additional funding has been requested for pump stations.

3.9.2 Expanded Public Work Programme

Kgatelopele Local Municipality has received a sum of R960 000.00 from the National Department of Public Works, with the first tranche of R 2400 000 was received during the month of August 2023.

Under the Expanded Public Works Programme, the Municipality had 1 project with an allocation of R 960 000.00 and it was categorized under the following criteria:

DANIELSKUIL: PAVING OF MUNICIPAL PARKING FACILITIES FOR THE ALLOCATION OF R 960 000.00

This project was funded by Department of public works under the Expanded Public Works Programme. The purpose of this project was to maintain, repair and refurbish municipal Properties.

SITE PICTURES





Paving of municipal Parking phase 1

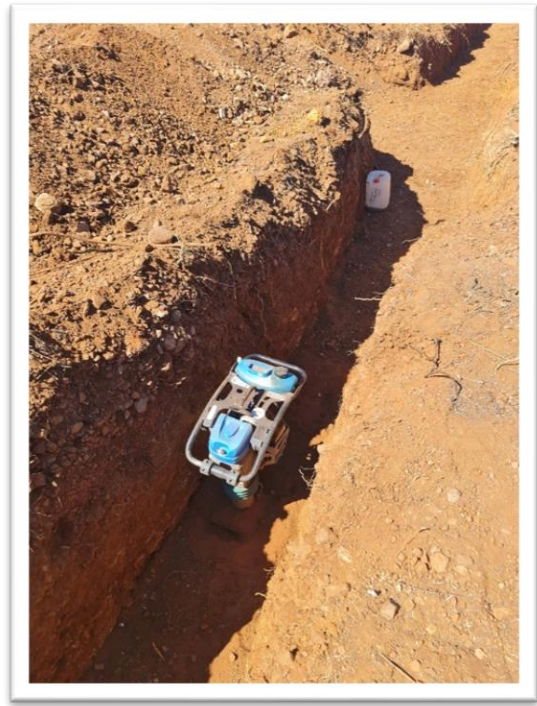
3.9.3 REGIONAL BULK INFRASTRUCTURE GRANT

The existing outfall sewer line Kuilsville, Tlhakalatlou and Danielskuil pumpstation to the Danielskuil Wastewater Treatment works (WTW) comprise of Asbestos Cement rising main. Even though the Asbestos cement pipes were durable and resistant to corrosion, they have reached the end of their design life, resulting in ongoing maintenance. The Municipality feels it's essential to replace and upgrade these rising mains to accommodate current and future development within the various area in greater Danielskuil. This is the scope of work:

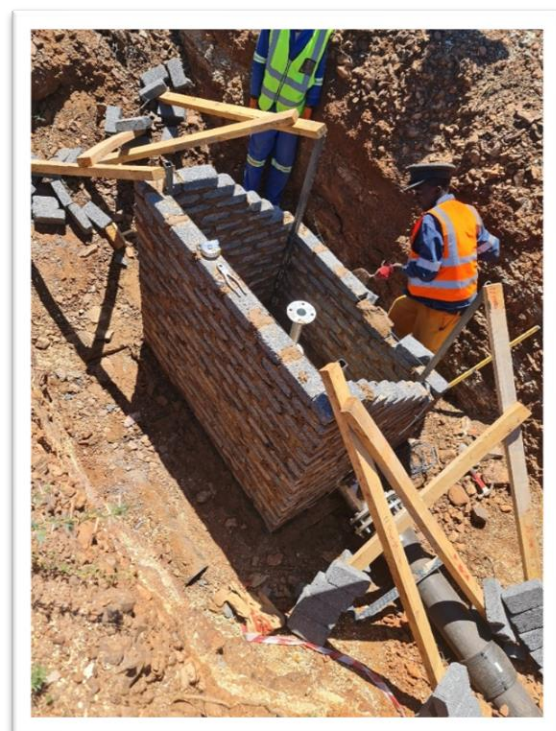
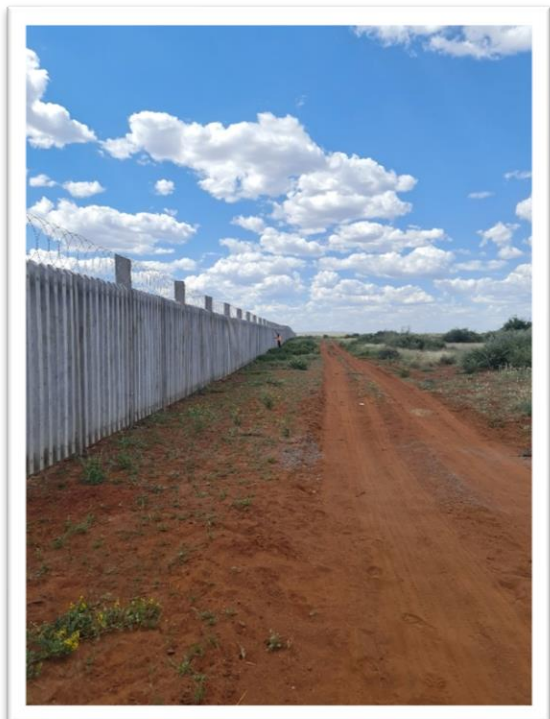
- Upgrading and construction of Outfall Sewer lines
- Rehabilitation of the fencing at the Wastewater treatment works

Upgrading and construction of sewer lines pictures





Pictures Rehabilitation of the fencing at the Wastewater Treatment works



CHAPTER 4- ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: AN INTRODUCTION TO MUNICIPAL PERFORMANCE

4.1 PERFORMANCE MANAGEMENT SYSTEM

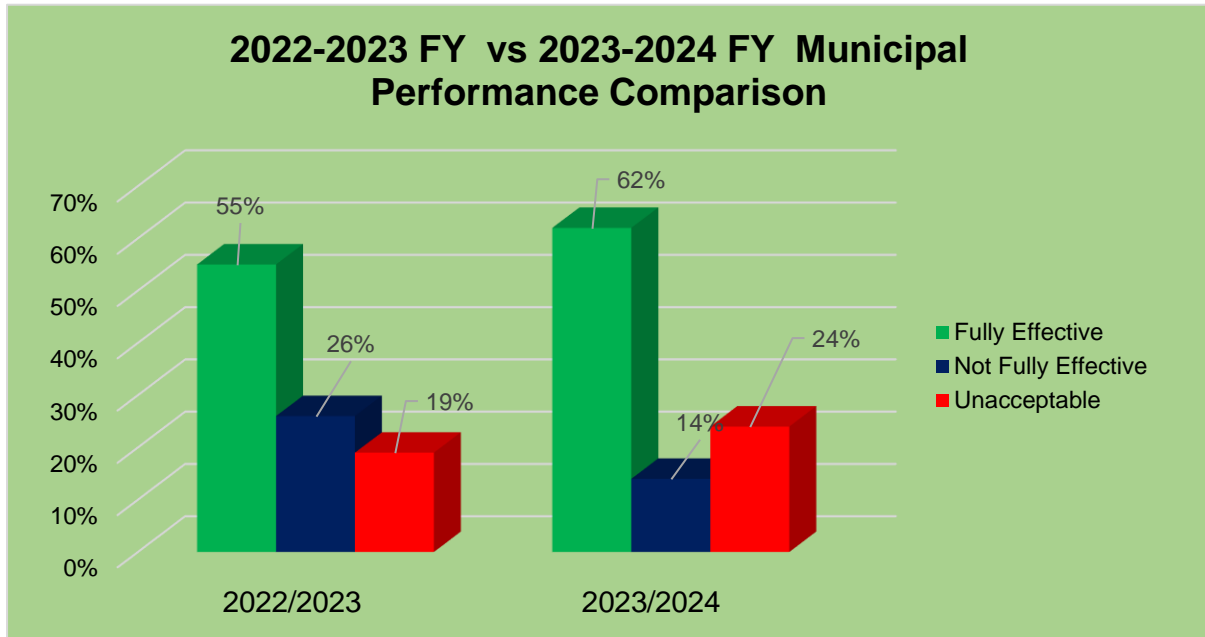
Performance Management is the institutional mechanism used to monitor and evaluate achievements and under achievements of the Kgatelopele Local Municipality's mid-year report performance. Performance Assessment assist management to take strategic decision, provide early warning signals also increase accountability of officials and institutional decision makers.

In terms of Section 40 of Local Government: Municipal Systems Act

Monitoring and review of performance management system-

A municipality must establish mechanisms to monitor and review its performance management system. Consequently, each Quarter a performance report reflecting the municipality's performance against the approved SDBIP. The report must indicate the development and service delivery priorities and the performance targets set by the municipality for the current financial year and measures that were or are to be taken to improve performance. Effort have been made to ensure that this report is reflective of the above legislative requirements.

The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda. Performance Management System is the key element in ensuring implementation and realisation of the Integrated Development Plan. The total of 86 Key performance indicators applicable were measured and evaluated for the year under review realised 62% fully effective, 14% Not Fully Effective and 24% Unacceptable. The institution realised 7%increase in the year 2023/2024 FY in comparison to the year 2022/2023 FY.



COMPONENT: B MANAGING THE MUNICIPAL WORKFORCE

4.2 RE-ASSIGNMENTS/PLACEMENTS/PROMOTIONS

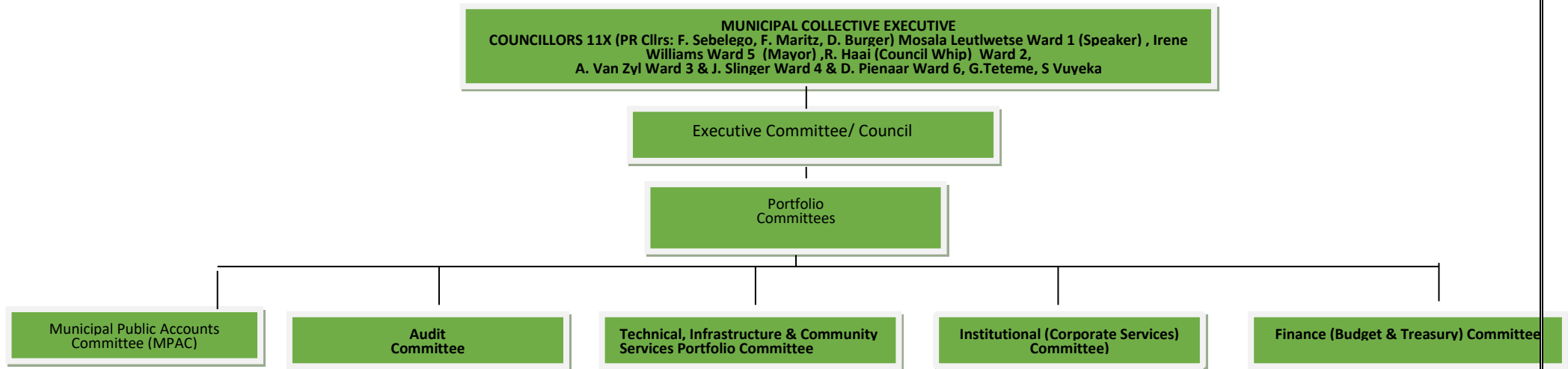
OFFICIAL	POSITION	NEW POSITION
Shirley Bontsi	Billing Officer	Customer Care & Meter Reader
Kultwano Banda	Finance Intern	Assistant Supply & Demand Officer
Constance Mojagotlhe	Finance Intern	Assistant Acquisition Officer
Claudine Van Rooyen	Finance Intern	Assistant Billing Officer

4.2.1 RESIGNATION

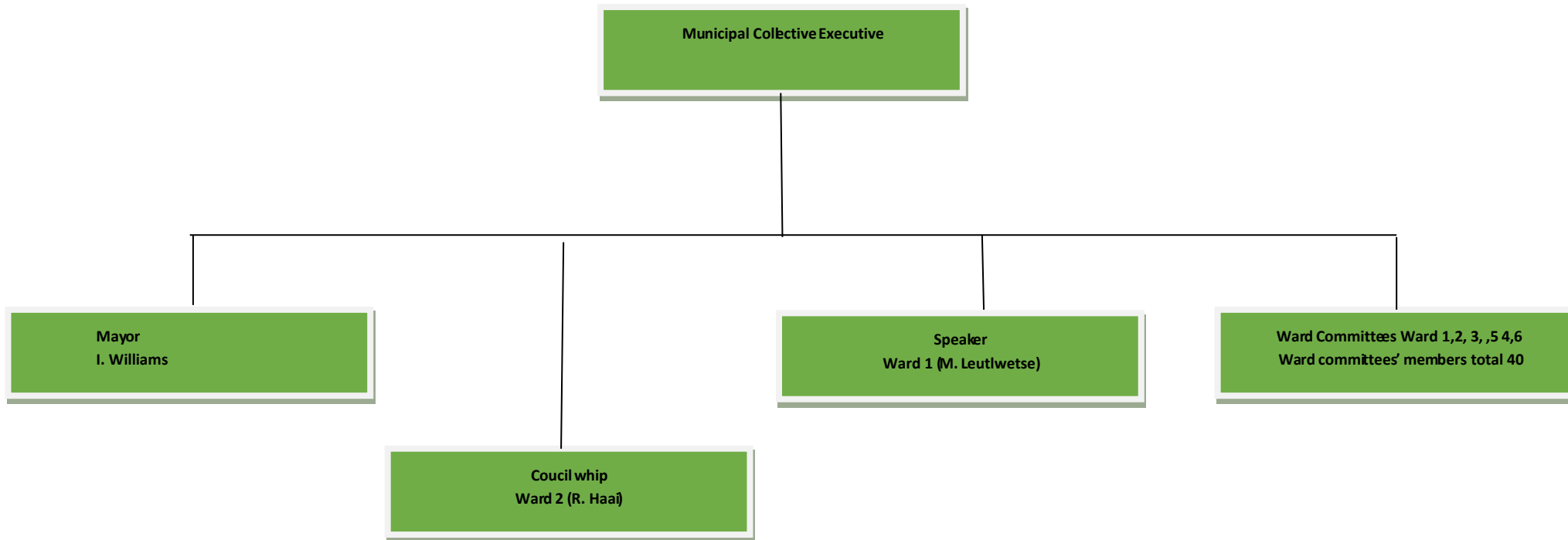
MONTH	POSITION
August	Intern
September	Town planner
October	Learnership
December	Rates and building officer Chief Traffic and licensing Officer
May	Youth Co-ordinator in Mayor's Office

5.1 ORGANISATIONAL STRUCTURE

Vision: Kgatelopele Local Municipality aims to improve the quality of life of all its residents. Mission Kgatelopele Local Municipality will strive to promote sustainable development by the: Provision of quality services, Conservation of the environment, Stable and effective administration, Promotion of socio-economic development and promoting social cohesion. Values of the municipality: The values of the municipality are in line with the basic values and principles governing public administration as envisioned in section 195 of the Constitution of the Republic of Sout Africa: a high standard of professional ethics must be promoted and maintained, efficient, economic and effective use of resources must be promoted, public administration must be development oriented, services must be provided impartially, fairly, equitably and without bias, people's needs must be responded to, and the public must be encouraged to participate in policy making, publi administration must be accountable, transparency must be fostered by providing the public with timely, accessible and accurate information, good human-resource management and career development practices, to maximise human potential, must be cultivated, public administration must be broadly, representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation. Municipal slogan "Re gatela pele" "ons gaan vorentoe" "we moving forward".

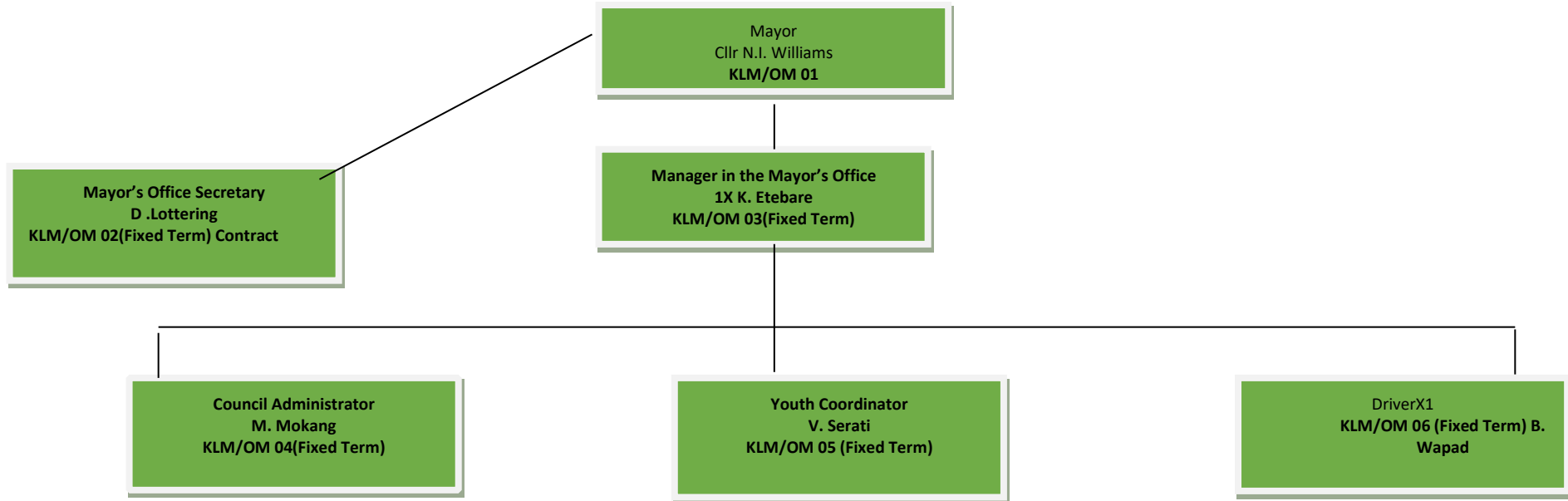


Kgatelopele Municipality is established in terms of Section 12 of the Local Government Municipal Structures Act, Act 117 of 1998 (Municipal Structures Act), as a Municipality with a Mayoral Executive System. The Municipality has the following political structures



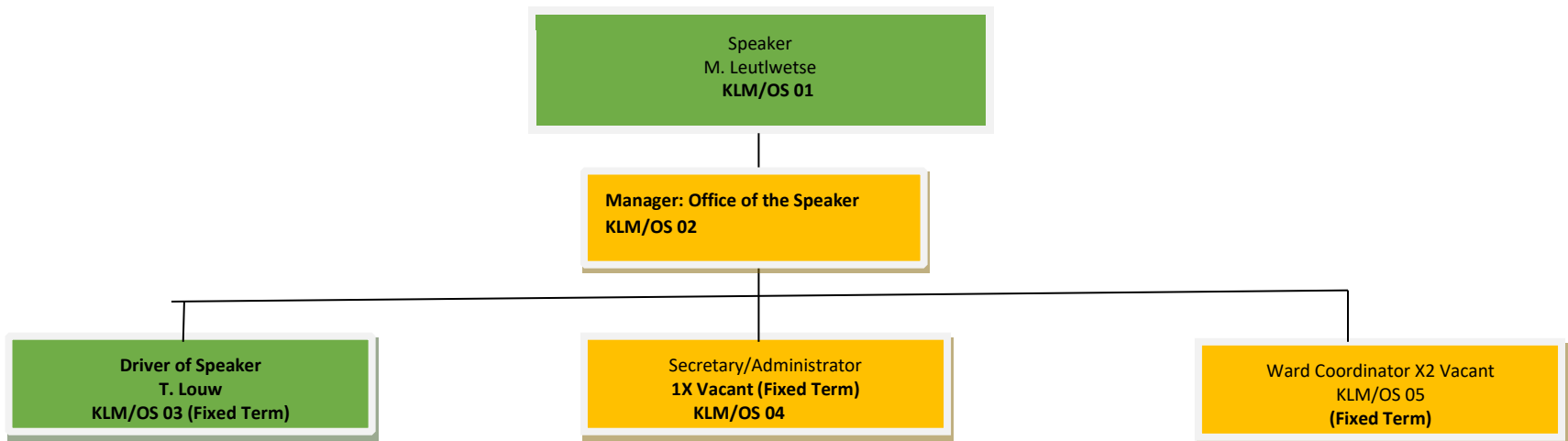
OFFICE OF THE MAYOR

The Executive Mayor is at the centre of the governance system and is responsible for providing political and strategic leadership. Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation as well as powers delegated by the Municipal Council in terms of Section 59 of the Municipal Systems Act. In order to maximise operational efficiency, the Municipal Council has delegated all powers except those which it is may not delegate by law to the Executive Mayor. The Executive Mayoral Committee is chaired by the Executive Mayor.



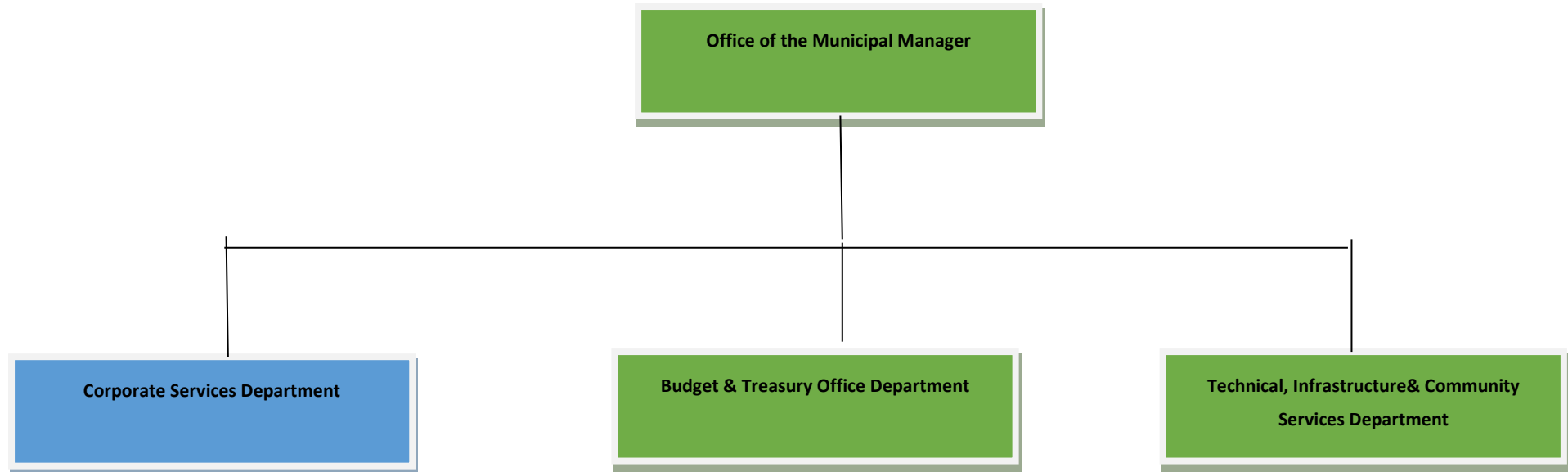
OFFICE OF THE SPEAKER

The Speaker is the Chairperson of the Municipal Council and performs his functions in terms of a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Municipal Systems Act.



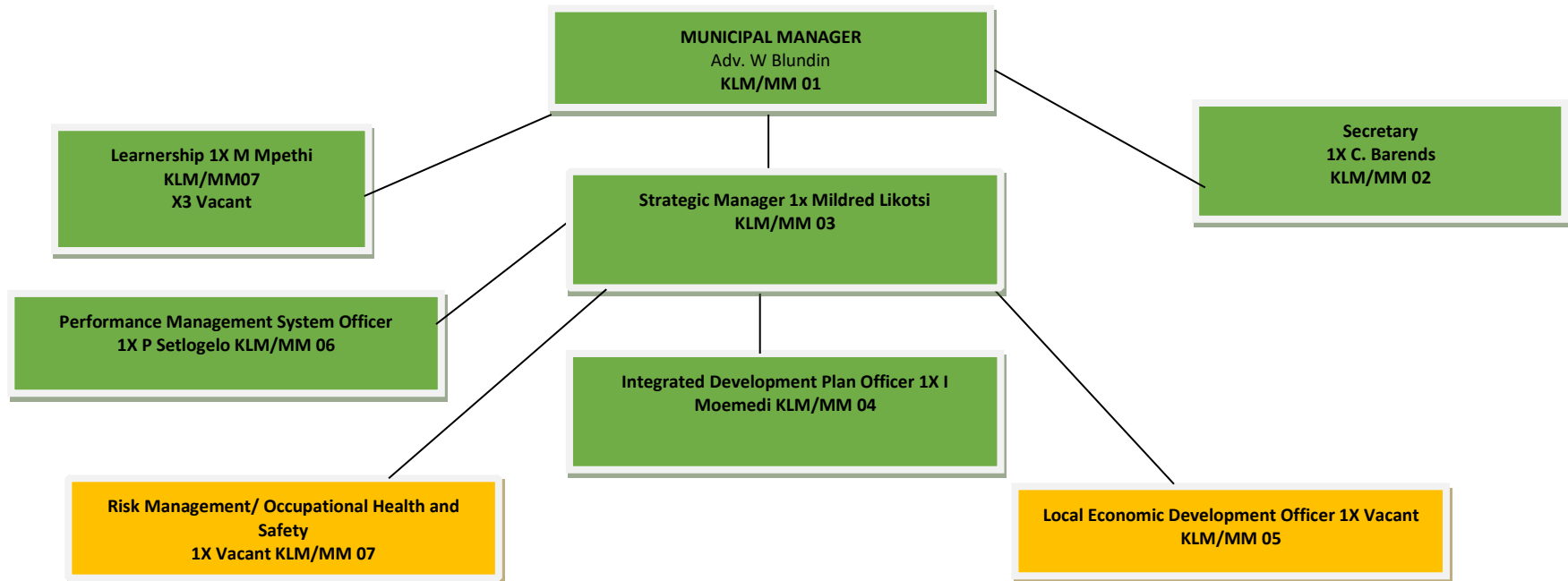
OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager Adv Willie Blunden is the head of Administration and is the accounting officer. He is responsible for the day to day running of the municipality. The Municipal Manager is further responsible for making sure that, the Council objectives get achieved as well as making sure that the municipality functions optimally. The Municipal Manager is responsible for overseeing; internal audit, risk management, compliance, LED, IDP and PMS which falls under his department. The Municipal Manager works closely with the Directors who are responsible for the various Departments and is directly accountable to him.



OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager Adv W Blunden is the head of Administration and is the accounting officer. He is responsible for the day to day running of the municipality. The Municipal Manager is further responsible for making sure that, the Council objectives gets achieved as well as making sure that the municipality functions optimally. The Municipal Manager is responsible for overseeing; internal audit, risk management, compliance, council secretariat, LED, IDP, PMS, communication and marketing, which falls under his Department. The Municipal Manager works closely with the Managers who are responsible for the various Departments whose Manager are directly accountable to him



INTERNAL AUDIT AND MPAC (independent)

Purpose: To provide advice counsel and opinion regarding organisational efficiency and effectiveness of internal controls governance processes and performance management systems.

Functions:

Development and implement risk-based audit plan and internal audit program for each financial year and providing assurance regarding the efficiency and effectiveness of the performance management system.

Prepare a risk-based audit and internal audit program for each financial year

Advised the accounting officer and report to the audit committee on the implementation of an internal audit plan and matters relating to: Internal audit

Internal controls

Accounting procedures and practices

Risk and risk management

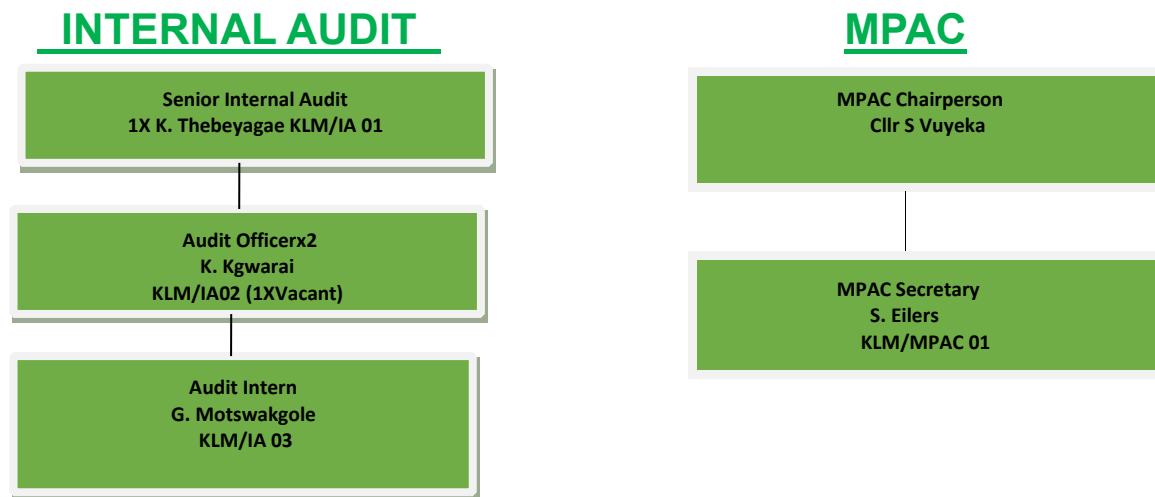
Performance management

Loss control

Compliance with MFMA and DORA and any related legislation

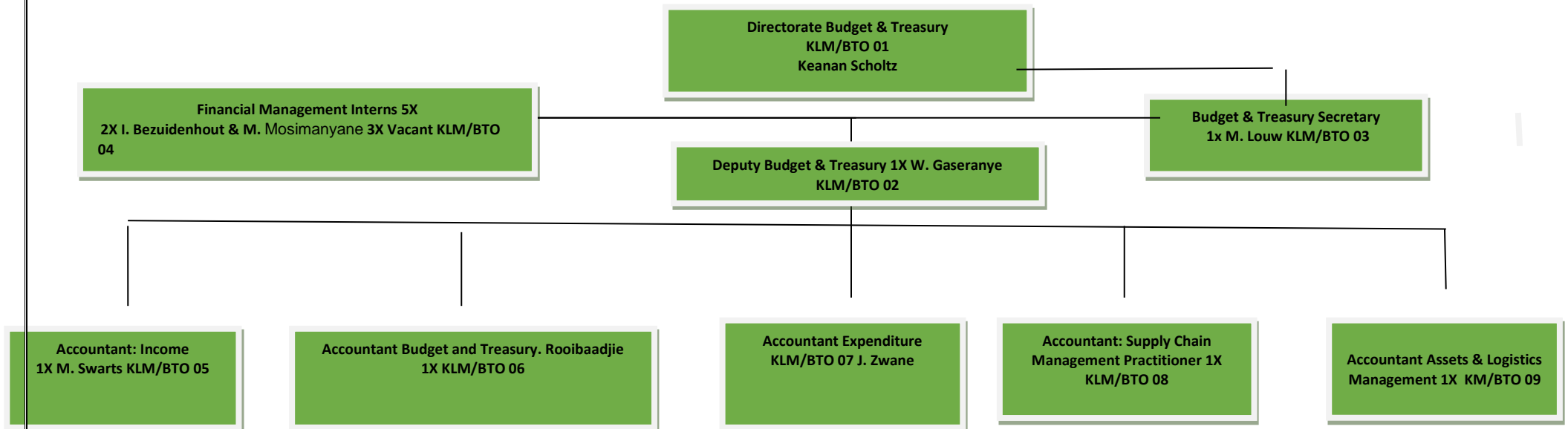
Managed audit files and audit outcomes

Coordinate and liaise with external auditors with regard to external audits



BUDGET & TREASURY OFFICE

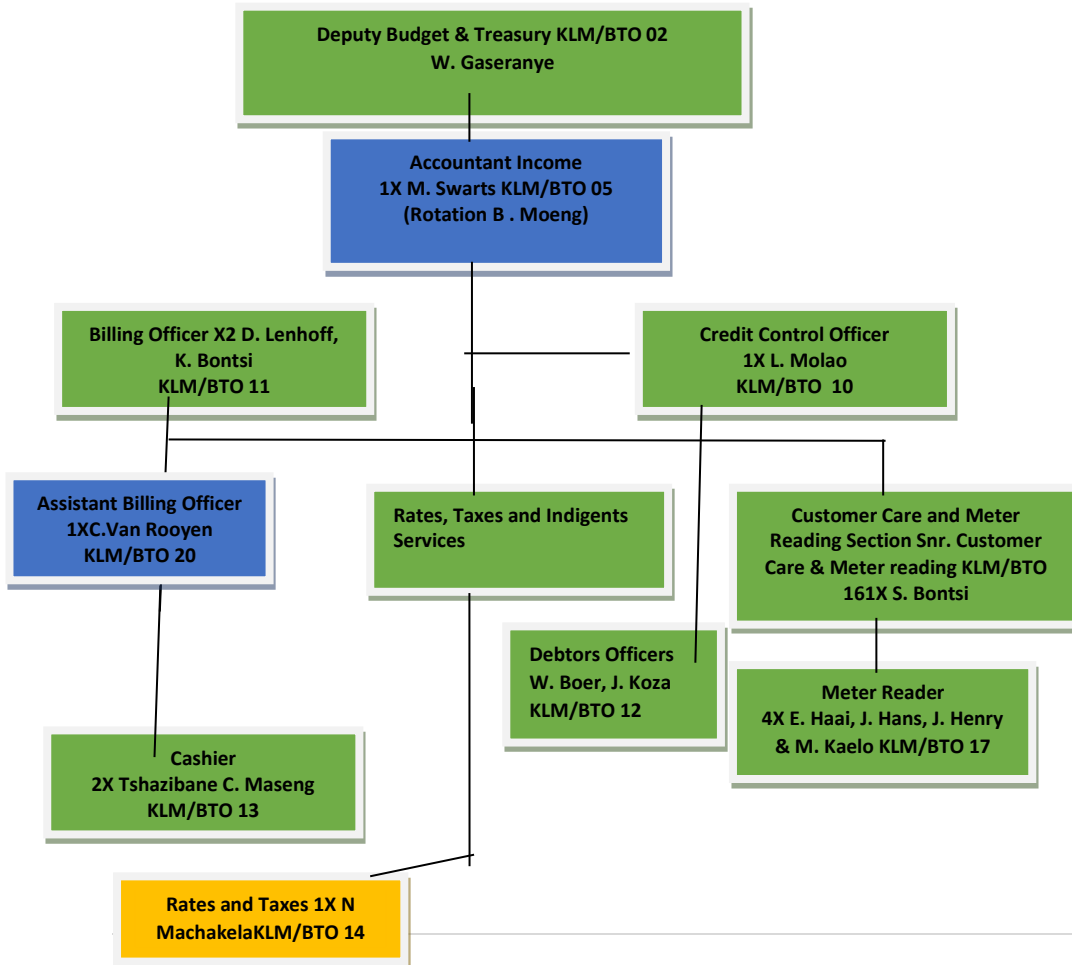
This Department is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. The Department is responsible for the following: Financial systems, Budget and treasury, Revenue/Income, Expenditure, Supply Chain Management and Assets Management and Stores



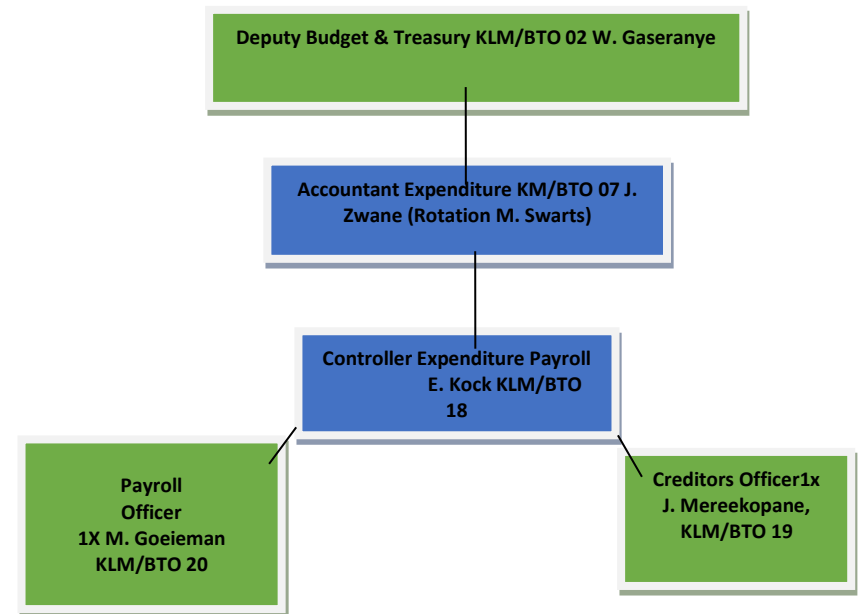
BUDGET & TREASURY OFFICE

This Department is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. The Department is responsible for the following: Financial systems, Budget and treasury, Revenue/Income, Expenditure, Supply Chain Management and Assets Management and Stores

INCOME/REVENUE UNIT



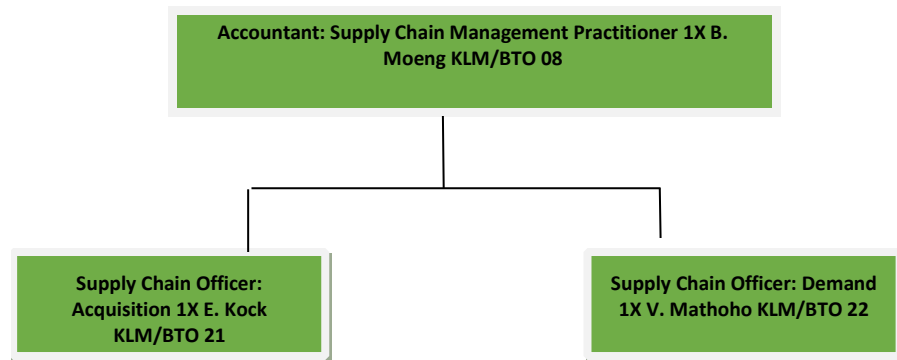
EXPENDITURE UNIT



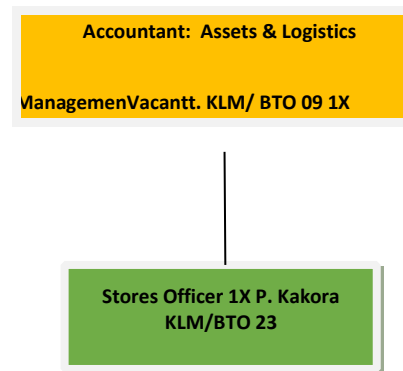
BUDGET & TREASURY OFFICE

This Department is responsible for the financial management of the municipality, putting systems in place for proper financial management and managing the inflow and outflow of money in the municipality. The Department is responsible for the following: Financial systems, Budget and treasury, Revenue/Income, Expenditure, Supply Chain Management and Assets Management and Stores

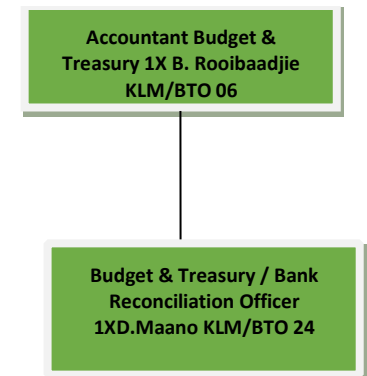
SUPPLY CHAIN UNIT



ASSETS MANAGEMENT UNIT

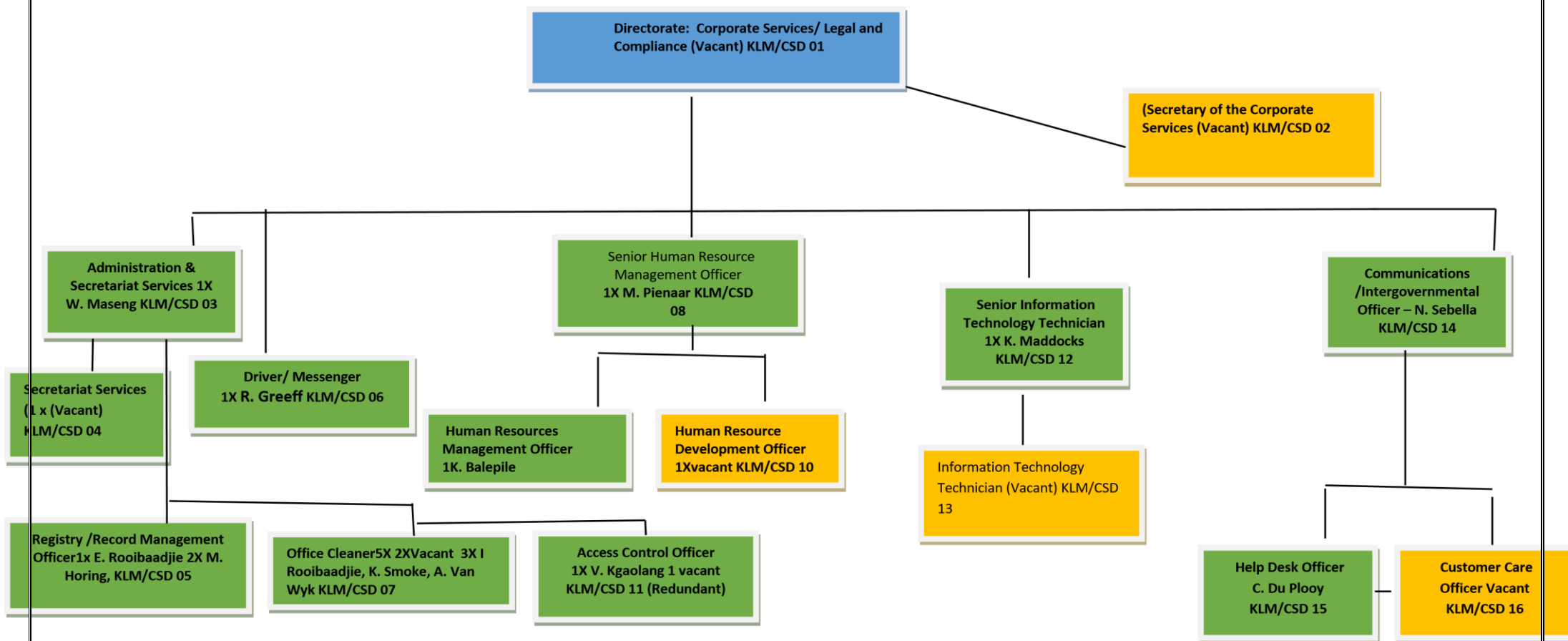


BUDGET UNIT



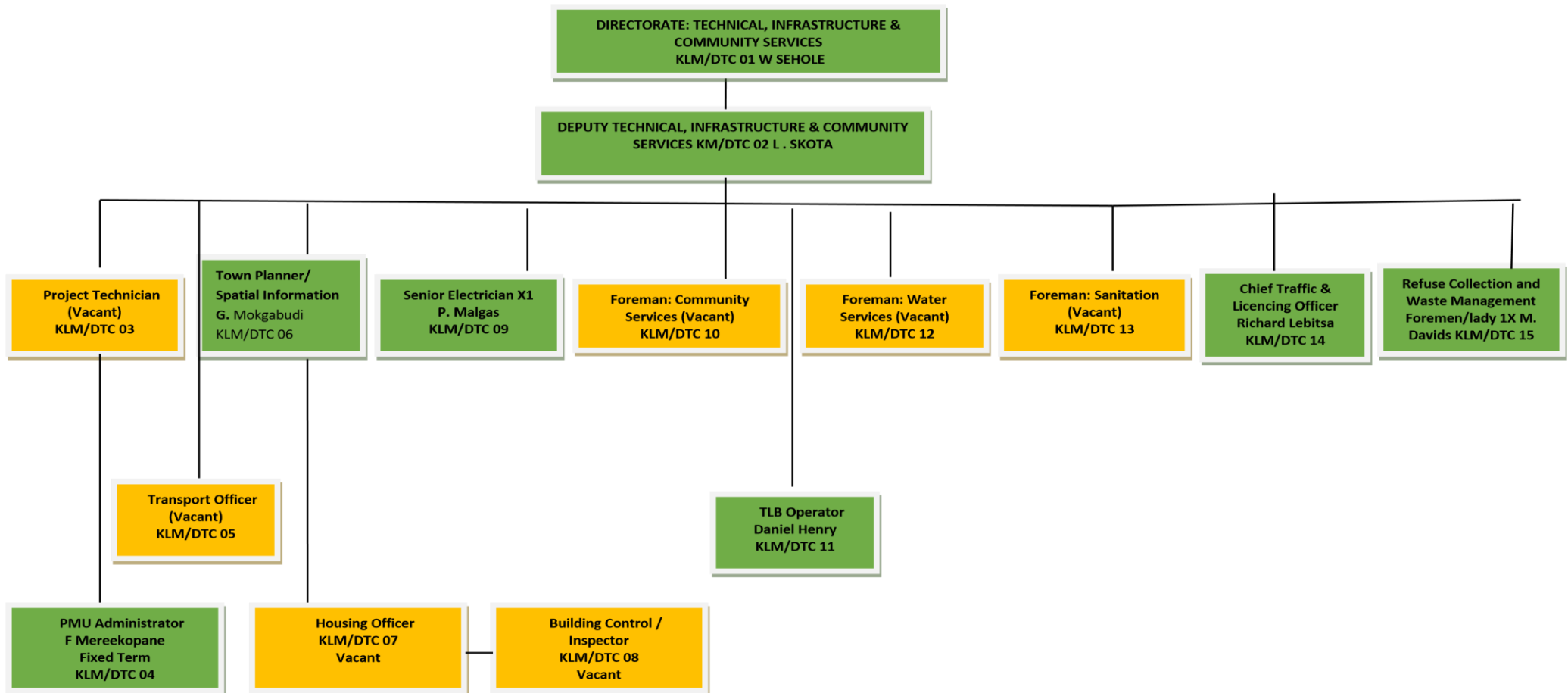
DEPARTMENT: CORPORATE SERVICES

This Department is responsible for the administration of the municipality. Key responsibilities are: Human Resources and Skills Development, Municipal building/facilities, Legal Matters, Compiling and management of all contracts, Communications and Information Technology.



DIRECTORATE TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

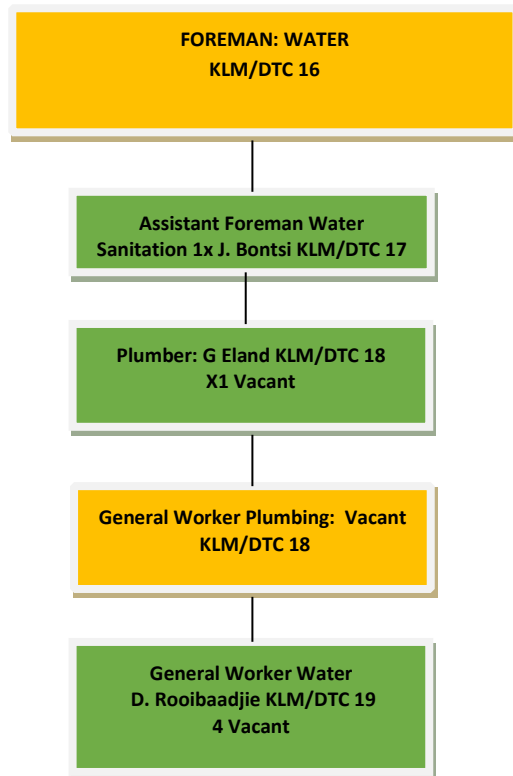
This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework.



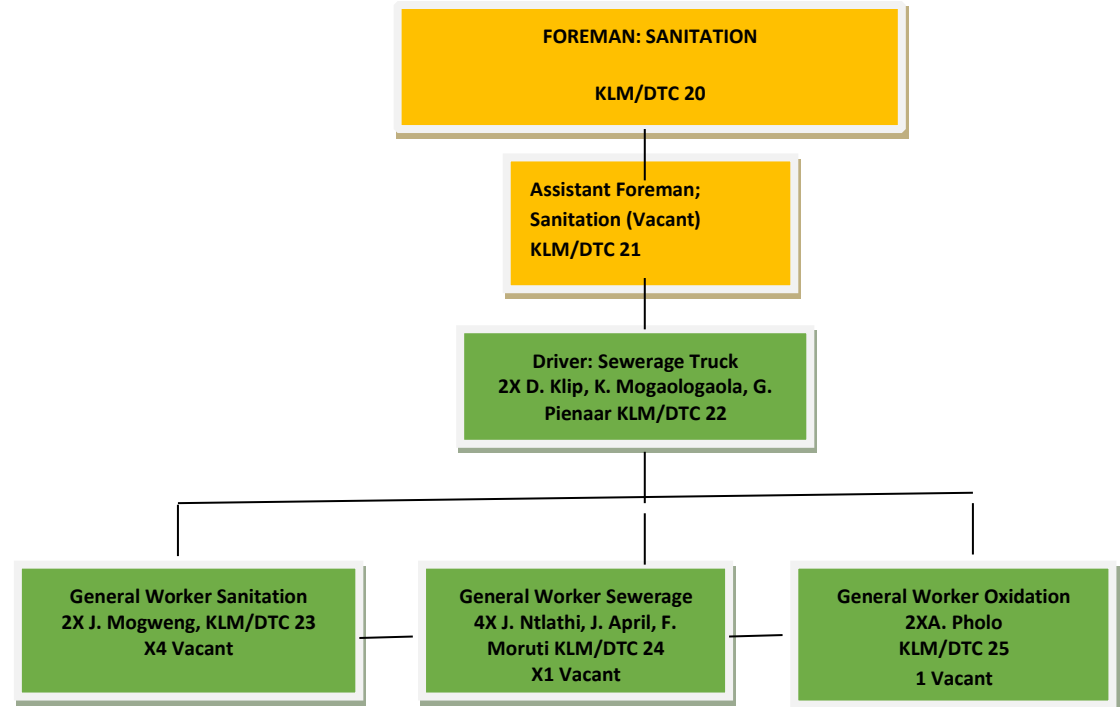
DIRECTORATE TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework

WATER



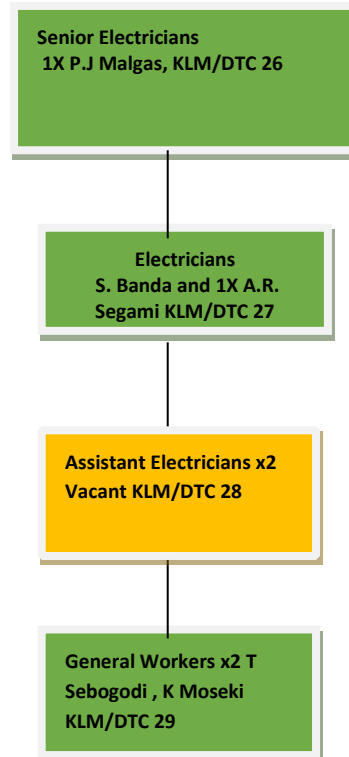
SANITATION



DIRECTORATE TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework

ELECTRICAL

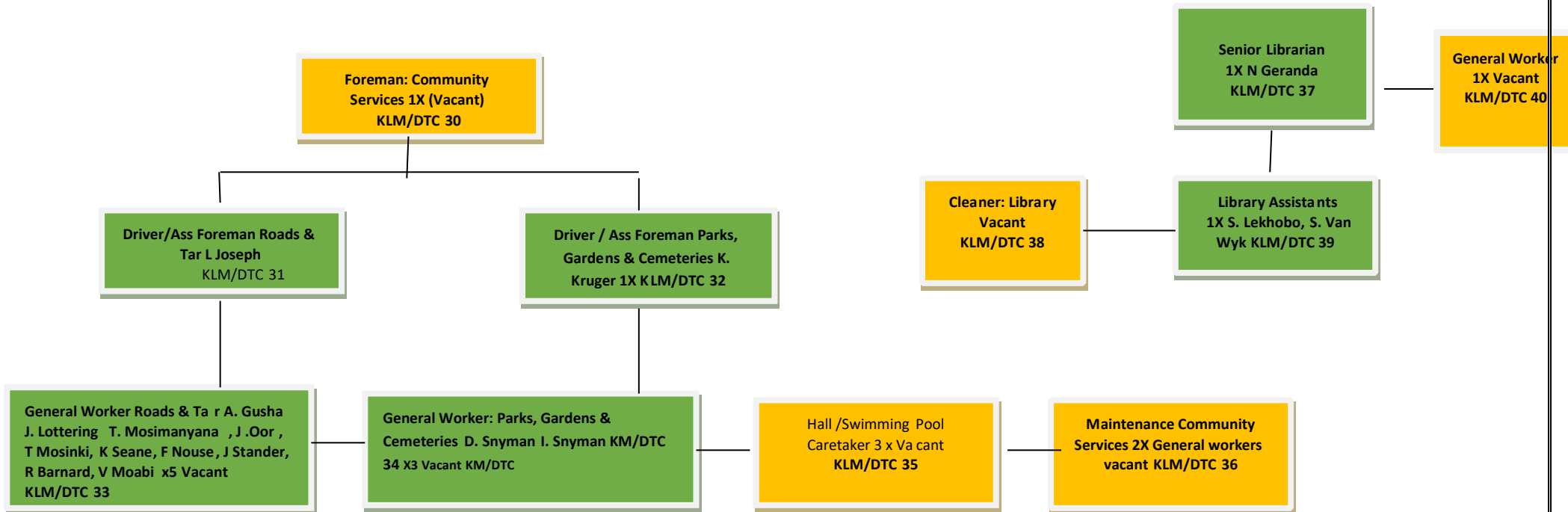


DIRECTORATE TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and Coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework

COMMUNITY SERVICES UNIT

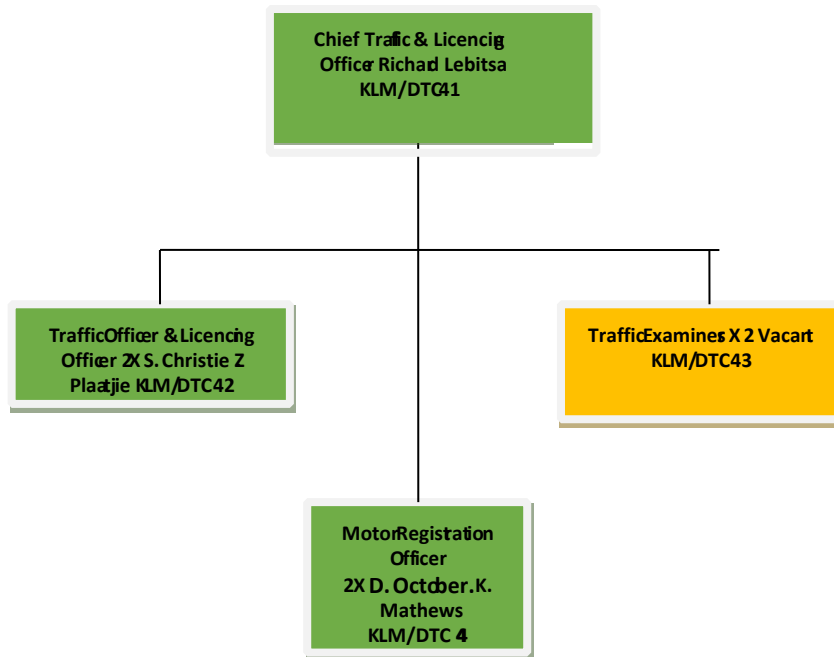
LIBRARY



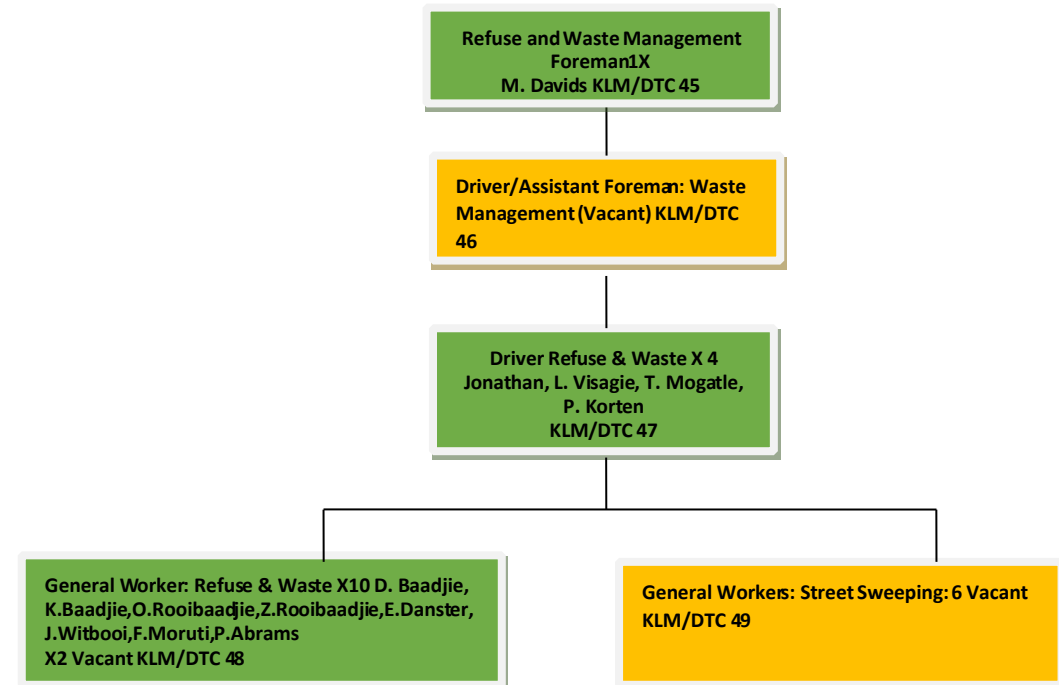
DIRECTORATE: TECHNICAL INFRASTRUCTURE & COMMUNITY SERVICE

This Department's main functions are to see to it that residents have basic services. The unit is responsible for: Basic Service delivery, Maintenance of all infrastructures, MIG Projects, Waste management and coordinating the building of houses Town Planning, Land Use Management and the Spatial Development Framework.

TRAFFIC/ LICENCING UNIT MANAGEMENT UNIT



REFUSE COLLECTION & WASTE



COMPONENT -D MANAGING THE WORKFORCE EXPENDITURE

5.2 Task CATEGORY 2023/2024

TASK CATEGORY 1: 2023/2024 SALARY SCALES: 5,4% SALARY INCREASE W.E.F 1 JULY 2023

LEVEL	T 1	T 2	T 3	T 4	T 5	T 6	T 7	T 8	T 9	T 10	T 11
1	114373	117118	119919	122807	135017	158614	191758	215914	243084	273668	323116
2	121770	119919	122807	125752	138276	162426	196368	221092	248916	280240	330855
3	124692	122807	125752	128783	140888	166323	201063	226383	254892	286983	338793
4	0	125752	128783	131871	144274	170307	205899	231817	261008	293869	346930
5	0	128783	131871	135017	147716	174404	210849	237394	267268	300924	355266
6	0	0	135017	138276	151273	178587	215914	243084	273668	308152	363773
7	0	0	138276	140888	154914	182882	221092	248916	280240	315520	372508
8	0	0	140888	144274	158614	187263	226383	254892	286983	323116	381440
9		0	0	147716	162426	191758	231817	261008	293869	330855	390602
10		0	0	151273	166323	196368	237394	267268	300924	338793	399991
11		0	0	154914	170307	201063	243084	273668	308152	346930	409578
12			0	0	174404	205899	248916	280240	315520	355266	419423

TASK CATEGORY 1 : 2023/2024 SALARY SCALES : 5,4% SALARY INCREASE W.E.F 1 JULY 2024

LEVELS	T 12	T 13	T 14	T 15	T 16	T 17	T 18	T 19
1	381440	429466	483523	557467	627654	758784	874836	939334
2	390602	439794	495130	570867	642733	776993	895832	961895
3	399991	450348	507022	584552	658154	795657	917313	984968
4	409578	461131	519199	598577	673944	814748	939334	1008612
5	419423	472200	531662	612945	690132	834293	961895	1032823
6	429466	483523	544407	627654	706691	854323	984968	1057604
7	439794	495130	557467	642733	723648	874836	1008612	1083010
8	450348	507022	570867	658154	741002	895832	1032823	1108987
9	461131	519199	584552	673944	610033	917313	1057604	1135616
10	472200	531662	598577	690132	776993	939334	1083010	1162872
11	483523	544407	612945	706691	795657	961895	1108987	1190782
12	495130	557467	627654	723648	814748	984968	1135616	1219347

CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 STATEMENT OF FINANCIAL STATEMENTS -COMPARISON BUDGETED FIGURES AGAINST VERSUS ACTUAL

Kgatelopele Local Municipality (Registration number NC086)						
Annual Financial Statements for the year ended 30 June 2024						
Statement of Comparison of Budget and Actual Amounts						
Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	58 753 000	(5 632 000)	53 121 000	34 844 372	(18 276 628)	1
Rental of facilities and equipment	189 000	40 000	229 000	135 287	(93 713)	2
Licences and permits	1 000 000	-	1 000 000	383 301	(616 699)	3
Other income	176 000	(10 000)	166 000	113 093	(52 907)	4
Interest on outstanding debtors and investment	7 670 000	-	7 670 000	4 944 913	(2 725 087)	5
Total revenue from exchange transactions	67 788 000	(5 602 000)	62 186 000	40 420 966	(21 765 034)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	25 922 000	1 885 000	27 807 000	15 742 265	(12 064 735)	6
Interest on outstanding debtors	1 116 000	-	1 116 000	564 298	(551 702)	7
Transfer revenue						
Government grants & subsidies	60 100 000	113 330 000	173 430 000	163 921 214	(9 508 786)	8
Fines, Penalties and Forfeits	80 000	(10 000)	70 000	-	(70 000)	9
Total revenue from non-exchange transactions	87 218 000	115 205 000	202 423 000	180 227 777	(22 195 223)	
Total revenue	155 006 000	109 603 000	264 609 000	220 648 743	(43 960 257)	
Expenditure						
Employee related costs						
Remuneration of councillors	(3 885 000)	-	(3 885 000)	(5 079 633)	(1 194 633)	11
Depreciation, amortisation and impairment	(15 463 000)	500 000	(14 963 000)	(24 610 869)	(9 647 869)	12
Finance costs	(1 200 000)	-	(1 200 000)	(3 387 525)	(2 187 525)	13
Bad debt write-off	(4 687 000)	841 000	(3 846 000)	(4 154 380)	(308 380)	14
Bad debts written off	-	-	-	(13 368 589)	(13 368 589)	15
Bulk purchases	(25 622 000)	-	(25 622 000)	(28 573 552)	(3 251 552)	15
Contracted Services	(13 951 000)	(2 301 000)	(16 252 000)	(15 486 156)	765 844	16
General Expenses	(17 926 000)	1 173 000	(16 753 000)	(17 461 013)	(708 013)	17
Total expenditure	(132 898 000)	3 850 000	(129 048 000)	(154 781 306)	(25 733 306)	
Operating surplus	22 108 000	113 453 000	135 561 000	65 867 437	(69 693 563)	
Loss on disposal of assets and liabilities	-	-	-	(760 351)	(760 351)	18
Fair value adjustment	-	-	-	287 674	287 674	19
Actuarial gains/fosses	-	-	-	(76 277)	(76 277)	20
Surplus for the year	22 108 000	113 453 000	135 561 000	65 318 483	(70 242 517)	

Kgatelopele Local Municipality (Registration number NC086)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	22 108 000	113 453 000	135 561 000	65 318 483	(70 242 517)	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	240 000	178 000	418 000	3 861 677	3 443 677	21
Receivables from non-exchange transactions	24 370 000	(22 479 000)	1 891 000	11 165 209	9 274 209	22
VAT receivable	18 343 000	17 931 000	36 274 000	14 152 635	(22 121 365)	23
Receivables from exchange	40 044 000	(4 567 000)	35 477 000	26 133 094	(9 343 906)	24
Cash and cash equivalents	67 105 000	(2 974 000)	64 131 000	13 221 433	(50 909 567)	25
	150 102 000	(11 911 000)	138 191 000	68 534 048	(69 656 952)	
Non-Current Assets						
Investment property	52 041 000	-	52 041 000	29 055 094	(22 985 906)	26
Property, plant and equipment	464 750 000	113 830 000	578 580 000	518 935 892	(59 644 108)	27
Intangible assets	2 156 000	-	2 156 000	702 003	(1 453 997)	28
Heritage assets	1 151 000	-	1 151 000	1 151 058	58	29
	520 098 000	113 830 000	633 928 000	549 844 047	(84 083 953)	
Total Assets	670 200 000	101 919 000	772 119 000	618 378 095	(153 740 905)	
Liabilities						
Current Liabilities						
Provisions	8 892 000	-	8 892 000	4 429 852	(4 462 148)	30
Payables from exchange transactions	118 661 000	13 287 000	131 948 000	97 445 642	(34 502 358)	31
Consumer deposits	1 415 000	-	1 415 000	1 576 351	161 351	32
Employee benefit obligation	-	-	-	412 000	412 000	33
Unspent conditional grants and receipts	-	-	-	9 002 115	9 002 115	34
	128 968 000	13 287 000	142 255 000	112 865 960	(29 389 040)	
Non-Current Liabilities						
Employee benefit obligation	-	-	-	1 960 000	1 960 000	33
Total Liabilities	128 968 000	13 287 000	142 255 000	114 825 960	(27 429 040)	
Net Assets	541 232 000	88 632 000	629 864 000	503 552 135	(126 311 865)	
Net Assets						
Reserves						
Accumulated surplus	541 232 000	88 632 000	629 864 000	503 552 135	(126 311 865)	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	74 100 000	(1 471 000)	72 629 000	58 833 569	(13 795 431)	35
Grants	60 100 000	113 330 000	173 430 000	94 520 000	(78 910 000)	36
Interest income	-	-	-	3 443 724	3 443 724	37
	134 200 000	111 859 000	246 059 000	156 797 293	(89 261 707)	
Payments						
Employee costs	(50 560 000)	3 389 000	(47 171 000)	(49 105 888)	(1 934 888)	38
Suppliers	(66 726 000)	(1 184 000)	(67 910 000)	(66 312 485)	1 597 515	39
Finance costs	(1 200 000)	-	(1 200 000)	(2 737 858)	(1 537 858)	40
	(118 486 000)	2 205 000	(116 281 000)	(118 156 231)	(1 875 231)	
Net cash flows from operating activities	15 714 000	114 064 000	129 778 000	38 641 062	(91 136 938)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(27 982 000)	(117 038 000)	(145 020 000)	(105 175 731)	39 844 269	41
Cash flows from financing activities						
Increase (decrease) in consumer deposits	(1 000)	1 000	-	-	-	
Other cash item	-	-	-	-	-	
Net cash flows from financing activities	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	(12 268 000)	(2 974 000)	(15 242 000)	(66 534 669)	(51 292 669)	
Cash and cash equivalents at the beginning of the year	75 803 000	-	75 803 000	79 756 099	3 953 099	42
Cash and cash equivalents at the end of the year	63 535 000	(2 974 000)	60 561 000	13 221 430	(47 339 570)	

5.2 ASSETS MANAGEMENT

Kgatelopele Local Municipality has insourced its movable assets management and only uses consultants for the infrastructure assets. Below is a summary of the different asset class.

Asset class	Cost	Accumulated Depreciation & Impairment	Carrying Value
Land & Buildings	53,499,456.00	(33,254,374.00)	20,245,082.00
Infrastructure	557,744,020.00	(272,321,202.00)	285,422,818.00
Community Assets	11,436,092.00	(10,330,068.00)	1,106,024.00
Heritage assets	1,151,058.00	-	1,151,058.00
Other assets	17,727,978.00	(13,470,342.00)	4,257,636.00
Investment Properties	29,055,094.00	-	29,055,094.00
Intangible Assets	2,763,772.00	(2,061,769.00)	702,003.00
Work in progress	207,904,332.00		207,904,332.00
Total	881,281,802.00	(331,437,755.00)	549,844,047.00

The municipality did not receive any material findings on asset during the 2023/24 audit of Financial Statements

INFRASTRUCTURE PROJECTS

Below is a list of projects that are under way in the current financial year and the total expenditure up until end of the second quarter.

Progress on Procurement Plan

No	Project	Procurement Method	Progress	Date of Advert
1	Provision for banking services	60 days tender advertisement	Evaluation stage	21-April-24
2	Supply and Delivery of Water Store items	30 days tender advertisement	Appointed	23-Feb-24
3	Supply, Delivery and Installation of Electrical Store items and Installation of Transformers	30 days tender advertisement	Appointed	23-Feb-24
4	Subdivision and rezoning of 17 Ha of land for development of landfill:	30 days tender advertisement	To be advertised	23-May-24
5	Acquiring of Printing Machines	RT-Contract	Appointed	
6	Repairs and Maintenance of Sewer and Water Pumps	30 days tender advertisement	Appointed	23-Feb-24
7	Repairs and Maintenance of Existing Transformers	14 days advertisement	Appointed	23-May-24
8	Mayoral Vehicle	14 days Advertisement	Appointed	21-Aug-23
9	Refurbishment of Municipal Properties - EPWP	14 days advertisement	Appointed	23-Feb-24

* See Note 40

CHAPTER 6 – AUDITOR GENERAL

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General. The audit outcome for 2023/2024 Financial year was an opinion of qualified with material findings.

The audit findings highlight significant weaknesses in the municipality's financial management, compliance, and performance systems, many of which have persisted over multiple financial periods. These issues, if not addressed urgently, pose risks to the municipality's financial stability, governance credibility, and ability to deliver essential services effectively. Management must prioritize the implementation of a robust and actionable plan to resolve the identified deficiencies, address root causes, and strengthen internal controls. This includes enhancing accountability, improving operational efficiency, and fostering a culture of compliance.

The council and oversight structures must also play an active role in ensuring that corrective actions are implemented and monitored to restore public trust and align the municipality with legislative requirements and good governance principles. We extend our appreciation to the Municipal Manager for his co-operation and engagement throughout the audit process. Your commitment to improving the municipality's operations and financial management is critical in addressing the issues identified and commendable. We trust that the findings and recommendations in this report will guide management in implementing effective corrective measures to strengthen governance, enhance compliance, and ensure sustainable service delivery.

* See Note 40

ANNEXTURE A: ANNUAL PERFORMANCE REPORT

ANNEXTURE B: AUDIT COMMITTEE REPORT

ANNEXTURE C: AUDIT REPORT

ANNEXTURE D: ANNUAL FINANCIAL STATEMENTS

* See Note 40