

# 2022/2023

# ANNUAL REPORT



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# Chapter 1

# Chapter 1

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

### COMPONENT A: MAYOR’S FOREWORD



In term of section 195 of the Constitution a directive is given that public administration must be governed by the democratic values and principles that among others includes fostering accountability and transparency and making sure that our communities are provided with timely, accessible and accurate information.

In terms of section 127(2) of the Municipal Finance Management Act (MFMA) the mayor is obliged to table the annual report within seven months after the end of a financial year.

Section 129 further dictates to council of a municipality to consider the annual report of the municipality and make sure that no later than two months from the date on which the annual report was tabled to adopt the oversight report containing the council’s comments on the annual report including the statements as stipulated under this section.

The Municipal Systems Act, Act 32 of 2000, in terms of Section 46 requires Council to comply with provisions of the referred legislation, to annually prepare a Performance Report.

Section 46 Annual performance report stipulates.

- (1) A municipality must prepare for each financial year performance report reflecting-
  - (a) The performance of the municipality and each external Service provider during that financial year
  - (b) A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous Financial year;

(c) Measures taken to improve taken to improve performance.

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act

The Annual Performance Report covers the performance information dated from 1 July 2022- 30 June 2023. The report focuses on the implementation of the Service Delivery and Implementation Plan that is in accordance with the Integrated Development Plan (IDP) and Budget. The SDBIP and Annual Performance Report reflect on the municipality's performance in terms of the five (5) National Key Performance Areas for local government which are as follows;

- Service Delivery & Infrastructure Development
- Municipal Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability & Management
- Good Governance and Public Participation

The municipality takes pride in executing its constitutional mandate as stipulated in Section 152 of the Constitution by delivering basic services- water, electricity, sewerage and waste management on a sustainable solid basis. The intention of the municipality is to bring good cooperative governance in order to produce accelerated service delivery to the community of JB Marks.

The report is unbiased reflection of the achievements and shortcomings that were encountered. I am confident that the existing leadership and the collective wisdom of varied political parties within Council and its Administration are well capacitated and capable of progressively resolving existing challenges.

In conclusion I therefore believe with both the political leadership and administrative support a lot will be achieved as there is need to observe and invoke the principles of accountability, transparency and a cooperative governance in the municipality.

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**CLLR GABA THITIBA KA QHELE  
EXECUTIVE MAYOR**

2022/2023 ANNUAL REPORT – JB MARKS LOCAL MUNICIPALITY



## **CHAPTER 1**

### **COMPONENT B: EXECUTIVE SUMMARY**

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



The JB Marks Local Municipality has prepared an Annual Report consistent with Section 121(2) of the Municipal Finance Management Act. The purpose of an Annual Report is to provide a record of the activities of the Municipality as well as to provide a report on performance against the budget during the 2022/23 financial year. An Annual Report is prepared to promote accountability to the local community for the decisions made by the Municipality throughout the year pursuant to implementation of the Annual Budget as well as the Service Delivery Budget Implementation Plan (SDBIP).

An Annual Report is prepared by considering numerous components of the Municipality which are summarized into chapters focusing on the four pillars of a well-functioning Municipality which are the Governance, Organisational Development, Financial Performance and the Service Delivery performance pillars. The Governance pillar considers how those charged with policy formulation and oversight execute their roles and responsibilities.

The capacity and ability of a Municipality to execute its constitutional and legislative functions is assessed in the Organisational Development chapter, the human capacity and capital of a Municipality wherein the number of positions in an organizational structure is compared to the number of filled positions and a vacancy rate is calculated to determine the vacancy rate in the Municipality is assessed and analysed in this chapter.

The other chapter of an Annual Report relates to how the financial resources of a Municipality have been managed in relation to compliance with the Municipal Finance Management Act and all of its related and applicable regulations, as well as an assessment of how the financial resources of a Municipality have been managed towards implementation and achievement of the key strategic objectives of a Municipality as detailed in the Integrated Development Plan as well as in the Service Delivery Budget Implementation Plan.

The last component of an Annual Report relates to the assessment of the extent to which the Municipality has managed to fulfil and achieve its key strategic objectives

as well as the related key performance indicators and targets which are developed pursuant to achieving the service delivery needs of the communities.

The JB Marks Local Municipality is in terms of Section 152 of the Constitution, tasked with the responsibility of providing basic services to the communities, it is on the basis of the latter that, as a Municipality we need to understand the statistics related to the number of households that the Municipality need to provide services to in order to ensure that same is considered and provided for in the budget planning process. The JB Marks Local Municipality has experienced an exponential growth in population since around the year 2018, the increase in population has resulted in formation of informal settlements.

The above has resulted in a consequential need and demand for services from the community members living in informal settlements, Municipality's inability to immediately respond to the service delivery needs and a desperate need for service by the communities has resulted in numerous protests and eventual illegal connections to the water and electricity sources. The consequence of these illegal connections is that there are no meters to measure and bill for water and electricity that have been consumed therefore these services are consumed freely and the Municipality carries the costs of providing such services. The Municipality has submitted an application to the Department of Mineral Resources and Energy soliciting funding for connection of the informal settlements and the Municipality still awaits a response in this regard, measures and processes to formalise and proclaim these areas are in motion.

Provision of basic services to the communities is a cornerstone of the formation of the local government sphere, therefore the JB Marks Local Municipality is compelled to ensure that it has necessary and sufficient capacity to provide basic services to the communities. The status quo is that there are 1 576 positions in the organisational structure of the Municipality and 1 309 of these positions were occupied with difference of 267 vacant positions and a vacancy rate of just 17 percent. The latter indicates that most of the positions in the approved organisational structure have been filled and the Municipality must be functioning and operating efficiently and optimally. The other consideration can be that the approved organisational structure is not sufficient to serve the communities of the JB Marks and that the Municipality might have to consider reviewing and possibly revising the organisational structure to respond to the current needs of the growing population and communities.

The Municipality is in the process of ensuring that contract employees are appointed on a permanent basis as well as filling other positions where employees have been operating on perpetual acting capacities. The matter of capacity in terms number of

employees is proven to have been addressed as per the discussion above on the vacancy rate, the Municipality must then ensure that the employees are capacitated by being provided with the necessary upskilling and capacity building trainings and workshops as well as the necessary tools of trade and equipment. Investment in critical success factors such as procurement of materials, tools, equipment and plant is critical and essential to ensure effective and efficient execution of tasks. The Municipality is therefore in a process of procuring the latter mentioned materials, tools, equipment and plant to ensure that employees provide the services in a more efficient and effective manner.

Financial management is critical in the overall operations and the ability of the any institution to be able to provide services in a foreseeable future period, therefore financial management or mismanagement is critical in determining the overall functionality and survival of any institution. The JB Marks Local Municipality has developed and, in some instances, adopted financial management policies and process the challenge however is on implementation of these financial management policies and process.

Financial management policies and process are not implemented for different reasons ranging from deliberate ignorance, lack of knowledge, impractical situations, etc. Revenue generation and collection is essential and critical in ensuring financial stability as well as the ability of a municipality to provide basic services to the communities in a more sustainable manner. The Municipality is currently facing a challenge of declining revenue generation and collection, the source and cause of this can be attributed to non-existent, faulty, tampered as well as non-functional water and electricity meters. The Municipality is providing water and electricity services to the communities however the metering tools of the Municipality are faulty as a result it is impractical to accurately determine the amount of services consumed as well as to issue an accurate undisputed account. The result and implication of the latter is that most consumers dispute their accounts knowing well that their meters are non-functional and/or faulty therefore it then becomes impossible for the Municipality to implement Credit Control processes.

The JB Marks Local Municipality is faced by a difficult challenge of decentralised and post facto procurement which occur in a haphazard manner from different departments. Procurement is being conducted by all departments in the Municipality and most of these procurements are conducted in contravention of the applicable Supply Chain Management laws, regulations, policies and procedures. The Municipality is facing instance where goods and services are procured by different departments without preparing the necessary procurement documents such as the requisition for procurement of goods and services, confirmation of the budget,

confirmation of compliance with the Supply Chain Management returns and documentation, i.e. municipal rates and taxes, tax compliance, registration with the Government Centralised Suppliers Database (CSD), etc.

Challenges related to revenue generation and collection as well as challenges relating to expenditure management which is primarily caused by poor Supply Chain Management processes pose a serious challenge on the financial sustainability of the Municipality as well as on the ability to provide services to the communities in a more consistent manner. A Supply Chain Management memorandum has been issued, the key message and contents of the Supply Chain Management memorandum is to caution employees in departments and those who are not delegated with the functions of conducting procurement processes to desist from the practice of procuring service providers without following procurement procedures and processes, strict consequence and disciplinary measures will be implemented in instances where the latter practice persist.

The JB Marks Local Municipality reaffirms its commitment to ensuring provision of basic services to the communities and this will be achieved through proper governance as well as management of the administrative processes of the Municipality. The management of the Municipality acknowledges that the state of Municipality's service delivery and administration is not where it is supposed and expected to be, in responding to the identified challenges, the Municipality has resolved to address the capacity challenges. The capacity of the human capital will be addressed through measures that amongst others include appointment of employees who have for a long time been operating on contract basis, skills audit processes will also be conducted on employees to identify any areas of capacity deficiencies as well as to develop and implement capacity enhancement measures to address the identified capacity challenges. The Municipality is in a process of procuring the necessary and critical tools of trade such as materials, tools, equipment, vehicles and plant to ensure that employees are capacitated to provide the services in a more efficient and effective manner.



**MR. KGOMOTSO KUMBE**  
**MUNICIPAL MANAGER**



## **CHAPTER 1**

### **1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

#### **ABOUT JB MARKS LOCAL MUNICIPALITY**

NW 405 is a Category B municipality situated within the Dr Kenneth Kaunda District in the North West Province. It is the largest municipality of three in the district, making up almost half its geographical area.

It was established by the amalgamation of the former Ventersdorp and Tlokwe City Council Local Municipalities in August 2016.

It combines the following areas from the Tlokwe Region: Ikageng and its extensions, Potchefstroom town, Mohadin, Promosa, Matlwang, Leliespan/Baitshoki, Haasskraal, Turfvlei, Vyfhoek, Mooibank, Machavie, Buffeldoorn, Miederpark, Kopjeskraal, Wilgeboom, Lindequesdrift. (Agricultural Holdings) Rooipoortjie, Venterskroon, Buffelshoek. (Rural) Vredefort Dome (World Heritage Site) and Vaal River.

Ventersdorp Region consists of a vast rural / commercial farming area as well as the urban area of Ventersdorp, Tshing and Toevlug and has six (6) villages namely Goedgevonden, Welgevonden, Tsetse, Ga-Magopa, Boikhutso and Boikhutsong.

The N12 route that connects Emalahleni through Johannesburg and Cape Town via the city of Kimberley runs through the municipality. The main railway route from Gauteng to the Northern and Western Cape also runs through one of the municipality's main cities, Potchefstroom. The City is 145km south-east of OR Tambo International Airport but has its own airfield, which can accommodate bigger aircraft and was formerly a military air base.

Gold mining is the dominant economic activity in the district, with Potchefstroom and Ventersdorp being the only exceptions. While Ventersdorp to the north-west of Potchefstroom focuses on agricultural activity, Potchefstroom's economic activity is driven by services and manufacturing sectors.

A big role-player in the provision of services in Potchefstroom is the world-class North-West University, which has its main campus in Potchefstroom.

Potchefstroom's industrial zone has many companies, focusing mainly on the industries like steel, food and chemicals, with big entities such as King Korn, Kynoch, Naschem and the Nestle company. Within the city centre, the infrastructure of Potchefstroom region supports roughly 600 businesses.

#### **1.2.1 Ventersdorp's main economic Sectors includes: Agriculture, community services, manufacturing, trade, finance, transport, mining**

#### **VISION**

NW 405 is an amalgamation of the two institutions which had different sets of Visions, Missions etc. At the strategic planning workshop held in October 2016, the Lekgotla agreed to submit the following set of Visions to the Council with a view to later consult with communities during the public participation process

A United and Prosperous Green African City  
A Transformed and Inclusive World Class City

A Green African City that is United in Diversity

A transformed and Integrated World Class Competitive City  
A Transformed and United African City

At a workshop with councillors, councillor debated the need to identify the Municipality with African i.e “African City” whereas others were in favor of using the “World Class City” because the city was already part of the global player especially when it comes to different sporting activities. It was agreed that the issue of the Vision will finally be discussed with stakeholders during the consultations and finalized by Council after.

## MISSION

To provide quality and sustainable service to our communities through a MOTIVATED and ACCOUNTABLE administration

To provide affordable and sustainable services to our communities through a stable, accountable and responsive administration

The mission statement will also be finalized once the Vision is adopted and after consultation with stakeholder

## CORE VALUES

Central to everything we do is our core values, which represent the set of behaviors that we expect our employees and councillors to embrace in the execution our mandate. Our core values are based on the principles of Batho Pele and the Basic values and principles governing public administration. Our core values are:-

Accountable  
Caring  
Integrity  
Respect  
Proactive  
Respect

### 1.2.5 GEOGRAPHIC PROFILE

#### Population by Age

Age	NW401: Ventersdorp			NW402: Tlokwe City Council			NW 405 :Ventersdorp/Tlokwe		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
00-04	3691	3376	7067	8168	8171	16338	11859	11546	23405
05-09	4519	3948	8468	8028	7647	15675	12547	11596	24143
10-14	3663	3236	6899	6588	7689	14277	10251	10925	21176
15-19	2802	3143	5945	7988	8167	16155	10791	11310	22100
20-24	2862	1812	4675	10478	10988	21466	13340	12800	26141
25-29	2563	2466	5029	8153	8005	16158	10716	10471	21186
30-34	2108	2291	4398	6816	6715	13531	8923	9006	17929
35-39	1913	2052	3965	6196	6308	12504	8109	8360	16469
40-44	2138	1763	3901	5632	5560	11192	7770	7323	15093
45-49	2187	1676	3863	5584	4661	10245	7771	6337	14109
50-54	1454	1160	2614	4670	4506	9176	6124	5666	11790
55-59	1187	973	2160	4479	3906	8384	5666	4878	10544
60-64	986	772	1758	2546	3261	5808	3532	4033	7566
65-69	440	545	985	1415	1843	3258	1855	2388	4243
70-74	581	346	926	1044	1478	2522	1625	1823	3448
75-79	287	284	571	656	927	1583	943	1211	2154
80-84	146	259	405	355	332	687	501	591	1092
85+	162	132	294	182	464	646	344	596	940
Total	33690	30233	63923	88976	90629	179604	122666	120861	243527

### By Gender and Race

	NW401: Ventersdorp			NW402: Tlokwe City Council			NW:405 Ventersdorp/Tlokwe		
Race	Male	Female	Total	Male	Female	Total	Male	Female	Total
Black african	30904	27265	58169	65187	64300	129488	96091	91565	187656
Coloured	616	726	1342	5552	6094	11646	6168	6820	12987
Indian/asian	236	31	268	713	639	1352	949	671	1620
White	1934	2211	4144	17524	19595	37119	19458	21806	41264
Total	33690	30233	63923	88976	90629	179604	122666	120861	243527

### Highest Levels of Education

	NW401: Ventersdorp			NW402: Tlokwe City Council			Ventersdorp/Tlokwe		
Education	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	2443	2038	4481	4450	4641	9090	6893	6678	13571
Some secondary	9767	8963	18731	21212	21621	42833	30979	30585	61564
Completed secondary	5201	4134	9335	21827	22136	43964	27029	26270	53299
Higher Education	504	935	1439	9057	9400	18457	9561	10335	19896
Other	185	80	264	229	134	364	414	214	628

### Main Sources of Energy

Energy	NW401: Ventersdorp	NW402: Tlokwe City Council	NW 405 Ventersdorp/Tlokwe
Electricity from mains	14437	56035	70472
Other source of electricity (e.g. generator; etc.)	31	752	782
Gas	15	89	103
Paraffin	202	2635	2837
Candles	2315	2935	5250
Solar	0	257	257
Other	0	195	195
None	167	369	536
Unspecified	0	140	140

### MAIN DWELLINGS

	NW401: Ventersdorp	NW402: Tlokwe City Council	NW 405
Formal dwelling/house or brick/concrete block structure on a	12265	38622	50886
Traditional dwelling/hut/structure made of traditional mater	21	247	268
Flat or apartment in a block of flats	53	6070	6124
Cluster house in complex	297	496	793

Townhouse (semi-detached house in a complex)	0	555	555
Semi-detached house	143	662	805
Formal dwelling/house/flat/room in backyard	318	5775	6092
Informal dwelling/shack in backyard	1774	3204	4978
Informal dwelling/shack not in backyard (e.g. in an informal	1644	6680	8324
Room/flatlet on a property or larger dwelling/servants quart	150	689	839
Caravan/tent	0	70	70
Other	500	338	838
Unspecified	0	0	0

### Analysis of the NW 405 Demographics

The population of NW 405 has increased from 219 463 to 243 527 between 2011 and 2016. The vast majority of the population is made up of black Africans followed by whites as reflected in Figure 3 below.

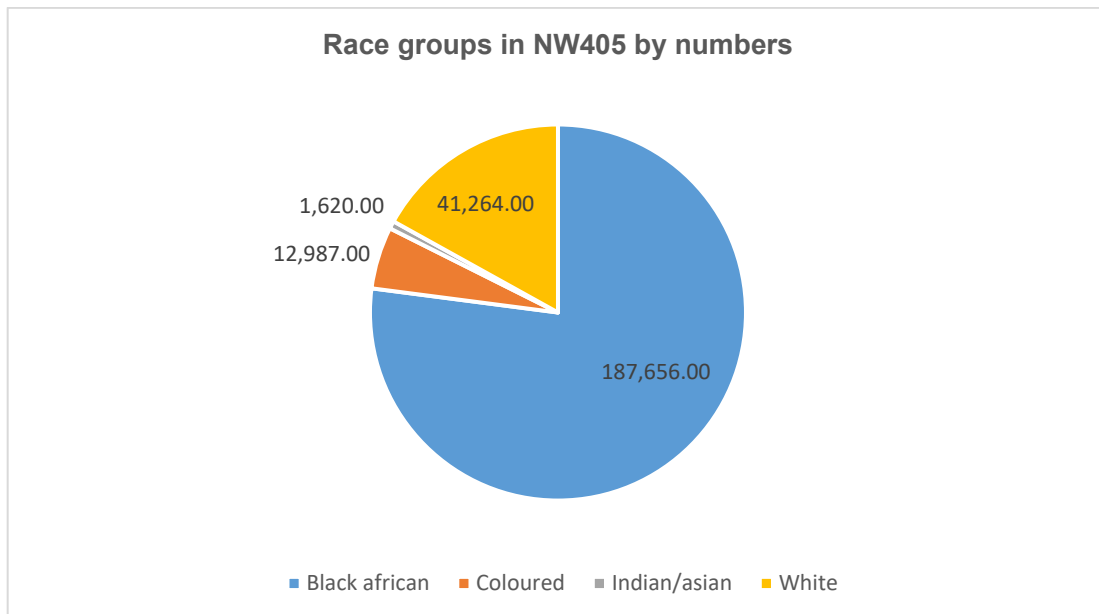


Figure 3: Race Groups in NW405

As illustrated in Figure 4, below, about 67 % of the population in the municipality is composed of the age group of between 15-64. This age group is made up of the economically active members of the population and there have not been changes in this group between 2011 and 2016. There has also been a 1 per cent increase in the other two age groups of 0-14 and over 64.

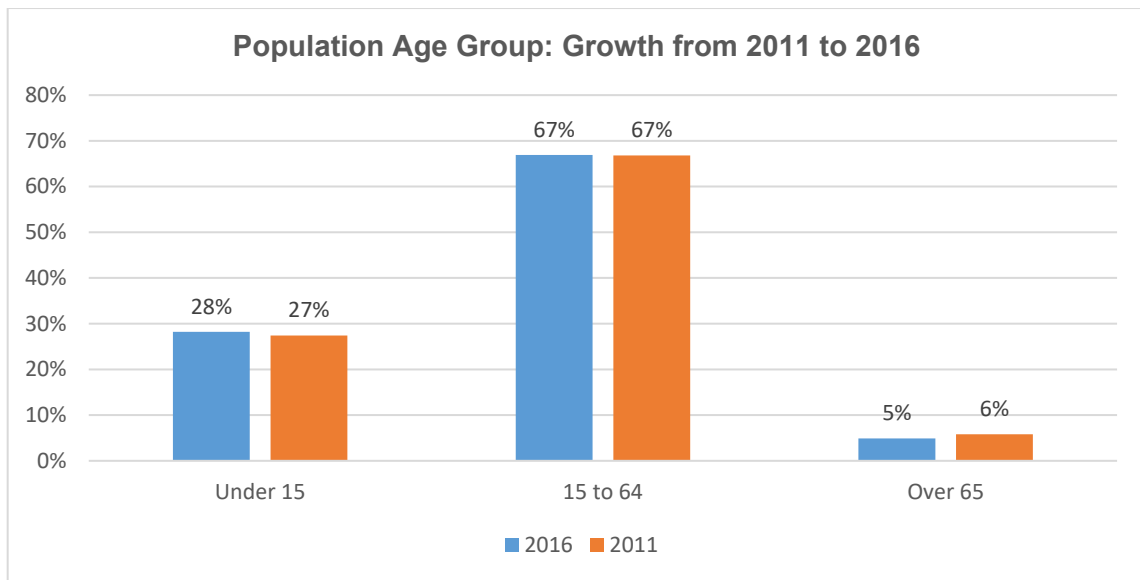


Figure4 : Population Age Groups 2011 and 2016:

Figure 5 below indicate the breakdown of the population of NW405 into a number of age groups. The data also confirms that the economically active group forms the majority of members in the population.

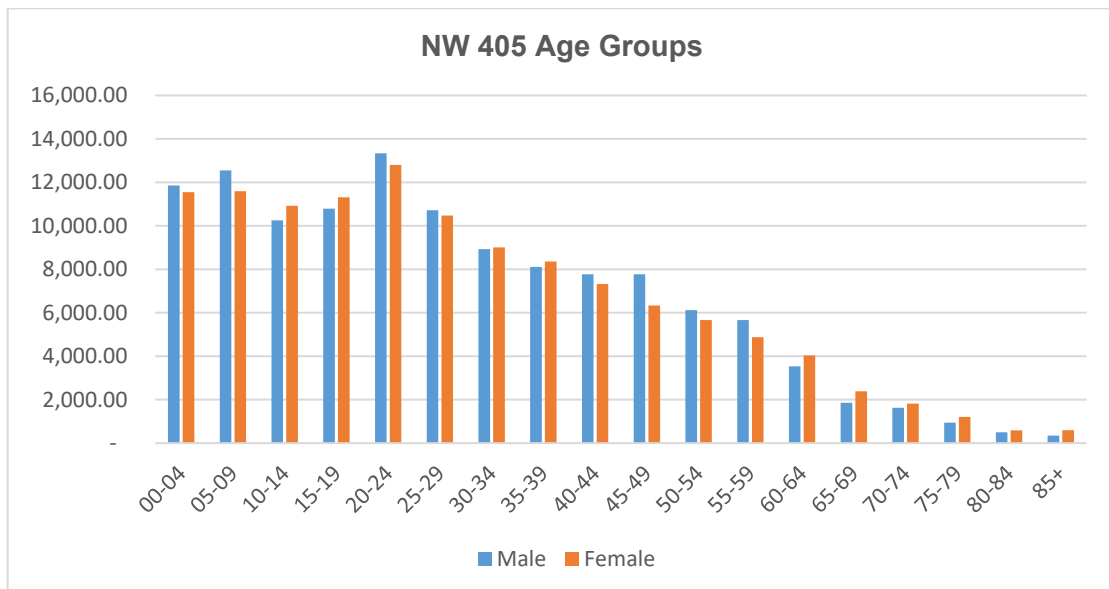


Figure 51; Population Ages structure NW405 - 2011-2016

Figure below depicts the level of education in the municipality for the period 2011 and 2016. The figure shows that there was a drop of less than one per cent in the number of people without any schooling and a positive increase in those with matric from 27 per cent to 30 per cent. There was a one percent drop in the number of people with higher education during the same period.

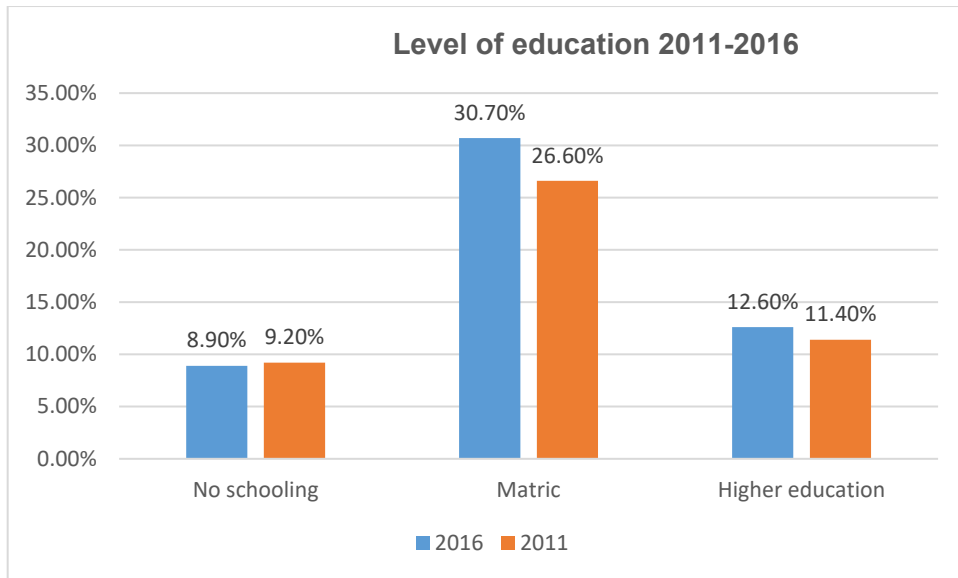


Figure 8 : Level of Education - 2011-2016

Housing is one of the important services provided by the municipality, which is also an indicator of development. As reflected in Table 1, below, 63 per cent of houses in the municipal area are classified as formal while about 10 per cent of houses are located in informal settlements. About 7 per cent of households reside in flats or apartments while the same percentage stays in backyards.

Table 1: Types of *Dwellings*

Table 1: Types of *Dwellings*

TYPE OF DWELLING	%
Formal dwelling/house or brick/concrete block structure on a	63,16
Traditional dwelling/hut/structure made of traditional mater	0,33
Flat or apartment in a block of flats	7,60
Cluster house in complex	0,98
Townhouse (semi-detached house in a complex)	0,69
Semi-detached house	1,00
Formal dwelling/house/flat/room in backyard	7,56
Informal dwelling/shack in backyard	6,18
Informal dwelling/shack not in backyard (e.g. in an informal	10,33
Room/flat let on a property or larger dwelling/servants quart	1,04
Caravan/tent	0,09
Other	1,04

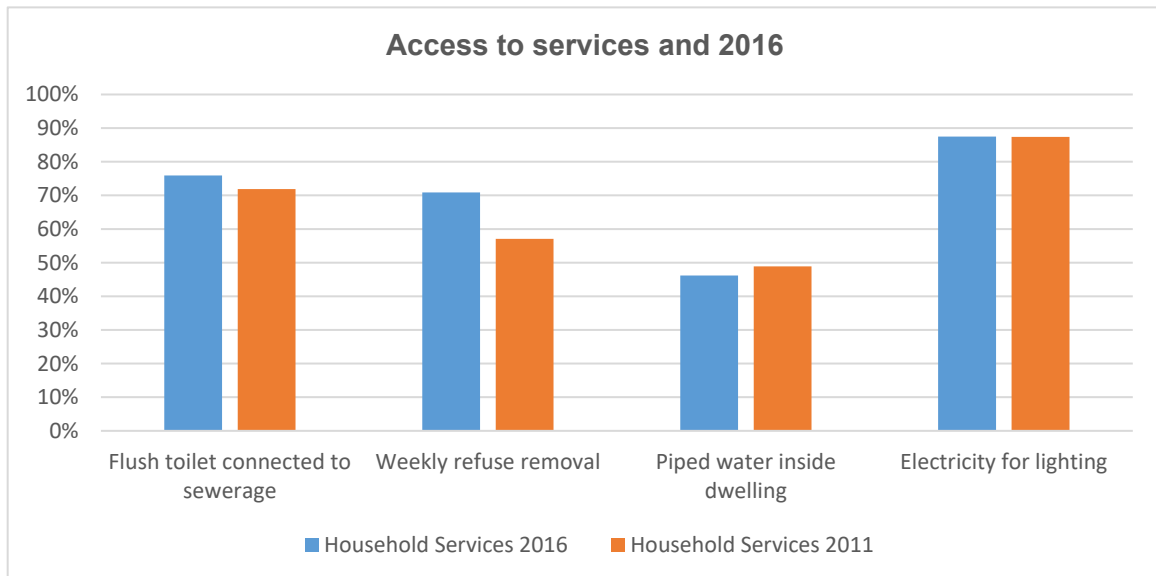


Figure below indicate access to municipal services in NW405 from 2011 to 2016. The data shows that there has been a steady increase in the number of household with access to flush toilet from 71 per cent in 2011 to 76% in 2016. Access to piped water has decreased from 49 per cent to 46 per cent in the same period due to the growth in population and allocation of unserviced stands in the municipal area. Access to electricity has not changed much for the period with the access standing at 87%. The highest increase in access to services has been in the removal of refuse removal which increased from 57 per cent to 71 per cent. As can be seen the municipality still needs to double its efforts in extending the provision of service to the entire municipal area.

Figure 9: Access to service in NW405 2001 and 2016

Below indicate that the total number of households in the municipal area increased from 67 098 to 80 572 between 2011 and 2016. This is an increase of more than 12 000 households. An interesting finding is that 37 per cent of households are headed by females and this figure has not changed since 2011. About 52 per cent of houses are privately owned by residents.

Table 2: Household Dynamics

Household Dynamics		
Households	80 572	67 098
Average household size	3.0	3.1
Female headed households	37.1%	37.1%
Formal dwellings	82.0%	78.5%
Housing owned	52.6%	52.7%

### 1.3 SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

Service delivery” is a common phrase in South Africa used to describe the distribution of basic resources citizens depend on like water, electricity, sanitation infrastructure, land, and housing.

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the JB Marks Local Municipality goals have been set out to be achieved during the financial year.

The Municipality is faced with the aged infrastructure; at this stage municipality is faced with constant pipe burst and sewer blockages due to aging infrastructure

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES			
BASIC SERVICES	2020/2021	2021/2022	2022/2023
Electricity Service Connections	50476	50476	67 945
Water – within 200m from dwelling	78345	78345	3443
Sanitation – households with at least VIP Service	55703	8981	8981
Waste Collection – Kerbside collection once a week	75028	75 020	67945

#### TOTAL ACHIEVEMENTS

2022/2023

Number of households in the Municipality	:	
Number of billed households in the Municipality	:	85 805 per month
Number of registered indigent households (Municipal Data)	:	14 291 per month
Number of indigent households with access to FBW	:	11 802 per month
Number of indigent households with access to FB San	:	8 670 per month
Number of indigent households with access to FBR	:	11 381 per month
Number of indigent households with access to FBE	:	13 200 per month
Number of indigent households with alternative energy	:	Non registered for financial year 22/23

#### EQUITABLE SHARE

EQUITABLE SHARE PROVIDED FOR FREE BASIC SERVICE 2022/2023			
Services	Allocation Expenditure	Expenditure	% Expenditure
FBE	57 328 060	73 636 824	28%



## LARGE PROJECTS FOR THE 2022/2023 FINANCIAL YEAR

IDP PROJECTS				
				R'000
No.	Project Name	Original Budget	Adjusted budget	Actual Budget Expenditure
1.	Construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7	R40 000 000.00	R30 000 000.00	R30 358 044,43
2.	Replacement of Asbestos pipeline in Vyfhoek Potchefstroom	R27 927 253.00	N/A	R29 619 328.37
3.	Light Industrial Park constructed in Ikageng (Ward 6)	R14 705 237.00	R17 859 769.21	R25 030 608.44
4.	Households Water Reticulation constructed in Ikageng Ext 13	R7 204 471.00	R17 097 784.17	R18 103 668.23
5.	Disaster Management Centre constructed in Potchefstroom	N/A	R2 431 517.00	R2 406 225,30
6.	Road and Storm Water (Phase 2) constructed in Tshing	R5 950 157.00	R13 253 690.60	R13 407 940.50
7.	upgrading water pump station (Phase C) in Ikageng Ward 8	N/A	R4 000 000.00	R813 800,95
8.	retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light	N/A	R5 542 288.00	R1 685 266,00

### COMMENT ON LARGE PROJECTS OVERALL PERFORMANCE

## 1.4 FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

FINANCIAL OVERVIEW: 2022/2023		R'000
Details		Actual
<b>Income:</b>		
Grants		506 336 002
Taxes, Levies and tariffs		257 170 094
Other		1 153 883 188
<b>TOTAL REVENUE</b>		<b>1 917 389 284</b>
Expenditure		2 134 894 861
Total (Surplus)		(217 505 577)
<b>OPERATING RATIOS: 2022/2023</b>		
Details		%
Employee Cost		27%
Repairs and Maintenance		7%
Finance Charges and Depreciation		11%

TOTAL CAPITAL EXPENDITURE : 2022/2023		R'000
Details		2022/2023
Original Budget		302 062 700
Adjustment Budget		281 549 218
Actual		162 205 776

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

An Organizational structure/organogram of JB Marks Local Municipality was approved by Council on **06 December 2016** (*Council Resolution Number C 66/2016-12-06*)

The Structure was approved with a staff complements of 1578 posts. The final structure was approved on 30 May 2017 with the IDP and Budget (*SPC1/2017-05-30 & SPC19/2017-05-30*).

Was finalized on the 28<sup>th</sup> of June 2017. The structure was subsequently implemented with effect 1 July 2017, with 1576 posts of which 1185 was filled and 391 vacancies.

The information reflected under employee information will thus be in terms of organizational structures for the JB Marks Local Municipality as at 01 July 2020.

### Senior Manager Positions

The Minister of COGTA on 2014 Jan 17 publicized the Local Government Regulation on the Appointment and Conditions of Service of employment of Senior Manager, (Government Notice 21 in the Government Gazette No. 37245). This regulation must be read with:-

Regulations or guidelines issued in terms of Section 120 of the Act, concerning matters listed in the section 54(a), 56, 57(a) and 72

Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the MFMA, as published under Government Notice No. 493 in the Government Gazette No.29967 of 15 June 2007

## **STATUS ON FILLING OF SENIOR MANAGERS POSITIONS**

<b>POST DESIGNATIONS</b>	<b>STATUS</b>
Municipal Manager	Vacant
Chief Financial Officer (CFO)	Vacant
Director Corporate Services	Filled
Director Community Safety	Filled
Director Infrastructure Services	Filled
Director Municipal Services and LED	Vacant

### **1.6 AUDITOR GENERAL REPORT**

Section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards of Auditing.

\* 2021/2022 AFS -Qualified opinion with 5 paragraphs on AFS and 1 paragraphs on predetermined objectives.

\* 2022/2023 AFS - Qualified opinion with 7 paragraphs on AFS and 3 paragraphs on predetermined objectives

Detailed information on the Auditor General's report for the financial year under review is contained in Chapter 6 of this report.

### **1.7 STATUTORY ANNUAL REPORT PROCESS**

<b>NO.</b>	<b>ACTIVITY</b>	<b>TIMEFRAME</b>
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	<b>July</b>
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise the 4 <sup>th</sup> quarter report for previous financial year	
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5.	Municipal entities submit draft annual reports to Municipal Manager	
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	<b>August</b>
7.	Mayor tables the unaudited Annual Report	
8.	Municipality submits draft Annual Report including consolidated annual financial statement and performance report to Auditor General	
9.	Annual Performance Report as submit to Auditor General to be provided as input to the IDP Analysis Phase	
10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	<b>September – November</b>
11.	Municipalities receive and start to address the Auditor General's comments	<b>November</b>
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13.	Audited Annual Report is made public and representation is invited	
14.	Oversight Committee assess Annual Report	
15.	Council adopts Oversight report	<b>December</b>
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	<b>January</b>
18.	Commencement of draft Budget/IDP finalisation for the next financial year. Annual Report and Oversight Report to be used as input	

### **COMMENT ON THE ANNUAL REPORT PROCESS**

The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders regarding the progress of the municipality with the implementation of its vision and mission. It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefit are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that the municipal manager study this process flow and ensure that the report are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual report in August for each year, which is consistent with the MFMA.

The 2022/2023 Annual Report was compiled in accordance with the requirements of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA) and Local Government: Municipal System Act 32 of 2000 and Circular 63 also taken into consideration.

The purpose of this report is to:-

Provide feedback on the annual financial and non-financial performance of the Municipality.  
Promote accountability to the community for the decisions made during the period July 2022 to June 2023.

Annual Report must be aligned with the planning documents and municipal budget for the year reported on. The IDP, BUDGET, SDBIP, in-year reports, annual performance reports and annual reports should have consistence and similar information for understanding and linkage between plans and actual performance.

In terms of the processes prescribed by the MFMA Section 127(2), the Mayor shall within seven months after the end of the financial year table in Council the Annual report of the Municipality. Council, thereafter, refer the annual report to the Oversight Committee, then MPAC (Municipal Public Accounts Committee).

Immediately after the annual report has been referred to the MPAC, the Accounting Officer shall make the Annual Report public and invite the local Community to submit their comments or inputs.

Section 129 of the Local Government ; Municipal Finance Management act of 2000, states that the Oversight Committee of the Council must consider the Annual Report of the Municipality by no later than two months from the date which the report was tabled in Council and adopt the oversight report containing statements whether the Council:-

- Has approved the annual report with or without reservations
- Has rejected the annual report
- Has referred back the annual report for revision of those components that can be revised.

Annual Report will assist the municipality to streamline operations and processes through combined committee, reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters.

# *Chapter 2*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage a population's affairs at all levels. It comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences."

Property rights and rule-based governance; the quality of budgetary & financial management; the efficiency of revenue mobilization; the efficiency of public expenditures; and transparency, accountability and corruption should be monitored to ensure the municipality deals with these aspects of governance decisively. The political and administrative components of Council maintain a sound working relationship by ensuring procedures and protocols.

The JB Marks Local Municipality as a legal entity relates to the other spheres of government and organised local government bodies through the Intergovernmental Policy Framework. Communities as an interest group in municipal affairs, participate through public participation mechanism and processes in the decision making systems of Council.

This includes interaction with stakeholders in shaping the performance of the municipality so as to enhance a healthy relationship and minimise conflict.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Politicians had conducted Public Participation with the communities presenting the integrated development plans; budget and budget policies, service delivery and budget implementation plans and Imbizos. The process was to ensure the communities participate in the democratic municipal processes to make their voices heard. The process of community participation ensures healthy relations between the municipality and the community and unnecessary misunderstanding.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, laws and regulation by which Council operates and is regulated and controlled.

#### 2.1 POLITICAL GOVERNANCE




##### INTRODUCTION TO POLITICAL GOVERNANCE

The JB Marks Local Municipality has established an Audit Committee by merging the Audit and Performance Audit Committees, a Municipal Public Accounts Committee (MPAC), comprising of non-executive councillors with the purpose of commenting and making recommendations on the annual report and the Auditor-General's Report. An acting Chief Financial Officer has been appointed for Financial Services, which forms part of the Administrator's team.

The Oversight Report of the Municipal Public Accounts Committee was published separately in accordance with the Municipal Finance Management Act, No.56 of 2003; two months after the annual report has been tabled.

The Executive Mayor, Cllr. Qaba Ka Qhele appointed his Mayoral Committee Members (MMC"s) from amongst the elected councillors, who advise him on municipal affairs as well as other councillors to serve in section 80 committees for a specific purpose.

The JB Marks Local Municipalities, have pooled their energy and resources to fuel a brand new municipality. The distribution of seats are made up of 67 Councillors. Who are deployed in the various Council Committees namely:-

<b>POLITICAL STRUCTURE</b>		<b>FUNCTIONS</b>
	<b>EXECUTIVE MAYOR</b> <b>CLLR. QABA KA QHELE</b>	<p>The Executive Mayor identifies the needs of the municipality, review and evaluate those needs, in order to priority, recommends to the municipal council strategies, programmes and services to address priority needs through the IDP and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans and recommends and determines the best way to deliver strategies, programmes and services to maximum benefit of the community. The Mayor also performs ceremonial functions role.</p>
	<b>SPEAKER</b> <b>CLLR. ROSIE MESSO DASSIE</b>	<p>The Speaker presides at the meetings, and ensure that meetings are conducted according to rules of order of the Council.</p>
	<b>SINGLE WHIP OF COUNCIL</b> <b>CLLR. LUMKILE LINKS</b>	<p>The Single Whip is to ensure that councillors are accountable to the community. That the code of conduct is respected and adhered to by all councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all councillors.</p>

## MEMBERS OF THE MAYORAL COMMITTEE



**MMC: FINANCE  
CLLR. LOREAL ABRAM**



**MMC: SPORTS, ARTS AND  
CULTURE  
CLLR. PATRICIA MTSHALI**



**MMC: INFRASTRUCTURE  
CLLR. GERALD MODISE**



**MMC: CORPORATE SERVICES  
CLLR. MMASETLHAKE  
MAPOGOSHE**



**MMC: AGRICULTUR  
CLLR. WONDER MOILWA**



## MEMBERS OF THE MAYORAL COMMITTEE



**SWARTS MMC: HOUSING  
CLLR. CLIFTON SWARTS**



**MMC. COMMUNITY  
SERVICES  
CLLR. MANTWA KASALE**



**MMC. COMMUNITY SAFETY  
CLLR. LEON MKHABELA**



**MMC. TRANSVERSAL SERVICES  
CLLR. THANDIWE MTAYI**



**MMC: LOCAL ECONOMIC  
DEVELOPMENT  
CLLR. GARETH BROWN**

## **2.1.1 COUNCILLORS**

Councillors provide a vital link between communities they serve and the City Council. Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality.

In fulfilling this role councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities and support the achievement by the municipality of its objectives set out in section 19 of the Act, the Code of Conduct in schedule 5 of the Municipal Structures Act (117 of 1998) as amended, was established. Councillors serve a term of five years.

**The Council comprises of the following Councillors by end of June 2023:-**

- **ANC - 32 Seats**
- **DA - 17 Seats**
- **EFF - 6 Seats**
- **VF - 10 Seats**
- **PA - 2 Seats**

## **2.1.2 POLITICAL DECISION-MAKING**

As a municipality with Executive Mayor, the Mayoral Committee for recommendation to Council must consider system all matters for consideration by Council. Matters delegated by Council are finalized at the Mayoral Committee and it is submitted to Council for cognizance, while matters excluded from delegation by law or not delegated by Council are submitted via the Mayoral Committee to Council for finalization.

Council resolutions implemented against the number of decisions taken by Council are 100%.

## **2.2 ADMINISTRATIVE GOVERNANCE**

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

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

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



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

In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended the Municipal Manager as head of administration is subject to policy directives of the Municipal Council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government. In terms of Section 50 of Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have the relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

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

***All the below positions are section 56/57 positions***

<b>ADMINISTRATION TOP STRUCTURE</b>		
<b>MUNICIPAL MANAGER:</b>  <b>MR. KGOMOTSO KUMBE</b>		As head of administration and Accounting Officer of the municipality the Municipal Manager is subject to the policy directions of the municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: MSA, Act 32 of 2000, as amended and any other relevant duties as may be delegated by the Mayor and Council
<b>CORPORATE: SERVICES</b>  <b>MRS. BOJELO MOSEPELE</b>		The Director is responsible for establishing and maintaining structures, with the parameters of legality and good governance, that will provide Administration that is appropriately relevant, Legal Support, Human Resource Management; and IT
<b>DIRECTOR INFRASTRUCTURE SERVICES:</b>  <b>MR. JACK MONNAKGOTHU</b>		This Department is responsible for all Water, Sanitation, Electricity and Roads Services of the Municipality as well as well-established and well maintained infrastructure that will stimulate growth, resulting in a broader income base, and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure

<b>ADMINISTRATION TOP STRUCTURE</b>		
<b>ACTING DIRECTOR FINANCIAL SERVICES</b>  <b>MR. TSEPANG NGQOBE</b>		<p>This Department is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, SCM, Credit Control Management, investment and banking, treasury management, and risk management.</p>
<b>COMMUNITY SAFETY:</b>  <b>MR. OFENTSE MASIBI</b>		<p>Community Safety incorporate the functions of Law Enforcement to ensure traffic flow and road safety, Security for the protest etc, Fire, Disaster, Licensing, Registration and Testing vehicles for the roadworthy.</p>
<b>ACTING DIRECTOR MUNICIPAL SERVICES AND LED:</b>  <b>MRS. ZIPPORA DLAVANE</b>		<p>This Department is responsible for Environmental Management, Library Services, Museums, Sports Facilities, LED</p>

*\*The third tier of posts/positions can be seen in **Appendix C***

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

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

Promoting intergovernmental relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork with the various spheres of government and between government and its agencies as well as other partners in development.

Planning and budgeting, consultations and meetings as well as information sharing sessions, reporting and monitoring and evaluation.

Basic Service Delivery is the core function of the municipality. Cooperative governance is an agreement entered into by the spheres of government to accelerate service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to report on service delivery (namely);-

-  District IGR Forum
-  Municipal Manager's Forum
-  Chief Financial Officer's Forum
-  IDP and PMS Coordinator's Forum

The JB Marks Local Municipality is a member and does participate in these forums, including SALGA, Provincial and National Level.

### **2.3 INTER-GOVERNMENTAL RELATIONS**

#### **NATIONAL INTERGOVERNMENTAL STRUCTURE**

JB Marks Local Municipality is a member of the Local Government body, SALGA (South African Local Government Association) both at Provincial and National Level.

Elected Councillors are accordingly deployed into various working Committee groups of SALGA. Employees and Councillors participate in structures such as Pension Fund and Medical Aid bodies, to ensure proper handling of their affairs affecting Council and employees.

The Department of monitoring and evaluation (DPME) in the presidency developed the Local Government Management Improvement Model (Municipal assessment tool) as an information management and performance monitoring tool to assess municipalities and provide information on national scale and rank to performance to municipalities against their key indicators. The JB Marks Local Municipality form part of the North West Municipalities identified for this model.

#### **INTERNATIONAL RELATIONS**

The current partnership between JB Marks and Sweden was once again anchored by a new MoU signed on 24th April 2018 in Sweden between (Växjö, JB Marks and Älmhults Municipality).

Thus, the MoU provides the framework for all on-going and new projects, which clearly emphasizes the natural importance of both countries/all three municipalities benefitting from the work. The previously mentioned

As noted, the partnership has got a long history (14 years) and is comprehensive (41 projects/pre-studies). The Swedish and South African partners are committed to do good and develop for the future, which cause for political will, determination and strategic decision-making. Various stakeholders/participants from the municipalities, region/province, NGOs, Church, Police, Universities and non-profit organizations played crucial role in making success of this projects.

Since the formal start in 2006, ICLD funded projects and development/broadening initiatives have been carried out together on areas such as; social welfare, adult education, city planning, democracy, gender

equality, culture, PR/communication, human resources, elderly care, rescue service, technical services, budget/finance, business development and Agenda 2030.

According to the overview, the partners have been granted totally SEK27 000 000 or R40,803,750 during the past 14 years which includes approximately 120 international visits and 700 project delegates. Right now, the partnership includes three on-going projects (1. New Coordination Structure to support vulnerable families 2 Development of an Energy Plan in line with Agenda 2030 and 3.Public skills-training to create new job opportunities and fight poverty.

Besides the existing partnership projects the ICLD offers training programmes aimed to capacitate decision-makers and administrative officials in Swedish partner countries, whether they work in the public sector, within local and regional governmental organisations or voluntary organisations. The opportunity for the participants to learn from Swedish cutting edge skills, experience and methodologies in the field of local democracy development is what lies at the heart of the training programmes.

We are very proud of the partnership especially because the quality thereof can be seen on its longevity as well as the continual demand from both parties to find more and more ways of cooperating with one another.

## **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The Premier of NW Province has established the **Bokone Bophirima Premier Co-ordinating Committee (BBPCC)**. The Executive Mayor represents the municipality at this forum. The purpose of this forum is to close the gaps between municipalities and provincial government. Municipalities has to send items for discussion (written reports) on the agenda two months in advance for inclusion on the Agenda, and report on progress of the previous minutes. The forum meets once a quarter.

The JB Marks Local Municipality also participates in **NW Economic Development Environment Conservation and Tourism** forums. The Municipality also participate in North West Planning Commission. The commission assist municipalities in aligning their development programmes with the National Planning Commission's priorities.

The **North West Premier Technical Co-ordinating Committee** consists of the Administrative Staff of the Office of the Premier and all Municipal Managers.

## **DISTRICT INTERGOVERNMENTAL STRUCTURES**

In our District Municipality, the Dr Kenneth Kaunda District Municipality establish various IGR structures such as:-

-  District Economic Development Forum
-  Mining Forum
-  Rural Economic Development Forum
-  MM and CFO's Forum
-  District IDP and PMS Forum

These forums meet quarterly to discuss planning in consultation with one another so as to solicit financial assistance form the district municipality in funding projects of mutual benefit to municipalities within the district. Councillors and Officials represents JB Marks Local Municipality in DR Kenneth Kaunda District Municipality, where issues of mutual interests are discussed, such as IDP and Budget, consultations and meetings as well as information sharing sessions, reporting and monitoring and evaluation.

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

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

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



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

The MPAC may engage directly with the public and consider public comments when it received and be entitled to request for documents or evidence from the Accounting Officer of the Municipality.

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

## **2.4 PUBLIC MEETINGS**

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

JB Marks Local Municipality values the public participation of its community in governance. The municipality has established Ward Committees in all 34 Wards. Ward Committee provides an important role for the municipality to consult with its communities.

The Municipality and Ward Committees has initiated other mechanism of deepening and broadening public participation. These includes the compilation of a database of all relevant community and stakeholders organizations, informs Community, and Stakeholders of the municipality's intentions to embark on the Integrated Development Planning process by:-

#### **PARTICIPATING IN THE IDP REPRESENTATIVE FORUM TO:-**

- ✚ Inform interest groups, communities and organizations of relevant planning activities and their outcomes.
- ✚ Analyse issues, determine priorities, negotiate and reach consensus.
- ✚ Participate in the designing of project proposals and or in assessing them
- ✚ Discuss and comment on the draft IDP
- ✚ Ensure that annual business plans and budgets are based on and linked to the IDP
- ✚ Monitor Performance in implementation of the IDP

#### **MECHANISM AND PROCEDURES FOR THE PUBLIC PARTICIPATION PROCESS:-**

- ✚ Compilation of a database of all relevant community and stakeholder organizations and sent invitations.
- ✚ Informing community and stakeholders through the notices at prominent locations (e.g. pay points) etc.
- ✚ Advertisement in the local newspaper
- ✚ Ward meetings through ward councilor
- ✚ Radio announcements
- ✚ Direct notices in their billing accounts of the municipality.

#### **PUBLIC PARTICIPATION**

- ✚ Venue for public participation: the venue of the IDP Rep Forum will be Offices of the Municipality. An assessment will be made to verify availability of the facilities and bookings will be made in advance.
- ✚ Time arrangements for participation
- ✚ Arrangements to be made at times that will suit the majority of the participants.
- ✚ Transport arrangements
- ✚ Members of the IDP Rep Forum are liable for their own transport costs to the respective workshops.
- ✚ Arrangement for report back by representatives

- ✚ Representatives are encouraged to report back to their organisations after every session. The effectiveness of these report back are assessed by feedback from these organization.
- ✚ Stakeholder's comment on the draft document
- ✚ The participation programme will make sufficient allowance for stakeholders to comment on documentation before finalization by the IDP Steering Committee.
- ✚ Council meeting for approval
- ✚ Council meeting for the approval of the IDP will be open to the public.
- ✚ Availability of the IDP document to all stakeholders

\*Copies of the final IDP document will be available to all stakeholders and community

## **WARD COMMITTEES**

The main objective of a ward committee is to enhance participatory democracy in Local Government. The key purpose of ward committees is to increase the participation of local residents in municipal decision making as they are the direct link with the relevant council, they are the representative of the local ward, and they should be involved in matters such as the IDP, the Annual Municipal Budget, Council Projects and Key Policies, as these things impact on local people. **(See Appendix E)**

Ward Committees can identify and initiate projects to improve the lives of the people in the ward. They can support the councilor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward and they can assist the community awareness campaigns on issues such as solid waste, water, sanitation, payment of fees and charges as members know their local communities and what council needs.

## **PUBLIC MEETINGS (SPEAKERS OFFICE COMMENT)**

### **2.5 IDP PARTICIPATION AND ALIGNMENT**

<b>IDP Participation and Alignment Criteria</b>	<b>Yes/No</b>
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's, 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 KPI's in the strategic plan?	Yes
Do the IDP KPIs align to the section 56 managers?	Yes
Do the IDP KPIs lead to functional are KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames	No
<i>*Section 26 of Municipal Systems Act 2000</i>	

## **COMPONENT D: CORPORATE GOVERNANCE**

### **OVERVIEW OF CORPORATE GOVERNANCE**

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

### **2.6 RISK MANAGEMENT**

JB Marks Local Municipality takes pride in the strides it has made to be a municipality of choice and recognises risk management as one of the key pillars in its quest to achieve its objectives. In compliance with Municipal Finance Management Act, section 62(i) (c) and Public Sector Risk Management framework, The Municipality have established a Risk Management division and an Accounting Officer has appointed a Risk Committee, which comprise of Internal members and an Independent External



Chairperson, who is not in the employment of Council and is knowledgeable of the status of the position, have requisite Risk Ethics, Fraud and anti- Corruption expertise. All Internal members are Heads of Departments, who brings necessary expertise from different departments. The National Treasury (Risk Management Unit), Provincial Treasury (Municipal Support) serves as standing invitees in the Risk Committee.

The responsibilities of a Risk Committee are formally defined in a Charter that is reviewed and recommended by the Committee and subsequently approved by the Accounting Officer. This charter is due to serve before Council for adoption. The Risk Management Division is finalising its Risk assessment process that will ultimately produce the Risk Register of the Municipality.

Risk management is a valuable management tool which increases an Institution's prospects of success through minimising negative outcomes and optimising opportunities and the Municipality assent to the following benefits of the risk management;

- ✚ Value for money
- ✚ Increased confidence in achieving the municipal priorities and outcomes
- ✚ Constrain threats to avoidable risks
- ✚ Informed decisions and exploitation of opportunities
- ✚ Ensure that the right balance is struck between risks and rewards
- ✚ Improve working partnership arrangements and corporate governance
- ✚ Ensure ultimately that the municipality maximises its opportunities and minimises the impact of the risks it faces, thereby improving the ability to deliver good services to the community at large.

*"Managing risk is very different from managing strategy. Risk management focuses on the negative-threats and failures rather than opportunities and successes."* By Robert S. Kaplan.

## **2.7 ANTI-CORRUPTION AND FRAUD**

Risk Management Division is a custodian of Anti-Fraud and corruption Strategy and policies of the Municipality. Currently, the responsibility of combating fraud and corruption is at a developmental stage since the Fraud and Corruption Prevention Strategy and other similar governance policies are at Portfolio Committees of Council for assessment before submission to Council for approval. All incidents relating to fraud and corruption are currently reported through the Office of the Executive Mayor and Municipal Manager, as well as a clean line or hotline at Finance Department for all water and electricity illegal connections. Some are also at this reported to the Office of the Premier's hotline and Presidential Hotlines. The Risk Management is in the process to establish its own hotline.

Section 83(c) of the Municipal Systems Act (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 minimise the likelihood of corruption and fraud.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

#### Description of the activity

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES/NO	DATE PUBLISHED
Current annual and adjustments budgets and all budget-related documents	Yes	17/03/23
All current budget-related policies	Yes	Last upload 2018
The annual report 2022/2023 published	Yes	04/09/23
All current performance agreement required in terms of section 57 (1)(b) of the Municipal Systems Act (2000) and resulting scorecard	Yes	10/08/23
All quarterly reports tabled in the Council in terms of section 52(d) during 2022/2023	Yes	01/08/23
All Service Delivery Agreements 2022/2023	No	N/A
All long term borrowing contracts 2022/2023	No	N/A
All Supply Chain Management Contracts above a prescribed value 2022/2022	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2022/2023	No	N/A

The Supply Chain Management is located in the Budget and Treasury Office. This function is responsible for the following:-

Reviewing Supply Chain Management Policy; compilation of the Supply Chain Management procedure manual enhancing buying of goods and services, compiling a list of accredited prospective service providers according to expertise, and reporting the implementation of SCM quarterly.

#### Current Situation

Currently the section is responsible for processing of orders on all procurements done for the municipality, advertisement of all tenders and serving as secretariat to bids committees. The senior managers, middle management and supply chain practitioners received training on the policy and supply chain processes to ensure adherence to the law and regulations. Contract management training was also provided finance officials.

Even though SCM Processes are centralized as prescribed in our SCM Policy, The SCM is still facing challenge from user department for non-compliance with requirements of our policy. The Disposal Management Committee must be established in terms of the Supply Chain Regulations.

#### Supply Chain Management Strategies

A preferred list of suppliers/service providers, based on the principle of supporting the local economy, will be prepared.

To have a procedure manual develop and implemented.

To make sure that all documents are safely kept for Audit purpose.

To train staff in other departments in the internal procedures of the SCM

## 2.9 BY-LAWS

The By-laws of the Tlokwe region were made legally compliant and applicable to Council in terms of section 12,14 and 15 of the Local Government: Municipal Structures Act, of 1998 (ACT 117 of 1998). For the JB Marks as a whole, Municipality is in the process of rationalising By-Laws.

## **2.10 WEBSITE**

All documents published on the municipality's website as per stipulated by legislation: Link [www.jbmarks.co.za](http://www.jbmarks.co.za)

## **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

### **PUBLIC SATISFACTION LEVELS**

In order to give effect to the provisions of the Local Government: Municipal System Act, Act 32 of 2000 as amended, chapter 6 section 42 and chapter 8 section 73(2)(e), every department should be issued with questionnaires for the public to evaluate and comment on the service rendered by the municipality.

The questionnaires will assist in improving and identifying areas which need to be improved and will also provide new ideas in order to improve performance by various municipal departments. No reported surveys during 2022/2023

The municipality is receiving funding from Municipal Infrastructure Grant. This grant is mainly focused on the previous disadvantage areas and our community is appreciating the effort that the municipality is making in improving their lives by giving them the necessary infrastructure.

# *Chapter 3*

# Chapter 3

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

### INTRODUCTION

Service Delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the JB Marks Local Municipality, certain issues are set out to be achieved during the financial year.

### DEFINITION OF A HOUSEHOLD/HOUSING UNIT

**Household:** A household consist of a person, or a group of persons, who occupy common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling but who do not share food or other essentials were counted as separate households during 2011 census. E.g. people who shared a dwelling but who bought food ate separately were counted as separate households.

Visitors, both foreign and South African, as well as boarders who stayed with a household on census night, 9 October 2011, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and etc.) and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live in employees were regarded as separate households (Statistics SA, Census 2011)

**House Unit:** A housing unit is a unit of accommodation for a household, which may consist of one structure or more than one structure, or may be part of a structure. (E.g. A house, a group of rondavels and a flat). In informal areas and overcrowded conditions a housing unit may house more than 1 household.

The types of living quarters classified as housing units are as follows:-

House or brick structure on a separate stand or yard  
Traditional dwelling/hut/structure made of traditional material  
Flat in block or flats  
Town/cluster/semi-detached house (simplex, duplex, triplex)  
House/flat/room in back yard  
Informal dwelling/shack in back yard or not in back yard. E.g. in an informal/squatter settlement  
Room/flat that is let, not in a back yard but on a shared property  
Caravan or tent  
Private ship/boat  
(Statistics SA, Census 2011)

### DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land to which they have no legal claim. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings, informal settlements are also referred to as squatter settlements, slums or a shanty towns)  
(Statistics SA, Census 2016)

### COMPONENT A: BASIC SERVICE DELIVERY

This component includes: - Water; Waste Water (Sanitation); Electricity; Road and Storm Water Services, housing services and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICE

Service Delivery in terms of the Constitution of the Republic of South Africa, schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In

terms of the IDP and Strategic objectives of the JB Marks Local Municipality, goals have been set out to be achieved during the financial year.

The following table sets out challenges that influence basic service provision standards:-

BASIC SERVICE PROVISION	CHALLENGE
Water	Limited funding - both Capital and Operational
	Ageing infrastructure
	Water losses/ Illegal connections
	Lack of knowledgeable personnel
Sanitation (Waste- Water)	Limited funding - both Capital and Operational
	Ageing infrastructure
	Unnecessary drain blockages
	Lack of knowledgeable personnel
Electricity	Limited funding - both Capital and Operational
	Ageing infrastructure
	Electricity losses/Illegal connections
	Lack of knowledgeable personnel
Roads and Storm water drainage	Limited funding - both Capital and Operational
	Ageing infrastructure
Refuse removal and solid Waste disposal	Ageing fleet Personnel shortage Financial Constraints Capacity shortage Growing City Shortage of resource ( Trucks, Refuse Bin Access Road to landfilled depleted

### 3.1 WATER PROVISION

JB Marks Local Municipality has eight registered Drinking Water Systems. One Water Treatment Plant system in Potchefstroom and Ventersdorp region respectively as well as six boreholes systems at the villages in Ventersdorp region. Below is the status quality of water in JB Marks Local Municipality.

#### WATER QUALITY REPORT FOR THE PERIOD ENDING JUNE 2023

##### POTCHEFSTROOM

#### TREATED WATER ANALYSES PERFORMANCE:

##### MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:

DETERMINANT	UNITS	SANS 241-1 LIMITS	AVERAGE	NUMBER OF ANALYSES	FAILURES	% Compliance
<i>E.coli</i>	Count/100 ml	0	0.37	2264.00	23.00	98.98%
Heterotrophic Plate Count	Count/1 ml	< 1000	48.72	2109.00	27.00	98.72%
Total Coliforms	Count/100 ml	< 10	2.35	2264.00	38.00	98.32%

CHEMICAL DETERMINANTS:

DETERMINANT	UNITS	SANS 241-1 LIMITS	AVERAGE	NUMBER OF ANALYSES	FAILURES	% Compliance
Aluminum as Al	µg/l	< 300	7.78	138.00	0.00	100%
Ammonia as N	mg/l	< 1.5	0.13	123.00	0.00	100%
Antimony as Sb	µg/l	< 20	1.00	156.00	0.00	100%
Arsenic as As	µg/l	< 10	10.00	156.00	0.00	100%
Barium as Ba	µg/l	N/A	30.47	156.00	N/A	N/A
Cadmium as Cd	µg/l	< 3	2.00	156.00	0.00	100%
Calcium as Ca	mg/ l	N/A	43.16	129.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	< 300	27.28	57.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.08	156.00	N/A	N/A
Copper as Cu	µg/l	< 2000	8.65	102.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/ l	< 1.5	0.14	156.00	0.00	100%
Free Available Chlorine	mg/l	< 5	1.47	2117.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	56.05	81.00	N/A	N/A
Iron as Fe	µg/l	< 2000	27.81	81.00	0.00	100%
Lead as Pb	µg/l	< 10	10.00	156.00	0.00	100%
Magnesium as Mg	mg/l	N/A	43.39	63.00	N/A	N/A
Manganese as Mn	µg/l	< 400	35.85	105.00	0.00	100%
Mercury as Hg	µg/l	< 6	2.00	156.00	0.00	100%
Nickel as Ni	µg/l	< 70	20.00	156.00	0.00	100%
Nitrate as N	mg/l	< 11	0.37	138.00	0.00	100%
Nitrite as N	mg/l	< 0.9	0.02	108.00	0.00	100%
Ortho Phosphate as P	mg/l	N/A	0.09	156.00	N/A	N/A
Selenium as Se	µg/l	< 40	20.00	156.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	< 500	75.96	156.00	0.00	100%
Total Chromium as Cr	µg/l	< 50	2.01	156.00	0.00	100%
Total Hardness as CaCO <sub>3</sub>	mg/l	N/A	288.29	63.00	N/A	N/A
Uranium as U	µg/l	< 30	1.90	156.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	156.00	N/A	N/A
Zinc as Zn	mg/l	< 5	0.04	30.00	0.00	100%

PHYSICAL DETERMINANTS:

DETERMINANT	UNIT	SANS 241-1 LIMITS	AVERAGE	NUMBER OF ANALYSIS	FAILURES	% Compliance
Colour	mg/l Pc	< 15	8.71	156.00	3.00	98.08

Conductivity at 25°C	MS/m	< 170	64.62	2273.00	0.00	100%
pH	pH units	> 5 and < 9.7	7.74	2273.00	0.00	100%
Suspended Solids	mg/l	N/A	1.99	111.00	N/A	N/A
Total Dissolved Solids	mg/l	< 1200	413.30	108.00	0.00	100%
Turbidity	NTU	< 1	0.74	2272.00	199.00	91.24%

Number Microbiological Analyses	=	6637
Number Regulated Microbiological Analyses	=	6637
Number Regulated Microbiological Analyses Failures	=	88
% Compliance	=	98.67%
Number Chemical Analyses	=	5675
Number Regulated Chemical Analyses	=	4715
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	7193
Number Regulated Physical Analyses	=	7082
Number Regulated Physical Analyses Failures	=	202
% Compliance	=	97.15%
Total Number Analyses	=	19505
Total Number Regulated Analyses	=	18434
Total Number Regulated Analyses Failures	=	290
Total % Compliance	=	98.43%

#### **VENTERSDORP**

##### **MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:**

<b>DETERMINANT</b>	<b>UNITS</b>	<b>SANS 241-1 LIMITS</b>	<b>AVERAGE</b>	<b>NUMBER OF ANALYSES</b>	<b>FAILURES</b>	<b>% Compliance</b>
<i>E.coli</i>	Count/100 ml	0	0.18	203	5.00	97.54%
Heterotrophic Plate Count	Count/1 ml	< 1000	14.80	203	0.00	100%
Total Coliforms	Count/100 ml	< 10	1.82	203	9.00	98.52%

##### **CHEMICAL DETERMINANTS:**

<b>DETERMINANT</b>	<b>UNITS</b>	<b>SANS 241-1 LIMITS</b>	<b>AVERAGE</b>	<b>NUMBER OF ANALYSIS</b>	<b>FAILURES</b>	<b>% Compliance</b>
Ammonia as N	mg/l	< 1.5	0.13	20.00	0.00	100%
Antimony as Sb	µg/l	< 20	1.00	10.00	0.00	100%
Arsenic as As	µg/l	< 10	10.00	10.00	0.00	100%
Barium as Ba	µg/l	N/A	22.00	10.00	N/A	N/A
Cadmium as Cd	µg/l	< 3	2.00	10.00	0.00	100%
Calcium as Ca	mg/ l	N/A	48.07	19.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	< 300	5.71	7.00	0.00	100%



Cobalt as Co	µg/l	N/A	2.00	10.00	N/A	N/A
Copper as Cu	µg/l	< 2000	8.14	14.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/ l	< 1.5	0.14	23.00	0.00	100%
Free Available Chlorine	mg/l	< 5	0.68	203.00	0.00	100%
Hexavalent Chromium	µg/l	< 50	41.00	12.00	0.00	100%
Iron as Fe	µg/l	< 2000	27.50	12.00	0.00	100%
Lead as Pb	µg/l	< 10	10.00	10.00	0.00	100%
Magnesium as Mg	mg/l	N/A	40.73	11.00	N/A	N/A
Manganese as Mn	µg/l	< 400	38.63	16.00	0.00	100%
-Mercury as Hg	µg/l	< 6	2.00	10.00	0.00	100%
Nickel as Ni	µg/l	< 70	20.00	10.00	0.00	100%
Nitrate as N	mg/l	< 11	1.58	21.00	0.00	100%
Nitrite as N	mg/l	< 0.9	0.01	17.00	0.00	100%
Ortho Phosphate as P	mg/l	N/A	0.23	23.00	N/A	N/A
Selenium as Se	µg/l	< 40	20.00	10.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	< 500	10.87	23.00	0.00	100%
Total Chromium as Cr	µg/l	< 50	2.40	10.00	0.00	100%
Total Hardness as CaCO <sub>3</sub>	mg/l	N/A	285.80	10.00	N/A	N/A
Uranium as U	µg/l	< 30	1.00	10.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	10.00	N/A	N/A

#### PHYSICAL DETERMINANTS:

DETERMINANT	UNIT	SANS 241-1 LIMITS	AVERAGE	NUMBER OF SAMPLES	FAILURES	% compliance
Colour	mg/l Pc	< 15	7.63	23.00	0.00	100%
Conductivity at 25°C	MS/m	< 170	50.23	203.00	0.00	100%
pH	pH units	> 5 and < 9.7	7.93	203.00	0.00	100%
Suspended Solids	mg/l	N/A	1.19	14.00	N/A	N/A
Total Dissolved Solids	mg/l	< 1200	304.50	14.00	0.00	100%
Turbidity	NTU	< 1	0.70	203.00	6.00	100%

Number Microbiological Analyses	=	609
Number Regulated Microbiological Analyses	=	609
Number Regulated Microbiological Analyses Failures	=	9
% Compliance	=	98.52%
Number Chemical Analyses	=	551
Number Regulated Chemical Analyses	=	458
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	660

Number Regulated Physical Analyses	=	646
Number Regulated Physical Analyses Failures	=	6
% Compliance	=	97.15%
Total Number Analyses	=	1820
Total Number Regulated Analyses	=	1713
Total Number Regulated Analyses Failures	=	15
Total % Compliance	=	99.12%

## **BOIKHUTSO VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

### **MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:**

<b>DETERMINANT</b>	<b>UNITS</b>	<b>SANS 241-1 LIMITS</b>	<b>AVERAGE</b>	<b>NUMBER OF ANALYSIS</b>	<b>FAILURES</b>	<b>% Compliance</b>
<i>E.coli</i>	Count/100 ml	0	0.03	35.00	1.00	97.14%
Heterotrophic Plate Count	Count/1 ml	< 1000	15.71	35.00	0.00	100%
Total Coliforms	Count/100 ml	< 10	17.06	35.00	4.00	88.57%

### **CHEMICAL DETERMINANTS:**

<b>DETERMINANT</b>	<b>UNITS</b>	<b>SANS 241-1 LIMITS</b>	<b>AVERAGE</b>	<b>NUMBER OF ANALYSIS</b>	<b>FAILURES</b>	<b>% Compliance</b>
Ammonia as N	mg/l	<1.5	0.14	26.00	0.00	100%
Antimony as Sb	µg/l	<20	1.00	9.00	0.00	100%
Arsenic as As	µg/l	<10	10.00	9.00	0.00	100%
Barium as Ba	µg/l	N/A	33.33	9.00	N/A	N/A
Cadmium as Cd	µg/l	<3	2.00	9.00	0.00	100%
Calcium as Ca	mg/l	N/A	46.45	26.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	<300	19.57	14.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.00	9.00	N/A	N/A
Copper as Cu	µg/l	<2000	9.55	22.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/l	<1.5	0.15	34.00	0.00	100%
Free available chlorine	mg/l	<5	0.29	35.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	50.45	20.00	N/A	N/A
Iron as Fe	µg/l	<2000	21.50	20.00	0.00	100%
Lead as Pb	µg/l	<10	10.00	9.00	0.00	100%
Magnesium as Mg	mg/l	N/A	43.18	17.00	N/A	N/A
Manganese as Mn	µg/l	<400	42.32	25.00	0.00	100%
Mercury as Hg	µg/l	<6	2.00	9.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	9.00	0.00	100%
Nitrate	mg/l	<11	3.50	31.00	3.00	90.32
Nitrite	mg/l	<0.9	0.01	23.00	0.00	100%

Ortho Phosphate	mg/l	N/A	0.26	34.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	9.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	10.12	33.00	0.00	100%
Total Chromium as Cr	µg/l	<50	4.11	9.00	0.00	100%
Total Hardness	mg/l	N/A	298.65	17.00	N/A	N/A
Uranium	µg/l	<30	1.00	9.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	10.00	N/A	N/A

#### PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	8.34	34.00	1.00	97.06%
Conductivity at 25° C	mS/m	<170	59.49	34.00	0.00	100%
pH at 25° C	pH units	>5 & <9.7	7.36	34.00	0.00	100%
Suspended Solids	mg/l	N/A	0.66	25.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	379.36	25.00	0.00	100%
Turbidity (aesthetic)	NTU	<1	0.43	35.00	0.00	100%

Number Microbiological Analyses = 105  
 Number Regulated Microbiological Analyses = 105  
 Number Regulated Microbiological Analyses Failures = 5  
 % Compliance = 95.24%

Number Chemical Analyses = 486  
 Number Regulated Chemical Analyses = 344  
 Number Regulated Chemical Analyses Failures = 3  
 % Compliance = 99.13%

Number Physical Analyses = 187  
 Number Regulated Physical Analyses = 162  
 Number Regulated Physical Analyses Failures = 1  
 % Compliance = 99.38%

Total Number Analyses = 778  
 Total Number Regulated Analyses = 611  
 Total Number Regulated Analyses Failures = 9  
 Total % Compliance = 98.53%

#### **BOIKHUTSONG VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

##### MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
<i>E. coli</i>	Count per 100 mℓ	<0	12.69	13.00	1.00	92.31%
Heterotrophic Plate Count	Count per mℓ	<1000	8.92	13.00	0.00	100%
Total Coliforms	Count per 100 mℓ	<10	15.38	13.00	1.00	94.87%

# CHEMICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Ammonia as N	mg/l	<1.5	0.08	12.00	0.00	100%
Antimony as Sb	µg/l	<20	1.00	5.00	0.00	100%
Arsenic as As	µg/l	<10	10.00	5.00	0.00	100%
Barium as Ba	µg/l	N/A	44.00	5.00	N/A	N/A
Cadmium as Cd	µg/l	<3	2.00	5.00	0.00	100%
Calcium as Ca	mg/l	N/A	34.79	10.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	<300	1.57	7.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.00	5.00	N/A	N/A
Copper as Cu	µg/l	<2000	9.83	6.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/l	<1.5	0.13	13.00	0.00	100%
Free available chlorine	mg/l	<5	0.34	13.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	46.90	10.00	N/A	N/A
Iron as Fe	µg/l	<2000	23.00	10.00	0.00	100%
Lead as Pb	µg/l	<10	10.00	5.00	0.00	100%
Magnesium as Mg	mg/l	N/A	32.54	9.00	N/A	N/A
Manganese as Mn	µg/l	<400	48.63	8.00	0.00	100%
Mercury as Hg	µg/l	<6	2.00	5.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	5.00	0.00	100%
Nitrate	mg/l	<11	2.38	12.00	0.00	100%
Nitrite	mg/l	<0.9	0.01	9.00	0.00	100%
Ortho Phosphate	mg/l	N/A	0.27	13.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	5.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	6.85	13.00	0.00	100%
Total Chromium as Cr	µg/l	<50	4.00	5.00	0.00	100%
Total Hardness	mg/l	N/A	219.44	9.00	N/A	N/A
Uranium	µg/l	<30	1.00	5.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	5.00	N/A	N/A

# PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	8.09	13.00	0.00	100%
Conductivity at 25° C	mS/m	<170	46.82	13.00	0.00	100%
pH at 25° C	pH units	>5 & <9.7	7.51	13.00	0.00	100%
Suspended Solids	mg/l	N/A	0.56	10.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	301.90	10.00	0.00	100%
Turbidity	NTU	<1	0.37	13.00	0.00	100%

Number Microbiological Analyses	=	39
Number Regulated Microbiological Analyses	=	39
Number Regulated Microbiological Analyses Failures	=	2
% Compliance	=	94.87%
Number Chemical Analyses	=	214
Number Regulated Chemical Analyses	=	148
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	72
Number Regulated Physical Analyses	=	62
Number Regulated Physical Analyses Failures	=	0
% Compliance	=	100%
Total Number Analyses	=	325
Total Number Regulated Analyses	=	249
Total Number Regulated Analyses Failures	=	2
Total % Compliance	=	99.20%

## **GA-MOGOPA VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

### **MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:**

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
<i>E. coli</i>	Count per 100 ml	<0	0.09	23	1.00	95.65%
Heterotrophic Plate Count	Count per ml	<1000	9.96	23	0.00	100%
Total Coliforms	Count per 100 ml	<10	2.52	23	2.00	91.30%

### **CHEMICAL DETERMINANTS:**

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Ammonia as N	mg/l	<1.5	0.10	17.00	0.00	100%
Antimony as Sb	µg/l	<20	1.00	10.00	0.00	100%
Arsenic as As	µg/l	<10	10.00	10.00	0.00	100%
Barium as Ba	µg/l	N/A	26.00	10.00	N/A	N/A
Cadmium as Cd	µg/l	<3	2.00	10.00	0.00	100%
Calcium as Ca	mg/l	N/A	27.08	16.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	<300	1.00	7.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.00	10.00	N/A	N/A
Copper as Cu	µg/l	<2000	9.29	14.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/l	<1.5	0.15	21.00	0.00	100%
Free available chlorine	mg/l	<5	0.39	23.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	51.09	11.00	N/A	N/A
Iron as Fe	µg/l	<2000	23.64	11.00	0.00	100%

Lead as Pb	µg/l	<10	10.00	10.00	0.00	100%
Magnesium as Mg	mg/l	N/A	23.50	9.00	N/A	N/A
Manganese as Mn	µg/l	<400	29.88	16.00	0.00	100%
Mercury as Hg	µg/l	<6	2.00	10.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	10.00	0.00	100%
Nitrate	mg/l	<11	1.12	20.00	0.00	100%
Nitrite	mg/l	<0.9	0.02	15.00	0.00	100%
Ortho Phosphate	mg/l	N/A	0.18	21.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	10.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	8.71	21.00	0.00	100%
Total Chromium as Cr	µg/l	<50	2.20	10.00	0.00	100%
Total Hardness	mg/l	N/A	159.44	9.0	N/A	N/A
Uranium	µg/l	<30	1.00	10.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	10.00	N/A	N/A

#### PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	6.80	21.00	0.00	100%
Conductivity at 25° C	mS/m	<170	32.48	22.00	0.00	100%
pH at 25° C	pH units	>5 & <9.7	7.55	22.00	0.00	100%
Suspended Solids	mg/l	N/A	2.75	15.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	278.67	15.00	0.00	100%
Turbidity	NTU	<1	0.35	23.00	0.00	100%

Number Microbiological Analyses	=	69
Number Regulated Microbiological Analyses	=	69
Number Regulated Microbiological Analyses Failures	=	3
% Compliance	=	95.65%
Number Chemical Analyses	=	351
Number Regulated Chemical Analyses	=	255
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	118
Number Regulated Physical Analyses	=	103
Number Regulated Physical Analyses Failures	=	0
% Compliance	=	100%
Total Number Analyses	=	538
Total Number Regulated Analyses	=	427
Total Number Regulated Analyses Failures	=	3
Total % Compliance	=	99.30%

## **GOEDGEVONDEN VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

#### MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
<i>E. coli</i>	Count per 100 ml	<0	0.11	19.00	1.00	94.74%
Heterotrophic Plate Count	Count per ml	<1000	42.05	20.00	0.00	100%
Total Coliforms	Count per 100 ml	<10	3.79	19.00	1.00	94.74%

#### CHEMICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Ammonia as N	mg/l	<1.5	0.10	16.00	0.00	100%
Antimony as Sb	µg/l	<20	1.00	9.00	0.00	100%
Arsenic as As	µg/l	<10	10.00	9.00	0.00	100%
Barium as Ba	µg/l	N/A	21.11	9.00	N/A	N/A
Cadmium as Cd	µg/l	<3	2.00	9.00	0.00	100%
Calcium as Ca	mg/l	N/A	29.69	15.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	<300	1.40	5.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.00	9.00	N/A	N/A
Copper as Cu	µg/l	<2000	9.08	13.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/l	<1.5	0.15	20.00	0.00	100%
Free available chlorine	mg/l	<5	0.41	20.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	81.22	9.00	N/A	N/A
Iron as Fe	µg/l	<2000	26.67	9.00	0.00	100%
Lead as Pb	µg/l	<10	10.00	9.00	0.00	100%
Magnesium as Mg	mg/l	N/A	27.98	8.00	N/A	N/A
Manganese as Mn	µg/l	<400	48.57	14.00	0.00	100%
Mercury as Hg	µg/l	<6	2.00	9.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	9.00	0.00	100%
Nitrate	mg/l	<11	2.29	19.00	0.00	100%
Nitrite	mg/l	<0.9	0.01	14.00	0.00	100%
Ortho Phosphate	mg/l	N/A	0.12	20.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	9.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	8.45	20.00	0.00	100%
Total Chromium as Cr	µg/l	<50	2.22	9.00	0.00	100%
Total Hardness	mg/l	N/A	176.33	9.00	N/A	N/A
Uranium	µg/l	<30	1.00	9.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	9.00	N/A	N/A

#### PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	7.44	20.00	0.00	0.00
Conductivity at 25° C	mS/m	<170	33.53	20.00	0.00	0.00
pH at 25° C	pH units	>5 & <9.7	7.50	20.00	0.00	0.00
Suspended Solids	mg/l	N/A	2.29	13.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	296.00	13.00	0.00	0.00

Turbidity	NTU	<1	0.42	20.00	0.00	0.00
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Number Microbiological Analyses	=	58
Number Regulated Microbiological Analyses	=	58
Number Regulated Microbiological Analyses Failures	=	2
% Compliance	=	96.55%

Number Chemical Analyses	=	319
Number Regulated Chemical Analyses	=	231
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%

Number Physical Analyses	=	106
Number Regulated Physical Analyses	=	93
Number Regulated Physical Analyses Failures	=	0
% Compliance	=	100%

Total Number Analyses	=	483
Total Number Regulated Analyses	=	382
Total Number Regulated Analyses Failures	=	2
Total % Compliance	=	99.48%

## **TSETSE VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

### **MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:**

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
<i>E. coli</i>	Count per 100 mℓ	<0	7.88	26.00	2	92.31%
Heterotrophic Plate Count	Count per mℓ	<1000	46.81	26.00	0	100%
Total Coliforms	Count per 100 mℓ	<10	9.42	26.00	1	96.15%

### **CHEMICAL DETERMINANTS:**

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Ammonia as N	mg/ℓ	<1.5	0.10	20.00	0.00	100%
Antimony as Sb	µg/ℓ	<20	1.00	10.00	0.00	100%
Arsenic as As	µg/ℓ	<10	10.00	10.00	0.00	100%
Barium as Ba	µg/ℓ	N/A	28.00	10.00	N/A	N/A
Cadmium as Cd	µg/ℓ	<3	2.00	10.00	0.00	100%
Calcium as Ca	mg/ℓ	N/A	38.24	20.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/ℓ	<300	3.00	9.00	0.00	100%
Cobalt as Co	µg/ℓ	N/A	2.00	10.00	N/A	N/A
Copper as Cu	µg/ℓ	<2000	9.53	15.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/ℓ	<1.5	0.20	24.00	0.00	100%
Free available chlorine	mg/ℓ	<5	0.39	26.00	0.00	100%
Hexavalent Chromium	µg/ℓ	N/A	44.75	12.00	N/A	N/A
Iron as Fe	µg/ℓ	<2000	28.33	12.00	0.00	100%
Lead as Pb	µg/ℓ	<10	10.00	10.00	0.00	100%
Magnesium as Mg	mg/ℓ	N/A	34.28	12.00	N/A	N/A
Manganese as Mn	µg/ℓ	<400	36.76	17.00	0.00	100%



Mercury as Hg	µg/l	<6	2.00	10.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	10.00	0.00	100%
Nitrate	mg/l	<11	1.97	22.00	0.00	100%
Nitrite	mg/l	<0.9	0.01	18.00	0.00	100%
Ortho Phosphate	mg/l	N/A	0.22	24.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	10.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	11.46	24.00	0.00	100%
Total Chromium as Cr	µg/l	<50	2.70	10.00	0.00	100%
Total Hardness	mg/l	N/A	221.00	13.00	N/A	N/A
Uranium	µg/l	<30	1.00	10.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	10.00	N/A	N/A

#### PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	8.73	24.00	1.00	95.83%
Conductivity at 25° C	mS/m	<170	49.07	24.00	0.00	100%
pH at 25° C	pH units	>5 & <9.7	7.48	24.00	0.00	100%
Suspended Solids	mg/l	N/A	0.83	16.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	303.94	16.00	0.00	100%
Turbidity	NTU	<1	0.38	26.00	0.00	100%

Number Microbiological Analyses	=	78
Number Regulated Microbiological Analyses	=	78
Number Regulated Microbiological Analyses Failures	=	3
% Compliance	=	96.15%
Number Chemical Analyses	=	388
Number Regulated Chemical Analyses	=	277
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	130
Number Regulated Physical Analyses	=	114
Number Regulated Physical Analyses Failures	=	1
% Compliance	=	99.12%
Total Number Analyses	=	596
Total Number Regulated Analyses	=	469
Total Number Regulated Analyses Failures	=	4
Total % Compliance	=	99.15%

## **WELGEVONDEN VILLAGES' BOREHOLES TREATED WATER ANALYSES PERFORMANCE:**

#### MICROBIOLOGICAL SAFETY REQUIREMENTS OF TREATED WATER:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
<i>E. coli</i>	Count per 100 ml	<0	0.00	19.00	0.00	100%
Heterotrophic Plate Count	Count per ml	<1000	11.58	19.00	0.00	100%
Total Coliforms	Count per 100 ml	<10	2.16	19.00	0.00	100%

CHEMICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Ammonia as N	mg/l	<1.5	0.19	17.00	0.00	100%
Antimony as Sb	µg/l	<20	1.00	9.00	0.00	100%
Arsenic as As	µg/l	<10	10.00	9.00	0.00	100%
Barium as Ba	µg/l	N/A	20.00	9.00	N/A	N/A
Cadmium as Cd	µg/l	<3	2.00	9.00	0.00	100%
Calcium as Ca	mg/l	N/A	38.06	14.00	N/A	N/A
Chloride as Cl <sup>-</sup>	mg/l	<300	1.00	6.00	0.00	100%
Cobalt as Co	µg/l	N/A	2.00	9.00	N/A	N/A
Copper as Cu	µg/l	<2000	8.92	12.00	0.00	100%
Fluoride as F <sup>-</sup>	mg/l	<1.5	0.15	19.00	0.00	100%
Free available chlorine	mg/l	<5	0.37	19.00	0.00	100%
Hexavalent Chromium	µg/l	N/A	57.09	11.00	N/A	N/A
Iron as Fe	µg/l	<2000	33.64	11.00	0.00	100%
Lead as Pb	µg/l	<10	10.00	9.00	0.00	100%
Magnesium as Mg	mg/l	N/A	37.70	8.00	N/A	N/A
Manganese as Mn	µg/l	<400	36.86	14.00	0.00	100%
Mercury as Hg	µg/l	<6	2.00	9.00	0.00	100%
Nickel as Ni	µg/l	<70	20.00	9.00	0.00	100%
Nitrate	mg/l	<11	1.61	18.00	0.00	100%
Nitrite	mg/l	<0.9	0.01	13.00	0.00	100%
Ortho Phosphate	mg/l	N/A	0.28	19.00	N/A	N/A
Selenium as Se	µg/l	<40	20.00	9.00	0.00	100%
Sulfate as SO <sub>4</sub>	mg/l	<500	7.53	19.00	0.00	100%
Total Chromium as Cr	µg/l	<50	2.56	9.00	0.00	100%
Total Hardness	mg/l	N/A	245.25	8.00	N/A	N/A
Uranium	µg/l	<30	1.00	9.00	0.00	100%
Vanadium as V	µg/l	N/A	2.00	9.00	N/A	N/A

PHYSICAL DETERMINANTS:

Determinant	Unit	SANS 241-1 Limits	Average	Number of Analysis	Failures	% Compliance
Colour	mg/l Pt-Co	<15	7.42	19.00	0.00	100%
Conductivity at 25° C	mS/m	<170	42.81	19.00	0.00	100%
pH at 25° C	pH units	>5 & <9.7	7.47	19.00	0.00	100%
Suspended Solids	mg/l	N/A	0.78	13.00	N/A	N/A
Total Dissolved Solids	mg/l	<1200	289.69	13.00	0.00	100%
Turbidity	NTU	<1	0.40	19.00	0.00	100%

Number Microbiological Analyses	=	57
Number Regulated Microbiological Analyses	=	57
Number Regulated Microbiological Analyses Failures	=	0
% Compliance	=	100%
Number Chemical Analyses	=	316
Number Regulated Chemical Analyses	=	229
Number Regulated Chemical Analyses Failures	=	0
% Compliance	=	100%
Number Physical Analyses	=	102
Number Regulated Physical Analyses	=	89
Number Regulated Physical Analyses Failures	=	0
% Compliance	=	100%
Total Number Analyses	=	475
Total Number Regulated Analyses	=	375
Total Number Regulated Analyses Failures	=	0
Total % Compliance	=	100%

## **TOTAL COMPLIANCE FOR JB MARKS (POTCHEFSTROOM AND VENTERSDORP)**

Total Number Microbiological Analyses	=	7652
Total Number Regulated Microbiological Analyses	=	7652
Total Number Regulated Microbiological Analyses Failures	=	112
% Compliance	=	98.54%
Total Number Chemical Analyses	=	8300
Total Number Regulated Chemical Analyses	=	6657
Total Number Regulated Chemical Analyses Failures	=	3
% Compliance	=	99.95%
Total Number Physical Analyses	=	8568
Total Number Regulated Physical Analyses	=	8351
Total Number Regulated Physical Analyses Failures	=	210
% Compliance	=	97.49%
Total Number Analyses	=	24520
Total Number Regulated Analyses	=	22660
Total Number Regulated Analyses Failures	=	325
Total % Compliance	=	98.57%

## **EMPLOYEE INFORMATION**

<b>EMPLOYEES: WATER QUALITY MONITORING</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Post No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies (as a % of total posts)</b>
0-3	0	0	0	0	0%
4-6	3	3	3	0	0%
7-9	2	2	2	0	0%
10-12	0	0	0	0	0%
13-15	2	2	2	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	7	7	7	0	0%

TOTAL USE OF WATER BY SECTOR (KILO LITRE)				
Year	Agriculture/ Commercial	Industrial	Domestic	Unaccount able Water Losses
2020/2021	5549260KL	3077906	11219221	20%
2021/2022	5549260KL	3077906	11219221	20%
2022/2023	5549260KL	3077906	11219221	20%

ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion to households with access to piped water	Proportion *of households receiving 6KL Free
2020/2021		100%	98%
2021/2022	13%	98%	98%
2022/2023	9		

WATER SERVICE DELIVERY LEVELS			
			Households
Description	Actual No.	Actual No.	Actual No.
	2020/2021	2021/2022	2022/2023
<b>Water: (above min.level)</b>			
Piped water	85949	67530	67945
Piped water inside yard (but not in dwelling)	16654	63630	64 045
Using public tap (within 200m from dwelling)	9469	3900	3900
<i>Minimum service level and above – subtotal</i>	112 072	67530	67945
<i>Minimum service level and above – percentage</i>	98%	79%	79%
<b>Water: (below min. level)</b>			
Using public tap (more than 200m from dwelling)	5906	3900	3443
Other water supply (borehole) (more than 200m from dwelling)	2958	7647	N/A
No water supply	N/A	N/A	N/A
<i>Below minimum service level – subtotal</i>	8864	11547	8981
<i>Below minimum service level – percentage</i>	8.5%	13%	13%

WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2020/2021	2021/2022	2022/2023		
	Actual No.	Actual No.	Original	Adjustment	Actual
<b>Formal Settlements</b>					
Total households	85848	85949	85949	N/A	85949
Households above minimum service level	103 778	67530			64045
Proportion of households below	98%	79%	79%		75%
Minimum service level	85949	67530			64045
<b>Informal Settlements</b>					
Total households	85848	85949	85949		85949
Households below minimum service level	112 072	11547	8981		8981
Proportion of households below Minimum service level	98%	13%	10%		10%



## EMPLOYEE INFORMATION


EMPLOYEES: WATER SERVICES					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	2	2	2	0	0%
7-9	8	12	7	5	42%
10-12	7	14	7	7	50%
13-15	13	20	13	7	35%
16-18	32	43	31	12	25%
19-20	0	0	0	0	0%
Total	62	91	60	31	34%

FINANCIAL PERFORMANCE 2022/2023 : WATER SERVICES						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original	Adjustment Budget	Actual	Variance to Budget
<b>Total operational revenue</b>	165 332 445	164 889 741	210 811 805	206 949 505	188 780 379	(10%)
Expenditure:						
Employees	35 879 242	38 888 242	37 273 511	37 273 511	37 055 455	(0.58%)
Repairs and maintenance	10 057 398	8 965 234	14 243 359	27 420 929	19 283 047	35%
Other	243 672 778	10 618 472	70 618 464	65 430 564	219 673 917	211%
<b>Total operational expenditure</b>	289 609 418	58 471 948	122 135 334	130 125 004	276 012 419	125%
<b>Net operational expenditure</b>	(124 276 973)	106 417 793	88 676 471	76 824 501	(87 232 040)	(198%)

## COMMENT ON WATER SERVICES OVERALL PERFORMANCE NATIONAL KEY PERFORMANCE INDICATOR

## OBJECTIVES TAKEN FROM THE IDP (Complete Annual Performance Report available in chapter 3) Organizational Development Performance Part II

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 7	IDP-Internal Funding-Capital Project  PMU-Water  Multi Year Project from 2021/2022 to 2023/2024	New Project	0% of Designs completed	% of SCM Processes for the Water Reticulation in Greenfield by June 2023	% of Designs for Water Reticulation in Greenfield completed by June 2023	100% of SCM Processes for the Water Reticulation in Greenfield by June 2023	100% of Designs for Water Reticulation in Greenfield completed by June 2023	R3 000 000.00  Vote No. 070740000 0010	R500 000.00	R0.00	0% of Designs for Water Reticulation in Greenfield completed by June 2023	The Municipality appointed the panel of consultants in November 2022, but there was a delay on the appointment of the Consultant for this specific Project due to delays in SCM processes. Multi-Year Project KPI was amended, as the Municipality is measured on projects for basic service delivery to the community. KPI budget allocation was decreased from R3 000 000.00 to	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 financial year.	Adjudication Minutes to confirm list of appointed panel of consultants  Minutes and Attendance Register for Briefing Session	Not Achieved 
KPI 12	IDP-RBIG Funding-Capital Project  PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	Consultant Appointed	% of construction of New Reservoir (25ml) in Ikageng by June 2022	% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	40% of construction of New Reservoir (25ml) in Ikageng by June 2022	20% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	R40 000 000.00  Vote No. 070740000 04	R30 000 000.00	R30 358 044,43	18% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	There was a delay as a result of the inclement weather. KPI's annual target was reduced from 40% to 20% construction, due to delays in finalization of SCM processes towards appointment of the Contractor. Project budget allocation was decreased from R40 000 000.00 to R30 000 000.00 to include the other approved RBIG project	The project to be deferred to the next financial year. The overall duration of the project will be revised and the Contractor to expedite the program of works in the 2023/2024 financial year. Management to ensure that SCM processes are fast tracked and contractor appointments are finalised timeously.	Progress Report Payment Certificates Approved extension of time	Not Achieved 

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 18	IDP-WSIG Funding-Capital Project  PMU-Sanitation  Multi-Year Projects from 2021/2022 to 2023/2024	New Project	17.30%	% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	N/A	100% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	75% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	R27 927 253.00  Vote No. 070500060064	N/A	R29 619 328.37	53.9% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	Annual target to be reduced from 100% to 75% and the results of Environmental Impact Assessment (EIA), had to be re- submitted to the Department of DEDECT as per the advice to re-apply for the area that triggers the EIA for approval which was received in January 2023, There was also rain delays	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Progress Reports  Payment Certificates  Approved extension of time  Submitted EIA	Not Achieved  

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION

The last Green Drop System Audit was fully done, however there was no recognition of best performers due to non-release of the Green Drop Report. Therefore the municipality's Potchefstroom WWTP is still holding its 2011 Award. The municipality is targeting to obtain a Green Drop status for its Ventersdorp WWTP in order to continuously upgrade to uphold a high standard of service delivery. The municipality is awaiting last year Audit Outcome for the Green Drop.

#### ACHIEVEMENTS OF GREEN AND BLUE DROPS ARE AS FOLLOWS:-

Green Drop status 93.23% } This information is from the Water Affairs  
Blue Drop Status 97.20%

SANITATION SERVICE DELIVERY LEVEL			
Description	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual
<b>*HOUSEHOLDS*</b>			
<b>Sanitation/Sewerage:</b> (above minimum level)			
Flush toilet (connected to sewerage)	56 117	57500	58910
Flush toilet (with septic tank)	0	0	54
Chemical toilet	23	23	23
Pit Toilet (ventilated)	4 374	6107	8981
Other toilet provisions (above minimum service level)	1 468	3900	23
<i>Minimum service level and above – subtotal</i>	61 982	67530	67945
<i>Minimum service level and above – percentage</i>	97%	79%	79%
<b>Sanitation/sewerage:</b> (below minimum level)			
Bucket toilet			
Other toilet provisions (below minimum service level)	726	7647	N/A
No toilet provisions	615	0	N/A
<i>Below minimum service level – subtotal</i>	1 669	7647	N/A
<i>Below minimum service level – percentage</i>	3%	11%	N/A
<b>Total Households</b>	64 992	85949	85949

HOUSEHOLDS – SANITATION SERVICES DELIVERY LEVELS BELOW THE MINIMUM					
HOUSEHOLDS					
Description	2020/2021	2021/2022	2022/2023		
	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No
<b>Formal Settlement</b>					
Total Households		85949	85949	N/A	85949
Households below minimum service level	2083	63630	67945	N/A	67945
Proportion of households below	0	74%	79%	N/A	79%
Minimum service level	0	63630	67945	N/A	67945
<b>Informal Settlement</b>					
Total households	9123	17674	3443	N/A	3443
Households below minimum service level	8146	17674	3443	N/A	3443
Proportion of households below	89%	21%	100%	N/A	100%



## EMPLOYEE INFORMATION



EMPLOYEES: SANITATION SERVICES					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	2	3	2	1	33%
7-9	3	11	2	9	82%
10-12	0	1	0	1	100%
13-15	4	10	4	6	60%
16-18	37	39	36	3	8%
19-20	0	0	0	0	0%
Total	46	64	44	20	31%

FINANCIAL PERFORMANCE 2022/2023: SANITATION SERVICES						
						R'000
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	96 668 157	85 385 937	74 845 105	70 478 520	87 857 104	17%
Expenditure:						
Employees	12 712 337	10 391 834	20 355 299	20 355 299	11 937 777	(41%)
Repairs and maintenance	25 822 213	34 712 257	37 981 173	36 135 788	34 610 950	(8%)
Other	895 825	570 450	37 787 111	33 639 659	662 882	-
<b>Total operational expenditure</b>	39 430 375	45 674 541	96 123 583	90 130 746	47 211 609	(50%)
<b>Net operational expenditure</b>	57 237 782	39 711 396	(21 278 478)	(19 652 226)	40 645 495	(291%)


## COMMENTS ON SANITATION OVERALL PERFORMANCE

## NATIONAL KEY PERFORMANCE INDICATOR



## OBJECTIVES TAKEN FROM THE IDP (Complete Annual Performance Report available in chapter 3) Organisational Development Performance Part II



KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 8	IDP-Internal - funding-Capital Project  PMU-Sanitation	New Project	0%	% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	N/A	100% of Desludging of Sledge Lagoon and upgrade in WWTP in by June 2023	30% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	R5 456 522.00  Vote No. 070500000 004	R500 000.00	R0.00	0% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	The Municipality appointed panel of contractors on the 20 March 2023, but there was a delay on the appointment of the contractor for this specific project. Project budget allocation was decreased from R5 456 522.00 to R500 000.00, as the annual target was revised from 100% of to 30% of desludging	Management will fast track the appointment of the Contractor to ensure that the project is implemented in the 2023/2024 financial year	Panel of Contractor advertisement of the 20 Mar 2023	Not Achieved 
KPI 9	IDP-Internal funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	0%	% of SCM Processes for the upgrading of Botha Sewer Pump Station by June 2023	% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	100% of SCM Processes for the upgrading of Botha Sewer Pump Station by June 2023	10% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	R2 385 515.00 Vote No. 070510000 001	R2 500 000.00	R0.00	0% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	The Municipality delayed to pay the 30% to the service provider for the procurement of material to implement the Project. Multi-Year KPI was amended to accelerate service delivery to the community and Project budget allocation was increased from R2 385 515.00 to R2 500 000.00.	The project was deferred to the 2023/2024 financial year for implementation. Management will ensure that project related payments are done timeously to avoid delays on implementation of Projects.	Signed SLA Programme of Works Proof of Payment Deviation Report	Not Achieved 

**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : TECHNICAL SERVICES**
**STRATEGIC OBJECTIVE** TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/ Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 10	IDP- Internal funding-Capital Project  PMU- Sanitation	New Project	New Project	% of SCM Processes for the Emergency Upgrading of Promosa and Baipei Sewer Pump Station by June 2023	% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	100% of SCM Processes for the Emergency Upgrading of Promosa and Baipei Sewer Pump Station by June 2023	100% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	R5 000 000.00  Vote No. 070500060 059	R500 000.00	R0.00	0% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	The Municipality appointed the panel of consultant in November 2022, but there was a delay on the appointment of the Consultant for this specific Project due to delays in SCM processes. KPI was amended to accelerate service delivery to the community and Project budget allocation was decreased from R5 000 000.00 to R500 000.00 due to budget constraints.	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 financial year.	Adjudication Minutes to confirm list of appointed panel of consultants Minutes and Attendance Register for Briefing Session	Not Achieved 

**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : TECHNICAL SERVICES**
**STRATEGIC OBJECTIVE** TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/ Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 14	IDP-Internal Funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2023/2024	New Project	New Project	% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	N/A	50% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	5% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	R11 000 000.00 Vote No. 070740030008	R500 000.00	R0.00	0% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	The Municipality appointed panel of contractors on the 20 March 2023, but there were delays on the SCM process to appoint the contractor for a specific project. KPI's annual target was reduced from 50% to 5% and budget was decreased from R11 000 000,00 to R500 000.00 due to financial constraints	The Municipality will fast track the SCM processes and appoint the Contractor for the specific project to ensure construction is implemented in the next financial year.	Adjudication Minutes to confirm list of appointed panel of contractors	Not Achieved 
KPI 17	IDP-MIG Funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	New Project	Number of Households Constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	100% of Households Constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	100% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	R12 011 364.00 Vote No. 070500060002	R5 784 714.56	R2 336 828.57	100% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	KPI to be amended to % instead of number, as it was an oversight from the municipality. Budget allocation was therefore reduced from R12 011 364 to R5 784 714.56	Municipality to implement the construction of the project in the next financial year	Designs completed Payment Certificate	Achieved 

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 21	IDP-WSIG Funding-Capital Project PMU-Sanitation	New Project	0% R879 832.16 Expenditure	% of Upgrading of Sewer Pump Station in Toevlug by June 2023	N/A	100% of Upgrading of Sewer Pump Station in Toevlug by June 2023	10% of Upgrading of Sewer Pump Station in Toevlug by June 2023	R7 072 746.79 Vote No. 070500210 002	N/A	R0.00	0% of Upgrading of Sewer Pump Station in Toevlug by June 2023	The Contractor was appointed on the 16 April 2023, which delayed the implementation of the project. Annual target was reduced from 100% to 10% construction progress.	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Appointment Letter of Consultant and Contractor	Not Achieved 
KPI 35	IDP-RBIG Funding-Capital Project PMU-Water	New Project	94% Overall Progress Expenditure R1 742 156.56	N/A	% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	N/A	100% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	N/A	R4 000 000.00 Vote No. 070740000 006	R813 800,95	94% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	The project was at 94% overall progress. The Contractor was terminated on 28 September 2022, due to non-performance	The municipality to fast track the appointment of the new contractor for completion of the project in the 2023/2024 financial year.	Progress Reports Payment Certificates Termination Letter	Not Achieved 

### 3.3 ELECTRICITY PROVISION

#### INTRODUCTION TO ELECTRICITY PROVISION

The Municipality's Electrical Section has during the year under review made significant progress on developing strategic documents to help fast track service delivery and stimulate the economic growth. The unit worked on developing an Electricity Master Plan for both regions of the Municipality in line with the existing Spatial Development Frameworks. The Municipality had also started developing an Energy Strategy that is in line with the provisions of the Agenda 2030 Sustainable development goals and the National Development Plan. Both documents are at 85 % completion. This is an effort that the Municipality is making in ensuring that we comply with the provisions of section 152 (b) of the Constitution of the Republic of South Africa by making sure that the services we provide to our Communities are indeed sustainable.

The Municipality received funding from the INEP programme to deliver basic services by connecting a further 1516 households to the grid for the year under review still. The National Solar Water Programme will also continue this year. The Municipality has been allocated 5000 units for installation. This Project will also see 154 job-less people being trained on the installation of these geysers. This will leave the trainees with knowledge and know how to do repairs and maintenance to these units if they were to fail in future. The capacity to do these repairs will be at reach as the training will only cater for local people.

In the next financial year the unit will be implementing a few network expansions and strengthening /projects. These projects will be emanating from the completed Electricity Master Plan Study. The unit will also continue with an Energy Efficiency and Demand Side Management Project that will see the retrofit of 728 of 600 watt High Pressure Sodium lights being replaced with 728 units of 463 watt LED lights. This programme will continue to save energy and create spare capacity to cater for future developments.

The National Energy Regulator (NERSA) had also during the year under review completed a Distribution Compliance Audit. The unit is happy to mention that the Electricity Network of the Municipality did comply with most of the conditions of the NERSA license.

#### PROVISION OF ELECTRICITY BY 2022/2023

<b>ELECTRICITY SERVICE DELIVERY LEVELS</b>			
<b>Description</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
<b>Energy: (above minimum level)</b>			
Electricity – prepaid (minimum service level)	52 222	63630	67945
Electricity – other (minimum service level)	6 608	0	0
<i>Minimum service level and above – subtotal</i>	58 830	63630	67945
<i>Minimum service level and above – percentage</i>	96%	74%	79%
<b>Energy: (below minimum level)</b>			
Electricity (minimum service level)	14 807	11774	0
<i>Below minimum service level – subtotal</i>	14 807	11774	0
<i>Below minimum service level – percentage</i>		14%	0
<b>Total number of households</b>	<b>73 637</b>	<b>85949</b>	<b>85949</b>

SERVICE DELIVERY STATISTICS			
DETAILS	2020/2021	2021/2022	2022/2023
<b>Customer Care Office</b>			
Streetlight complaints received	6 451	8 451	8 455
Lower Voltage service connections complaints received	16 634	20 246	20 249
High mast light complaints received	124	153	156
<b>Planning</b>			
Request for electricity supply	302	311	319
Connections made	220	300	308
Business license inspections	152	311	316
Electrical installation inspections	Finance	Finance	Finance
Meter tampering investigations carried out	Finance	Finance	Finance
Meter tampering fines issued			
<b>Electrical Distribution</b>			
High mast lights repaired	12	230	233
Street lights repaired	3 225	4 345	4 348
Low Voltage service connections repaired	14 540	15 453	15 459
<b>Fleet Maintenance</b>			
Number of vehicles serviced	72	56	34
Number of other equipment repaired	53	62	43
<b>Mechanical Workshop</b>			
Water pumps repaired	Done by quotation basis through service providers	Done by quotation basis through service providers	Done by quotation basis through service providers
Sewerage pumps repaired	14	23	25
Hydraulic system repaired	28	32	34
Welding works done			

#### EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	2	2	2	0	0%
4-6	4	5	4	1	20%
7-9	33	39	31	8	21%
10-12	4	8	4	4	50%
13-15	24	36	23	13	36%
16-18	39	43	38	5	12%
19-20	0	0	0	0	0%
Total	106	133	102	31	23%



FINANCIAL PERFORMANCE 2020/2021: ELECTRICAL AND MECHANICAL SERVICES R'000						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	8 933 148	821 722 619	1 130 322 914	1 084 611 043	776 143 809	(31%)
Expenditure:						
Employees	49 797 657	54 447 820	57 520 270	57 520 270	60 103 906	4%
Repairs and maintenance	21 913 228	19 201 546	20 863 139	45 354 373	44 532 422	113%
Other	29 000 520	680 751 788	791 446 877	705 996 689	671 936 180	(15%)
<b>Total operational expenditure</b>	100 711 405	754 401 154	869 830 286	808 871 332	776 572 508	(11%)
<b>Net operational expenditure</b>	-91 778 257	67 321 465	260 492 628	275 739 711	428 699	99%



COMMENT ON ELECTRICITY PROVISION OVERALL PERFORMANCE


NATIONAL KEY PERFORMANCE INDICATOR



## OBJECTIVES TAKEN FROM THE IDP (Complete Annual Performance Report available in chapter 3) Organisational Development Performance Part II

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 28	IDP-MIG Funding-Capital Project  PMU-Electricity	New Project	11 High mast lights installed, Expenditure of R3 304 104.37	Number of High Mast Lights installed in various section in JB Marks LM Areas by June 2023	N/A	20 of High Mast Lights installed in various section in JB Marks LM Areas by June 2023	10 High Mast Lights installed in various section in JB Marks LM Areas by June 2023	R8 134 152.00	R7 805 480.10	R360 179,90	0 High Mast Lights installed in various section in JB Marks LM Areas by June 2023	The works had to be suspended, based on the challenge related to the procurement method of the contractor. Annual Target was reduced from 20 to 10 High Mast Lights. The allocated budget was therefore reduced from R8 134 152,00 to R7 805 480.10	The Municipality to fast track the conclusion of the legal matter, and deferred the project to the 2023/2024 financial year for implementation.	Progress Report  Payment Certificate  Appointment Letter  Letter of suspension of works	Not Achieved 
KPI 29	IDP-MIG Funding-Capital Project  PMU-Electricity  Multi-Year Project from 2022/2023 to 2023/2024	N/A	New Project	Number of Electrification of Houses in Tshing Ext 10 by June 2023	Number of Houses electrified in Tshing Ext 10 by June 2023	2483 of Electrification of Houses in Tshing Ext 10 by June 2023	500 Houses electrified in Tshing Ext 10 by June 2023	R45 936 000.00	N/A	R18 500 000,01	0 Houses electrified in Tshing Ext 10 by June 2023	100% Designs completed. 0% overall physical Progress, Contractor was appointed in April 2023. The municipality procured material for the contractor through session.	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Delivery of material  Completed designs  Proof of payment	Not Achieved 

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRATRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 30	IDP-MIG Internal Funding-Capital Project  PMU-Electricity	N/A	New Project	Number of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	N/A	1 of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	N/A	R10 000 000.00	R600 000.00	R2 355 430.00	0 of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	The municipality procured 27 different transformers, on deviation due to Emergency of natural disaster as a results of storm/lightning, Project decreased from R10 000 000.00 to R600 000.00	Management deviated from the initial planned target for the additional transformer, as it was not a challenge, to address the emergency that was encountered in Ventersdorp. The municipality will ensure that all transformers procured will be installed in the next financial year.	Deviation Report  Invoices	Not Achieved 
KPI 37	IDP-Internal Funding-Capital Project PMU - Electricity			% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	N/A	100% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	N/A	R6 157 963.00	R600 000.00	R0.00	0% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	The Municipality appointed the panel of consultants in November 2022, but there were delay on the appointment of the Consultant for this specific Project, due to delays in the SCM process.	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 Financial year.	2023/2024 SDBIP	Not Achieved 

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 38	IDP-Internal Funding-Capital Project PMU-Electricity	New Project	0 #	N/A	Number of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	N/A	800 of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	N/A	R5 542 288.00 Vote No. 070680000 002	R1 685 266,00	800 of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	None	None	Progress Report Payment Certificate	Achieved 

### 3.4 WASTE MANAGEMENT

#### INTRODUCTION TO WASTE MANAGEMENT

The cleansing section's function is to provide an acceptable, affordable and sustainable cleansing services to all the residents of JB Marks Local Municipality.

Description	2020/2021	2021/2022	2022/2023
	Outcome No.	Outcome No.	Outcome No.
Waste Removal: (Minimum level)	75050	57500	61992
Removed at least once a week	75050	57500	61992
Minimum service level and above – subtotal	75050	57500	61992
Minimum service level and above – percentage	100%	67%	72%
Waste Removal: (below minimum level)	N/A	N/A	N/A
Removed less frequently than once a week	N/A	N/A	N/A
Using communal refuse dump	N/A	N/A	N/A
Using own refuse dump	Yes	Yes	Yes
Other rubbish disposal	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A
Below minimum service level – subtotal	N/A	N/A	N/A
Below minimum service level – percentage	N/A	N/A	N/A
<b>Total households</b>	<b>75050</b>	<b>85949</b>	<b>85949</b>

f					
Description	2020/2021	2021/2022	2022/2023		
	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements	5000	57500	61992	N/A	61992
Total households	5000	85949	61992	N/A	61992
Households below minimum service level	N/A	57500	61992	N/A	61992
Proportion of households below minimum service level	N/A	67%	72%	N/A	72%
Informal Settlements	400	3900	3443	N/A	3443
Total households	400	3900	3443	N/A	3443
Households below minimum service level	N/A	3900	3443	N/A	3443
Proportion of households below minimum service level	N/A	4.5%	4%	N/A	4%

## EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & STREET CLEANING)					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	2	2	2	0	0%
7-9	2	3	2	1	33%
10-12	18	23	16	7	30%
13-15	0	0	0	0	0%
16-18	112	127	107	20	16%
19-20	0	0	0	0	0%
<b>Total</b>	<b>134</b>	<b>155</b>	<b>127</b>	<b>28</b>	<b>18%</b>

FINANCIAL PERFORMANCE 2022/2023: WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND LITTER COLLECTION)						
Detail	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
Total operational revenue	76 590 128	57 549 457	50 747 610	53 747 610	59 984 743	18%
Expenditure:						
Employees	27 052 297	29 336 558	31 595 208	31 690 208	31 378 190	(0.68%)
Repairs and maintenance	7 032 210	6 027 098	4 639 733	5 348 255	5 053 832	9%
Other	168 937	37 376 938	22 912 532	31 940 347	31 681 229	38%
<b>Total operational expenditure</b>	<b>34 253 444</b>	<b>72 740 594</b>	<b>59 147 473</b>	<b>68 978 810</b>	<b>68 113 251</b>	<b>15%</b>
<b>Net operational expenditure</b>	<b>42 336 684</b>	<b>(15 191 137)</b>	<b>(8 399 863)</b>	<b>(15 231 200)</b>	<b>(8 128 508)</b>	<b>(3%)</b>

## COMMENT ON WASTE MANAGEMENT SERVICES OVERALL PERFORMANCE

### NATIONAL KEY PERFORMANCE INDICATOR

#### 3.5 HUMAN SETTLEMENT

##### INTRODUCTION OF HUMAN SETTLEMENT

To accelerate housing delivery through efficient and effective human settlements management and quality service delivery, as well as through integrated and collective sustainable settlements programmes. Our priority remains that of eradicating the remaining informal settlements and introduce a rental strategy as an alternative to address housing backlogs. Our ultimate goal is to house communities by restoring their dignity.

##### GOALS

- ✚ To ensure that beneficiaries acquire security tenure
- ✚ To improve living conditions of households in JB Marks Local Municipality

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2020/2021	70 886	17 302	63.16%
2021/2022	70 886	17 302	63.16%
2022/2023	70 886	17 302	63.16%

## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENT					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	1	4	1	3	75%
7-9	0	3	1	2	67%
10-12	2	3	1	2	67%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	4	11	4	7	64%

FINANCIAL PERFORMANCE 2022/2023: HUMAN SETTLEMENT						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
Total operational revenue	414 277	2 736 539	2 407 283	3 457 597	3 994 580	66%
Expenditure:						
Employees	14 355 383	29 440 666	26 539 460	26 539 460	29 222 670	(10%)
Repairs and maintenance	761 187	719 556	1 237 760	1 304 960	1 386 309	12%
Other	2 919 682	3 679 377	30 313 512	23 857 098	3 552 880	(88%)
Total operational expenditure	18 036 252	33 839 599	58 090 732	51 701 518	34 161 859	(41%)
Net operational expenditure	-17 621 975	(31 103 060)	(55 683 449)	(48 243 921)	(30 167 279)	

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

District Municipality	Local Municipality	Project Name /Description	Project Location	Total Project Cost	Progress and Comments
DR KENNETH KAUNDA	JB MARKS MUNICIPALITY	Promosa township establishment Ext 5	Potchefstroom Ward 17	1590842.64	EIA obtained ,town planning advert expected January 2020
		Dassierand township Establishment Ext 1	Potchefstroom Ward 11	568940.12	Technical studies finalised , town plan advert expected January 2020
		Klipdrift township establishment	Potchefstroom Ward 3	750 000	Awaiting for EIA approval
		Subdivision erf9556	Potchefstroom Ex3 Ikageng	Quo 25/2019	Subdivided and packed
		Erf 11382	Ext 11		
		Erf 18398	Ext 7		
		Eft 2146	Ext 2 Promosa		
		Erf 2147	Ext 2 Promosa		

"All of housing projects is implemented by the Provincial Department of Human Settlements".

## COMMENT ON HUMAN SETTLEMENT OVERALL PERFORMANCE

### 3.6 FREE BASIC SERVICE AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICE AND INDIGENT SUPPORT

The Council is responsible for the rendering of service in terms of schedules 4 and 5 of the Constitution as well as such other service as may be delegated by National and Provincial Government.

The economic cost to render the services will be calculated in accordance with the Council's tariff policy

FREE BASIC SERVICE TO LOW INCOME HOUSEHOLDS									
NUMBER OF HOUSEHOLDS EARNING LESS THAN R2560 PER MONTH									
Year	Earning less than	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
	R	Access	%	Access	%	Access	%	Access	%
2020/2021	3720	11803	89%	8670	66%	13200	100%	11381	86%
2021/2022	3960	12475	90%	9283	67%	13888	100%	12046	87%
2022/2023	4000	13104	89%	10011	68%	14696	100%	12701	86%

FINANCIAL PERFORMANCE 2022/2023:COST TO MUNICIPALITY OF FREE BASIC SERVICE DELIVERY						
R'000						
Service Delivered	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget

Water	7 927 842	8 971 525	8 440 000	7 440 000	9 882 635	17%
Waste Water(Sanitation)	14 457 577	147 141	8 440 000	12 708 060	19 124 432	127%
Electricity	15 346 527	20 767 449	19 080 000	19 080 000	19 795 286	4%
Waste Management(Solid Waste)	19 816 474	12 977 810	21 100 000	18 100 000	24 834 471	18%

## COMMENT ON FREE BASIC SERVICES OVERALL PERFORMANCE

### NATIONAL KEY PERFORMANCE INDICATOR

#### COMPONENT B: ROAD TRANSPORT

This component includes Road and Storm-Water Drainage, and Licensing Services

#### 3.7 ROAD AND STORM-WATER DRAINAGE

- ✚ The objectives of roads and storm-water are:
- ✚ To provide safe and quality infrastructure for the people of JB Marks Local Municipality
- ✚ To provide a healthy and safe environment to our community

The development of our people and alleviation of poverty by creation of jobs through EPWP (Extended Public Works Programme) is a core priority. Through the implementation of storm-water projects, JB Marks Local Municipality plays a role in the development of its people and in poverty alleviation.

GRAVEL ROAD INFRASTRUCTURE				
				Kilometer's
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2020/2021	22Km	0	0	22.321km
2021/2022	/85			
2022/2023				

TARRED ROAD INFRASTRUCTURE				
				Kilometer's
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Tar roads maintained
2019/2020	9.776Km	9.776Km	N/A	N/A
2020/2021	0	0	3.6Km	2.247 Km
2021/2022				
2022/2023				

COST OF CONSTRUCTION/MAINTENANCE						
Year	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2019/2020			R 26 079.22	R 46 978 589.40		
2020/2021			R 28 978.00		R6 991 405.75	R1 640 087.17
2021/2022						
2022/2023						





<b>EMPLOYEES: ROAD AND STORM-WATER DRAINAGE AND BUILDING MAINTENANCE</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies / Over No.</b>	<b>Vacancies (as a % of total posts)</b>
0-3	0	0	0	0	0%
4-6	6	6	6	0	0%
7-9	0	1	0	1	100%
10-12	6	10	6	4	40%
13-15	4	6	4	2	33%
16-18	50	57	50	7	12%
19-20	0	0	0	0	0%
<b>Total</b>	<b>66</b>	<b>80</b>	<b>66</b>	<b>14</b>	<b>18%</b>

#### EMPLOYEE INFORMATION



<b>FINANCIAL PERFORMANCE 2022/2023: ROAD AND STORM-WATER DRAINAGE SERVICES</b>						
<b>R'000</b>						
<b>Details</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total operational revenue</b>						
<b>Expenditure:</b>						
Employees	22 317 749	24 852 890	22 423 028	22 423 028	23 975 854	7%
Repairs and maintenance	5 574 066	6 194 727	11 005 841	38 542 748	28 510 296	159%
Other	0.00		113 079 200	113 079 200	3 817	(99%)
<b>Total operational expenditure</b>	27 891 815	31 047 617	146 508 069	174 044 796	52 489 967	(64%)
<b>Net operational expenditure</b>	(27 891 815)	(31 047 617)	(146 508 069)	(174 044 796)	(52 489 967)	(64%)

#### COMMENT ON ROAD AND STORM-WATER DRAINAGE SERVICES OVERALL PERFORMANCE

# OBJECTIVES TAKEN FROM THE IDP (Complete Annual Performance Report available in chapter 3) Organisational Development Performance Part II

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : TECHNICAL SERVICES															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 6	IDP-MIG Funding-Capital Project  PMU-Road Storm Water  Multi-Year Project from 2021/2022 to 2024/2025	New Project	OKM	Number of KM Road and Storm Water Constructed as per preliminary report in JB Marks LM by June 2023	Number of KM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	5KM Road and Storm Water Constructed as per preliminary report in JB Marks LM by June 2023	0,5KM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	R5 000 000.00  Vote No. 070340020139	R20 455 120.96  Vote No. 070340020009	R 13 407 90.50  R5 488 022, 53	OKM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	The Contractor had to re-establish the site camp as it was demolished during strike and start the works from scratch. The indicator and target was amended to be specific and well defined. The Project was adjusted to R20 455 120.96 on the 11/01/2023.due to approval of Municipal Infrastructure Grant allocation. The Municipality procured the material on behalf of the contractor through cession.	The municipality to closely monitor progress on the project in the next financial year. Management will ensure that project related procurements are done timeously to avoid delays on implementation of projects.	Progress Report  Designs Completed  Payment Certificates  Appointment Letters (Consultant and Contractor)  MIG approved letter	Not Achieved 
KPI 15	IDP-MIG Funding-Capital Project  PMU-Road and Storm Water	Designs completed in 2018/2019	OKM	Number of KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	N/A	1.6 KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	N/A	R5 962 993.00  Vote No. 070340000003	R10 933 841.01	R9 633 667.75	OKM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	The project was at 70% overall progress and behind schedule as the Contractor encountered a hard rock on the subsurface of the stormwater excavations and due to temporary suspension of works by sub-contractors. KPI's annual budget was increased from R5 962 993, 00 to R10 933 841.01 due to approval of the MIG roll over.	Management will ensure that the contractor expedite the works and will impose penalties if the project is not completed by end of September 2023	Progress Reports Payment Certificates Roll over approval	Not Achieved 

**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : TECHNICAL SERVICES**
**STRATEGIC OBJECTIVE** TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/ Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 33	IDP-MIG Funding – Capital Project  PMU – Road and Storm Water	New Project	11.11% Overall Progress  Expenditure R708 073.60	Number of KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	N/A	2.26KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	N/A	R5 950 157.00	R13 253 690.60	R13 407 940.50	2.27KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	KPI to be included in the SDBIP as it was listed in the IDP and Budget was available through the MIG roll over approval. Budget was increased from R5 950 157.00 to R13 407 941.00	Municipality to continue to appoint competent service providers in the next financial year	Progress Report Payment Certificates Practical Certificate	Achieved 
KPI 34	IDP- Internal funding-Capital Project  PMU-Road and Storm Water Multi-Year Project from 2021/2022 to 2024/2025	New Project	New Project	N/A	Number of KM of Road and Storm Water constructed in Boikhutsong by June 2023	N/A	0,5 KM of Road and Storm Water constructed in Boikhutsong by June 2023	N/A	R3 000 000.00 Vote No. 070340020139	R5 488 022.52	0 KM of Road and Storm Water constructed in Boikhutsong by June 2023	The project was at 30% overall progress. The community stopped work on two occasions, the last being on the 22 March 2023, Waterlines installed was located on the road, which made the Contractor to be behind schedule. KPI/Target was amended to be specific and well defined. Budget allocation increased from R2 000 000.00 to R6 474 084.00 due to planned construction on site.	The project to be deferred to the next financial year. Management to ensure that the Contractor expedite construction works and complete the project in 2023/2024 financial year.	Appointment letters for consultant and Contractor  Progress Reports Payment Certificates	Not Achieved 

### 3.8 LICENSING SERVICE

#### INTRODUCTION TO LICENSING SERVICES

The purpose of licensing is:-

- ✚ Registration and Licensing of motor vehicles
- ✚ Conversion of Drivers licenses
- ✚ Issuing of special and temporary permits
- ✚ Issuing of personal and private license numbers
- ✚ Deregistration of motor vehicles
- ✚ Filing of all registration and licensing documentation per registration numbers
- ✚ Filing of all Drivers licenses and Professional permits

#### STEPS TAKEN TOWARDS THE IMPLEMENTATION OF THE STRATEGY, THE MAJOR SUCCESS ACHIEVED AND CHALLENGES FACED

- ✚ To perform effective services for registration and licensing/renewal of vehicle licenses
- ✚ To ensure the effective and legal issue of permits
- ✚ To perform changes of address of members of the public and engine numbers of vehicles
- ✚ To ensure proper service delivery by assisting members of public in all vehicles

#### SERVICE STATISTICS FOR LICENSING SERVICES

DESCRIPTION	2020/2021	2021/2022	2022/2023
Registration of vehicles	15098	103580	15251
Licensing / renewal of vehicle licenses	108394	14671	96255
Issue of permits	479	130	606
Application and renewal of motor trade plates	13		92
Application and issue of certificate of roadworthiness certificates of motor vehicles	2187	1364	361
Application of learner's licenses	2049	1219	1117
issue of learner's licenses	1590	6631	460
Application of professional driving permits	1882	130	659
Issuing of drivers licence	10013	659	2978
Issuing of temporary drivers licenses	5965	4109	1941
Road Traffic Management Corporation	N/A	N/A	N/A

#### EMPLOYEE INFORMATION

EMPLOYEE: REGISTRATION AND LICENSING SERVICES					
Job Level	2021/2022	2022/2023			
	Employees No.	Post No.	Employee No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	1	0	1	100%
4-6	2	8	2	6	75%
7-9	11	15	10	5	33%
10-12	19	23	18	5	22%
13-15	2	2	2	0	0%
016-18	2	3	2	1	33%
19-20	0	0	0	0	0%
<b>Total</b>	<b>36</b>	<b>52</b>	<b>34</b>	<b>18</b>	<b>35%</b>

FINANCIAL PERFORMANCE 2022/2023: LICENSING						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
Total operational revenue	10 620 933	15 224 203	12 000 500	10 000 100	11 179 253	(7%)
Expenditure						
Employees	4 647 960	4 810 531	5 149 798	5 149 798	4 728 669	(8%)
Repairs and maintenance	99 999	39 787	228 600	73 600	54 559	(76%)
Other	82 597	55 724	246 755	314 355	108 663	(56%)
Total operational expenditure	4 830 556	4 906 042	5 625 153	5 537 753	4 891 891	(13%)
Net operational Expenditure	5 790 377	10 318 161	6 375 347	4 462 347	6 287 362	(1%)

### COMMENT ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

The JB Marks has two branches for licensing services in Potchefstroom and in Ventersdorp, fully functional.

### COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning, local economic development.

#### 3.9 PLANNING

The spatial planning and land use management intends to promote integrated planning and development by periodic review of spatial development framework, Town planning scheme and other ancillary land use policies. It further seeks to optimize the utilization of the geographic information system as a decision making and management tool. The strategy strives to facilitate growth and development by speedily processing land use rights application.

#### Town Planning Functions

- ▶ To promote integrated planning and development by the review and amendment of the spatial development framework.
- ▶ Responsible for administration and of applications of subdivision, consolidation and rezoning of properties in accordance with the JB Marks By-Laws and Land Use Scheme
- ▶ Development control by handling land use applications to ensure compliance with SPLUMA, Town Planning Scheme, Town Planning Policy and Principles and related legislation.
- ▶ General administration/tasks in order to maintain and ensure the sound effective operation of the land use management section
- ▶ To optimize the utilization of the Geographic Information System (GIS) as a decision making and management tool
- ▶ Issuing of land use transgression notices
- ▶ Ensure that land Use transgression register is updated regularly

PHYSICAL PLANNING	CHALLENGES
Opportunities	Challenges
Wall-to-wall land use	Dolomitic Environment
Bulk service master plans	Lack of sufficient municipal land

<b>DETAILS</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
Detail of building plans	1036	799	669
Number of building plans approved (excluding low cost housing)	993	705	568
Value of building plans approved	R 3 541 204	R1 693 506	R1 601481
Number of applications received for:-			
Township establishment	3	3	6
Rezoning	22	22	25
Special consent and other	77	77	72

<b>APPLICATION FOR LAND USE DEVELOPMENT</b>			
<b>Detail</b>	<b>Formalization of Townships</b>	<b>Rezoning</b>	<b>Built Environment</b>
	<b>2022/2023</b>	<b>2022/2023</b>	<b>2022/2023</b>
Planning application received	6	25	
Determination made in year of receipt	0	15	
Applications withdrawn	0	0	
Applications outstanding at year end	6	10	

**EMPLOYEE INFORMATION**

<b>EMPLOYEES: TOWN &amp; REGIONAL PLANNING, QUALITY ASSURANCE &amp; BUILDING CONTROL AND PMU</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No</b>	<b>Vacancies (as a % of total posts)</b>
0-3	4	4	4	0	0%
4-6	2	2	2	0	0%
7-9	5	8	5	3	38%
10-12	2	2	2	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>13</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>19%</b>

<b>FINANCIAL PERFORMANCE 2022/2023: TOWN-PLANNING, BUILDING SUYVEY, BUILDING CONSTRUCTION AND PMU</b>						
<b>Details</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
Total operational revenue	2 546 019	44 033 000	78 131 497	83 301 449	79 867 371	2%
Employees	11 346 790	15 278 863	11 634 058	11 634 058	12 477 794	7%
Repairs and maintenance	361 308	423 505	500 000	300 000	254 539	(49%)
Other	1 045 831	1 407 907	8 738 848	1 996 308	348 356	(96%)
Total operational expenditure	<b>12 753 929</b>	<b>17 110 275</b>	<b>20 872 906</b>	<b>13 930 366</b>	<b>13 080 689</b>	<b>(37%)</b>
Net operational Expenditure	(10 207 910)	26 922 725	57 258 591	69 371 083	66 786 682	17%

## COMMENT ON PLANNING AND DEVELOPMENT OVERALL PERFORMANCE

There are serious strategic challenges which impact negatively on the endeavor to achieve long term goals. At this juncture there is no internal capacity to drive and implement Dolomite Risk Management Strategy and Plan thereof. There is currently a problem with regard to storage of building plans facility, the Building Control Section is in need of space to store the building plans. This section is running with under capacity in terms of personnel, there is a need to capacitate the section with administrator as well as building inspectors to enhance the performance of Building Control Section.

## 3.10 LOCAL ECONOMIC DEVELOPMENT

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The mission of the **Local Economic Development (LED)** section is to create an enabling environment for local economic growth and the following subunits are responsible to achieve the mentioned objective.

Sections:	*	<b>Business Enterprise Development</b>
	*	<b>Tourism Development and Marketing</b>
	*	<b>Socio Economic Development</b>
	*	<b>Rural and Agricultural Development Support</b>

The Local Economic Development (LED) is tasked with growing and expanding existing business area: focus on channelling resources to existing business area in order to expand operations and increase higher wages jobs from within the existing economic base. Focus on projects to create a formal business attraction, retention and expansion, or projects to create or enhance the town urban regeneration program.

- ***Stimulating Entrepreneurship:*** focus resources on fostering new business start-ups that may include projects that create and / or expand business development program, projects that support the creation and / or expansion of small business incubators or projects that support the creation of investment networks.
- ***Retention of existing businesses:*** Strengthening Existing Small Businesses to Create Thriving Local Economies. Business Retention & Expansion (BR&E) is an economic development strategy to proactively connect existing businesses to understand and respond to local business needs.
- ***Attracting New business:*** focus on channelling resources in order to induce business to relocate to JB Marks Local Municipality. Focus on projects that identify local strengths and opportunities for business attraction or projects that develop market-specific-recruitment program.

Local Economic Development (LED) plays a crucial role in creating a conducive environment for businesses in order to facilitate investment that result in job creation and improved quality of life for the inhabitants and the economy in general. The focus is aimed at stimulating Entrepreneurship attracting businesses and retaining the businesses that exists in the municipal area. One of the main functions is to ensure the development of SMME's in order to create much need job opportunities to better the lives of the ordinary people. We are also expected to form partnerships with private businesses and other government institutions that will improve the business environment in the municipal areas. The LED is divided into Enterprise Development, Socio Economic Development and Tourism & Marketing Development Unit. As one of our main functions is to ensure that we offer capacity building, trainings and awareness programmes to the business and in particular the SMME's.





## 3.10.1 ENTERPRISE DEVELOPMENT

### CAPACITY BUILDING FOR SMMES

TRAININGS AND WORKS SHOPS: ONE

#### WOMEN AND LGBTQ – COMMUNITY (RAINBOW COMMUNITY), TOWNSHIP SMME DEVELOPMENT WORKSHOP

The workshop was held to empower **youth small business owners** through the following products and services; registering businesses, logo designing, guidance on where and how to apply for funding, application submissions and mentorship.

This workshop was made possible by inviting various stakeholders to offer the listed products and services, utilization, and empowerment of local business owners in digital marketing and software development, consulting and training, media and photography, hospitality, and catering fraternities.

The workshop was held as follows:

Venue: Gamatlabe Community hall  
Date: Friday, 02 September 2022  
Time: 10:00 -15:30



**Annual SME Development Workshop 2022**

**Date:** 2 September 2022 | **Venue:** Ga Matlabe Hall  
**Time:** 09:00 - 13:00 | **Theme:** Boss Look  
**Entrance Fee:** R Confident Attitude

**Selection Criteria**

**Essay of not more 300 words explaining:**

- Your Phone Number & Email Address (Important).
- why you should be chosen to be part of the workshop.
- Industry you're in.
- Is your business registered?
- Age & Gender.
- Area which you reside.

**Send Applications to**  
[athletesinneedinfo@gmail.com](mailto:athletesinneedinfo@gmail.com)  
**Or WhatsApp**  
083 884 2142

**ENCOURAGED TO APPLY**  
Young Female & LGBTQ+ Entrepreneurs

Logos of sponsors: NWU, Standard Bank, nyda, sedo, sefa, and others.

2022/2023 ANNUAL REPORT – JB MARKS LOCAL MUNICIPALITY

083 884 2142  
athletesinneedinfo@gmail.com





## TRAININGS AND WORKS SHOPS: TWO

### SEDA: START-UP TRAINING COURSE

SEDA's entrepreneurial training courses empower small business owners with the necessary skills to enable them to take their businesses to greater heights. Entrepreneurs learn to:

- Market their business effectively;
- Understand the importance of building a reputable business profile as a marketing tool; and
- Maintain financial records and develop their business plans.

The training courses also cover financial management, customer care, report writing and business writing skills, whilst helping entrepreneurs to identify areas of improvement for their businesses.

The Training was held as follows:

**Date:** Monday, 17- Thursday, 20 October 2022  
**Venue:** Ikageng Community Library - Bathueng Street Ikageng  
**Time:** 09:30 – 15:30

A total number of **29 (Twenty Nine)** SMMEs were offered training.



## TRAININGS AND WORKS SHOPS: THREE

### SALGA: PUBLIC SPACE TRADING GUIDELINE ENGAGEMENT

The project, commissioned by SALGA, in partnership with the European Union (EU), is being implemented through the EU's Capacity Building Programme for Employment Promotion (CBPEP) programme, and was done in partnership with the Technical Advisory Centre (GTAC);

The Policy Guidelines outline short, medium & long-term policy recommendations aimed at the COVID-19 and emergency situations, improving the operating conditions for informal business, and delivering a coherent and effective governance model.

The project was repurposed to respond to the prevailing climate precipitated by COVID-19;

The SALGA Public Space Trading Guideline Engagement was held as follows:

Date: Wednesday, 01 March 2023  
Time: 10:00 – 13:00  
Venue: JB Marks Local Municipality Chambers

## TRAININGS AND WORKS SHOPS: FOUR

### JB MARKS LOCAL MUNICIPALITY: HEMP & CANNABIS INFORMATION SESSION

The Cannabis Development Co-operative of North West (CDCSA), represented by members who reside in the JB Marks Local Municipality, which is part of the broader Dr Kenneth Kaunda District Municipality, submitted a formal request to the Local Economic Development to assist to host information sharing sessions centred around hemp, cannabis compliance and the Acts of the Industry

The JB Marks Local Municipality and Cannabis Development Co-Operative of North West Hemp and Cannabis Information Session held as follows:

#### FIRST SESSION:

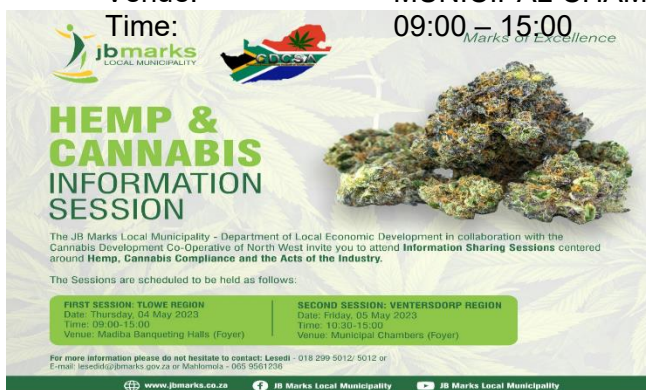
Name of Session: CDCNW: JB MARKS LOCAL MUNICIPALITY - HEMP & CANNABIS INFORMATION SESSION

Date: Thursday, 04 May 2023  
Venue: MADIBA BANQUETING HALLS (FOYER) POTCHEFSTROOM  
Time: 09:00 – 15:00

#### SECOND SESSION:

Name of Session: CDCNW: JB MARKS LOCAL MUNICIPALITY - HEMP & CANNABIS INFORMATION SESSION

Date: Friday, 05 May 2023  
Venue: MUNICIPAL CHAMBERS (FOYER) VENTERSDORP  
Time: 09:00 – 15:00





## FUNDING PROGRAMMS : ONE

### SEDA: SPAZA SHOP SUPPORT PROGRAMME (SSSP) POINT OF SALE EQUIPMENT

SMME Debt Relief Scheme is administered by **SEFA** (Small Enterprises Finance Agency), an agency of the Department of Small Business Development. With the re-opening of the economy, the township and village economies require special focus, if Government is to achieve the aspirations of the new economy post Covid-19.

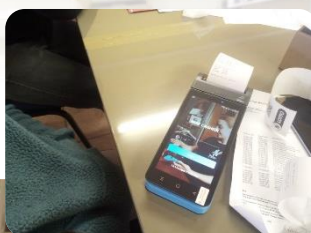
The following Schemes are available for qualifying entrepreneurs:

- Spaza-shop support programme
- Clothing, leather & textile support programme
- Small-Scale Bakeries and confectionaries support programme
- Auto body repairs and mechanics support programme ( as well as small and independent auto-spares shops and informal automotive entrepreneurs)

This time around the TREP programme's focus is being on the Spaza shops owners who has been selected to receive **Add Pay Machines** so they can be competitive in their respective businesses.

The second session of training was conducted at Ikageng Community Library on the 12<sup>th</sup> of July 2022 and on the 19<sup>th</sup> of July 2022.

A total number of **24 (Twenty Four)** beneficiaries has received their **Add Pay Machines**.



## FUNDING PROGRAMMS : TWO

### THE DR KENNETH KAUNDA DISTRICT MUNICIPALITY FUNDING PROGRAMM

The Dr Kenneth Kaunda District Municipality had put up an advertisement on the local newspapers on the 04<sup>th</sup> of March 2020 and across social media platforms for all SMMEs in the district to apply for funding. SMMEs applied for this funding and the JB Marks Local Municipality received 67 (Sixty Seven) of applications that we submitted to the District for consideration. However some SMMEs submitted directly to the District Municipality of which we cannot account for.

A total number of **12 (Twelve)** SMMES benefited from the programm

#### Qualifying Sectors:

Agriculture and Agro-processing, Cultural and creative industries, Audio Visual Arts, Craft Culture Heritage, Events and Technical Production, Music, Media, Publishing, Performing Arts.





## BUSINESS LICENSING

### EXTENSION 7 TAXI RANK HAWKERS STALLS HAND OVER

The informal trading sector requires basic economic infrastructure and municipal services as well as generic business services. The public environment requires cleaning, security and maintenance and the city needs to make provision for these services. Effective delivery of “basic municipal services” provides an environment in which business can thrive. These may include -

- (a) Provision of trading areas and facilities and management thereof;
- (b) Provision of electricity, cleaning services, water, sewerage services, etc depending on the type of facilities involved; and
- (c) Ensuring safety and security in business areas.

On the 20<sup>th</sup> of July 2022 two of our applicants namely **Mr Jabulani Enoch Dlamini** and **Ms Thethiwe Caroline Malgas** has received their Hawkers Stalls keys and Pre-paid Electricity card to start operating their informal business.



### BUSINESS LICENCES ISSUED

Business Licence issuing in terms the National Business **Act No 71 of 1991**, to undertake specified operations according to **Schedule 1 of Act No 71 of 1991**.

The Local Economic Development issued a business license certificate for:

**Business License Certificate**

**Engen Garage Vulstasie CC t/a Miederpark**

**Business License Certificate  
Business License Certificate**

**S,A Fit Foodz  
OBC CBD \_ Potchefstroom**



## BY-LAW INSPECTIONS: INSPECTION IN LOCO

### INSPECTION IN LOCO WANDELLAAN

The Department of Municipal Services & Local Economic Development conducted an inspection in loco on **Wednesday, the 10<sup>th</sup> August 2022** at Walter Sisulu Avenue (Wandelaan). The purpose of the inspection was to check the businesses that are compliant and non-compliant in terms of the North West Business Licence Act No. 6 of 1997.

The following shops were found to be operating without business licenses and 14 days notices were issued: None complaint for a number of reasons.

Unfortunately as LED we could only deal with Business Licenses compliance as core function.

NO	NAME OF THE SHOP	ADDRESS	OWNER	STATE OF COMPLAINE	NOTICE
1	Henn's Fish & Chips	Shop No. 786 Walter Sisulu Street Potchefstroom	Hossain Sagor	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
2	Manas's Supermarket & Wholesale	Cnr Ovens & Auto Avenue Potchefstroom	Hossaw Mahammad	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
3	Feni Store	Shop No. 7 Auto Avenue Potchefstroom	MD Hosin Palash	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
4	Fresh Fruits & Veg	Shop No. 8 Auto Avenue Potchefstroom	AL Amin	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
5	Grillers Fast Food	Shop No. 2 Walter Sisulu Street Potchefstroom	Ergicho Temiseen	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
6	Lue Sky Supermarket	Shop No. 3, 11 Olen Avenue Potchefstroom	Lemango Meshal Begego	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
7	Msazi Take Away	Shop No. 3 Olen Avenue Potchefstroom	Mekonafai Tewrech Getachew	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>
8	Hike Take Away 2	Shop No. 15 Sol Plaatjie Street Potchefstroom	Cherhf Madouchene	<b><i>Operating without a business license</i></b>	<b>Final Notice Issued</b>

### INSPECTORATE MEETING AND INSPECTIONS

**Date:** Friday, 11 November 2022  
**Venue:** Potchefstroom Police Station Boardroom (Inspections)  
**Time:** 09:00

The purpose of the inspection was to check the businesses that are compliant and non-compliant in terms of the North West Business Licence Act No. 6 of 1997.

The following shops were found to be operating without business licenses and 14 days notices were issued: None complaint for a number of reasons.

Unfortunately as LED we could only deal with Business Licenses compliance as core function.

NO	NAME OF THE SHOP	ADDRESS	OWNER/MANAGER	STATE OF COMPLAINE	NOTICE
1	Hospitaal Groente	90 Kock Street Potchefstroom		<i>Operating without a business license</i>	Final Notice Issued BL: 0129
2	JT's Tarven (Blue House Paradise)	190 Perrin & New market Street Potchefstroom	Ms S. Mlatha	<i>Operating without a business license</i>	Final Notice Issued BL: 0131

## INSPECTORATE MEETING AND INSPECTIONS

**Date:** Thursday, 24 November 2022  
**Venue:** Ikageng Police Station Boardroom (Inspections)  
**Time:** 09:00

The purpose of the inspection was to check the businesses that are compliant and non-compliant in terms of the North West Business Licence Act No. 6 of 1997.

The following shops were found to be operating without business licenses and 14 days notices were issued: None complaint for a number of reasons.

Unfortunately as LED we could only deal with Business Licenses compliance as core function.

NO	NAME OF THE SHOP	ADDRESS	OWNER/MANAGER	STATE OF COMPLAINE	NOTICE
1.	Beza Tuck-shop	449 Letsie Street Ikageng		<i>Operating without a business license</i>	Final Notice Issued BL: 0132
2.	Bismila Tuck-shop	432 Letsie Street Ikageng	MD Shamim	<i>Operating without a business license</i>	Final Notice Issued BL: 0133
3.	A.A. Tuckshop	354 Letsie Street Ikageng	Tadia Getachewabebe	<i>Operating without a business license</i>	Final Notice Issued BL: 0134
4.	Abdul Tuck-shop	393 Mokgobo Street Ikageng	Barik Abdul	<i>Operating without a business license</i>	Final Notice Issued BL: 0135
5.	ABA Tuck-shop	438 Mokgobo Street Ikageng	Mahfutur Maheujur	<i>Operating without a business license</i>	Final Notice Issued BL: 0136
6.	Tamam Wholesale Distributors	3650 Chelly Street Ikageng	Bashir Tahlil Roble	<i>Operating without a business license</i>	Final Notice Issued BL: 0137
7.	Banele Tuck-shop	3674 Cnr Lekhele & Kopano Street Ikageng	Ashenafi Nigusse Lame	<i>Operating without a business license</i>	Final Notice Issued BL: 0138

## INSPECTORATE MEETING AND INSPECTIONS

The Department of Municipal Services & Local Economic Development in collaboration with other Departments and the Department of Health Dr Kenneth Kaunda District Municipality conducted a special inspection in loco at Ventersdorp. The purpose of the inspection was to check the businesses that are compliant and non-compliant in terms of the North West Business Licence Act No. 6 of 1997.

A total number of **Three (3)** shops were visited during the inspection in loco at Ventersdorp.



NO	NAME OF THE SHOP	ADDRESS	OWNER	STATE OF COMPLAINE	NOTICE	NOTICE NO.
1	Spar Ventersdorp	27 Van Riebeck Street Ventersdorp	Albertina Moeti - Manager	<i>Operating without a business license</i>	Notice Issued	JBM.BL 0141
2	Alec's Hyper	15 Van Riebeck Street Ventersdorp	Yan Longping	<i>Operating without a business license</i>	Notice Issued	JBM.BL 0142
3	Pick 'n Save	22 Van Riebeck Street Ventersdorp	Mohammad Nayeem	<i>Operating without a business license</i>	Notice Issued	JBM.BL 0142

## INSPECTORATE MEETING AND INSPECTIONS

**Date:** Friday, 17 March 2023

**Venue:** JB Marks Local Municipality Fire Station Boardroom

**Time:** 09:00-14:00

The purpose of the inspection was to check the businesses that are compliant and non-compliant in terms of the North West Business Licence Act No. 6 of 1997.

The following shops were found to be operating without business licenses and 14 days notices were issued: None complaint for a number of reasons.

Unfortunately as LED we could only deal with Business Licenses compliance as core function.

NO	NAME OF THE SHOP	ADDRESS	OWNER	STATE OF COMPLAINE	NOTICE
1.	Engen Garage (Miederpark)	Shop No. CJF Du Plessis Centre Walter Sisulu Street Potchefstroom	Francois Meyer	<i>Operating without a business license</i>	Notice Issued
2.	S.A. Fit Foodz	Shop No. CJF Du Plessis Centre Walter Sisulu Street Potchefstroom	Williem Reynders	<i>Operating without a business license</i>	Notice Issued
3.	Miederpark Supermarket	Shop No. 06 CJF Du Plessis Centre Walter Sisulu Street Potchefstroom	Mohammad Mamun	<i>Operating without a business license</i>	Notice Issued
4.	Discovery Pub and Grill	Shop No. 06 144 Beyers Naude Drive Miederpark Potchefstroom	Rian	<i>Operating without a business license</i>	Notice Issued
5.	Alabama Super Market	Shop No. 06 144 Beyers Naude Drive Miederpark Potchefstroom	Jony Du Santos	<i>Operating without a business license</i>	Final Notice Issued
6.	Dintjies and Dintjies	Shop No. 02 144 Beyers Naude Drive Miederpark Potchefstroom	Mr SA Van Nie Kerk	<i>Operating without a business license</i>	Final Notice Issued

## COMMUNITY OUTREACHS AND ROAD SHOWS : ONE

## CSD (CENTRAL SUPPLY CHAIN DATABASE) ROAD SHOW

The North West provincial Treasury in partnership with JB Marks were conducting a CSD (Central Supply chain Database) Road Show.

The Provincial treasury was directed to provide a policy guideline on the promotion of SMMEs in Villages, Townships, Rural Communities & Small Towns, in the North West Provincial Government.

The main objective of the project was to identify and accelerate registration of SMMEs in Villages, Townships, Rural Communities & Small Towns. This has assisted our municipality to register our local SMMEs on the CSD (Central Supply chain Database).

The registration of SMMEs and CSD updates took place in the following respective places:

Date:	Venue:	Contact Person:
Wednesday, 26 July 2022	Ikageng Library Bathoeng Street, <b>IKAGENG</b>	Themba
Thursday, 27 July 2022	<b>Govern Mbeki Hall</b> Bathoeng Street, <b>IKAGENG</b>	Papa
Friday, 28 July 2022	<b>Sarafina Library</b> Sarafina Street, <b>IKAGENG</b>	Jeanette

Date:	Duration:	Venue:	Time:	Status:
Monday, 12 June 2023	1 Day	Ipeleng, Sarafina Community Library	10:00	Done
Tuesday, 13 June 2023	1 Day	Promosa Library	10:00	Done
Wednesday, 14 June 2023	1 Day	Ikageng Library	10:00	Done
Thursday, 15 June 2023	1 Day	Ventersdorp Library	10:00	Done

A total number of **104 (One Hundred and Four)** SMMEs has been reached and assisted for the Four days of the Roadshow.

JB Marks Local Municipality Local Economic Development section assisted to facilitate the following:

- Mobilizing suppliers within the municipality due restrictions to one venue.
- Ground floor venue that catered for people with disabilities.
- Chairs, tables, electricity and proper ablution.
- Placing an advert in all forms of medium of communication.



## COMMUNITY OUTREACHS AND ROAD SHOWS : TWO

### DEPARTMENT OF LABOUR: CAREER AND EMPLOYMENT EXHIBITION

The Department of Employment and Labour in partnership with the JB marks local municipality held a Career & Employment Exhibition where we were exhibiting and informing the unemployed youth about career and employment opportunities, through information and opportunities which was shared by different stakeholders. This was an opportunity for the youth to be provided with possible bursaries and skills development programmes, for career development, as well as to be informed about employment and entrepreneurial opportunities.

This initiative was intended for the youth, especially during this period when we are faced with a pandemic, which left most people unemployed, feeling hopeless and helplessness. Therefore, this brought a sense of hope and optimism, as these opportunities would possibly be able to assist in curbing unemployment and expose young people to variety of careers.

Date: 26 August 2021  
Time: 09:00—15:30  
Venue: PROMOSA COMMUNITY HALL





## COMMUNITY OUTREACHS AND ROAD SHOWS : THREE

### WARD 8 LED PRESENTATION

Business Brief Session for the community members, those in business and those with interest on starting businesses at ward 8 Ikageng.

LED office was invited to make a brief presentation on our product offerings and services that could be beneficial to the business community of ward 8.

The date for the intervention was as follows:

Date: Wednesday, 02 November 2022

Time: 10:00

Venue: Gamatlabe Community Hall



## COMMUNITY OUTREACHS AND ROAD SHOWS : FOUR

### SMMES - DISABILITY RIGHTS AWARENESS MONTH

LED presentation Session for the community members, those in business and those with interest on starting businesses at Tshing Community hall Ext 4 Ventersdorp.

The observance of the day aimed at promoting and understanding of disability issues and mobilise support for the dignity, rights and well-being of persons with disabilities. To increase awareness of the integration of persons with Disabilities in every aspects of Political, Social, Economic and Cultural life.

LED office was invited to make a brief presentation on our product offerings and services that could be beneficial to the businesses community of Tshing.

The date for the intervention was as follows:

Date: Friday, 25 November 2022

Time: 10:00

Venue: Tshing Community Hall Ext 4, Tshing Ventersdorp



## **COMMUNITY OUTREACHS AND ROAD SHOWS : FIVE**

### **NEIGHBORHOOD DEVELOPMENT PLAN**

JB Marks Local Municipality Precinct Investment Plan: **Regional Network Strategy Report, Stakeholders Workshop** held as follows:

Date: 25-27 January 2023  
Time: 09:30-15:00  
Venue: Trim Park Hall

Documents of the NDPG have been submitted to the Acting Municipality Manager as part of the NDPG report. A draft document will be presented to Council in due course.

The primary focus of the NDPG is to stimulate and accelerate investment in poor, underserved residential neighbourhoods by providing technical assistance and capital grant financing for municipal projects that have either a distinct private sector element or an intention to achieve this.

## **COMMUNITY OUTREACHS AND ROAD SHOWS : SIX**

### **INSPECTORATE ROADSHOW CAMPAIGN – CBD TAXI RANK**

The JB Marks Local Municipality held a By-Law Inspectorate Awareness Campaign to inform our communities about their consumer rights, environmental health, building control, business and liquor licences and land use rights. Local Economic Development handed out the brochure to the informal and formal businesses on the day. This was part of educating both sectors on how to apply for business license and permits.

The campaign was held as follows:

Date: Wednesday, 26 May 2023  
Time: 09:00  
Venue: CBD Taxi Rank

Below is a link for the live streaming:

<https://fb.watch/kU4kKBmtXp/?mibextid=Nif5oz>

## **EPWP (EXPANDED PUBLIC WORKS PROGRAMME)**

### **INTRODUCTION:**

EPWP was implemented in 2004 and it is a nationwide programme covering all spheres of government and state owned enterprises. The programme provides an important a venue for temporary job creation and income transfers to poor households in the short to medium term and it also helps to stimulate the local economies through the purchases of goods and service.

It creates work opportunities in four sectors which are as follows: Infrastructure sector, Environment & Culture Sector, Social and Non-State sector.

### **BACKGROUND**

JB Marks Local Municipality under the stewardship of Honourable KM Khumalo signed the protocol agreement with the North West Province Premier on the implementation of EPWP. It is therefore the responsibility of all public bodies to budget for implementation of EPWP

projects. However the JB Marks Local Municipality did make a provision for EPWP in the 2023/24 Financial Year.

## FUNDING

JB Marks Local Municipality has been granted an amount of R2 848, 000.00 from the Incentive Grant allocation from National Department of Public Works for 2023/24 Financial Year. JB Marks Municipality managed to budget R4 000 000.00 for EPWP projects. For 2023/24 Financial Year the municipality was able to employ 512 EPWP participants. The participants includes the Mayoral Cleaning Project that started in November 2022.

## RECRUITMENT

The office of the Executive Mayor is the one that deals with the recruitments of EPWP participants through the Ward Councilors. Then a completed list will be sent to LED to call in the participants to sign the contracts.

On the 1<sup>st</sup> November 2022 Mayoral Cleaning project was introduced to the programme with a total number of 180 additional participants to the existing number of EPWP's. The Mayoral Cleaning Project is managed from Community Services but the reporting to National Department of Public Works is done by the LED office. All the participants the EPWP/MCP are currently paid from the same EPWP budget.

## INCENTIVE GRANT PROJECTS

The JB Marks Local Municipality has signed the EPWP Incentive Grant Agreement for 2023/24 financial year. The below table states the projects that are budgeted for the amount of R2 848.000.00 that has to be spent monthly until the end of the financial year. The municipality receives the grant in three tranches from National Department of Public Works as follows:

- The 1<sup>st</sup> tranche will be received on the 04<sup>th</sup> August 2023.
- The second tranche will be received on the 3<sup>rd</sup> November 2023.
- The last tranche received to be received on the 2nd February 2024.

The project list submitted to the National Department of Public Works states that 6 projects will be implemented from the 3<sup>rd</sup> July 2022 until 30<sup>th</sup> June 2024.

Below is the table showing the projects and number of participants on each project, as well as the start and end date of the project.

The contracts of these participants are from the 03<sup>rd</sup> July 2023 until 31<sup>st</sup> December 2023.

## WORK OPPOTUNITIES CREATED

Below is the table showing the projects and number of participants, from start and to the end date of the project:

No	Project name	Profile ID	Number of participants	Start date	End date
1	136401	Agricultural Support project	2	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
2	136406	The Green Blossom Project	12	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023



3	136402	Librarian assistants	15	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
4	136403	Administrative project	6	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
5	136400	Maintenance of Parks & Cemeteries	90	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
6	136404	Maintenance of Storm water Drains	41	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
<b>TOTAL</b>			<b>166</b>		

### JB MARKS FUNDING PROJECTS

No	Project name	Profile ID	Number of participants	Start date	End date
1	140363	Reclaiming Our City Cleaning Project	175	3 <sup>rd</sup> October 2022	31 <sup>st</sup> December 2023
2	140366	Mayoral Cleaning Project	171	01 <sup>st</sup> Nov 2022	31 <sup>st</sup> December 2023
<b>TOTAL</b>			<b>346</b>		

PROJECTS	NUMBER
Incentive Grant projects	166
JB Marks funding projects	346
<b>GRANT TOTAL</b>	<b>512</b>

### WORK DONE BY EPWP PARTICIPANTS

**BEFORE**



**AFTER**





**BEFORE**



**AFTER**



**BEFORE**



**AFTER**





**BEFORE**



**BEFORE**



**AFTER**



**AFTER**



## TOURISM DEVELOPMENT AND MARKETING

Tourism is a very important sector for the South African economy. It boosts the revenue of the economy, creates thousands of jobs, develops the infrastructures of a country, and plants a sense of cultural exchange between foreigners and citizens. The number of jobs created by tourism in many different areas is significant.

There are many **social benefits of tourism**, demonstrating positive social impacts. These might, amongst others, include:

**Preserving the local culture and heritage;**  
**Strengthening communities;**  
**Provision of social services;**  
**Commercialization of culture and art;**  
**Revitalization of customs and art forms;** and the  
**Preservation of heritage.**

The traditionally-described domains of tourism impacts are economic, socio-cultural, and environmental dimensions. The economic effects of tourism include improved tax revenue and personal income, increased standards of living, and more employment opportunities.

### Different Types of Tourism:

- |                         |   |
|-------------------------|---|
| <b>Domestic Tourism</b> | – Taking Holidays and Trips in your own country.              |
| <b>Inbound Tourism</b>  | – Visitors from overseas coming into the country.             |
| <b>Outbound Tourism</b> | – Travelling to a different country for a visit or a holiday. |

### Different Types of Travel:

- |                                       |  |
|---------------------------------------|--|
| <b>Leisure Travel</b>                 | - includes travel for holidays, cultural events, recreation sports.  |
| <b>Business Travel</b>                | - includes all travel for business reasons such as meetings, conferences and exhibitions; usually business travellers have their expenses paid by their company. |
| <b>Visiting Friends and Relatives</b> | - includes all travel for the purpose of meeting   |

Broadly speaking, there are four major types of tourism namely: International tourism

Domestic tourism  
Long distance tourism  
Short distance tourism

A critical part of the recovery effort is to ensure that, while travel volumes have almost ground to a halt, the supply side of the sector is protected and rejuvenated. Tourism infrastructure development and maintenance works of products and attractions will create job and SMME opportunities, in compliance with the MFMA. There is substantial scope for labour intensive work through construction work and maintenance contracts to promote SMME development, Broad-Based Black Economic Empowerment (B-BBEE), involvement of women and youth, and local employment coupled with appropriate enterprise development.

The programme measures the quality of product offerings, to enhance the visitor experience that will be implemented in the medium-term in order to improve destination competitiveness.

The Tourism and Marketing Section in the Directorate Municipal Services are continuously conducting / facilitating Tourism Awareness workshops and campaigns, Capacity Building programmes, Training Programmes,

Tourism information dissemination, information on funding opportunities, job opportunities, etc.

#### **Collaboration with other spheres of Government**

District Municipality, Provincial and National departments of Tourism request support of Local Municipalities on a regular basis and is attended to as and when it occurs.

#### **Dissemination of tourism information, local events, etc.**

Dissemination of tourism information is done on a continuous basis electronically, telephonically, personal to clientele at the Tourism Information Centre, local and other events, etc.

#### **Collaboration with Private Sector**

The May 1996 White Paper on the Development and Promotion of Tourism in South Africa determines amongst others, the following:

#### **4.2 Guiding principles**

- I. The following principles will guide the development of responsible tourism in South Africa:
- II. tourism will be private sector driven
- III. government will provide the enabling framework for the industry to flourish
- IV. effective community involvement will form the basis of tourism growth



The JB Marks Local Municipality is represented and actively involved in amongst others, the following Tourism Related associations and organisations:

<b>Dr KK District Tourism Association</b>	Ex-Officio Membership – Association not operational at this stage
<b>Dr KK Women in Tourism</b>	Ex-Officio Membership
<b>N12 Treasure Route Association</b>	Hosting N12 Treasure Route Association Administration office in the Potchefstroom Tourism Centre. Serving as ex-officio Board Member on the N12 TRA BOD.
<b>Potchefstroom Tourism Association</b>	Hosting Potchefstroom Tourism Association administration office in the Potchefstroom Tourism Centre. Serving as ex-officio member and Treasurer on the Executive Committee.
<b>Ventersdorp Tourism Association</b>	Collaboration – association not operational at this stage
<b>Vredefort Dome Tourism Association</b>	Member of Executive Committee
<b>Vredefort Dome Tourist Guide Association</b>	Collaboration

### IN COLLABORATION WITH DEDECT NW, NWPB, NWTB, AND DR. KK DISTRICT MUNICIPALITY, 2022–2023 TOURISM JB MARKS LOCAL MUNICIPALITY PROGRAMMES



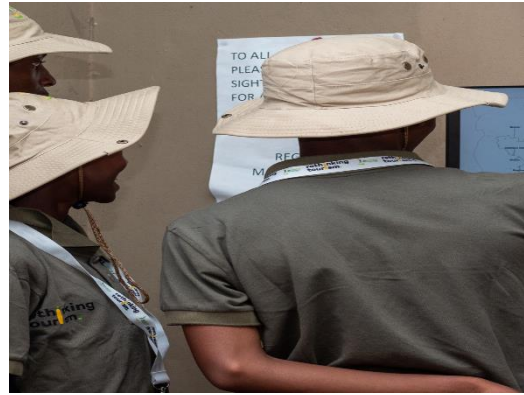
2022-09-13	Tourism Development & Marketing	Tourism Month Launch Awareness	JB Marks Tourism Month Launched 2022 World Tourism Day (WTD) with the theme “Rethinking Tourism”, which addressed positive transformation for both people and the environment. Tourism Month is held annually in September and provides a month-long emphasis on the sector's importance to the South African economy. JB Marks LED hosted targeted 150 tourism stakeholders at JB Marks Chambers Garden with the	<b>Awareness and Capacity Building</b>
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purpose of presenting diverse perspectives on tourism and providing well-earned tourism advice from tourism experts attended, that JB Marks tourism stakeholders can refer to in the development of tourism. Three young chefs were given the opportunity to demonstrate their cooking abilities in the form of food tastings as three-course meals that included a starter, main course, and dessert.


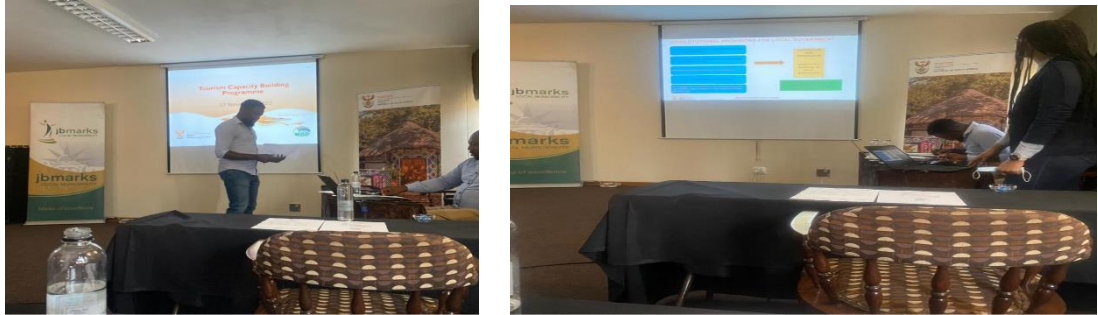
**Pictures:**


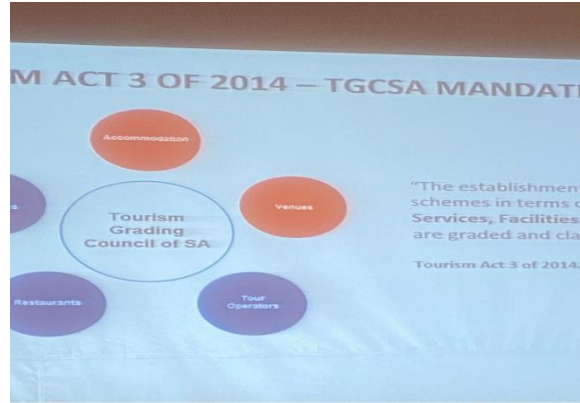


2022-09-15	Tourism Development & Marketing	JB Marks Councillors & Stakeholders Tourism Outreach Programme	The capacity building and awareness tour, which took place from Potchefstroom to the world heritage sites in the Vredefort Dome, had a great potential to empower, and in this case JB Councillors and Tourism Stakeholders have shown great enthusiasm and commitment to the tourism information shared by professional tour guide Mr. Gustav, with the purpose of informing for better JB Marks tourism planning.	<b>Capacity Building and Awareness</b>
2023-10-09	Tourism Development & Marketing	Capacity Building by JB Marks and the National Department of Tourism (Dot).	<p>The DoT has taken note of the attacks on tourists occurring throughout the country. They realised they needed to devise a strategy to address this issue. The North West DEDECT invited Municipalities to a meeting to discuss potential solutions to this problem. However, we (LED) office request permission from the Acting Municipal Manager to invite SAPS members to this workshop because security, law, and order are their primary functions. The workshop outlined the National Tourism Safety Strategy, which is built on three key pillars:</p> <ul style="list-style-type: none"> <li>• Proactive measures (ensuring that tourists are safe before they embark on a trip),</li> <li>• Responsive measures (mechanisms that ensure a quick and effective turnaround time to attend to tourists in distress if a crime occurs), and</li> <li>• Aftercare programmes (providing care and comfort to a tourist in distress immediately after an incident has occurred and beyond).</li> </ul> <p>The goal is to encourage more coordinated public-private sector collaboration in addressing tourism safety issues.</p>	<b>Awareness</b>
2022-10-20	Tourism Development & Marketing	Service Delivery Budget Implementation Plan (SDBIP)	<p>Tourism awareness programmes was conducted for Tourism High Schools learners and Teachers from B.A Seobi, Resolofetse and Seiphemelo on the 20<sup>th</sup> October 2022. Capacity-building programs assist underdeveloped communities in becoming more capable of participating in tourism decision-making processes. They encourage community involvement and provide the tools necessary for career choices.</p> <p><b>Pictures:</b></p>	<b>Awareness and Capacity Building</b>

			   	
2022-11-07	Tourism Development & Marketing	Capacity Building for Dr	It is critical to develop inclusive, effective national, provincial, and local training capacity for tourism practitioners for the development, management, and promotion of South Africa's tourism sector. The precise nature and organization of these tourism practitioners	<b>Capacity Building</b>



		KK District Municipality Tourism Practitioners	<p>must be influenced by the sector's new mandate, vision, and objectives as outlined in the tourism white paper</p> 	
2022-11-08	Tourism Development & Marketing	Capacity Building Implementation Plan (SDBIP)	<p>Department of Tourism, in collaboration with the North West Department of Economic Development, Environment, Conservation, and Tourism, Dr Kaunda District, and JB Marks Local Municipality, hosted a Capacity Building for Dr Kenneth Kaunda District SMME's.</p> 	<b>Capacity Building</b>
2022-12-07	Tourism Development and Marketing	North West Tourism Sector Strategy Review Consultancy	<p>The North West Provincial Government's Department of Economic Development, Environment, Conservation, and Tourism commissioned Professors Tseane-Gumbi and Manwa from North West University to conduct the study in order to review the current North West Provincial Tourism Sector Strategy and align it with the National Tourism Sector Strategy 2016-2026, while also incorporating tourism developments since 2016. To complete this task, it was critical that the contributions of key stakeholders be included in the final report. As JB Marks is a stakeholder, we were invited to take part in a focus group discussion.</p>	<b>Capacity Building</b>



			 	
2022-12-07	Tourism Development and Marketing	JB Marks Arrive Alive Launch at N14 Ventersdorp	JB Marks Local Municipality has launched the Arrive Alive Holiday Program, which was led by MMC for Community Safety Cllr. LM Mkhabela. To create an effective road safety increased interaction that will increase road safety awareness, save lives, and ensure safer vacation trips for all road users: drivers, cyclists, motor bikers, pedestrians, and passengers. And Tourism marketing material was distributed to travelers as to keep them informed of the tourism product offerings around JB Marks	<b>Awareness</b>

				
2022-12-08	Tourism Development and Marketing	JB Marks Arrive Alive Launch at N12 Potchefstroom	<p>JB Marks Local Municipality has launched the Arrive Alive Holiday Program, which was led by MMC for Community Safety Cllr. LM Mkhabela. To create an effective road safety increased interaction that will increase road safety awareness, save lives, and ensure safer vacation trips for all road users: drivers, cyclists, motor bikers, pedestrians, and passengers. And Tourism marketing material was distributed to travelers as to keep them informed of the tourism product offerings around JB Marks</p> 	<b>Awareness</b>



2022-01-06	Tourism Development & Marketing	Received DEDECT advertisement for the recruitment of 100 participants for a tourism and hospitality placement programme in the north west	The North West Department of Economic Development, Environment, Conservation, and Tourism invited qualified and eligible unemployed youth to participate in the 2022/23 North West Tourism and Hospitality Placement Programme.	<b>Awareness</b>
2023-02-13	Tourism Development and Marketing	DEDECT Hospitality Learnership Interviews for JB Marks Local Municipality	DEDECT conducted interviews with (15) fifteen JB Marks' shortlisted candidates in the LED boardroom. And successful candidates will be notified when it is time to sign the contract to begin learner ship on April 1st, 2023.	<b>Capacity Building</b>
2023-02-15	Tourism Development and Marketing	National Dept Of Tourism (Dot): Capacity Building	The National Department of Tourism (DoT) trained +40 SMMEs in Dr KK District, Potchefstroom Region, and JB Marks on Wednesday, February 15, 2023. There were various types of tourism businesses present. Occupational Health and Safety (OHS) Norms and Standards for the Safe Operation of the Tourism Sector is one of the critical interventions identified in the TSRP.	<b>Capacity Building</b>




			 	
2023-03-10	Tourism Development and Marketing	DEDECT Hospitality Learnership Signing of Contract for JB Marks Local Municipality	<p>Eight successful candidates from JB Marks Local Municipality signed a six-month contract learnership beginning on April 1, 2023, and were inducted to various tourism and hospitality host companies on the first day of the learnership. DEDECT helps to empower the province's youth through this programme by: I. Providing unemployed youth with temporary work in the tourism and hospitality sector; II. Assisting unemployed graduates with skill development and work experience; and III. Providing the industry with temporary subsidised labour.</p>	

			 	
2023-03-16	Tourism Development and Marketing	NW Provincial Strategy Review for Dr KK District at Potchefstroom	<p>The report's findings in carrying out a review of the Tourism Sector strategy discussed with the NW districts, and Dr. KK's discussion scheduled for 16 March in Potchefstroom</p> <p>The North West Province carried out a review of the Tourism Sector strategy, as previously invited (2022-12-07) by The North West Provincial Government's Department of Economic Development, Environment, Conservation, and Tourism commissioned Professors Tseane-Gumbi and Manwa from North West University to conduct the study in order to review the current North West Provincial Tourism Sector Strategy and align it with the National Tourism Sector Strategy 2016-2026, while also incorporating tourism developments since 2016. To complete this task, it was critical that the contributions of key stakeholders be included in the final report.</p>	<b>Capacity Building</b>

			<p><b>Green Paper on the Development &amp; Promotion of tourism in South Africa February 2023</b></p> <ul style="list-style-type: none"> <li>• North West Consultation Tourism Green Paper 14 and 16 March 2023</li> <li>• Stakeholder Consultation (1) NWTSS Review</li> </ul> <div>   </div>	
2023-04-03	Tourism Development & Marketing	DEDECT Hospitality Learnership Induction for JB Marks Local Municipality	<p>The successful candidates from JB Marks Local Municipality signed a six-month contract learnership beginning on April 1, 2023, and were inducted to various tourism and hospitality host companies on the first day of the learnership. DEDECT helps to empower the province's youth through this programme by: I. Providing unemployed youth with temporary work in the tourism and hospitality sector; II. Assisting unemployed graduates with skill development and work experience; and III. Providing the industry with temporary subsidised labour.</p>	<b>Capacity Building</b>

			 	
2023-04-20	Tourism Development & Marketing	Attended the Portfolio Committee on Economic Development, Environment and Tourism, Agriculture and Rural Development Oversight, 20 April 2023	<p>From April 19 to 21, 2023, the North West Portfolio Committee on Economic Development, Environment, and Tourism conducted oversight in the Dr Kenneth Kaunda District.</p> <p>The following updates, progress reports, and briefings were presented: 1. N12 Treasure Route, NWTB. 2. Nature Reserve of the Highveld (NWPB)</p>	<b>Awareness</b>



				
2023-05-08 2023-05-12	Tourism Development & Marketing	Annual Travel Indaba 09 To 11 May 2023	<p>The Africa Travel Indaba is a three-day trade show preceded by a dedicated Business Opportunity Networking Day (BONDay) that aims to create a platform for thought leadership, knowledge sharing, and obtaining the most recent global trends and local insights.</p> <p>The event was attended by 2 officials from Local Economic Development and Two Councillors</p> <p>Cllr's Maldacrive Davis – Tourism Project Officer MMC LED</p> <p>Mr Charity Moalusi – Chairperson Tourism portfolio</p> <p>Mr Tshepo Thebane – Acting Socio- Economic Development Officer</p> <p>Ms Lerato Sepamatla – Acting Tourism and Marketing Officer</p>	<b>Awareness</b>

			 	
2023-06-02	Tourism Development & Marketing	Requested that JB Marks Local Municipality Gastronomy Tourism Experiences/ Products be identified.	Requested by NWDEDECT from the national department of tourism to identify provincial gastronomy tourism experiences/products for consultation on the gastronomy tourism framework (GTF)	<b>Awareness</b>
2023-06-15	Tourism Development & Marketing	NW DEDECT has requested that ungraded tourism establishments be identified in the vicinity of JB Marks Local Municipality.	NW DEDECT has requested that our municipality send a list/database of 20 ungraded tourism establishments our municipality so that they can be considered for grading during the current fiscal year. The Department (DEDECT) will bear all costs incurred as a result of the grading process.	<b>Awareness</b>

2023-07-18 &19	Tourism Development & Marketing	Attended North- West Local Government Tourism Peer Learning Network sessions scheduled for July 18-19, 2023	As part of their local government tourism support, the National Department of Tourism hosted a local government tourism peer learning network in collaboration with the North-West Department of Economic Development, Environment, Conservation, and Tourism (DEDECT) and the South African Local Government Association (SALGA). The 2017 Local Government Tourism Conference advocated for the development of an online or contact platform for local government tourism practitioners. The network session held in Mahikeng.	<b>Capacity Building</b>
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2023-07-25	Tourism Development & Marketing	Attended Gastronomy Workshop with JB Marks SMME's	<p>The Department developed a National Tourism Sector Strategy (NTSS) to provide strategic direction in achieving its mandate. The vision of the NTSS is a rapidly and inclusively growing tourism economy that leverages on South Africa's competitive edge in nature, culture and heritage underpinned by Ubuntu and supported by innovation and service excellence. JB Marks Local Municipality LED Tourism unit transported 20 JB Marks Local Municipality related Gastronomy products/ services to attend the Gastronomy Framework Workshop in Rustenburg.</p> 	<b>Capacity Building</b>
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## **RURAL, ENVIRONMENT AND AGRICULTURAL DEVELOPMENT**

### **1. INTRODUCTION**

The READ contributes towards dealing with challenges of high unemployment and improving food security. Contribution of the programme has given farmers to establish vegetable gardens, start to farm on the yard with either poultry and small stock, with such small enterprises families can able to eat and sell surplus of their products. Implementation of comprehensive rural development programme has provided an improvement to rural communities to farm for themselves to avoid malnutrition and generate income into the house hold. Smallholder producer's contribute towards development and support for agrarian transformation and production efficiencies.

Local small farmers can be assisted in ensuring that they contribute towards food security and sustain their agri-businesses. Farming and Agro-processing has a potential for Job Creation and local economic growth. To achieving the purposes of the agricultural growth rural communities are the main targets reflecting the capability to evoke the development of the sectoral essentials e.g. Markets, Technology, and Conservation of land.

### **2. AGRICULTURAL MECHANIZATION PROGRAMME**

The application of farm power to appropriate tools, implements and machines – “farm mechanization” – is an essential agricultural input with the potential to transform rural families' livelihoods by facilitating increased output of higher value products while eliminating human muscle-powered agricultural production. Agricultural mechanization in its broadest sense can contribute significantly to the development of food systems, as it has the potential to render post-harvest, processing and marketing activities and functions more efficient, effective and environmentally friendly. This program offers a suitable production to farmers who are experiencing disadvantage stage when it comes to first stage of cultivating soil.

The intension to have implemented this programme is to assist the Farming Enterprises within the terrain of JB Marks Municipality to run and to develop as businesses and ultimately to be medium sized and able to attract the market sector. The purpose is also driven by our focus on the food insecurity as most rural community own land or leased land that are not cultivated

**The Agricultural Mechanization follows many aspects of operation like:**

- Cultivating Soil; through the use of plough Implement
- Fertilizer spraying; through the use of fertilizer spreader implement
- Pesticides Spraying; through the use of Boom Sprayer
- Planting; through the use of Planter Implement
- Grass Cutting; through the use of slashers

These operational tools have provided an exceptional assistance to local farmers and have created a very sustainable vegetable enterprises that currently exist and produce enough produce to sustain the families and sell to the markets.

RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT Mechanization and Farmers Intervention JULY 2022				
2022/07/01	Rural & Agricultural Development	Farm Intervention	Visited the land to do an assessment on the kind of activity that is recommended to be done. The land is about a 135 ha with capacity to hold 100 cattle under management system, mostly constitute of trees, shrubs and rocks with herbs that makes it very suitable for grazing livestock. The farmer was advised the kind of livestock to graze at the farm and according to their adaptation on such environment. <b>The farm is situated at Welgegund and was visited on the 01 July 2022</b>	Done
2022/07/05	Rural & Agricultural Development	Commonage Farm	Construction of fire belts at Reitfontein Farm began on Monday 04 July 2022. The fire belts were 2,5 m wide (Gives an ability and enough space for a vehicle to travel) according to their standard, and in good condition and will able to control fire. <b>The fire belts will be maintained annually to allow a smooth driveway and to prevent fire.</b>	Done
2022/07/07	Rural & Agricultural Development	Mechanization	Ploughing plot 458/125 2Ha at welgeboom to prepare the soil for planting vegetables, the tractors finished ploughing on <b>08 July 2022</b>	Done
2022/07/13	Rural & Agricultural Development	Farm Intervention	Ploughed a 1Ha size portion on the 17 <sup>th</sup> August 2022.	Done

RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT Mechanization and Farmers Intervention JULY 2022				
2022/07/01	Rural & Agricultural Development	Farm Intervention	Visited the land to do an assessment on the kind of activity that is recommended to be done. The land is about a 135 ha with capacity to hold 100 cattle under management system, mostly constitute of trees, shrubs and rocks with herbs that makes it very suitable for grazing livestock. The farmer was advised the kind of livestock to graze at the farm and according to their adaptation on such environment. <b>The farm is situated at Welgegund and was visited on the 01 July 2022</b>	Done
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2022/07/07	Rural & Agricultural Development	Mechanization	Ploughing plot 458/125 2Ha at welgeboom to prepare the soil for planting vegetables, the tractors finished ploughing on <b>08 July 2022</b>	Done
2022/07/13	Rural & Agricultural Development	Farm Intervention	Ploughed a 1Ha size portion on the 17 <sup>th</sup> August 2022.	Done



**Welgeboom Farm 458 Portion 125 (Mr. Clifford Mbatha) 2 ha area cultivated**





RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT Mechanization and Farmers Intervention AUGUST 2022				
2022/08/01	Rural & Agricultural Development	Mechanization	Started with Soil Dessing at Ventersdorp on the property we have been busy cultivating. One portion was successfully ploughed and dessed, two portions are left to be ploughed. The area is leased, from Mr. E.W Henning and the coordinates are <b>26°19'15"S"26°49'50"E"</b> of the land. <b>We took four days to finish as the areas were 3 and with each at the average of 05ha.</b>	Done
2022/08/30	Rural & Agricultural Development	Mechanization	Ploughing the soil at Thakaneng institution the capacity of the area was 0.5ha which took us at least an hour to two hours to finish.	Done

RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT Mechanization and Farmers Intervention SEPTEMBER 2022				
2022/09/15	Rural & Agricultural Development	Tour	In Loco inspection to Eleazer and Reitfontein Commonage with the Councillors. There are <b>number of beneficiaries that are grazing their livestock on both Reitfontein and Eleazer farms. Maintenance of the commonage is a challenge due to lack of budget for Eleazer and Reitfontein farms to maintain the bore holes, farm houses, and fence.</b>	Done
2022/09/16	Rural & Agricultural Development	Vaccination	Vaccinating of Rabies at Ikageng for domesticated animals (Cats and Dogs) by Department of Agriculture and Rural Development (DARD), division of Animal Health. Vaccination took place at Ikageng stadium on the <b>16<sup>th</sup> September 2022</b> , and Sarafina Community hall on <b>the 23<sup>rd</sup> September 2022.</b>	Done

RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT			
Farmers who received support Bales of Fodder SEPTEMBER 2022			
NAME OF THE AREA	LIVESTOCK	NUMBER OF FODDER	STATUS
1. Masakeng Ext 6	Cattle, Goats and Sheep	16	Done
2. Veepos (Eleazer)	Cattle, Goats and Sheep	16	Done
3. Eleazer (Opposite SANDF)	Cattle, Goats and Sheep	33	Done
4. Kgapamadi (Matlwang Village)	Cattle, Goats and Sheep	34	Done
5. Phalakgomo (Matlwang Village)	Cattle, Goats and Sheep	38	Done
6. Ga'Radimo (Matlwang Village)	Cattle, Goats and Sheep	31	Done
7. Drogenpruit (Matlwang Village)	Cattle, Goats and Sheep	09	Done
<b>TOTAL NUMBER OF FODDER</b>		<b>177</b>	

## ANNEXURE A: VISIT AT ELEAZER & REITFONTEIN WITH COUNCILLORS



## REITFONTEIN COMMONAGE



## ANNEXURE: B FARMERS ASSISTED WITH FODD





RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT Mechanization and Farmers Intervention OCTOBER 2022				
2022/10/18	Rural & Agricultural Development	Vaccination	Vaccinating of Rabies at Promosa for domesticated animals (Cats and Dogs) by Department of Agriculture and Rural Development (DARD), division of Animal Health.	Done
2022/10/27 2022/10/28	Rural & Agricultural Development	Farmers Intervention	Provided last of 25 fodder to rymierbult farmers. Total of 200 farmers of JB Marks have benefited from fodder distribution.	Done

## ANNEXURE A: Vaccination Program



**DOGS & CATS -  
HEALTH CARE  
SERVICES**

Vaccination, Parasites(Worms, Ticks & Fleas)control/treatments, etc.  
NB: We charge minimal fees for material used



**Date: 22 Oct 2022**  
**Venue: Promosa Community Hall**  
**Time: Saturdays - 11:30 to 15:00**  
**NB: Ikageng Stadium- Mon - Thu(1-5pm)**  
**FOR MORE INFORMATION CONTACT: 0715095909**

## Annexure B: Draft program

Areas/Units	Oct 22	Nov 22	Dec 22	Jan 2023
1) Promosa Community Hall	22 <sup>nd</sup>	18 <sup>th</sup> & 19 <sup>th</sup>	2 <sup>nd</sup> & 3 <sup>rd</sup>	20 <sup>th</sup> & 21 <sup>st</sup>
2) Sarafina Community Hall	28 <sup>th</sup> & 29 <sup>th</sup>	25 <sup>th</sup> & 26 <sup>th</sup>	9 <sup>th</sup> & 10 <sup>th</sup>	6 <sup>th</sup> & 7 <sup>th</sup>
3) OR Tambo-Community Hall		11 <sup>th</sup> & 12 <sup>th</sup>		13 <sup>th</sup> & 14 <sup>th</sup>

**NB: Next date schedule/program will be issued in Dec 2022.**

**Ikageng Stadium – Weekly –Mondays to Thursdays**

**Time: 13:30 to 17:00**

More details:

NB:

**“Animal Dr. at doorsteps-NPC”- Community Vet Clinic– will be focusing on Primary Animal Health Care Service which is more on parasites control, advisory & minor diseases treatments.**

<b>RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT</b> <b>Mechanization and Farmers Intervention</b> <b>FEBRUARY 2023</b>					
2023/02/20	Rural & Agricultural Development	Farm Visit	Visited plot 425 portion 125 to assess the condition of the soil that needed ploughing, due to the current rain the portion had high moisture content and that was risky for cultivation.		Done
2023/02/22	Rural & Agricultural Development	SALGA	Attended Local Government Pitch Deck Launch.		Done

<b>RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT</b> <b>Mechanization and Farmers Intervention</b> <b>MARCH 2023</b>					
2023/03/09	Rural & Agricultural Development	DARD	Held Capacity Building at Department Of Agriculture and Rural Development (DARD) for livestock and horticultural farmers organised by District in collaboration with JB Marks Municipality and Department of Agriculture.		Done

<b>RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT</b> <b>Mechanization and Farmers Intervention</b> <b>APRIL 2023</b>					
2023/04/24	Rural & Agricultural Development	Commonage Farm	LED met with Mr. Kabelo Mkhwanazi from DARD to discuss the program of constructing fire belts at commonage farms. Department of Agriculture and Rural Development at Provincial level appointed a service provider who is going to do the fire breaks but at the distance of 5km per farm. We concluded that we should visit the two farm and take measurements on areas that mainly get affected by fire.		Done



<b>RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT</b> <b>Mechanization and Farmers Intervention</b> <b>MAY 2023</b>				
2023/05/14-19	Rural & Agricultural Development	Grain SA	Grain SA's NAMPO is one of the largest agricultural exhibitions under private ownership in the southern hemisphere and it takes place annually, just outside of the town of Bothaville, in the Free State province of South Africa, It is recognised Internationally. On the <b>18<sup>th</sup> May 2023</b> Farmers from JB Marks Municipality were invited by the DRKKDM to attend the Nampo Show to experience the other spectrum of Agriculture.	Done

# ANNEXURE: B NAMPO ATTENDANCE 2023

NAMPO HARVEST GRAIN SA:  
THURSDAY 2023 MAY 18; 9:00



Name	Surname	Location	Contact Details				Signature
RYAN	NAKANA	VENTERSDOP	Tel No	016 1113666			
			Mobile No	0783813106			
			E-Mail Address	gabriel.ryan@jbmarks.co.za			
			Tel No	071 446 465			
			Mobile No	071 446 465			
			E-Mail Address	Negus@icloud.com			
			Tel No	013 207 6466			
			Mobile No	013 207 6466			
			E-Mail Address	stuart@negus.co.za			
			Tel No	013 444 4129			
			Mobile No	013 444 4129			
			E-Mail Address	stuart@negus.co.za			
			Tel No	073 557520			
			Mobile No	073 557520			
			E-Mail Address	stuart@negus.co.za			
			Tel No	073 9229 0569			
			Mobile No	073 9229 0569			
			E-Mail Address	stuart@negus.co.za			
			Tel No				
			Mobile No				
			E-Mail Address				
			Tel No				
			Mobile No				
			E-Mail Address				
			Tel No				
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			Tel No				
			Mobile No				
			E-Mail Address				

<b>RURAL ENVIRONMENT AND AGRICULTURAL DEVELOPMENT</b> <b>Mechanization and Farmers Intervention</b> <b>JUNE 2023</b>				<b>Status</b>  <b>(S)</b>
2023/06/21	Rural & Agricultural Development	Commonage Farm	Visited Reitfontein with DARD official for pasture assessment to draft a program of grazing management.	Done
2023/06/22	Rural & Agricultural Development	Farmers Intervention	Ikageng visit with DARD official to profile vegetable farmers on their stage of production, visited Tsetlhek wileng Cooperative (Youth) and Mr. Lebogang also youth doing his project of vegetable at Basupi School. <b>(Annexure A : Tsetlhek wileng)</b> <b>(Annexure B: Lebogang's Project)</b>	Done

#### **Annexure A : TseTlhek wileng**



The Project is new and has started last year by group of youth at Ikageng location. Using tyres is another different method of planting and this is done mostly when there is lack of space or when the soil area isn't good in condition.

#### **Annexure B: Lebogang's Project**



This is a project that is also located at the Ikageng Location in a Basupi School, project needs Shade nets, irrigation system and a Jojo Tank. To progress in size.

## CHALLENGE FACED BY READ:

Challenges of this unit remains the same and do not change and this challenges require immediate attention. This are the challenges faced by the Agricultural and Rural Development Unit:

- Ventersdorp region constitute with various number of farmers and the distance the tractor travels on the road waste time, whereby new tractor should be bought to assist at the Ventersdorp region.
- Department Tractors are used for EPWP projects and this lives farmers not getting assistance and creates workload. A need for a Tractor to do EPWP projects is essential.
- The Agricultural unit has got no budget to carry out its mandate and its activities.
- Farmer's intervention challenges cannot be addressed due to no Budget to support production on their projects.
- Amongst other things mechanical and technical problems encountered on tractors is so heavy, that services to the farmers is not what we envisage.
- When tractors go for repairs time is lost because the municipal lack resources, tools of repairs when the tractor and implement are at the workshop.
- There is a need for the following Rotary Tiller Implement and Ripper ( Ripper: Works better when the soil is dry, Rotary Tiller works more efficient at making the soil suitable for planting vegetables). These implements will make the work more efficient and effective.
- **Baler machine** is also needed to provide assistance in bales making after the grass around Municipality parks are cut, which in return will benefit livestock farmers. Also promote cleanliness in Potchefstroom.
- Commonage policy still remains a document it has not gone to Council to be considered as a draft for it to be implementable. The document is very much important for the occupants on the farms to abide with the policy and its regulations as stated in the proposed policy, without the policy the commonage will be mis-managed.

## EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	3	6	3	3	50%
7-9	7	7	7	0	0%
10-12	1	1	1	0	0%
13-15	0	1	0	1	100%
16-18	5	7	5	2	29%
19-20	0	0	0	0	0%
<b>Total</b>	<b>16</b>	<b>22</b>	<b>16</b>	<b>6</b>	<b>27%</b>

FINANCIAL PERFORMANCE 2022/2023: LOCAL ECONOMIC DEVELOPMENT						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	2 472 638	2 592 248	3 150 077	3 266 385	2 544 344	(19%)
Expenditure:						
Employees	5 340 175	10 435 140	9 221 331	9 221 331	9 860 864	7%
Repairs and maintenance	63 560	265 195	229 826	498 026	221 826	(3%)
Other	5 565 478	8 874 045	13 976 248	19 475 080	15 109 788	8%
<b>Total operational expenditure</b>	10 969 213	19 574 380	23 427 405	29 194 437	25 192 478	8%
<b>Net operational expenditure</b>	(8 496 575)	(16 982 132)	(20 277 328)	(25 928 052)	(22 648 134)	12%

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT SERVICES OVERALL PERFORMANCE

### COMPONENT D: COMMUNITY AND SOCIAL SERVICES

#### 3.11 LIBRARIES

##### INTRODUCTION TO LIBRARIES

The top service delivery priorities of 10 libraries are marketing, promotion and advertising. The three components are exposed in libraries through reading awareness programmes circulation of books within the library, and encouraging membership within the whole community.

The impact we had on the mentioned measures were that, we were able to see the library growing in great numbers, through membership, outreach programmes and circulating information.

The measures which were taken during the year to improve the performance were through programmes which promoted reading and writing, the use of library and internet were held throughout the year and this brought a huge change within the JB Marks Local Municipality libraries and schools around this community.



## SERVICE STATISTICS FOR THE JB MARKS LIBRARIES

INDICATOR	2020/2021	2021/2022	2022/2023
<b>EDUCATIONAL PROGRAMMES</b>			
Library Awareness Programme	0	98	61
Library Holiday Programme	0	48	12
Adult Membership	4060	4175	6000
Children Membership	1278	1316	1663
Visitors	56074	58981	45958
<b>ADULT CIRCULATION</b>			
English Fiction	9873	16112	13486
Afrikaans Fiction	22262	35824	30354
English Non-Fiction	5184	7681	9791
Setswana	14	120	388
<b>JUNIOR CIRCULATION</b>			
English Fiction	4795	5208	8279
Afrikaans Fiction	4077	6875	7423
English Non-Fiction	1206	1951	2363
Setswana	11	596	396

## EMPLOYEE INFORMATION

<b>EMPLOYEES: LIBRARIES</b>					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	1	1	1	0	0%
7-9	19	22	18	4	18%
10-12	2	6	2	4	67%
13-15	12	17	12	5	29%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>35</b>	<b>47</b>	<b>34</b>	<b>13</b>	<b>28%</b>

<b>FINANCIAL PERFORMANCE 2022/2023: LIBRARIES</b>						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	657 221	172 769	1 527 000	1 547 653	33 752	(98%)
Expenditure						
Employees	18 827 212	15 004 305	15 606 475	15 617 975	16 500 228	6%
Repairs and maintenance	802 257	404 927	507 720	586 820	458 456	10%
Other	759 451	355 994	2 673 140	2 672 140	309 529	(88%)
Total operational expenditure	20 388 920	15 765 226	18 787 335	18 876 935	17 268 213	(8%)
Net operational Expenditure	(19 731 699)	(15 592 457)	(17 260 335)	(17 329 282)	(17 234 461)	-

## COMMENT ON LIBRARY SERVICES OVERALL PERFORMANCE

### 3.12 COMMUNITY FACILITIES

#### INTRODUCTION TO COMMUNITY FACILITIES

Department Sports Arts is responsible for the eleven community halls, nine Sports facilities and five swimming pools. The responsibility of the department is to ensure that community has accesses to the facilities and they are maintained according to the national standard set by the National Sports and Recreation facility management policy.

COMMUNITY FACILITIES BOOKINGS STATISTICS				
Name of Facilities	No of Facilities	2020/2021	2021/2022	2022/2023
<b>POTCHEFSTROOM REGION</b>				
Madiba Banqueting hall	1	98	80	109
City Hall	1	140	103	220
Karee Lapa	1	20	8	4
Mohadin Hall	1	82	83	95
Promosa Hall	1	58	66	63
OR Tambo Hall	1	48	70	52
Goven Mbeki Hall	1	5	35	49
Chris Hani Hall	1	51	55	63
Ga-Matlabe Hall	1	71	49	28
Ephraim Mokate ( Matlwang) Hall	1	15	7	5
<b>VENTERSDORP REGION</b>				
Ext 2 Hall	1	25	24	159
Ext 4 Hall	1	11	59	50
Ext 5 Hall	1	14	18	18
Foyer/Chamber/Lapa	2	44	56	149
Toevlug Hall	1	0	0	0
Ga Mogopa Hall	1	0	0	0
Goedgevonden Hall	1	0	0	0
Welgevonden Hall	1	0	0	0
Tsetse Hall	1	0	0	0
Boikhutso Hall	1	0	0	0
Boikhutsong Hall	1	0	0	0

FINANCIAL PERFORMANCE 2022/2023: COMMUNITY FACILITIES						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	657 221	204 520	39 265	271 990	313 264	
Expenditure						
Employees	18 827 212	5 952 048	5 877 912	5 877 912	6 508 582	11%
Repairs and maintenance	802 257	1 058 148	1 485 000	1 475 000	1 146 855	(23%)
Other	759 451	36 244	10 759 269	10 759 269	2 131	
Total operational expenditure	20 388 920	7 046 440	18 122 181	18 112 181	7 657 568	(58%)
Net operational Expenditure	(19 731 699)	(6 841 920)	(18 082 916)	(17 840 191)	(7 344 304)	-

#### COMMENT ON COMMUNITY FACILITIES OVERALL PERFORMANCE

### 3.13 PARKS AND CEMETRIES

#### INTRODUCTION TO PARKS AND CEMETERIES

JB Marks Local Municipality under Tlokwe region has total of seven (8) cemeteries, five (6) are non-active and only used for reserved burials while two (2) are active. The 13 ha new cemetery (Remainder portion 434 of farm town Townlands 435 IQ) is still under construction located adjacent Chief Albert Luthuli drive between Dassierand and Promosa cemetery. The capacity of the new cemetery will have a lifespan of 10-12 years under the normal mortality trend. The region has additional three (3) informal cemeteries controlled by CPA (Communal Property Association) in Matlwang village

While under Ventersdorp region are three (4) in town area, three (3) are non-active and one (1) is while, the region has additional seven (7) informal cemeteries in villages which are controlled by the Communal Property Associations in different villages, i.e. Ga-Mogopa, Welgevonden, Tsetse, Boikhutso, Appeldraai, Boikhutson and Goedgevonden. We also have cemeteries in 2 farm settlements of Klipgat and Rysmierbult.

The top 3 service delivery priorities and its impact are to:-

- ✚ Regulate and maintain public cemeteries
- ✚ Conduct burial bookings and graves preparations
- ✚ Comply with National Health Act, 2003 (Act No 61 of 2003 and other related legislations.

#### SERVICE STATISTICS FOR PARKS AND CEMETERIES

The measures taken to improve the performance of the service is through continuous coaching of staff, time for holding regular meeting and feedback sessions and training. Communities were given support through free burial rights for the destitute and paupers individuals from poverty-stricken families.

INDICATOR	2020/2021	2021/2022	2022/2023
<b>CEMETERIES</b>			
Burials			
Adults	1695	1290	1302
Paupers	189	170	140
Children (baby, or stillborn)	146	172	32
Re-openings	188	250	200
Memorials	31	40	66

#### EMPLOYEE INFORMATION

<b>EMPLOYEES: PARKS , CEMETERIES AND AMENITIES</b>					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	3	3	3	0	0%
7-9	1	1	1	0	0%
10-12	19	27	17	10	37%
13-15	4	9	4	5	56%
16-18	132	161	128	33	20%
19-20	0	0	0	0	0%
<b>Total</b>	<b>159</b>	<b>201</b>	<b>153</b>	<b>48</b>	<b>24%</b>

FINANCIAL PERFORMANCE 2022/2023: PARKS AND CEMETERIES						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	1 636 277	1 640 478	2 720 130	3 131 542	2 685 436	(2%)
Expenditure						
Employees	15 039 038	13 172 311	51 525 752	51 765 752	53 866 710	5%
Repairs and maintenance	2 528 970	2 110 669	7 441 422	6 746 312	5 963 489	(20%)
Other	697 072	6 651 142	7 670 109	2 060 144	1 879 050	(76%)
Total operational expenditure	18 265 080	21 934 122	66 637 283	60 572 208	61 709 249	(8%)
Net operational Expenditure	(16 628 803)	(20 293 644)	(63 917 153)	(57 440 666)	(59 023 813)	(8%)

## COMMENT ON THE PERFORMANCE OF PARKS AND CEMETERIES

### 1. Illegal Dumping

Number of factors such as lack of bylaw enforcement, lack of public education and inaccessibility of landfill site, continues to contribute to unsustainable and out of control management of illegal dumping.  
Identified hotspots that are mostly prevalent locations have been cleaned at least once every two months.

## COMPONENT E: SECURITY AND SAFETY

### 3.14 TRAFFIC AND SECURITY

#### INTRODUCTION TO TRAFFIC AND SECURITY

The aim of the section is to promote road traffic safety throughout JB Marks Local Municipality to reduce road accidents, fatalities and injuries, as well as combat road traffic offences that contribute to accidents; and to safeguard and secure Council assets so as to combat theft within the municipality.

The following key functions are performed in this section:

Road safety: road safety operations were conducted during 2022/2023. Total of R 8 986 670  
Issuing and serving warrants

Details		2020/2021	2021/2022	2022/2023
		Actual	Actual	Actual
Number of road traffic incidents during the year		Unknown	2079	
Number of by-law infringements attended	10925	3580	3580	9779
	524	4676	4676	3542
	400310	0	0	
Number of police officers in the field on average day	28	35	35	31
Number of police officers on duty on an average day	28	35	35	31

## SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2020/2021	2021/2022	2022/2023
Traffic Violations		8 256	13321
<b>Section 56 summonses:</b>			
Speed	0	0	0
Other	3379	4676	9779
<b>Section 341 Notices:</b>			
Parking Offences	2337	3580	3542
Cameras: speed	0	0	
<b>Total income per annum</b>			
Traffic fines	Unknown	267 130	1 709 970.00
Accidents reports	1658	31 908	16202
Escort fees			7731
Abnormal loads	59	281 694 .50	124 504
Temporary closing of streets	48	42 110	37 260
Hawkers			
<b>Arrests (driving while under the influence of intoxicating liquor)</b>		57 853	
Males	0	0	0
Females	0	0	0
<b>Escorts / Special services rendered</b>			
Abnormal loads	0	5	187
Funerals	Unknown	Unknown	

## EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	3	4	3	1	25%
7-9	13	18	11	7	39%
10-12	31	44	31	13	30%
13-15	1	3	1	2	67%
16-18	19	23	17	6	26%
19-20	0	0	0	0	0%
Other Wardens	23	30	23	7	23%
<b>Total</b>	<b>90</b>	<b>122</b>	<b>86</b>	<b>36</b>	<b>30%</b>

FINANCIAL PERFORMANCE 2022/2023: TRAFFIC						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	5 335 166	1 627 530	92 620 985	16 685 150	10 261 206	(89%)
Expenditure						
Employees	36 213 624	28 085 199	44 512 300	44 827 400	40 457 084	(9%)
Repairs and maintenance	1 560 125	1 344 337	2 750 748	2 613 560	1 889 512	(31%)
Other	1 866 593	577 024	5 027 680	5 159 106	3 095 780	(38%)
Total operational expenditure	39 640 342	30 006 560	52 290 728	52 600 066	45 442 376	13%

Net operational Expenditure	(34 305 176)	(28 379 030)	40 330 257	(35 914 916)	(35 181 170)	-
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## EMPLOYEE INFORMATION

EMPLOYEES: ADMINISTRATION : COMMUNITY SAFETY					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	4	4	4	0	0%
7-9	2	2	2	0	0%
10-12	0	1	0	1	100%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>13%</b>

### 3.15 FIRE AND DISASTER MANAGEMENT

#### INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

#### FIRE AND RESCUE SERVICES

The section focus mainly on legal requirements as per SANS 100:90" Community protection against fire" as well as Fire Brigade Act 1987.

The primary aim of this section is:-

- ✚ Save lives
- ✚ Incident stabilization
- ✚ Fire prevention
- ✚ Minimization of damage to property against fire
- ✚ Humanitarian help against environmental vulnerability
- ✚ Fire safety inspection
- ✚ Implementations of fire break in accordance with the fire brigade
- ✚ Review house and business plans
- ✚ Awareness campaigns

In terms of the Disaster Management Act 57 of 2002 and the National Policy Framework of 2005, a Disaster Management Centre is responsible for the following KPAs:

- Institutional Capacity Building
- Disaster Risk Assessment
- Disaster Risk Reduction
- Disaster Response and Recovery
- Disaster Management Information and Communication Centre



## DISASTER MANAGEMENT

DISASTER MANAGEMENT DATA			
Details	2020/2021	2021/2022	2022/2023
Total number of calls received and dispatched	No System	18212	18041
Disaster Risk assessment	0	97	122
Public awareness campaigns	50	50	53
Number of personnel	9	10	7 (Permanent ) 4(Contract workers)

- ❖ Emergency calls are captured manually in the occurrence book as there is no disaster management system.
- ❖ The emergency number is 018 293 1111

## SERVICE STATISTICS FOR DISASTER MANAGEMENT

DESCRIPTION OF CALLS	2020/2021	2021/2022	2022/2023
Disaster Relief	46	64	105
Drought	00	62	00
Floods	04	10	12
Disaster Management Inspection	00	8	00
Windstorm	03	2	22
Earthquake	00	12	00
Fires	1351	10	525
Sinkhole / Dolomite	00	298	05
Hazmat	Not available	22	04
Traffic related accidents	Not available	20	247
Abnormal loads	Not available	2	165
Special service	Not available	0	86
Water and sanitation	Not available	4	4116
Electricity complains	Not available	4	12 647
Public Events	00	518	22

## EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2021/2022		2022/2023		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	1	2	1	1	50%
4-6	4	5	4	1	20%
7-9	23	41	21	20	49%
10-12	42	56	45	11	20%
13-15	3	3	3	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Other Total	0	2	0	2	100%
<b>Total</b>	<b>73</b>	<b>109</b>	<b>74</b>	<b>35</b>	<b>32%</b>

FINANCIAL PERFORMANCE 2022/2023: DISASTER MANAGEMENT						
						R'000
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue			108 881 955	30 080 620	26 180 838	(76%)
Expenditure						
Employees	5 533 803	6 105 042	117 382 065	116 916 608	107 853 492	(8%)
Repairs and maintenance	99 744	51 692	6 508 956	5 393 686	3 117 379	(52%)
*Other	207 373	197 679	87 574 583	97 280 421	64 011 774	(27%)
Total operational expenditure	5 840 920	6 354 413	211 465 604	219 590 715	174 982 645	(17%)
Net operational Expenditure	(5 840 920)	(6 354 413)	(102 583 649)	(189 510 095)	(148 801 807)	45%

FINANCIAL PERFORMANCE 2022/2023: FIRE						
						R'000
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue	32 322	56 339	30 000	65 000	76 585	155%
Expenditure						
Employees	31 245 306	41 611 012	37 579 544	37 579 544	44 026 254	17%
Repairs and maintenance	1 373 282	924 117	2 964 400	2 124 886	883 778	(70%)
*Other	404 899	138 684	612 960	221 480	60 792	(90%)
Total operational expenditure	33 023 487	42 673 813	41 156 904	39 925 910	44 970 824	(9%)
Net operational Expenditure	(32 991 165)	(42 617 474)	(41 126 904)	(39 860 910)	(44 894 239)	9%

## COMPONENT G: SPORTS AND RECREATION

### 3.16 SPORTS AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

Department Sports and Recreation is responsible for providing an enabling environment for communities for participating in Sports and Recreation programmes.

#### The main service delivery priorities are:

Development and Maintenance of Sports and recreation facilities  
 To Provide Library Services to communities  
 To enhance to promote Arts and Culture.

#### Total number of Sports Arts and Culture Facilities

 Total number of Sports Facilities:	: 11 Sports Facilities
 Total number of swimming pools:	: 5
 Total Number of Libraries	: 12 Libraries
 Total Number of Community Halls	: 20 Community halls
 Total Number of Museums	: 5 Museums
 Total Number of Chalets	: 37 Lake Site Resort

SERVICE STATISTICS FOR THE LAKESIDE RESORT						
Description	2020/2021		2021/2022		2022/2023	
	Bookings	Income	Bookings	Income	Bookings	Income
Chalet bookings	0 (COVID time)		Not Operating			R678 441.28
Caravan bookings	0 (COVID time)		Not Operating			R3 429,00
Day Visitors	0 (COVID time)			R 115 810.00		R34 535,00
Lapa	0 (COVID time)		Not Operating			R4 264,09

SERVICE STATISTICS FOR SWIMMING POOLS						
Description	2020/2021		2021/2022		2022/2023	
	Bookings	Income	Bookings	Income	Bookings	Income
Potch Swimming Pool	0 (COVID time)		Not Operating			R124 194.60
Ikageng Swimming Pool	0 (COVID time)		Not Operating			R2 827.83
Mohadin swimming Pool	0 (COVID time)		Not Operating			R10 000,00
Promosa Swimming Pool	0 (COVID time)		Not Operating			R10 000,00

#### COMMENT ON THE LAKESIDE RESORT OVERALL PERFORMANCE

Potchefstroom Dam can generate more revenue and improve tourism and economic spinoffs. Department Sports Arts and Culture need funding for renovations and improving the standard and grading of the resort.

EMPLOYEES: SPORTS AND RECREATION					
Job Level	2021/2022		2022/2023		
	Employees No.	Posts No	Employees No.	Vacancies	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0%
4-6	1	3	1	2	67%
7-9	7	10	7	3	30%
10-12	11	15	12	3	20%
13-15	1	3	1	2	67%
16-18	48	58	47	11	19%
19-20	0	0	0	0	0%
<b>Total</b>	<b>69</b>	<b>90</b>	<b>69</b>	<b>21</b>	<b>23%</b>

#### COMPONENT H: CORPORATE POLICY OFFICES AND OTHERS SERVICES

##### INTRODUCTION OF CORPORATE SERVICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises councilors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for Service Delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address service delivery matters, the municipality must within limits approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address staff matters, and this can only be achieved through a costed organogram that must be cost-effective but that also provides sufficient management and other positions in order for the municipality to be able to render effective and satisfactory services.

Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licenses.

In order for the municipality to finance service delivery it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and sufficient municipal service delivery network such as water pipes and reservoirs as well as sewer and electrical networks, and plant and equipment.

### 3.17 MUNICIPAL COUNCIL

#### INTRODUCTION OF MUNICIPAL COUNCIL

In terms of chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 101 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal Council of JB Marks Local Municipality recognized as a municipality with Speaker/Mayor which is combined with a ward participatory system in terms of chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

The executive authority of the Council vested with the Speaker/Mayor, who must however report to Council and is assisted by Councillors established for Portfolio and who may make decisions. However, there are certain matters on which the Speaker/Mayor as the head of the municipality cannot make decisions i.e. the approval of budget, and IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated by Council to the Mayor, who will in turn sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to Directors, who may in turn further sub-delegate to other officials.

*Section 152 of the Constitution sets among others the following objectives for Local Government:-*

- (a). *to provide democratic and accountable government for local communities*
- (b). *to ensure the provision of services to communities in a sustainable manner*
- (c). *to promote social and economic development*

In order to ensure sustainable service delivery to the community. Council should sets the service delivery priorities as follows in order to achieve good governance levels:

#### SERVICE STATISTICS FOR THE MUNICIPAL COUNCIL

DETAILS	2020/2021		2021/2022		2022/2023	
	Ordinary Council Meetings	Special Council Meetings	Ordinary Council Meetings	Special Council Meetings	Ordinary Council Meetings	Special Council Meetings
Ordinary Council Meetings	6		8		8	
Special Council Meetings		10		15		13

Details	2020/2021	2021/2022	2022/2023
<b>SECTION 80 COMMITTEE MEETINGS</b>	2	18	
Budget Steering Committee	2		1
<b>MAYORAL COMMITTEE MEETINGS</b>	7	11	17
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETINGS</b>	2	6	11
<b>IDP REPRESENTATIVE FORUM MEETINGS</b>	1	1	

## EMPLOYEE INFORMATION

<b>EMPLOYEES: OFFICE OF THE MAYOR, THE SPEAKER AND SINGLE WHIP</b>					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employee No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	3	0	3	100%
4-6	0	4	0	4	100%
7-9	1	19	1	18	95%
10-12	0	4	0	4	100%
13-15	0	1	0	1	100%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>31</b>	<b>1</b>	<b>30</b>	<b>97%</b>

<b>FINANCIAL PERFORMANCE 2022/2023: OFFICE OF THE MAYOR, SPEAKER AND SINGLE WHIP</b>						
<b>R'000</b>						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue						
Expenditure						
Employees	38 232 957	5 152 554	45 080 552	44 998 552	37 253 439	(17%)
Repairs and maintenance	3 684 963	113 817	10 811 390	8 118 894	4 230 174	(61%)
Other	43 686 280	4 018 332	54 734 946	56 210 370	41 007 239	(25%)
Total operational expenditure	85 604 200	9 284 703	110 626 888	109 327 816	82 490 852	(25%)
Net operational Expenditure	(85 604 200)	(9 284 703)	(110 626 888)	(109 327 816)	(82 490 852)	25%

### 3.18 STRATEGIC PLANNING AND REGULATORY

Budget oriented planning or forecast methods are insufficient for the organization to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes – oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementing, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and

operate monitoring and evaluation systems which will produce credible, accurate information on an ongoing basis that gets used to improve service delivery and governance.

## **INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY**

The directorate comprises the following units:

### **PERFORMANCE MANAGEMENT UNIT**

The objective of Performance Management is to improve the performance of the municipality as guided by the Local Government: Municipal Systems Act 32 of 2000, as amended (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act 2003 (MFMA).

Performance Management is the central management tool that assists Council in improving service delivery by channeling the efforts of its departments and employees to meet performance targets and in so doing insuring that the municipality achieving its strategic objectives.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regular plan, continuously monitor and, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact. This system will therefore ensure that all leaders, managers and individuals in the municipality are held accountable, which should improve service delivery and value for money.

### **INTEGRATED DEVELOPMENT UNIT**

The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to induce life into the IDP such that it takes into account the changing priorities and planning outcomes of JB Marks Local Municipality. The IDP version signifies generation to generation for JB Marks Local Municipality and will remain in force until the completion of the term of office of the current municipal council.

This document is a product of a broad consultative process which culminated in a successful IDP Representative Forum held where stakeholders confirmed and approved projects for JB Marks Local Municipality. In line with section 41 of the Constitution of the Republic of South Africa, our IDP as reviewed is accordingly informed by and aligned to the developmental priorities of our municipality and sector departments of our district, including some state-owned enterprises and the business community.

Our IDP is premised on the vision of a development plan that will create a caring municipality, characterized by development, poverty alleviation and job creation. The development, poverty alleviation and job creation envisaged will be underpinned by people-driven, people-centered socio-economic development that respects and embraces the democratic values of human dignity, equality and freedom.

### **RISK MANAGEMENT**

In compliance with Municipal Finance Management Act, section 62(i) (c) and Public Sector Risk Management framework, The Municipality have established a Risk Management division and an Accounting Officer has appointed a Risk Committee, which comprise of Internal members and an Independent External Chairperson, who is not in the employment of Council and is knowledgeable of the status of the position, have requisite Risk Ethics, Fraud and anti- Corruption expertise. All Internal members are Heads of Departments, who brings necessary expertise from different departments. The National Treasury (Risk Management Unit), Provincial Treasury (Municipal Support) serves as standing invitees in the Risk Committee.

The responsibilities of a Risk Committee are formally defined in a Charter that is reviewed and recommended by the Committee and subsequently approved by the Accounting Officer. This charter is due to serve before Council for adoption. The Risk Management Division is finalising its Risk assessment process that will ultimately produce the Risk Register of the Municipality.

Risk management is a valuable management tool which increases an Institution's prospects of success through minimising negative outcomes and optimising opportunities and the Municipality assent to the following benefits of the risk management;



<b>EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER (MISS,INTERNAL AUDIT,RISK)</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies (as a % of total posts)</b>
0-3	3	5	3	2	40%
4-6	0	1	0	1	100%
7-9	4	6	3	3	50%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>7</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>50%</b>

- ✚ Value for money
- ✚ Increased confidence in achieving the municipal priorities and outcomes
- ✚ Constrain threats to avoidable risks
- ✚ Informed decisions and exploitation of opportunities
- ✚ Ensure that the right balance is struck between risks and rewards
- ✚ Improve working partnership arrangements and corporate governance
- ✚ Ensure ultimately that the municipality maximises its opportunities and minimises the impact of the risks it faces, thereby improving the ability to deliver good services to the community at large.

### **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

#### **SERVICE STATISTICS FOR MPAC MEETINGS 2022/2023**

<b>DETAILS</b>	<b>NUMBER</b>
Meetings held by chairperson and administration/members of public	4
Meetings held by MPAC members	8
Meetings held at provincial and district MPAC forums	5

### **EMPLOYEE INFORMATION**

<b>EMPLOYEES: STRATEGIC PLANNING &amp; REGULATORY (PMS, IDP)</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies (as a % of total posts)</b>
0-3	1	1	1	0	0%
4-6	2	2	2	0	0%
7-9	3	4	3	1	25%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14%</b>

### **3.19 FINANCIAL SERVICES**

#### **INTRODUCTION TO FINANCIAL SERVICES**

This directorate deals with the administration of finance of the municipality i.e own budget as well as the money received from Government Fiscal i.e allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. For the municipality to have effective service delivery, budget and IDP processes must be followed so as to ensure public participation to cover all community proposals as regards projects. The directorate must develop budget-related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of policy. Internal and external audits will be conducted in order to ensure management of risk and curbing of corruption while encouraging effective customer care and service.

<b>DEBT RECOVERY</b>						
<b>Details of the types of account raised and recovered</b>	<b>2020/2021</b>		<b>2021/2022</b>		<b>2022/2023</b>	
	<b>Actual for accounts billed in year</b>	<b>Proportion of accounts value billed that was collected %</b>	<b>Actual for accounts billed in year</b>	<b>Proportion of accounts value billed that was collected %</b>	<b>Estimated out turn for account billed in year</b>	<b>Estimated proportion of accounts billed that was collected %</b>
Property rates	R 197 973 870	R 168 277 790				
Electricity –B & C	R 744 895 131	R 730 799 373				
Water – B & C	R 111 000 977	R 97 680 860				
Sanitation	R 79 037 177	R 71 133 459				
Refuse	R 56 773 653	R 51 096 288				

#### EMPLOYEE INFORMATION

<b>EMPLOYEES: FINANCE DEPARTMENT</b>					
<b>Job Level</b>	<b>2021/2022</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies (as a % of total posts)</b>
0-3	6	6	5	1	17%
4-6	8	22	9	13	59%
7-9	29	37	29	8	22%
10-12	15	25	15	10	40%
13-15	16	20	15	5	25%
16-18	2	3	2	1	33%
19-20	0	0	0	0	0%
<b>Total</b>	<b>76</b>	<b>113</b>	<b>75</b>	<b>38</b>	<b>34%</b>

<b>FINANCIAL PERFORMANCE 2022/2023: FINANCIAL SERVICES</b>							<b>R'000</b>
<b>Details</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>				
	<b>Actual</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>	
Total operational revenue	572 627 550	593 333 087	640 696 510	644 004 909	683 328 723	7%	
Expenditure							
Employees	63 567 057	36 418 147	79 226 728	51 666 728	40 428 423	(49%)	
Repairs and maintenance	898 367	378 363	706 257	721 257	1 705 537	141%	
Other	204 935 584	261 753 816	273 185 303	312 686 711	320 037 722	17%	
Total operational expenditure	269 401 008	298 550 326	353 118 288	365 074 696	362 171 682	3%	
Net operational Expenditure	303 226 542	294 782 761	287 578 222	278 930 213	321 157 041	12%	

### 3.20 HUMAN RESOURCES SERVICES

#### INTRODUCTION TO HUMAN RESOURCES SERVICES

The priorities of Human Resources Services are-

To draft a five-year Employment Equity Plan

To appoint Service providers to provide training for officials of the municipality, capacitating them as required by the Skills Development Act of 1998

Filling of vacant positions

% of the Training Budget was spent during the 2020/2021 financial year

#### SERVICE STATISTICS FOR HUMAN RESOURCES SERVICES

##### Total Personnel expenditure trends in the last three years

The following table reflects the total personnel expenditure trends from 2020/2021 to 2022/2023

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2020/2021	495 536 820	24%
2021/2022	537 893 735	26%
2022/2023	545 080 864	23%

Pension and Medical Aid Funds

PENSION FUND	NUMBER OF MEMBERS		
Description	2020/2021	2021/2022	2022/2023
Municipal Gratuity Fund	119	119	115
Potchefstroom Pension Fund	375	365	348
Sala Pension Fund	88	87	131
Municipal Councillors Pension Fund	49	41	42
Municipal Employees Pension Fund	147	141	136
SAMWU Pension Fund	259	245	241
National Fund for Municipal Workers	74	144	144

Council's actual pension fund expenditure for 2022/2023 financial year towards the employer's contribution

MEDICAL AID FUND	NUMBER OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
Keyhealth	48	2,163,916.80
Hosmed	40	2,026,612.00
Bonitas	104	4,591,971.00
LA Health	500	16,643,522.60
SAMWU Med	111	3,615,695.40
Pensioners and provision for contributions	207	10,525,507.08
<b>Total</b>	<b>1010</b>	<b>39,567,124.88</b>

Outstanding monies

Circular 11 requires that the municipalities disclose arrears (outstanding monies) by councilors / employees for the financial year.

ACCOUNTS IN ARREA AS AT PRESENT	ARREAS: JUNE 2021	ARREAS: JUNE 2022	ARREAS: JUNE 2023
Councillors	R 36 087,14	R 43 914	
Employees	R 1 306 718,86	R	

## Disclosure concerning Councillors and Directors

The following table reflect the remuneration for Councillors and Directors.

DESIGNATION	REMUNERATION PACKAGE ( R )		
	2020/2021	2021/2022	2022/2023
Executive Mayor	R 856 883	R 1 014 035	R 995 582
Whip	R 715 655	R 645 236	R 762 224
Councillors	R26 047 162	R28 235 673	R28 202 502
Municipal Manager	R 1 598 555	R 1 511 803	R1 107 409
Director Finance	R 1 553 931	R 1 427 459	R1 116 065
Director Infrastructure Services	R 1 156 814	R1 055 080	R1 075 969
Director Municipal Services and LED	R 1 038 799	R 1 241 269	R 554 647
Director Corporate Service	R 1 296 118	R 1 055 080	R1 109 790
Director Community Safety	R 1 110 649	R 1 055 080	R1 129 511

## Personnel Administration

DETAIL	2020/2021	2021/2022	2022/2023
Pension	40	22	22
Resignations	5	7	6
Deaths	25	14	11
Other	2	12	1
Dismissed	2	2	0
Medical boarding	3	1	1
Death claims	25	14	11
Posts in Council	1576	1576	1576
Posts filled	1124	1170	1138
Posts Vacant	452	406	438

## OCCUPATIONAL HEALTH AND SAFETY

DETAILS	2020/2021	2021/2022	2022/2023
Number of recorded incidents	84	87	
Number of fatal incidents reported	0	0	
Number of safety inspections conducted	17	11	
Number of construction projects inspected	05	05	
Number of safety audits	04	02	
Number of public fatal injuries / drowning	0	0	

**NB:** Kindly note that the number of recorded incidents includes registered COVID 19 positive case

## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCES					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	0	0	0	0	0%
4-6	9	14	9	5	36%
7-9	11	14	10	4	29%
10-12	6	8	6	2	25%

13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>26</b>	<b>36</b>	<b>25</b>	<b>11</b>	<b>31%</b>

FINANCIAL PERFORMANCE 2022/2023: HUMAN RESOURCE SERVICES						
R'000						
Details	2020/2021	2021/2022	2022/2023			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue						
Expenditure						
Employees	12 133 523	12 764 590	12 657 672	12 657 672	12 406 120	(2%)
Repairs and maintenance	0.00	54 356	54 479	54 479	19 562	(64%)
Other	480 344	481 826	722 992	1 160 192	643 618	(10%)
Total operational expenditure	12 613 867	13 300 772	13 435 143	13 872 343	13 069 300	(3%)
Net operational Expenditure	(12 613 867)	(13 300 772)	(13 435 143)	(13 435 143)	(13 069 300)	3%

### 3.21 INFORMATION TECHNOLOGY SERVICES (IT)

JB Marks has a fully functional IT Unit, which is managed internally .The Information Technology Services enables both the critical and catalyst function for service delivery ,by providing Support to all organizational stakeholders.IT enables the achievement of the obligations by deploying relevant information technology solutions.

#### IT Priorities

- ✚ To refresh hardware/software licenses of the municipality
- ✚ To provide technical support services.
- ✚ Operation of computer server do back-ups, database management and maintenance of servers
- ✚ Internet and email system support services to ensure meaningful and reliable communication within the municipality
- ✚ Network availability and access other functions.

#### ACHIEVEMENTS / COMPLETED

- ✚ The Internal Network of Tlokwe Local Municipality has been Upgraded (New Network devices).- Completed
- ✚ The Network link between Ventersdorp and Tlokwe is successfully implemented and is currently being upgraded
- ✚ Several Offsite offices have received upgrades and repairs.
- ✚ Old and damaged resources (computers and laptops) are gradually being replaced

### 3.22 LEGAL AND ADMINISTRATION SERVICES

#### INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

#### SERVICE STATISTICS FOR LEGAL AND ADMINISTRATION SERVICES

DESCRIPTION	2020-2021	2021/2022	2022/2023
Cases against Council (excluding letters of demand, and matters categorised hereunder):		33	24
Matters claiming damages as a result of potholes.		0 ( only the previous years' remain, which is 6 in total	Information to be provided by the internal insurance section ( Mr.George Nkuanyne. Already circulated the e-mail to the mentioned section on 17 November 2023, for direct response to PMS. Receipt was acknowledge by the section.
Matters against certain employees in terms of Section 205 subpoena, related to employment duties / notice in terms of Section 5(2) from the HAWKS:	6	34	Information to be provided by the internal audit section( Gayle and Mmuso)  Already circulated the e-mail to the mentioned section on 17 November 2023, for direct response to PMS. Receipt was acknowledge by the section.
Matters of evictions where the assistance of the municipality might be needed (including matters of previous years)	17	7	15 ( excluding matters finalised during the year)
Moot matters for/against the municipality	7	13( inclusive of matters of previous years; excluding debt collections)	13 (inclusive of matters of previous years, excluding debt collection; labour relations; insurance matters, and letters of demand.
Cases for Council: which includes: debt collections (Potchefstroom region); Contraventions of municipal bylaws high court and magistrate court); Court interdicts (including active matters of previous years):		17 ( pending from previous year)	
Debt collections handed over since July:		8 ( inclusive of matters pending from previous years )	75
Contraventions of municipal bylaws high court and magistrate court), including previous years, since July:	17	2	11( inclusive of active matters of prior years
- Court interdicts / Evictions on behalf of the municipality (including matters of previous years,	8	0	9( inclusive of matter of prior years)
Cases successfully defended	0(all pending)	2	5
Cases settled in favour of the municipality	0 (all pending)	5	0
Cases Settled in favour of the plaintiff	0 (all pending)	0	0



Matters closed as per advice from attorney / instructions			1
Cases outstanding against the municipality at year end, including damages as a result of potholes handled by the attorneys from the insurance of the municipality; including matters against certain employees in terms of Section 205 subpoena, related to employment duties, including evictions where the assistance of the municipality is needed, including moot matters (excluding matters settled /successfully defended during the year)	<i>'to be completed after information is obtained from revenue &amp; mr.nkaunyane'</i>		
Cases referred to Labour court, including matter of previous years, which is still pending			To be completed by Labour Relations Section.
None-litigious matters (excluding matters, where the attorneys closed the file)	19	7	2
Total Cases		0 (only the previous years' remain, which is 6 in total	To be completed upon all section providing its information, but for the legal section the following cases remain: Legal: 24+15+13+11+9  Debt collection: 75
Total Expenditure for legal expenses in respect of Labour Relations matters, based on paperwork prepared by the section:	R1 071 210,00	R 5 549 694.68	
Total Expenditure for legal expenses in respect of Legal Section matters, including non-litigious matters, based on paperwork prepared by the section:	R 3 428 845,48	R3 297 398.06	2 599 096.71

#### LABOUR RELATIONS: NUMBER AND PERIOD OF SUSPENSIONS – 2022/2023

Position	Nature of Alleged misconduct	Date of Suspension	Details of Disciplinary action taken or status of case and reasons why not finalised
Chief financial officer	Alleged Financial Misconduct	July 2021	Completed
Supply chain	Alleged Financial Misconduct	October 2021	Completed
Director Technical Services		October 2021	Completed
Director Community Safety		May 2022	Completed
Deputy Chief Financial officer	Alleged Financial Misconduct	May 2022	Disciplinary Hearing in progress
Senior Caretaker	Alleged Financial Misconduct	May 2022	Disciplinary Hearing in progress
Supply Chain Senior Storeman	Alleged Financial Misconduct	May 2022	Disciplinary Hearing in progress

Director Corporate Services	Gross insubordination	May 2022	Disciplinary Hearing in progress
Housing Clerk	Alleged Financial Misconduct	October 2022	Finalised
Indigent Clerk	Alleged Financial Misconduct	November 2022	Finalised
IMATU & SAMWU Shop stewards	Alleged misconduct	November 2022	Finalised
Community Safety Traffic Clerk	Alleged Misconduct	May 2023	Finalised
Supply Chain	Alleged Misconduct	May 2023	Finalised

## EMPLOYEE INFORMATION

EMPLOYEES: ADMINISTRATION OF CORPORATE SERVICES					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	5	7	5	2	29%
4-6	11	20	11	9	45%
7-9	10	15	10	5	33%
10-12	18	22	18	4	18%
13-15	0	0	0	0	0%
16-18	66	73	63	10	14%
19-20	0	0	0	0	0%
<b>Total</b>	<b>110</b>	<b>137</b>	<b>107</b>	<b>30</b>	<b>22%</b>

EMPLOYEES: LAND DEVELOPMENT & PROPERTY RIGHTS					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	3	4	3	1	25%
7-9	0	1	0	1	100%
10-12	2	3	2	1	33%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>33%</b>

# Chapter 3

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

## ***JB Marks Local Municipality***

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***2022/2023***





## ***ANNUAL PERFORMANCE REPORT***



2022/2023 ANNUAL REPORT – JB MARKS LOCAL MUNI



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## 1. INTRODUCTION

This Annual Performance Report is hereby submitted to Council in terms of section 121 of the Municipal Finance Management Act, 56 of 2003 read with the Municipal Systems Act, 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 and 63 on annual reporting.

The Municipal Planning and Performance Management Regulations (2001) Chapter 7, stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players”.

The JB Marks Local Municipality Performance Management Framework Policy aligned with the National Treasury Policy Framework and submitted to Council for approval.

Section 46 of Municipal System Act (Act 32 of 2000), stipulates the following:-

### Annual performance reports

46. (1) A municipality must prepare for each financial year a performance report Reflecting:-
- (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performance in the previous financial year; and
  - (c) Measures taken to improve performance.
- (2) An annual performance report must form part of the municipality’s annual report In terms of Chapter 12 of the Municipal Finance Management Act.”

This report covers the performance information from 1 July 2022 to 30 June 2023 and focuses on the implementation of the Service Delivery and Implementation Plan (SDBIP), in relation to the Integrated Development and Plan (IDP) and Budget. The SDBIP and Annual Performance Report under review will reflect on the Municipality’s performance in terms of the five (5) National Key Performance Areas for local government, which are:-

- ✚ Service Delivery & Infrastructure Development
- ✚ Municipal Institutional Development and Transformation
- ✚ Local Economic Development
- ✚ Municipal Financial Viability & Management
- ✚ Good Governance and Public Participation

During the year under review the JB Marks Local Municipality has the following Directorates, which included the Office of the Municipal Manager:-

- ✚ Directorate of Technical Services
- ✚ Directorate of Community Safety
- ✚ Directorate of Community Services and LED
- ✚ Directorate of Corporate Services
- ✚ Directorate of Finance

The municipality operated with an acting arrangement in respect of the position of Municipal

Manager, Director of Finance (CFO), Director of Community Services and LED, and Director Technical Services.

## **2. PERFORMANCE MANAGEMENT PROCESS OVERVIEW**

### **2.1 Mid-Year Budget and Performance Assessment**

The Mid-Year Budget and Performance Assessment gives or create an opportunity to diagnose the state of Service Delivery and Financial Affairs of the Municipality, as well as how the administration and local government maturity levels of the JB Marks Local Municipality is for the said period. During the 2022/2023 Financial Year, the Municipality was faced with challenges as it experienced a severely change of management; this had an impact on Service Delivery Projects implementation. It further resulted into several amendments to the 2022/2023 SDBIP during the financial year. Amendments were necessary because of supply chain challenges, poor performance of contractors on capital projects. The Municipality could only achieve **47%** of the applicable Key Performance Indicators for the first six months of the 2022/2023 financial year.

### **2.2 Performance Management Operations**

In the 2022/2023 financial year, every effort was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The JB Marks Local Municipality has continued to maintain the effective performance management operations of the following processes:-

- ☐ The Executive Mayor approved 2022/2023 Services Delivery and Budget Implementation Plan on the 27 June 2022
- ☐ Setting Key Performance Indicators that are reliable, well defined, verifiable, cost-effective, appropriate and relevant.
- ☐ The Performance agreements of Municipal Manager and Senior Managers reporting directly to the Municipal Manager with performance plans were developed, signed and approved by the Mayor as required by the Municipal Performance Regulations, 2006.
- ☐ 2022/2023 Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager and Council.
- ☐ 2022/2023 Mid-year budget and performance assessment in terms of Section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised SDBIP, were performed.

## **3. PERFORMANCE ASSESSMENTS**

- 3.1 The Performance Assessment was not conducted in JB Marks Local Municipality from 2015/2016. The performance bonuses was not paid since 2015/2016 Financial Year due to change of management.

## **4. AUDITING OF PERFORMANCE INFORMATION**

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1) (c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the



Municipal Planning and Performance Management Regulations, 2001.

Council Internal Audit section is responsible to perform this function, as part of their scope, Auditing of the Performance Management System and Information was performed and reports

were submitted for each quarter in terms of the following:-

- ☐ Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes and procedures.
- ☐ Document the understanding obtained of the performance information system, processes and procedures
- ☐ Document the understanding of risks that exists in the detailed performance management process per selected development priority.
- ☐ Assess, review, test and verify the consistency, measurability, relevance and presentation of planned and reported performance information.
- ☐ Review scorecards on a test basis to supporting evidence on a sample basis;
- ☐ Record the system that is used to generate the performance information
- ☐ Ensure compliance with the requirement of the PMS regulations;
- ☐ Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected; on a sample basis.

The Performance Audit Committee was established in terms of Council Resolution No. **C52/2020-03-10** during 2019/2020 and consisted of four committee members.

The Audit Committee primary objective is to advise the Municipal Council, and assist the Accounting Officer and Management in the effective discharge of their responsibilities with regard to Performance Management, Risk Management, Internal Control, and Governance and to achieve the Organisational Objectives.

The Committee is an independent Advisory Body that performs its function in terms of section 166 of the MFMA 56. Of 2003, as amended and King IV Report on Corporate Governance.

## 5. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be submitted to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2023. Subject to the condition in paragraph 2, municipalities and municipal entities are exempted for the 2021/2022 financial year, from complying with the deadlines in section 126 (1) and (2), 127(1) and (2), 129(1) and 133(2) as per Local Government: Municipal Financial Management (Act No.56 of 2003 as part of the report, the following areas were addressed:-

- ☐ National Key Performance Indicators
- ☐ Outcome 9 indicators of National Government
- ☐ IDP and Capital Projects
- ☐ Operational Indicators

The Annual Performance Report for 2022/2023 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained in the IDP and SDBIP. The directorates reports the achievements, reasons for deviation and planned remedial action. The report is supported by the relevant evidence loaded and maintained by the directorates to support the information captured on the Performance Management System. Measurable performance targets with regard to each of the development priorities and objectives were established.

## 6. TOTAL EXPENDITURE FOR KEY PERFORMANCE AREAS ENDING 30 JUNE 2023

Y PERFORMANCE AREAS					
2022/2023 OPERATION AND CAPITALS EXPENDITURE					
KPA	DEPARTMENT	TOTAL OPERATIONAL BUDGET	TOTAL EXPENDITURE	CAPITAL BUDGET	CAPITAL EXPENDITURE
Municipal Transformation	Corporate Services	98 232 279	80 529 219	4 400 000	1 224 859
<b>TOTAL</b>		<b>98 232 279</b>	<b>80 529 219</b>	<b>4 400 000</b>	<b>1 224 859</b>
Basic Services and Infrastructure Services	Infrastructure	1 208 198 678	886 294 692	205 659 999	117 799 311
	Public Safety	219 590 715	166 008 248	5 813 518	86 494
	Community Services	158 527 638	146 838 591	8 503 560	6 159 077
	Sports Art and Culture	76 956 080	49 892 632	8 361 000	27 550
<b>TOTAL</b>		<b>1 663 273 111</b>	<b>1 249 034 163</b>	<b>228 338 077</b>	<b>124 072 432</b>
Local Economic Development	LED	29 194 437	25 313 592	22 515 507	20 817 997
	Sports Museum	5 773 420	3 154 599	-	-
<b>TOTAL</b>		<b>34 967 857</b>	<b>28 468 191</b>	<b>22 515 507</b>	<b>20 817 997</b>
Financial Viability	Finance	365 074 696	362 482 124	22 384 764	4 123 541
	Valuation	6 337 460	6 823 021	-	-
<b>TOTAL</b>		<b>371 412 156</b>	<b>369 305 145</b>	<b>22 384 764</b>	<b>4 123 541</b>
Good Governance	Mayor	29 589 147	24 889 420	3 050 000	-
	Speaker	76 225 623	54 701 354	610 870	517 599
	Municipal Manager	12 214 757	10 243 209	-	-
	MPAC	3 513 046	2 566 201	200 000	9 000
	Internal Audit	4 703 594	2 472 742	-	-
	Risk Management	-	-	-	-
	Strategic Planning	3 220 589	2 206 119	-	-
<b>TOTAL</b>		<b>129 466 756</b>	<b>97 079 045</b>	<b>3 860 870</b>	<b>526 599</b>
Spatial Rationale	Human Settlement	38 693 052	19 291 277	50 000	17 565
	Town Planning	4 873 550	5 062 591	-	-
	Building Inspectors	8 134 916	8 182 836	-	-
<b>TOTAL</b>		<b>51 701 518</b>	<b>32 536 704</b>	<b>50 000</b>	<b>17 565</b>
<b>GRAND TOTAL</b>		<b>2 349 053 677</b>	<b>1 856 952 467</b>	<b>281 549 218</b>	<b>150 782 993</b>

**The Municipality's Key Performance Areas are as follows:-**

- ☐ KPA 1: Municipal Transformation and Organisational Development
- ☐ KPA 2: Basic Service Delivery
- ☐ KPA 3: Local Economic Development
- ☐ KPA 4: Financial Viability and Management
- ☐ KPA 5: Good Governance and Public Participation
- ☐ KPA 6: Spatial Rationale

## 7. ORGANISATIONAL PERFORMANCE RESULTS

The following table summarises the high-level summary of the municipality's 2022/2023 performance results with regard to each of the development priorities.

## 7.1 ORGANISATIONAL PERFORMANCE RESULTS

KEY PERFORMANCE AREAS	ANNUAL KPI'S	KPI APPLICABLE	NUMBER OF KPI'S ACHIEVED	% ACHIEVEMENT
Municipal Transformation and Organisational Development	4	4	1	25%
Basic Services	48	37	16	43%
Local Economic Development	4	4	1	25%
Finance Management and Viability	8	8	6	75%
Good Governance and Public Participation	7	7	4	57%
<b>Total</b>	<b>71</b>	<b>60</b>	<b>28</b>	<b>47%</b>

## 7.2.2022/2023 DIRECTORATES RESULTS

KEY PERFORMANCE AREAS	ANNUAL KPI'S	KPI APPLICABLE	NUMBER OF KPI'S ACHIEVED	Annual % Achievement
Directorate Technical Service	39	30	9	30%
Directorate Community Safety	6	6	6	100%
Directorate Community Services and LED	9	7	1	14%
Directorate of Finance	7	7	5	71%
Directorate of Corporate Services	10	10	7	70%
<b>Total</b>	<b>71</b>	<b>60</b>	<b>28</b>	<b>47%</b>

## 7.3 OVERVIEW OF NON-FINANCIAL PERFORMANCE INFORMATION BY JUNE 2023

DESCRIPTION	NUMBER	PERCENTAGE
Total Number of annual KPIs	71	100%
Total Number of KPI applicable	60	100%
Total Number of KPI's Achieved	28	47%
Total Number of KPI's Not Achieved	32	53%

## 7.4 SUMMARY OF PROJECTION/SERVICES BY 30 JUNE 2023

	Description	Terminology	Total	%
101%	Over Achieved	Performance exceeds expectations	14	23%
100%	Achieved	Targets met	14	23%
1-99%	Partially Achieved	Not Achieved	11	22%
0%	Not Achieved	Unacceptable Performance	21	35%

Total	60	100%
-------	----	------

## 7.5 COMPARISON OF CURRENT PERFORMANCE WITH PREVIOUS FINANCIAL YEAR

### PERFORMANCE OF THE JB MARKS LOCAL MUNICIPALITY

MUNICIPALITY	2020/2021	2021/2022	2022/2023
JB MARKS LOCAL MUNICIPALITY	51%	39%	47%

The 2022 /2023, Financial Year Performance reflect a **47%** success rate caused by combined performance results of directors in implementing the Service Delivery and Budget Implementation Plan. In the financial year 2022/2023, **9** projects were not achieved due to SCM delays, **6** projects are still in construction progress. The above non-achievement of projects was due to change of management, Bid Committees not sitting, Community disruptions, unrests on site, and poor performance from contractors.

JB Marks Local Municipality has implemented corrective measures by deferring under-performing capital projects to the 2022/2023 financial year, applied for roll-over on committed projects and will improve interventions with contractors to accelerate the construction progress in the next financial year. Project Management Unit will improve on contracts monitoring and ensure continuous engagements with SCM unit to efficiently award tenders.

The 2022/2023, Annual Performance Report includes performance comments and corrective measures indicated for targets per KPI not achieved. The following achievements contributes to the overall 2022/2023 annual performance of the JB Marks Local Municipality.

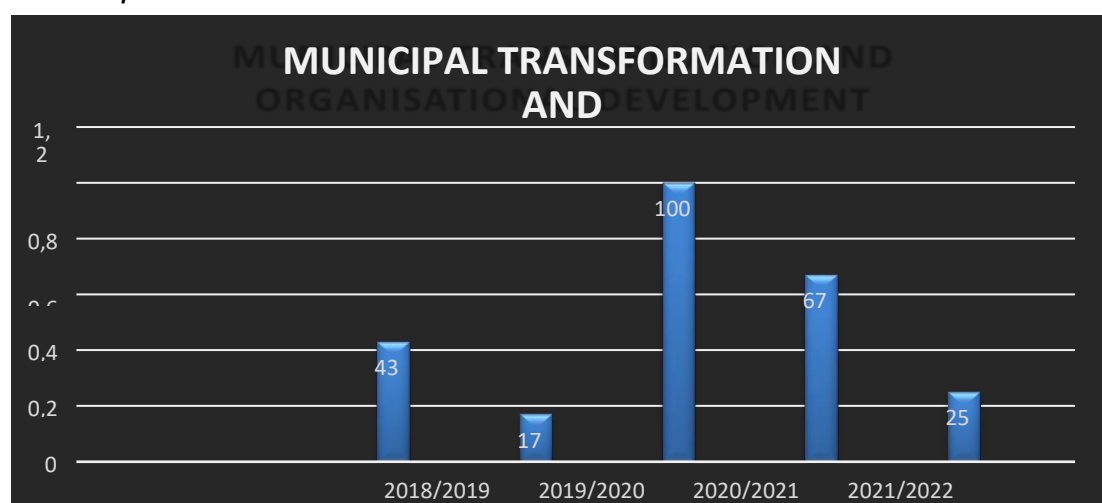
### KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

JB Marks Local Municipality Municipal Transformation and Organisational Development relates to improving the institution cohesion and effectiveness, Capacitation of staff through Skill Development in accordance with the workplace skills plan.

**The following planned target on track can be reported:-**

- ☐ **4 Health Awareness Campaign for employees conducted**

Graph 1



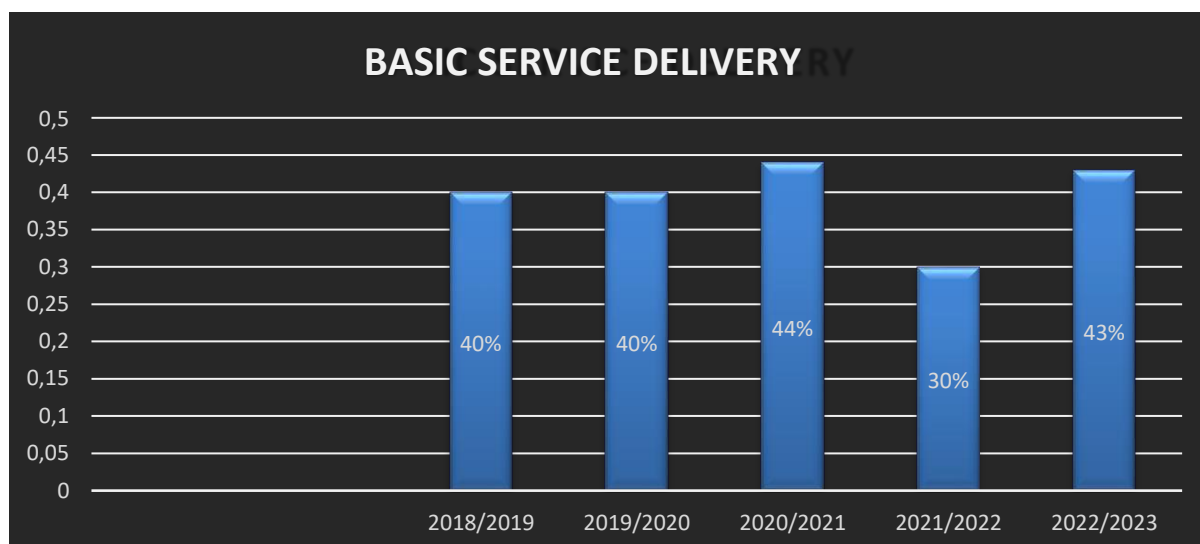
KPA 1 – 2022/2023 Municipal Transformation Capital and Operational Total Budget was

**R102 632 279**, Total Expenditure **R81 754 078 (80%)** by June 2023.

## **KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE SERVICES**

The municipality's function is to provide services to the community, to improve access and reduce backlogs, this KPA includes :- Water, Sanitation, Electricity, Refuse Removal, Environmental Management, Housing Services, Library Services, Fire, Disaster Management, Traffic etc

**Graph 2**



Total budget for operational and Capita is **R394 611 188**, and spending on KPA 2 – Basic Service Delivery is **R248 975 848 (80%)** by June 2023.

The original MIG allocation was **R76 186 000.00**, due to none spending the MIG funding was withheld **R47 315 000** due to none spending.

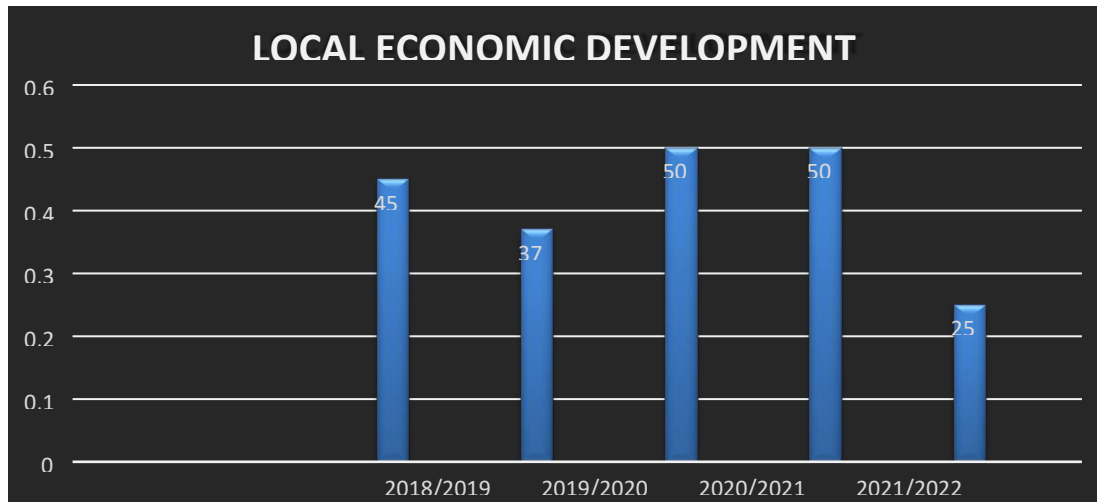
Out of **23** planned capital projects only **2** were completed for the financial year under review, The JB Marks Local Municipality has Draft Master Plans for the Basic Services (Water, Sanitation, Electricity, and Solid Waste) which will assist with the old infrastructure and implementation of improved and effective services to our community. For the financial year 2022/2023, **9** projects were not achieved, due to Bid Committees not sitting, community disruptions and unrest on site, poor performance of contractors. **1** projects designs completed and **6** projects in the construction progress.

The Community Safety Directorate consists of Traffic, Fire, Disaster Management and Licensing and they conducted awareness programmes to the community to capacitate on road and incidents safety. fire inspections **(401)** were conducted during financial year under review. Traffic department conducted **(120)** Roadblocks for compliance of the motorists. **(50)** Disaster reduction programmes conducted and **(50)** Road Safety Awareness Campaign, Fire awareness campaigns conducted **(41)** and Dangerous goods transportation inspections conducted **(95)** by end of June 2023 in JB Marks Local Municipality.

### **KPA 3: LOCAL ECONOMIC DEVELOPMENT**

LED function is to promote sustainable economic growth and employment creation of the JB Marks Local Municipality.

*Graph 3*



A Total budget for this KPA 3 was **R57 483 364**, spending during the financial year under review in the implementation of the KPA 3 is **R49 286 188 (86%)**,

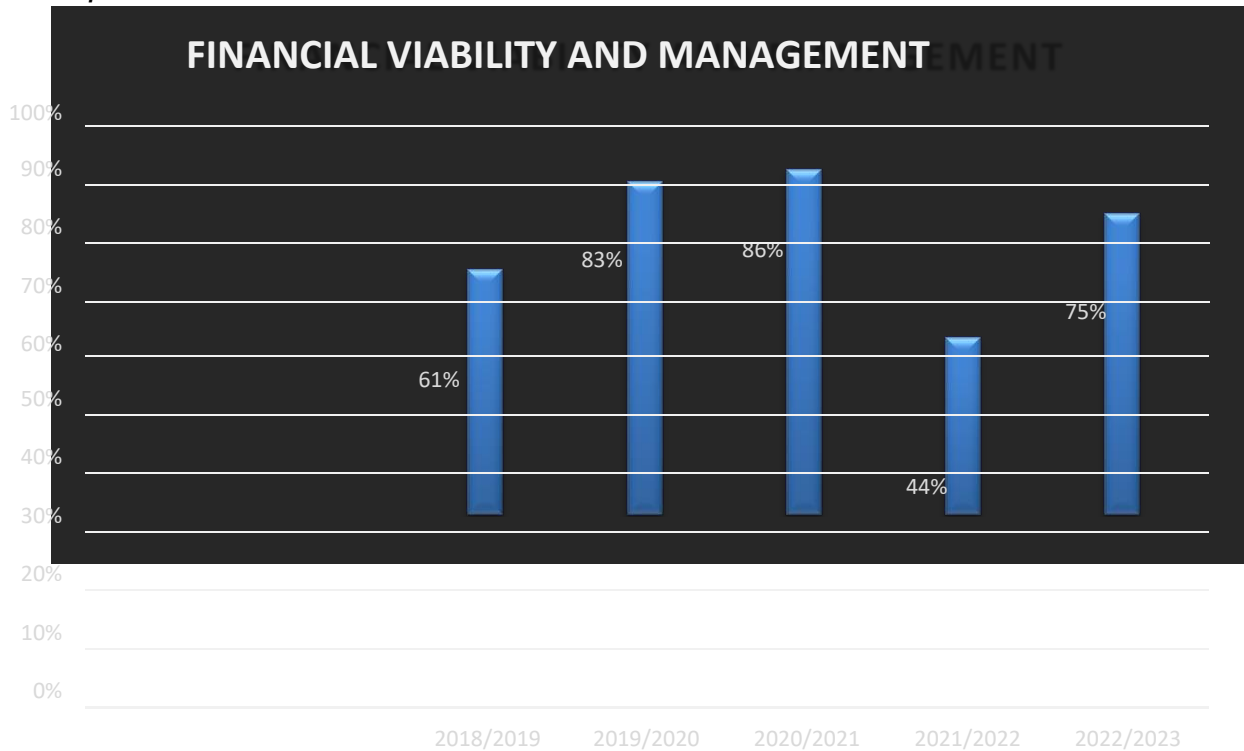
Capacity building programmes (9) were held for the community. (45) Notice for None-Compliance of Informal Trading in Hawkers within JB Marks Local Municipality. (6) Notice of Compliance of Businesses with in JB Marks Local Municipality were issued. The Municipality is in the process of developing the Local Economic Strategy Development.

### **KPA 4: FINANCIAL VIABILITY AND MANAGEMENT**

The KPA 4 focuses on the Financial Management processes, such as, budget development, Supply Chain Management, Assets Management, Revenue and Expenditure Management.



Graph 4

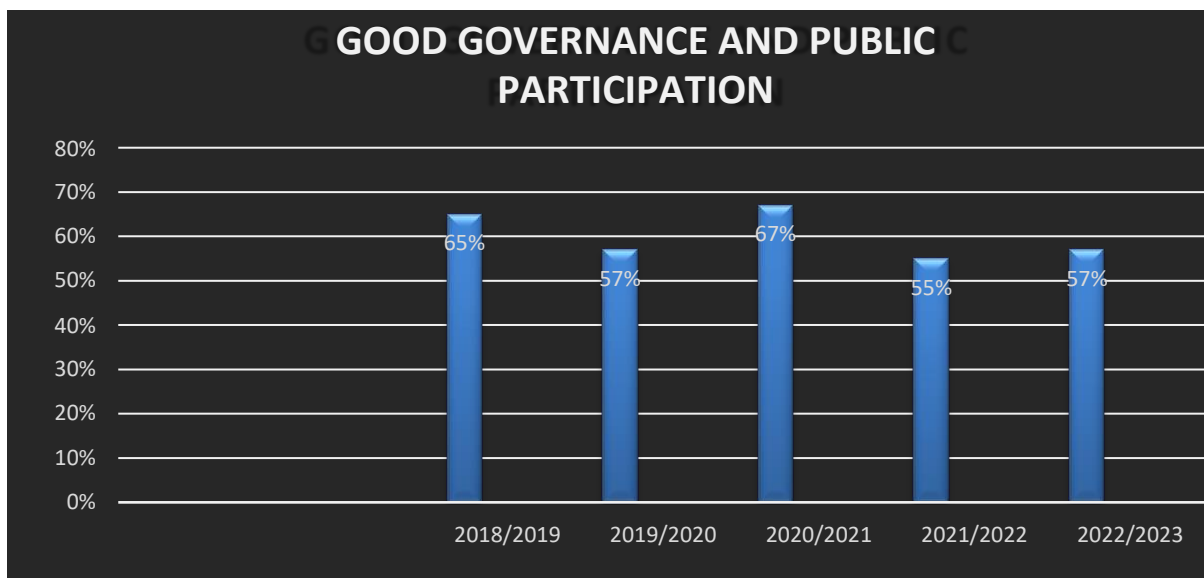


KPA 4 - Total Budget **R393 796 920** spending **R373 428 686 (95%)** on KPA 4 during financial year under review

#### **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

Good Governance focuses on governance matters such as Council Committees, Public Participation, Oversight Structus, Internal Audit, Risks Management etc.

Graph 5



KPA 5 - IDP and Budget processes were successfully implemented during 2022/2023 financial year. Total Budget **R133 327 626**, spent **R97 605 644** for the KPA 5 (**73%**), (19) Council meetings, (13) Mayoral Committee..

All Senior Managers signed their 2022/2023 Performance Agreement. IDP, Budget, Performance and Internal Audit successfully planned and implemented their unit functions.

***The following Compliance highlights contributed to overall 2022/2023 Annual Performance of the JB Marks Local Municipality:-***

1. 2022/2023 Reviewed IDP and Budget tabled by Council
2. 2022/2023 SDBIP approved by the Mayor  
2022/2023 Mid-Year Assessment Report approved by the Executive Mayor and tabled at the Council Meeting
3. Approved 2022/2023 Budget and tariffs
4. Approved 2022/2023 Adjustment Budget

## **8. CONCLUSION AND APPROVAL OF BY THE MUNICIPAL MANAGER**

During the 2022/2023 financial year, the overall performance results currently reflects **47%** success rate by mixed performance results of the departments implementing the SDBIP. The 2022/2023 the percentage is higher compared to the previous financial year 2021/2022 **39%**

The municipality did not perform well during 2022/2023 financial year as details were indicated in the above KPA's. The Municipality will continue to work harder towards improving its performance management system by:

- ✓ Setting Key Performance Indicators (KPI's) that are reliable, well-defined, Verifiable, Cost-Effective, Appropriate and Relevant.
- ✓ Ensure a clear linkage between IDP, Budget, SDBIP and Annual Report
- ✓ Developing and setting of targets that comply with the SMART principle by being Specific, Measurable, Achievable, Relevant, as well as being Time-bound.
- ✓ Regular reporting on organisational performance, to aid the monitoring of performance and to identify instances where corrective actions are necessary and implemented timeously.

There are still challenges on accurate and timeous reporting of performance information as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

The Performance Management System will continue to support various directorates quarterly, to improve the organisational culture towards performance management to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting performance.






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**MRS. B.M.B. MOSEPELE**  
**ACTING MUNICIPAL MANAGER**

# **Chapter 3**

**ANNUAL QUARTERLY PROJECTIONS OF SERVICE  
DELIVERY AND PERFORMANCE INDICATORS FOR EACH  
VOTE REPORT**




**GRANT AND COUNCIL FUNDED  
PROJECTS**


KEY PERFORMANCE AREA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT															
SECTION : CORPORATE SERVICE															
STRATEGIC OBJECTIVE		TO IMPROVE ORGANIZATION STABILITY AND SUSTAINABILITY													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges	Remedial Activities	Portfolio of Evidence	Status
KPI 1	Corporate Services: SDF  National KPI Compliance	1	1	% of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment equity plan in JB Marks LM by June 2023	N/A	100% of People from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment equity plan in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	0% of People from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment equity plan in JB Marks LM by June 2023	There is a Draft Employment Equity Plan and Draft Policy, to be submitted to LLF, Portfolio Committees and Council	Draft Employment Equity Plan and Draft Policy to be finalized in the next financial year	Draft Employment Equity Plan  Draft EEP Policy	Not Achieved 
KPI 2	Corporate Services: Labour Relations  Compliance	4	6	Number of Local Labour Forum Meetings conducted in the JB Marks LM by June 2023	N/A	4 LLF meetings conducted in the JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	2 LLF meetings conducted in the JB Marks LM by June 2023	The LLF meetings did not form quorum in 2022/2023	The workshop to be conducted for officials and councilors on the composition of the LLF in the next financial year	LLF Minutes	Not Achieved 
KPI 3	Corporate Services: Labour Relations  Skills Development Facilitator	New Indicator	6	Number of Skills Development Committee Meetings conducted in the JB Marks LM by June 2023	N/A	6 Skills Development Committee meetings conducted in the JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	0 Skills Development Committee meetings conducted in the JB Marks LM by June 2023	The meetings were not conducted due to committee members not attending meetings (Quorum was not formed)	Chairperson of the Committee to write a letter to Director: Corporate Services to intervene and ensure members attend meetings in the 2023/2024 financial year.	N/A	Not Achieved 


KPI 4	Corporate Services: EAP	7	8	Number of Health awareness campaigns conducted for employees of JB Marks LM by June 2023	N/A	4 Health awareness campaigns conducted for the employees of JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	4 Health awareness campaigns conducted for the employees of JB Marks LM by June 2023	None	None	Notice Attendance Register	Achieved 
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**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT**

KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Portfolio of Evidence	Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities			
KPI 5	IDP Capital Projects MIG-Funding  PMU	76%	50%	% of MIG Grant spent in JB Marks Local Municipality by June 2023	N/A	100% of MIG Grant spent in JB Marks Local Municipality by June 2023	N/A	R76 186 000.00	N/A	R47 315 000.00	62% of MIG Grant spent in JB Marks Local Municipality by June 2023	MIG Original Budget was R76 186 000, 00 however, R28 871 000, 00 was withheld due to non-spending on Capital Projects.	Projects that are affected should be implemented in the next financial year	Dora Report 1 July 2022 to 30 June 2023  Dora Gazette	Not Achieved 	
KPI 6	IDP-MIG Funding-Capital Project  PMU-Road Storm Water  Multi-Year Project from 2021/2022 to 2024/2025	New Project	0KM	Number of KM Road and Storm Water Constructed as per preliminary report in JB Marks LM by June 2023	Number of KM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	5KM Road and Storm Water Constructed as per preliminary report in JB Marks LM by June 2023	0,5KM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	R5 000 000.00  Vote No. 070340020139	R20 455 120.96  Vote No. 070340020009	R 13 407 90.50  R5 488 022.53	0KM of Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	The Contractor had to re-establish the site camp as it was demolished during strike and start the works from scratch. The indicator and target was amended to be specific and well defined. The Project was adjusted to R20 455 120.96 on the 11/01/2023 due to approval of Municipal Infrastructure Grant allocation. The Municipality procured the material on behalf of the contractor through cession.	The municipality to closely monitor progress on the project in the next financial year. Management will ensure that project related procurements are done timeously to avoid delays on implementation of projects.	Progress Report  Designs Completed  Payment Certificates  Appointment Letters (Consultant and Contractor)  MIG approved letter	Not Achieved 	
KPI 7	IDP-Internal Funding-Capital Project  PMU-Water  Multi Year Project from 2021/2022 to 2023/2024	New Project	0% of Designs completed	% of SCM Processes for the Water Reticulation in Greenfield by June 2023	% of Designs for Water Reticulation in Greenfield completed by June 2023	100% of SCM Processes for the Water Reticulation in Greenfield by June 2023	100% of Designs for Water Reticulation in Greenfield completed by June 2023	R3 000 000.00  Vote No. 0707400000010	R500 000.00	R0.00	0% of Designs for Water Reticulation in Greenfield completed by June 2023	The Municipality appointed the panel of consultants in November 2022, but there was a delay on the appointment of the Consultant for this specific Project due to delays in SCM processes. Multi-Year Project KPI was amended, as the Municipality is measured on projects for basic service delivery to the community. KPI budget allocation was decreased from R3 000 000.00 to	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 financial year.	Adjudication Minutes to confirm list of appointed panel of consultants  Minutes and Attendance Register for Briefing Session	Not Achieved 	



KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPEMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual expenditure	Actual Performance	Challenges/ Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 8	IDP-Internal - funding-Capital Project  PMU-Sanitation	New Project	0%	% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	N/A	100% of Desludging of Sledge Lagoon and upgrade in WWTP in by June 2023	30% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	R5 456 522.00  Vote No. 070500000 004	R500 000.00	R0.00	0% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	The Municipality appointed panel of contractors on the 20 March 2023, but there was a delay on the appointment of the contractor for this specific project. Project budget allocation was decreased from R5 456 522.00 to R500 000.00, as the annual target was revised from 100% of to 30% of desludging	Management will fast track the appointment of the Contractor to ensure that the project is implemented in the 2023/2024 financial year	Panel of Contractor advertisement of the 20 Mar 2023	Not Achieved 

KPI 9	IDP-Internal funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	0%	% of SCM Processes for the upgrading of Botha Sewer Pump Station by June 2023	% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	100% of SCM Processes for the upgrading of Botha Sewer Pump Station by June 2023	10% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	R2 385 515.00 Vote No. 070510000 001	R2 500 000.00	R0.00	0% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	The Municipality delayed to pay the 30% to the service provider for the procurement of material to implement the Project. Multi-Year KPI was amended to accelerate service delivery to the community and Project budget allocation was increased from R2 385 515.00 to R2 500 000.00.	The project was deferred to the 2023/2024 financial year for implementation. Management will ensure that project related payments are done timeously to avoid delays on implementation of Projects.	Signed SLA Programme of Works Proof of Payment Deviation Report	Not Achieved 
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SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 10	IDP- Internal funding-Capital Project  PMU- Sanitation	New Project	New Project	% of SCM Processes for the Emergency Upgrading of Promosa and Baipei Sewer Pump Station by June 2023	% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	100% of SCM Processes for the Emergency Upgrading of Promosa and Baipei Sewer Pump Station by June 2023	100% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	R5 000 000.00  Vote No. 070500060059	R500 000.00	R0.00	0% of Designs completed for the emergency upgrading of Promosa and Baipei sewer pump station by June 2023	The Municipality appointed the panel of consultant in November 2022, but there was a delay on the appointment of the Consultant for this specific Project due to delays in SCM processes. KPI was amended to accelerate service delivery to the community and Project budget allocation was decreased from R5 000 000.00 to R500 000.00 due to budget constraints.	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 financial year.	Adjudication Minutes to confirm list of appointed panel of consultants Minutes and Attendance Register for Briefing Session	Not Achieved 
KPI 11	IDP-Internal Funding-Capital Project  PMU-Sanitation	New Project	New Project	% of SCM Processes for the Upgrading of Promosa Ext 7 Sewer Pump Station in Areaganeng Str by June 2023	% of Designs completed for the upgrading of Sewer Pump Station in Promosa Areaganeng by June 2023	100% of SCM Processes for the Upgrading of Promosa Ext 7 Sewer Pump Station in Areaganeng Str by June 2023	100% of Designs completed for the upgrading of Sewer Pump Station in Promosa Areaganeng by June 2023	R5 000 000.00  Vote No. 070500111002	R0.00	R0.00	KPI was removed from the SDBIP	Council approved the KPI that was removed from the SDBIP and the Project budget allocation was decreased from R5 000 000.00 to R0.00 during budget adjustment due to financial constraints.	The project to be deferred to the 2023/2024 financial year for implementation.	Approved Adustement budget  Approved Revised SDBIP  Council resolutions	N/A

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KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 12	IDP-RBIG Funding-Capital Project  PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	Consultant Appointed	% of construction of New Reservoir (25ml) in Ikageng by June 2022	% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	40% of construction of New Reservoir (25ml) in Ikageng by June 2022	20% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	R40 000 000.00  Vote No. 07074000004	R30 000 000.00	R30 358 044.43	18% of construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7 by June 2023	There was a delay as a result of the inclement weather. KPI's annual target was reduced from 40% to 20% construction, due to delays in finalization of SCM processes towards appointment of the Contractor. Project budget allocation was decreased from R40 000 000.00 to R30 000 000.00 to include the other approved RBIG project	The project to be deferred to the next financial year. The overall duration of the project will be revised and the Contractor to expedite the program of works in the 2023/2024 financial year. Management to ensure that SCM processes are fast tracked and contractor appointments are finalised timeously.	Progress Report Payment Certificates Approved extension of time	Not Achieved 
KPI 13	IDP-Internal Funding-Capital Project  PMU-Road and Storm Water  Multi-Year Project from 2021/2022 to 2024/2025	New Project	0%	% of SCM Processes for the Construction of Bridge at Ext 7 Promosa/Mohadin Poortjie Dam by June 2023	% of Designs completed for the construction of Bridge in Ext 7 Promosa/Mohadin Poortjiedam by June 2023	% of SCM Processes for the Construction of Bridge at Ext 7 Promosa/Mohadin Poortjie Dam by June 2023	100% of Designs completed for the construction of Bridge in Ext 7 Promosa/Mohadin Poortjiedam by June 2023	R5 000 000.00  Vote No. 070740030185	R0.00	R0.00	KPI was removed from the SDBIP	Council approved the KPI that was removed from the SDBIP and Project budget allocation to be decreased from R5 000 000.00 to R0.00 during adjustment, due to budget constraints	The project to be deferred to the 2023/2024 financial year for implementation.	Approved Adustement budget  Approved Revised SDBIP  Council resolutions	N/A

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KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Portfolio of Evidence	Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities			
KPI 14	IDP-Internal Funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2023/2024	New Project	New Project	% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	N/A	50% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	5% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	R11 000 000.00 Vote No. 070740030008	R500 000.00	R0.00	0% of upgrading of Sewer Line Mohadin Poortjie Dam by June 2023	The Municipality appointed panel of contractors on the 20 March 2023, but there were delays on the SCM process to appoint the contractor for a specific project. KPI's annual target was reduced from 50% to 5% and budget was decreased from R11 000 000.00 to R500 000.00 due to financial constraints	The Municipality will fast track the SCM processes and appoint the Contractor for the specific project to ensure construction is implemented in the next financial year.	Adjudication Minutes to confirm list of appointed panel of contractors	Not Achieved 	
KPI 15	IDP-MIG Funding-Capital Project  PMU-Road and Storm Water	Designs completed in 2018/2019	0KM	Number of KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	N/A	1.6 KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	N/A	R5 962 993.00 Vote No. 070340000003	R10 933 841.01	R9 633 667.75	0KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	The project was at 70% overall progress and behind schedule as the Contractor encountered a hard rock on the subsurface of the stormwater excavations and due to temporary suspension of works by sub-contractors. KPI's annual budget was increased from R5 962 993.00 to R10 933 841.01 due to approval of the MIG roll over.	Management will ensure that the contractor expedite the works and will impose penalties if the project is not completed by end of September 2023	Progress Reports Payment Certificates Roll over approval	Not Achieved 	





KPI 16	IDP-MIG Funding-Capital Project  PMU- Environmental	New Project	100% Designs completed	% of Development of Cell 4 at PheloPhepa Land Fill Site by June 2023	KPI was removed from the SDBIP	100% of Development of Cell 4 at PheloPhepa Land Fill Site by June 2023	KPI was removed by SDBIP	R13 557 4 10.00  Vote No.	R0.00	R0.00	KPI was removed from the SDBIP	Council approved KPI that was removed from the SDBIP, as competitive bidders did not respond to tender advertisement.	Project to be re- advertised and deferred to the 2023/2024 financial year for implementation	Revised SDBIP Adjustment Budget	N/A
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	Multi-Year Project from 2021/2022 to 2024/2025							070480100 001				Budget allocated was therefore reduced from R13 557 410.00 to R0.00			
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KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 17	IDP-MIG Funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	New Project	Number of Households Constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	100% of Households Constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	100% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	R12 011 364.00 Vote No. 070500060002	R5 784 714.56	R2 336 828.57	100% of designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH) by June 2023	KPI to be amended to % instead of number, as it was an oversight from the municipality. Budget allocation was therefore reduced from R12 011 364 to R5 784 714.56	Municipality to implement the construction of the project in the next financial year	Designs completed Payment Certificate	Achieved 
KPI 18	IDP-WSIG Funding-Capital Project  PMU-Sanitation  Multi-Year Projects from 2021/2022 to 2023/2024	New Project	17.30%	% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	N/A	100% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	75% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	R27 927 253.00  Vote No. 070500060064	N/A	R29 619 328.37	53.9% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	Annual target to be reduced from 100% to 75% and the results of Environmental Impact Assessment (EIA), had to be re-submitted to the Department of DEDECT as per the advice to re-apply for the area that triggers the EIA for approval which was received in January 2023, There was also rain delays	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Progress Reports  Payment Certificates  Approved extension of time  Submitted EIA	Not Achieved 
KPI 19	IDP-Internal Funding-Capital Project PMU-Sanitation Multi-Year Project from 2021/2022 to 2024/2025	New Project	100 % Designs and tender document Completed.	% of Upgrading WWTW in Potchefstroom by June 2023	% of Designs completed for the upgrading of WWTW in Potchefstroom by June 2023	50% of Upgrading WWTW in Potchefstroom by June 2023	100% of Designs completed for the upgrading of WWTW in Potchefstroom by June 2023	R1 500 000.00  Vote No. 070500112002	R0.00	R0.00	KPI was removed from the SDBIP	Council approved the KPI to be removed from the SDBIP, due Project budget allocation was therefore decreased from R5 000 000.00 to R0.00 during adjustment.	The project to be deferred to the 2023/2024 financial year for the implementation	Approved Adjustment budget Approved Revised SDBIP Council resolutions	N/A




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KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Portfolio of Evidence	Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities			
KPI 20	IDP-MIG Funding-Capital Project PMU- LED	0% and R0.00 Expenditure	0% Light Industrial Park constructed in Ikageng (Ward 6) Expenditure of R256 466.03	% Light Industrial Park constructed in Ikageng (Ward 6) by June 2023	N/A	100% Light Industrial Park constructed in Ikageng (Ward 6) by June 2023	70% Light Industrial Park constructed in Ikageng (Ward 6) by June 2023	R14 705 237.00  Vote No. 070465000008	R17 859 769.21	R25 030 608.44	78% Light Industrial Park constructed in Ikageng (Ward 6) by June 2023	Contractor expedited progress on site. The allocated budget was therefore increased from R14 705 237,00 to R17 859 769.21 due to project progress on site.	The municipality to continue to appoint competent and capable contractors to expedite the works in the next financial year	Progress Report Payment Certificate	Achieved 	
KPI 21	IDP-WSIG Funding-Capital Project PMU-Sanitation	New Project	0% R879 832.16 Expenditure	% of Upgrading of Sewer Pump Station in Toevlug by June 2023	N/A	100% of Upgrading of Sewer Pump Station in Toevlug by June 2023	10% of Upgrading of Sewer Pump Station in Toevlug by June 2023	R7 072 746.79  Vote No. 070500210002	N/A	R0.00	0% of Upgrading of Sewer Pump Station in Toevlug by June 2023	The Contractor was appointed on the 16 April 2023, which delayed the implementation of the project. Annual target was reduced from 100% to 10% construction progress.	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Appointment Letter of Consultant and Contractor	Not Achieved 	
KPI 22	IDP-MIG Funding-Capital Project PMU-Sanitation Multi-Year Project from 2022/2023 to 2023/2024	New Project	New Project	% of Pump Station and Main Outfall Sewer Constructed in Promosa Ext 4 by June 2023	KPI was removed from the SDBIP	50% of Pump Station and Main Outfall Sewer Constructed in Promosa Ext 4 by June 2023	KPI was removed from the SDBIP	R4 850 916.00  Vote No. 070500121002	R0.00	R0.00	KPI was removed from the SDBIP	Budget allocation was reduced from R4 850 916.00 as the Department of labour issued a notice of suspension of the works due to the explosive that was found on site, and to date there is no development. KPI to be removed from the SDBIP	The municipality will ensure that the contractor is appointed and resume with the construction as soon as suspension is uplifted by Labour Department.	Letter from department of labor	N/A	

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		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 23	IDP-Internal Funding-Capital Project PMU-Sanitation	N/A	New Project	% of Upgrade of WWTP towards N14 Development: Pump Station and Rising Main Design Completed by June 2023	KPI was removed from the SDBIP	100% of Upgrade of WWTP towards N14 Development: Pump Station and Rising Main Design Completed by June 2023	KPI was removed from the SDBIP	R1 500 000.00  Vote No. 070501010	R0.00	R0.00	KPI was removed from the SDBIP	Council approved KPI that was removed from the SDBIP and project budget allocation to be reduced from R1 500 000.00 to 0.00, due to financial constraints	The Project was deferred to the next 2023/2024 financial year for implementation	Approved Adustement budget Approved Revised SDBIP Council resolutions	N/A
KPI 24	IDP-Internal Funding-Capital Project  PMU-Water	N/A	New Project	% of Bulk Water Distribution Supply Mains Construction in N14 Development Tshing Designs Completed by Dec 2022	KPI was removed from the SDBIP	100% of Bulk Water Distribution Supply Mains Construction in N14 Development Tshing Designs Completed by Dec 2022	KPI was removed from the SDBIP	R2 000 000.00	R0.00	R0.00	KPI was removed from the SDBIP	Council approved KPI that was removed from the SDBIP and project budget allocation to be reduced from R2 000 000.00 to 0.00, due to financial constraints	The Project was deferred to the next 2023/2024 financial year for implementation	Approved Adustement budget  Approved Revised SDBIP Council resolution	N/A
KPI 25	IDP-Internal Funding-Capital Project PMU-Water Multi-Year Project from 2022/2023 to 2023/2024	N/A	New Project	% of Upgrade Capacity of the Water Treatment Works Designs Completed in N14 Development Tshing by Dec 2022	KPI was removed from the SDBIP	% of Upgrade Capacity of the Water Treatment Works Designs Completed in N14 Development Tshing by Dec 2022	KPI was removed from the SDBIP	R1 500 000.00	R0.00	R0.00	KPI was removed from the SDBIP	Council approved KPI that was removed from the SDBIP and project budget allocation to be reduced from R1 500 000.00 to 0.00, due to financial constraints	The Project was deferred to the next 2023/2024 financial year for implementation	Approved Adustement budget Approved Revised SDBIP Council resolution	N/A
KPI 26	IDP-MIG Funding-Capital Project  PMU-Sanitation	N/A	New Project	% of Upgrade of Increased Ground Reservoir Storage in N14 Development Tshing Designs completed by June 2023	KPI was removed from the SDBIP	100% of Upgrade of Increased Ground Reservoir Storage in N14 Development Tshing Designs completed by June 2023	KPI was removed from the SDBIP	R1 500 000.00	R0.00	R0.00	KPI was removed from the SDBIP	Council approved KPI that was removed from the SDBIP and project budget allocation to be reduced from R1 500 000.00 to 0.00, due to financial constraints	The Project was deferred to the next 2023/2024 financial year for implementation	Approved Adustement budget  Approved Revised SDBIP Council resolution	N/A


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		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 27	IDP-MIG Funding – Capital Project  PMU - Water	New Project	0% overall progress Expenditure R1 726 747.69	% of Household Water Reticulation constructed in Ikageng Ext 13 by June 2023	N/A	80% of Households Water Reticulation constructed in Ikageng Ext 13 by June 2023	N/A	R7 204 471.00	R17 097 784.17	R18 103 668.23	0% of Households Water Reticulation constructed in Ikageng Ext 13 by June 2023	The overall construction progress is at 84%, Roll Over was approved which increased the budget from R7 204 471.00 to R17 097 784.17	Management to complete the project in the 1 <sup>st</sup> quarter of the next financial year	Progress Report  Payment Certification  Roll Over approval letter	Not Achieved 
KPI 28	IDP-MIG Funding-Capital Project  PMU-Electricity	New Project	11 High mast lights installed, Expenditure of R3 304 104.37	Number of High Mast Lights installed in various section in JB Marks LM Areas by June 2023	N/A	20 of High Mast Lights installed in various section in JB Marks LM Areas by June 2023	10 High Mast Lights installed in various section in JB Marks LM Areas by June 2023	R8 134 152.00	R7 805 480.10	R360 179,90	0 High Mast Lights installed in various section in JB Marks LM Areas by June 2023	The works had to be suspended, based on the challenge related to the procurement method of the contractor. Annual Target was reduced from 20 to 10 High Mast Lights. The allocated budget was therefore reduced from R8 134 152.00 to R7 805 480.10	The Municipality to fast track the conclusion of the legal matter, and deferred the project to the 2023/2024 financial year for implementation.	Progress Report  Payment Certificate  Appointment Letter  Letter of suspension of works	Not Achieved 
KPI 29	IDP-MIG Funding-Capital Project  PMU-Electricity  Multi-Year Project from 2022/2023 to 2023/2024	N/A	New Project	Number of Electrification of Houses in Tshing Ext 10 by June 2023	Number of Houses electrified in Tshing Ext 10 by June 2023	2483 of Electrification of Houses in Tshing Ext 10 by June 2023	500 Houses electrified in Tshing Ext 10 by June 2023	R45 936 000.00	N/A	R18 500 000,01	0 Houses electrified in Tshing Ext 10 by June 2023	100% Designs completed. 0% overall physical Progress, Contractor was appointed in April 2023. The municipality procured material for the contractor through cession.	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Delivery of material  Completed designs  Proof of payment	Not Achieved 

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 30	IDP-MIG Internal Funding-Capital Project  PMU-Electricity	N/A	New Project	Number of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	N/A	1 of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	N/A	R10 000 000.00	R600 000.00	R2 355 430.00	0 of Additional 20MVA Transformers Installed in Ikageng West Sarafina by June 2023	The municipality procured 27 different transformers, on deviation due to Emergency of natural disaster as a result of storm/lightning, Project decreased from R10 000 000.00 to R600 000.00	Management deviated from the initial planned target for the additional transformer, as it was not a challenge, to address the emergency that was encountered in Ventersdorp. The municipality will ensure that all transformers procured will be installed in the next financial year.	Deviation Report  Invoices	Not Achieved 
KPI 31	IDP-MIG & Internal Funding – Capital Project  PMU – Disaster Management	26%	77%  R9 095 738.88	N/A	% of Disaster Management Centre constructed in Potchefstroom by June 2023	N/A	100% of Disaster Management Centre constructed in Potchefstroom by June 2023	N/A	R2 431 517.00  Vote No. 070110000 112 070110000 111	R2 406 225.30	87% of Disaster Management Centre constructed in Potchefstroom by June 2023	The Contractor was terminated on the 30 Mar 2023, due to non-performance and failure to adhere to contractual obligations. KPI was included in the SDBIP, due to approval of the rollover. Roll over approval of R931 518.00 and Internal Funding of R1 500 000.00	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Progress Report  Payment Certificate  Roll over approval letter  Termination letter	Not Achieved 








KPI 32	IDP-MIG Funding – Capital Project	0%	52.02%	N/A	% of Households reticulated with Bulk Water Supply (467) in Boikhutso (Phase 2) by June 2023	N/A	100% of Households reticulated with Bulk Water Supply (467) in Boikhutso (Phase 2) by June 2023	N/A	R4 140 154.48	R0.00	0% of Households reticulated with Bulk Water Supply (467) in Boikhutso (Phase 2) by June 2023	The overall project from the previous financial year was 52.02%, to date there has been no development. The contractor was appointed on Regulation 36 by the 20 June 2023 KPI to be included due to roll over approval of R4 140 154.00,	Management will improve on contract management by timeously assessing the progress on projects and implementing necessary remedial actions where slow progress is noted, to ensure that projects are completed timeously.	Deviation Report	Not Achieved
	PMU - Water	R1 478 682.35	R1 955 971.44						Vote No. 070736030 009					Progress Report	

KPI 33	IDP-MIG Funding – Capital Project	New Project	11.11% Overall Progress Expenditure R708 073.60	Number of KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	N/A	2.26KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	N/A	R5 950 157.00	R13 253 690.60	R13 407 940.50	2.27KM of Road and Storm Water (Phase 2) constructed in Tshing by June 2023	KPI to be included in the SDBIP as it was listed in the IDP and Budget was available through the MIG roll over approval. Budget was increased from R5 950 157.00 to R13 407 941.00	Municipality to continue to appoint competent service providers in the next financial year	Progress Report Payment Certificates Practical Certificate	Achieved 
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KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPEMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRATRUCTURE DEVELOPMENT													
KPI No.	Responsible Department/Sec tion	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditur e	Actual Performance	Challenges/ Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 34	IDP- Internal funding-Capital Project  PMU-Road and Storm Water <b>Multi-Year Project from 2021/2022 to 2024/2025</b>	New Project	New Project	N/A	Number of KM of Road and Storm Water constructed in Boikhutsong by June 2023	N/A	0,5 KM of Road and Storm Water constructed in Boikhutsong by June 2023	N/A	R3 000 000.00  Vote No. 070340020139	R5 488 022.52	0 KM of Road and Storm Water constructed in Boikhutsong by June 2023	The project was at 30% overall progress. The community stopped work on two occasions, the last being on the 22 March 2023, Waterlines installed was located on the road, which made the Contractor to be behind schedule. KPI/Target was amended to be specific and well defined. Budget allocation increased from R2 000 000.00 to R6 474 084.00 due to planned construction on site.	The project to be deferred to the next financial year. Management to ensure that the Contractor expedite construction works and complete the project in 2023/2024 financial year.	Appointment letters for consultant and Contractor  Progress Reports Payment Certificates	Not Achieved 
KPI 35	IDP-RBIG Funding-Capital Project PMU-Water	New Project	94% Overall Progress Expenditure R1 742 156.56	N/A	% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	N/A	100% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	N/A	R4 000 000.00 Vote No. 070740000006	R813 800.95	94% of upgrading water pump station (Phase C) in Ikageng Ward 8 by June 2023	The project was at 94% overall progress. The Contractor was terminated on 28 September 2022, due to non-performance	The municipality to fast track the appointment of the new contractor for completion of the project in the 2023/2024 financial year.	Progress Reports Payment Certificates Termination Letter	Not Achieved 

KPI 36	IDP – Internal Funding Capital Project PMU - Sanitation	New Project	0% Designs  Expenditure of R0.00	% of Designs completed of Emergency upgrade of Sewer line in Top City and Ext 9 towards N12 and Berts Bricks by June 2023	N/A	100% of Designs completed of Emergency upgrade of Sewer line in Top City and Ext 9 towards N12 and Berts Bricks by June 2023	N/A	R5 000 000.00	R0.00	R0.00	KPI was removed from the SDBIP	Council approved the KPI that was removed from the SDBIP and the project budget allocation to be reduced from R5 000 000.00 to R0.00 during adjustment, as the municipality	The project to be implemented in the 2023/2024 financial year and management to ensure that SCM processes are	Adjustment Budget  Council Resolutions  Revised SDBIP	N/A
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												encountered delays on appointment of the consultant for this specific project.	fast tracked on appointment of the consultant.		
KPI 37	IDP-Internal Funding-Capital Project PMU - Electricity			% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	N/A	100% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	N/A	R6 157 963.00	R600 000.00	R0.00	0% of Designs completed for the upgrading of electricity sub-station in Poortjie Dam by June 2023	The Municipality appointed the panel of consultants in November 2022, but there were delay on the appointment of the Consultant for this specific Project, due to delays in the SCM process.	Management will fast track the SCM process and appointment of the consultant for this specific project, to ensure that the project is implemented in the 2023/2024 Financial year.	2023/2024 SDBIP	Not Achieved 





KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE		TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT													
KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 38	IDP-Internal Funding-Capital Project PMU-Electricity	New Project	0 #	N/A	Number of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	N/A	800 of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	N/A	R5 542 288.00 Vote No. 070680000 002	R1 685 266.00	800 of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023	None	None	Progress Report Payment Certificate	Achieved 
KPI 39	IDP-Operation and Maintenance  Compliance - Water	76 339	67 530	N/A	Number of Households with access to basic level water in the JB Marks LM Areas by June 2023	N/A	67 530 of Households with access to basic level water in the JB Marks LM Areas by June 2023	N/A	OPEX	OPEX	67 945 of Households with access to basic level water in the JB Marks LM Areas by June 2023	None	None	Valuation Roll  Land Use Maps  Informal Settlement Register	Achieved 
KPI 40	IDP-Operation and Maintenance  Compliance - Sanitation	76 641	67 530	N/A	Number of Households with access to basic level of sanitation in the JB Marks LM Areas by June 2023	N/A	67 530 of Households with access to basic level of sanitation in the JB Marks LM Areas by June 2023	N/A	OPEX	OPEX	67 945 of Households with access to basic level of sanitation in the JB Marks LM Areas by June 2023	None	None	Valuation Roll  Land Use Maps  Informal Settlement Register	Achieved 
KPI 41	IDP – Operation and Maintenance  Compliance - Electricity	71 789	67 530	N/A	Number of Households with access to basic level of electricity in the JB Marks LM by June 2023	N/A	67 530 of Households with access to basic level of electricity in the JB Marks LM by June 2023	N/A	OPEX	OPEX	67 945 of Households with access to basic level of electricity in the JB Marks LM by June 2023	None	None	Valuation Roll  Land Use Maps  Informal Settlement Register	Achieved 




**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE** TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 42	IDP – Operation and Maintenance  Compliance – Solid Waste	73 260	67 530	N/A	Number of Households with access to basic level of Solid Waste Removal in the JB Marks LM Areas by June 2023	N/A	61 992 of Households with access to basic level of Solid Waste Removal in the JB Marks LM Areas by June 2023	N/A	OPEX	OPEX	61 992 of Households with access to basic level of Solid Waste Removal in the JB Marks LM Areas by June 2023	None	None	Valuation Roll  Informal Settlement Register	Achieved 
KPI 43	Community Services and LED  Sport, Art, and Culture	New Project	New Project	Number of Sports Themes/capacity building Workshops at JB Marks Areas by June 2023	N/A	10 Sports Themes/capacity building Workshops at JB Marks Areas by June 2023	N/A	OPEX	N/A	R0.00	KPI was removed from the SDBIP	KPI was removed from the SDBIP, as this KPI is the Provincial Function, 0 Sports themes capacity building workshops conducted	The Municipality to focus more on its functions in the next financial year	N/A	N/A
KPI 44	IDP – Internal Funding Community Services and LED - Refuse removal Section	New Project	0	Number of Compactor Trucks procured in JB Marks LM by Mar 2023	N/A	1 of Compactor Trucks procured in JB Marks LM by Mar 2023	N/A	R2 000 000.00	R0.00	R0.00	KPI was removed from the SDBIP	KPI was removed from the SDBIP, due to budget allocation reduced to R0.00	The Refuse Section to plan for the indicator in 2023/2024	N/A	N/A
KPI 45	IDP – Internal Funding Community Services and LED - Parks/Street Trees Unit		New Project	Number of Chainsaws procured in Parks Section/Unit for JB Marks LM Areas by Mar 2023	N/A	10 of Chainsaws procured in Parks Section/Unit for JB Marks LM Areas by Mar 2023	N/A	R100 000.00 Vote No. 070440000 001	R80 000.00	R36 798.00	2 of Chainsaws procured in Parks Section/Unit for JB Marks LM Areas by Mar 2023	Target was not met due to delays in procurement authorisation process on the system (Collaborator) and the KPI budget was decreased from R100 000.00 to R80 000.00 due to financial constraints	Management will improve on procurement process by timeously placing orders and implementing necessary disciplinary actions where slow progress is noted, to ensure that goods and services are procured timeously.	Invoices Delivery Note	Not Achieved 







**KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE** TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT

KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 46	Community Services and LED  Parks/Street Trees Unit	45	52	Number of Bush Cutters procured in Parks Section For JB Marks LM Areas by June 2023	N/A	50 of Bush Cutters procured in Parks Section For JB Marks LM Areas by June 2023	40 of Bush Cutters procured in Parks Section For JB Marks LM Areas by June 2023	R200 000.00	R100 000.00	R89 855.84	13 of Bush Cutters procured in Parks Section For JB Marks LM Areas by June 2023	Municipality procured what was needed for the 2022/2023 financial year	Management will improve on procurement process by timeously placing orders and implementing necessary disciplinary actions where slow progress is noted, to ensure that goods and services are procured timeously.	Invoices  Delivery note	Not Achieved  
KPI 47	Traffic Services	45	52	Number of road safety awareness campaigns conducted in JB Marks LM Areas by June 2023	N/A	45 road safety awareness campaigns conducted in JB Marks LM Areas by June 2023	N/A	OPEX	N/A	OPEX	50 road safety awareness campaigns conducted in JB Marks LM Areas by June 2023	Municipality takes pride to deliver services and to conduct campaign awareness for the safety of the community.	JB Marks LM will continue to excel in Community safety department on service delivery and empowering the community.	Visitation form  attendance Register,  Photos	Achieved  
KPI 48	Traffic Services	140	229	Number of Law Enforcement roadblocks (law enforcement Programmes) conducted in JB Marks LM Areas by June 2023	N/A	100 Law Enforcement roadblocks (law enforcement Programmes) conducted in JB Marks LM Areas by June 2023	N/A	OPEX	N/A	OPEX	120 Law Enforcement roadblocks (law enforcement Programmes) conducted in JB Marks LM Areas by June 2023	Municipality takes pride to deliver services in law enforcement for the safety of the community.	JB Marks LM will continue to excel in Community safety department on service delivery empowering the community.	Roadblock sheet  Attendance Register	Achieved  
KPI 49	Disaster Management	43	50	Number of Disaster Risk Reduction Programmes conducted in JB Marks LM Areas by June 2023	N/A	48 Disaster Risk Reduction Programmes conducted in JB Marks LM Areas by June 2023	N/A	OPEX	N/A	OPEX	50 Disaster Risk Reduction Programmes conducted in JB Marks LM Areas by June 2023	Municipality takes pride to deliver services and to conduct risk reduction programmes for the safety of the community.	JB Marks LM will continue to excel in Community safety department on service delivery and empowering the community.	Disaster Management form  Attendance register	Achieved  





KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
SECTION : INFRASTRUCTURE															
STRATEGIC OBJECTIVE TO ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS AND ENSURE PROPER OPERATION AND MAINTENANCE TO SERVICES AND INFRASTRUCTURE DEVELOPMENT															
KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 50	Fire Brigade Services	268	573	Number of Fire Safety Inspections conducted JB Marks Areas by June 2023	N/A	350 of Fire Safety Inspection conducted JB Marks Areas by June 2023	N/A	OPEX	N/A	OPEX	401 of Fire Safety Inspection conducted JB Marks Areas by June 2023	Municipality takes pride in delivering fire safety services to the community.	JB Marks LM will continue to excel in Community safety department on service delivery and empowering the community.	Fire Inspection Reports	Achieved 
KPI 51	Fire Brigade Services	30	14	Number of Fire Safety Awareness Campaigns conducted in JB Marks LM by June 2023	N/A	40 Fire Safety Awareness Campaigns conducted in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	41 Fire Safety Awareness Campaigns conducted in JB Marks LM by June 2023	Municipality takes pride to deliver fire safety services and to awareness campaigns for the safety of the community.	JB Marks LM will continue to excel in Community safety department in service delivery and empowering the community.	Pier Cover Sheet Form Attendance Register	Achieved 
KPI 52	Fire Brigade Services	37	67	Number of dangerous goods transportation vehicle inspections conducted in JB Marks LM by end June 2023	N/A	90 Dangerous goods transportation vehicle inspections conducted in JB Marks LM by end June 2023	N/A	OPEX	N/A	OPEX	95 Dangerous goods transportation vehicle inspections conducted in JB Marks LM by end June 2023	Municipality takes pride in delivering vehicle safety services to the community.	JB Marks LM will continue to excel in Community safety department on service delivery and empowering the community.	Compliance Checklist Form	Achieved 

**KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE TO CREATE AN ENVIRONMENT THAT PROMOTES DEVELOPMENTS OF LOCAL ECONOMY AND FACILITATE JOB CREATION**





KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Portfolio of Evidence	Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities			
KPI 53	Community Services and LED  LED-Tourism  Operational	10	10	Number of Capacity Building for SMME's in the JB Marks Areas by June 2023  (Tourism, Enterprise and Socio-Economic)	N/A	9 Capacity Building for SMME's in the JB Marks Areas by June 2023  (Tourism, Enterprise and Socio-Economic)	N/A	R1 330 000.00  Vote No. 014650004 24 014650004 14	N/A	OPEX	8 Capacity Building for SMME's in the JB Marks Areas by June 2023	The municipality has staff capacity to capacitate and execute the function effectively.	Management will capacitate the unit by filing vacant posts and implementing necessary disciplinary actions where slow progress is noted, to ensure that programmes are conducted as planned.	Notices  Attendance Register	Not Achieved  	
KPI 54	Community Services and LED  LED-Tourism  Operational	0	4	Number of Tourism Awareness Programmes for the JB Marks Community by June 2023	N/A	4 Tourism Awareness Programmes for the JB Marks Community by June 2023	N/A	R1 000 00 0.00  Vote No. 010465000 290	N/A	OPEX	1 Tourism Awareness Programmes for the JB Marks Community by June 2023	Target was not met due to challenges of resources in the unit	Management will capacitate the unit by filing vacant posts and implementing necessary disciplinary actions where slow progress is noted, to ensure that programmes are conducted as planned.	Notices  Attendance Register	Not Achieved  	
KPI 55	Economic Development  Business Licence Officers	New Indicator	45	Number of Notices for non-compliance of informal trading in Hawkers within JB Marks Areas by June 2023	N/A	80 of Notices for non-compliance of informal trading in Hawkers within JB Marks Areas by June 2023	40 Notices for Non-Compliance of informal trading in Hawkers within JB Marks Areas by June 2023	R130 000. 00  Vote No. 010465000 414	N/A	OPEX	16 Notices for non-compliance of informal trading in Hawkers within JB Marks Areas by June 2023	The LED Unit has a transport shortage to execute the functions in the unit	Management will improve on procurement and budget process to ensure that required resources are procured timeously and implementing necessary disciplinary actions where slow progress is noted.	Notices,	Not Achieved  	

KPI 56	Economic Development  Business Licence Officers	New Indicator	38	Number of Notices of Compliance of Businesses within JB Marks LM Areas by June 2023	N/A	80 Notices of Compliance of Businesses within JB Marks LM Areas by June 2023	10 Notices of Compliance of Businesses within JB Marks LM Areas by June 2023	R230 000.00  Vote No. 010465000 414	N/A	OPEX	6 Notices of Compliance of Businesses within JB Marks LM Areas by June 2023	The LED Unit has a transport shortage to execute the functions in the unit	Management will improve on procurement and budget process to ensure that required resources are procured timeously and implementing necessary disciplinary actions where slow progress is noted.	Notices,	Not Achieved 
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**KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE** IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITIES BY DEVELOPING AND IMPLEMENTING APPROPRIATE FINANCIAL MANAGEMENT POLICIES, PROCEDURES AND SYSTEMS

KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	
KPI 57	Operational BTO: Revenue  National KPI	0%	0%	% Debt coverage ratio in JB Marks LM by June 2023	N/A	0% Debt coverage ratio in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	0% Debt coverage ratio in JB Marks LM by June 2023	None	None	Debt book coverage print	Achieved 
KPI 58	Operational BTO: Revenue  National KPI	39%	35%	% Outstanding Service Debtors to Revenue ratio for 2022/2023 by June 2023	N/A	90% Outstanding Service Debtors to Revenue ratio for 2022/2023 by June 2023	N/A	OPEX	N/A	OPEX	54% Outstanding Service Debtors to Revenue ratio for 2022/2023 by June 2023	None	None	Outstanding service print & calculations	Not Achieved 
KPI 59	Operational BTO: Budget  National KPI	2.5 Months	2 Months	Number of Months on Cost coverage ratio in JB Marks LM by June 2023	N/A	1-3 Months on Cost coverage ratio in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	1 Months on Cost coverage ratio in JB Marks LM by June 2023	None	None	Cost coverage print	Achieved 
KPI 60	Operational BTO: Budget  National KPI	13 233	14 549	Number of households earning Less than R3560 per month with access to Free Basic Services in JB Marks LM by June 2023	N/A	13 5000 of households earning Less than R3560 per month with access to Free Basic Services in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	14 291 of households earning Less than R3560 per month with access to Free Basic Services in JB Marks LM by June 2023	Municipality takes pride in delivering services to the community	Municipality to continue to excel in the services delivery to empower the community	Indigent Register	Achieved 

**KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE** IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITIES BY DEVELOPING AND IMPLEMENTING APPROPRIATE FINANCIAL MANAGEMENT POLICIES, PROCEDURES AND SYSTEMS




KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											Status
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	
KPI 61	Finance Dept. Revenue	94%	86%	R and % revenue collection for the JB Marks LM by June 2023	% of revenue collection for the JB Marks LM by June 2023	78% of revenue collection for JB Marks Local Municipality by June 2023	N/A	R1 547 746 817	N/A	1 268 178 491	82% of revenue collection for JB Marks Local Municipality by June 2023	None	None		Achieved 
KPI 62	Finance Dept. Revenue	100%	87%	% of Rand spend on Free Basic Services in JB Marks LM by June 2023	N/A	100% of Rand spend on Free Basic Services in JB Marks LM by June 2023	N/A	R57 060 000.00	R88 176 802.00	R85 723 464.00	100% of Rand spend on Free Basic Services in JB Marks LM by June 2023	None	None		Achieved 
KPI 63	Finance Dept. SCM	New Indicator	10.7%	% of Implementation of Procurement Plan in JB Marks Local Municipality by June 2023	KPI removed from the SDBIP	% of Implementation of Procurement Plan in JB Marks Local Municipality by June 2023	KPI was removed from the SDBIP	OPEX	N/A	OPEX	KPI was removed from the SDBIP	Council approved that the KPI that was removed from the SDBIP due to change of management and not being able to report progressively on the indicator	KPI to be deferred to the 2023/2024 financial year	Revised SDBIP	Not Achieved 
KPI 64	Corporate Services SDF	100%	87%	% and R value of budget spent on implementing workplace skills plan in JB Marks LM by June 2023	% of R value of budget spent on implementing workplace skills plan in JB Marks LM by June 2023	100% of budget spent on implementing workplace skills plan in JB Marks LM by June 2023	N/A	R2 500 000.00 Vote No. 10316026501 & 010316052981	R1 988 500.00	R2 328 531.69	117% of budget spent on implementing workplace skills plan in JB Marks LM by June 2023	None	None	Financial System expenditure report/Screen shots	Achieved 

**KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE** TO PROMOTE A CULTURE OF PARTICIPATORY AND GOOD GOVERNANCE

KPI No.	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 65	Corporate Services	15	19	Number of Council Meetings to be held in JB Marks LM by June 2023	N/A	4 Council Meetings to be held in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	19 Council Meetings to be held in JB Marks LM by June 2023	Municipality takes pride in taking informed decisions to deliver services to the community of JB Marks LM	JB Marks will continue with an excellent leadership in the next financial year	Minutes of Council meetings	Achieved 
KPI 66	Corporate Services  Committee Unit		11	Number of Mayoral Committee Meetings to be held in JB Marks LM by June 2023	N/A	4 Mayoral Committee Meetings to be held in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	13 Mayoral Committee Meetings to be held in JB Marks LM by June 2023	Municipality takes pride in taking informed decisions to deliver services to the community of JB Marks LM	JB Marks will continue with an excellent leadership in the next financial year	MAYCOM Minutes	Achieved 
-	Director Corporate Services  Human resource Management: Recruitment and Section Unit	New Indicator	0	Number of HR Policies submitted to Council for approval in JB Marks LM by June 2023	N/A	6 HR Policies submitted to Council for approval in JB Marks LM by June 2023  (Recruitment and Selection, Overtime, Acting allowance, Transfer of staff, Time and attendance, Leave Policies)	N/A	OPEX	N/A	OPEX	9 HR Policies submitted to Council for approval in JB Marks LM by June 2023	None	None	RMS  HR Policies submitted	Achieved 
KPI 68	Corporate Services: Information Technology		New Indicator	Number of IT Policies submitted to Council in JB Marks LM by June 2023	N/A	4 IT Policies submitted to Council JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	4 IT Policies submitted to Council JB Marks LM by June 2023	None	None	Policies submitted  RMS sheet	Achieved 



**KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**
**SECTION : INFRASTRUCTURE**
**STRATEGIC OBJECTIVE TO PROMOTE A CULTURE OF PARTICIPATORY AND GOOD GOVERNANCE**

KPI No,	Responsible Department/Section	Previous Financial Year		Financial Year Under Review 2022/2023											
		2020/2021	2021/2022	Key Performance Indicator	Adjusted KPI	Annual Performance Target	Adjusted Annual Target	Annual Budget	Adjusted Budget	Actual Expenditure	Actual Performance	Challenges/Reason for Deviation	Remedial Activities	Portfolio of Evidence	Status
KPI 69	Corporate Services – Information Technology	New Project	New Project	Number of IT Steering Committee Meetings conducted in JB Marks LM by June 2023	N/A	3 IT Steering Committee Meetings conducted in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	1 IT Steering Committee Meetings conducted in JB Marks LM by June 2023	The LLF meetings did not form quorum as committee members did not attend meetings in 2022/2023	KPI to be deferred to the 2023/2024 financial year and Chairperson to ensure that members attend meetings.	Minutes of the IT Steering Committee	Not Achieved 
KPI 70	Community Services and LED	0%	0%	% of LED Strategy developed in JB Marks Local Municipality by June 2023	N/A	100% of LED Strategy developed in JB Marks Local Municipality by June 2023	N/A	R1 000 000.00 010465001790	N/A	R0.00	0% of LED Strategy developed in JB Marks Local Municipality by June 2023	The allocation of funds was under budgeted	KPI to be deferred to the 2023/2024 financial year	N/A	Not Achieved 
KPI 71	Community Services and LED Water Quality	0	0	Number of Reports submitted to Council on Blue Drop and Green Drop in JB Marks LM by June 2023	N/A	6 Reports submitted to Council on Blue Drop and Green Drop in JB Marks LM by June 2023	N/A	OPEX	N/A	OPEX	0 Reports submitted to Council on Blue Drop and Green Drop in JB Marks LM by June 2023	The instability within the municipality resulted in delays on tabling of Blue drop and Green drop reports.	KPI to be deferred to the 2023/2024 financial year for an effective implementation	N/A	Not Achieved 

# Chapter 3

COMPONENT J: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2022/2023 FINANCIAL YEAR

## *JB Marks Local Municipality*

### ***ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS***



ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2022/2023 FINANCIAL YEAR											
Project name	Name of Service provider	Source of funding	Start date	Completion date	Status of the Project in Construction as at June 2023	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
DEPARTMENT : TECHNICAL SERVICES INFRASTRUCTURE							Q1	Q2	Q3	Q4	
Light Industrial Park in Ikageng.	Moedi Consulting Engineers	MIG	22 <sup>nd</sup> June 2022	27 <sup>th</sup> July 2023	Progress as at June 2023 is at 78%	Delayed payments.	4	4	4	4	The Consulting Engineers documentation submission time and dates are punctual and quality of the work.
	Persevcon Contractor					Poor quality of subcontractors	4	4	4	4	The overall performance is satisfying. The service providers responds timeously.
Construction of Ikageng extension 13 Sewer reticulation for phase 2 & 3	BMH Consulting Engineers	MIG	TBA	TBA	Designs completed	Funds withheld as a results of reallocations and stopping. Whereby construction could not resume.	4	4	4	4	The Consulting Engineers documentation submission time and dates are punctual and quality of the work.
Construction of roads and storm water in Ikageng	Mhiduve	MIG	15 July 2023	29 July 2024	0 % physical progress.	Community disruptions and the community/smm e's burnt site contractor had to de establish and re-establish.	2	2	2	2	The Engineer appointed level of supervision on site is dissatisfactory and has been notified to improve.
	Shwings						3	3	3	3	The Contractor is performing well under the challenging circumstances.
Construction of the Disaster Management Centre	Mhiduve Consulting Engineers	MIG	TBA	TBA	Progress as at June 2022 is at 87.09% upon termination	The Contractor has been terminated as result of poor performance and the consultant withdrew from the project. The	1	1	1	1	Both the service providers provided the Municipality with poor quality work.
	Tshikamotha						1	1	1	1	

						Municipality to follow SCM processes and appoint new service providers					
-Construction of Ikageng extension 13 water reticulation for phase 2 &3	BMH Consulting Engineers Tarcron Projects	MIG	30 January 2023	29 August 2023	Progress as at June 2023 is at 84%	Community disruptions and rain delays.	5 n/a	5 n/a	5 5	5 5	The overall performance is satisfying. The service provider responds timeously and the quality of submission is excellent.
Construction of bulk water supply in Boikhutso Phase 2	Korone Engineers	MIG	To be advised	To be advised	Progress at 52.03%	Project is suspended and the contractor has been terminated.	n/a				The Contractor was only appointed on the 30 <sup>th</sup> June 2023.
Construction of Roads and Stormwater in Tshing Phase 2	Lotshepe Engineers  KD Civils	MIG	Project completed		100% Completion	None	5 5	5 5	5 5	n/a n/a	The project was completed in time.
Electrification of Tshing Ext 10	Motla Engineers	INEP	02 April 2023	01 April 2023	April 2024	Material. Procured.	n/a	n/a	n/a	5	The service provider is responsive
Construction of Roads and stormwater in Toevlug Phase 2	PRDC Engineers WA roads JV	MIG	14 November 2022	14 August 2023	Progress at 70%	Project is behind schedule as result of delayed payment and community disruptions	3 3	3 3	3 3	3 3	The Consulting Engineers documentation submission is late and delays in submission of documentation.
Development of Cell 4 at Phelophepha land fill site.	Nep Engineers	MIG/Internal	To be advised	To be advised	Design and tender	Delayed SCM process as a result of stopping and reallocation	n/a	n/a	n/a	n/a	No work was done in the financial year.
Upgrading of Pump Station (Phase C)	Moedi Consulting Engineers CMS	RBIG	TBA	TBA	Progress at 94%	Contractor Terminated	n/a	n/a	n/a	n/a	No work was done in the financial year.

New Ikageng Reservoir(25ml) (Phase E)	Moedi Consulting Engineers  Ultimate Dynamics	RBIG	09 <sup>th</sup> Jan 2023	09 <sup>th</sup> July 2023	Progress at 12%	None	n/a	n/a	5  5	5  5	The overall performance is satisfying. The service providers responds timeously.
Phase F: New rising Main & bulk distribution line	Moedi Consulting Engineers	RBIG	TBA	TBA	Designs completed	None	5	5	5	5	The overall performance is satisfying. The service provider responds timeously.
Roads and Storm water JB Marks Ventersdorp	Mhiduve Lance Management	Internal funding	05 December 2022	29 September 2023	Progress is at 30%	Delay in payments  High Demand of subcontracting/ community disruptions	n/a  n/a	n/a  n/a	3  4	3  4	The overall performance is satisfying. The service providers responds timeously..
Dessludging of the sludge lagoon	Aseda Consulting Engineers	Internal funding	To be advised	To be advised	Design and tender	Delayed SCM process	n/a	n/a	n/a	n/a	No work was done.
Replacement of the Asbestos pipe in Vyhoek	Korone Engineers	WSIG	12 May 2022	June 2023	Progress at 53.90%	Delay in responses from sector department	4	4	4	4	The overall performance is satisfying. The service providers responds timeously.
Upgrade of Sewer for Mohadin poortjie Dam.	Korone Engineers	Internal funding	To be advised	To be advised	Design and tender	Delayed SCM process	5	5	5	5	The overall performance is satisfying. The service providers responds timeously.

**JB MARKS LOCAL MUNICIPALITY'S AUDIT AND PERFORMANCE COMMITTEE  
(APC) REPORT TO COUNCIL ON THE REVIEW OF ANNUAL FINANCIAL  
STATEMENTS AND PERFORMANCE REPORT FOR YEAR ENDED 30  
JUNE 2023**

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

**Audit and Performance Audit Committee Structure**

JB Marks Local Municipality has an Audit and Performance Audit Committee which is composed of five independent members and reports directly to Council. Attendance of meeting was as follows:

<b>Initials and Surname</b>	<b>Position</b>	<b>Ordinary meeting</b>	<b>Special meeting</b>
SAB Ngobeni	Chair	4/4	1/1
J Masite	Member	4/4	1/1
I Motala	Member	4/4	1/1
Mathibela	Member	4/4	1/1
Mpho Mathye	Member	4/4	1/1

**Audit and Performance Audit Committee Responsibility**

The Audit and Performance Audit Committee reports that it has complied with its responsibilities arising from Section 166 and 165 of the Municipal Finance Management Act and Treasury Regulation 3.1.13. The Audit and Performance Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Performance Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related code of conduct, policies and practices.

**Stakeholder Engagement/s**

The committee has been able to engage with the following stakeholders:

- North West Provincial Treasury
- North West Department of Corporate Governance, Human Settlement and

- Traditional Affairs
- SALGA
- Provincial Auditor (AGSA)

### **The Effectiveness of Internal Control**

Based on the results of the formal documented review of the design, implementation and effectiveness of the municipality's system of internal controls conducted by the internal audit and AGSA during the financial year ended 30 June 2023, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit and Performance Audit Committee concluded that the municipality's system of internal financial controls is partial effective and several material internal control breaches come to the Committee's attention.

### **Risk Management**

The Audit and Performance Audit Committee reviewed the municipality's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that the municipality's risk management maturity level is not satisfactorily and improving

### **In-Year Management and Monthly/Quarterly Report**

Based on the quarterly review of in-year monitoring systems and reports, the Audit and Performance Audit Committee is somewhat satisfied with the quality, accuracy, uselessness, reliability, appropriateness, and adequacy of the municipality in-year reporting systems. However, the year-end reporting should improve to avoid adjustment of the annual financial statements after submission to the AGSA.

### **Internal Audit Arrangement**

The Audit and Performance Audit Committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the municipality's systems of internal control;



- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;

### **Combined assurance**

The Audit and Performance Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were not adequate to address all significant risks facing the municipality.

### **Compliance with the relevant laws and regulations**

The Audit and Performance Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the municipality did not fully comply with the enabling laws and regulations as well as its municipality policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management)..

### **Evaluation of Annual Financial Statements**

Following the review by the Audit and Performance Audit Committee of the draft annual financial statements for the year ended 30 June 2023 before the audit, the committee is of the view that, annual financial statements can be incorporated into the annual report.

### **Evaluation of Annual Performance Report**

Following the review by the Audit and Performance Audit Committee of the annual performance report for the year ended 30 June 2023 and after the audit, the committee is of the view that, annual performance report can be incorporated into the annual report.

### **Consideration of the Final Audit report**

The Audit and Performance Audit Committee considered final audit report and concurred with the AGSA's qualified audit opinion.

## **Auditor-General of South Africa**

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.

### **Conclusion**

The Audit Committee wishes to acknowledge the commitment and support of Council, Honourable Executive Mayor, Municipal Manager, AGSA staff, management and staff of the municipality. The political and administrative leadership stability in the municipality played ultimate and big role towards and improved and positive financial and non-financial performance.



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**SAB Ngobeni**

**Chairperson of the Audit and Performance Audit Committee**

**Date 30 November 2023**

## List of Acronyms

AC	Audit Committee
AG	Auditor-General
CBP	Central Business District
CBD	Community Based Plan
CC	Council Committee
CPA	Community Property Association
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EECF	Employment Equity Consultative Forum
EPWP	Extended Public Works Programme
GIS	Geographic Information System
IDP	Integrated Development Plan
INEP	Integrated National Electrification Program
LLF	Local Labour Forum
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
MFMA	Municipal Financial Management Act
MSA	Municipal Systems Act
OHS	Occupational Health Safety
PAC	Performance Audit Committee
PGDS	Provincial Government Development Sector
PMS	Performance Management System
POE	Portfolio of Evidence
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Implementation Plan
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprises
WPSP	Work Place Skills Plan
WWTP	Waste Water Treatment Plan
AR	Annual Report
MPAC	Municipal Public Accounts Committee
DLG&HS	Department of Local Government and Human Settlement






# Chapter 4

# Chapter 4

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

### INTRODUCTION

JB Marks Local Municipality consists of 5 directorates which are as follows:-

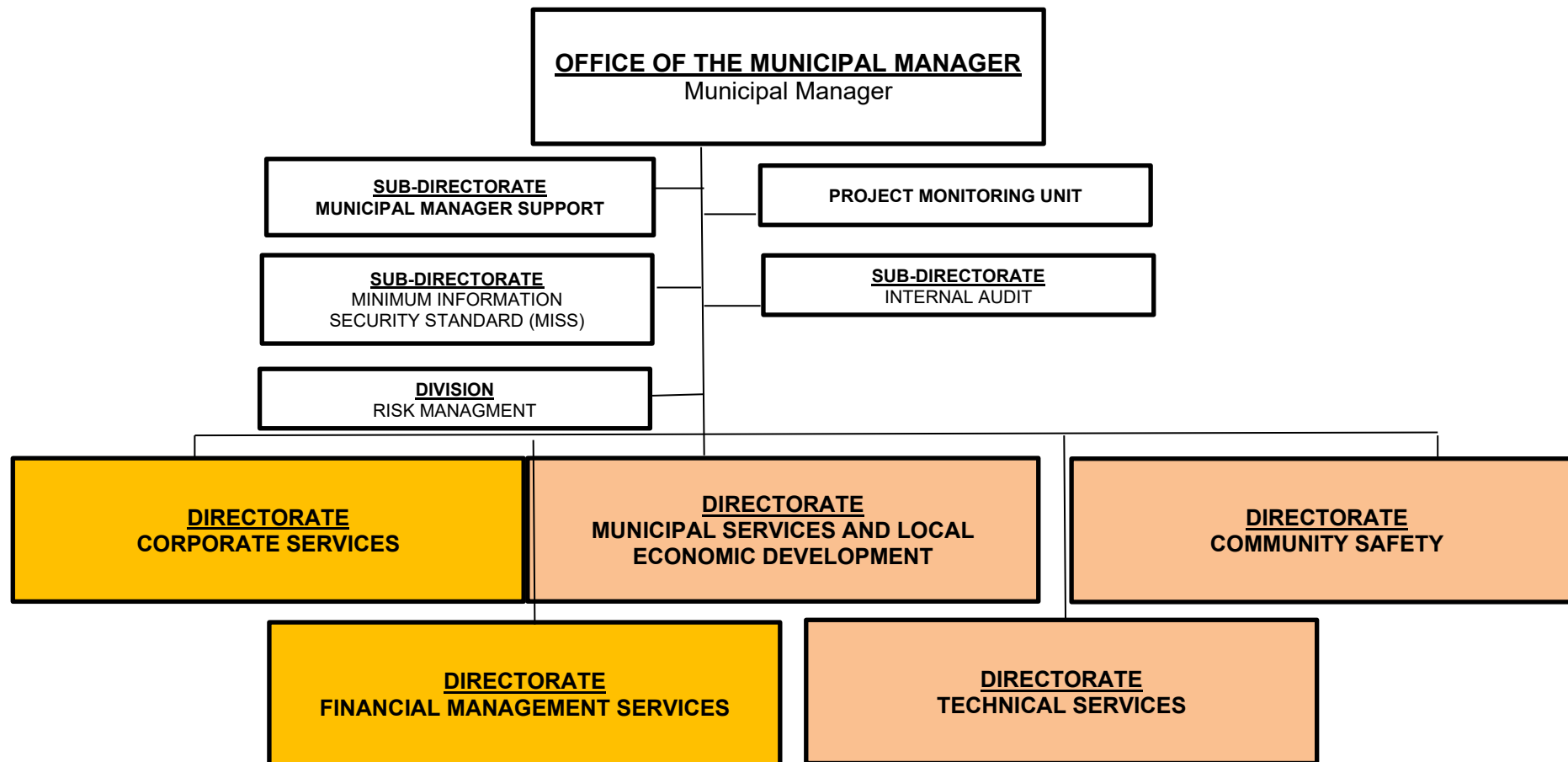
-  Technical Services
-  Corporate Services
-  Community Safety
-  Financial Management Services
-  Municipal Service and LED

The Structure was approved with a staff complements of **1576** posts. Of which **1115** is filled and **374** vacancies.

The Municipality's top structure is as follows:-



## ORGANISATIONAL TOP STRUCTURE OF JB MARKS LOCAL MUNICIPALITY



## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

<b>EMPLOYEES OF THE JB MARKS LOCAL MUNICIPALITY</b>					
<b>DESCRIPTION</b>	<b>2020/2021</b>	<b>2022/2023</b>			
	<b>Employees No.</b>	<b>Approved Posts 1</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies %</b>
Municipal Manager	1	1	0	1	100%
Directors	4	5	3	2	40%
Manager in the office of the municipal Manager	1	1	0	1	100%
Secretaries	7	7	6	1	14%
Office of the Mayor, Speaker & Single Whip	1	31	1	30	97%
PMS	2	3	2	1	33%
HR	26	36	25	11	31%
Administration of Corporate Service	108	135	105	30	22%
Land Development & Property Right	6	9	6	3	33%
Revenue	43	58	42	16	28%
Expenditure	14	18	15	3	17%
Budgeting	2	6	2	4	67%
Electrical and Mechanical Services	106	133	102	31	23%
Water Services	62	91	60	31	34%
Waste Water (Sanitation) Services	46	64	44	20	31%
Roads and Storm-water Drainage	66	80	66	14	18%
Solid Waste Management Services	134	155	127	28	18%
Libraries	35	47	34	13	28%
Fire and Disaster Management	73	109	74	35	32%
Licensing Services	38	36	52	34	35%
Cemeteries,Parks and Amerities	159	201	153	48	24%
Sport ,Arts & Culture	69	90	69	21	23%
IDP	4	4	4	0	0%
Administration Technical Services	11	16	11	5	31%
Planning (Town-Planning, Quality Assurance,Building Control and PMU)	13	16	13	3	19%
Human Settlement	4	11	4	7	64%
Local Economic Development	16	22	16	6	27%
Security (MISS)	2	3	2	1	33%
Traffic LicensingService	90	122	86	36	30%
Internal Audit & Risk	3	5	3	2	40%
Administration of Municipal Service	2	3	2	1	33%
Water Quality Monitoring	7	7	7	0	0%
Administration of Community Safety	5	6	5	1	17%
SCM and Transport Management	15	29	15	14	48%
<b>total ' I.T.O Approved structure</b>	<b>1170</b>	<b>1576</b>	<b>1138</b>	<b>438</b>	<b>28%</b>
<b>TEMPORARY EMPLOYEES</b>	<b>132</b>		<b>160</b>		
<b>Employees not placed</b>	<b>5</b>		<b>3</b>		
<b>Interns</b>	<b>7</b>		<b>7</b>		
<b>Other</b>	<b>1</b>		<b>1</b>		
<b>GRAND TOTAL OF EMPLOYEES 30 JUNE 2022</b>	<b>1315</b>		<b>1309</b>		



<b>TURN-OVER RATE</b>			
<b>Details</b>	<b>Total Appointments as of beginning of Financial Year No.</b>	<b>Terminations during the Financial Year No.</b>	<b>Turn-Over Rate</b>
<b>2019/2020</b>	29	52	4%
<b>2020/2021</b>	46	77	7%
<b>2021/2022</b>	137	58	5%
<b>2022/2023</b>	0	41	4%

<b>VACANCY RATE 2022/2023</b>			
<b>Designations</b>	<b>Total Approved Post No.</b>	<b>Vacancies (Total time that vacancies exist using fulltime equivalents) No.</b>	<b>Vacancies (as a proportion of total posts in each category) %</b>
Municipal Manager	1	1	100%
CFO	1	1	100%
Other Section 57 Managers (excluding Finance Posts)	4	1	25%
Safety and Security	3	1	33%
Fire Fighters	47	16	34%
Senior Management: Level 1-3 (excluding Finance Posts)	29	9	31%
Senior Management: level 1-3 (Finance Posts)	5	0	0%
Highly Skilled Supervision: Level 4-6 Excluding Finance Posts)	110	40	36%
Highly Skilled Supervision: Level 4 6 (Finance Posts)	22	13	59%
<b>TOTAL</b>	<b>222</b>	<b>82</b>	<b>37%</b>

**THE STATUS OF THE SECTION 56 & 57 MANAGERS IS AS FOLLOWS:-**

<b>POSITION</b>	<b>FILLED / VACANT</b>
Municipal Manager	VACANT
Director Corporate Services	FILLED
Chief Financial Officer	VACANT
Director Municipal Service and LED	VACANT
Director Technical Services	FILLED
Director Community Safety	FILLED

**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

**4.2 POLICIES**

The current workforce is at **1309** employees (1141 Permanent Employees, 160 Temporary Employees and 7 Financial Management Interns and 1 Acting Appointment).

The Municipality has developed policies that Councillors was work shopped and adopted. The process is incomplete.

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF INJURIES ON DUTY 2022/2023				
Type of Injury	Injury Taken	Employees Using Leave	Proportion Employees Sick using Leave	Average Injury Leave Per Employee Days
Required basic medical attention only	470	10	0	47
Temporary total disablement				
Permanent disablement				
Fatal	470	10	0	47
<b>TOTAL</b>				

NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) 2022/2023								
Job Level	Salary Band	Total Number of Sick Leave Days Per Post Level	Portion of Sick Leave without Medical Certificate	Number of No Sick Notes Received	Number of Employees using Sick Leave	Total Employees in Post	Average Days sick leave per employee	Estimated Cost
		DAYS	%	DAYS	NO.	NO.	DAYS	R0.00
0	MM/S56 Managers	4	25%	1	2	3	2	
1	Senior Management	12	0%	0	1	1	12	
2		0	0%	0	0	1	0	
3		170	9%	15	12	23	14	
4	Highly Skilled Supervision	167	8%	14	15	22	11	
5		80	28%	22	11	15	7	
6		302	16%	47	20	42	15	
7	Highly Skilled production	125	17%	21	15	22	8	
8		537	22%	119	54	68	10	
9		836	19%	157	62	97	13	
10	Skilled	530	21%	110	43	67	12	
11		605	25%	152	52	62	12	
12		711	28%	199	58	78	12	
13		8	63%	5	2	3	4	
14		409	18%	74	36	52	11	
15	Lower Skilled	303	29%	88	28	31	11	
16		71	8%	6	8	12	9	
17		496	7%	33	44	54	11	
18		1933	12%	232	242	462	8	
19		157	49%	77	15	23	10	
<b>TOTAL</b>		7456	18%	1372	720	1138	10F	

#### **4.4. PERFORMANCE REWARDS**

##### **PERFORMANCE REWARDS BY GENDER**

In accordance with regulation 32, a performance bonus, based on affordability may be paid to employee, after:-

1. The annual report for the financial year under review has been tabled and adopted by the municipal council
2. An evaluation of performance in accordance with the provision of regulation 23; and
3. Approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

No performance bonus was awarded to Section 56 and 57 Manager because performance assessment report will serve before council in the next financial year.

#### **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

##### **INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The JB Marks Local Municipality has a Skills Development policy that is approved to ensure that all employees are capacitated and empowered with the necessary information on training and development, which provides all incumbents access to relevant, prioritized training interventions that are needs-driven and are aligned to business objectives by optimally developing the potential of employee.

The Municipality in compliance with the MSA and MFMA has also approved the Supply Chain Management Policy which outlines all procedure to be followed in implementing the Human Resources capacity to a level that enables them to perform their functions and exercises their power in an economical, effective, efficient and accountable way.

The improvements are to be made to ensure all training needs are aligned with the operational objectives of the municipality. Comprehensive approach in addressing the skills gaps, identified to ensure all employees are competent to perform their functions and are able to exercise their powers in an economical, effective, efficient, and accountable way.

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX										
Management Level	Gender	No. of Employees in post as at June 2022	Number of Skilled Employees required and actual as at 30 June 2022							
			Leadership		Skills Programmes & Other Short Courses		Other Forms of Training		Total	
			Actual by June 2023	2022/2023 Target	Actual by June 2023	2022/2023 Target	Actual by June 2023	2022/2023 Target	Actual by June 2023	2022/2023 Target
MM and S56	Male		0	1	0	0	0	0	1	0
	Female		0	1	0	0	0	0	1	0
Councillors, senior officials and managers	Male		4	0	2	0	0	0	6	0
	Female		3	0	1	0	0	0	4	0
Technicians and associate professionals	Male		13	15	19	40	6	5	38	60
	Female		14	20	25	50	4	5	43	75
Professionals	Male		2	5	4	5	2	0	8	10
	Female		1	3	1	5	1	0	3	8
Semi-skilled	Male		9	15	21	40	3	0	33	55
	Female		8	15	18	40	4	0	30	55
Unskilled	Male		7	15	31	50	4	0	42	65
	Female		5	15	28	50	6	0	39	65
Subtotal	Male		35	51	77	145	15	5	128	190
	Female		21	54	73	135	15	5	120	120
TOTAL			66	105	150	280	30	10	148	310
Registered with professional associates body e.g. CA (SA)										

SKILL DEVELOPMENT EXPENDITURE									
Management Level	Gender	Employees as at 30 June 2023	Original Budget and Actual Expenditure on Skills development 2022/2023						
		No.	Leanerships		Skills programmes and short courses		Other forms of training		Total
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Actual
MM and Directors	Male		The funding and expenditure related to Leanerships are processed and paid by LGSETA directly to appointed service providers in line with contract entered between the them		An internal budget to the amount of R 1 900 000 was budgeted for the 2022/2023 financial year for skills programmes, short course and other forms of training				100%
	Female								
Senior Officials and Managers	Male								
	Female								
Professionals	Male								
	Female								
Technicians and associate professionals	Male								
	Female								
Clerks	Male								
	Female								
Service and Sales Workers	Male								
	Female								
Plant and Machine operators and assemblers	Male								
	Female								
Elementary occupations	Male								
	Female								
Subtotal	Male								
	Female								
Total									
"R value of municipal salaries (original budget) allocated for workplace skills plan.									

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

#### 4.6 EMPLOYEE EXPENDITURE

##### UPGRADED POSTS

Number of employees whose salaries were increased due to their positions being upgraded	0
Employees whose salary levels exceed the grade determined by job evaluation	0
Employees appointed to posts not approved	0

##### DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of PMS Regulations, 805 of 2006 disclosures are made by officials and councilors concerning their financial interests. See Appendix J.

## COMPONENT E: OVERSIGHT REPORTING

#### 4.7 STAFF ESTABLISHMENT

STAFF ESTABLISHMENT	
Does JB Marks Local Municipality have an approved staff establishment?	Yes an organizational structure was approved on 06 December 2016 ( <b>C66/2016-12-06</b> ) and the Final Structure was approved on 30 May 2017. ( <b>SPC 1/ 2017-05</b> )( <b>SPC 19 / 2017-05</b> ) with the IDP & Budget.
Does the staff established provided for permanent or fixed posts?	Permanent and Fixed. Fixed posts are for the Section 56 and Section 57 appointments. All other posts are permanent post.
If yes, provide details of the approved senior manager posts (permanent and fixed posts).	Municipal Manager Director Corporate Services Director Community Safety Director Financial Services Director Infrastructure Services Director Community Services and LED
Was the staff establishment consulted with the MEC before approval by Council?	
Were the recommendations of the MEC incorporated into the approved structure?	No
If no, provide reasons.	

#### 4.8. APPOINTMENT OF SENIOR MANAGERS 2022/2023

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the Senior Manager subjected to competence assessment?	Does the Senior Manager hold political Office?	Does the Senior Manager have a misconduct/criminal record?
Municipal Manager		From	To		YES	NO	
Chief Financial Officer						NO	
Director Municipal services & LED						NO	
Director Infrastructure Services						NO	
Director Corporate Service					YES	NO	
Director Community Safety					YES	NO	

#### 4.9 EMPLOYMENT CONTRACTS

EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGER AND SENIOR MANAGER DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER		
Post Title	Has the Senior Manager Signed the Employment Contract with the Municipality before Commencement of Duty	Has the Contract been submitted to the MEC within the prescribed timeframe?
Municipal Manager	Vacant	Vacant
Director Finance	Vacant	Vacant
Director Infrastructure Services	No	No
Director Corporate Service	No	No
Director Community Safety	No	No
Director Community Services and LED	Vacant	Vacant



#### 4.10 PERFORMANCE AGREEMENTS

<b>STAFF ESTABLISHMENT (SECTION 56 &amp; 57 MANAGERS)</b>					
<b>Post Title</b>	<b>Has the Senior Manager concluded a performance agreement with the municipality within the stipulated timeframe?</b>	<b>Has the Performance Agreement been submitted to the MEC within the prescribed timeframe?</b>	<b>Is the Performance Agreement aligned to the SDBIP of the Municipality</b>	<b>Is the SDBIP aligned to the IDP of the Municipality?</b>	<b>Did the Senior Manager received a performance bonus for the previous financial year?</b>
<b>Municipal Manager</b>	Yes	Yes	Yes	Yes	No
<b>Director Finance</b>	Yes	Yes	Yes	Yes	No
<b>Municipal Services and LED</b>	Yes	Yes	Yes	Yes	No
<b>Director Infrastructure Services</b>	Yes	Yes	Yes	Yes	No
<b>Director Corporate Service</b>	Yes	Yes	Yes	Yes	No
<b>Director Community Safety</b>	Yes	Yes	Yes	Yes	No

#### COMMENT ON PERFORMANCE AGREEMENT

No performance bonus was awarded to Managers from 2015/2016 financial year to date.

#### 4.11 MINIMUM COMPETENCY REQUIREMENTS

MINIMUM COMPETENCY LEVELS FOR THE MUNICIPAL MANAGER AND THE DIRECTOR FINANCIAL SERVICES					
DESCRIPTION	REQUIREMENTS		DESCRIPTION	REQUIREMENTS	DIRECTOR FINANCIAL SERVICES
Higher Education Qualification	At least NQF Level 6 or Certificate in Municipal Financial Management		Highest Education Qualification	At least NQF Level 6 in fields of Accounting, Finance or Economics or Certificate in Municipal Financial Management	B.Com Degree
Work Related Experience	Minimum 5 years at Senior Management Level	<input type="checkbox"/>	Work Related Experience	Minimum 5 years at Senior Management Level	<input type="checkbox"/>
Leading and Core Competencies	As described in the Local Government Competency Framework for Senior Managers, 17 January 2014		Leading and Core Competencies	As described in the Local Government Competency Framework for Senior Managers, 17 January 2014	
Financial and Supply Chain Management Competency Areas:-  - Strategic Leadership	Required Minimum Competency Level in Unit Standard	<input type="checkbox"/>	Financial and Supply Chain Management Competency Areas:-  - Strategic Leadership	Required Minimum Competency Level in Unit Standard	MFMP in process

<ul style="list-style-type: none"> <li>- and Management</li> <li>- Strategic Financial Management</li> <li>- Operational Financial Management</li> <li>- Governance, Ethics and Values in Financial Management</li> <li>- Financial and Performance Reporting</li> <li>- Risk and Change Management</li> <li>- Legislation, Policy and Implementation</li> <li>- Stakeholder Relations</li> <li>- Supply Chain Management</li> <li>- Audit and Assurance</li> </ul>			<ul style="list-style-type: none"> <li>- and Management</li> <li>- Strategic Financial Management</li> <li>- Operational Financial Management</li> <li>- Governance, Ethics and Values in Financial Management</li> <li>- Financial and Performance Reporting</li> <li>- Risk and Change Management</li> <li>- Legislation, Policy and Implementation</li> <li>- Stakeholder Relations</li> <li>- Supply Chain Management</li> <li>- Audit and Assurance</li> </ul>		
<b>MINIMUM COMPETENCY LEVELS FOR SENIOR MANAGERS</b>					
<b>DESCRIPTION</b>	<b>REQUIREMENTS</b>	<b>DIRECTOR CORPORATE SERVICES:</b>	<b>DIRECTOR COMMUNITY SERVICES</b>	<b>DIRECTOR STRATEGIC PLANNING AND LED</b>	<b>DIRECTOR ENGINEERING SERVICES</b>

Higher Education Qualification					
Work Related Experience					
Leading and Core Competencies					
Financial and Supply Chain Management Competency Areas:-  - Strategic Leadership and Management - Strategic Financial Management - Operational Financial Management - Governance, Ethics and Values in Financial Management - Financial and Performance Reporting - Risk and Change Management	Required Minimum Competency Level Unit Standard	-	□	-	-

<ul style="list-style-type: none"> <li>- Legislation, Policy and Implementation</li> <li>- Stakeholder Relations</li> <li>- Supply Chain Management</li> <li>- Audit and Assurance</li> </ul>					
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# Chapter 5

# Chapter 5

## COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

### 5.1 STATEMENT OF FINANCIAL PERFORMANCE

Description	2020//2021	2021/2022	Budget Year 2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
<b><u>Financial Performance</u></b>					
Property rates	197 973 870	220 846 388	232 328 272	228 563 438	239 715 242
Service charges	991 706 938	1 070 255 588	1 341 098 724	1 321 631 253	1 028 463 249
Investment revenue	58 998 319	16 226 548	20 000 000	10 000 000	14 450 649
Transfers and subsidies	478 751 021	401 686 083	350 801 000	351 597 713	348 775 000
Other own revenue	34 800 032	97 245 874	161 402 158	98 713 710	128 424 106
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 762 230 180</b>	<b>1 806 260 481</b>	<b>2 105 630 154</b>	<b>2 010 506 114</b>	<b>1 759 828 246</b>
Employee costs	489 316 213	537 893 735	627 898 952	599 814 819	545 080 864
Remuneration of Councillors	27 619 700	27 577 082	34 438 158	34 438 158	29 960 308
Depreciation & asset impairment	241 785 642	268 023 210	287 643 094	284 619 160	190 982 813
Finance charges	31 303 573	30 315 222	5 000	0	33 244 419
Materials and bulk purchases	694 120 841	806 598 486	791 798 821	752 444 189	844 970 674
Transfers and subsidies	0.00	0.00	9 141 000	8 391 000	0
Other expenditure	364 226 026	392 827 069	627 177 154	670 257 713	490 655 783
<b>Total Expenditure</b>	<b>1 848 371 995</b>	<b>2 063 234 804</b>	<b>2 378 102 179</b>	<b>2 349 965 039</b>	<b>2 134 894 861</b>
<b>Surplus/(Deficit)</b>	<b>( 86 056 384 )</b>	<b>( 256 974 323 )</b>	<b>(272 472 025)</b>	<b>(339 458 925)</b>	<b>(217 505)</b>
Surplus/(Deficit)	( 86 056 384 )	( 256 974 323 )	(272 472 025)	(339 458 925)	(217 505)
Contributions & Contributed assets	0.00	0.00			
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>0.00</b>	<b>0.00</b>			
Share of surplus/ (deficit) of associate	0.00	0.00			
<b>Surplus/ (Deficit) for the year</b>	<b>(86 056 384)</b>	<b>( 256 974 323 )</b>	<b>(272 472 025)</b>	<b>(339 458 925)</b>	<b>(217 505)</b>



FINANCIAL SUMMARY					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
<b>Financial position</b>					
Total current assets	685 197 340	668 882 466	1 308 075 708	1 446 011 246	460 821 382
Total non current assets	3 758 656 600	3 596 577 057	3 306 383 211	3 261 130 781	3 634 710 973
Total current liabilities	537 917 609	609 975 731	843 490 781	821 706 409	643 670 307
Total non current liabilities	221 647 374	226 975 731	54 205 091	479 652 069	222 839 874
Community wealth/Equity	3 684 288 957	3 429 310 860	3 641 413 022	3 498 336 218	3 229 022 174
<b>Cash flows</b>					
Net cash from (used) operating	253 531 548	78 393 936	348 608 197	217 166 327	(9 127 338)
Net cash from (used) investing	(176 289 117)	(35 097 785)	(338 227 647)	(151 298 261)	(227 250 518)
Net cash from (used) financing	1 630 489	1 962 819	(36 384 193)	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>281 640 257</b>	<b>326 899 227</b>	<b>307 706 863</b>	<b>398 933 845</b>	<b>90 521 371</b>

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	57 735 152	47 716 784	32 801 348	31 498 262	36 300 333	26 241 752	173 630 276	688 401 561	1 094 325 468
<b>Creditors Age Analysis</b>									
Total Creditors	5 700 923	30 571	12 783	5 071	16 155	28 190	80 565	859 419	6 733 677

STATEMENT OF FINANCIAL PERFORMANCE					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
<b><u>Revenue By Source</u></b>					
Property rates	197 973 870	220 846 388	232 328 272	228 563 438	239 715 242
Service charges - electricity revenue	744 895 131	803 922 539	1 081 705 274	1 062 579 388	752 957 566
Service charges - water revenue	111 000 977	123 600 080	133 849 505	134 849 505	127 738 003
Service charges - sanitation revenue	79 037 177	85 183 512	74 796 335	70 454 750	87 782 937
Service charges - refuse revenue	56 773 653	57 549 457	50 747 610	53 747 610	59 984 743
Rental of facilities and equipment	2 595 809	3 672 806	4 235 571	2 730 272	3 464 619
Interest earned - external investments	13 786 395	16 226 548	20 000 000	10 000 000	14 450 649
Interest earned - outstanding debtors	45 214 597	53 586 243	40 000 000	60 729 647	69 460 998
Interest earned – property rates					17 454 852
Dividends received	2 674	2 977	3 260	3 260	3 208
Fines, penalties and forfeits	5 092 804	4 280 550	92 187 510	15 188 163	9 004 002
Licences and permits	3 358 215	3 844 142	16 541 022	14 701 495	4 683 293
Agency services	10 620 231	18 488 451			11 084 226
Transfers and subsidies	478 751 021	401 686 083	350 801 000	351 597 713	348 775 000
Other revenue	24 014 789	12 503 786	8 428 630	5 360 873	11 793 773
Gains on disposal of PPE	-	-			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 762 230 180</b>	<b>1 806 260 481</b>	<b>2 105 630 154</b>	<b>2 010 506 114</b>	<b>1 759 828 246</b>
<b><u>Expenditure By Type</u></b>					
Employee related costs	489 316 213	537 893 735	627 898 952	599 814 819	545 080 864
Remuneration of councillors	27 619 700	27 577 081	34 438 158	34 438 158	29 960 308
Debt impairment	126 572 427	140 336 992	230 000 000	230 000 000	187 497 403
Depreciation & asset impairment	218 948 113	205 741 899	287 643 094	284 619 160	190 982 813
Finance charges	31 303 573	30 315 222	5 000	0	33 244 419
Bulk purchases	603 409 851	700 199 463	743 103 354	652 987 354	691 432 090
Other materials	90 710 990	-	48 695 468	92 540 836	153 538 584
Contracted services	110 460 353	117 664 348	298 023 468	339 400 784	133 639 216
Transfers and subsidies	0.00	-	9 141 000	8 391 000	
Other expenditure	123 529 749	134 608 602	99 153 686	106 861 566	169 519 164
Loss on disposal of PPE	-				
<b>Total Expenditure</b>	<b>1 843 101 994</b>	<b>2 063 234 804</b>	<b>2 378 099 015</b>	<b>2 349 053 677</b>	<b>2 134 894 861</b>
<b>Surplus/(Deficit)</b>	<b>( 80 871 814 )</b>	<b>(256 974 323)</b>	<b>(75 350 026)</b>	<b>(176 723 058)</b>	<b>230 955 698</b>

STATEMENT OF FINANCIAL PERFORMANCE					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	17 565 403	111 985 068	197 122 000	172 621 218	157 561 002
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	128 208 164				
Transfers and subsidies - capital (in-kind - all)	-				
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>( 116 956 384)</b>	<b>(366 963 165)</b>	<b>197 122 000</b>	<b>172 621 218</b>	<b>157 561 002</b>
Taxation	-				
<b>Surplus/(Deficit) after taxation</b>	-				
Attributable to minorities	-				
<b>Surplus/(Deficit) attributable to municipality</b>	-				
Share of surplus/ (deficit) of associate	-				
<b>Surplus/ (Deficit) for the year</b>	<b>( 116 956 984)</b>				

## 5.2 GRANTS

GRANTS PERFORMANCE					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
<b>Operating Transfers and Grants</b>					
Equitable Share	326 606 824	299 881 000	343 436 000	343 436 000	343 436 000
Local Government - SETA Grant (LG SETA)	452 642	-			
National: Expanded Public Works Program (EPWP)	2 262 000	2 204 000	2 339 000	2 339 000	2 339 000
National: Finance Management Grant	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000
Provincial: Department Arts and Culture - Library Grant	655 988	249 653	1 526 000	1 526 000	-
Neighborhood Development Partnership Grant	-	-	500 000	500 000	-
Municipal Systems Improvement Grant (MSIG)	-	-			
<b>TOTAL</b>	<b>332 977 454</b>	<b>305 334 653</b>	<b>350 801 000</b>	<b>350 801 000</b>	<b>348 775 000</b>
<b>Capital Transfers and Grants</b>					
National: Municipal Infrastructure Grant (MIG)	70 336 890	50 593 439	76 186 000	80 435 952	76 584 562
National: Energy Efficiency and Demand Side Management Grant (EEDSMG)	4 500 000	2 314 734		1 685 266	1 685 266
National: Water Service Infrastructure Grant (WSIG)	12 927 253	22 072 747	35 000 000	32 000 000	29 619 329
Lotto: Tshwaraganang					
Provincial Infrastructure Grant (PIG)	17 565 403	-			
National: Regional Bulk Infrastructure Grant (RBIG)	41 142 262	21 170 510	40 000 000	40 000 000	31 171 845
National: Integrated National Electrification Program (INEP)	-	200 000	45 936 000	18 500 000	18 500 000
Lotto: Mohadin	-	113 369			
<b>TOTAL</b>	<b>146 471 808</b>	<b>96 464 799</b>	<b>197 122 000</b>	<b>172 621 218</b>	<b>157 561 002</b>

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2022/2023	
Asset 1	
Name	Construction of New Reservoir
Description	New Reservoir (25ML) (Phase E) in Ikageng Ext 7
Asset Type	Infrastructure Asset
Key Staff Involved	Contractor
Staff Responsibilities	Project Management Unit
Asset 2	
Name	Replacement of Asbestos pipeline
Description	75% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom
Asset Type	Infrastructure Asset
Key Staff Involved	Contractor
Staff Responsibilities	Project Management Unit
Asset 3	
Name	Disaster Management Centre constructed in Potchefstroom
Description	87% of Disaster Management Centre constructed in Potchefstroom
Asset Type	Infrastructure Asset
Key Staff Involved	Contractor
Staff Responsibilities	Project Management Unit
Asset 4	
Name	Upgrading water pump station
Description	94% of upgrading water pump station (Phase C) in Ikageng Ward 8
Asset Type	Infrastructure Asset
Key Staff Involved	Contractor
Staff Responsibilities	Project Management Unit
Asset 5	
Name	% Light Industrial Park constructed
Description	78% Light Industrial Park constructed in Ikageng (Ward 6)
Asset Type	Infrastructure Asset
Key Staff Involved	Contractor
Staff Responsibilities	Project Management Unit

Repair and Maintenance Expenditure: 2022/2023				
R' 000				
Description	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure				
T 5.3.4				

## 5.4 FINANCIAL RATIO BASED ON KEY PERFORMANCE INDICATORS

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

#### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The capital projects are mainly funded by Municipal Infrastructure Grants (MIG) and a minimal amount thereof by internally generated funds. For the year under review the capital budget was not fully spent due to the late appointment of service providers. A plan has to be developed to avoid a recurrence of underspending in future.

Please note that the capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N and O** respectively.

#### 5.5 CAPITAL EXPENDITURE

2022/2023		
Description	Additions	Source of Funding
Land	0	-
Buildings	989 067	Internally
Library Books	1 475 095	Internally
Infrastructure	127 913 097	Conditional Grants
Community	242 926 110	Internally
Other property, plant and equipment	82 266 427	Internally

#### 5.6 SOURCE OF FINANCE

CAPITAL EXPEPENDITURE – FUNDING SOURCE 2022/2023					
Details	2020/2021	2021/2022	2022/2023		
	Actual	Actual	Original Budget	Adjustment Budget	Actual
<b>Source of finance</b>					
Grants and subsidies	145 773 567	88 915 270	197 122 000	172 621 218	157 561 002
Internally Generated Funds	28 180 475	26 695 944	109 250 000	109 236 448	9 826 883
<b>Total</b>	<b>173 954 042</b>	<b>115 611 215</b>	<b>306 372 000</b>	<b>281 857 666</b>	<b>167 387 885</b>

## 5.7 CAPITAL SPENDING ON LARGEST PROJECTS

IDP PROJECTS					
R'000					
Project Name	Current: 2022/2023			Variance: 2022/2023	
	Original Budget	Adjusted budget	Actual Budget Expenditure	Original Variance (%)	Adjustment Variance (%)
Road and Storm Water Constructed as per preliminary report in JB Marks LM	R5 000 000.00	R20 455 120.96	R 13 407 90.50	-73.18%	-93.45%
construction of New Reservoir (25ML) (Phase E) in Ikageng Ext 7	R40 000 000.00	R30 000 000.00	R30 358 044.43	-24.10	1.19%
of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom	R27 927 253.00	N/A	R29 619 328.37	6%	N/A
Light Industrial Park constructed in Ikageng (Ward 6)	R14 705 237.00	R17 859 769.21	R25 030 608.44	70.22%	40.15%
Household Water Reticulation constructed in Ikageng Ext 13	R7 204 471.00	R17 097 784.17	R18 103 668.23	151.28%	5.88%
of Electrification of Houses in Tshing Ext 10 by	R45 936 000.00	N/A	R18 500 000.01	60%	N/A
of Disaster Management Centre constructed in Potchefstroom	N/A	R2 431 517.00	R2 406 225.30	N/A	-1.04%
Households reticulated with Bulk Water Supply (467) in Boikhutso (Phase 2)		R4 140 154.48			
Road and Storm Water (Phase 2) constructed in Tshing	R5 950 157.00	R13 253 690.60	R13 407 940.50	125.34%	1.16%
upgrading water pump station (Phase C) in Ikageng Ward 8	N/A	R4 000 000.00	R813 800.95	N/A	-79.65%

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE

SERVICE BACKLOGS AS AT 30 JUNE 2023				
Services	Service Level Above Minimum Standard		Service Level Below Minimum Standard	
	No. HHs	%HHs	No. HHs	%HHs
Water				
Sanitation				
Electricity				



## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT

#### 5.9 CASH FLOW

CASH FLOW STAMENT					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	180 078 196	2 991 875	181 687 907	222 497 071	
Service charges	938 909 574	1 178 333 713	1 259 931 879	1 232 942 162	
Other revenue	1 590 887	50 019 796			39 384 201
Government - operating	332 977 454	300 018 000	350 801 000	351 597 713	348 775 000
Government - capital	145 773 567	97 220 774	197 122 000	172 621 218	157 561 002
Interest	45 214 597	3 321 890	40 000 000	60 732 907	10 883 760
Dividends	2 674	2 977	3260		3 208
<b>Payments</b>					
Suppliers and employees	( 1 403 312 386)	(1 536 869 210 )	(1 847 701 7 86)	(1 963 534 555)	(1 635 762 288)
Finance charges	( 7 645 753 )	(22 770 614)			(27 636 458)
Transfers and Grants	-	-			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>233 588 810</b>	<b>78 393 936</b>	<b>348 608 197</b>	<b>140 365 224</b>	<b>(9 127 338)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	-			
Decrease (Increase) in non-current debtors	(12731 983 )		219 246	9 080 754	(57 787 898)
Purchase of Eskom deposits			(36 384 193)	-	
Decrease (increase) other non-current receivables	-				(694 671)
Decrease (increase) in non-current investments					
<b>Payments</b>					
Capital assets	(166190907 )	(112 464 286)	(302 062 700)	(277 449 94 3)	(168 767 949)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>( 178 922 890 )</b>	<b>(35 097 785)</b>	<b>(338 227 64 7)</b>	<b>(268 369 18 9)</b>	<b>(227 250 518)</b>

CASH FLOW STAMENT					
Description	2020/2021	2021/2022	2022/2023		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
R thousands					
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts			2 196 309 983	2 103 899 779	1 654 271 408
Short term loans	-				
Borrowing long term/refinancing	-				
Increase (decrease) in consumer deposits	1 630 489	1 962 819			
Payments			(1 847 701 786)	(1 963 534 555)	(1 663 398 746)
Repayment of borrowing	-				
NET CASH FROM/(USED) FINANCING ACTIVITIES	1 962 819	1 962 819	(338 227 647 )	(268 369 189 )	(227 250 518)
NET INCREASE/ (DECREASE) IN CASH HELD	56 296 409	45 258 970			0
Cash/cash equivalents at beginning:	202 767 337	281 640 257	333 710 506	538 627 011	236 377 856
Cash/cash equivalents at month/year end:	259 063 746	326 899 227	<b>307 706 863</b>	410 623 046	<b>90 521 371</b>

## 5.10 BORROWING AND INVESTMENT

### INTRODUCTION TO BORROWING AND INVESTMENTS

ACTUAL BORROWING: 2021/2022 TO 2022/2023			
			R'000
Instrument	2020/2021	2021/2022	2022/2023
Municipality	-	-	-
Long-Term Loans (annuity/reducing balance)	-	-	-
<b>Municipality Total</b>	-	-	-

MUNICIPAL INVESTMENTS		
Investment type	2021/2022	2022/2023
	Actual	Actual
Cash and Cash Equivalents (Short Term)	326 899 227	90 521 371
Long Term Investments	-	141 604 729

## **5.11 PUBLIC PRIVATE PARTNERSHIPS**

### **PUBLIC PRIVATE PARTNERSHIPS**

#### **COMMENT ON THE OVERALL PERFORMANCE OF PUBLIC AND PRIVATE PARTNERSHIPS:-**

Council does have any Public Private Partnerships.

### **COMPONENT D: OTHER FINANCIAL MATTERS**

## **5.12 SUPPLY CHAIN MANAGEMENT**

### **SUPPLY CHAIN MANAGEMENT**

Supply Chain Management aims to support the strategic decision-making of the municipality, thereby ensuring effective and efficient service delivery to its internal and external clients, and it also aim to ensure that purchasing and procurement of goods and services are done according to the prescribed legislation.

Supply Chain Management aims to support the strategic decision-making of the municipality, thereby ensuring effective and efficient service delivery to its internal and external clients and it also aim to ensure that purchasing and procurement of goods and services is implemented according to the prescribed legislation.

The council developed a Supply Chain Management Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect.

The council also adopted the new Preferential Procurement Regulations, 2011. A new SCM Policy, incorporating the above-mentioned regulations as well as all other relevant legislation, regulations and circulars, has been developed and approved by the council.

In terms of the municipal supply chain management policy, no councillors are members of any committee handling Supply Chain Management processes. The following must also be noted with regard to Supply Chain Management of JB Marks LM.

## **5.13 GRAP COMPLIANCE**

GRAP is the acronym for General Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. The Annual Financial Statement of JB marks Local Municipality are GRAP compliant.

# Chapter 6

## **CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS**

### **COMPONENT A: AUDITOR-GENERAL REPORT 2022/2023**



AUDITOR - GENERAL  
SOUTH AFRICA

Auditing to build public confidence

## Report of the auditor-general to the North West Provincial Legislature and the council on JB Marks local municipality

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of JB Marks Local Municipality set out on pages 281 to 371, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the JB Marks local municipality as at 30 June 2023, and financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

#### Basis for qualified opinion

##### Service charges

3. The municipality did not measure revenue from the sale of electricity and water in accordance with GRAP 9, *Revenue from exchange transactions*. The revenue from the sale of electricity and water included an amount of R25 049 253 (2022: R25 474 142) for estimated billing. This billing was not based on actual consumption for a substantial period of time exceeding 12 months. The municipality did not have adequate internal controls in place to ensure that the revenue billed is based on the recent actual meter readings, in compliance with the municipal by-laws. I was unable to determine the value of the misstatement on the sale of electricity of R752 957 566 (2022: R803 922 539) and sale of water of R127 738 003 (2022: R123 600 080) included in service charges as disclosed in note 20 to the financial statements or the relate consumer receivables, as well as on distribution losses, as it was impracticable to do so. This also has an impact on the deficit for the period and on the accumulated surplus.



### Cash and cash equivalents

4. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents due to unreconciled differences between the financial statements and the accounting records. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any adjustment to cash and equivalents of R90 521 371 as disclosed in note 8 to the financial statements was necessary.

### Contracted services

5. I was unable to obtain sufficient appropriate audit evidence that all contracted services were received as the municipality did not have adequate systems to confirm receipt of services. In addition, the municipality did not correctly record contracted services transactions as required by GRAP 1, *Presentation of financial statements* due to the municipality not having an adequate system to record and allocate expenditure transactions that agrees to the invoices. This resulted in contracted services being overstated with R4 054 444 and general expenditure being understated by the same amount. Consequently, I was unable to determine whether adjustments to contracted services of R133 639 216 as disclosed in note 40 were necessary.

### Repairs and Maintenance

6. The municipality did not correctly record repairs and maintenance transactions as required by GRAP 1, *Presentation of financial statements* due to the municipality not having an adequate system to record and allocate expenditure transactions that agrees to the invoices in the correct financial year. This resulted in repairs and maintenance being overstated with R26 674 328 and general expenditure being understated by the same amount.

### Employee cost

7. I was unable to obtain sufficient and appropriate audit evidence for the overtime expense of R82 053 851 disclosed in note 30 to the financial statements. This was due to the municipality not having an overtime policy to govern the overtime claims. I was unable to confirm that all overtime hours were supported by adequate evidence of the actual work performed. Consequently, I was unable to determine whether adjustments to overtime included in employee cost of R545 080 864 as disclosed in note 30 were necessary.

### Property plant and equipment

8. I was unable to obtain sufficient appropriate audit evidence for additions to work in progress included in property plant and equipment due to the accounting records not being submitted. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any adjustment to property plant and equipment of R3 423 349 078 as disclosed in note 10 to the financial statements was necessary. Additionally, there was a resultant impact on the deficit for the period and the accumulated surplus.

### Irregular Expenditure

9. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality incurred irregular expenditure in the current year in contravention with the supply chain management (SCM) requirements that were not included in the irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was



impracticable to determine the resultant understatement of irregular expenditure of R3 458 403 532 as disclosed in note 57 to the financial statements.

## Context for opinion

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
11. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Emphasis of matters

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

### Unauthorised and fruitless and wasteful expenditure

14. As disclosed in note 46 to the financial statements, unauthorised expenditure of R33 208 916 was incurred in the current year and the unauthorised expenditure of R865 226 224 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
15. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure of R5 948 118 was incurred in the current year and fruitless and wasteful expenditure of R83 439 043 from prior years have not yet been dealt with in accordance with section 32 of the MFMA

### Material losses

16. As disclosed in note 4, 5 and 7 to the financial statements, receivables and consumer debtors have been significantly impaired. The allowance for impairment amounts to R1 485 980 584 (2022: R1 285 880 835) which represents 81% (2022: 80%) of the total receivables. In addition, as disclosed in note 35 to the financial statements, debt impairment of R200 099 238 (2022: R140 336 992) was incurred as a result of significant impairment of receivables.

### Restatement of corresponding figures

17. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2022 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

## Other matters

18. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

19. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

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

21. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

22. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

23. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the annual performance report

24. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

25. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected key performance areas that measures the

municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
<b>Basis service and infrastructure development</b>	167 - 188	To eradicate backlogs in order to improve access and ensure proper operations and maintenance to service and infrastructure development
<b>Local economic development</b>	189- 190	To create environment that promotes development of the economy and facilitate job creation

26. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
27. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance .
28. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
29. The material findings on the reported performance information for the selected key performance areas are as follows:

### **Basic service and infrastructure development**

#### **Various indicators**



30. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
Number of households with access to basic level water in the JB Marks LM areas by June 2023	67 539 of households with access to basic level water in the JB Marks LM areas by June 2023	67 945 of households with access to basic level water in the JB Marks LM areas by June 2023
Number of households with access to basic level of sanitation in the JB Marks LM areas by June 2023	67 539 of households with access to basic level of sanitation in the JB Marks LM areas by June 2023	67 945 of households with access to basic level of sanitation in the JB Marks LM areas by June 2023
Number of households with access to basic level of electricity in the JB Marks LM areas by June 2023	67 539 of households with access to basic level of electricity in the JB Marks LM areas by June 2023	67 945 of households with access to basic level of electricity in the JB Marks LM areas by June 2023
Number of households with access to basic level of solid waste removal in the JB Marks LM areas by June 2023	67 539 of households with access to basic level of solid waste removal in the JB Marks LM areas by June 2023	67 945 of households with access to basic level of solid waste removal in the JB Marks LM areas by June 2023

#### Number of retrofitting of 600W High Mast Lights fitting 463W energy efficiency LED Light in JB Marks LM Areas by June 2023

31. An achievement of 800 was reported against a target of 800. I could not determine if the reported achievement was correct, as adequate supporting evidence in the form of a detailed register was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

### Local economic development

#### Number of Capacity Building for SMME's in the JB Marks Areas by June 2023

32. The indicator was included in the approved service delivery and budget implementation plan and integrated development plan but then not clearly defined during planning processes. Consequently, the information might be less useful for measuring performance.

### Other matters

33. I draw attention to the matters below.

#### Achievement of planned targets

34. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements. This information should be considered in the context of the material findings on the reported performance information.

Achievement of planned targets		
Targets achieved: 36%		
Budget spent: 64%		
Key service delivery indicators not achieved	Planned target	Reported achievement
% MIG Grant spent in JB Marks Local Municipality by June 2022	100%	62%
Number of KM Road and Storm Water constructed in Ikageng (Ward 1, 9, 18, 27) by June 2023	0.5	0.0
% of Desludging of Sledge Lagoon and upgrade in WWTP by June 2023	30%	0%
% of upgrading of Botha Sewer Pump Station in Potchefstroom by June 2023	10%	0%
% of construction of New Reservoir (25ml) (Phase E) in Ikageng Ext 7 by June 2023	20%	18%
% of upgrading of sewer line upgrade in Mohadin Poortjie Dam by June 2023	50%	0%
Number of KM of Road and Storm water constructed in Toevlug (Phase 2) by June 2023	1.6KM	0
% of Replacement of Asbestos pipeline in Vyfhoek Potchefstroom by June 2023	75%	53.90%
% of Upgrading of Sewer Pump Station in Toevlug by June 2023	10%	0.00%
Number of high mast lights installed in various section in JB Marks LM areas by June 2023	10	0
Number of houses electrified in Tshing Ext 10 by June 2023	500 Houses	0
Number of Additional 20MVA Transformers installed in Ikageng West Sarafina by June 2023	1 of additional 20MVA	0
% of Disaster Management Centre constructed in Potchefstroom by June 2023	100%	87%
% of households reticulated with bulk water supply (467) in Boikhutso (Phase 2) by June 2023	100%	0%
Number of KM of road and storm water constructed in Boikhutsong by June 2023	0.5	0
% of upgrading water pump station (Phase C) in Ikageng ward 8 by June 2023	100%	94%
Local Economic Development	Planned target	Reported achievement

Number of Capacity Building for SMME's in the JB Marks Areas by June 2023	9	8
Number of Tourism Awareness Programmes for the JB Marks Community by June 2023	4	1
Number of Notices for non-compliance of informal trading in Hawkers within JB Marks Areas by June 2023	80	16
Number of Notices of Compliance of Businesses within JB Marks LM Areas by June 2023	80	6

### Material misstatements

35. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic service delivery and infrastructure development and Local economic development. Management did not correct all of the misstatements and I reported material findings in this regard.

### Report on compliance with legislation

36. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
37. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
38. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
39. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements and annual report

40. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

41. The council failed to adopt an oversight report containing the council's comments on the 2021/22 annual report, as required by section 129(1) of the MFMA.

### **Expenditure management**

42. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by the competitive bidding process not being followed.
43. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R60 365 013, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by The majority of the disclosed fruitless and wasteful expenditure was caused by late payment to major suppliers Eskom and Department of Water and Sanitation.
44. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R33 208 916 as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by the overspending of the budget.
45. Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.

### **Procurement of contract management**

46. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as some information was not submitted for audit. Similar non-compliance was also reported in the prior year.
47. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM Regulation 17(1) (a) and (c). Similar non-compliance was also reported in the prior year.
48. Some of the written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM Regulations 16(b) and 17(1) (b).
49. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in prior year.
50. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM Regulation 27(2) (a). Similar non-compliance was also reported in the prior year.
51. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.



52. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for legislative requirement that were stipulated in the original invitation for bidding, as required by SCM regulations 21(b) and 28(1)(a(i) and Preferential Procurement Regulations.
53. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM Regulations 29(1) (a) and (b) and Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.
54. The preference point system was not applied on some of the procurement of goods and services as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.
55. Some of the contract were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1) (f) of Preferential Procurement Policy Framework Act and 2017 Preferential Procurement Regulations 11 and/or 2022 Preferential Procurement Regulation 4(4) and 5(4). This was also identified on the Construction of the 25ML Ikageng Reservoir.
56. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).
57. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.
58. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. Similar limitation was also reported in the prior year.
59. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
60. Awards were made to providers who were in the service of the municipality and whose directors / principal shareholders are in the service of the municipality, in contravention of section 112(j) of the MFMA and SCM Regulation 44. Furthermore the provider failed to declare that he / she was in the service of the municipality, as required by SCM Regulation 13(c). Similar non-compliance was reported in the previous year and the municipality did not take disciplinary action against the suppliers / officials involved.
61. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1) (j) and SCM Regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM Regulation 38(1).



62. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM Regulation 46(2) (e). Similar non-compliance was reported in the previous year and the municipality did not take disciplinary action against the suppliers / officials involved.
63. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the code of conduct for councillors issued in terms of the Municipal Systems Act . Similar non-compliance was reported in the previous year and the municipality did not take disciplinary action against the suppliers / officials involved.

### **Consequence management**

64. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
65. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
66. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
67. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

### **Revenue management**

68. A tariff policy was not adopted for the levying of fees for provision of municipal services, as required by section 74(1) of the MSA and section 62(1)(f)(i) of the MFMA.
69. A credit control and debt collection policy was not adopted, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.
70. A policy on the levying of rates on rateable property within the municipality was not adopted, as required by section 3(1) of the MPRA and section 62(1)(f)(ii) of the MFMA.
71. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

### **Strategic planning and performance management**

72. The performance management system and related controls were not maintained as it did not describe how the performance planning and measurement processes should be conducted as required by municipal planning and performance management regulation 7(1).

### **Human resources management**

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

## Other information in the annual report

74. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
75. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
76. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
77. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

78. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
79. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
- Management did not adequately develop and monitor the implementation of action plans to address internal control deficiencies.
  - The municipality did not adequately implement consequence management through ensuring that unauthorised, irregular and fruitless and wasteful expenditure are investigated to ensure that responsible parties can be held accountable.
  - Management did not adequately review and exercise adequate oversight in the preparation of the Annual financial statements which is indicated by the numerous findings raised in the current year.
  - Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

## Material irregularities

80. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Material irregularities identified during the audit

#### Pollution of water resource not prevented: Ventersdorp wastewater treatment works and pump stations

81. The municipality did not take reasonable measures at Ventersdorp Wastewater Treatment works and pump stations to prevent pollution or degradation of the environmental and water resources from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works and related pump stations have not been properly functional for more than three years, with overflows causing some serious pollution to the site and surroundings. This is due to vandalism of cables, stolen equipment and depleted and decayed infrastructure. The untreated effluent that is discharged into the environment adjacent to the Ventersdorp WWTW and Tshing Extension 8 pump station is discharged into a stream which flows into the Elandskuil dam. At the Ventersdorp Town pump station (in Rosher Street) the effluent is discharged into the Schoonspruit which is next to the pump station. The Elandskuil dam also eventually flows in the Schoonspruit south of Ventersdorp. This contaminates the ground water in the surrounding areas which is also polluted due to overflows. The non-compliance is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resources.
82. The accounting officer was notified of the MI on 6 October 2022 and invited to make a written submission on the actions taken, and to be taken, to address the matter. The accounting officer responded by indicating that physical security is now stationed at the pump stations and camera surveillance installed at the plant; to prevent blockage overflows, flushing of the main lines at identified strategic points is being performed on a continuous basis; de-slugging of settling ponds at the plant is being done on a continuous basis; unlined pit for inlet screens was closed at the WWTW; the palisade fencing at the plant has been fully repaired and the province has been requested to assist the municipality with a jet machine to assist and manage outflows.
83. However, a follow-up site visit of the wastewater works and related pump stations was performed in April 2023 and October 2023, it was confirmed that despite appointment of physical security and flushing of the main lines, serious blockages and overflows within the sewer reticulation were still unresolved with very little wastewater reaching the pump station or the plant for treatment and disposal processes.
84. The accounting officer submitted further responses and substantiating documentation on 8 November 2023 and I considered the representations made. I am in the process of determining the most suitable action to take.

## Status of previously reported material irregularities

### Inadequate safeguarding of sport complexes

85. During a physical verification in 2020 it was noted that two sport complexes included in community assets as disclosed in the financial statements were severely vandalised. The fences around the stadiums were not maintained and on the day of initial verification of the Sarafina Sport complex the gate was locked with no security guard present. No security guards were present at the Ventersdorp sport complex. The vandalism resulted in the municipality needing to impair these buildings as per GRAP 17 guidelines in the 2019-20 financial year.
86. The municipality therefore failed to take reasonable steps to safeguard these assets as required by section 63(2)(c) of the MFMA. The non-compliance has resulted in a material financial loss of R4 985 404 that was included in the impairment of property, plant and equipment as disclosed in note 30 of the previous year financial statements. The loss was calculated as the difference between the carrying values of the assets prior to the impairment and the value of the assets after impairment as per fixed asset register and disclosed in the financial statements.
87. The accounting officer was notified of this material irregularity on 23 March 2021. The accounting officer failed to respond to the material irregularity. Consequently, I recommended that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 10 May 2022:
- Reasonable steps should be taken to safeguard these municipal assets from any further losses as required by section 63(1)(a) of the MFMA read with section 63(2)(c) of the MFMA.
  - The non-compliance should be investigated to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
  - Disciplinary or, when appropriate, criminal proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
  - Appropriate action should be taken to recover the financial loss suffered, through any applicable insurance policies that may be in place at the municipality. Alternatively, if the financial loss is not recovered in full, then any person(s) liable for the losses should be identified and appropriate action should commence to recover the remaining financial loss.
  - If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this should be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.
88. The accounting officer did not provide a written response with substantiating documentation on the implementation of the recommendations. Based on the lack of a written response, I concluded that the recommendations were not adequately implemented.
89. On 1 September 2022, I notified the accounting officer of the outcome of the assessment and issued a directive in terms of section 5A(3) of the PAA to determine the amount of the financial loss and recover such loss or make progress with the recovery of the loss from the responsible person by 1 December 2022.
90. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should be implemented by the same date:

- a. Reasonable steps must be taken to safeguard these assets of the municipality from any further losses as required by section 63(1)(a) of the MFMA read with section 63(2)(c) of the MFMA.
- b. The non-compliance must be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.
- c. Disciplinary proceeding should commence, without undue delay, against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- d. If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- e. Appropriate action must be taken to recover the financial loss suffered, through any applicable insurance policies, which may be in place at the municipality, alternatively if the financial loss cannot be recovered in part or in full through an insurance policy, any person(s) liable for the losses should be identified and appropriate action should commence to recover the remaining financial loss.
- f. If it appears that the municipality suffered the financial loss through criminal acts or possible omission, this must be reported to the South African Police service, as required by section 32(6)(b) of the MFMA.

91. A response was not received on the due date of 1 December 2022. On 27 January 2023, the AO provided a written response with substantiating documentation, which was assessed to be incomplete.
92. The AO was therefore requested to provide additional documentation to support the actions taken. The additional documentation was received on 26 June 2023 and 4 October 2023. I am in the process of assessing the additional documentation and determining the most suitable action to take.

### **Flood line canal – Project not adequately planned**

93. The municipality awarded a contract in November 2016 to construct a flood line canal next to the N12 and Ikageng extension 11. The municipality did not adequately plan and budget for the project, as the contractor was appointed before funding was secured and the budget finalised and even though municipal infrastructure grant (MIG) funds were not confirmed for the 2017-18 and 2018-19 financial years. The municipality stopped the project in July 2017 due to insufficient funds to complete the project with no construction activity for a period of almost three years between July 2017 and June 2020. During the period when the project was effectively abandoned, the work which was done up to July 2017 deteriorated to a state that required all of the work to be redone from 2022 when the construction on the project resumed. As a result the resources of the municipality was not used effectively, efficiently and economically as required by section 65(1) (a) of the MFMA.
94. The accounting officer was notified of this material irregularity on 29 March 2022 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting officer agreed with the MI and committed to investigate the material irregularity. The investigation was expected to be completed by 31 July 2022. The investigation was not completed by the mentioned date.

95. The accounting officer has not taken appropriate action to address the MI as the committed actions were not implemented. As a result, I have approved the referral of the MI for investigation to the Special Investigation Unit on the 29 May 2023 as provided for in section 5(1A) of the PAA.

### Other reports

96. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

97. The South African Police Service are conducting several investigations into the awarding of tenders and allegations of fraud and theft prompted by the accounting officer. These investigations were still on going at the date of this report.

*Auditor General*

Rustenburg

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for key performance area and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)  Parent municipality with ME: Sections 93B(a), 93B(b)  Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)

Legislation	Sections or regulations
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

# GLOSSARY

## GLOSSARY

<b>ACCESSIBILITY INDICATORS</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>ACCOUNTABILITY DOCUMENTS</b>	Documents used by executive authorities to give full and regular reports on the matter under their control to Parliament and Provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>ACTIVITIES</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe (what we do)
<b>ADEQUATE INDICATORS</b>	The quantity of input or output relative to the need or demand
<b>ANNUAL REPORT</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the MFMA. Such a report must include annual financial statements as submitted to and approved by the Auditor General
<b>APPROVED BUDGET</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by Council or a provincial or national executive.
<b>BASELINE</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in year prior to the planning period.
<b>BASIC MUNICIPAL SERVICES</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>BUDGET YEAR</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June
<b>COST INDICATOR</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>DISTRIBUTION INDICATORS</b>	The distribution of capacity to deliver services.
<b>FINANCIAL STATEMENTS</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>GENERAL KEY PERFORMANCE INDICATORS</b>	After consultation with the MEC for Local Government, the Minister may prescribe general key performance indicator that are appropriate and applicable to Local Government generally.
<b>IMPACT</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>INPUTS</b>	All the resources that contributes to the production and delivery of outputs, inputs are “what we use to do the work”. They include finance, personnel, equipment and building.
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>	Set out municipal goals and development/strategic plan
<b>NATIONAL KEY PERFORMANCE AREAS</b>	<input type="checkbox"/> Service Delivery & Infrastructure <input type="checkbox"/> Local Economic Development <input type="checkbox"/> Municipal Transformation and Institutional Development <input type="checkbox"/> Financial Viability and Management <input type="checkbox"/> Good Governance and Community Participation
<b>OUTCOMES</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plan. Outcomes are “what we wish to achieve”
<b>OUTPUTS</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce to deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a key results area.
<b>PERFORMANCE INDICATOR</b>	Indicators should be specific to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information

	used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
<b>PERFORMANCE INFORMATION</b>	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>PERFORMANCE STANDARDS</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>PERFORMANCE TARGETS</b>	The level of performance that municipalities and its employees strive to achieve. Performance targets related to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period
<b>SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN</b>	Detailed plan approved by the mayor for the implementation of municipality's delivery of projects and services of the revenue collected and operational and capital expenditure by vote for each month. Service Delivery targets and performance indicators must also be included.
<b>VOTE</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the</p> <p>MFMA defines a "vote" as:-</p> <ul style="list-style-type: none"> <li>a. <i>One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></li> <li>b. <i>Which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.</i></li> </ul>

# APPENDIX

**APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCILLOR ATTENDANCE**

<b>COUNCIL MEMBERS</b>	<b>FULL TIME/ PART TIME</b>	<b>COMMITTEE ALLOCATED</b>	<b>WARD AND/OR PARTY REPRESENTED</b>	<b>% COUNCIL MEETING ATTENDANCE</b>	<b>% APOLOGIES FOR NON- ATTENDANCE</b>
Abrahams, LT	Full-time	Budget Steering Committee Mayoral Committee	Ward 13 ANC	90,50%	9,50%
Adriaanse, JM	Part-time	Community Safety Committee Municipal Services and Local Economic Development Portfolio Committee	Ward 24 DA	95,30%	4,70%
Britz, S	Part-time	Budget Steering Committee Corporate Services Portfolio Committee	Ward 22 DA	76,20%	23,80%
Brown, S (replaced by Davids, M, 22 October 2022)	Full-time	Budget Steering Committee Mayoral Committee	PA	100%	-
Buti, RR	Part-time	Municipal Public Accounts Committee Corporate Services Portfolio Committee	Ward 11 ANC	90,48%	9,52%
Dassie, MR	Full-time	Budget Steering Committee	ANC	100%	-
Davids, T (Deceased)	Part-time	Technical Services Portfolio Committee	FF+	90%	10%
Davis, M (replaced Brown)	Full-time	Budget Steering Committee Mayoral Committee	PA	68,75%%	31,25%
De Bruin, MD	Part-time	Municipal Public Accounts Committee	Ward 15 DA	95,24%	4,76%
De Villiers, IJ	Part-time	Municipal Public Accounts Committee Municipal Services and Local Economic Development Portfolio Committee	FF+	95,24%	4,76%
De Villiers, K	Part-time	Community Safety Portfolio Committee Sports, Arts and Culture Portfolio Committee	FF+	100%	-
Derbyshire, IC	Part-time	Community Safety Portfolio Committee	Ward 14 ANC	95,24%	4,76%
Dube, RGM	Part-time	Community Safety Portfolio Committee	DA	95,24%	4,76%
Fransman, GML	Part-time	Municipal Services and Local Economic Development Portfolio Committee	DA	71,43%	28,57%
Greyling, JH	Part-time	Corporate Services Portfolio Committee Financial Management Services Portfolio Committee	DA	61,91%	38,09%
Hattingh, C	Part-time	Municipal Public Accounts Committee	DA	95,24%	4,76%

Hennicks, AL	Part-time	Corporate Services Portfolio Committee	Ward 10 ANC	95,24%	4,76%
Hodgson, H	Part-time	Environment Portfolio Committee	Ward 5 DA	85,72%	14,28%
Kaister, KB (was replaced by Mlambo)	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee Municipal Public Accounts Committee	EFF	60%	40%
Ka Qhele, GT	Full-time	Budget Steering Committee Mayoral Committee	ANC	100%	-
Kegontse, KR	Part-time	Budget Steering Committee Sports, Arts and Culture Portfolio Committee	EFF	42,86%	57,14%
Kgobane, GR	Part-time	Community Safety Committee Social Affairs and Poverty Alleviation Portfolio Committee	Ward 17 ANC	100%	-
Kasale, MM	Full-time	Budget Steering Committee Mayoral Committee	Ward 9 ANC	100%	-
Laing, EJJ	Part-time	Financial Management Services Portfolio Committee Social Affairs and Poverty Alleviation Portfolio Committee	Ward 2 FF+	76,20%	23,80%
Landsberg, JC	Part-time	Financial Management Services Portfolio Committee	DA	90,48%	9,52%
Le Roux, AA	Part-time	Sports, Arts and Culture Portfolio Committee	DA	85,72%	14,28%
Links, JL	Full-time	Budget Steering Committee	Ward 30 ANC	95,24%	4,76%
Lourens, JJ	Part-time	Environment Portfolio Committee Social Affairs and Poverty Alleviation Portfolio Committee	FF+	85,72%	14,28%
Makousa, RA	Part-time	Budget Steering Committee Municipal Public Accounts Committee	Ward 21 ANC	85,72%	14,28%
Maloganye, RD	Part-time	Financial Management Services Portfolio Committee	Ward 1 ANC	95,24%	4,76%
Mampe, TR	Part-time	-	ANC	100%	-
Manja, KR	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee	Ward 27 ANC	100%	-
Manzini, WM	Part-time	Environment Portfolio Committee	Ward 18 ANC	95,24%	4,76%
Mapogoshe, MA	Full-time	Budget Steering Committee Mayoral Committee	ANC	90,48%	9,52%
Meya, IT	Part-time	Environment Portfolio Committee	Ward 33 ANC	80,96%	19,04%
Meyer, M	Part-time	Sports, Arts and Culture Portfolio Committee	DA	90,48%	9,52%
Mkhabela, LM	Full-time	Budget Steering Committee Mayoral Committee	Ward 31 ANC	90,48%	9,52%



Mlambo, LPT (replaced Kaister on 1 Feb 2023)	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee	EFF	90,91%	9,09%
Moalusi, TDC	Part-time	Municipal Services and Local Economic Development Portfolio Committee	Ward 16 ANC	85,72%	14,28%
Modisane, TP	Part-time	Corporate Services Portfolio Committee	EFF	85,72%	14,28%
Modise, GAM	Full-time	Mayoral Committee	ANC	76,20%	23,80%
Mogorosi, TH	Part-time	Environment Portfolio Committee	Ward 26 ANC	90,48%	9,52%
Moilwa, I	Part-time	-	Ward 34 ANC	100%	-
Mokgethi, RH	Part-time	Municipal Public Accounts Committee Corporate Services Portfolio Committee Sports, Arts and Culture Portfolio Committee	Ward 8 ANC	76,20%	23,80%
Mokone, MP	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee Sports, Arts and Culture Portfolio Committee	Ward 29 ANC	90,48%	9,52%
Molotsi, GN	Part-time	Municipal Services and Local Economic Development Portfolio Committee	Ward 12 ANC	95,24%	4,76%
Moolman, HJ	Part-time	-	DA	76,20%	23,80%
Motlhatshi, TM	Part-time	Technical Services Portfolio Committee	ANC	90,48%	9,52%
Motlhoiwa, LS	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee	DA	66,67%	33,33%
Moretsi, SM	Part-time	Technical Services Portfolio Committee	Ward 19 ANC	100%	-
Moyo, MJ	Part-time	Financial Management Services Portfolio Committee	Ward 28 ANC	100%	-
Mtayi, TP	Full-time	Budget Steering Committee Mayoral Committee	ANC	80,96%	19,04%
Mtshali, P	Full-time	Budget Steering Committee Mayoral Committee	ANC	76,20%	23,80%
Ndwendwe, PL	Part-time	Financial Management Services Portfolio Committee Technical Services Portfolio Committee Municipal Services and Local Economic Development Portfolio Committee	EFF	71,43%	28,57%
Radebe, LDM	Part-time	Community Safety Committee Corporate Services Portfolio Committee	EFF	61,91%	38,09%

		Municipal Services and Local Economic Development Portfolio Committee			
Ramalisa, MR	Part-time	Municipal Services and Local Economic Development Portfolio Committee	Ward 20 ANC	95,24%	4,76%
Ramauane, TJ	Part-time	Corporate Services Portfolio Committee Environment Portfolio Committee	EFF	80,96%	19,04%
Rantekane, L	Part-time	Municipal Public Accounts Committee Financial Management Services Portfolio Committee	ANC	95,24%	4,76%
Rossouw, MWC	Part-time	Financial Management Services Portfolio Committee Social Affairs and Poverty Alleviation Portfolio Committee	FF+	95,24%	4,76%
Steenkamp, J	Part-time	Budget Steering Committee Environment Portfolio Committee	Ward 7 DA	100%	-
Steyn-Du Toit, M	Part-time	Corporate Services Portfolio Committee Environment Portfolio Committee	FF+	90,48%	9,52%
Steyn, P	Part-time	Corporate Services Portfolio Committee Technical Services Portfolio Committee	FF+	100%	-
Swarts, RC	Full-time	Budget Steering Committee Mayoral Committee	PA	95,24%	4,76%
Tloome, MS	Part-time	Municipal Public Accounts Committee Technical Services Portfolio Committee	Ward 6 ANC	100%	-
Tsamai, T	Part-time	Technical Services Portfolio Committee	Ward 32 ANC	90,48%	9,52%
Van Der Westhuizen, H (replaced Davids, T, 27 February 2022)	Part-time	Technical Services Portfolio Committee Municipal Services and Local Economic Development Portfolio Committee	FF+	100%	-
Van Onselen, A	Part-time	Municipal Services and Local Economic Development Portfolio Committee Technical Services Portfolio Committee	Ward 3 DA	76,20%	23,80%
Van Onselen, WN	Part-time	Budget Steering Committee Technical Services Portfolio Committee	Ward 23 DA	90,48%	9,52%
Van Tonder, MJ	Part-time	Budget Steering Committee Community Safety Committee	FF+	90,48%	9,52%

		Sports, Arts and Culture Portfolio Committee			
Zerwick, LJ	Part-time	Social Affairs and Poverty Alleviation Portfolio Committee	Ward 4 DA	76,20%	23,80%

## ORDINARY AND SPECIAL COUNCIL MEETINGS

### TOTAL NUMBER OF MEETING HELD:

TYPE OF MEETINGS	DATES	TOTAL NO. OF MEETINGS
------------------	-------	-----------------------

### ORDINARY COUNCIL MEETINGS

Ordinary Council Meeting	26 July 2022	07
Ordinary Council Meeting	27 September 2022	
Ordinary Council Meeting	29 November 2022	
Ordinary Council Meeting	28 February 2023	
Ordinary Council Meeting	25 April 2023	
Ordinary Council Meeting	30 May 2023	
Ordinary Council Meeting	27 June 2023	

Special Council Meeting	18 August 2022	11
Special Council Meeting	30 August 2022	
Special Council Meeting	18 October 2022	
Special Council Meeting	25 October 2022	
Special Council Meeting	11 November 2022	
Special Council Meeting	06 December 2022	
Special Council Meeting	31 January 2023	
Special Council Meeting	07 March 2023	
Special Council Meeting	14 March 2023	
Special Council Meeting	30 March 2023	
Special Council Meeting	08 June 2023	

### PORFOLIO COMMITTEE MEETINGS

### TOTAL NUMBER OF MEETING HELD

COMMUNITY SAFETY	7 September 2022	49
	26 October 2022	
	30 November 2022	
	15 February 2023	
	15 March 2023	
	24 April 2023	
	17 May 2023	
CORPORATE SERVICES	14 July 2022	
	25 August 2022	
	13 September 2022	
	10 October 2022	
	25 November 2022	
	09 November 2022	
	16 February 2023	
FINANCIAL SERVICES	25 May 2023	
	14 July 2022	
	25 August 2022	
	09 September 2022	
	17 February 2023	
ENVIRONMENT	1 March 2023	
	10 August 2022	
	5 September 2022	
	16 September 2022	
	13 February 2023	

	26 April 2023	
	14 June 2023	
MUNICIPAL SERVICES AND LED	20 February 2023	
	13 April 2023	
	11 April 2022	
SPORTS; ARTS & CULTURE	15 August 2022	
	21 October 2022	
	07 February 2023	
	14 March 2023	
TECHNICAL SERVICES	13 July 2022	
	16 November 2022	
	8 February 2023	
MAYORAL	5 July 2022	
	22 July 2022	
	02 August 2022	
	27 September 2022	
	04 October 2022	
	01 November 2022	
	24 January 2023	
	16 February 2023	
	21 February 2023	
	22 March 2023	
	4 April 2023	
	2 May 2023	
	16 May 2023	
	20 June 2023	

## COMMENTS

If the percentage for apologies for non-attendance is less than the percentage indicated for attended council meetings, it thus means that no apology was received and that the council member was absent without leave.

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEE (OTHER THAN COUNCIL) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
<b>Municipal Public Accounts Committee MPAC</b>	Established in terms of guidelines issued by National Treasury, based on the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
<b>Audit Committee</b>	Established in terms of Section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) - roles and responsibilities of the Audit Committee.
<b>Local Labour Forum</b>	As per the Organisational Rights Agreement and other issues with regard to the Conditions of Service of the SALGBC.
<b>Risk Management Committee</b>	<ol style="list-style-type: none"> <li>1. To manage enterprise risk management within the Council.</li> <li>2. To review, improve and recommend to the Accounting Officer for approval the risk management strategy developed by the Chief Risk Officer and implementation plans.</li> <li>3. To provide assurance to the Accounting Officer that all identified risks are being managed and oversee the risk management process of the Council, on behalf of the Accounting Officer.</li> <li>4. To play an oversight role of the Council's risk management process and ensure compliance with all approved policies, procedures, and mitigation activities to address the overall risk profile in compliance with the department's risk strategy.</li> <li>5. To act as a central, coordinating management group ensuring that all related groups and committees identified within this strategy are working effectively and in accordance with the agreed upon risk management philosophy.</li> <li>6. To promote a culture in which risk management will continue to develop as an integral component of the department's activities by raising awareness and providing education on risk management throughout the Council.</li> <li>7. To review and approve the risk registers and risk response strategies developed by management and ensure that the risk registers include – <ol style="list-style-type: none"> <li>i) the risks identified;</li> <li>ii) the appropriate official and subgroup responsible for the monitoring of the risk;</li> <li>iii) the action plan to address the risks; and</li> <li>iv) the expected implementation date. When risks identified have been addressed and mitigated, the Chief Risk Officer shall amend the register accordingly. The risk will be downgraded to lower levels.</li> </ol> </li> <li>8. To review the developed framework which will ensure that the departments achieve compliance with all relevant statutory requirements.</li> <li>9. To monitor the management of significant risks including the emerging and prospective impacts, and review risk information and assessment methodologies.</li> <li>10. To challenge and examine the efficiency of the established risk, occupational health and safety processes, practices and locations.</li> <li>11. To act as a central resource for the personnel for guidance on Risk Management, Fraud Prevention, Disaster Management, Emergency Planning, Business Continuity, Quality Assurance, Monitoring and Evaluation, Internal Controls, Safety, Health and Environment (SHE) compliance, and related issues.</li> </ol>

	<p>12. To oversee and maintain an effective system for the purchasing of new and used equipment to ensure adherence to SHE, risk management, controls and legislation.</p> <p>13. To review incident reporting statistics and investigation reports for possible impact on risk, and provide a proactive response to reported claims and incidents.</p> <p>14. To create a focus for all risk improvement activities leading where possible to improve terms on insured and self-insured risks.</p> <p>15. To ensure that minutes and resolutions of the Risk Management Committee is submitted on a regular basis to the Accounting Officer and Audit and Risk Committee.</p> <p>16. To take responsibility for effective and timely communication of risk management issues throughout the Departments.</p> <p>17. To ensure that adequate resources are allocated appropriately to address identified risk areas.</p> <p>18. To review and assess the integrity of the risk control systems and ensure that the risk management policies and strategies are effectively managed.</p> <p>19. To monitor external developments relating to the practice of corporate accountability and the reporting of Specifically associated risk including emerging and prospective impacts.</p> <p>20. To provide an independent and objective oversight and review of the information presented by management on corporate accountability and specifically associated risks, also taking into account of reports by management and the Audit and Risk Committee to the Accounting Officer on financial, business and strategic risks.</p> <p>21. To set the risk appetite and tolerance for the Municipality and recommend for approval by the Accounting Officer.</p> <p>22. To review and approve any risk disclosures in the Annual Financial Statements.</p> <p>23. To review the Anti-Fraud Prevention Policy and recommend for approval by the Accounting Officer.</p> <p>24. To review any findings and recommendations of the external auditors, internal auditors or other parties in relation to risk management.</p>
<b>Whips Meeting</b> (consisting of Whips of all the political parties)	Established to deal with urgent Council matters which may have a detrimental effect of the Council.
<b>Council Resolution Monitoring Committee</b>	<p>Established in terms of Section 79(1) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).</p> <p>To monitor the implementation of Council Resolutions every two weeks in order to establish the reasons why the resolutions had not been implemented and recommend appropriate remedial action.</p>

## APPENDIX C – THIRD TIER ADMINISTRATION STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Name of Manager
<b>OFFICE OF THE MUNICIPAL MANAGER</b>	
Municipal Manager	Mr. K. Kumbe
Community Services and LED (Acting)	Ms. Z. Dlavane
Infrastructure Development	Mr. J. Monnakgothu
Corporate Services	Ms. B. Mosepele
Community Safety	Mr. O. Masibi
Finance Department (Acting)	Mr. T Ngqobe
Manager in the Office of the Municipal Manager	Vacant
<i>Internal Audit</i>	Ms. G. Van Der Berg
<i>Risk Management</i>	Ms. Yvonne Masela
<i>PMS</i>	Ms. D.S Serobatse
<i>MISS</i>	Vacant
<b>OFFICE OF INFRASTRUCTURE SERVICES</b>	
<i>PMU</i>	Mrs. K. Batlhaodi
<i>Electricity</i>	Mr. M. Maki
<i>Road and Storm-Water</i>	Mr. Morwa Matsaunyane
<i>Network Water and Sanitation</i>	Ms. Malebone Molefe
<i>Water and Sanitation Plant</i>	Ms. Tintswalo Mabobo
<i>Senior Civil Engineering Technologist</i>	Ms. Lerato Maetle
<b>OFFICE OF FINANCE:-</b>	
<i>Deputy Chief Financial Officer</i>	CWK Kgosiemang
<i>Creditors Manager</i>	Ms. E. Hall
<i>SCM Manager (Acting)</i>	Ms. B. Mongale
<i>Revenue Manager</i>	Ms. M. De Villiers
<i>Budget and Reporting</i>	Mr. F. Phokoje
<b>OFFICE OF CORPORATE SERVICES</b>	
<i>Office of the Mayor</i>	Mr. S. Present
<i>Office of the Speaker</i>	Mr. S.Tyatya
<i>SDF</i>	Mr. G. Modise
<i>HR</i>	Mrs. M. Human
<i>ICT</i>	Mr. Z. Noorbhai
<i>IDP - Acting</i>	Mr. Madisha
<i>M &amp; E</i>	Mrs. S. Serobatse
<i>Council Admin</i>	Miss. P. Nzimankulu
<b>OFFICE OF COMMUNITY SERVICE</b>	
<i>Library</i>	Ms. Z. Dlavane
<i>Environmental Management</i>	Mr. H. Veldman
<i>LED</i>	Mr. M. Galeng
<i>Parks</i>	Mr. T. Moswede
<i>Tourism</i>	Ms. M. Cilliers
<i>Solid Management</i>	
<b>COMMUNITYSAFETY</b>	
<i>Traffic</i>	Mr. J. Williams
<i>Disaster Management Acting</i>	Ms. T. Khupari Maumakua

<i>Fire</i>	Mr. K. Wellemse
<i>License</i>	Mr. H. Viljoen
<i>DLTC</i>	Ms. G. Koloti
<i>Management Representative</i>	Ms. J. Seeqe

#### APPENDIX D - FUNCTION OF MUNICIPALITY

<b>MUNICIPALITY FUNCTIONS</b>	<b>Function Applicable to Municipality (YES/NO)</b>
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal public works only i.r.o the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	
Storm water management system in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors	Yes
Crematoria	No
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	
Municipal parks and recreation	Yes
Municipal road	Yes
Pounds	
Public places	Yes
Refuses removal, refuse dumps and solid waste disposal	Yes
Street lighting	Yes
Traffic and parking	Yes
Street trading	Yes



## APPENDIX E – WARD REPORTING

FUNCTIONALITY OF WARD COMMITTEE						
WARD NO	Name of Ward Councilor	Elected Ward Committee Members	Committee established (yes/no)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speaker office on time	Number of quarterly public Meeting
1	Rabodiba David Maloganye	10	Yes	10	10	03
2	Everhardus Ohannes Jacobus Laing	10	Yes	None	None	None
3	Anne Van Onselen	10	Yes	None	None	None
4	Ludwig Johannes Zerwick	10	Yes	09	08	None
5	Heinricha Hodgson	10	Yes	None	None	None
6	Mafinki Stephen Tloome	10	Yes	10	10	03
7	Johanna Steenkamp	10	Yes	None	None	None
8	Rapuleng Hodge Mokgethi	10	Yes			
9	Mantwa Matilda Kasale	10	Yes	08	06	None
10	Albert Lepadile Hennicks	10	Yes			
11	Ramotshegare Richard Buti	10	Yes	12	12	4
12	Gontse Nathaniel Molotsi	10	Yes	08	40	03
13	Loreal Tesnia Abrahams	10	Yes	08	08	02
14	Ivan Clarde Derbyshire	10	Yes	11	10	2
15	Madra Dirkie De Bruin	10	Yes	09	08	None
16	Tshepiso David Charity Moalusi	10	Yes	07	07	02
17	Ghadi Rebecca Kgobane	10	Yes	09	40	05
18	William Moshimanega pe Manzini	10	Yes	10	10	03
19	Simon Molefi Moretsi	10	Yes	08	08	02

20	Muthuphei Richard Ramalisa	10	Yes			
21	Rufane Alistair Makousa	10	Yes			
22	Sandra Britz	10	Yes			
23	Werner Nicor Van Onselen	10	Yes	09	None	None
24	Jeanne Marguerite Adriaanse	10	Yes	None	None	None
25	Abraham Albertus Le Roux	10	Yes	None	None	None
26	Tau Huddleston Mogorosi	10	Yes	06	20	04
27	Kenewang Ruddy Manja	10	Yes	10	10	03
28	Mogorosi John Moyo	10	Yes		-	
29	Matumelo Pauline Mokone	10	Yes	10	10	3
30	Lumkile Links	10	Yes	7	7	5
31	Leon Musa Mkhabela	10	Yes	None	None	None
32	Tshepang Tsamai	9	Yes	5	5	None
33	Isaac Thomson Meya	10	Yes	None	None	None
34	Ishmael Moiwa	7	Yes	None	None	2

## APPENDIX F – WARD INFORMATION

# APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/2023

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of Committee	Committee recommendations during 2022/2023	Recommendations adopted (enter Yes) if not adopted (provide explanation)
2022-07-06	The Charter for the Audit and Performance Audit Committee (APAC) be recommended for adoption	Yes
2022-07-06	The reviewed Charter for Internal is approved	Yes
2022-07-06	The amended Internal Audit Methodology is approved and be submitted to the Accounting Officer and Council for noting. That it be noted that the Committee has concerns on the lack of staff resources within the IA unit which needs urgent attention by both Management and Council, as full implementation of both the IA Charter and the IA Methodology is not possible with the severely limited resources.	Yes
2022-07-06	1) that the Sec 52(d) report and the review performed by Internal Audit is noted. 2) The submission of quarterly reports to both Internal Audit and the Audit Committee be done timeously, as review by Internal Audit is limited due to time constraints and assurance therefore compromised. 3) The Committee notes that full integration of the salary system and asset register with the Phoenix financial system is still underway and currently some manual journals are still having to be processed. 4) Management consider the risk impact of these manual interventions with relation to MSCOA reporting, and financial reporting on figures of Depreciation and employee related costs. 5) The Material variance explanations be included in all monthly and quarterly finance reports. 6) The ACFO include a disclaimer in future Section 71 and Section 52(d) reports highlighting the reporting issues experienced due to the lack of seamless integration of sub-modules	Yes  No
2022-07-06	1) The draft Post Audit Action plan is noted, and once Management has agreed on and signed off on the corrective action, an updated report be submitted to the Audit Committee 2) That Management consider the inputs provided by Internal Audit on corrective measures which can be taken so as to address the root causes of various findings. 3) Corrective measures to focus on the numerous compliance and control findings which have again been raised by the AG 4) all environmental findings raised by the AGSA be included in the PAAP. 5) The Finance Department will be responsible for the co-ordinating of the Audit Action Plan	No
2022-07-06	1) The quarterly SCM report is noted. 2) The Committee notes the current challenges with regard to the staffing at SCM and acting of the SCM Manager. 3) The register for deviations include more detail on the reason for the deviation and what measures will be taken henceforth to prevent a repetition of the deviation, as there is great concern over the both the number of deviations being made and the increase in UIF&W, which till today have not been addressed. Measures should include timeframes and responsible official. 4) The PAAP include detailed corrective measures to address the numerous SCM non-compliance findings raised by the AGSA	Yes

2022-07-06	<p>1) The Committee noted the draft Risk assessment report.</p> <p>2) The Committee notes that not all units attended the planned sessions, therefore not all risks have been identified and included in the risk assessment.</p> <p>3) The Risk Manager engage with these units and update the report.</p> <p>4) The Risk Management Committee be established as a matter of urgency.</p> <p>5) The Committee notes that all Risk and Fraud related policies are still in draft format.</p> <p>6) Once the Risk Committee is established, the draft report and policies serve immediately</p>	Yes
2022-08-29	<p>1) That the draft Annual Financial statements for the year ended 30 June 2022 be referred back to the Acting Chief Financial Officer for amendments as discussed at the meeting.</p> <p>2) That the latest draft AFS be emailed to the Committee once the above amendments had been made.</p> <p>3) That the completed leadschedules and Audit file be submitted to Internal Audit and Provincial Treasury.</p> <p>4) That the concerns raised by both Internal Audit and Provincial Treasury are noted and are supported by the Committee</p>	Yes
2022-08-29	<p>1) The presentation on the draft Annual Performance report for the 2021/2022 financial year be noted.</p> <p>2) The draft Annual Performance report for the year ended 30 June 2022 be referred back to amend and complete the report before submission to the AG, National Treasury and Provincial Treasury</p>	Yes
2022-08-30	<p>1) That the draft Annual Financial statements for the year ended 30 June 2022 be referred back to the Acting Chief Financial Officer for the further amendments as discussed at the meeting.</p> <p>2) That it be noted that work is still being performed and changes made after today cannot be considered by Internal Audit, PT or the Audit Committee.</p> <p>3) Management must identify corrective measures to implement in the 2022/2023 financial year, to ensure that quality draft Annual Financial Statements, together with complete Audit file, are presented to Internal Audit during the 2nd week of August 2023.</p> <p>4) That internal processes be put in place to ensure that Annual Financial Statements are reliable</p>	Yes
2022-08-30	<p>1) The presentation made on the amended draft Annual Performance report for the 2021/2022 financial year be noted.</p> <p>2) The report for the year ended 30 June 2022 be referred back to include the additional amendments identified before submission to the AG, National Treasury and Provincial Treasury is made</p>	Yes
2022-10-31	<p>1) the Audit Strategy and Audit Engagement Letter, as presented by Mr D Pienaar be noted.</p> <p>2) should the AGSA experience any challenges during the audit, they raise these issues with the CAE, who is then to escalate the matter to the APAC Chairman.</p> <p>3) should management experience any challenges during the audit, these challenges be brought to the attention of the CAE, who is then to escalate the matter to the APAC Chairman</p>	Yes
2023-01-25	<p>1) That the Section 71 reports be noted;</p> <p>2) That the ACFO present the Committee with plans which will ensure the full integration of all systems with the Phoenix system, so that in year report is accurate and all transactions are accounted for on a monthly basis;</p>	Yes

	<p>3) That Management develop, adopt and implement procedures over virements to enhance controls to prevent virements being made in contravention to the Virement Policy;</p> <p>4) That the ACFO ensure the Virement policy is revised and submitted to Council for approval;</p> <p>5) That the ACFO ensure that the outstanding SCM reports serve at the next Committee meeting.</p>	
2023-05-17	<p>1) That the report be noted;</p> <p>2) That the presentation by Internal Audit on the review performed thus far be noted;</p> <p>3) That the Committee supports the recommendations as presented by Internal Audit;</p> <p>4) That the BTO staff look into the discrepancies identified with relation to the incorrect mapping and incorrect format;</p> <p>5) That the final budget be submitted to Internal Audit and the Audit Committee before submission to Council.</p> <p>6) That the budget related policies be tabled with the 2023/2024 MTREF budget.</p>	

#### APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2023)				
Name of Service Provider	Description of Services Provider	Start date of contract	Expiry date of contract	Project manager
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

## APPENDIX J – DISCLOSURE OF FINANCIAL INTEREST

DISCLOSURE OF FINANCIAL INTERESTS PERIOD 1 JULY 2022 TO 30 JUNE 2023		
Position	Name	Description of Financial interest (nil/ or details)
Executive Mayor		
Speaker		
Councillors		
	DISCLOSURE OF FINANCIAL INTEREST FORMS COMPLETED AND AUDITED, DUE TO CONFIDENTIALITY OF THE INFORMATION, WE WILL NOT LIST DIRECTOR'S FINANCIAL DISCLOSURE IN THE ANNUAL REPORT 2022/2023	
SECTION 56 & 57 MANAGERS		
Municipal Manager	DISCLOSURE OF FINANCIAL INTEREST FORMS COMPLETED AND AUDITED, DUE TO CONFIDENTIALITY OF THE INFORMATION, WE WILL NOT LIST DIRECTOR'S FINANCIAL DISCLOSURE IN THE ANNUAL REPORT 2022/2023	
Chief Financial Officer		
Director Infrastructure Services		
Director Municipal Safety		
Director Corporate Services		
Director Community Services and LED (Director Sports, Arts and Culture)		

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							
R' 000							
Vote Description	2020/2021	2021/2022	Current: Year 2022/2023			2022/2023 Variance %	
	Actual	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive Mayor	-	-					
Vote 2 - Office of the Speaker	-	-					
Vote 3 - Municipal Manager	-	-	500	500	0	-100%	-100%
Vote 4 - Budget and Treasury Office	-	589 691 944	640,696,510.00	644,004,909.00	680,402,391.72	6%	6%
Vote 5 - Public Safety	-	1 684 966	92,654,150.00	16,750,150.00	16,395,965.08	-82%	-2%
Vote 6 - Corporate Services	-	-	-	-	-	-	-
Vote 7 - Infrastructure	-	1 098 419 660	1,432,426,435.00	1,374,741,519.00	1,024,852,218.00	-28%	-24%
Vote 8 - Environmental Management	-	67 101 123	53,567,740.00	56,979,152.00	68,897,663.03	27%	21%
Vote 9 - Sports, Arts and Culture	-	-	-	-	-	-	-
Vote 10 - Human Settlement and Planning	-	2 736 539	2,055,245.00	3,105,559.00	3,420,538.75	66%	10%
Vote 11 - Economic Development	-	46 625 249	81,351,574.00	86,748,830.00	11,868,968.07	-85%	-86%
<b>Total Revenue by Vote</b>	<b>1 762 230 180</b>	<b>1 806 260 481</b>	<b>2,302,752,154.00</b>	<b>2,182,330,619.00</b>	<b>1,805,837,744.65</b>	<b>-22%</b>	<b>-17%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3							
T K.1							

## APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2020/2021	2021/2022	2022/2023			Year 0 Variance %	
	Actual	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	197 706 938	220 846 38872 06	232 328 272	228 563 438	239 715 242	3%	3%
Service Charges - electricity revenue	744 895 131	803 922 539	1 081 705 274	1 062 579 388	752 957 566	-30%	-31%
Service Charges - water revenue	111 000 977	123 600 080	133 849 505	134 849 505	127 738 003	-5%	-5%
Service Charges - sanitation revenue	79 037 177	85 183 512	74 796 335	70 454 750	87 782 937	17%	18%
Service Charges - refuse revenue	56 773 653	57 549 457	50 747 610	53 747 610	59 984 743	18%	17%
Rentals of facilities and equipment	2 595 809	3 672 806	4 235 571	2 730 272	3 464 619	-18%	-28%
Interest earned - external investments	13 786 395	16 226 548	20 000 000	10 000 000	14 450 649	-28%	-55%
Interest earned - outstanding debtors	45 214 597	53 586 243	40 000 000	60 729 647	69 460 998	74%	49%
Dividends received	2 674	2 977	3 260	3 260	3 208	-2%	-2%
Fines	5 092 804	4 280 550	92 187 510	15 188 163	9 004 002	-90%	-548%
Licences and permits	3 358 215	3 844 142	16 541 022	14 701 495	4 683 293	-72%	-81%
Agency services	-	18 488 451	-	-	11 084 226		
Transfers recognised - operational	478 751 021		350 801 000	351 597 713	343 436 000	-2%	-2%
Other revenue	24 014 789	(30 196)	8 428 630	5 360 873	11 793 773	40%	63%
Gains on disposal of PPE		-	-	-	-	-	
Environmental Protection		-					
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 762 230 180</b>	<b>1 806 260 481</b>	<b>2 105 630 154</b>	<b>2 010 506 114</b>	<b>1 759 828 246</b>	<b>-18%</b>	<b>-19%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.							
T K.2							



# APPENDIX L: CONDITIONAL GRANTS RECEIVED

Conditional Grants: excluding MIG 2022/2023						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Neighbourhood Development Partnership Grant</b>						
<i>FMG</i>	3 000 000	3 000 000	3 000 000			
<i>EPWP</i>	2 339 000	2 339 000	2 339 000			
<b>Public Transport Infrastructure and Systems Grant</b>						
<i>Pig</i>						
<i>Libraries</i>	1 526 000	1 526 000	-	1 526 000	1 526 000	
<i>MSIG</i>						
<b>Other Specify:</b>						
<i>Integrated National Electrification Program</i>	45 936 000	18 500 000	18 500 000	-	27 436 000	
<i>Water Service Infrastructure</i>	35 000 000	32 000 000	29 619 329	5 308 671	2 380 671	
<i>Regional Bulk Infrastructure</i>	40 000 000	40 000 000	31 171 845	8 828 155	8 828 155	
<i>Energy Efficiency and Demand Management</i>		1 685 266	1 685 266	1 685 266	-	
<b>Total</b>						
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG), which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						
T L						

# APPENDIX M: CAPITAL EXPENDITURE – NEW PROGRAMMES

Capital Expenditure - New Programmes					
R '000					
Description	2020/2021	2021/2022	Current year /2022/2023		
	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
<b>Capital expenditure by Asset Class</b>					
<b>Infrastructure - Total</b>					
<b>Infrastructure: Road transport - Total</b>	78 862 218	25 344 871	11 913 150	13 756 540	25 669 690
<i>Roads, Pavements &amp; Bridges</i>		17 451 163	11 913 150	13 756 540	25 669 690
<i>Storm water</i>		7 893 708			
<b>Infrastructure: Electricity - Total</b>		14 357 574	14 357 574	54 070 152	25 909 948
<i>Generation</i>		14 357 547			
<i>Transmission &amp; Reticulation</i>		14 357 547	54 070 152	24 224 682	16 819 950
<i>Street Lighting</i>		-		1685266	1465448,58
<b>Infrastructure: Water - Total</b>		-	47 204 471	59 567 024	44 053 643
		28 298 900			
<i>Water purification</i>		9 927 597			
<i>Reticulation</i>		18 371 303	47 204 471	59 567 024	44 053 643
<b>Infrastructure: Sanitation - Total</b>		13 238 110	51 862 280	37 749 083	26 549 620
<i>Reticulation</i>		-	51 862 280	37 749 083	26 549 620
<i>Sewerage purification</i>		-			
<b>Infrastructure: Other - Total</b>		-	27 762 647	23 417 025	21 765 746
<i>Waste Management</i>		-	13 557 410		
<i>Transportation</i>		-			
<i>Gas</i>		-			
<i>Other</i>	424 966		14 205 237	23 417 025	21 765 746
<b>Community - Total</b>		23 236 150			
<i>Parks &amp; gardens</i>					
<i>Sportsfields &amp; stadia</i>					
<i>Swimming pools</i>					
<i>Community halls</i>	12 257 369				
<i>Libraries</i>	187 994				
<i>Recreational facilities</i>					
<i>Fire, safety &amp; emergency</i>					
<i>Security and policing</i>					
<i>Buses</i>					
<i>Clinics</i>					
<i>Museums &amp; Art Galleries</i>					
<i>Cemeteries</i>		23 236 150			
<i>Social rental housing</i>					
<i>Other</i>	16 128 389				
<i>Table continued next page</i>					
<i>Table continued from previous page</i>					

# APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2022/2023

IDP PROJECTS					
					R'000
No.	Project Name	Original Budget	Adjusted budget	Actual Budget Expenditure	Status as at end of June 2023
1.	Construction of New Reservoir (25ml) in Ikageng	R40 000 000.00	R30 000 000.00	R30 358 044,43	The project to be deferred to the next financial year. The overall duration of the project will be revised and the Contractor to expedite the program of works in the 2023/2024 financial year. Management to ensure that SCM processes are fast tracked and contractor appointments are finalised timeously.
2.	designs completed of Households to be constructed with Sewer Reticulation in Ext 13 (626HH)	R12 011 364.00	R5 784 714.56	R2 336 828.57	Municipality to implement the construction of the project in the next financial year
3.	Replacement of Asbestos pipeline in Vyfhoek Potchefstroom	R27 927 253.00	N/A	R29 619 328.37	Management granted the contractor an extension of time to ensure that the project is completed in 2024, as the project was deferred to the 2023/2024 financial year
4.	Light Industrial Park constructed in Ikageng	R14 705 237.00	R17 859 769.21	R25 030 608.44	The municipality to continue to appoint competent and capable contractors to expedite the works in the next financial year
5.	Households Water Reticulation	R7 204 471.00	R17 097 784.17	R18 103 668.23	The municipality to continue to appoint competent and

	constructed in Ikageng Ext 13				capable contractors to expedite the works in the next financial year
6.	Disaster Management Centre constructed in Potchefstroom	N/A	R2 431 517.00	R2 406 225,30	The Municipality deferred the project to the 2023/2024 financial year for completion and appointment of service providers through the panel.
7.	Road and Storm Water (Phase 2) constructed in Tshing	R5 950 157.00	R13 253 690.60	R13 407 940.50	Municipality to continue to appoint competent service providers in the next financial year
8.	upgrading water pump station (Phase C)	N/A	R4 000 000.00	R813 800,95	The municipality to fast track the appointment of the new contractor for completion of the project in the 2023/2024 financial year.

**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0**

**NOT APPLICABLE**

**APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS**

**NOT APPLICABLE**

**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER  
SPHERES OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

**NOT APPLICABLE**

**APPENDIX R – DECLARATION OF LOANS AND GRANTS AND GRANTS MADE BY THE  
MUNICIPALITY**

**NOT APPLICABLE**

## **VOLUME 11**

### **ANNEXURE A**

#### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**



JB Marks Local Municipality  
Annual Financial Statements  
for the year ended June 30, 2023

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## General Information

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Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Consitutional of the republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	Provision of municipal services to communities within the JB Marks local jurisdiction
Mayoral committee	
Executive Mayor	Hon Cllr Gaba Thithiba Ka Qhele Hon Cllr Moithoesi Rosy Dassie - Speaker Hon Cllr Jan Links Lumkile - Chief Whip
Councillors	Cllr LM Mkhabela Cllr GAM Modise Cllr MM Kasale Cllr MA Mapogoshe Cllr RC Swarts Cllr P Mtshali Cllr LT Abrahams Cllr I Moilwa Cllr G Ragovan Cllr TP Mtayi Cllr MR Davis
Grading of local authority	B2
Accounting Officer	T Ngqobe (Acting)
Chief Finance Officer (CFO)	K Kumbe (Acting) BMB Mosepele (Acting)
Accounting Officer	BMB Mosepele
Registered office	35 Wolmarans Street Potchefstroom, 2531 South Africa
Business address	35 Wolmarans Street Potchefstroom, 2531 South Africa
Postal address	P.OBox 113 Potchefstroom, 2520 South Africa
Auditors	Auditor General South Africa
Website	<a href="http://www.jbmarks.gov.za">www.jbmarks.gov.za</a>



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Index

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

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Cash Flow Statement	9
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### Abbreviations used:

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

## JB Marks Local Municipality

Annual Financial Statements for the year ended 30 June 2023

### Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

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

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 4.

The annual financial statements set out on page 10 to 101, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed on by her:



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**BMB Mosepele**  
Acting Accounting Officer

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Officer's Report

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The accounting officer submits his report for the year ended June 30, 2023.

### 1. Review of activities

#### Main business and operations

The municipality is engaged in provision of municipal services to communities within the JB Marks local jurisdiction and operates in the Dr Kenneth Kaunda District Municipality in the North West Province of South Africa.

The nature and principal activities of the municipality are:

To within its financial and administrative capacity :

- provide democratic and accountable government for the community of JB Marks
- to ensure the provision of services to the community in a sustainable manner;- to promote social and economic development

- to promote a safe and healthy environment; and

- to encourage the involvement of the community and community organisations in the matters of the municipality

Legislation governing the operations of the municipality includes but are not limited to the following:

Municipal Structures Act 117 of 1998 - Local Government

Municipal Systems Act 32 of 2000 - Local Government

Municipal Finance Management Act 56 of 2003

Net deficit of the municipality was 230,955,698 (2022: deficit 254,978,097).

### 2. Going concern

We draw attention to the fact that at June 30, 2023, the municipality had an accumulated surplus (deficit) of 3,229,022,174 and that the municipality's total liabilities exceed its assets by 3,229,022,174.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Subsequent events

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

### 4. Accounting policies

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice and the requirements of the Municipal Finance Management Act 2003 (Act No. 56 of 2003) (MFMA) and the Division of Act South Africa (Act No.2 of 2013) (DoRA).

### 5. Accounting Officer

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

Name	Nationality
BMB Mosepele	South African

### 6. Corporate governance

#### General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice. The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Board meetings and monitor the municipality's compliance with the code on a three monthly basis.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Officer's Report

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### . Corporate governance (continued)

#### Audit committee and Risk Management

The Audit Committee has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously.

The AC is of the opinion that municipality's risk management appears to be ineffective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies.r.

### 7. Auditors

Auditor General South Africa will continue in office for the next financial period.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	14,932,806	30,178,882
Receivables from exchange transactions	4	1,400,578	1,529,854
Receivables from non-exchange transactions	5	13,937,500	12,371,038
VAT receivable	15	16,496,228	18,833,935
Prepayments	6	2,184,600	8,775,682
Consumer debtors	7	321,348,299	302,678,637
Cash and cash equivalents	8	90,521,371	326,899,227
		<u>460,821,382</u>	<u>701,267,255</u>
<b>Non-Current Assets</b>			
Investment property	9	62,629,704	62,629,704
Property, plant and equipment	10	3,423,349,078	3,464,843,726
Intangible assets	11	7,214,301	7,214,301
Heritage assets	12	56,122,632	56,122,632
Other financial assets	13	78,975,025	41,133
Eskom Deposits		6,420,233	5,725,562
		<u>3,634,710,973</u>	<u>3,596,577,058</u>
<b>Total Assets</b>		<u>4,095,532,355</u>	<u>4,297,844,313</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	14	590,769,268	532,322,392
Consumer deposits	16	28,849,869	28,058,435
Employee benefit obligation	17	13,746,511	13,230,578
Unspent conditional grants and receipts	18	10,304,659	38,082,103
		<u>643,670,307</u>	<u>611,693,508</u>
<b>Non-Current Liabilities</b>			
Employee benefit obligation	17	168,686,298	172,019,356
Provisions	19	54,153,576	54,153,576
		<u>222,839,874</u>	<u>226,172,932</u>
<b>Total Liabilities</b>		<u>866,510,181</u>	<u>837,866,440</u>
<b>Net Assets</b>		<u>3,229,022,174</u>	<u>3,459,977,873</u>
Accumulated surplus		3,229,022,174	3,459,977,873
<b>Total Net Assets</b>		<u>3,229,022,174</u>	<u>3,459,977,873</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
<b>Revenue</b>			
Revenue from exchange transactions			
Service charges	20	1,028,463,249	1,070,255,588
Royalty income		714,547	-
Rental of facilities and equipment	21	3,464,619	3,672,806
Interest charged on trade and other receivables		69,460,998	42,266,846
Agency services		11,084,226	18,488,451
Licences and permits		4,683,293	4,606,992
Miscellaneous other revenue		10,979,266	13,296,968
Discount received		100,000	28,908
Interest received - Investments	23	14,450,649	16,918,558
Dividends received	23	3,208	2,977
Total revenue from exchange transactions		<u>1,143,404,055</u>	<u>1,169,538,094</u>
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	239,715,242	220,846,388
Interest charged on property rates	27	17,454,852	10,630,364
Transfer revenue			
Government grants & subsidies	28	506,336,002	401,686,083
Public contributions and donations	29	1,475,095	865,230
Fines, Penalties and Forfeits	25	9,004,002	3,066,658
Total revenue from non-exchange transactions		<u>773,985,193</u>	<u>637,094,723</u>
Total revenue	24	<u>1,917,389,248</u>	<u>1,806,632,817</u>
<b>Expenditure</b>			
Employee related costs	30	(545,080,864)	(537,923,931)
Remuneration of councillors	43	(29,960,308)	(27,577,082)
Depreciation and amortisation	31	(190,982,813)	(205,795,560)
Finance costs	33	(33,244,419)	(30,315,222)
Rental and lease expenditure	34	(854,135)	(217,128)
Debt Impairment	36	(187,497,403)	(129,313,762)
Bulk purchases	39	(691,432,090)	(700,199,463)
Contracted services	40	(133,639,216)	(117,664,348)
Repairs and maintenance	38	(153,538,584)	(106,387,323)
General Expenses	37	(168,665,029)	(136,777,582)
Total expenditure		<u>(2,134,894,861)</u>	<u>(1,992,171,401)</u>
Operating deficit		<u>(217,505,613)</u>	<u>(185,538,584)</u>
Loss on disposal of assets and liabilities		(12,509,370)	(7,562,146)
Fair value adjustments	42	4,263	(6,613)
Actuarial gains/losses	17	16,507,192	13,722,183
Impairment loss	32	(8,245,509)	(62,227,650)
Inventories losses/write-downs		(9,206,661)	(4,157,198)
		<u>(13,450,085)</u>	<u>(60,231,424)</u>
Deficit for the year		<u>(230,955,698)</u>	<u>(245,770,008)</u>

## JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	3,705,747,881	3,705,747,881
Balance at July 1, 2021 as restated*	3,705,747,881	3,705,747,881
Changes in net assets		
Deficit for the period	(245,770,008)	(245,770,008)
Total changes	(245,770,008)	(245,770,008)
Balance at July 1, 2022	3,459,977,872	3,459,977,872
Changes in net assets		
Deficit for the period	(230,955,698)	(230,955,698)
Total changes	(230,955,698)	(230,955,698)
Balance at June 30, 2023	3,229,022,174	3,229,022,174

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Cash Flow Statement

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,125,441,681	1,184,160,205
Grants		478,558,558	403,363,509
Interest income		10,883,760	16,918,558
Dividends received		3,208	2,977
Other receipts		39,384,201	50,019,796
		<u>1,654,271,408</u>	<u>1,654,465,045</u>
Payments			
Employee costs		(558,434,944)	(551,351,036)
Suppliers		(1,077,327,344)	(985,518,174)
Finance costs		(27,636,458)	(30,315,222)
		<u>(1,663,398,746)</u>	<u>(1,567,184,432)</u>
Net cash flows from operating activities	44	<u>(9,127,338)</u>	<u>87,280,613</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(168,767,949)	(112,464,286)
Proceeds from sale of property, plant and equipment	10	-	(1)
Proceeds from sale of financial assets		(64,478,980)	-
Purchase of eskom deposits		(694,671)	(182,910)
Net movements in financial assets		6,691,082	-
Net cash flows from investing activities		<u>(227,250,518)</u>	<u>(112,647,197)</u>
Cash flows from financing activities			
Consumer deposits		-	1,962,819
Net increase/(decrease) in cash and cash equivalents		(236,377,856)	(23,403,765)
Cash and cash equivalents at the beginning of the year		326,899,227	350,302,992
Cash and cash equivalents at the end of the year	8	<u>90,521,371</u>	<u>326,899,227</u>

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



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,339,453,941	(20,268,060)	1,319,185,881	1,028,463,249	(290,722,632)	Note 1
Royalty income	-	-	-	714,547	714,547	
Rental of facilities and equipment	4,226,548	(1,505,299)	2,721,249	3,464,619	743,370	
Interest charged on trade and other receivables	40,000,000	20,729,647	60,729,647	69,460,998	8,731,351	Note 2
Agency services	12,000,000	(1,996,835)	10,003,165	11,084,226	1,081,061	
Licences and permits	4,234,162	(983,692)	3,250,470	4,683,293	1,432,823	
Miscellaneous other revenue	10,447,963	1,868,320	12,316,283	10,979,266	(1,337,017)	
Discount received	-	-	-	100,000	100,000	
Interest received - Investments	20,000,000	(10,000,000)	10,000,000	14,450,649	4,450,649	Note 3
Dividends received	3,260	-	3,260	3,208	(52)	
Total revenue from exchange transactions	1,430,365,874	(12,155,919)	1,418,209,955	1,143,404,055	(274,805,900)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	232,325,770	(3,764,834)	228,560,936	239,715,242	11,154,306	Note 4
Interest charged on property rates	-	-	-	17,454,852	17,454,852	Note 5
Transfer revenue						
Government grants & subsidies	547,923,000	34,806,218	582,729,218	506,336,002	(76,393,216)	Note 6
Public contributions and donations	-	-	-	1,475,095	1,475,095	
Fines, Penalties and Forfeits	92,137,510	(77,000,000)	15,137,510	9,004,002	(6,133,508)	Note 7
Total revenue from non-exchange transactions	872,386,280	(45,958,616)	826,427,664	773,985,193	(52,442,471)	
Total revenue	2,302,752,154	(58,114,535)	2,244,637,619	1,917,389,248	(327,248,371)	
Expenditure						
Employee related costs	(599,002,931)	3,776,981	(595,225,950)	(545,080,864)	50,145,086	Note 8
Remuneration of councillors	(34,775,405)	-	(34,775,405)	(29,960,308)	4,815,097	Note 9
Depreciation and amortisation	(287,643,094)	3,023,934	(284,619,160)	(190,982,813)	93,636,347	Note 10
Finance costs	(21,205,000)	21,205,000	-	(33,244,419)	(33,244,419)	Not budgeted for
Rental and lease expenditure	(2,991,160)	1,754,160	(1,237,000)	(854,135)	382,865	
Debt Impairment	(230,000,000)	-	(230,000,000)	(187,497,403)	42,502,597	Note 11
Bulk purchases	(774,430,170)	22,500,000	(751,930,170)	(691,432,090)	60,498,080	Note 12
Contracted Services	(128,607,880)	867,440	(127,740,440)	(133,639,216)	(5,898,776)	Note 13
Repairs and Maintenance	(122,181,431)	(41,432,733)	(163,614,164)	(153,538,584)	10,075,580	Note 14
General Expenses	(177,265,109)	10,616,421	(166,648,688)	(168,665,029)	(2,016,341)	Note 15
Total expenditure	(2,378,102,180)	22,311,203	(2,355,790,977)	(2,134,894,861)	220,896,116	
Operating deficit	(75,350,026)	(35,803,332)	(111,153,358)	(217,505,613)	(106,352,255)	

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Loss on disposal of assets and liabilities	-	-	-	(12,509,370)	(12,509,370)	Not budgeted for
Fair value adjustments	-	-	-	4,263	4,263	Not budgeted for
Actuarial gains/losses	-	-	-	16,507,192	16,507,192	Not budgeted for
Impairment loss	-	-	-	(8,245,509)	(8,245,509)	Not budgeted for
Inventories losses/write-downs	-	-	-	(9,206,661)	(9,206,661)	Not budgeted for
	-	-	-	(13,450,085)	(13,450,085)	
Deficit before taxation	(75,350,026)	(35,803,332)	(111,153,358)	(230,955,698)	(119,802,340)	
Deficit for the year from continuing operations	(75,350,026)	(35,803,332)	(111,153,358)	(230,955,698)	(119,802,340)	
Capital expenditure	(302,062,700)	(35,057,254)	(337,119,954)	(162,206,064)	174,913,890	Note 16
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(377,412,726)	(70,860,586)	(448,273,312)	(393,161,762)	55,111,550	

Note 1 - The municipality was unable to collect on Water and Electricity due to high load shedding levels that also affected water storage levels and sale of electricity. Therefore, trucks were used to deliver a huge amount of unmetered water quantity to residents in both regions of JB Marks.

Note 2 - There was an increase in the consumer debtors' balances and decrease in payments thereof.

Note 3 - The municipality managed investment funds well enough to earn more interest than originally budgeted for.

Note 4 - Changes to the supplementary valuation roll.

Note 5 - The National Treasury schedules does not have "Interest Charged on Property Rates" as a revenue source therefore interest charged on property rates was budgeted under interest charged on trade and other receivables.

Note 6 - Funds were withheld by National Treasury on grant funded projects due to low spending as a result of late appointment of contractors resulting in late implementation of capital projects.

Note 7 - Underperformance of the service provider appointed to administer traffic fines.

Note 8 - It was expected that vacant positions will be filled and therefore the allocated amounts would fund such employee related costs. No permanent appointments were made in the financial year 2022-23 due to the moratorium in place.

Note 9 - Remuneration of Councillors was over estimated.

Note 10 - Depreciation was over estimated due to an expected number of additional assets that were budget for. The municipality's Asset Management is not capacitated and therefore it is difficult to measure depreciation performance on a monthly basis.

Note 11 - Few fines were issued due to underperformance of the service provider appointed to administer traffic fines therefore low impairment on traffic fines.

Note 12 - Due to high load shedding levels, there was a slow spending on bulk purchases.

Note 13 The increase in contracted services is mainly due to the licencing and support of municipal IT systems mainly due to more modules being utilized on the Phoenix system . In addition, security services costs increased due to the fact that new security was hired to evacuate individuals who had erected illegal houses and shacks in certain areas around Potchefstroom.-

## JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Note 14 - Most of the repairs and maintenance was outsourced to service providers and therefore the municipality did not purchase most of material and equipment for repairs and maintenance.

Note 15 - There was an under-estimation for fuel costs of generators as the municipality did not anticipate high levels of Loadshedding for the financial year under review.

Note 16 - Low spending as a result on late appointment of contractors resulting in late implementing of capital projects hence funds withheld by National Treasury on grant funded projects. On internally generated funds, the municipality had insufficient resources to cater for other internally funded projects.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

Figures in Rand	Note(s)	2023	2022
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### 1. Significant account policies

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

#### 1.1 Basis of preparations

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

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

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

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

#### 1.3 Going concern assumption

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

#### 1.4 Significant judgements and sources of estimation uncertainty

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

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

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

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

##### Fair value estimation

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

##### Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including supply demand for municipal services, timing of cashflows, together with economic factors such as inflation and interest.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

#### Post-retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.

#### Provision for rehabilitation of landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. A provision is made for this obligation based on the net present value of cost.

The uncertainties and assumptions attached to this provision are listed as follows:

The landfill closure designs has changed from the Minimum Requirements of Waste Disposal by Landfill to the National Environment Management Waste Act (59/2008): Waste Classification and Management Regulations (Gazette No. 36784). The change effectively puts stricter conditions on landfill closure and rehabilitation, with a concomitant increase in costs, especially for the sites previously classified as communal and small.

Should the Minister require for the sites to be relicensed or brought in line with new legislation, the closure requirements may be affected which may in turn affect the costing analysis.

#### Useful lives of Property, Plant, Equipment, Intangible assets and Investment Property

The municipality depreciates/amortises its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at the time.

#### Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water after the depth of water in the reservoirs have been determined, which is then converted into volume based on the total capacity of the reservoir.

### 1.5 Investment property

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

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

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.5 Investment property (continued)

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

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

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

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

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

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note ).

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

### 1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

## **Accounting Policies**

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### **1.6 Property, plant and equipment (continued)**

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

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

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

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

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

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

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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

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

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

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	5-60 years
Plant and machinery	Straight-line	2-20 years
Furniture and fixtures	Straight-line	2-20 years
Motor vehicles	Straight-line	5-20 years
IT equipment	Straight-line	5-20 years
Infrastructure	Straight-line	3-80 years
Community	Straight-line	5-60 years

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

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

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

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

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

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

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

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

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

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



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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Item	Depreciation method	Average useful life
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The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.8 Heritage assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note ).

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

#### Recognition

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

#### Initial measurement

Heritage assets are measured at cost.

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

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.8 Heritage assets (continued)

#### Subsequent measurement

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

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

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

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

#### Impairment

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

#### Derecognition

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

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

### 1.9 Financial instruments

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

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

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

## Accounting Policies

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### 1.9 Financial instruments (continued)

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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### 1.9 Financial instruments (continued)

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

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

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

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

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

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

#### Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

### 1.10 Inventories

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

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

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

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

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

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### 1.10 Inventories (continued)

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

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

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

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

### 1.11 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

### 1.12 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

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### 1.12 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

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

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

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

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

### Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

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## Accounting Policies

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### 1.12 Employee benefits (continued)

#### Post-employment benefits

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

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

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

#### Post-employment benefits: Defined contribution plans

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

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

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

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



## Accounting Policies

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### 1.12 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

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

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

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

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

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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### 1.12 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

## Accounting Policies

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### 1.12 Employee benefits(continued)

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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

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### 1.13 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 50.

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

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

# JB Marks Local Municipality

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## Accounting Policies

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### 1.13 Provisions and contingencies (continued)

#### Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

### 1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### 1.15 Revenue from exchange transactions

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

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

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

#### Measurement

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

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

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### 1.16 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

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

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

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

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

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

### Recognition

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

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

### Measurement

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

## Accounting Policies

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

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

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

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

#### Fines

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

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

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

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Government Grants

Government grants are recognised as revenue when:- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, the amount of the revenue can be measured reliably, and  
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed program may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

#### Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied. concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market related.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.17 Investment income

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

### 1.18 Borrowing costs

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

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

### 1.19 Comparative figures

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

### 1.20 Unauthorised expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

### 1.21 Fruitless and wasteful expenditure

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

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

### 1.22 Irregular expenditure

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.23 Budget information

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

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

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

The approved budget covers the fiscal period from 7/1/2022 to 6/30/2023.

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

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

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

The budget and annual financial statements did not adopt the same classification structure and the Statement of comparison of budget and actual amounts has been prepared on the mapping as per annual financial statements.

Comparative information is not required.

### 1.24 Related parties

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

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

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

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

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

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

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

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

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

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Policies

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### 1.25 Events after reporting date

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

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

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

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

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 2. New standards and interpretations

Application of all of the GRAP standards listed below will be effective for the municipality's accounting periods beginning on or after 01 July 2022 or later periods.

Management has considered all of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

#### GRAP pronouncement

- GRAP 18 Segment Reporting.
- GRAP 1 (amended): Presentation of Financial Statements 01 April 2020
- GRAP 34: Separate Financial Statements 01 April 2020
- IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue 01 April 2020
- Directive 7 (revised): The Application of Deemed Cost 01 April 2020
- GRAP 18 (as amended 2016): Segment Reporting 01 April 2020

### 3. Inventories

Consumable stores	14,710,466	29,994,663
Water for distribution	222,340	184,219
	<u>14,932,806</u>	<u>30,178,882</u>

Carrying value of inventories carried at fair value less costs to sell - 347,798

Inventories recognised as an expense during the year 8,181,512 12,532,510

The inventory is subsequently measured at lower of cost or current replacement cost to comply with the GRAP 12 requirements.

#### Inventory pledged as security

No inventory have been pledged as collateral for liabilities of the municipality.

### 4. Receivables from exchange transactions

Mining Rights Receivable	10,476,140	10,476,140
Sundry Debtors	8,076,681	8,205,957
Sundry Debtors - Impairment	(6,676,103)	(6,676,103)
Mining Rights - Impairment	(10,476,140)	(10,476,140)
	<u>1,400,578</u>	<u>1,529,854</u>

The municipality did not pledge any of its receivable as security for borrowing purposes.

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(17,152,243)	(14,773,483)
Provision for impairment	-	(2,378,760)
	<u>(17,152,243)</u>	<u>(17,152,243)</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The municipality does not hold any collateral as security.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
5. Receivables from non-exchange transactions		
Traffic Fines	584,560,070	576,885,291
Government grants and subsidies	6,827,760	4,473,398
Creditors with debit balances	1,806,332	1,806,332
Traffic Fines - Impairment	(579,256,662)	(570,793,983)
	<u>13,937,500</u>	<u>12,371,038</u>

None of the receivables from exchange have been pledged as security for the municipality's financial liabilities.

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired.  
At June 30, 2023, - ((2022) R12 338 190: -) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	(570,793,982)	(567,727,397)
Provision for impairment	-	(3,066,585)
	<u>(570,793,982)</u>	<u>(570,793,982)</u>

## 6. Prepayments

The prepayments were made for motor vehicles and insurance premiums.  
Amount 30 June 2023 R2 184 600 (30 June 2022: R8 775 682)

## 7. Consumer debtors

Gross balances		
Rates (Statutory receivables)	182,336,890	140,451,001
Electricity	297,697,606	290,945,629
Water	141,605,047	113,765,922
Sewerage	115,756,305	94,216,816
Refuse	92,750,002	76,355,191
Other debtors	28,899,330	25,097,908
VAT on debtors	86,076,273	70,014,344
Interest on overdue accounts	272,474,628	196,442,538
	<u>1,217,596,081</u>	<u>1,007,289,349</u>
Less: Allowance for impairment		
Rates (Statutory receivables)	(109,908,151)	(88,277,298)
Electricity	(168,254,797)	(133,817,387)
Water	(102,270,487)	(85,033,982)
Sewerage	(96,560,867)	(77,639,869)
Refuse	(82,029,049)	(66,600,523)
Other debtors	(26,613,254)	(24,207,268)
VAT on debtors	(67,696,436)	(55,094,601)
Interest on overdue accounts	(242,914,741)	(173,939,784)
	<u>(896,247,782)</u>	<u>(704,610,712)</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
7. Consumer debtors (continued)		
Net balance		
Rates (Statutory receivables)	72,428,739	52,173,703
Electricity	129,442,809	157,128,242
Water	39,334,560	28,731,940
Sewerage	19,195,438	16,576,947
Refuse	10,720,953	9,754,668
Other debtors	2,286,076	890,640
VAT on debtors	18,379,837	14,919,743
Interest on overdue accounts	29,559,887	22,502,754
	<u>321,348,299</u>	<u>302,678,637</u>
Included in above is receivables from exchange transactions		
Electricity	129,442,809	157,128,242
Water	39,334,560	28,731,940
Sewerage	19,195,438	16,576,947
Refuse	10,720,953	9,754,668
Interest on overdue accounts	29,559,887	22,502,754
VAT on debtors	18,379,837	14,919,743
Other debtors	2,286,076	890,640
	<u>248,919,560</u>	<u>250,504,934</u>
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates (Statutory receivables)	72,428,739	52,173,703
Net balance	<u>321,348,299</u>	<u>302,678,637</u>
Rates (Statutory receivables)		
Current (0 -30 days)	17,847,718	15,390,037
31 - 60 days	9,492,768	9,758,955
61 - 90 days	6,353,830	6,106,352
91 - 120 days	6,854,613	6,142,174
>120 days	141,787,961	103,053,483
Less: Allowance for impairment	(109,908,151)	(88,277,298)
	<u>72,428,739</u>	<u>52,173,703</u>
Electricity		
Current (0 -30 days)	89,790,476	101,714,391
31 - 60 days	11,466,452	12,502,023
61 - 90 days	5,723,503	7,316,479
91 - 120 days	5,259,129	5,751,875
>120 days	185,458,046	163,660,861
Less: Allowance for impairment	(168,254,797)	(133,817,387)
	<u>129,442,809</u>	<u>157,128,242</u>
Water		
Current (0 -30 days)	21,630,046	8,257,180
31 - 60 days	5,468,465	5,842,371
61 - 90 days	3,889,090	4,992,144
91 - 120 days	3,133,603	4,606,088
>120 days	107,483,843	90,068,139
Less: Allowance for impairment	(102,270,487)	(85,033,982)
	<u>39,334,560</u>	<u>28,731,940</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>7. Consumer debtors (continued)</b>		
<b>Sewerage</b>		
Current (0 -30 days)	7,750,128	6,727,922
31 - 60 days	4,295,465	3,436,777
61 - 90 days	3,220,820	2,901,173
91 - 120 days	2,971,462	2,415,381
>120 days	97,518,430	78,735,563
Less: Allowance for impairment	(96,560,867)	(77,639,869)
	<u>19,195,438</u>	<u>16,576,947</u>
<b>Refuse</b>		
Current (0 -30 days)	5,081,705	4,032,396
31 - 60 days	3,116,674	2,808,084
61 - 90 days	2,179,657	1,978,517
91 - 120 days	2,026,639	1,781,120
>120 days	80,345,327	65,755,074
Less: Allowance for impairment	(82,029,049)	(66,600,523)
	<u>10,720,953</u>	<u>9,754,668</u>
<b>Other debtors</b>		
Current (0 -30 days)	187,627	395,438
31 - 60 days	280,385	256,466
61 - 90 days	205,312	212,238
91 - 120 days	278,884	239,868
>120 days	27,947,122	23,993,898
Less: Allowance for impairment	(26,613,254)	(24,207,268)
	<u>2,286,076</u>	<u>890,640</u>
<b>VAT on debtors</b>		
Current (0 -30 days)	7,761,401	8,164,024
31 - 60 days	3,458,141	3,347,666
61 - 90 days	2,251,184	2,495,455
91 - 120 days	2,024,616	2,133,966
>120 days	70,580,931	53,873,233
Less: Allowance for impairment	(67,696,436)	(55,094,601)
	<u>18,379,837</u>	<u>14,919,743</u>
<b>Interest on overdue accounts</b>		
Current (0 -30 days)	9,105,975	5,354,369
31 - 60 days	8,516,987	6,530,724
61 - 90 days	8,274,313	5,233,434
91 - 120 days	8,207,694	5,085,803
>120 days	238,369,659	174,238,208
Less: Allowance for impairment	(242,914,741)	(173,939,784)
	<u>29,559,887</u>	<u>22,502,754</u>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(704,610,712)	(569,728,733)
Contributions to allowance	(191,637,070)	(134,881,979)
Debt impairment written off against allowance	-	-
	<u>(896,247,782)</u>	<u>(704,610,712)</u>

## 8. Cash and cash equivalents

Cash and cash equivalents consist of:

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Cash and cash equivalents (continued)		
Bank balances	29,306,997	195,295,614
Current Investments	61,181,182	131,570,421
Other cash and cash equivalents	33,192	33,192
	<b>90,521,371</b>	<b>326,899,227</b>

The municipality had the following bank balances

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2023	June 30, 2022	June 30, 2021
ABSA - Current - 4090067672	4,348,369	173,940,409	10,761,167	19,241,173	172,600,241	10,761,167
ABSA - Current - 2250000017	713,042	674,438	656,526	713,042	674,438	655,365
First National Bank - Current - 62413246241	1,035,794	7,949,282	5,709,217	1,035,794	7,949,282	5,708,067
First National Bank - Current - 62413454133	507,219	5,688,431	5,510,753	507,219	5,688,431	5,506,247
Nedbank - Current - 1497222400	7,095,714	9,921,391	22,560,705	7,095,714	8,360,276	36,004,111
Nedbank - Current - 1497222443	-	-	-	-	-	(9,755)
Nedbank Call deposit - 03/7881004517/000083	650,627	609,404	168,703,762	650,627	609,404	168,703,762
Nedbank Call deposit - 03/7881004517/000081	-	-	-	-	-	4
Nedbank Call deposit - 03/7881004517/000094	15,901,547	14,731,357	-	15,901,547	14,731,357	-
Standard bank - Call Deposit- 43846 0944-038	53,286	52,284	51,300	53,286	52,284	51,300
Standard bank - Call Deposit- 43846 0944-045	42,335,612	40,090,220	38,920,939	42,335,612	40,090,220	38,920,939
Investec - Call Deposit - 1400-190158-500	2,222,181	75,218,125	210,765	2,222,181	75,218,125	210,765
ABSA Municipal funds - 405583287	-	-	14,151,880	-	-	14,151,880
ABSA - Call - Deposit 9324900933	17,925	869,028	846,101	17,925	869,028	846,101
	-	-	-	-	-	-
<b>Total</b>	<b>74,881,316</b>	<b>329,744,369</b>	<b>268,083,115</b>	<b>90,488,177</b>	<b>326,843,086</b>	<b>281,509,953</b>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	62,629,704	-	62,629,704	62,629,704	-	62,629,704

#### Reconciliation of investment property - 2023

	Opening balance	Total
Investment property	62,629,704	62,629,704

#### Reconciliation of investment property - 2022

	Opening balance	Total
Investment property	62,629,704	62,629,704

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality has to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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9. Investment property (continued)

- Ÿ if possible, the range of estimates within which fair value is highly likely to lie, and
- Ÿ on disposal of investment property not carried at fair value:
- the fact that the entity has disposed of investment property not carried at fair value,
  - the carrying amount of that investment property at the time of sale, and
  - the amount of gain or loss recognised.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	384,567,135	-	384,567,135	384,567,135	-	384,567,135
Buildings	429,347,378	(306,775,881)	122,571,497	435,200,981	(295,848,819)	139,352,162
Library books	286,596,467	(281,731,022)	4,865,445	25,843,072	(21,653,202)	4,189,870
Infrastructure	6,357,869,783	3,776,991,173	2,580,878,610	6,262,453,030	3,650,911,008	2,611,542,022
Community	683,476,264	(433,217,882)	250,258,382	660,161,368	(417,235,258)	242,926,110
Other property, plant and equipment	242,864,440	(162,656,431)	80,208,009	229,259,963	(146,993,536)	82,266,427
Total	8,384,721,467	(4,961,372,389)	3,423,349,078	7,997,485,549	(4,532,641,823)	3,464,843,726

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	384,567,135	-	-	-	-	-	-	384,567,135
Buildings	139,352,162	989,067	(1,003,981)	-	-	(16,402,244)	(363,507)	122,571,497
Library books	4,189,870	1,475,095	(32,535)	-	-	(752,222)	(14,763)	4,865,445
Infrastructure	2,611,542,022	127,913,097	(8,691,228)	-	-	(149,333,013)	(552,268)	2,580,878,610
Community	242,926,110	27,171,421	(144,694)	-	-	(19,123,869)	(570,586)	250,258,382
Other property, plant and equipment	82,266,427	9,839,205	(2,636,932)	(2,924)	2,520,483	(5,371,465)	(6,406,785)	80,208,009
	3,464,843,726	167,387,885	(12,509,370)	(2,924)	2,520,483	(190,982,813)	(7,907,909)	3,423,349,078

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Work in Progress	Transfers	Depreciation	Impairment loss	Total
Land	386,913,135	-	(2,346,000)	-	-	-	-	384,567,135
Buildings	148,815,829	-	(898)	7,610,967	-	(17,049,925)	(23,811)	139,352,162
Library books	4,395,539	865,230	(11,285)	-	-	(1,059,614)	-	4,189,870
Infrastructure	2,762,765,142	152,081,822	(437,648)	(79,443,571)	(13,078,973)	(151,618,462)	(58,726,288)	2,611,542,022
Community	240,896,814	294,000	(4,766,314)	20,968,002	13,078,973	(25,132,064)	(2,413,301)	242,926,110
Other property, plant and equipment	83,313,107	11,006,726	-	-	-	(10,935,495)	(1,117,911)	82,266,427
	<u>3,627,099,566</u>	<u>164,247,778</u>	<u>(7,562,145)</u>	<u>(50,864,602)</u>	<u>-</u>	<u>(205,795,560)</u>	<u>(62,281,311)</u>	<u>3,464,843,726</u>

#### Assets subject to finance lease (Net carrying amount)

Land	<u>384,567,135</u>	-
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#### Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	Total
Opening balance	177,845,991	12,831,541	190,677,532
Additions/capital expenditure	70,080,833	28,578,969	98,659,802
Transferred to completed items	(169,886,902)	-	(169,886,902)
	<u>78,039,922</u>	<u>41,410,510</u>	<u>119,450,432</u>

#### Slow-moving / halted work-in-progress (WIP) projects

Aggregate of items valued using deemed cost	-	1,192,043
Aggregate adjustment to the carrying amounts previously reported	-	933,732

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 11. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	7,214,301	-	7,214,301	7,214,301	-	7,214,301

#### Reconciliation of intangible assets - 2023

	Opening balance	Total
Computer software, other	7,214,301	7,214,301

#### Reconciliation of intangible assets - 2022

	Opening balance	Total
Computer software, other	7,214,301	7,214,301

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 12. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectables and monuments	56,122,632	-	56,122,632	56,122,632	-	56,122,632

#### Reconciliation of heritage assets 2023

	Opening balance	Total
Museum collecatables and monuments	56,122,632	56,122,632

#### Reconciliation of heritage assets 2022

	Opening balance	Total
Museum collecatables and monuments	56,122,632	56,122,632

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>13. Other financial assets</b>		
Designated at fair value		
Listed shares	45,396	41,133
Listed Shares are investments in shares of public companies with no specific maturity dates or interest rates. Listed shares and unit trusts are measured at fair value using quoted market prices.		
At amortised cost		
Long Term Investment	78,929,629	-
Management of the municipality is of the opinion that the carrying value of the investments recorded at amortised cost in the Annual Financial Statements approximate their fair values.		
The fair value of Investments was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.		
<b>Total other financial assets</b>	<b>78,975,025</b>	<b>41,133</b>
<b>Non-current assets</b>		
Designated at fair value	45,396	41,133
At amortised cost	78,929,629	-
	<b>78,975,025</b>	<b>41,133</b>
<b>14. Payables from exchange transactions</b>		
Trade payables	342,313,459	326,613,902
Payments received in advance	52,835,575	46,541,453
Unallocated receipts	61,422,866	31,708,178
Salary accruals	1,543,398	1,543,398
Debtors salaries	21,531,893	25,926,107
Staff Leave	56,315,370	53,079,734
Retentions	28,061,858	15,982,716
Traffic and Licence creditors	13,683,745	17,546,325
Other creditors	129,376	129,376
13th Cheque accrual	12,931,728	13,251,203
	<b>590,769,268</b>	<b>532,322,392</b>
<b>15. VAT receivable</b>		
VAT	16,496,228	18,833,935
The Municipality is registered for VAT on a payment basis.		
<b>16. Consumer deposits</b>		
Electricity and Water	28,849,869	28,058,435
No guarantees are held in lieu of consumer deposits.		
Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.		
No interest is paid on consumer deposits held.		

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Employee benefit obligations		
Reconciliation of total employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(165,795,407)	(164,180,045)
Present value of the defined benefit obligation-partly or wholly funded	(16,637,402)	(21,069,889)
	<u>(182,432,809)</u>	<u>(185,249,934)</u>
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(13,746,511)	(13,230,578)
Present value of the defined benefit obligation-partly or wholly funded	(168,686,298)	(172,019,356)
	<u>(182,432,809)</u>	<u>(185,249,934)</u>
Post-retirement health care benefits liability		
The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the Medical Aid Funds, with which the municipality is associated, a member(who is on the current conditions of service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.		
In accordance with the requirements of GRAP 25, the projected unit credit method has been applied. The assumption underlying the funding method is that the employer's post employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25.		
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	164,180,045	165,228,474
Benefits paid	(10,362,249)	(9,909,960)
Net expense recognised in the statement of financial performance	11,977,611	8,861,531
	<u>165,795,407</u>	<u>164,180,045</u>
Net expense recognised in the statement of financial performance		
Current service cost	3,979,041	4,030,690
Interest cost	19,684,066	16,524,197
Actuarial (gains) losses	(11,685,496)	(11,693,356)
	<u>11,977,611</u>	<u>8,861,531</u>
Additional text		
Eligible employees		
Active employees (on medical aid) - average age (years)	46.98	
Active employees (on medical aid) - average employer monthly contribution (ZAR)	31,345	
Continuation pensioners - average age (years)	70.79	
Continuation pensioners - average employer monthly contribution (ZAR)	<u>4,597</u>	
Additional text		

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 17. Employee benefit obligations (continued)

#### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12.75 %	12.38 %
Expected rate of return on assets	6.86 %	7.39 %
Expected increase in salaries	8.36 %	8.89 %
Expected pension increases	4.05 %	3.21 %

The basis on which the net discount rate has been determined is as follows:

The methodology for setting the financial assumptions has been updated to be more duration specific. At the previous valuation date, 30 June 2022 the duration of liabilities was 10.58% years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2023 is 12.75% per annum, and the yield on the inflation linked bonds of a similar term was about 5.04% per annum, implying an underlying expectation of inflation of 6.86% per annum  $([1 + 12.75\% - 0.5\%] / [1 + 5.04\%] - 1)$ .

A health care cost inflation rate of 8.36% was assumed. This is 1.50% in excess of the expected inflation over the expected term of the liability, consistent with the previous actuary.

However, it is the relative levels of the discount rate and health care inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 4.05% per annum  $([1 + 12.75\%] / [1 + 8.36\%] - 1)$ . This year's valuation basis is, therefore, stronger than previous year's basis from a discount rate perspective.

#### Sensitivity Analysis

##### Medical inflation and discount rate

	- 1% decrease (R's)	30 June 2023 Valuation basis (R's)	1% increase (R's)
<b>Medical Inflation Rate</b>			
Employer's accrued liability	149,672,960	165,795,408	184,732,957
Employer's current service cost	3,038,750	3,594,762	4,282,230
Employer's interest cost	18,351,442	20,403,653	22,814,806
<b>Discount Rate</b>			
Employer's accrued liability	183,517,651	165,795,408	150,880,980
Employer's current service cost	4,220,092	3,594,762	3,090,678
Employer's interest cost	20,885,730	20,403,653	19,953,206



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 17. Employee benefit obligations (continued)

Demographic and decrement assumptions used are as follows:

The assumed normal retirement age is 65 years and the fully accrued age (to take account for ill-health and early retirement decrements) is 63 years for active employees on the medical aid.

The assumed age difference between spouses is 5 years for active employees on the medical aid and the actual years are used for pensioners.

The assumed mortality used was based on the SA85/90 mortality table for active members on the medical aid and the PA(90)-1 table for pensioners.

Continuation on medical aid at retirement age assumptions used as follows:

It was assumed that 50% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

### Long Service Awards Liability

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a long-service award is payable after 10 years of continuous service, and every 5 years of continuous services thereafter, to employees. The provision is an estimate of the long-service based on historical staff turnover.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	21,069,889	23,249,048
Benefits paid	(2,868,329)	(3,529,156)
Net expense recognised in the statement of financial performance	(1,564,158)	1,349,997
	<u>16,637,402</u>	<u>21,069,889</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Employee benefit obligations (continued)		
Net expense recognised in the statement of financial performance		
Current service cost	1,250,767	1,687,996
Interest cost	2,006,771	1,690,828
Actuarial (gains) losses	(4,821,696)	(2,028,827)
	<u>(1,564,158)</u>	<u>1,349,997</u>

The net expense has been included as part on employee related costs and disclosed on Note 27.

### Eligible employees

Number of employees	716	687
Average annual salary (ZAR)	234 338	237 446
Average age (years)	50.59	50.52
Average past service (years)	<u>18.39</u>	<u>18.22</u>

### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.47 %	7.87 %
Expected rate of return on assets	5.26 %	4.43 %
Expected increase in salaries	6.26 %	5.53 %
Expected pension increases	3.96 %	2.31 %

The basis on which the discount rate has been determined is as follow: [state basis]

### Additional text

We have assumed that salary inflation would exceed general inflation by 1.00% per annum,i.e. 5.53% per annum.

However, it is the relative levels of the discount rate and salary inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 2.31% per annum ( $([1 + 7.87\%] / [1 + 5.53\%] - 1)$ ).

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 17. Employee benefit obligations (continued)

#### Sensitivity Analysis

##### Salary increase and Discount rate

	- % decrease (R's)	30 June 2023 Valuation basis (R's)	1% increase (R's)
<b>Salary Increase Rate</b>			
Employer's accrued liability	15,887,146	16,637,402	17,440,048
Employer's current service cost	955,678	1,003,291	1,054,403
Employer's interest cost	1,547,534	1,626,085	1,710,122
<b>Discount Rate</b>			
Employer's accrued liability	17,415,726	16,637,402	15,921,109
Employer's current service cost	1,052,852	1,003,291	957,830
Employer's interest cost	1,544,092	1,626,085	1,699,703

Demographic and decrement assumptions used are as follows:

The assumed average retirement age (years) is 63 (males) and 58 (females) for the current and prior financial years.

The assumed mortality used was based on the SA85/90 mortality table for the current and prior financial years.

### 18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Dr Kenneth Kaunda District Projects	18,515	18,515
Provincial: Department Arts and Culture - Library Grant	1,710,592	1,710,592
National: Energy Efficiency and Demand Side Management Grant (EEDSMG)	-	1,685,266
National: Water Services Infrastructure Grant (WSIG)	2,380,670	-
Lotto: Mohadin Stadium	113,369	113,369
Lotto: Tshwaraganang	644	644
Lotto: Sarafina Sports Facilities	787,245	787,245
National: Municipal Infrastructure Grant (MIG)	3,851,391	33,120,952
Local Government - SETA Grant (LG SETA)	1,245,792	449,079
Fire and Emergency Grant	20,738	20,738
Provincial: Health Subsidies	13,996	13,996
LED - City Branding	69,417	69,417
LED - Projects Tourism Initiative	90,722	90,722
Provincial Infrastructure Grant (PIG)	1,568	1,568
	<b>10,304,659</b>	<b>38,082,103</b>

The unspent conditional grants and receipts are invested in investment accounts until utilised. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

See note 28 for reconciliation of grants from National/Provincial Government.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 19. Provisions

#### Reconciliation of provisions - 2023

	Opening Balance	Total
Environmental rehabilitation	54,153,576	54,153,576

#### Reconciliation of provisions - 2022

	Opening Balance	Total
Environmental rehabilitation	54,153,576	54,153,576

#### Environmental rehabilitation provision

In terms of the licensing of two landfill refuse sites, the municipality will incur estimated rehabilitation costs of R8 950 647 for the Ventersdorp landfill site and R50 810 481 for the Felophepa landfill site at the end of their useful lives, estimated to be in 2034 for Ventersdorp landfill site and 2023 for Felophepa landfill site, based on recent valuation reports.

The 2023 financial years' landfill closure provisions were calculated using a different methodology as compared to previous financial years. Whereas previously the closure and rehabilitation costs were calculated using a mining rehabilitation methodology, the current methodology is based on prevailing industry trends and regulatory dictates for the closure of landfills. In particular, the landfill classification system has changed from the Minimum Requirements for Waste Disposal by Landfill to the National Environmental Management: Waste Act (59/2008): Waste Classification and Management Regulations (Gazette No. 36784). The change effectively puts stricter conditions on landfill closure and rehabilitation, with a concomitant increase in costs, especially for sites previously classified as Communal and Small. The mining rehabilitation methodology used previously understated the future costs, hence the adjustments required in this financial year.

The 2022 rehabilitation and closure costs were based on information gathered at the site inspections (visual assessment, asset register, and JBM LM data) and assumptions regarding the timing of the future development of each site. These valuations were performed by JPCE Specialist Consulting Engineers for the 2022/2023 financial period.

### 20. Service charges

Sale of electricity	752,957,566	803,922,539
Sale of water	127,738,003	123,600,080
Sewerage and sanitation charges	87,782,937	85,183,512
Refuse removal	59,984,743	57,549,457
	<u>1,028,463,249</u>	<u>1,070,255,588</u>

### 21. Rental of facilities and equipment

Facilities and equipment		
Rental of facilities	3,464,619	3,672,806

Rental revenue is earned on facilities and equipment rented out during the year.

### 22. Other revenue

Discount received	100,000	28,908
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# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>23. Interest received</b>		
Dividend revenue		
Listed financial assets - Sanlam	3,208	2,977
Interest revenue		
Interest on bank investments	14,450,649	16,229,525
Interest charged on trade and other receivables	-	689,033
	14,450,649	16,918,558
	14,453,857	16,921,535
<b>24. Revenue</b>		
Service charges	1,028,463,249	1,070,255,588
Royalty income	714,547	-
Rental of facilities and equipment	3,464,619	3,672,806
Interest charged on trade and other receivables	69,460,998	42,266,846
Agency services	11,084,226	18,488,451
Licences and permits	4,683,293	4,606,992
Miscellaneous other revenue	10,979,266	13,296,968
Discount received	100,000	28,908
Interest received - investment	14,450,649	16,918,558
Dividends or similar distributions received	3,208	2,977
Property rates	239,715,242	220,846,388
Interest charged on property rates	17,454,852	10,630,364
Government grants & subsidies	506,336,002	401,686,083
Public contributions and donations	1,475,095	865,230
Fines, Penalties and Forfeits	9,004,002	3,066,658
	1,917,389,248	1,806,632,817
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	1,028,463,249	1,070,255,588
Royalty income	714,547	-
Rental of facilities and equipment	3,464,619	3,672,806
Interest charged on trade and other receivables	69,460,998	42,266,846
Agency services	11,084,226	18,488,451
Licences and permits	4,683,293	4,606,992
Miscellaneous other revenue	10,979,266	13,296,968
Discount received	100,000	28,908
Interest received - investment	14,450,649	16,918,558
Dividends or similar distributions received	3,208	2,977
	1,143,404,055	1,169,538,094
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	239,715,242	220,846,388
Interest charged on property rates	17,454,852	10,630,364
Transfer revenue		
Government grants & subsidies	506,336,002	401,686,083
Public contributions and donations	1,475,095	865,230
Fines, Penalties and Forfeits	9,004,002	3,066,658
	773,985,193	637,094,723

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
25. Fines, Penalties and Forfeits		
Building Fines	9,004,002	3,066,658
26. Property rates		
Rates received		
Property rates	239,715,242	220,846,388
Valuations		
Residential	30,402,618,100	29,689,078,100
Commercial	4,380,361,000	4,463,111,000
Industrial	943,250,000	932,100,000
Agricultural	8,831,308,000	8,723,401,000
Public Service Infrastructure	52,131,600	49,487,600
Properties owned by Public Benefit Organisation	95,820,000	96,070,000
Public Service Purpose	5,445,977,300	5,453,089,300
Places of Worship	664,387,000	662,597,000
Mining	58,480,000	58,480,000
	50,874,333,000	50,127,414,000

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Supplementary valuations are processed on a monthly basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation was implemented on 01 July 2019 and will be in effect until 30 June 2023 with a possible 1 year extension.

### 27. Interest charged on property rates

Interest charged on property rates	17,454,852	10,630,364
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# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	343,436,000	299,881,000
National: Expanded Public Works Program Grant (EPWP)	2,339,000	2,204,000
National: Municipal Finance Management Grant (FMG)	3,000,000	3,000,000
Provincial: Department Arts and Culture (Library Grant)	-	249,653
	<b>348,775,000</b>	<b>305,334,653</b>
<b>Capital grants</b>		
National: Municipal Infrastructure Grant (MIG)	76,584,562	50,593,439
National: Energy Efficiency and Demand Side Management Grant (EEDSMG)	1,685,266	2,314,734
National: Water Services Infrastructure Grant (WSIG)	29,619,329	22,072,747
National: Regional Bulk Infrastructure Grant (RBIG)	31,171,845	21,170,510
National: Integrated National Electrification Program (INEP)	18,500,000	200,000
	<b>157,561,002</b>	<b>96,351,430</b>
	<b>506,336,002</b>	<b>401,686,083</b>
<b>Dr Kenneth Kaunda District Projects</b>		
Balance unspent at beginning of year	18,515	18,515
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<b>18,515</b>	<b>18,515</b>
<b>Provincial: Department Arts and Culture - Library Grant</b>		
Balance unspent at beginning of year	1,710,592	1,960,245
Current-year receipts	-	-
Conditions met - transferred to revenue	-	(249,653)
	<b>1,710,592</b>	<b>1,710,592</b>
<b>National: Regional Bulk Infrastructure Grant (RBIG)</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	26,243,524	18,190,771
Current-year expenditure not yet received at year end	4,928,321	2,979,739
Conditions met - transferred to revenue	(31,171,845)	(21,170,510)
	<b>-</b>	<b>-</b>
<b>National: Energy Efficiency and Demand Side Management Grant (EEDSMG)</b>		
Balance unspent at beginning of year	1,685,266	4,500,000
Rollover declined	-	(4,500,000)
Current-year receipts	-	4,000,000
Conditions met - transferred to revenue	(1,685,266)	(2,314,734)
	<b>-</b>	<b>1,685,266</b>
<b>National: Expanded Public Works Program Grant (EPWP)</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	2,339,000	2,204,000
Conditions met - transferred to revenue	(2,339,000)	(2,204,000)
	<b>-</b>	<b>-</b>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
28. Employee related costs (continued)		
National: Water Services Infrastructure Grant (WSIG)		
Balance unspent at beginning of year	-	7,072,747
Current-year receipts	32,000,000	15,000,000
Conditions met - transferred to revenue	(29,619,330)	(22,072,747)
	<u>2,380,670</u>	<u>-</u>
Lotto: Mohadin Stadium		
Balance unspent at beginning of year	113,369	113,369
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>113,369</u>	<u>113,369</u>
Lotto: Tshwaraganang		
Balance unspent at beginning of year	644	644
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>644</u>	<u>644</u>
Lotto: Sarafina Sports Facilities		
Balance unspent at beginning of year	787,245	787,245
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>787,245</u>	<u>787,245</u>
National: Municipal Infrastructure Grant (MIG)		
Balance unspent at beginning of year	33,120,952	21,108,151
Rollover declined	-	(368,759)
Current-year receipts	47,315,000	62,975,000
Conditions met - transferred to revenue	(76,584,561)	(50,593,440)
	<u>3,851,391</u>	<u>33,120,952</u>
Local Government - SETA Grant (LG SETA)		
Balance unspent at beginning of year	449,079	449,079
Current-year receipts	796,713	-
Conditions met - transferred to revenue	-	-
	<u>1,245,792</u>	<u>449,079</u>
National: Integrated National Electrification Program (INEP)		
Balance unspent at beginning of year	-	198,241
Rollover declined	-	(198,241)
Current-year receipts	18,500,000	200,000
Conditions met - transferred to revenue	(18,500,000)	(200,000)
	<u>-</u>	<u>-</u>
Fire and Emergency Grant		



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Employee related costs (continued)</b>		
Balance unspent at beginning of year	20,738	20,738
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>20,738</u>	<u>20,738</u>
<b>Provincial: Health Subsidies</b>		
Balance unspent at beginning of year	13,996	13,996
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>13,996</u>	<u>13,996</u>
<b>LED - City Branding</b>		
Balance unspent at beginning of year	69,417	69,417
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>69,417</u>	<u>69,417</u>
<b>LED - Projects Tourism Initiative</b>		
Balance unspent at beginning of year	90,722	90,722
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>90,722</u>	<u>90,722</u>
<b>Provincial Infrastructure Grant (PIG)</b>		
Balance unspent at beginning of year	1,568	1,568
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>1,568</u>	<u>1,568</u>
<b>National: Municipal Finance Management Grant (FMG)</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	3,000,000	3,000,000
Conditions met - transferred to revenue	(3,000,000)	(3,000,000)
	<u>-</u>	<u>-</u>
<b>29. Public contributions and donations</b>		
ERF donations received	<u>1,475,095</u>	<u>865,230</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Employee related costs		
Basic	316,459,514	309,601,922
Medical aid - company contributions	25,594,049	23,383,563
Defined contribution plans	5,229,808	5,718,686
Travel, motor car, accommodation, subsistence and other allowances	14,744,827	14,684,944
Overtime payments	82,053,851	77,191,760
13th Cheques	21,051,432	21,997,868
Standby allowances	7,406,059	12,347,805
Housing benefits and allowances	1,557,154	1,361,103
Group insurance	6,669,863	6,195,521
Pension fund	53,098,884	51,955,283
Redemption of leave	8,320,492	10,589,635
Phone allowance	975,215	993,229
Other payments	1,919,716	1,902,612
	<b>545,080,864</b>	<b>537,923,931</b>

### Remuneration of Acting Municipal Manager

Annual Remuneration	593,124	94,236
Car Allowance	176,460	27,523
Contribution to UIF, medical Aid and Pension	14,118	354
Skills Development Levy	10,593	1,770
Acting Allowance	313,114	58,842
	-	1,905
	<b>1,107,409</b>	<b>184,630</b>

The Acting Municipal Manager S Tyatya was appointed on the 29th of April 2022 to date

### Remuneration of Acting Municipal Manager

Annual Remuneration	-	310,365
Car Allowance	-	72,500
Cellphone Allowance	-	5,000
Contributions to UIF, Medical and Pension Funds	-	56,500
Skills Development Levy	-	3,864
Acting Allowance	-	40,987
	-	<b>489,216</b>

The Acting Municipal Manager OS Masibi was appointed on the 19th of February 2021 until the 20th of November 2021

### Remuneration of Acting Municipality Manager

Annual Remuneration	-	248,292
Car Allowance	-	58,000
Acting Allowance	-	40,987
Contributions to UIF, Medical and Pension Funds	-	45,401
Cellphone Allowance	-	4,000
Skills Development Levy	-	3,173
	-	<b>399,853</b>

The Acting Municipal Manager BMB Mosepele was appointed on the 8th of December 2021 until the 29th of April 2022

### Remuneration of Director Public Safety

Annual Remuneration	725,254	362,952
Car Allowance	174,000	101,500

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	155,828	90,202
Cellphone Allowance	12,000	7,000
Skills Development Levy	8,720	5,347
Other	53,709	-
	<u>1,129,511</u>	<u>567,001</u>

The Director Community Safety OS Masibi was appointed on the 1st of February 2019 to date.

### Remuneration of Director Technical Services

Annual Remuneration	414,312	420,038
Car Allowance	300,000	300,000
Contributions to UIF, Medical and Pension Funds	136,768	130,610
Cellphone Allowance	12,000	12,000
Skills Development Levy	8,889	8,869
Housing Allowance	204,000	204,000
	<u>1,075,969</u>	<u>1,075,516</u>

The Director Technical Services JK Monnakgothu was appointed on the 6th of January 2020 to date.

### Additional text

### Remuneration of Chief Finance Officer

Annual Remuneration	325,032	780,670
Car Allowance	110,670	265,608
Contributions to UIF, Medical and Pension Funds	76,743	183,592
Cellphone Allowance	5,000	12,000
Skills Development Levy	8,620	11,736
Housing Allowance	82,329	197,589
Other	372,967	217
	<u>981,361</u>	<u>1,451,412</u>

The Chief Financial Officer T Moeketsane was appointed on the 1st of January 2018 until the 30th of November 2022

### Remuneration of Acting Chief Financial Officer

Acting Allowance	133,370	-
Skills Development Levy	1,334	-
	<u>134,704</u>	<u>-</u>

### Remuneration Director Corporate Services

Annual Remuneration	744,877	434,511
Car Allowance	174,000	101,500
Contributions to UIF, Medical and Pension Funds	136,203	79,452
Cellphone Allowance	12,000	7,000
Skills Development Levy	8,631	4,836
Other	34,079	-
	<u>1,109,790</u>	<u>627,299</u>

The Director Corporate Services BMB Mosepele was appointed on the 1st of February 2019 to date.

### Remuneration of Acting Director Municipal Services & LED

Annual Remuneration	147,561	187,556
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# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Employee related costs (continued)		
Car Allowance	44,115	55,046
Acting Allowance	39,045	46,013
Performance Bonuses	35,978	41,971
Cellphone Allowance	-	2,800
Skills Development Levy	2,144	2,683
Other	-	3,792
	<u>268,843</u>	<u>339,861</u>

The Acting Director Municipal Services and LED LZ Vavane was appointed on the 1st of January 2023 until the 31st of March 2023

### Remuneration of Acting Director: Community Safety

Annual Remuneration	-	90,608
Car Allowance	-	26,401
Acting Allowance	-	3,046
Contributions to UIF, Medical and Pension Funds	-	24,172
Cellphone Allowance	-	1,400
Skills development Levy	-	1,782
Housing Allowance	-	1,929
Other	-	79,152
	<u>-</u>	<u>228,490</u>

The Acting Director Corporate Services MW Nzimankulu was appointed on the 19th of August 2021 until the 3rd of September 2021.

### Remuneration of Acting Director Technical Services

Annual Remuneration	163,722	156,075
Car Allowance	44,115	41,285
Acting Allowance	-	2,187
Contributions to UIF, Medical and Pension Funds	48,323	43,894
Cellphone Allowance	2,400	2,400
Skills Development Levy	2,057	1,977
Other	-	3,152
	<u>260,617</u>	<u>250,970</u>

The Acting Director Technical Services MM Maki was appointed on the 1st of November 2022 until 31st January 2023.

### Remuneration of Acting Director: Technical Services

Annual Remuneration	147,561	-
Cellphone Allowance	2,100	-
Contributions to UIF, Medical and Pension Funds	44,156	-
Skills Development Levy	1,975	-
Car allowance	44,115	-
Acting allowance	13,896	-
	<u>253,803</u>	<u>-</u>

The Acting Director MR Legoete was appointed from the 1st of April 2023 until 30 June 2023.

### Remuneration of Acting Director Community Safety

Annual Remuneration	147,561	373,527
Car Allowance	44,115	108,528
Cellphone Allowance	2,100	5,600
Acting Allowance	7,939	31,820

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	50,999	121,778
Bonus	-	46,889
Skills Development Levy	2,313	5,632
Housing Allowance	3,035	-
Other	7,562	10,142
	<u>265,624</u>	<u>703,916</u>

The Acting Director Community Safety VT Khupari was appointed on the 1 November 2022 until 31 January 2023.

### Remuneration of Acting Director Municipal Services & LED

Annual Remuneration	147,561	187,596
Car Allowance	44,115	-
Acting Allowance	37,577	46,003
Contributions to UIF, Medical and Pension Funds	49,124	59,498
Cellphone	2,100	2,800
Skills Development Levy	2,292	2,921
Housing Allowance	3,035	3,858
Other	-	58,337
	<u>285,804</u>	<u>361,013</u>

The Acting Director Municipal Services & LED ST Muswede was appointed on the 1st of October 2022 until the 31st of December 2022

### Remuneration of Municipal Manager

Annual Remuneration	-	894,333
Car Allowance	-	300,000
Contributions to UIF, Medical and Pension Funds	-	49,502
Cellphone Allowance	-	15,000
Skills Development Levy	-	12,131
Housing Allowance	-	16,000
Other	-	432,073
	-	<u>1,719,039</u>

The Municipal Manager L Ralekgetho was appointed on the 1st of January 2019 until the 22nd of April 2022

### Remuneration of Acting Director Municipal Services & LED

Annual Remuneration	-	58,242
Car Allowance	-	13,201
Acting Allowance	-	3,812
Contributions to UIF, Medical and Pension Funds	-	15,191
Cellphone Allowance	-	900
Skills Development Levy	-	1,031
Other	-	1,175
	-	<u>93,552</u>

The Acting Director Municipal Services & LED EPM Modiakgotla was appointed on the 19th of November 2020.

### Remuneration of Acting Director Corporate Services

Annual Remuneration	98,374	328,223
Car Allowance	29,410	95,829
Acting Allowance	27,830	17,784

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	33,973	106,861
Cellphone Allowance	1,400	4,900
Skills Development Levy	1,547	5,571
Bonus	-	46,889
Other	-	162,402
	192,534	768,459

The Acting Director Corporate Services was appointed on the 1st of July 2022 until 31 August 2022.

### Remuneration of Acting Director municipal services

The Acting Chief Financial Officer was appointed on the 1st of July 2021 till the 3rd of December 2021.

### 31. Depreciation and amortisation

Property, plant and equipment	190,982,813	205,795,560
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### 32. Impairment loss

Impairments		
Property, plant and equipment	8,245,509	62,227,650
Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]		

The main classes of assets affected by reversals of impairment losses are:

### 33. Finance costs

Provision for landfill sites	5,607,961	7,544,608
Other creditors	5,945,621	4,555,589
Employee Benefit Obligation	21,690,837	18,215,025
	33,244,419	30,315,222

### 34. Rental and lease expenditure

Equipment		
Hire of Equipment	854,135	217,128

### 35. Auditors' remuneration

Fees	8,159,435	8,704,813
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### 36. Debt impairment

Contributions to debt impairment provision	187,497,403	129,313,762
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# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>37. General expenses</b>		
Advertising	1,583,734	1,530,504
Auditors remuneration	8,159,435	8,704,813
Bank charges	2,653,114	2,125,864
Chemicals	915,694	596,304
Cleaning	2,194,847	2,699,739
Commission paid	16,422,996	17,208,692
Community development and training	6,728,703	4,016,099
Consumables	148,577	271,482
Conveyancing	267,376	1,331,457
Donations	1,026,400	1,056,499
Shortages	6,302,672	680,451
Extention sevices	46,238	68,592
Fuel and oil	22,453,735	9,711,620
Insurance claims costs	1,675,874	1,137,852
IT expenses	9,162,543	7,262,637
Indigent funeral costs	2,628,332	7,499,723
Indigent grant costs	2,467,588	1,855,343
Insurance premiums	7,216,786	6,877,809
Landscapping expenses	2,235,308	1,395,907
Legal fees	6,822,423	10,794,327
Levies	-	7,400
Magazines, books and periodicals	19,235	10,883
Medical expenses	60,254	267,126
Pest control	-	46,200
Postage and courier	4,224,846	3,269,407
Printing and stationery	4,084,321	3,784,599
EPWP Costs	13,125,355	8,395,538
Protective clothing	4,337,873	1,957,619
Research and development costs	1,010,283	1,857,973
Security (Guarding of municipal property)	-	8,687
Sewerage and waste disposal	53,327	51,312
Sitting allowance audit committee	689,646	610,081
Staff welfare	8,513,141	4,962,811
Subscriptions and membership fees	6,548,714	6,111,002
Telephone and fax	485,120	272,528
Tourism development	865,894	159,900
Training	5,861,133	4,373,573
Travel - local	3,088,304	1,572,370
Uniforms	659,657	252,911
Utilities - refuse costs	117,471	114,429
Vehicles licence and permits fees	835,976	946,859
Ward committes	9,208,201	10,739,967
Water	3,763,903	178,693
	<b>168,665,029</b>	<b>136,777,582</b>
<b>38. Repairs and maintenance</b>		
Heading		
Community Assets	7,074,569	7,055,340
Infrastructure - Electricity transmission and raticulation network	24,881,064	13,473,681
Infrastructure - Other	17,262,221	1,955,438
Infrastructure - Roads and Pavements	29,726,708	19,536,815
Infrastructure - Sanitation networks	17,848,307	15,579,526
Infrastructure - Water reticulation network	34,591,853	24,964,070
Land and Buildings	8,607,627	6,286,318
Other assets - Property, Plant and Equipment	13,546,235	17,547,835
Total repairs and maintenance	<b>153,538,584</b>	<b>106,399,023</b>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>39. Bulk purchases</b>		
Electricity - Eskom	666,728,327	673,546,479
Water	24,703,763	26,652,984
	<u>691,432,090</u>	<u>700,199,463</u>
Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst raw water is purchased from the Department of Water and Sanitation.		
<b>40. Contracted services</b>		
Consulting Services	1,200,806	4,716,233
Financial Management Services	24,103,490	31,882,881
Information Systems	22,331,504	3,662,140
Meter Reading	6,599,691	9,302,238
Other contractors	2,917,102	1,351,067
Refuse removal	24,913,008	26,078,242
Security Services	51,535,416	40,254,076
Town Planning	30,318	416,842
Valuation Services	7,881	629
	<u>133,639,216</u>	<u>117,664,348</u>
<b>41. Finance costs on other liabilities</b>		
Finance Cost on Provisions		
Interest cost on Employee Benefits	21,690,837	18,215,025
Interest Cost on landfill site provision	5,607,961	7,544,608
	<u>27,298,798</u>	<u>25,759,633</u>
<b>42. Fair value adjustments</b>		
Other financial assets		
Y Listed financial assets - Sanlam	4,263	(6,613)
<b>43. Remuneration of councillors</b>		
Executive Major	995,582	920,475
Mayoral Committee Members	7,569,732	7,240,758
Speaker	807,873	746,715
Councillors	19,824,897	17,965,731
Chief Whip	762,224	703,403
	<u>29,960,308</u>	<u>27,577,082</u>



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
44. Cash (used in) generated from operations		
Deficit	(230,955,698)	(245,770,008)
Adjustments for:		
Depreciation and amortisation	190,982,813	205,795,560
Gain on sale of assets and liabilities	12,509,370	7,562,146
Fair value adjustments	(4,263)	6,613
Interest income from financial assets	(14,450,649)	(1,962,819)
Impairment deficit	8,245,509	62,227,650
Debt impairment	187,497,403	129,313,762
Movements in retirement benefit assets and liabilities	(2,817,125)	(3,227,588)
Landfil site finance cost	5,607,961	7,544,608
Staff leave	2,916,161	3,625,185
Inventory losses or write-downs	9,206,661	(4,157,198)
Non-cash donations and other in-kind benefits	(1,475,095)	(865,230)
Miscellaneous revenue non-cash	(100,000)	(72,464)
Changes in working capital:		
Inventories	6,039,415	8,642,173
Receivables from exchange transactions	129,276	(1,215,539)
Consumer debtors	(197,704,386)	(138,798,710)
Other receivables from non-exchange transactions	(10,029,141)	2,991,875
Payables from exchange transactions	49,922,753	52,963,003
VAT	2,337,707	1,014,998
Payables from non exchange	-	(14,830)
Unspent conditional grants and receipts	(27,777,444)	1,677,426
Consumer deposits	791,434	-
	(9,127,338)	87,280,613

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 45. Related parties

#### Relationships

Ward Councillors by Ward Number

1. Maloganye RD
2. Laing EJJ
3. Van Onselen A
4. Zerwick LJ
5. Hodgson H
6. Tloome MS
7. Steenkamp J
8. Mokgethi RH
9. Kasale MM
10. Hennicks AL
11. Buti RR
12. Molotsi GN
13. Abrahams LT
14. Derbyshire IC
15. De Bruin MD
16. Moalusi TDC
17. Kgobane GR
18. Manzini WM
19. Moretsi SM
20. Ramalisa MR
21. Makousa RA
22. Britz S
23. Van Onselen WN
24. Adriaanse JM
25. Le Roux AA
26. Mogorosi TH
27. Manja KR
28. Moyo MJ
29. Mokone MP
30. Links JL
31. Mkhabela LM
32. Tsamai T
33. Meya IT
34. Moilwa I

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
45. Related parties (continued)		
Propotional Councillors	Dassie MR Davids MJ De Villiers IJ De Villiers K Dube RGM Fransman GML Greyling JH Hattingh C Van Der Westhuizen H Kegontse KR Landsberg JC Lourens JJ Mampe TR Mapogoshe MA Meyer GML Modisane TP Modise GAM Moolman HJ Motlhatswi TM Motlhoiwa LS Mtayi TP Mtshali P Ndwendwe PL Qhele GTK Radebe LDM Ramauane TJ Rantekane L Rossouw MWC Steyn Du Toit M Steyn P Swarts RC van Tonder MJ Mlambo LPT	
Accounting officers	OS Masibi- Acting municipal manager BMB Mosepele- Acting municipapl manager S Tyatya- Acting municipal manager	
Members of key management	Chief Financial Officer: T Moeketsane Acting Chief Financial Officer: CWK Kgosiemang Acting Director Municipal Services LED: EPM Modiakgotla Acting Director Municipal Services Economic Development: Muswede ST Director Corporate Services: Mosepele BMB Acting Corporate Services: Modise GIM Acting Corporate Services: Nzimkulu MW Acting Community Safety: Khuperi TV Acting Technical Services: Maki MM Director Infrastructure: Monnakgothu JK Director Public Safety: Masibi OS	
During the 2019-2020 financial year, the North West Department of Cooperative Governance and Traditional Affairs placed the municipality under administration in terms of section 139 (1) (b) of the constitution of the Republic of South Africa from 1 September 2019 to the 22nd of November 2021 when council was inaugurated.		
Related party balances		
Councillors and officials with arrangements on consumer accounts		
Mokousa RA	7,806	7,901
Kgobane GR	3,110	6,324
Mogorosi TH	4,077	10,681

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
45. Related parties (continued)		
Harwood DB	3,202	3,447
Danster SM & FP	2,626	5,129
Abinaar PP	1,772	18,902
Ilanke BJ & SW	417	28,569
Madiele EC & Ratema MS	1,030	1,262
Masie MG	846	524
Harwood DB	2,475	14,170
Ptersen NJ	963	7,340
Harwood HH	783	4,573
Mosenogi G & MG	3,726	5,037
Maherry FC	1,775	13,007
Molefe ME	1,173	14,807
Maqashela SF	2,203	7,804
Motshabi BE	11,435	15,832
Montsho DJ	2,425	11,097
Norman PG	1,779	46,101
Methoko NJ	699	900
Lepedi SB	1,836	2,079
Makhale MJ	1,336	3,416
Sebakwe MP	6,179	9,827
Maribe MD & IA & MS	50	2,707
Lambert TJ & Phetoane MJ	10,889	25,740
Methoko NJ	117	877
Madiehe SH & MC	588	7,799
Poo GJ	625	2,872
Gaselaolwe J & ML	200	570
Mkwakwe SC	303	1,642
Mqwazi NI	820	1,342
Lesomo CK	1,196	1,322
Chilane CM	1,623	9,891
Moilwa SA	1,378	1,443
Moeketsane P	838	5,016
Nyathi DW	2,353	3,167
Bors C	1,232	1,322
Letebele BDM	814	1,255
Rathebe TP	6	590
Tshesebe P & Make NM	2,203	6,347

Name of the person	Name of related party	Relationship	Supplier name	Expenditure
Mbatha LH	Motlhomola Clifford Mbatha	Spouse	Relebogile Village	80 095
Rossouw MWC	Habib Quintin Alex	Business Partner	Joe's Tractor	70 103
Tshabadira LH	Montshosi Moleko David	Business Partner	Montsho Services	127 211
Maila BNP	Morabe Windy Charlotte	Business Partner	Seshabo Building	22 330
Simango JT	Genu Molahlehi Isaac	Business Partner	Sixallo Business	62 147
Motlhabi NM	Ntsowe Matshidiso	Business Partner	T-ntsowe's trading	146 875
Motlhabi NM	Ntsowe Matshidiso	Business Partner	Willma Trading	47 020
Sphadi DC	Maezane Esther	Business Partner	Xola Ngo Musa	19 130
Waters WV	Waters JW	Spouse	Coalition Trading	968 462 710
Moamogwa LM	Moamogwa TF	Spouse	Moamogwa Constr	155 206
Modisetsi ML	Modisetsi OR	Spouse	The Curve Behind	14 400
Mbatha LH		Spouse	Vibration Sound	8 650

566describe the elements of the transactions to clarify the significance of the transactions to its operations]

Key management information

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>46. Unauthorised expenditure</b>		
Opening balance	865,226,224	841,252,804
Add: Unauthorised expenditure - current	33,208,916	23,973,420
Closing balance	898,435,140	865,226,224
The total balance including the opening balance will be dealt with in accordance with the MFMA requirements. No criminal or disciplinary steps have been taken. No material losses recovered or written off.		
Unauthorised expenditure: Budget overspending – per municipal department:		
Office of the Executive Mayor	-	-
Office of the Speaker	-	-
Municipal Manager	-	3,553,773
Budget and Treasury office	27,834,748	-
Public Safety	-	11,390,282
Corporate Services	-	-
Infrastructure	-	-
Department of Environmental Management	5,374,168	9,029,365
Sports Arts and Culture	-	-
Human Settlement and Planning	-	-
Economic Development	-	-
	33,208,916	23,973,420
<b>47. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	83,439,043	78,883,454
Add: Fruitless and wasteful expenditure identified - current	5,948,118	4,555,589
Closing balance	89,387,161	83,439,043
<b>48. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Current year subscription / fee	6,531,036	6,002,333
Amount paid - current year	(6,531,036)	(6,002,333)
	-	-
<b>Audit fees</b>		
Opening balance	-	65,810
Current year subscription / fee	9,383,350	9,987,532
Amount paid - current year	(9,258,525)	(10,053,342)
	124,825	-
<b>PAYE and UIF</b>		
Opening balance	10,103,601	-
Current year subscription / fee	89,703,543	91,710,948
Amount paid - current year	(92,733,493)	(81,607,347)
	7,073,651	10,103,601

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
48. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Pension and Medical Aid Deductions		
Current year subscription / fee	157,576,478	151,009,547
Amount paid - current year	(157,576,478)	(151,009,547)
	-	-

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 48. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2023:

June 30, 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Adriaanse JM	2,228	-	2,228
Landsberg JC	4,469	-	4,469
Hattingh C	4,722	-	4,722
De Bruin MD	2,634	-	2,634
Britz S	15	-	15
Zerwick IJ	2,698	-	2,698
Makousa RA	790	-	790
Fransman GML	3,336	11,644	14,980
Britz S	1,214	-	1,214
Laing EJJ	495	6,849	7,344
Van Tonder MJ	3,477	-	3,477
Steyn P	2,130	6,462	8,592
Laing EJJ & Van Niekerk N	1,043	-	1,043
Molwa I	394	107	501
Van Onselen WM	1,281	-	1,281
Mokone MP	1,986	44,067	46,053
Mtshali P	35	2,243	2,278
Modise GAM	586	-	586
Qhele GTK	1,274	-	1,274
Rantekane LJ	628	-	628
MOALUSI TDC	796	-	796
MOLOTSI GN	928	-	928
STADSRAAD/HENNICKS S	1,003	449	1,452
RAMALISA MR	1,462	-	1,462
BOIKANYO MJBT & KGOBANE GR	2,633	3,691	6,324
MOGOROSI TH	3,337	7,344	10,681
STADSRAAD/KEGONTSE	855	-	855
MANZINI WM	277	-	277
	46,726	82,856	129,582

June 30, 2022	Outstanding less than 90 days	Outstanding more than 90 days	Total
Adriaanse FG	2,537	-	2,537
Esterhuysen HP	1,869	-	1,869
Zerwick LJ	2,899	-	2,899
Pienaar PJ	1,071	-	1,071
Makousa RA	641	-	641
Pienaar PJ	440	-	440
Britz S&PJ	2,217	-	2,217
Laing EJJ	1,082	16,334	17,416
Van Tonder MJ & MEO	2,967	-	2,967
Laing EJJ & Van Niekerk N	650	-	650
Katees MM	1,715	4,846	6,561
Khumalo KM	1,691	-	1,691
Taoleng M	441	-	441
Chaka MD & NA	611	-	611
Letshabo PT	531	-	531
Maneli KM & M	744	-	744

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
48. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Mothopeng MS	567	-
Manzini WM	61	-
	22,734	21,180
	43,914	

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

### 49. Financial instruments disclosure

#### Categories of financial instruments

#### 2023

##### Financial assets

	At fair value	At amortised cost	Total
Other financial assets	45,396	78,929,629	78,975,025
Receivables from exchange transactions	-	1,400,578	1,400,578
Receivables from non-exchange transactions	-	13,937,500	13,937,500
Consumer debtors	-	321,348,299	321,348,299
Cash and cash equivalents	-	90,521,371	90,521,371
	45,396	506,137,377	506,182,773

##### Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	590,769,267	590,769,267
Consumer deposits	28,849,869	28,849,869
	619,619,136	619,619,136

#### 2022

##### Financial assets

	At fair value	At amortised cost	Total
Other financial assets	41,132	-	41,132
Receivables from exchange transactions	-	1,529,854	1,529,854
Receivables from non-exchange transactions	-	12,371,038	12,371,038
Consumer debtors	-	302,678,637	302,678,637
Cash and cash equivalents	-	326,899,227	326,899,227
	41,132	643,478,756	643,519,888

##### Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	532,322,392	532,322,392
Consumer deposits	28,058,435	28,058,435
	560,380,827	560,380,827



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 49. Financial instruments disclosure (continued)

#### Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

#### Cash

The carrying amount approximates the Fair Value because of the short maturity of these instruments.

#### Loan Receivables/Payables

Interest-bearing Borrowings and Receivables are generally at interest rates in line with those currently available in the market on a floating-rate basis, and therefore the Fair Value of these Financial Assets and Liabilities closely approximates their carrying values.

#### Long-term Investments

The Fair Value of some Investments are estimated based on quoted market prices of those or similar investments. Unlisted Equity Investments are estimated using the discounted cash flow method.

#### Trade and Other Receivables/Payables

The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

#### Other Financial Assets and Liabilities

The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

#### Long-term Liabilities

The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 30 June 2023, as a result of the short-term maturity of these assets and liabilities.

### Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

Below is an analyses of Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

#### Level 1:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

#### Level 2:-

Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

#### Level 3:-

Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Other financial assets are measured at fair value based on quoted market prices in active markets for identical instruments, these are therefore Level 1.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
50. Contingencies		
Claims against the Municipality		
Atang Events Catering	104,000	104,000
Capital Hotel and Apartments	455,512	-
Councillors' Upper Limits	-	837,649
DJ Nomgcoyiya	200,000	-
Fula Construction	7,391,011	7,588,286
Future Phambili	63,909,470	63,903,947
GE Yssel/Ventersdorp	1,200,000	-
GJ Uys	78,481	78,481
IJ, Y Van Der Watt	328,300	328,300
IX Engineers (Pty) Ltd	757,074	-
Jona Smith	152,937	-
Kgolagano Ya Batho Construction	232,000	232,000
Kgolagano Ya Batho Construction	232,000	232,000
K Robertson	102,771	-
Lazer Communications	1,094,253	1,094,253
Nea Nel	99,500	-
Matonoka Holdings (Pty) Ltd	62,168,589	-
Morati Mataka Att.	152,500	152,500
Piet Qankase & 77 Others	15,600,000	15,600,000
Readira Refugee Services CC	3,289,330	3,289,330
TRR Sekgaile Events and Projects	106,700	106,000
T-Square Engineers	1,300,000	1,300,000
T-Square Engineers	144,000	144,000
Wesley Wallace	375,341	-
	<b>159,473,769</b>	<b>94,990,746</b>

### Atang Events & Catering Services

Summons to the value of R104 000 for services/products allegedly rendered to the municipality, specifically to the office of the Executive Mayor and Municipal Services. The estimated legal costs can not yet be confirmed.

### DJ Nomgcoyiya

Summons issued against JB Marks for alleged wrongful arrest and detaining to the value of R200 000. The estimated legal costs can not yet be confirmed.

### Fula Constructions

Summons served on the Municipality for services allegedly rendered and costs allegedly incurred in respect of the FLISP housing project. The claim amounts to R7 391 011 and the estimated legal costs can not be confirmed.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 50. Contingencies (continued)

#### Lazer communications

Lazer communications (Tender 13(93)/2013 ) - Claim amount against the Municipality of R1 094 253 and projected legal costs of R250 000. Council's plea was filed on 24 May 2022.

#### Future Phambili

FUTURE PHAMBILI // JB MARKS - Matter resulting from damages allegedly suffered by the Plaintiff, due to the alleged failure by the Municipality in ordering the monthly quantity of paraffin, as per the signed service level agreement. The plaintiff files its plea of R63 903 947 against the municipality's counter claim. Estimated further legal costs can not yet be confirmed.

#### GE Yssel/Ventersdorp

This matter relates to the alleged damages caused by the Municipality, alternatively a service provider appointed by the municipality, to a property owned by Mr Yssel when a "borrowing pit" was established on the property to remove a large volume of gravel for construction of a road in Tshing to the value of R1 200 000.

#### IJ, Y Van Der Watt & 3 others

Matter results from defensive actions taken by certain employees to the value of R328 300, during their collection of waste at a complex. The Plaintiffs is suing for contumelia, medical expenses, pain and suffering and damages to the dustbin. The estimated legal costs can not yet be confirmed.

#### Kgolagano Ya Batho Constructions - CaseNo: 218/2019

Kgolagano Ya Batho Constructions// JB Marks (218/2019)- Action against the Municipality for services (cleaning of illegal dumping) allegedly rendered amount of R232 000. The estimated further legal can not yet be confirmed.

#### Kgolagano Ya Batho Constructions - CaseNo: NW1POT/RC21/2020

Kgolagano Ya Batho Constructions// JB Marks (218/2019)- Action against the Municipality for services (cleaning of illegal dumping) allegedly rendered amount of R232 000. The estimated further legal costs can not yet be confirmed.

#### Lazer Communications

Lazer communications (Tender 13(93) /2013 ) - Claim amount against the Municipality of R1 094 253 and projected legal costs of R250 000. Council's plea was filed on 24 May 2022.

#### Matonoka Holdings (Pty) Ltd

Letter of demand was sent for damages allegedly suffered, the claim amounted to R62 168 589. The estimated legal costs can not yet be confirmed.

#### Ministry of Water and Sanitation

The Ministry of Water and Sanitation issued summons against the JB Marks Municipality for the payment of unpaid water bills by the Ventersdorp Municipality and the JB Marks Municipality respectively, resulting in a claim against the JB Marks Municipality. The prospects of the attorney's successfully defending the case are weak. The projected legal costs can not be confirmed.

#### Morati Mataka Attorneys

Morati Mataka ATT. vs JB Marks Municipality, summons issued against the municipality for the amount of R152 500 for alleged legal service rendered. Legal council estimation of legal costs and disbursements can not yet be confirmed.

#### Piet Qankase & 77 Others

Interdict / spoliation application to the value of R15 600 000, being R200 000 for each of the 78 applicants, against the Municipality, requesting the Municipality to be banned from evicting the applicants from certain stands in Ventersdorp. On 20 June 2022, a new application was received by the Acting Municipal Manager from the same applicant, but this time issues for the Equality Court. The application is claiming, amongst others, an amount of R200 000 each for all the 78 complainants. The estimated legal costs can not yet be confirmed.

#### Readira Refuge Services CC

Readira Refuge Services CC instituted action against the Municipality for unpaid balance to a contract at the High Court.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 50. Contingencies (continued)

Council could have financial exposure should the opposing side be successful with their claim of R3 289 330. Estimated further legal costs at a minimum R50 000

#### TRR Sekgaile Events & Projects (Pty) Ltd

Summons to the value R106 700 for services/products allegedly rendered to the municipality, specifically to the office of the Executive Mayor and Municipal Services. The estimated legal costs are approximately R50 000.

#### T-Square Engineers

T-Square Engineers is claiming an amount of approximately R1,378 538.18 million against Ventersdorp Municipality for design and construction management costs. The original tendered amount was approximately R590 000 which has been paid but the supplier claims that a variation order was agreed for the full amount of the claim. Estimated financial exposure should the plaintiff claims be successful. Estimated further legal costs amount of R450 000.

#### T-Square Engineers

T-Square Engineers is claiming a dispute against the Municipality for services rendered in respect of a project at the magistrate court to amount of R144 000 plus interest.

#### Wesley Wallace

Summons have been sent to the Municipality for alleged pothole damages amounting to R375 340 plus interest. The estimated legal costs can not yet be confirmed.

#### GJ Uys

Uys instituted actions against the Municipality and Mrs. Dikgake to the value of R78 481,40, for inter alia, legal fees and contumelia as a result of malicious proceedings/false charges laid against Uys at the SAPS

#### SAMWU Pension Fund (Provident)

Application lodge by SAMWU, on behalf of 179 members employed by the Municipality, for payment of any amount not deducted correctly by the Municipality, during the time when there was a differentiation by SARS in how a pension fund and provident fund was treated. (This matter was previously handled by Makgetha Molemane Attorneys)

#### NTT Motors 38 4PTY (LTD) & Others

Application received by the office of the Acting Municipal Manager on 5 August 2022. The municipality is First Respondent in the matter.

The application resolves around a restrictive title deed condition / servitude, which was removed from the applicable title deed, but the "water pipe" relating to such title deed condition 1 servitude, is still on the applicable property and the applicant, now wants a court order against the Respondent to have the applicable "water pipe" removed within 30 days of a removed within 30 days of a court order and costs on attorney and client scale.

#### K Robertson

K. Robertson is suing the municipality for a R102 771 alleged pothole damage. The estimated legal costs cannot yet be confirmed.

#### Nea Nel

Nea Nel is suing the municipality for a R99 500 alleged pothole damage. The estimated legal costs cannot yet be confirmed

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
50. Contingencies (continued)		
Contingent assets		
Claims by the Municipality		
Readira Refugee Services	868,675	868,675
L. Links/J. Motonde/ C Moabi/ M Matiyane	2,669,358	2,669,358
Mabasotho Investments	6,812,947	6,812,947
	10,350,980	10,350,980

Subsequent to the disciplinary hearing in respect of the fruitless and wasteful expenditure referred to in Note 47, civil proceedings have commenced against the employees concerned to recover an amount of -. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually certain.

### Readira Refuge Services CC

Readira Refuge Services CC instituted action against the Municipality for unpaid balance to a contract at the High Court. The Municipality's legal team served and filed a Plea on the merits and also filed a Counter Claim in the amount of R868 674.72. We are now in a position to apply for default Judgement but the engineers indicated that they will charge us R2 000.00 an hour to assist us in preparing the affidavit for default judgement purposes.

Our third set of Bills of costs were taxed on 26 February 2020 in the amount of R73 908.83. the opposmg side appomted a new set of attorneys who filed a Notice of Appointment of Attorneys of Record. Opposing side paid the taxed costs. opposing side withdrew as attorneys of record. High Court granted default Judgement against Readira Refuge Services CC on 2S August 2021 in the amount of R868 674.72. we are proceeding with a warrant The opposing side converted itself to a private company, appomted new attorneys. The opposmg side brought an application for rescission of judgement We are opposing same. Opposing side's latest set of attorneys have withdrawn in the meantime. We applied for a court date to set the matter Down to argue with the rescission application and awaiting the allocation thereof by the Registrar.

### L. Links/J. Motonde/ C Moabi/ M Matiyane

Fruitless, Irregular and unauthorised expenditure to be recuperated from four Councillors total claim to be recouped by the municipality amount of R2 669 358 should the matter be successful. Estimated further legal costs of R2 950 000.

### Mabasotho Investment

Fruitless, Irregular and unauthorised expenditure to be recuperated from Mabasothis Investment amount of R6 812 947. Summons were issued in the Bloemfontein High Court in the amount of R6 812 946.75 and a court order for R6 812 946 was obtained but the company is avoiding payment. We have received instruction to proceed with further action against the company for a liquidation application.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 51. Prior period errors

#### Error 1

In the prior year there were journals passed incorrectly against the impairment and sundry debtors on receivables from exchange transactions, this resulted in the overstatement of receivables from exchange transactions and the understatement of accumulated surplus by R1 004 459.

#### Error 2

In the prior year prepayments were incorrectly overstated by R1 198 240 due incorrect processing of insurance premium, this resulted in general expenses being understated by R338 977 and accumulated surplus understated by R859 263.

#### Error 3

The opening balance of the control account for consumer debtors did not correctly reconcile to the system age analysis and this resulted in an understatement of the consumer debtors as disclosed in the prior year by R15 753 553 and understatement of accumulated surplus by the same amount.

#### Error 4

In the prior year the payables from exchange transactions was understated by an amount R37 993 273 due to misallocation and incorrect treatment, this consequently resulted in classification errors on various accounts.

#### Error 5

Included in payables from non-exchange transactions from the prior year was a balance of R14 830 that was investigated and it was established that the amount should be written of as no longer a payable and hence payables from non-exchange transactions were overstated an accumulated surplus was understated.

#### Error 6

During the financial year under review, it was noted that the Interest charged on trade and other receivables and Interest charged on property rates were not separately disclosed from the Interest from investments, therefore a reclassification journal was passed to correctly allocated these separately. The effect of reclassification is the decrease on Interest received by R52 897 210, increase on Interest charged on trade and other receivables R42 266 846 and an increase on Interest charged on property rates R10 630 364.

#### Error 7

In the current year it was noted that the Bonus provision was accounted for as Miscellaneous other revenue, instead of being allocated to Employee related costs. This resulted in understatement of Employee related costs by R30 196 as well as the Miscellaneous other revenue by the same amount. Miscellaneous other revenue was also understated by an amount of R793 182 due incorrect classification from general expenses, R680 451 and payable from non-exchange R112 731.

#### Error 8

Revenue from traffic fines was misallocated in the prior year and this resulted in the overstatement of revenue from non-exchange transactions and understatement of payables from exchange transactions by R1 213 892.

#### Error 9

There was a misclassification between repairs and maintenance, and general expenses due to incorrect allocation that resulted in the overstatement of repairs and maintenance, and understatement of general expenses.

#### Error 10

There was an error in the disclosure for depreciation and impairment in the prior year year, the amounts disclosed as part of the Property plant and equipment note did not agree to the amounts reflected on the statement of financial performance. This has been corrected. The classification error led to the understatement of impairment loss by R53 661 and an overstatement of depreciation of the same amount.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	
Decrease in Receivables from exchange transactions due to error 1	- (1,004,459)
Decrease in Pre-payments due to error 2	- (1,198,240)
Increase in Consumer debtors due to error 3	- 15,753,553
Increase in Payables from exchange transactions due to error 4	- 37,993,273
Payables from non-exchange transactions due to error 5	- (14,830)

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
51. Prior-year adjustments (continued)		
Statement of financial performance		
Increase on Interest charged on trade and other receivables due to error 6	-	42,266,846
Increase on Interest charged on property rate due to error 6	-	10,630,364
Decrease on Interest received due to error 6	-	(52,897,210)
Miscellaneous other revenue due to error 7	-	(30,196)
Employee related costs due to error 7	-	30,196
Miscellaneous other revenue due to error 7	-	(793,182)
General expenses due to error 7	-	680,451
Licences and permits due to error 4	-	(762,850)
Fines, Penalties and Forfeits due to error 8	-	1,213,892
General expenses due to error 2	-	338,977
General expenses due to error 4	-	1,137,852
Repairs and Maintenance due to error 9	-	(11,700)
General expenses due to error 9	-	11,700

### 52. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions		2,534,313	(1,004,459)	1,529,854
Prepayments		9,973,922	(1,198,240)	8,775,682
Consumer debtors		286,925,084	15,753,553	302,678,637
Payables from exchange transactions		(494,329,119)	(37,993,273)	(532,322,392)
Payables from non-exchange transactions		(14,830)	14,830	-
Accumulated surplus		(3,429,310,860)	24,427,589	(3,404,883,271)
		<u>(3,624,221,490)</u>		<u>- (3,624,221,490)</u>

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand			2023	2022	
52. Prior-year adjustments (continued)					
Statement of financial performance					
2022					
	Note	As previously reported	Correction of error	Re-classification	Restated
Interest charged on trade receivables		-	-	42,266,846	42,266,846
Interest received		69,815,768	-	(52,897,210)	16,918,558
Interest on property rates		-	-	10,630,364	10,630,364
Licences and permits		3,844,142	762,850	-	4,606,992
Sundry income		12,503,786	-	(12,503,786)	-
Miscellaneous other revenue		30,196	-	13,296,968	13,327,164
Fines and Penalties		4,280,550	(1,213,892)	-	3,066,658
Employee costs		(537,893,735)	-	30,196	(537,863,539)
Repairs and maintenance		(106,399,023)	-	(11,700)	(106,410,723)
General expenditure		(134,608,602)	(2,157,280)	11,700	(136,754,182)
Surplus for the year		(688,426,918)	(2,608,322)	823,378	(690,211,862)

## 53. Comparative figures

Certain comparative figures have been reclassified.



# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 54. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

#### Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

#### Liquidity and Concentration risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The municipality realizes that liquidity risk is also linked to concentration risk which is defined as the probability of high cash outflows arising from concentration of debt obligations payable around the period.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 54. Risk management (continued)

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At June 30, 2023		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Ÿ	Payables from exchange transactions	590,769,267	-	-	-
Ÿ	Consumer deposits	28,849,869	-	-	-
At June 30, 2022		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Ÿ	Payables from exchange transactions	532,322,392	-	-	-
Ÿ	Consumer deposits	28,058,435	-	-	-

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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### 54. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Potential concentrations of credit risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

#### Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank and First National Bank. No investments with a tenure exceeding twelve months are made.

#### Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount,
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Payment of accounts of consumer debtors, who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable. The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

# JB Marks Local Municipality

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 54. Risk management (continued)

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Other financial assets	78 975 025	41 133
Cash and cash equivalents	90 521 371	326 899 227
Consumer Debtors	321 348 299	302 678 637
Receivables from non-exchange transactions	13 937 500	12 371 038
Receivables from exchange transactions	1 400 578	1 529 854

### Market risk

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Municipality's exposure to the risk of changes in market rates relates primarily to the Municipality's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2023 were as follows:

#### Maturity analysis of investments

Financial instrument	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Short term deposits	61 181 181	-	-	-	-

### Price risk

The municipality is not exposed to equity securities price risk because of investments held by the municipality and not classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk..

### 55. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus (deficit) of 3 229 022 174 and that the municipality's total liabilities exceed its assets by 3 229 022 174. The municipality reported an operating deficit of 230 955 698 and the municipality's total current liabilities exceeded its total current assets by 182 848 925 (21/22: (89 573 747)).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 55. Events after the reporting date (continued)

Management considered the following matters relating to the Going Concern:

- Good financial indicators for liquidity
- Deficit incurred in the current year, but sufficient accumulated surpluses are still available
- Sufficient cash resources to pay creditors as they fall due
- Challenges in collecting outstanding debts

Management however considered the following matters relating to the Going Concern:

- (i) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.
- (ii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly and quarterly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.
- (iii) As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.
- (iii) The municipality is funded by grant income to date the 1st trench of Equitable Share was received subsequent to year end.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

### 56. Events after the reporting date

No events having financial implications requiring disclosure occurred subsequent to 30 June 2023:

### 57. Irregular expenditure

Opening balance as previously reported	3,160,635,597	2,882,895,918
Correction of prior period error	11,406,978	(817,955)
Opening balance as restated	3,172,042,575	2,882,077,963
Add: Irregular Expenditure - identified in the current year relating to prior years	-	12,572,294
Add: Irregular Expenditure - current	286,360,957	265,985,340
Closing balance	3,458,403,532	3,160,635,597

Irregular expenditure is presented exclusive of VAT

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
57. In-kind donations and assistance (continued)		
Details of irregular expenditure		
Competitive bidding processes were not followed	78,848,482	54,010,453
Non declaration of interest and prohibited suppliers	21,540,866	7,449,508
Three quotations not attached	1,242,637	931,951
Expired contract	18,149,406	21,258,884
Non Tax compliant	-	155,619
SCM procurement processes not followed	7,014,401	9,503,865
Regulation 32 appointment non compliances	293,713	2,513,839
Deviations in Contravention with Regulation 36	33,074,285	54,418,717
Other SCM contraventions	89,211,241	61,881,234
Non submission of Municipal rates and other mandatory bid documents	36,985,927	66,434,197
	<u>286,360,958</u>	<u>278,558,267</u>

## 58. Segment information

### General information

#### Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 58. Segment information (continued)

#### Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

Reportable segment	Goods and/or services
Budget and treasury office	Improve overall financial management and viability.
Corporate services	Improve organizational stability and good governance.
Department environmental management	To promote environmental services and compliance.
Economic development	Local economic development and facilitate job creation.
Human settlement and planning	Planning, structuring and co-ordinating housing services.
Infrastructure	Improves access to basic service delivery and ensure proper operation and maintenance.
Municipal manager	To promote good governance, compliance, accountability and promote collaborative solutions.
Office of the executive mayor	Oversee administration, coordinate the executive work of council, public participation and transversal programmes.
Office of the speaker	Establishment and function of ward committees, councillor support, adherence to the code of conduct and facilitate public participation.
Public safety	Traffic management services, vehicle registration and testing services, security service, provide social the protection of life and property against fire or threatening dangers.
Sports, arts and culture	Coordination of library and information services and mass participation or sporting and culture related programmes.

# JB Marks Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
59. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
□ Property, plant and equipment	166,845,086	124,035,121

This committed expenditure relates to various capital projects and will be financed by available bank facilities, retained surpluses, mortgage facilities, existing cash resources, funds internally generated and grant income received.

### 60. Distribution losses

#### Electricity Distribution

System Input Volume: Electricity Units (kWh) purchased	426,816,177	488,607,625
Billed Consumption: Electricity Units (kWh) sold	(412,176,410)	(432,929,396)
	14,639,767	55,678,229
	3,43%	11,40%

Electricity loss for the financial year will be calculated at year-end. The Rand value of the electricity loss for the financial year will be calculated at year-end 2023 R22 868 738: (2022: R76 757 737).

Electricity Losses occur due to inter alia , technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

#### Water Distribution

System Input Volume: Water Units (kL) purchased	17,202,656	19,553,114
Billed Consumption: Water Units (kL) sold	(14,176,387)	(15,189,258)
	3,026,269	4,363,856
	17,59%	22,32%

Water losses for the financial year will be calculated at year-end. The estimated Rand value of the water losses for the financial year will be calculated at year end 2023: R7 162 914 (2022: R2 574 675).

Water Losses occur due to inter alia , leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported.