

# LETSEMENG LOCAL MUNICIPALITY



*"A RESPONSIVE MUNICIPALITY IN PERSUIT OF SERVICE EXCELLENCE"*

## ANNUAL REPORT 2024-2025 FY

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### COMPONENT A: MAYOR'S FOREWORD AND STRATEGIC OVERVIEW



#### Introduction and Political Leadership

On behalf of the Council and Administration of Letsemeng Local Municipality, I present this Annual Report for the 2024/2025 financial year. This report is an important instrument of public accountability, providing Council, oversight institutions, stakeholders, and residents with a clear and honest account of the Municipality's performance, challenges, and strategic direction.

Local government is the sphere of government closest to the people and carries a direct constitutional responsibility to provide democratic, accountable, and developmental governance. In Letsemeng, this responsibility is exercised within a context of deep socio-economic challenges, rising community expectations, and limited fiscal space.

These realities require firm political leadership, a capable administration, and a decisive focus on implementation.

Throughout the year under review, Council, under the leadership of the Mayor and the majority party, provided strategic direction and political oversight to ensure that the work of the Administration remained aligned with Council-approved priorities. This leadership approach is rooted in the understanding that effective local government is not measured by plans alone, but by tangible improvements in service delivery and the lived conditions of communities.

#### Governance Mandate and Strategic Context

The constitutional mandate of local government, as set out in Chapter 7 of the Constitution of the Republic of South Africa, requires municipalities to structure and manage their administration, budgeting, and planning processes to prioritise the basic needs of communities and promote social and economic development. This mandate informs all policy choices, programmes, and resource allocations undertaken by the Municipality.

The 2024/2025 financial year unfolded within a broader national and global environment characterised by economic uncertainty, constrained public finances, and persistent inequality. At a local level, these pressures manifested in increased demand for basic services, infrastructure maintenance backlogs, and heightened expectations for job creation and economic opportunity. Council remained mindful that these pressures could not be addressed through incremental action but required a deliberate shift towards focused execution and accountability.

In this context, the declaration of **2026 as the Year of Decisive Action to Fix Local Government and Transform the Economy** provided an important political and strategic signal. It reinforced the need for municipalities to move decisively from planning to delivery, to strengthen institutional discipline, and to ensure that every decision taken by Council contributes directly to improving service delivery and local economic performance.

### **Performance Overview and Service Delivery**

This Annual Report presents a balanced assessment of the Municipality's performance during the 2024/2025 financial year. It reflects progress made in key service delivery areas, infrastructure development, governance, financial management, and institutional performance, while also acknowledging areas where performance fell short of expectations.

Despite limited resources, the Municipality continued to prioritise the provision of basic services such as water, sanitation, electricity, waste management, and road maintenance. Particular attention was given to the maintenance of critical infrastructure in order to protect existing assets and ensure continuity of service delivery. Council recognises that infrastructure maintenance is not optional, but essential to sustaining service delivery and avoiding higher costs in the future.

In addition to basic services, the Municipality pursued initiatives aimed at stimulating local economic development and job creation. These efforts focused on supporting local enterprises, promoting procurement opportunities within the local economy, and leveraging municipal programmes to create employment opportunities, particularly for youth and vulnerable groups. While progress has been uneven, these interventions remain central to improving the socio-economic conditions of communities.

### **Financial Management and Institutional Performance**

Sound financial management remains a cornerstone of effective local governance. During the year under review, the Municipality operated within a constrained fiscal environment marked by rising input costs, limited revenue growth, and increasing expenditure pressures. Council



and Administration were therefore required to make difficult trade-offs while ensuring that core service delivery functions were protected.

The Municipality acknowledges the audit outcome issued by the Auditor-General for the 2024/2025 financial year. While the audit highlights areas of progress, it also identifies weaknesses in financial management, performance reporting, and compliance that require urgent and sustained attention. Council has adopted a comprehensive Audit Action Plan to address these findings and has directed that its implementation be closely monitored on a monthly basis by Internal Audit, the Audit Committee, and Council structures.

Strengthening institutional performance remains a priority. Council has emphasised the importance of clear accountability, consequence management, and a professional administration that is responsive to political oversight and community needs. Improving turnaround times, reducing inefficiencies, and strengthening coordination across departments are critical to restoring confidence in the Municipality.

### **Accountability, Discipline, and a Project-Driven Approach**

The challenges confronting local government require a shift in how municipalities organise and execute their work. In Letsemeng, Council has resolved to strengthen a project-driven approach to service delivery, supported by cross-functional teams and clear performance management systems. This approach is intended to break down silo-based operations, improve coordination, and ensure that responsibilities and outcomes are clearly defined.

Accountability and discipline are central to this approach. Council will continue to exercise firm oversight to ensure that decisions are implemented, deadlines are respected, and underperformance is addressed decisively. A culture of consequence management is essential if the Municipality is to improve its overall performance and meet community expectations.

At the same time, Council recognises that accountability must be accompanied by support, capacity building, and clear strategic direction. Strengthening leadership at all levels of the institution remains a priority in the period ahead.

### **People-Centred Governance and Community Engagement**

Council remains committed to a people-centred approach to governance. Public service must remain grounded in the lived realities of communities and responsive to their concerns. Meaningful engagement with residents is not a compliance exercise, but a core element of effective governance.

During the year under review, the Municipality continued to engage communities through formal public participation processes and direct engagements. These interactions informed planning, prioritisation, and decision-making processes. Council acknowledges that trust in local government is built through consistent engagement, honest communication, and visible action.

### **Looking Forward: Priorities for the New Financial Year**

While progress has been recorded, Council is fully aware that significant work remains. The coming financial year will be characterised by a sharper focus on decisive action, improved service delivery, and economic revitalisation. Key priorities include strengthening basic service provision, improving financial sustainability, accelerating infrastructure maintenance, and deepening local economic development initiatives.

Council will continue to align its work with cooperative governance principles and the District Development Model to ensure improved coordination with provincial and national government. This alignment is essential to maximising impact and avoiding duplication of effort.

### **Conclusion**

In conclusion, I wish to express my appreciation to fellow councillors, municipal officials, organised labour, community stakeholders, and development partners for their contribution during the 2024/2025 financial year. I also extend my gratitude to the residents of Letsemeng for their patience, resilience, and continued participation in local governance.

The mandate entrusted to Council by the people of Letsemeng is clear: to improve the quality of life of our communities. Guided by the Constitution and Council-approved priorities, we remain committed to fixing local government and transforming the local economy through firm leadership, accountable governance, and decisive implementation.

Together, we will continue to build a Letsemeng that is accountable, responsive, and developmental — a municipality where leadership delivers results and progress is experienced by all.

**Cllr Mocwaledi RBI**



**Mayor: Letsemeng Local Municipality**

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**31 January 2026**

## 2. MUNICIPAL MANAGER'S OVERVIEW

### MUNICIPAL MANAGER'S OVERVIEW

I am honoured to present the Annual Report of Letsemeng Local Municipality for the 2024/2025 financial year. This report is compiled in compliance with Section 46 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), and provides an account of the Municipality's performance against its Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP), and predetermined objectives for the period under review. The 2024/2025 financial year was executed within a challenging local government environment characterised by persistent financial constraints, service delivery backlogs, escalating input costs, and increasing demands for infrastructure maintenance and renewal. Despite these pressures, the Municipality remained committed to fulfilling its constitutional mandate of providing sustainable basic services, strengthening governance systems, and advancing the developmental priorities of the Letsemeng community.

During the year under review, the Municipality prioritised the consolidation of core service delivery functions, the improvement of financial management and regulatory compliance, and the enhancement of institutional capacity. While measurable progress was achieved in certain strategic focus areas, performance shortcomings in others were critically assessed. Where targets were not fully achieved, corrective measures and remedial actions have been identified and incorporated into the Municipality's planning, budgeting, and performance management frameworks for the ensuing financial year. This report reflects the collective efforts of Council, political leadership, municipal administration, ward committees, organised labour, and community stakeholders. I wish to express my sincere appreciation to the Mayor, Speaker, Members of Council, senior management, and all municipal officials for their continued commitment, professionalism, and dedication in serving the residents of Letsemeng Local Municipality.

The Annual Report remains a vital instrument for accountability and transparency, enabling Council, communities, and oversight bodies to assess municipal performance and to guide informed decision-making. The lessons derived from the 2024/2025 performance cycle will inform improved planning, budgeting, and service delivery implementation in the years ahead. Letsemeng Local Municipality remains steadfast in its commitment to strengthening financial sustainability, improving service delivery outcomes, and enhancing good governance in pursuit of a responsive, accountable, and developmental local government. I would like to extend my sincere appreciation to Council, management, and all municipal staff for their continued support and dedication in ensuring the effective execution of the Municipality's mandate.

Regards,



**S.T Maneli**  
**Acting Municipal Manager**

## CHAPTER 1: MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

### 1.1. INTRODUCTION TO BACKGROUND DATA

Our Municipality is situated in the Southwestern part of the Free State Province and forms part of the smallest district namely Xhariep District Municipality, a rich agricultural area with natural economic resources. The local municipality area measures 10 192 square kilometres in extend and comprises of five towns; Koffiefontein (which is the head office), Petrusburg, Jacobsdal (Phambili), Oppermansgronde and Luckhoff. The figure below shows the Letsemeng area with its main towns and neighbouring municipalities of the Xhariep District.

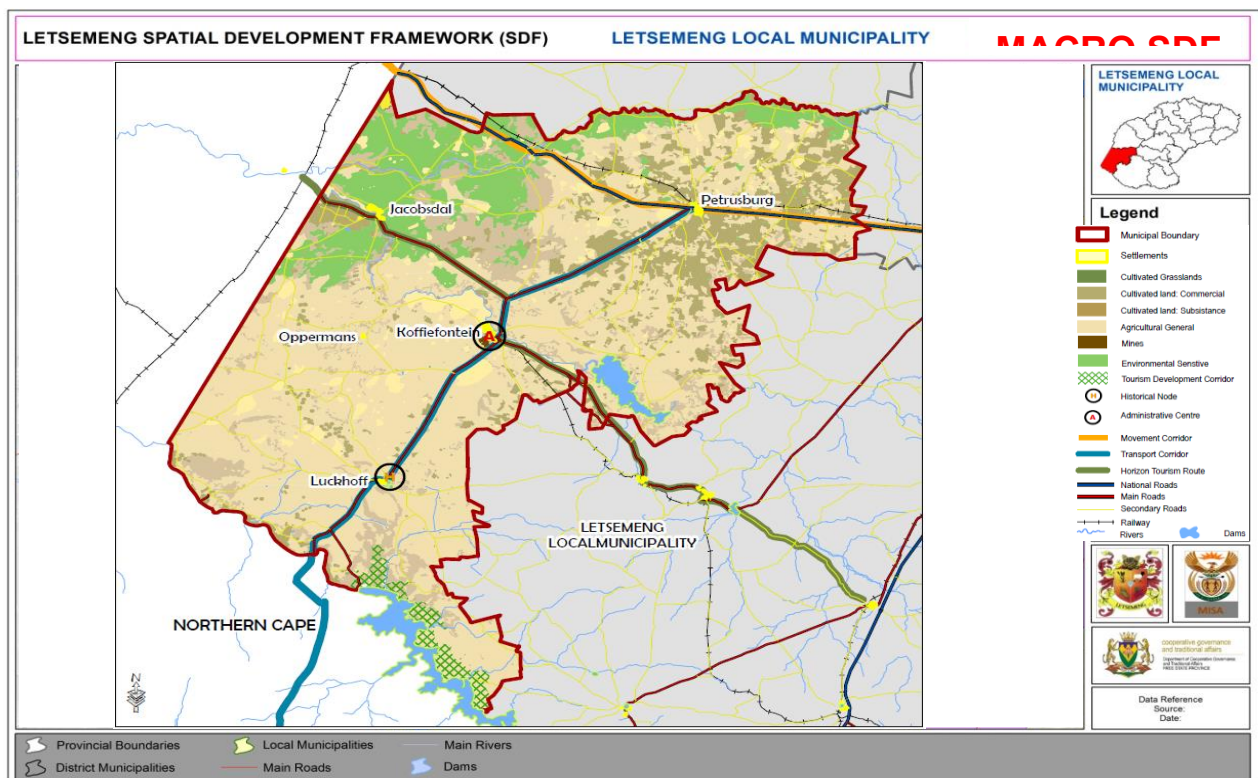


Figure 1: Letsemeng Municipal Area

It borders the Northern (through Jacobsdal) and is renowned for diamonds, salt and slate mining as well as irrigation farming along the Orange Riet Canal and Van der Kloof Dam. Letsemeng Local Municipality is situated in the south-west of the Free State province within the Xhariep District Municipality, a rather agriculturally rich area with limited natural economic resources.

The N8 route transgresses the area to the Northwest and links Kimberley and Bloemfontein via Petrusburg. The N8 route also crosses the area to the north and links Kimberley and Bloemfontein via Petrusburg

The Local Municipality consists of the towns Koffiefontein, Jacobsdal, Petrusburg, Luckhoff and Oppermansgronde. The Municipal Head Office is based in Koffiefontein.

The five towns relate to tarred road infrastructure via Koffiefontein. The R705 links Jacobsdal with Koffiefontein while the R48 links Petrusburg, Koffiefontein and Luckhoff in a north-south direction. The R704 links Koffiefontein, Fauresmith and Jagersfontein with one another.

The municipal area also accommodates Oppermansgronde, just west of Koffiefontein, which is part of a land restitution project. Several pans occur in the area while the Van der Kloof dam, Kalkfontein Dam and Wuras Resort are some of the more prominent water sources available near the area. The Riet River drains through the area in a Westerly direction while the Orange River is the border west of the area. Although there are ample water sources available near the area, access to potable water in some of the towns remain problematic.

The Northern parts of the municipal area surrounding Petrusburg are good cultivated agricultural land while the southern area is renowned for livestock farming. The socio-economic development of the municipality is centred on agriculture. The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation.

Overview of Neighbourhoods within Letsemeng	
Settlement Type	Households
<b>Towns</b>	
Jacobsdal	1003
Koffiefontein	3203
Petrusburg	2639
Luckhoff	1007
<b>Sub-Total</b>	<b>7852</b>
<b>Townships</b>	
Ratanang	1112
<b>Sub-Total</b>	<b>1112</b>
<b>Rural settlements</b>	1717
Oppermansgronde	230
<b>Sub-Total</b>	<b>1947</b>
<b>Informal settlements</b>	202
<b>Sub-Total</b>	<b>202</b>
<b>Total</b>	<b>11113</b>

Table 1: Overview of Neighbourhoods within Letsemeng Municipality

### 1.1.1 DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

The population figures are based on the census 2022 data. According to this census, there is a growth in Letsemeng. It is an indication that more people are moving to Letsemeng municipality for various reasons. The population in Letsemeng currently stands at 43 101. This is according to the latest STATSSA figures.

Unemployment has marginally increased from 22.08% to 22.30%. Suffice to say the effect of drought and decreasing job opportunities might have a direct effect on migration out of the Letsemeng jurisdiction. Youth unemployment stands at 27.7%, which poses another challenge to the municipality and all Sector Departments to pay special attention to the youth in terms of both employment and economic empowerment.

<b>Census Key Statistics</b>	
<b>Population</b>	43 101
<b>Age Structure</b>	
Population under 0 – 15	28.53%
Population 15 to 65	73.5%
<b>Dependency Ratio</b>	
Per 100 (15-64)	54.6
<b>Sex Ratio</b>	
Males per 100 females	96
<b>Population Growth</b>	
Per annum	1.1%
<b>Labour Market</b>	
Unemployment rate (official)	22.30%
Youth unemployment rate (official) 15-34	27.70%
<b>Education (aged 20 +)</b>	
No schooling	10.8%
Higher education	5.1%
Matric	29.0%
<b>Household Dynamics</b>	
Households	10 940
Average household size	3,9
Female headed households	33.50%
Formal dwellings	84.8%
Housing owned	54.00%
<b>Household Services</b>	
Flush toilet connected to sewerage	82.5%
Weekly refuse removal	69.2%
Piped water inside dwelling	90.8%
Electricity for lighting	90%

Table 2: Census Key Statistics



Figure 2: Population by Age and Gender

	Census 2022
Black African	66.7%
Coloured	23.2%
Indian/Asian	0.6%
White	9.2%
Other	0,3%

Table 3: Distribution of Population by population Group-Population Group

## Households

There are 10 940 households in the municipality according to Stats SA. The technical department conducted a physical count of households at all five towns and found that there are 9 279 houses with an average household size of 3, 9 persons per household. 90, 6% of households have access to piped water either in their dwelling or in the yard. Only 4, 0% of households do not have access to piped water.

The figures above are according to the 2022 census, and they are still official statistics. The view might slightly change following the physical count done by the municipality.

Area	Percentage
Urban	84,8%
Tribal/Traditional	0,3%
Farm	14,5%

Table 4: Settlement Type

## Housing and dwellings

All urban areas are composed of various residential components varying from formal housing units to informal dwellings units as indicated in the table below. Within the Local Municipality, 84.8% of the population live in formal housing, 14.5% in informal housing and only 0.3% in traditional housing. This reflects that the housing backlog is not that huge but will increase with the new development patterns in the municipality.

The following issues were highlighted regarding the housing delivery:

- ❖ Lack of funding for housing development.
- ❖ Access to land for sustainable human development.
- ❖ Construction of more RDP houses.
- ❖ Provision of services to new residential sites.
- ❖ Fast tracking land availability and transfer of land.
- ❖ Slow delivery of housing development.
- ❖ Lack of capacity at local municipal level.

### **Socio- economic Status**

The municipality is faced with a high percentage of ever-increasing levels of poverty and unemployment, with a high percentage of residents and households earning incomes that are low. The key sector that has remained relatively stable in the past year is the Agricultural Sector which has consistently been employing local labour albeit on a seasonal basis.

The renewable energy sector has been an emerging sector that has shown great potential of creating job and business opportunities for our residents soon as the natural resources within our towns are attracting prospective investors.

Since Petra Diamonds Mine ceased its operations in Koffiefontein, in April 2023, which added to the decreasing economic development activities in our towns, which also contributed hugely to the closure of other local businesses that employed our residents and contributed to our economic growth.

The municipality is actively working towards empowering local small businesses particularly those that are in the informal sector by partnering with other government departments and private companies provide them with necessary equipment and materials can use in their businesses.

### **1.1.2 INCOME DISTRIBUTION**

To determine the people's living standards, as well as their ability to pay for basic services, such as water and sanitation, the income levels of the local population are analysed.

#### **Household Income**

Household income is a parameter which is, amongst others, also indicative of poverty levels within a community. A financially healthy community's household income usually displays a so-called "normal" income distribution pattern where the income is spread over a fairly wide range of income categories, and the income of the bulk of the community is situated within the first half to two thirds of the income category range.



Only 10.2% of households in the Letsemeng Municipal fall within the “No income” category. Of concern is that 11.6% of the households in Letsemeng have an annual income of less than R 10 000 and 23.9% of the households have an annual income of less than R19 601.00.

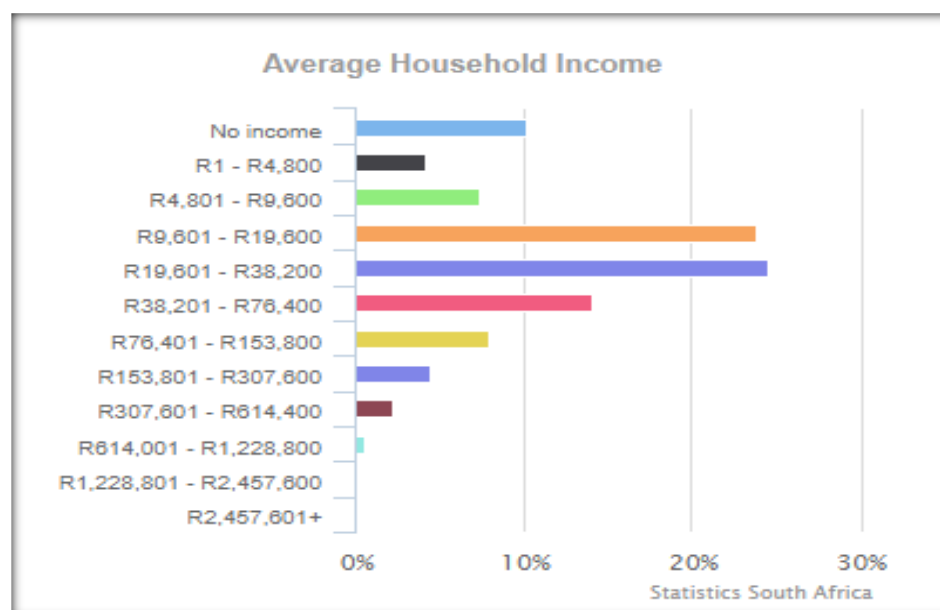


Figure 3: Income profile

### 1.1.3 EDUCATION AND SKILLS

11 788 people are economically active (employed or unemployed but looking for work), and of these 22, 3% are unemployed. Of the 6 058 economically active youth (15 – 34 years) in the area, 27, 7% are unemployed. The level of skills within an area is important to determine the level of potential employment.

Using the expanded definition, on average 22.3% of the population in Letsemeng is unemployed, with the highest rate of unemployment being in rural areas.

This high unemployment rate has serious repercussions on the ability of the residents of Letsemeng to pay for their daily needs. Unemployment is more than 21% in all the areas and the highest is in Luckhoff at 32%.

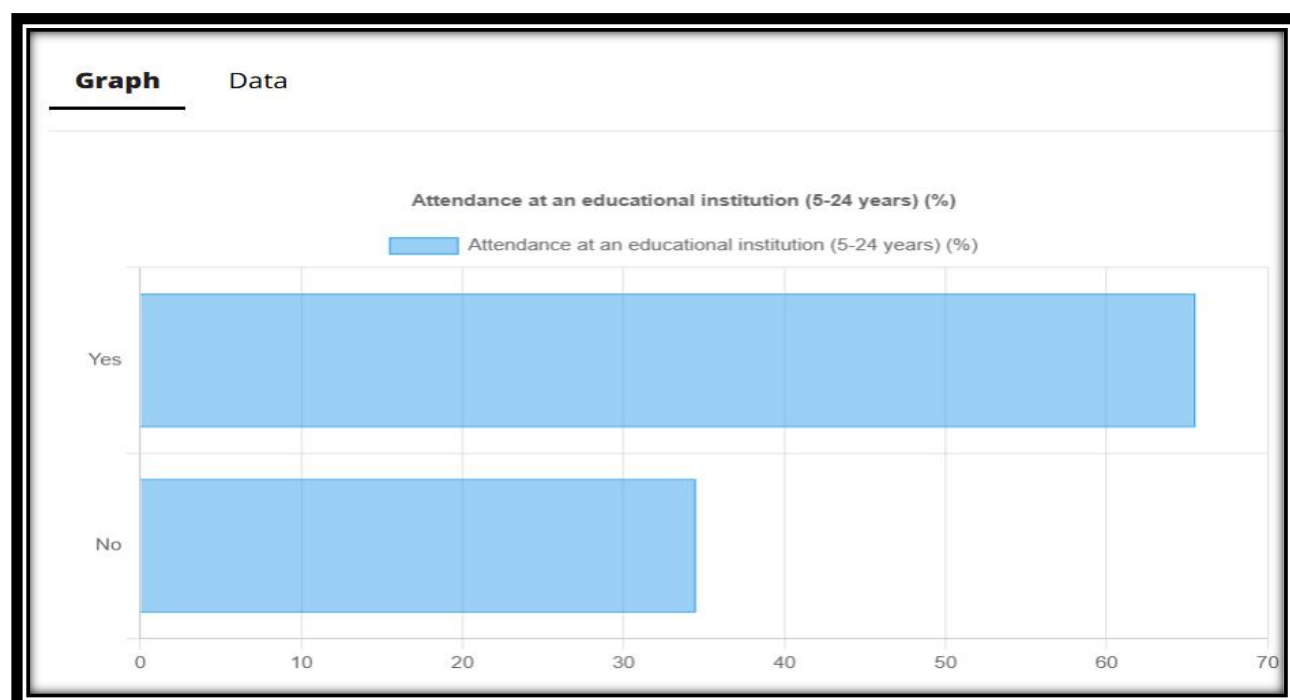
Employment Status	Number
Employed	9164
Unemployed	2624
Discouraged Work Seeker	1745
Not Economically Active	11518

Table 5: Employment Status

Name	Frequency	%
No Schooling	2 720	10,8%
Some Primary	3 644	14,4%
Completed Primary	1 454	5,8%
Some Secondary	8 593	34,1%
Grade 12/Std10	7 313	29,0%
Higher Education	1 282	5,1%
Other	229	0,9%

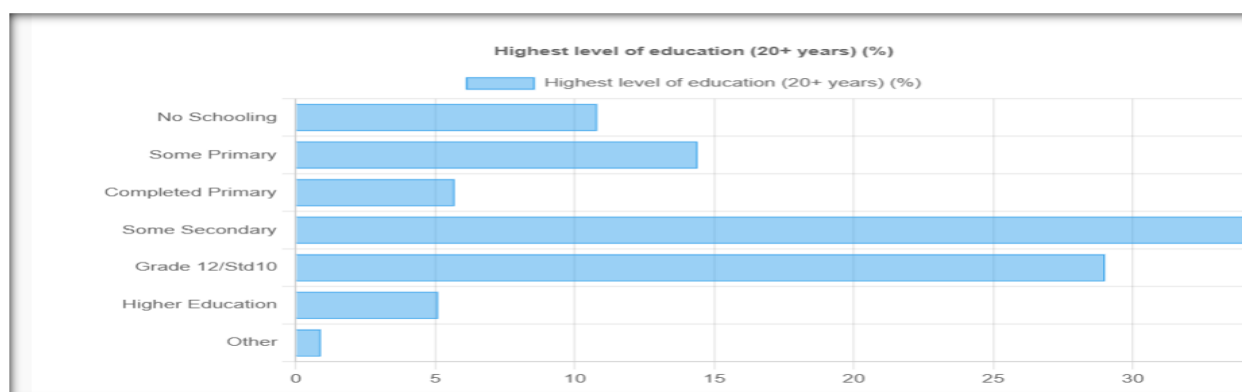
Table 6: Distribution of population aged 20 years and older by level of education attained

The graph below shows population of ages between 5 – 24 years that have attended an educational institution:



Only 65% of population of ages between 5 – 24 years have attended an educational institution, and 35% have not.

The graph below shows the highest level of education obtained for population with an age of 20 years and above:



Only 5.1% have had access to higher education, and 29% of the population studied until Grade 12/Std 10. 65% of population with ages of 20 and above did not study until Grade 12.

## 1.2 SERVICE DELIVERY OVERVIEW

### 1.2.1. WATER

The Municipality's objective remains that of ensuring at least 100% of its inhabitants have access to portable water. Measures are being implemented on a regular and on-going basis to ensure that this objective is achieved. We will continue to ensure that this is met, and clean water is delivered to our communities. Where necessary and required, the municipality will engage the Provincial/National Government as well as other key stakeholders.

90, 8% of households have access to piped water either in their dwelling or in the yard. Only 2, 2% of households do not have access to piped water.

Geography	Households				Percentages			
	Piped (tap) inside dwelling/yard	Piped (tap) water on community stand	No access to piped (tap) water	Total	Piped (tap) inside dwelling/yard	Piped (tap) water on community stand	No access to piped (tap) water	Total
FS161: Letsemeng	9907	790	243	10 940	90.8	7.0	2.2	100.0
Koffiefontein	3180	8	15	3203	99.3	0.3	0.5	100.0
Ratanang	1105	1	6	1112	99.3	0.1	0.5	100.0
Jacobsdal	646	354	3	1003	64.4	35.3	0.3	100.0
Riet River	224	78	30	332	67.6	23.5	8.9	100.0
Petrusburg	2400	154	1000	3554	91.0	5.8	3.2	100.0
Oppermans	230	-	-	230	100.0	-	-	100.0
Luckhoff	987	17	3	1007	98.0	1.6	0.3	100.0

Table 7: Distribution of households with access to piped (tap) water by geography

### 1.2.2 SANITATION

The Municipality's continues to provide proper sanitation facilities to all communities. The municipality managed to reduce the number of bucket toilets. To date there are two hundred households who are still using a bucket system. Plans are afoot to totally eradicate the system.

Name	Frequency	%
Flush toilet	9 031	75,02%
Chemical toilet	81	0,6%
Pit toilet	1238	10.28%
VIP	741	6.15%
Bucket toilet	473	3.9%
Other	24	0.19%
None	450	3.7%

Table 8: Toilet Facility

### 1.2.3 ELECTRICITY

Electricity provision in the Municipality is jointly supplied by ESKOM and the Municipality. The Municipality is servicing four of the five towns under its jurisdiction, which are Koffiefontein, Petrusburg town and newly electrified Bolokanang Extension 7, newly electrified Riemvasmaak in Jacobsdal and Luckhoff. Oppermansgronde distribution is done by ESKOM solely.

Geography	Households				Percentages			
	Electricity	Other	None	Total	Electricity	Other	None	Total
FS161: Letsemeng	9839	1075	26	10940	90	10	0.1	100.0
Koffiefontein	3157	41	5	3203	98.6	1.3	0.2	100.0
Ratanang	1068	44	-	1112	96.0	4.0	-	100.0
Jacobsdal	809	187	7	1003	80.6	18.7	0.7	100.0
Riet River	258	74	-	332	77.7	22.3	-	100.0
Petrusburg	2524	112	2	2638	95.7	4.3	0.1	100.0
Oppermans	227	2	-	229	98.9	1.1	-	100.0
Luckhoff	919	88	-	1007	91.3	8.7	-	100.0

Table 9: Distribution of households with access to electricity for lighting by geography

### 1.2.4 REFUSE REMOVAL

Waste Removal Services are provided to all the towns Koffiefontein, Petrusburg, Luckhoff, Oppermansgronde and Jacobsdal. These land fill sites except for Jacobsdal and Petrusburg, are currently used as transfer stations and will be registered accordingly and be used fully as land fill sites.

Geography	Households					Percentages				
	Formal Dwelling	Informal	Traditional	Other	Total	Formal Dwelling	Informal	Traditional	Other	Total
FS161: Letsemeng	9279	1586	33	43	10940	84.8	14.5	0.3	0.4	100.0
Koffiefontein	2659	538	1	5	3203	83.0	16.8	0.0	0.2	100.0
Ratanang	861	240	2	10	1113	77.4	21.6	0.2	0.9	100.0
Jacobsdal	598	395	-	10	1003	59.6	39.4	-	1.0	100.0
Riet River	251	76	5	-	332	75.6	23.0	1.4	-	100.0
Petrusburg	2181	450	1	7	2639	82.6	17.1	0.0	0.3	100.0
Oppermans	229	1	-	-	230	99.5	0.5	0	0	100.0
Luckhoff	937	60	1	8	1006	93.1	6.0	0.1	0.8	100.0

Table 10: Distribution of households by type of refuse removal and geography

### 1.2.5 HOUSING

The objective of the Municipality is to facilitate provision of adequate and affordable housing structures to the communities in its area of jurisdiction. Provision for houses is not the core competency of the Municipality; this objective is undertaken in partnership with the Provincial Department of Human Settlement which continues to allocate houses to residents on an on-going basis. This is mainly since demand for housing remains a big challenge, but we remain committed to facilitate the provision of shelter to the communities we serve.

### 1.2.6 ROADS AND STORM WATER

Another aim of the municipality is to facilitate the adequate and constant maintenance of access roads and to ensure regular maintenance of all internal roads. Every year, a lot more kilometres of internal roads have been repaired. Furthermore, there is an annual allocation to ensure that roads are maintained. The proportion of households with access to the minimum level of services is shown in the table below:

Proportion of Households with minimum level of Basic services				
			2023-24	2024-25
Electricity service connections			100%	100%
Water - available within 200 m from dwelling			99%	99%
Sanitation - Households with at least VIP service			99%	99%
Waste collection - Kerbside collection once a week			100%	100%

Table 11: Proportion of Households with minimum level of Basic Services

### 1.3 FINANCIAL OVERVIEW

This overview sets out highlights of the municipality's financial performance in the past year. Full details appear in the annual financial statements.

2024/2025		2024/25		
Details	Actual	Original Budget	Adjustment Budget	Actual
<b>Income:</b>				
Grants	111 947 144	98,362,002	98,362,002	123,504,286
Taxes, Levies and tariffs	103 001 121	145 073 743	140 763 289	153 521 736
Other	15 597 257	658 772	845 892	5 197 345
Sub Total	<b>258 837 174</b>	<b>244 094 517</b>	<b>239 971 183</b>	<b>282 223 367</b>
<b>Less: Expenditure</b>	<b>321 182 191</b>	244 145 864	240 440 512	<b>378,734,849</b>
<b>Net Total*</b>	<b>-62,345,017</b>	<b>(51,347)</b>	<b>(469,329)</b>	<b>(96,511,482)</b>
<b>*Note:</b> <b>surplus/deficit (-)</b>				

Table 12: Financial Overview – 2024-25

Operating Ratios	2023/2024	2024/2025
Employee Costs	<b>26.4%</b>	<b>21%</b>
Repairs and Maintenance	<b>0.2%</b>	<b>0.2%</b>
Finance Charges	<b>7.09%</b>	<b>8.25%</b>

Table 13: Operating Ratios

Total Capital Expenditure: '2023/2024 - to '2024/25		
Detail	2023/24	2024/25
Original Budget	<b>52 200 000</b>	<b>46 577 000</b>
Adjustment Budget	46 600 000	38 533 000
Actual	29 932 043	29 332 286

Table 14: Total Capital Expenditure

### **1.3.1 COMMENT ON CAPITAL EXPENDITURE**

The municipality's property, plant and equipment for the financial year under review amounted to R 916,155,048 compared to R 953,921,722 for the previous year. Capital commitments as of 30 June 2025 amounted to R 46,050,034 (2024: R 15,400,881). The fixed assets were financed from government grants.

### **1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW**

All senior management positions are vacant, COGTA has seconded Municipal Manager and Directors. There are also key posts that need to be filled with urgency.

### **1.5 AUDITOR GENERAL REPORT**

The Municipality Received a Qualified Opinion for 2024/2025 financial year

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. To enhance Councils oversight, function the municipality should submit their Annual Performance Reports as soon as possible after the financial year end, ideally this ought to be the end of August.

The Annual Financial Statements and Annual Performance Report were submitted on 31 August 2025 to the Auditor-General. The legislative process for the creation, submission, review and approval of the 2024/25 Annual Report is set out in the table below.

## 1.6 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2025
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2024/25 Annual Performance Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality	August 2025
6	Municipality submits draft Annual performance Report including annual financial statements to Auditor General	
7	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
8	Auditor General Audits Annual Performance Report including Annual Financial Statements	September – November 2025
9	Municipalities receive and start to address the Auditor General's comments	December 2025
10	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January 2026
11	Audited Annual Report is made public and representation is invited	February 2026
12	Municipal Public Accounts Committee assesses Annual Report	Feb-March 2026
13	Council adopts Oversight report	March 2026
14	Oversight report is made public	April 2026

Table 15: Statutory Annual Report Process



## **CHAPTER 2 - POLITICAL AND ADMINISTRATIVE GOVERNANCE**

### **2.1 INTRODUCTION TO GOVERNANCE**

The Letsemeng Local Municipality is an organ of state within the local sphere of government. It was established by means of Provincial Notice No 181, published in the Free State Provincial Gazette of 28 September 2000. The Municipality is a municipality with Collective executive system determined by the Determination of Types of Municipality Act, 2000 (Act No. of 2000).

In terms of section 151(3) of the Constitution of the Republic of South Africa the municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to the national and provincial legislation, as provided for in the Constitution.

### **2.2 POLITICAL AND ADMINISTRATIVE**

#### **2.2.1 INTRODUCTION TO POLITICAL GOVERNANCE**

Section 151 of the Constitution, 1996 states that, the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs her/his functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Municipal Council uses a governance system that applies to executive type system. It is consisted of thirteen (13) Councillors with a Speaker and the Mayor being a member designated as a full-time councillor.

The main obligations of the Municipal Council are to formulate and endorse or pass by – laws, policies, most importantly the Integrated Development Plan and the Medium-term revenue and expenditure framework (Budget)

The Speaker presides over ordinary as well as special Council meetings. The administration dispatch notices and agendas to Councillors forty-eight (48) hours before the commencement of the council meetings as determined in the Standard Rule and Orders.

The mayor as a political head of the Municipal Council attends to day-to-day obligations of the Municipal Council by playing oversight role over the administration and represents the meeting at the district and provincial intergovernmental relation forums as well as at the, South African Local Government Association. The mayor provides general guidance over the fiscal and financial affairs of the municipality as well as the Integrated Development Plan.

The Council has established two (2) Section 80 Committees in terms of the Municipal Structures Act and the Municipal Finance Management Act to process items before they could be forwarded to the Municipal Council i.e. Finance and Technical Committee and Community and Corporate Services committee. These Committees process items and forward them to the Executive Committee (EXCO).

The Executive Committee prepare reports that are then submitted to Council for consideration and approval. Important to note is that the Section 80 Committees and Municipal Council sit as per schedule of Council meetings that was adopted by the Council.

The Municipal Council has established an MPAC, which is composed of three members and the Council is playing an Oversight role in the activities that are performed by the Municipality.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments. When the management is satisfied with this report it is then submitted to the Council for noting on or before the 31<sup>st</sup> of January of each year. After this process it is forwarded to the Municipal Public Accounts Committee (MPAC) after tabling for assessment and thereafter it is presented before the Council with the Committee comments and recommendations. The Annual Report and the Committee report are submitted to Departments of Treasury, Cooperative Governance and Traditional Affairs for comments. Furthermore, these reports are separately published to the community for comments.

The Internal Audit Unit conducts audits throughout the year in terms of their audit plan and prepares Audit reports that are then submitted to the Audit and Performance Committee. After consideration of these reports the Audit Committee forwards its recommendations to Council for considerations and approval.

The Municipal Manager is seconded by COGTA and she is the head of the administration. she is responsible for day-to-day operations of the organization and accounts to the Mayor in between Council meetings. Other senior managers who have been appointed in terms of Section 56 of the Local Government: Municipal Systems Act, 2000 reports directly to the Municipal Manager. It is important to highlight that the Municipality is composed of four (4) departments that are headed by departmental heads, Section 56 managers, excluding the office of the Municipal Manager i.e. Corporate Services, Budget and Treasury, Community Services and Technical Services.

## 2.2.2 POLITICAL GORVENANCE

POLITICAL STRUCTURE	Function
<b>MAYOR</b>	
Cllr RBI Mocwaledi	Attend to day-to-day obligations of the Council by playing oversight role over the administration.
<b>SPEAKER</b>	
Cllr. XH Mthukwane	Presides over Council proceedings as a chairperson
<b>SECTION 80 COMMITTEE CHAIRPERSONS</b>	
Cllr M Potgieter	<b>Chairperson for Finance and Community Services</b> Expenditure, Revenue, Assets & Liability Management, Budgeting & Reporting and Waste Management, Sport & Recreation, Arts & Culture, Public Safety and Parks
Cllr II Ramohlabi	<b>Chairperson for Technical and Corporate Services</b> Water, Sanitation, Electricity, Roads & Storm water, Urban Planning and PMU And Human Resources, Auxiliary and Legal Services, Council Support
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE</b>	
Cllr J Kumalo	<b>Chairperson for Municipal Public Accounts Committee</b> Playing an oversight Role over the finances and the administration of the Municipality

Table 16: Political Structure

### Councillors

The Municipal Council of Letsemeng Local Municipality comprises of thirteen (13) Councillors. Nine (9) of them were elected to represent wards and (4) were proportional representative. The Council is represented by four (4) political parties as follows:

African National Congress (ANC) : Eight (9)  
Democratic Alliance (DA) : Two (2)

Economic Freedom Fighter (EFF) : One (1)  
 Freedom Front (FF) : One (1)

Two (2) members of Council were designated as Chairpersons of Section 80 Committees. Each Committee is composed of three members which includes the Chairperson of the Committee. Furthermore, it has established a Municipal Public Accounts Committee which is composed of Three (3) Council members. The Ward Councillors are Chairpersons of Ward Committees, and the Ward Committee serves as an advisory committee to the Wards Councillors.

## 2.3 ADMINISTRATIVE GOVERNANCE

### Introduction to Administrative Governance

The Municipal Manager is the accounting officer of the municipality as the head of administration and reports directly to the Mayor and Council. Directors (Section 56 Managers') reports directly to the Municipal Manager and their performance is managed by the Municipal Manager in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programs and targets, personnel and budgets. The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

	POST DESIGNATION	FUNCTION	PERFORMANCE AGREEMENT SIGNED YES/NO
1.	<b>ACTING MUNICIPAL MANAGER</b> Ms ST Maneli	Accounting Officer/Head of Administration	No
2.	<b>ACTING DIRECTOR: CORPORATE SERVICES</b> Mr SG Qwelane	<i>Human Resources, Auxiliary and Legal Services, Council Support</i>	No
3.	<b>ACTING CHIEF FINANCIAL OFFICER</b> Mr SJ Tooi	<i>Expenditure, Revenue, Assets &amp; Liability Management, Budgeting &amp; Reporting</i>	No
4.	<b>ACTING DIRECTOR: COMMUNITY SERVICES</b> Mr NI Bonani	<i>Waste Management, Sport &amp; Recreation, Arts &amp; Culture, Public Safety and Parks</i>	No
5.	<b>ACTING DIRECTOR: TECHNICAL SERVICES</b> Ms KL Seekoei	<i>Water, Sanitation, Electricity, Roads &amp; Storm water, Urban Planning and PMU</i>	No

## **2.4 INTERGOVERNMENTAL RELATIONS**

### **2.4.1 INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

Letsemeng Municipality through the 2024/25 financial year participated in several intergovernmental forums. This ensures that the Municipality is kept up to date on key developments in strategic areas of its responsibilities.

Through active participation in these forums and the available platform created the Municipality exchanges ideas and interact with other spheres of government to improve mutual relations between government institutions.

### **2.4.2 NATIONAL INTERGOVERNMENTAL STRUCTURES**

The Municipality participate in the National South African Local Government Association Members Assembly which is held once annually. The municipalities converge annually at the assembly to discuss matters that affects the municipality and resolved how to tackle the challenges faced by the municipalities

### **2.4.3 PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The Municipality is part of the Provincial Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The Municipality also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (**SALGA**).

### **2.4.4 DISTRICT INTERGOVERNMENTAL STRUCTURES**

Meetings are being held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district. District Coordinating Forum consists of the Executive Mayor of the District and three other local municipalities' Mayors who are primary members of this structure.

### **2.4.5 TECHNICAL SUPPORT COMMITTEE**

This Committee consists of the District Municipal Manager and other three Local Municipal Manager who are primary members of the structure. The Committee must meet at least once per quarter with other stakeholders to process issues in preparation of the political District Forum.

## **2.5 PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **Overview of Public Accountability and Participation**

The municipality improved on the responsibilities mentioned as indicated in the 2024/25 IDP by:

- Providing feedback to different communities on issues people raised during the first round of public engagements.
- Providing progress report on funded projects implemented in the different Wards.
- Providing opportunity for communities to make input to the 2024/25 IDP process.
- Providing Ward Committees an opportunity to prioritise inputs received from the different wards.
- Encouraging Ward Councillors and Ward Committees to do further consultation about communities' service delivery priorities.
- Encouraging communities, Stakeholders and individual members of society to make use of the opportunity to do submission regarding the IDP review and budget of the municipality.

The staff is allocated wards to work with and report on their activities. There are also members of ward committees responsible for different sections in their wards. These measures have helped as members of community reports issues related of service delivery at their earliest occurrence.

## **2.6 PUBLIC MEETINGS**

### **Key purposes of ward committees**

- Create formal unbiased communication channels and co-operative partnerships between the Municipality and the community within a ward.
- Ensure contact between the Municipality and the community through the relevant feedback mechanisms.
- Act as an advisory body on council policies and matters affecting communities in the ward as requested.
- Make recommendations on matters affecting the ward to the ward councillor.
- Serve as a constructive mobilizing agent for positive community action.

### **Communication, Participation and Forums**

The municipality uses loud hailing, print media, posters, as well as physical delivery of invitation such as IDP/budget which are on semester interval. These meetings are inclusive of representative from Safety, Business and CBOs.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending
IDP, Budget Consultation meeting at Oppermansgronde	12 April 2024	1	4	122
IDP and Budget Consultation at Petrusburg	11 April 2024	7	8	25
IDP and Budget Consultation at Koffiefontein (Ward 5)	10 April 2024	6	6	148
IDP and Budget Consultation at Luckhoff	05 April 2024	3	2	96
IDP and Budget Consultation at Jacobsdal	08 April 2024	5	8	96
IDP and Budget Consultation at Phambili	April 2024	0	0	0

Table 18: Public Participation

### Comment on the effectiveness of public meetings held

The community public consultation meetings for 2024/25 financial year, were effectively coordinated and concluded.

## 2.7 IDP PARTICIPATION AND ALIGNMENT

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

\*Section 26 Municipal Systems Act 2000

Table 19: IDP Participation and Alignment Criteria

## **2.8 CORPORATE GOVERNANCE**

### **Overview of Corporate Governance**

The municipality endeavours to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a risk management function, internal audit unit and independent audit committee and the implementation of fraud and anti-corruption policies and measures.

In addition, Letsemeng Municipality follows a comprehensive system of rules and processes that are designed to sustain and enhance optimal end to effective organizational management.

## **2.9 RISK MANAGEMENT**

Risk Management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritise them and take the appropriate actions to reduce possible losses.

The Municipality implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the municipality to achieve its service delivery outcomes and enhance organisational performance. The risks are managed formally and periodically by means of a factual and realistic approach. This promotes the achievement of objectives and further avoids these risks from impacting negatively on the organizational efficiency.

The average risks in developing the Internal Audit Coverage Plan were extracted from the risk assessment report, considering the impact and likelihood of critical issues/risks within each of the identified activities.

## **2.10 ANTI-CORRUPTION AND FRAUD**

The actions that constitute corruption can be classified as follows:

- Any dishonest, fraudulent or corrupt act,
- Theft of funds, supplies and other assets,
- Maladministration or financial misconduct in handling or reporting of money,
- Making profit from insider knowledge,
- Disclosing confidential information to outside parties,
- Deliberately refusing or omitting to report or act upon reports of irregular or dishonest conduct

The strategies in place to prevent corruption, fraud and theft are the application of policies approved by council such as the supply chain management policy and the segregation of duties to approval of transactions within the municipality.



Key risk areas susceptible to corruption and fraud are the procurement, cash collection and payments as well as unauthorized distribution of information from the institution. Policies were approved by council. The code of conduct in terms of the Municipal Systems Act was communicated to all employees to highlight the importance of proper employee behaviour and conduct.

A previous challenge that is now overcome was the lack of important structures to effectively deal with the occurrence of corruption and fraud within the municipality. A lack of capacity at the Internal Audit and Supply Chain and the ineffective functioning of the Audit Committee were some of the challenges the municipality faced to effectively eliminate the occurrence of fraud and corruption. These challenges have now been resolved and a functional internal audit, supply chain management. The Municipality established an Audit Committee that serve only the Letsemeng Local Municipality

## 2.11 SUPPLY CHAIN MANAGEMENT

Supply Chain Management is centralised and attached to Budget and Treasury Office which is mainly responsible for the administration and procurement of goods and services. The municipality is currently utilizing *Sage Evolution*. All the procurements are transacted through sage evolution system to avoid irregular and fruitless expenditure. Supply Chain processes are regulated by supply chain policy which is in line with relevant regulations.

## 2.12 BY-LAWS LITIGATION

By-laws Introduced during 2024/25					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	-	-	-	-	-
<b>*Note: See MSA section 13.</b>					

Table 20: By-laws introduced

### COMMENT ON BY-LAWS

For the financial year under review the municipality did not have any new By-Laws to be promulgated.

## 2.13 WEBSITE

A municipal website <http://www.letsemeng.fs.gov.za> is a key communication mechanism in terms of service offering, information sharing and public participation and should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets, budget related documents and policies.

**Below is a website checklist to indicate the compliance to Section 75 of the MFMA:**

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2023/24) Draft	Yes
The annual report (2022/23) to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/22) and resulting scorecards	No
All service delivery agreements (2024/25)	No
All long-term borrowing contracts (2024/25)	No
All supply chain management contracts above a prescribed value R100 000 for 2024/25	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No
Contracts agreed in 2024/25 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2024/25	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/25	Yes
T 2.10.1	

Table 21: Municipal Website: Content and Currency of Material

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

### **3.1 INTRODUCTION**

The municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The Technical Department is responsible for operation and maintenance of infrastructure which include electricity, water services, roads and storm water. The Technical Department also provides support services such as the mechanical workshop.

The Technical Department plays a pivotal role in terms of facilitation and coordination of services provided by Provincial and National Departments. The municipality has adopted a five-year IDP Plan which is a strategic document aiding in the developments within the municipality. Sector plans are also included which gives effect to the strategies and objectives in the IDP. The IDP is further informed by both the National and Provincial development strategies.

The purpose of the report is to provide information in respect of the core responsibilities, objectives, achievements as well as challenges faced by the Technical Department during the 2024/25 financial year.

### **3.2 BASIC SERVICES - WATER**

This component includes water; wastewater (sanitation); electricity; waste management; and housing services; and a summary of free basic services. The municipality accepted that the number of households within the municipal area is 13 023 as provided by Statistics South Africa for 2022.

#### **Introduction to basic services**

#### **Technical Services Department is responsible for the following services:**

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishing/rehabilitation of existing infrastructure.
- Provision of basic services such as water, sanitation, electricity and roads.

This is done as a basic service delivery aspect in the following areas:

#### **Water and wastewater services**

- Water purification
- Sewerage treatment
- Storage dams
- Water reservoirs

- Water and sewage reticulation networks

Roads, storm water, railways and public works

- Roads design, construction and maintenance
- Storm water drainage system
- Bridges and culverts
- Landfill site management

Electricity

- Electricity Distribution
- Electricity network maintenance and upgrading
- Electricity Consumption Care
- Public lighting

### **Objectives and Achievements**

Strategic objectives are set out in planning and budgeting tools such as IDP and SDBIP in order to properly plan and achieve targets. Priority areas regarding basic service delivery are as follows:

- Access to water,
- Water loss,
- Water quality,
- Access to sanitation,
- Access to electricity,
- Energy efficiency,
- Access to municipal surfaced roads

### **Departmental Challenges**

- Institutional and organizational development:
  - Inadequate attraction and retention of skilled competent personnel,
  - Prolonged recruitment processes,
  - Inadequate training and development of staff
- Infrastructure maintenance and development:
  - Outdated technology and aged infrastructure,

- Master plans are in place and have been approved by council, however, are not fully implemented due to financial constraints,
- Inadequate infrastructure capacity to meet supply demand,
- Increasing theft and vandalism of infrastructure,
- Limited preventative maintenance,
- Decaying infrastructure,
- Heavy motor vehicular movement through and around CBD,
- High distribution losses (water and electricity)
  
- Machinery, equipment and fleet:
  - Shortage of machinery, equipment and fleet,
  - High average age of municipal fleet,
  - Most fleet out of useful lifespan,
  - Prolonged turnaround time in terms of repairs and continued breakages,
  - Limited maintenance equipment,
  - Delayed processing time of purchase request in terms of maintenance and repairs,
  - Shortage of vehicles and machinery causing low productivity and low morale of staff cascading into serious delays in service delivery.
  
- Financial Constraints:
  - Insufficient maintenance budget,
  - Insufficient capital budget appropriated (own funding),
  - Lack of consumables and sundry items,
  - Supplier / municipal relations dented,
  - Long processing period of purchase orders.
  
- Natural Hazards:
  - rainfall and flooding causes delay in project implementation and flooding of residential areas,
  - Drought, leading to inadequate raw water supply and thereby negatively affecting the Municipality's mandate of providing basic water service to its communities.
  - Extensive damage to infrastructure (decaying roads surfaces and potholes) and facilities / property.

- Compliance to Regulations:
  - Inadequate monitoring and measuring equipment and processes to facilitate compliance.
- Bulk Supply Services:
  - Inadequate bulk raw water supply in Petrusburg and Koffiefontein.
  - Rapidly deteriorating condition of roads network including main roads.

## **WATER PROVISION**

Water needs are determined via the consumer base on the ground. Figures used to determine this includes provision for registered indigents according to the municipal policy. Supply and disruptions are monitored, and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed. National government targets are also included in future planning.

For blue drop purposes the water quality is monitored continuously and uploaded on the IRIS site and water provision to the community is done in accordance with the Water Services Act 1997.

The top four priorities are:

1. Sufficient water supply for communities.
2. Connections to individual stands with provision for indigent.
3. Provision of water within legal requirements (Water within Blue drop and SANS 241 standards)
4. Monitoring water supply through proper installation of water meters

The challenge in water supply remains the balance between the available raw water and demand from the community.

The blue drop status has decreased the poor performance is mainly due to poor technical management, absence of the process audit and network inspection reports and water safety plans. There was no flow data available due to no flow meters. The municipality was commended on the implementation of operational and compliance monitoring for all the supply systems. Water quality results are available on IRIS (Integrated Regulatory Information System), however uploading of results are often not on time and causes the municipality to receive non-compliance. The municipality is constantly requesting assistance and funding

from the Department of Water and Sanitation, together with other sector departments to ensure improvement of blue drop score. Currently the municipality is funded by the Department of water and sanitation to implement a water project of the Upgrading of the Koffiefontein WTW and construction of a 4.5ML Reservoir, which will assist with improving water supply and quality, it is the municipality's intention to resuscitate the project in the next financial year.

All formal areas of Letsemeng available for occupation are provided with water networks with pre-installed connections and consumers moving onto unconnected stands are connected on application. Areas such as Extension 7 in Bolokanang, Petrusburg are supplied with water using standpipes and JoJo tanks.

Letsemeng Local Municipality (LLM) is a Water Service Provider (WSP) and a Water Service Authority (WSA), all these functions are currently operated by the Municipality. Letsemeng Local Municipality has through the Department of Cooperative Governance and Traditional Affairs (Cogta) prepared a Water and Sanitation Master Plan and Maintenance and Operations in 2019. These strategic documentations are used as roadmaps in terms of identifying challenges and applying for funds.

LLM is struggling to meet the water demand from four towns namely Luckhoff, Koffiefontein, Jacobsdal and Petrusburg. This is due to the low capacity of the Water treatment Works (WTW), old, aged infrastructure e.g. Canal in Jacobsdal and availability of surface water, the challenge of technical support for Jacobsdal water treatment works. The demand of water is higher than the available supply, this is in some cases compromising the quality of water since the plants would be pushed to the maximum capacity or even be exceeded resulting in turbidity increasing.

Unavailability of surface water poses a high risk to the community of Petrusburg because they rely on ground water, most of the boreholes have already started showing reduced capacity while there are no alternative sources. LLM has received technical support from DWS for conducting a feasibility study for alternative water source. The Department of Human Settlement has given support to LLM through implementing a water reticulation project at EXT 7 in Bolokanang which be completed next financial year.

Description	2023/24	2024/25
	Actual No.	Actual No.
<b><u>Water: (above min level)</u></b>		
Piped water inside dwelling	9 907	13 329
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	790	993
Other water supply (within 200m)	243	488
<i>Minimum Service Level and Above sub-total</i>	10 940	14 810
<i>Minimum Service Level and Above Percentage</i>	100%	100%
<b><u>Water: (below min level)</u></b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%
<b>Total number of households*</b>	10 940	14 810

Table 22: Water Service Delivery Levels

Description	2023/24	2024/25
	Actual No.	Actual No.
<b>Formal Settlements</b>		
Total households	10 940	14 810
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0%
<b>Informal Settlements</b>		
Total households	233	238
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0%

Table 23: Households - Water Service Delivery Levels



Employees: Water Services					
Job Level	2023-24	2024/2025			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 – 3	0	0	0	0	0%
4 – 6	11	20	11	9	45%
7 – 9	2	0	2	0	0%
10 – 12	1	1	1	0	100%
<b>Total</b>	<b>14</b>	<b>21</b>	<b>14</b>	<b>2</b>	<b>40%</b>

Table 24: Workforce in Water Services

#### COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Department of Water & Sanitation has been the main source of funds for upgrading the Koffiefontein Wastewater Treatment Plant, Koffiefontein Water Treatment Plant and Jacobsdal outfall sewer network. Municipality has challenges in the water services, and currently water rationing is being implemented to deal with water shortages.

Town	Supply	Demand
Koffiefontein	4.5ML	7.5ML
Petrusburg	1.05ML	2.2ML
Jacobsdal	4.2ML	3.1ML
Oppermansgronde	0.39ML	0.39ML
Luckhoff	0.9ML	2.4ML

### 3.3 WASTEWATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

LLM is a Water Service Authority (WSA) and a Water Service Provider, this means that LLM has a responsibility to authorise water & sanitation usage and provide the services, it is the role of the Municipality to provide acceptable form of sanitation. Through programmes like Municipal Infrastructure Grant (MIG) and Water Service Infrastructure Grant (WSIG), LLM has been engaged in several projects upgrading and refurbishing the WWTW and the Sewer pump stations.

There are however prolonged challenges within the municipality that requires long term redress like the bucket toilets, VIP toilets, the vandalism & theft of pumps and cables in the pump stations. This problem persisted for more than 5 years without a proper redress, the LLM always replaced and fixed the stolen and damaged goods out of its own funds. In some cases, there would be spillages into the river for months because of the above said challenge. The Koffiefontein and Jacobsdal WWTW has not been fully operational due to lack of maintenance and the stolen cables, pumps & motors.

One of the major challenges as outlined in the Sewer Master Plan is the location of the plant. It is indicated that the plant requires 80% of the sewer to be pumped upstream where the current plant is. A new conventional plant should be located at an area lower than the existing and the future planned settlements, which will eliminate all the current pump stations from the system.

Description	2023-24	2024-25
	Actual No.	Actual No.
<b>Formal Settlements</b>		
Total households	9 012	9 012
Households below minimum service level	1 452	1 452
Proportion of households below minimum service level	13.9%	13.9%
<b>Informal Settlements</b>		
Total households	238	238
Households below minimum service level	238	238
Proportion of households below minimum service level	100%	100%

Table 25: Sanitation Service Delivery Levels below the minimum

Employees: Sanitation Services					
Job Level	2023-24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	1	1	1	0	0%
7 – 9	0	0	0	0	0%
10 - 12	16	16	16	0	0%
Total	17	17	17	0	0%

Table 26: Employees: Sanitation Service

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

LLM has not been compliant with the required legislative Water Acts for various reasons, including continuous spillages into the river, non-compliant final effluent from plants and many other areas. Ensuring Security availability at all the WWTW will guarantee continued reliable sanitation to the LLM constituencies and ensure compliance with the required laws and acts. The municipality through MIG funding will implement a refurbishment of Four Sewer Pump Station under schedule 6B with MISA as an implementing agent. The Koffiefontein and Jacobsdal WWTW are the only WWTW that are discharging effluent into the river. The municipality will refurbish the Koffiefontein WWTW to improve the performance of the plant and effluent. The Luckhoff, Oppermansgronde and Petrusburg WWTW consists of oxidation ponds system, which do not discharge effluent. These pond systems, sewage is processed in shallow earth dams and go through the biological process of treating domestic wastewater and some industrial effluents, guided by the general authorization limits from the Department of Water and Sanitation and By-Laws.

Inadequate operation and maintenance budget also impact the poor service experience, resulting in pump stations not always having attendants, shortage of process controllers at WWTW. If this aspect can be addressed or prioritized, the municipality can experience a positive change in attitude by the consumers regarding revenue collection and other positive outcomes. To address the challenges of sewer spillages in Petrusburg and Jacobsdal are addressed by the implementation of a refurbishment of Petrusburg Sewer Pump Station through funding from MIG and construction of a sewer pump station in order to eradicate the sewer sump that is used for the 202 stands, the municipality is implementing the Upgrading and refurbishing of Outfall line and sewer pump station in Jacobsdal via project.

### 3.4 ELECTRICITY

LLM is licenced for electrical distribution and shares the supply of electricity with Eskom within the municipality; there is about 50% for LLM and 50% for Eskom; LLM has secured and improved the technical capacity. LLM has strategic documents like the Electrical Master Plan, Operations and Maintenance plan that was submitted to Council and was approved and endorsed. It is however old and outdated it needs to be renewed.

One most significant challenge in the LLM supply area is the ageing and dilapidated infrastructure, requiring maintenance on a regular basis. LLM through the funding from the Department of Electricity and Energy upgraded and refurbished the main switching station and bulk feeder lines. LLM has completed the projects and is fully operational. DEE also made funds available of over R52 million for LLM for electrification of households in Jacobsdal, Petrusburg and Koffiefontein. Even though LLM is struggling with ageing and unreliable infrastructure, it always makes sure that there is electricity available at all times. Some shutdowns were experienced during this year. However, they were attended to immediately. LLM is determined to supply safe, reliable and quality power supply to the communities.

Challenges are experienced with meters tampered with; however, the municipality has embarked on a systematic field assessment looking for irregular connections, damaged consumption meters and unmetered consumers, with STS, TID Roll-over greatly assisted. The shortage of vehicles (Electrically equipped) is also a challenge in this regard. The frequent theft and vandalism of equipment and cables also negatively impacted the financial and operational effectiveness of the section because materials and equipment stolen must be replaced as soon as possible.

Municipality also implemented Energy Efficiency and Demand Side Management projects, in terms of retrofitting Public Lighting (High Mast Lights & Street Lights) to save energy and environment preservation by reducing green-house gases.

Besides, the network's damage extends much further than only the piece of cable or equipment that was damaged and, in some cases, requires specialised repairs or specific material. Vandalism and cable theft also pose a danger to the community and the culprits stealing the equipment due to exposed live conductor and consequent dangerous situations.

The constraints mentioned above all negatively impacted service delivery due to an additional workload. Unproductive standing time, the long waiting period for spares and equipment, limited preventative maintenance, and unnecessary and avoidable damage to the infrastructure.

Description	2023/24 Actual No.	2024/25 Actual No.
<b>Energy: (above minimum level)</b>		
Electricity (at least min.service level)	8669	8669
Electricity - prepaid (min.service level)		
<i>Minimum Service Level and Above sub-total</i>	8669	8669
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%
<b>Energy: (below minimum level)</b>		
Electricity (< min.service level)	–	
Electricity - prepaid (< min. service level)		
Other energy sources		
<i>Below Minimum Service Level sub-total</i>	–	
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%
<b>Total number of households</b>	8669	8669

Table 27: Electricity Service Delivery Levels

Description	2023/24	2024/25
	Actual	Actual
	No.	No.
<b>Formal Settlements</b>		
Total households	8669	8669
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0%
<b>Informal Settlements</b>		
Total households	0	238
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0

Table 28: Households - Electricity Service Delivery Levels below the minimum

Employees: Electricity Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	16.67%
4 - 6	0	0	0	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
Total	8	9	8	1	11.11%
T 3.3.6					

Table 29: Employees in the Electrical Department

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

LLM has successfully completed the Upgrading of Koffiefontein Substation and bulk feeder lines projects, Electrification of 1346 households' connections were completed throughout Letsemeng Vicinity. Letsemeng has improved reliability, safety and quality of power supply, thus enhancing social economic activities. Long term plans will be included in the next IDP for the implementation of these projects.

- Retrofitting of Public lighting throughout Letsemeng Municipality to reduce power consumption
- Enhance power supply and increase capacity
- Replacement of existing meters with split meters revenue enhancement and reduction of technical and commercial losses
- Installation of smart pre-paid and conventional smart meters to enhance municipal revenue

### 3.5 WASTE MANAGEMENT

#### INTRODUCTION TO WASTE MANAGEMENT (REFUSE COLLECTON, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

This unit is responsible to keep the Letsemeng Local Municipality area waste free by removing illegal dumping sites, providing refuse collection and disposal services for all residents. The type of solid waste that is being collected is domestic and does not include medical waste because the medical facilities have service providers to dispose of their own waste. Refuse collection is for both residential and businesses which is done once a week at each town as indicated in the schedule below.

Days	Town
Mondays	Petrusburg and Bolokanang
Tuesdays	Jacobsdal and Ratanang
Wednesdays	Luckhoff, Relebohile and Oppermansgronde
Thursdays	Koffiefontein
Fridays	Ditlhake

Table 30: Refuse collection schedule

The cleaning and awareness campaigns are conducted with the assistance of officials from DESTEA and DFFE, as well as CWP and EPWP participants from IDT on a quarterly basis targeting illegal dumping sites that are present. These activities include street cleaning and are mostly targeted on open spaces which are more prone to illegal dumping especially

because the refuse collection is only done once a week and community members utilize such for their waste.

### **The Integrated Waste Management Plan**

An IWMP is a document that looks broadly at waste management and proposes further steps that the responsible authority might consider taking to achieve a comprehensive integrated waste management service. The purpose of the IWMP is to provide a guideline as well as goals for the Municipality to deal with its waste and reduce the amount that is reaching the landfill sites. The set goals for Letsemeng Local Municipality includes promotion of recycling and recovery of waste, ensuring the effective and efficient delivery of waste services, ensuring that legislative tools are developed to deliver on the NEMWA and any other applicable legislation, and ensuring safe and proper disposal of waste. All the Municipalities are obliged to develop an IWMP and review it every five years, as one of the waste requirements, as a result, Letsemeng Local Municipality opted to review its IWMP that expired at the end of 2022 in-house with the assistance of the DFFE. Therefore, the review process is underway with the comments from SALGA.

### **Recycling:**

There are privately owned SMMEs for recyclable materials in the Municipality as a whole which helps to minimize the amount of waste that is being disposed at the landfill sites.

### **Landfill site:**

The landfill sites are five in total with each town consisting of one, however, only one that is in Petrusburg is licensed for operation and the remaining four are not. There are informal waste pickers at the landfill sites which are recycling waste for local waste NPOs which are located around the community. The figures below outline the five landfill sites and their status:

### **Koffiefontein landfill site**



Item (from Minimum requirements (DWAF, 1998)	Waste disposal facility particulars
Position of site	29°23'44.80"S 24°58'54.49"E
License to operate	Unlicensed
Type of operation	Trenches
Recycling	Yes, not formalized

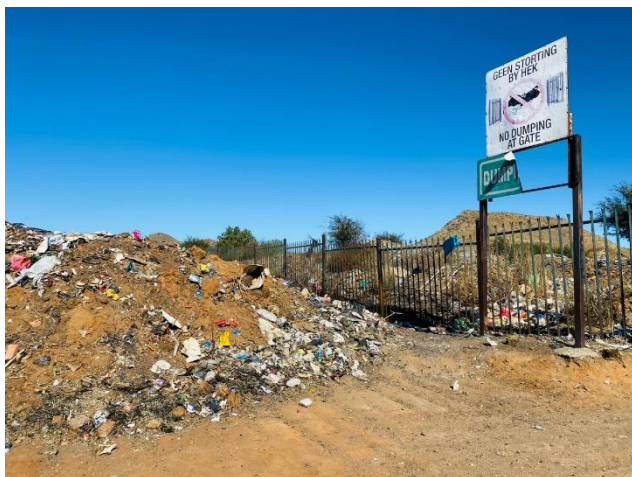
### Oppermansgronde Landfill site





Item (from Minimum requirements (DWAF, 1998))	Waste disposal facility Particulars
Position of site	29°25'9.13"S
	24°44'19.53"E
License to operate	Unlicensed

### Luckhoff landfill site



Item (from Minimum requirements (DWAF, 1998))	Waste disposal facility Particulars
Position of site	29°45'2.54"S
	24°46'54.96"E
License to operate	Unlicensed

## Jacobsdal Landfill site



Item (from Minimum requirements (DWAF, 1998))	Waste disposal facility Particulars
Position of site	29° 7'47.49"S
	24°45'38.57"E
License to operate	None
Year issued	14/09/1992

## Petrusburg landfill site



Item (from Minimum requirements (DWAF, 1998))	Waste disposal facility Particulars
Position of site	29° 6'31.45"S
	25°24'4.91"E
License to operate	License number: B33/2/210/32/P117
Year issued	28/03/1994

### DFFE In-house model:

The Department of Fisheries, Forestry and the Environment (DFFE) have an in-house model that assists the local municipalities with the appointment and paying of stipends for participants which is R200 per day from the local community with the cleaning and clearing of illegal dumping sites. Petrusburg was chosen as the place where the programme was implemented, where 29 participants were appointed from June 2023 to May 2024 where they were paid. The end goal of this initiative was achieved where there was temporary employment while the environmental degradation was limited to a greater extent.



### **Tree Planting:**

DFFE has been helping the Municipality with the donations of trees and planting them at local NPOs and crèches upon request. On 04 December 2024, the Department donated 20 trees to the Municipality and the participants that are responsible for cleaning the dumping sites were trained on how to properly plant and take care of the tree. Half of the trees were donated to Women of Wisdom which is a Non-Governmental Organisation that teaches women how to crochet using plastic and the remaining to the local crèche known as The Light Care Centre.

### **Comments on Landfill Sites**

1. Petrusburg landfill site is the only waste disposal site that is licensed for operation, but the challenge is on control measures, vandalism, non-reporting of waste,
2. Luckhoff site was budgeted for in the financial year 2023/24 for its upgrading at the new site that was chosen, however, the project could not be implemented
3. Koffiefontein, Jacobsdal and Oppermansgronde landfill sites are not licensed for operation
4. There is one refuse removal truck and tipper truck for all five towns
5. There is one TLB to cater for both Technical and Community Service Departments
6. The TLB for illegal dumping and landfill sites maintenance
7. The greening of open spaces and tree planting is not as effective in areas that are not fenced because there are roaming animals within the community.

### **Service statistics:**

The statistics should be aligned to the finance information. The Municipality is rendering a collection service to 95% of both residential and businesses excluding informal settlements.

### **Compliance:**

For disposal facilities (landfill sites) to be operated in compliant with the relevant legislation, all landfill sites must be licensed according to the conditions outlined in the license. Internal auditing forms part of these requirements, Audits were conducted in both the second and third quarters of the last financial year by Environmental official from the DFFE and Environmental Management Inspectors (green scorpions) from DESTEA at Petrusburg and Luckhoff. The following findings were outlined:

Items	Findings
1. Burning of waste	Burning is taking place at both landfill sites, as a result, methane and other harmful gases emitted during the combustion of waste are detrimental to the quality of air, nearby communities and the atmosphere.
2. Access Control	There is no proper fencing to manage control and prevent wind-blown litter
3. Signage	There is no signage both at the entrances and inside the landfill site
4. Disposal method	Trench method is not implemented; waste is rather disposed randomly throughout the two landfill sites.
5. Buffer Zone	The Jacobsdal landfill site does not have a 500m buffer zone which means that no other activities/sites/dwellings should exist within 500 metres of the landfill sites.
6. Landfill liner	There is no evidence indicating the construction of a liner for both landfill sites
7. Management of Run-off water	None of the landfill sites have furrows that block run-off water from entering nor running off the landfill site
8. Landfill personnel	None of the landfill sites have personnel that register vehicles/waste quantities that enter and leaves that landfill site as prescribed by the Waste Information System Regulations
9. Waste separation	None of the landfill sites have facilities that promote separation of waste for recycling purposes
10. Cover material	Cover material must be available for the daily covering and compaction of waste. This helps in preventing nuisances and improves management of the landfill site. The availability of cover material in most landfill sites is evident; however, the municipality does not follow the procedure of waste being covered and compacted on daily/weekly basis.
11. Leachate	A leached pond is where all the collected water from the working face is collected and treated and disposed. None of the landfill sites have a leachate pond on site.
12. Wrongly situated landfill sites	The Jacobsdal landfill site is recommended for closure and rehabilitation. The Municipality needs to consider the development of a new landfill site in Jacobsdal.

### **Provincial Environmental Management Forum:**

Letsemeng Local Municipality Waste Management Unit is part of the Provincial Environmental Management Forum which has quarterly meetings and comprises of officials from DFFE, DESTEA and Municipalities in the province. The purpose of the forum is to form an integrated working relationship between the relevant Departments and the local municipalities within the province on issues related to the Environment and Waste Management.

### **SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION**

Environmental master plan to be designed with the assistance of the Department of Economic, Small Business Development, Tourism and Environmental Affairs.

Description	2023/24	2024/25
	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>		
Removed at least once a week	8369	8369
Minimum Service Level and Above sub-total	8369	8369
Minimum Service Level and Above percentage	100.0%	100%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level percentage	0.0%	0%
<b>Total number of households</b>	<b>8369</b>	<b>8369</b>

Table 31: Solid Waste Service Delivery Levels

Description	2023/24	2024/25
	Actual No.	Actual No.
<b>Formal Settlements</b>		
Total households	9 279	9 279
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0%
<b>Informal Settlements</b>		
Total households	1 586	1 586
Households below minimum service level	0	0
Proportion of households below minimum service level	0%	0%

Table 32: Households - Solid Waste Service Delivery Levels

Employees: Waste Management Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	0				100%
10 - 12	6				%
13 - 15	5				0%
Total	11				15%
					T 3.4.5

Table 33: Employee: Waste Management Services

Employees: Waste Management Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	1	100%
13 - 15	36	36	36	0	0%
Total	37	37	37	1	2.9%
					<i>T 3.4.5</i>

Table 34: Employee: Waste Disposal and other services

## 3.6 HOUSING

### HOUSING DEVELOPMENT

Housing is a basic human need and right that is often regarded as one of the most efficient methods of eradicating poverty in any society. The Primary goal of the national development plan (NDP) is to eliminate poverty, unemployment, and inequality in any community while simultaneously constructing a capable, ethical, and developing state. However, numerous people are still living in influx conditions because of the country's accelerating poverty, housing backlogs, and the unemployment rate, in which are due to poor implementation of policies and legislation to enhance economic growth. The Letsemeng local municipality is not immune to these challenges. Therefore, the municipality bears a significant role in planning for integrated human settlements by ensuring that all its citizens reside in developable, formalised, safe and sustainable human communities. This is accomplished through national and provincial financing to ensure dignified living conditions.

### Housing Provision

In terms of schedule 4: part A of the constitution of the Republic of South Africa, Housing is the concurrent function of the national and provincial departments. The housing unit is limited to a facilitation role to ensure that the state subsidised houses (RDP) are built through various housing programme as outlined in the National Housing Policy. Therefore, the mission of the Letsemeng Local Municipality within the Directorate Planning and Human Settlement is to facilitate the delivery of sustainable human settlements, adequately serviced land, security of tenure as well as identification of well-located land suitable for human settlements developments through;



- Partnership with the provincial department of human settlements
- Mobilisation of well-located land for low income and affordable housing with increased densities.
- Partnership with Housing Development agency in purchasing a well-located land suitable for human settlements development.
- Ensuring a higher built density, appropriate housing form with a variety of tenure types, and the densification of existing residential area.
- Introduction of rental strategy as an alternative to the existing housing backlogs within the municipality.

### Challenges

- Shortage of well-located land for human settlements.
- Blocked housing projects
- Unfinished housing projects
- Un-serviced housing
- The proliferation of informal settlements and urban sprawl.

### Letsemeng Municipality on Informal Settlements

The Upgrading of informal settlements is invariably a phased process, the ultimate objective of which is to provide everyone with acceptable housing opportunity. Therefore, the responsibility for the upgrading of informal settlements is initiated and led by the municipality with the aid from the Free State Human Settlement (FSHS) under Informal Settlement Upgrade Partnership Grant (ISUPG).

To deal with informal settlements, the Letsemeng municipality has embarked on informal settlements upgrading programme and the identified and assessed informal settlements by the municipality are as follow;

LETSEMENG INFORMAL SETTLEMENTS – 2024/2025 Financial Year			
Name of Informal Settlement	Description	Ownership	Status
Phambili Informal Settlement	Township Establishment (250 Erven)	Municipality	In Progress
Bolokanang (New Site)	Township formalisation and Infrastructure Planning (1004 Erven)	Municipality	In Progress

Table 35: Informal Settlements

## Letsemeng Site Allocation

The Letsemeng Local Municipality within the directorate planning and housing development department whose main function is to plan for future housing, collaborated on a call to formulate a mixed development to aid in curbing the social and economic factors which hinders the livelihood every individual within the community and the achievement of the Letsemeng integrated development plan.

### *(a) The remainder of portion 1 of the Rorich's shop 191 and portion 27 of Rochi's shop 191,*

Established that there are  $\pm 1450$  erfs on the remainder of portion 1 of the Rorich's shop 191 and portion 27 of Rochi's shop 191, Dithlake, Koffiefontein, Free State, which belongs to the municipality of Letsemeng comprising of residential, business, crèche and other uses. The erven are currently unoccupied and unallocated in terms of the records of the municipality. Furthermore, the erfs lack basic utilities such as electricity, sanitation and storm water management infrastructure. However, these services are not far from the erfs meaning the connection of the new sites can be interconnected from the existing sites which is  $\pm 50m$ .



### *(b) De Dorpsgronden 577 and the remainder of De Dorpsgronden of Luckhoff 577,*

The Department has established that there are 538 erfs in Relebohile Extension 1, Luckhoff situated on the proposed consolidation of portion 1 of De Dorpsgronden 577 and the remainder of De Dorpsgronden of Luckhoff 577, Free State, which belongs to the municipality of Letsemeng comprising of residential,



business, crèche and other uses. The erven are currently unoccupied and unallocated in terms of the records of the municipality. Furthermore, the erfs lack basic utilities such as electricity, sanitation and storm water management infrastructure. However, these services are not far

from the erfs meaning the connection of the new sites can be interconnected from the existing sites which is  $\pm 50\text{m}$ .

### (c) Oppermansgronde

The Department of the Community Services has established that there are  $\pm 99$  erfs at Oppermansgronde that belongs to the municipality of Letsemeng. The erven are currently unoccupied and unallocated in terms of the records of the municipality.



Furthermore, the erfs lack basic utilities such as electricity, sanitation and storm water management infrastructure. However, such services are not far from the erfs meaning the connection of the new sites can be interconnected from the existing sites which is  $\pm 50\text{m}$ .

Site Establishment for mixed use typology to aid with the housing backlog and enhancing of economic growth.

Letsemeng Development programme Pipeline 2024/2025 Financial Year					
Location	Description	Erven	Business	Residential	Status
Koffiefontein	Mixed use typologies	1473	4	1450	Prime contractors work ceased due to non-performance. As a result, the Department of Human Settlement is in process to attain a new contractor
Luckhoff	Mixed use typologies	526	2	516	Project complete, awaiting allocation.
Oppermansgronde	Residential use	99	1	97	Draft business plan to be submitted to different sector Department for funding.

Table 36: Letsemeng Development programme Pipeline 2024/2025 Financial Year

### Title Deeds

The issue of title deeds has always been a problem in the Letsemeng local municipality, caused by the delay in handover from the deeds office. As a result, the municipality has established an effective technique for dealing with the title deeds. The introduction of the Permission to Occupy certificate has aided in certifying the ownership of the property in the region. Some of the Title deeds were handed over in 2024/2025 financial year

Percentage of households with access to basic housing			
Year end	Total households (including formal and informal settlements)	Households' informal settlements	Percentage of HHs in formal settlements
2024/25	10 941	15,7%	84,8%
T 3.5.2			

Table 37: Households - Access to basic housing

Employees: Housing					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	100%
4 – 6	1	1	1	0	0%
7 – 9	1	1	1	0	0%
10 – 12	0	0	0	0	0%
Total	2	2	0	0	0%
T 3.5.4					

Table 38: Table 42: Employees: Housing Services

### 3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT finance department

Section 97(1)(c) of the Municipal Systems Act requires municipalities to formulate an Indigent Policy that is consistent with Council's rate and tariff policies and meets the requirements of S152 of the Constitution. The policy on indigent support means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt. Adequate provision must be made in the budget for provision of bad debts based on assumptions on collection rates. The municipality has an indigent register for 2024/2025 financial year. The municipality provides indigent households with free 6kl of water per month, free sanitation and refuse removal per month, 50 kwh of electricity per indigent household per month and exemption on Property Rates for properties valued at R75 000.00

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than 6000 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2023/24	10 940	2 439	2 439	22%	2 439	22%	1 537	14%	2 439	22%
2024/25	10 638	2 275	2 275	21%	2 275	21%	1 538	15%	2 275	21%

Table 39: Free Basic Services

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality allocates free basic water to all indigents households only in terms of the national norms and Council approved indigent policy.

The objective of Indigent Support is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council.
- To provide procedures and guidelines for the subsidisation of rates and basic service charges to its indigent households, using the Council's budgetary provisions received from National Government, according to prescribed policy guidelines.
- That Council recognises that many of the residents can simply not afford the cost of full provision and for this reason Council will endeavour to ensure affordability through:
- To set rates and tariffs in terms of the Council's Rates and Tariff Policy, which will balance the economic viability of continued service delivery; and
- To determine appropriate service levels.

### 3.8 ROAD AND TRANSPORT

#### INTRODUCTION TO ROADS

Letsemeng Local Municipality has about 189km of roads or streets in five (5) towns. The table below shows the length of the existing roads per Town. Out of the 58km paved roads, 70% of them are in a poor condition if not very poor. This is because of poor or no maintenance at all. The condition is deteriorating in a fast pace since the existing potholes and cracks are not being attended as soon as they surface.

TOWN	PAVED ROADS (KM'S)	GRAVEL ROADS (KM'S)
Jacobsdal	9.539	22.6
Luckhoff	5.736	18.4
Petrusburg	9.222	45.529
Oppermansgronde	4.306	16.2
Koffiefontein	24.365	24.1
<b>TOTALS</b>	<b>53.168</b>	<b>126.829</b>

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to pave	Gravel roads graded/maintained
2024/25	126.829	0	1.72	0

Table 40: Gravel Road Infrastructure

Paved Road Infrastructure					Kilometres
	Total paved roads	New paved roads	Existing paved roads re-paved	Existing pave roads re-sheeted	Pave roads maintained
2024/25	53.168	1.3	0	0	0

Table 41: Paved Road Infrastructure

Employees: Road Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	1	0	1	100%
13 - 15	0	5	0	5	100%
Total	0	6	0	6	100%

Table 42: Employees: Road Services

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL

LLM does not have any dedicated roads maintenance teams in place, a new organogram clearly indicates that there must be a maintenance team, no additional employees were appointed to address this matter. LLM has little road maintenance equipment available. The upgrading of 1.3km access paved road and storm water project was implemented in the current financial year.

## 3.9 STORMWATER DRAINAGE

### INTRODUCTION TO STORMWATER DRAINAGE

The storm water of LLM is also one of the infrastructure that is neglected. This is due to the unavailability of staff, the above team mentioned in Roads section will also be tasked with maintaining the storm water drainage and unblocking them. Currently most of the storm water V-drains and canals are filled with debris if not blocked, this is a challenge during heavy rains because people housed get flooded where as they are not supposed to.

LLM is faced with a paramount challenge of controlling storm water in the entire municipality, areas like Petrusburg, Jacobsdal and Koffiefontein get flooded by occasional floods which affects the streets in Bolokanang. There is also historical records of floods in these areas, and the matter has been neglected for years. A Storm Water Master plan, O&M manuals and plans have been the highest priority in this case. As LLM is likely a flat area, a full study must be made to control this storm water, all the aforesaid flags require budget which can be able to address them one at a time for a period of 5 years. The storm water of LLM is also one of the infrastructure that is neglected. This is due to the unavailability of staff, the above team mentioned in Roads section will also be tasked with maintaining the storm water drainage and unblocking them. Currently most of the storm water V-drains and canals are filled with debris if not blocked, this is a challenge during heavy rains because people housed get flooded where as they are not supposed to.



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Employees: Road Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	7	7	7	0	0%
13 - 15	3	6	3	3	50%
Total	10	13	10	3	23%

Table 43: Employees: Storm water Services

## COMMENT ON PERFORMANCE OF STORMWATER DRAINAGE OVERALL

LLM currently has developed a Roads and Storm Water Master Plan through assistance from the Department of Cooperative Governance and Traditional Affairs, and DBSA which was approved by the Council of the Municipality. The priorities of Storm water projects are as the list below:

- Petrusburg Bolokanang – the entire Bolokanang require an urgent attention with regards to storm water flooding from the N8 National Road to the Bolokanang area, the road is collecting water from downstream ( Bloemfontein), acting as a barrier, it channels water to the Bolokanang houses and streets.
- Jacobsdal – Occasional floods has been recorded, this Storm water does not have any channelling, internal streets get flooded as and when it rains heavy.
- Koffiefontein – no proper Storm water channels, the elevation of Koffiefontein is close to a flat surface, some of the houses in Khayelitsha get flooded as and when it heavily rains.

## 3.10 PLANNING AND DEVELOPMENT

### Spatial Planning and land Use Management

Spatial planning is crucial for delivering economic, social, and environmental advantages because it fosters stable investment and development conditions, ensures community



benefits, and promotes responsible land and natural resource use. Effective spatial design fosters long-term growth and improves quality of life. Letsemeng Local Municipality's Land Use and Built Environment functions have two basic goals: correcting previous spatial imbalances to reduce long-term dangers connected with spatial development patterns and encouraging rational and predictable land development. However, the Letsemeng Municipal area faces significant spatial and ecological expansion constraints that, if surpassed, will jeopardize its survival and success. Letsemeng aims to pursue cautious expansion by finding a balance between its people, their needs, and the environment.

Since the implementation of the Special Planning and Land Use Management Act of 2013 ("SPLUMA"), the municipality has completely implemented the act's provisions through the directorate of planning and human settlements, spatial planning and land use management division. To date, the Municipality has revised and replaced the Spatial Development Framework model with the Letsemeng Spatial Development Framework 2017, the Land Use Scheme Regulation 2022, and the Municipal Land Use Planning By-Laws which governs the spatial planning and development of the municipality.

Upgrading informal settlements is always a step-by-step process with the goal of giving everyone access to decent housing. As a result, the municipality oversees upgrading informal settlements with assistance from the Free State Human Settlement (FSHS) through the Informal Settlement Upgrade Partnership Grant (ISUPG). The Letsemeng municipality has started an informal settlements improvement program to address informal settlements. The following informal settlements have been recognised and evaluated by the municipality:

### **1. Phambili Informal Settlement**

Phambili is an established informal settlement in Jacobsdal that has existed for more than 20 years. The establishment is situated on Farm Riet River 387, which belongs to the National Department of Public Works. The department is in the process of transferring the land to the Letsemeng Local Municipality. However, the department has granted the Housing Development Agency (HDA) power of attorney, allowing the HDA and the municipality to pursue only human settlements related development. The goal of this project is to address the municipal housing needs and improve informal settlements in the region, thereby achieving the Sustainable Development Goal (SGD) of providing all people with adequate, safe, and affordable housing and upgrading slums. The Gap Infrastructure Corporation (GIC) was appointed by the province as the developer and that their service entails township establishment, design installations and infrastructure and the town planning processes will take approximately 18 to 24 months to be conclude which will have to go through the six

phases. The GIC, on behalf of the Department of Human Settlements Free State Province appointed Urban Innovation Town and Regional Planners to prepare a business plan for a mixed-use residential development on portion 236 of the Riet River Settlement East Holding No 387, Letsemeng Local Municipality. The area needs to be formalized before the residents can be relocated so that the municipal services can be made available to the community such as supply of portable water, electricity and waste drainage connections.

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Details	Township Establishment	Rezoning	Subdivision	Consolidation	Extension of Validity Period
Planning Application Received	1	1	1	2	1
Application approved	0	0	0	0	1
Application withdrawn	0	0	1	0	0
Application outstanding at year end	1	1	0	0	0

### 3.10 LOCAL ECONOMIC DEVELOPMENT

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The growth of our local economy remains key priority to unlocking the employment opportunities for our people, thereby fighting head-on the socio-economic challenges facing our communities. The municipality is duty bound to create an environment that promotes the development of the local economy and create jobs.

In this regard, the municipality continue to strive to maximise our natural resources with the aim of attracting investors to unlock employment opportunities for our community and thereby helping to tackle the socio-economic challenges faced by our communities.

The municipality remain positive and hopeful that due to our stable political environment and our rich natural resources we will attract positive investment which will benefit our community in the long term.

The development of local SMME's also remains our responsibility to ensure that they are developed and assisted to grow into self-sustainable businesses that will continue to invest and contribute to the local economic growth.

Expanded Public Works Programme and Community Works Programme have contributed positively to keeping our towns clean and created jobs.

#### COMMENT ON LOCAL JOB OPPORTUNITIES:

Creation of long-term sustainable jobs remains a key challenge, majority of jobs created are short term and only in the main alleviate key challenges such as unemployment for a short

period. There is a much broader need to identify and source funding for bigger projects with the aim of creating long term sustainable employment opportunities for our people.

Most of our youth are unemployed due to shortage of skills to qualify for some of the identified opportunities that end up being sourced elsewhere. To curb this, the municipality has partnered with the key local stakeholders such as Motheo and Petra Mine to ensure that some of the youths are given opportunities to be skilled to access better employment opportunities as they become available.

Employees: Local Economic Development Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	1	1	1	0	0%
Total	1	1	1	0	0%

Table 44: Employees: LED Services

#### COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The ever-increasing poverty and unemployment rate in all our 5 towns remains a huge impediment to the growth of the local economy. The municipality is still seized with the difficult task of making the environment to be conducive for local development that will result in job creation and poverty eradication.

Petra Diamonds Mine ceased operations in Koffiefontein at the end of March 2023 and this resulted in an increased unemployment figure. This closure also affected other businesses in the area which relied on the buying power of those employed by Petra and or its contractors.

Stargem has since taken over the operations at the mine albeit only operating at the surface level on the dumps. It is envisaged as and when they increase their production levels more job opportunities.

The municipality will continue to seek assistance for the small-scale artisanal miners that have expressed interest in processing the old mine dumps that were handed over to the community. The Department of Small Business Development has already been to the site to assess and have advised the artisanal miners on the way forward with their funding application. On the 20<sup>th</sup> of February 2025, a workshop was held with the small-scale artisanal miners, which was

attended by the Department of Minerals and Petroleum Resources that focused on the key legislative and compliance requirements which they will need to meet to work on the old mine dumps.

On the 10<sup>th</sup> of March 2025 we launched the SMME Hub in Koffiefontein which will be used as a one stop shop where SMMEs will be able to access printing, copying, internet and other services. The hub was one of the last projects to be handed over by Petra Diamonds. It is during this event that just over 30 local entrepreneurs were assisted with equipment that they will use to grow their businesses

The municipality went full scale on compliance with the business licence policy implementation wherein the application process was opened in August 2024. In this period received applications from the trading businesses across all our towns. The low number of applications received from South African in general remains a huge concern as there is a need for the municipality to ensure that we increased the participation of our locals in some of the key sectors that are predominant in our towns.

Lack of internal funds can assist our local entrepreneurs remains a huge challenge as this impedes the ability of the municipality can become effective in ensuring our SMMEs can create

Some of the projects that were pursued and will be undertaken in the coming year

Sector	Description	Town
Agriculture	1. Acquisition of the Jacobsdal Winery for possible revival and to explore the development of alternative job creation projects on the property	Jacobsdal
	2. Acquisition of Kleingrasykop Farm from the Department of Rural Development for possible job creation project	Luckhoff
	3. Avail municipal land for high impact developmental job creation projects	All Towns
	4. Support for food security projects that can be used to create jobs through community gardens, the municipality will support the existing community gardens or develop ones where there is none	
	5. Support and Development of Agro Processing initiatives	

	6. Complete Value Chain Piggery Export Project 7. Exploration of possible cannabis projects 8. Xhariep Export Programme – several Public Private Partnership Projects 9. Agricultural Value Chain and Agro Processing	
Energy	1. Make land available for alternative energy sources projects. 2. Letsemeng Community Solar Projects 3. Green Hydrogen production and ammonia project	All Towns
Informal Economy	1. Develop and build dedicated spaces in our CBDs for informal sector entrepreneurs and hawkers	All Towns
Manufacturing	1. Brickmaking and Crusher Plant	Koffiefontein
Mining	1. Support for artisanal and Small-Scale mining initiatives in our area.	All Towns
Smme Development Initiatives	1. Annual SMME Compliance Workshops	All Towns
	2. Annual Technical Skills Workshops (Plumbing, Artisans, etc)	All Towns
	3. Letsemeng Pop Up Markets – To assist our local entrepreneurs to market and sell their products/services	All Towns
	4. Assist with availing business sites for youth to open small businesses such as Salons, Car Wash, Internet Café, Tyre Repair, Dry Clean Services	All Towns
	5. Avail business sites in all our areas for local businesspeople that will create jobs	All Towns
	6. Establishment of a SMME Container Hub	Koffiefontein
	7. Assisting our local SMMEs with Equipment and Tools to grow their businesses	All Towns
	8. Increase the number of local businesses that benefit from the municipal procurement	All Towns

Tourism	<ol style="list-style-type: none"> <li>1. Development of Emmaus, to be recognized officially as the center of South Africa to encourage Tourism activities around the area.</li> <li>2. Support of local tourism events that are aimed at increasing economic activities in our area.</li> <li>3. Upgrading and development of Heritage Sites and Historical Monuments in our towns to be used as tourism attractions</li> </ol>	Petrusburg  All Towns
Waste Management	<ol style="list-style-type: none"> <li>1. Assist to form cooperatives that will be involved in recycling as a means of generating income while enhancing the cleanliness of the environment</li> <li>2. Development and Support of recycling initiatives that are aimed at creating new products from waste material.</li> <li>3.</li> </ol>	All Towns

Table 45: LED Projects

### 3.11 COMMUNITY & SOCIAL SERVICES

This component includes community halls, parks and cemeteries

### 3.12 PARKS AND CEMETERIES

#### INTRODUCTION TO PARKS AND CEMETERIES

##### OVERVIEW

It is the responsibility of the Community services division to provide a healthy and a conducive environment to the public, to upgrade the current developed parks and to develop new parks for informal recreation. It is of paramount importance to maintain cemeteries and to provide graves for funerals.

##### CORE AREAS OF RESPONSIBILITY

- Public Parks and open spaces
- Cemeteries



## **LOCAL JOB OPPORTUNITIES**

The municipality is making use of EPWP and CWP employees for the cleaning of the cemeteries.

### **3.13 SPECIAL PROGRAMMES**

#### **INTRODUCTION TO SPECIAL PROGRAMMES**

Special programmes are in the Office of the Mayor and include the youth, women, disabled, aged, children and HIV/AIDS. Most of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

#### **COMMENT ON THE PERFORMANCE OF SPECIAL PROGRAMMES OVERALL**

Most of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

### **3.14 ENVIRONMENTAL PROTECTION**

#### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

#### **SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION**

Environmental master plan to be designed with the assistance of the Department of Economic, Small Business Development, Tourism and Environmental Affairs.

### **3.15 OTHER (DISASTER MANAGEMENT & OTHER)**

#### **INTRODUCTION TO DISASTER MANAGEMENT**

As per Section 53 (1) of the Disaster Management Act, 57 of 2005 each municipality must:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area.

- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and
- regularly review and update its plan; and through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

Letsemeng Municipality has mostly partnered with the Xhariep District Municipality to develop a disaster management plan for its area of jurisdiction since. Disaster management function is not functional due lack of equipment. LLM has developed a Disaster Management Plan locally and it was approved by Council for the year under review.

### **3.21 SPORT AND RECREATION**

#### **INTRODUCTION TO SPORT AND RECREATION**

The Municipality's core function is to maintain all sport and recreation facilities within its jurisdiction. The municipality also supports sports programmes such as the O.R Tambo regional games by assisting with transport through the office of Mayor.

### 3.22 ANNUAL PERFORMANCE REPORT 2024/2025 FINANCIAL YEAR

#### ACTUAL PERFORMANCE AGAINST THE PREDETERMINED OBJECTIVES AND TARGETS

##### MUNICIPAL MANAGER'S OFFICE

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL1	Public participation and good governance	To promote and instil good governance practices within the municipality	Conduct monthly departmental meetings	Number of monthly departmental meetings between MM and Directors	Attendance registers and signed minutes with action list	New KPI	11	5	Not achieved	None provided	None provided	Insufficient information submitted throughout the quarter  (One (1) meeting was conducted in the 2 <sup>nd</sup> quarter, three (3) in the 3 <sup>rd</sup> quarter and another one (1) in the last quarter
TL2	Public participation and good governance	To promote and instil good governance practices within the municipality	Conduct monthly departmental meetings	Number of monthly departmental meetings	Attendance registers and signed minutes with action list	New KPI	11	0	Not achieved	None provided	None provided	The MMs office has not conduct departmental meetings for the financial year under review
TL3	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities	Conduct monthly departmental meetings	Number of monthly departmental meetings between Mayor,	Attendance registers and signed minutes with action list	4	11	0	Not achieved	None provided	None provided	Monthly departmental meetings minutes and attendance registers between

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
		of delivery of quality services, quality management and administrative practices		MM and Directors								Mayor, MM and Directors were not submitted for the period under review
TL4	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Approve and submit Performance management policies (To cover performance agreements and evaluation) to council by 30 December 2024	100% of Approved and submit Performance management policies (To cover performance agreements and evaluation) to council by 30 December 2024	Notice of council sitting, attendance register and council resolution	1	100%	0%	Not achieved	PMS post was vacant at the time	Prioritise the adoption of the draft policy	Work not done for period of review.  PMS office needs to ensure that the PMS policy gets adopted in the new financial year
TL5	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Sign and Conclude Performance Agreement for Municipal Manager, Director Corporate services, Community services, technical services and Chief financial officer	% of performance agreement signed and conducted	Signed performance agreement	New KPI	100%	0%	Not achieved	Vacant Sec 56 manager post	Draft Performance Agreements for current acting incumbents	Performance agreements not concluded for the period under review.
TL6	Municipal transformation	To enhance responsiveness	Conduct quarterly	% of quarterly	Signed quarterly	New KPI	100%	0%	Not achieved	Performance is yet to be cascaded	Prioritise the Cascading	Performance evaluation not

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	on and Organisational Development	ess to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Performance Evaluation for Director Corporate Services, Community Services, Director Technical Services and CFO	performance evaluation for all departmental staff	performance evaluation					down to lower level other than S56 managers	as per new staff regulation recommendation	performed for the period under review.
TL7	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Sign and Conclude Performance agreements of all departmental staff	% of performance agreement signed and concluded	Signed performance agreements	New KPI	100%	0%	Not achieved	Performance is yet to be cascaded down to lower level other than S56 managers	Prioritise the Cascading as per new staff regulation recommendation	Performance agreements not concluded for all departmental staff. Performance management not cascaded to lower level yet.
TL8	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Conduct mid-year Performance Evaluation for all departmental Staff	% of quarterly performance evaluation for all departmental staff	Signed quarterly performance evaluation	New KPI	100%	0%	Not achieved	Performance is yet to be cascaded down to lower level other than S56 managers	Prioritise the Cascading as per new staff regulation recommendation	No information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL9	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Prepare monthly performance reports and submitted to Mayor and EXCO	% of monthly performance reports and submitted to Municipal Manager	Copy of signed performance report and acknowledgment by Mayor	New KPI	100%	0%	Not achieved	The department only prepares performance reports on a quarterly basis	Omit the Indicator all together	The PMS Unit submits quarterly reports to council through the office of the MM
TL10	Municipal transformation and Organisational Development	To promote and instil good governance practices within the municipality	Municipal Audit assignments conducted by 30 June 2025	Number of Municipal Audit assignments conducted by 30 June 2025	Signed Internal Audit reports	12	12	9	Not achieved	None provided	None provided	Nine (9) out of the planned 12 assignments were achieved for the cycle under review
TL11	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Municipal Audit Committee meetings to be held by 30 June 2025	Number of Municipal Audit Committee meetings to be held by 30 June 2025	Attendance registers and minutes with action list	4	4	2	Not achieved	Due to late appointment of committee members	Improved after the appointment of committee members	Two APC meetings were held in the fourth quarter due to late appointments of the members.
TL12	Municipal transformation and Organisation	To enhance responsiveness to citizens	Municipal Audit Strategic Documents	Number of Approved Municipal Audit	Approved Risk-Based Audit Plan (RBAP) and	4	4	0	4 Not achieved	Due to late appointment of committee members	Improved after the appointment	IA strategic documents were not approved as

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	al Development	priorities and capabilities of delivery of quality services, quality management and administrative practices	approved for the 2024/25 financial year	Strategic Documents for the 2024/25 financial year	approved Internal Audit Charter						of committee members	the APC committee was not constituted for the 2024/25 financial year. (appointments were finalised later in the year (end of March 2025))
TL13	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Develop and approve Three-year strategic rolling and Internal Audit Plans	Number of Three-year strategic rolling and Internal Audit Plans developed and approved	Three-year strategic rolling and Internal Audit plan	1	1	0	Not achieved	None provided	None provided	Three-year strategic rolling and Internal Audit plan were submitted without the approval of the committee. ((appointments were finalised later in the year (end of March 2025))
TL14	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Submit Internal Audit Performance reports	Number of Internal Audit Performance reports submitted to Audit and Performance Committee	Notice, Audit Committee minutes with action list and Internal Audit reports	4	4	1	Not achieved	Due to late appointment of committee members	Improved after the appointment of committee members	APC was constituted later in the 2024/25 financial year.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL15	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Monitor the implementation of AGSA audit action plan and report quarterly	Monitor the implementation of AGSA audit action plan and report quarterly	Updated Audit Action Plan	2	4	0	Not achieved	The document is not in IA control; therefore it is difficult for the Internal Audit unit to do monitoring as per indicator requires	Put Management internal controls in place	Work not done for the financial year under review
TL16	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Risk management Committee held by 30 June 2024	Number of Risk management Committee held by 30 June 2024	Notice, Attendance register, minutes of the meeting with action list	4	4	0	Not achieved	Risk officer post vacant	Prioritise the appointment of the Risk officer	No risk related tasks performed throughout the entire period under review
TL17	Municipal transformation and Organisational	To enhance responsiveness to citizens priorities	Risk management quarterly reports submitted to	Number of Risk management quarterly	Risk management Committee Report and acknowledg	4	4	0	Not achieved	Risk officer post vacant	Prioritise the appointment of the Risk officer	No risk related tasks performed throughout the



Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	Development	and capabilities of delivery of quality services, quality management and administrative practices	the Audit Committee by Senior Management quarterly	reports submitted to the Audit Committee by Senior Management quarterly	ement of receipt by MM							entire period under review
TL18	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Awareness workshops conducted on risk management and Anti-fraud and Anti-corruption for both Councillors and staff bi-annually	Number of Awareness workshops conducted on risk management and Anti-fraud and Anti-corruption for both Councillors and staff bi-annually	Attendance registers and Distribution list for fraud awareness pamphlets	4	4	0	Not achieved	Risk officer post vacant	Prioritise the appointment of the Risk officer	No risk related tasks performed throughout the entire period under review
TL19	Municipal transformation and Organisational Development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality services, quality management and administrative practices	Reviewed risk management policies by 30 June 2025: Risk management policy Anti-fraud and anticorruption policy	Number of reviewed risk management policies by 30 June 2025: Risk management policy Anti-fraud and anticorruption policy	Reviewed policies and council resolution	2	2	0	Not achieved	Risk officer post vacant	Prioritise the appointment of the Risk officer	No risk related tasks performed throughout the entire period under review

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL20	Infrastructure Development and Service Delivery	To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures	Submit MIG performance and expenditure reports to CoGTA, National and Provincial Treasury	Number of MIG expenditure reports submitted to CoGTA	MIG performance progress and expenditure report, Proof of submission to COGTA, National and Provincial Treasury	New KPI	12	12	12 achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL21	Infrastructure Development and Service Delivery	To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures	Submit EPWP performance and expenditure reports to CoGTA, National and Provincial Treasury	Number of EPWP expenditure reports submitted to CoGTA	EPWP performance progress and expenditure report, Proof of submission to COGTA, National and Provincial Treasury	New KPI	12	12	12 achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL22	Infrastructure Development and Service Delivery	To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures	Submit WSIG performance and expenditure reports to DWS, CoGTA, National and Provincial Treasury	Number of WSIG performance and expenditure reports submitted to DWS, CoGTA, National and Provincial Treasury	WSIG performance progress and expenditure report, Proof of submission to DWS, COGTA, National and Provincial Treasury	New KPI	12	12	12 achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL23	Infrastructure	To promote and improve	Submit INEP performance	Number of INEP	INEP performance	New KPI	12	0	12 Not achieved	None provided	None provided	Work not done for the

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	Development and Service Delivery	effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures	and expenditure reports to DOE	performance and expenditure reports submitted to DOE	progress and expenditure reports Proof of submission to DOE							financial year under review
TL24	Infrastructure Development and Service Delivery	Promote effective and efficient sport and recreation development and to ensure accessible road infrastructure and increased life plan through proper construction and maintenance of roads and storm water drainages	Budget spend on MIG grants	% of budget spend on MIG grants	Technical reports per project, Designs per project, Advert per project, Appointment letter per project, SLA, Performance and expenditure progress per project Close-out report per upon completion Completion Certificate per project upon completion	New KPI	100%	79%	Not achieved	None provided	None provided	Target not met for the financial year under review.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL25	Infrastructure Development and Service Delivery	To ensure access to safe and sustainable sanitation service to households/ public facilities and to ensure access to clean, quality and sustainable water services to households, public facilities and businesses	Budget spent on WSIG grant	% of budget spend on WSIG grants	<ul style="list-style-type: none"> <li>- Technical reports per project</li> <li>- Designs per project</li> <li>- Advertise per project</li> <li>- Appointment letter per project</li> <li>- SLA</li> <li>- Performance and expenditure progress per project</li> <li>- Close-out report per upon completion</li> <li>- Completion</li> </ul>	New KPI	100%	59%	Not achieved	None provided	None provided	Target not met for the financial year under review

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
					Certificate per project upon completion							
TL26	Infrastructure Development and Service Delivery	To ensure provision of sustainable electricity service to all household, public facilities and businesses	Budget spent on INEP grant	% of budget spend on INEP grants	<ul style="list-style-type: none"> <li>- Technical reports per project</li> <li>- Designs per project</li> <li>- Advert per project</li> <li>- Appointment letter per project</li> <li>- SLA</li> <li>- Performance and expenditure progress per project</li> <li>- Close-out</li> </ul>	New KPI	100%	0%	Not achieved	None provide	None provided	No expenditure for the entire financial year as the Municipality did not receive the grant as planned.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
					report per upon completion - Completion Certificate per project upon completion							
TL27	Infrastructure Development and Service Delivery	To ensure provision of sustainable electricity service to all household, public facilities and businesses	Budget spent on EEDMS	% of budget spend on EEDMS grant	Technical reports per project, Appointment letter, SLA, Performance and expenditure progress, Close-out report upon completion, Completion Certificate upon completion	New KPI	100%	0%	Not achieved	Funding was discontinued due to instability in the institution	Appoint Senior managers in the municipality	No expenditure for the entire financial year as the Municipality did not receive the grant as planned.
TL28	Local Economic Development	Create an environment that promotes the	Employ local based unskilled labour in all capital	% of unskilled labour appointments is local	Signed report for unskilled labours per	New KPI	100%	100%	Achieved	N/A	N/A	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
		development of the local economy and facilitate job creation	projects of the municipality during 2024/25 financial year	based during the 2024/25 financial year	Capital projects							
TL29	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by AGSA	% of Issues raised and proposed corrective measures by AGSA attended to	Signed updated Audit action recovery Plan report	New KPI	90%	0%	Not achieved	None provided	None provided	Action plan was formulated but issues not attended to for the financial year under review.
TL30	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by Internal Audit	% of Issues raised and proposed corrective measures by Internal Audit attended to	Signed Audit recovery Plan report	New KPI	90%	0%	Not achieved	None provided	None provided	No Audits were planned under the office of the MM; hence no action plan was prepared.
TL31	Municipal financial	To enhance the revenue	Develop departmenta	Number of developed	Signed procurement	New KPI	4	2	Achieved	The KPI's target was incorrectly stated to	Correct the accuracy	The said indicator is an

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	viability and Management	base of the municipality, improve audit outcome, promote sound financial governance and management	procurement plans per quarter and submit to the Municipal Manager for approval	departmental procurement plan per quarter and submit to the Municipal Manager for approval	plan and acknowledgment by the Municipal Manager					be in each quarter and it's reportable once in the financial year during the first quarter	during the planning of the SDBIP	annual task and not performed on a quarterly basis  (However, the target was met in the first quarter)
TL32	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit a progress on all Municipal departments overtime to EXCO on or before the 20 <sup>th</sup> of each month	Number of progress reports on the management of all Municipal departments overtime to EXCO on or before the 20 <sup>th</sup> of each month	Signed report on the management of all Municipal Departments overtime	New KPI	12	0	Not achieved	The indicator is not reportable under MM office but rather by Corporate Department	Remove indicator from MM office	No information submitted
TL33	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Perform assets verification for the departments on a quarterly basis per town and submitted to CFO	% of assets verification for the department on a quarterly basis per town conducted and submitted to CFO	Signed Assets Register and acknowledgment by Finance Department	New KPI	4	4	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.



Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL34	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare and submit to Finance the Directorates adjustment budget for the 2024/25 financial year by January 2025	Number of departmental adjustments budgets submitted to finance department by January 2025	Acknowledgment by the Finance Department	New KPI	1	1	Achieved	N/A	N/A	Information submitted
TL35	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit the 2024/25 Financial year's Adjustment budget to Council by February 2025	Number of 2024/15 adjustment budget submitted to council by February 2025	Notice of Council Sitting, Attendance register, Municipal Adjustment budget and Council resolution	1	1	1	Achieved	N/A	N/A	Information submitted
TL36	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare and submit 2025/26 to finance the directorates budget for 2025/26 by end April 2025	% directorates budget prepared and submitted to finance department by end April 2025	Acknowledgment by the finance department	New KPI	100%	100%	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL37	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare and submit 2025/26 municipal budget to council by May 2025	% Municipal budget prepared and submitted to council by May 2025	Notice of council sitting Attendance register Municipal budget Council resolution	1	1	(1)100%	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.  (However, the unit of measure is different from the actual annual target)
TL38	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Develop and submit progress on the funding plan to the Council for adoption	% of Progress reports on the approved funding plan submitted to council	Notice of council sitting Attendance register Municipal budget Council resolution	New KPI	2	(0)0%	Not achieved	None provided	None provided	Work was not done for the financial year under review  (However, the unit of measure is different from the actual annual target)
TL39	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Spend financial management grant as per DoRA conditions	% Spend financial management grant as per DoRA conditions	Advert, long list, interview report, Appointment letters of interns and signed monthly report on the expenditure percentage of the FMG grant	New KPI	100%	100%	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL40	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Budget spend on EPWP grant	% of budget spend on EPWP grant	Project plan, Advert, long list, Interview report, Appointment letters and monthly performance reports	New KPI	100%	100%	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL41	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Compile the Municipal Supplementary Valuation Roll for 2024/25 financial year	Number of municipal supplementary valuation rolls compiled	Certified Municipal Supplementary Valuation Roll	New KPI	1	1	Achieved	N/A	N/A	Information submitted
TL42	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Develop the annual calendar (council, EXCO, Section 80 committee, and MPAC) and submit to council for adoption	Number of developed annual calendars for council and committee meetings	Notice of council sitting and attendance register council resolution	New KPI	1	0	Not achieved	None provided	None provided	Work was not done for the financial year under review
TL43	Good governance	To promote and improve	Ensure that Ordinary	Number of Ordinary	Notice of Council	4	4	1	Not achieved	None provided	None provided	One (1) out four (4)

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
	and public participation	effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	councils' sittings are convened as per year plan	Council sitting as per year plan	sitting and attendance register Council resolution							ordinary council sitting is supported by evidence submitted for review.
TL44	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Implement Council resolution within the prescribed timeframe	% of Council resolution implemented within the prescribed timeframe	Council minutes, Council execution register with progress	New KPI	100%	0%	Not achieved	None provided	None provided	Resolution taken by Council were not implemented by the administration office.
TL45	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and	Develop service delivery and budget implementation plan and submit for approval by the mayor and submitted to COGTA,	Number of Service delivery and budget implementation plan developed and submitted for approval	Approved service Delivery and Budget implementation plan and acknowledgment by the Mayor, COGTA, National and	1	1	0	Not achieved	The indicator target was omitted during the plenary phase of the SDBIP 2024/25 FY	Improve planning in the new financial year	According to the SDBIP the target was not reportable for the entire year.  However, the PMS unit did submit to the office the Mayor and

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
		responsive governance structures	National and provincial treasury by end July 2024	by the mayor and submitted to COGTA, National and provincial treasury by end July 2024	provincial treasury							Treasury through BTO
TL46	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Service delivery and budget implementation plans 2024/25 financial year published on the website, notice boards within 14 days after approval of the Mayor by August 2024	Number of SDBIP 2023/24 financial year published on the website, notice boards within 14 days after approval of the Mayor by August 2024	Screen dump of publication on the website and municipal notice boards	1	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL47	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Table annual report of 2023/2024 for adoption by council	Number of annual reports tabled to Council	Notice of Council Sitting, Attendance register and Council resolution	1	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL48	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Convene Oversight Committee to Consider the Draft Annual Report 2023/24 financial year	Number of Oversight committee convened to consider the draft annual report	Attendance registers and minutes with action list	1	1	0	Not achieved	MPAC has not convened for oversight over the annual report 2023/24 financial year	Establish and equipped a functional MPAC committee as soon as possible	MPAC did not convene for the entire financial year under review.
TL49	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Publish the Draft Annual Report for 21 days on the municipal website	Number on publication s for the annual reports on the website	Signed publications of the Annual report	1	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL50	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Ensure that the integrated development plan is tabled to council after consultation with the relevant stakeholders	Number of reviewed integrated development plan tabled to council	Notice of council sittings, attendance register and council resolution	1	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual Results	Actual performance	Reason for non-achievement	Corrective measures	PMS Comment
TL51	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Attend public consultation on the preparation of the 2025/26 annual budget and IDP	Number of public consultations on the preparation of the 2025/26 annual budget and IDP attended	Notice and attendance register	New KPI	4	1	Achieved	N/A	N/A	Target achieved  Quarterly targets not aligned to annual target and the process is conducted once a year across Letsemeng jurisdictions.
TL52	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures	Convene meetings with unions	Number of meetings held with unions	Notice, attendance register and minutes with action list	1	4	0	Not achieved	None provided	None provided	Work not done for the period under review.

## CORPORATE SERVICES

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 3	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Conduct monthly departmental meetings	Number of monthly departmental meetings	Attendance registers and signed minutes with action list	New KPI	11	4	Not achieved	None provided	None provided	One (1) departmental meeting conducted in the 1 <sup>st</sup> quarter and another three (3) during the third quarter
TL 4	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Sign and conclude performance agreement of all departmental staff	% of performance agreement signed and concluded	Signed performance agreement	New KPI	100%	0%	Not achieved	The municipality only make provision to S56 managers for performance assessments	Cascade down performance	Performance agreements not concluded for all departmental staff. Performance management not cascaded to lower level yet.
TL 5	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management	Conduct mid-year performance evaluation for all departmental staff by end of June 2025	Number of mid-year performance evaluation for all departmental staff by end of June 2025	Signed mid-year performance evaluations	New KPI	100%	0%	Not achieved	The municipality only make provision to S56 managers for performance evaluation	Cascade down performance	Performance management is yet to be cascaded down to lower level.  (Unit of measure is not



Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
			and administrative practices									aligned to annual target in the SDBIP)	
TL56	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Prepare quarterly performance reports and submit to Municipal Manager	% of monthly performance reports and submitted to Municipal Manager	Acknowledgment by Municipal Manager and copy of a signed performance report by the Municipal Manager	New KPI	100%	0%	Not achieved	KPI is not clear	Rectify indicator description	Work not done for period under review.  KPI not aligned to the unit of measure.	
TL57	Infrastructure development and service delivery	Access and affordability of municipal information and communication infrastructure	Install licensed anti-virus to active municipal computer and any IT infrastructure by December 2024	% of licensed anti-virus installed to active municipal computer and any IT infrastructure by December 2024	Installation proof	New KPI	100%	100%	Achieved	N/A	N/A	Attached is a screen dump that indicates that installation of licenced anti-virus was performed and the licence expires only in February 2027	
TL58	Local Economic Development	Create an environment that promotes the development of the local economy and facilitate job creation	Employ local based unskilled labour in all capital projects of the municipality during 2024/25 financial year	% of unskilled labour appointments is local based during the 2024/25 financial year	Signed report for unskilled labours per capital projects	New KPI	100%	100%	Achieved	N/A	N/A	Attached evidence to substantiate the achievement	

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TL 9	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by AGSA	% of Issues raised and proposed corrective measures by AGSA attended to	Signed updated Audit action recovery plan report	New KPI	90%	0%	Not achieved	Audit action plan was drafted and developed but never implemented	Attend to corrective measures proposed by AGSA during the new financial year	Action plan was formulated but issues not attended to for the financial year under review.		
TL 10	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by Internal Audit	% of Issues raised and proposed corrective measures by Internal Audit attended to	Signed Audit recovery plan report	New KPI	90%	0%	Not achieved	Audit action plan was drafted and developed but never implemented	Attend to corrective measures proposed by AGSA during the new financial year	Issues were raised but not yet attended to (Follow-up audits performed under the unit)		
TL 11	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Develop departmental procurement plans per quarter and submit to the Municipal Manager for approval	Number of developed departmental procurement plan per quarter and submit to the Municipal Manager for approval	Signed procurement plan and acknowledgment by the municipal manager	New KPI	4	1	Achieved	N/A	N/A	The said indicator is an annual task and not performed on a quarterly basis  (However, the target was met in the first quarter)		

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL2	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit a progress on management of departmental overtime on a monthly basis	Number of progress reports on the management of departmental overtime on a monthly basis	Signed report on the management of departmental overtime on a monthly basis	New KPI	11	0	Not achieved	Reason for non-achievement is because the departmental staff does not work overtimes,	None provided	Work not done for the financial year under review
TL3	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Perform assets verification for the departments on a quarterly basis per town and submitted to CFO	% of assets verification for the department on a quarterly basis per town conducted and submitted to CFO	Signed asset register and acknowledgment by finance department	New KPI	4	4	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL4	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote	Prepare directorate's adjustment budget for 2024/25 financial year based on the	Number of departmental adjustment budget submitted to finance department	Department adjustment budget and acknowledgment by the finance department	New KPI	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
			sound financial governance and management	approved midyear budget and performance assessment								submitted to substantiate the achievement.		
TL55	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare directorates budget for 2025//26	Number Departmental budget submitted to finance department	Department al budget and acknowledg ement by finance department	New KPI	1	1	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.		
TL56	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Spending of the training budget on the implementation of the approved work skills plan and other identified trainings	% of training budget spend by 30 June 2024	Signed financial systems print out for the sub-vote	New KPI	100%	0%	Not achieved	None provided	None provided	Attached sub vote not signed and does not define month to month to enable expenditure calculation on budget spend		
TL57	Municipal financial viability and Management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance	Compile monthly leave report	Number of monthly leave reports compiled	Signed monthly leave reports	New KPI	11	6	Not achieved	None provided	None provided	Target not met for the financial year under review. The unit did not comply with reporting as outlined.		

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		and management											
TL8	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Develop the annual calendar (Council, EXCO, APR Committee and PMAC) and submit to Municipal Manager	Number of developed annual calendars for council and committees' meetings	Council resolution approving the annual calendar of council meetings and committees	New KPI	1	0	Not achieved	None provided	None provided	Work not done for the financial year under review.	
TL9	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Ensure that Council resolutions are implemented within the prescribed timeframe	% of council resolution implemented within the prescribed timeframe	Signed progress reports on the implementation of the council resolution	New KPI	100%	0%	Not achieved	None provided	None provided	Target not met for the financial year under review	
TL10	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial	Attend public consultation on the preparation of the 2025/26 annual budget and IDP	Number of public consultations on the preparations of the 2025/26 annual Budget and IDP attended	Notice and attendance register	New KPI	4	1	Achieved	N/A	N/A	Target achieved  Quarterly targets not aligned to annual target and the process is	

Re															
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment			
			governance and management									conducted once a year across Letsemeng jurisdictions.			
TL	1	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare the report on the implementation of the risk management action plan	Number of reports prepared on the implementation of the risk management action plan	Signed reports and acknowledgment by the Municipal Manager	New KPI	4	0	Not achieved	Risk Officer post still vacant to date	Fill vacant Risk officer post	Work not done for the financial year under review.		
TL	2	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Ensure that Ordinary Councils' sittings are convened as per year plan	Number of Ordinary Council sitting as per year plan	Attendance registers and council minutes with action list	4	4	1	Not achieved	None provided	None provided	One (1) out four (4) ordinary council sitting is supported by evidence submitted for review.		

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 3	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Progress report on the Municipal Council resolutions submitted to Council by 30 June 2025	Number of Progress report on the Municipal Council resolutions submitted to Council by 30 June 2025	Execution registers and council resolution	4	4	0	Not achieved	None provided	None provided	Resolution register attached but not implemented as resolved by council.
TL 4	Good Governance and Public Participation	To promote and improve	EXCO meetings held quarterly	EXCO meetings held quarterly	Attendance registers and committee minutes and action list	12	12	1	Not achieved	None provided	None provided	Insufficient information submitted minutes attached in the absence of the attendance register
TL 5	Good Governance and Public Participation	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Progress report on the EXCO meetings resolutions submitted to Council by 30 June 2025	Progress report on the EXCO meetings resolutions submitted to Council by 30 June 2025	Execution registers and EXCO resolutions with action list	12	12	0	Not achieved	None provided	None provided	Insufficient information submitted minutes attached in the absence of the execution register

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 6	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Council portfolio committee meetings on a monthly basis	Council portfolio committee meetings on a monthly basis	Notice of the meeting, attendance register and committee minutes and action list	4	12	0	Not achieved	None provided	None provided	No work reported for the financial year under review.
TL 7	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Ward Committee meetings on a quarterly basis	Ward Committee meetings on a quarterly basis	Notice of the meeting, attendance register and committee minutes and action list	4	4	0	Not achieved	None provided	None provided	No work reported for the financial year under review.
TL 8	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit consolidated Ward Committee reports to the Speaker on a quarterly basis	Number of consolidated Ward Committee reports to the Speaker on a quarterly basis	Notice of the meeting, attendance register, and committee minutes and action list and acknowledgment by the speaker	4	4	0	Not achieved	None provided	None provided	No work reported for the financial year under review.
TL 9	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit	Community meeting convened by Councillors to	Number of community meeting convened by Councillors to	Notice of meetings attendance register and	4	4	0	Not achieved	None provided	None provided	No work reported for the financial year under review.



Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		outcome, promote sound financial governance and management	be held by 30 June 2025	be held by 30 June 2025	minutes with action list							
TL00	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	MPAC meetings held quarterly to be held by 30 June 2024	Number of MPAC meetings held quarterly to be held by 30 June 2024	Notice of meeting and attendance register minutes with action list	4	4	0	Not achieved	None provided	None provided	MPAC did not convene for the entire financial year under review.
TL01	Municipal Transformation and Institutional Development	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Conduct LLF meetings	Number of LLF meetings held	Notice, attendance register, minutes of the meeting with action list and proof of submission to SALGA	New KPI	4	1	Not achieved	None provided	None provided	Only one meeting was held and supported for the financial year under review.

## FINANCIAL SERVICES

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TI82	Municipal transformation and organisational development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and administrative practices	Conduct monthly departmental meetings	Number of monthly departmental meetings	Attendance registers and minutes of departmental meetings with action list	New KPI	11	3	Not achieved	None provided	None provided	Target not met.  Three out of eleven meetings were held for the financial year under review.
TI83	Municipal transformation and organisational development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and administrative practices	Sign and conclude performance agreement of all departmental staff	% of performance agreement signed and concluded	Signed performance agreements	New KPI	100%	0%	Not achieved	Only performed for Section56 managers	Cascade down performance	Performance agreements not concluded for all departmental staff. Performance management not cascaded to lower level yet.
TI84	Municipal transformation and organisational development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and	Conduct a mid-year performance evaluation for all departmental staff by end of June 2025	Number of mid-year performance evaluation for all departmental staff by end of June 2025	Signed mid-year performance evaluation	New KPI	100%	0%	Not achieved	Only performed for Section56 managers	Cascade down performance	No information submitted  (The municipality needs to comply with the new implemented staff

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
			administrative practices									regulations act and cascade down performance to all staff)		
TI85	Municipal transformation and organisational development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and administrative practices	Prepare quarterly performance reports and submit to Municipal Manager	% of monthly performance reports and submitted to MM	Acknowledgement by Municipal Manager and copy of a signed performance reports by the Municipal Manager	New KPI	100%	0%	Not achieved	Only performed for Section56 managers	Cascade down performance	Work not done for period under review.  KPI not aligned to the unit of measure.		
TI86	Municipal transformation and organisational development	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and administrative practices	Funds available for repairs and maintenance of infrastructure	% of funds available for repairs and maintenance on infrastructure	Budget extract of the sub vote amounting to R 8000 000.00	New KPI	100%	100%	Achieved	N/A	N/A	Target met		
TI87	infrastructure development and service delivery	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and	Provide registered indigent households with free 6 Kl of basic water, free 50 kWh of electricity, basic	% of registered indigent households provided with free 6kl of basic water, 50KWh of electricity, basic sanitation and refuse removal	List of registered indigent households and system generated indicating number of households provided with free basic water,	New KPI	100%	100%	Achieved	N/A	N/A	Target met		

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		administrative practices	sanitation and refuse removal		electricity, sanitation and refuse removal								
TI 88	infrastructure development and service delivery	To enhance responsiveness to citizens priorities and capabilities of delivery of quality service, quality management and administrative practices	Exempt registered indigent households from the cost of digging and grave preparation	% registered indigent households are exempted from the cost of digging and grave preparation	Indigent register per ward on quarterly basis	New KPI	100%	100%	Achieved	N/A	N/A	Information submitted	
TI 89	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	Employ locally based unskilled labour in all the capital projects of the Municipality during 2024/25 financial year	% of local unskilled labour appointments is locally based during the 2024/25 financial year	Signed report for unskilled labours per capital projects	New KPI	100%	100%	Achieved	N/A	N/A	Attached evidence to substantiate achievement	
TI 90	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by AGSA	% of issues raised and proposed corrective measures by AGSA attended to	Signed updated Audit action recovery plan report	New KPI	90%	0%	Not achieved	None provided	None provided	Action plan was formulated but issues not attended to for the financial year under review.	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TI 91	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by Internal Audit	% of issues raised and proposed corrective measures by Internal Audit attended to	Signed Audit recovery plan report	New KPI	90%	0%	Not achieved	None provided	None provided	No Audits were planned under the office of the MM; hence no action plan was prepared.	
TI 92	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit a progress on the management of departmental overtime	Number of progress reports on the management of departmental overtime on a monthly basis	Signed report on the management of departmental overtime on a monthly basis	New KPI	11	11	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement .	
TI 93	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Perform assets verification for the department on a quarterly basis per town	% of assets verification for the department on a quarterly basis per town conducted	Signed asset register	New KPI	4	4	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement .	

R/f	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TI 94	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Develop a schedule of budget timelines and IDP process plan and submit to council for approval by August 2024	Number of schedules of budget timelines and IDP process plan developed and submit to council for approval by August 2024	budget timelines and IDP process plan Council resolution	New KPI	1	1	Achieved	N/A	N/A	Budget timelines and IDP process plan to Council resolution was submitted to substantiate the achievement .	
TI 95	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit adjustment budgets to council for adoption on or before 28 February 2025	Number of adjustment budgets submitted to council for adoption on or before 28 February 2025	Adjustment budget and Council resolution	1	1	0	Not achieved	Adjustment budget was only submitted after the 28 February 2025	Precedence of compliance matters in the institution	The unit did not report as the adjustment budget was adopted after the timelines as regulated.	
TI 96	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit draft budgets submitted to council for adoption on or before 31 March 2025	Number of draft budgets submitted to council for adoption on or before 31 March 2025	Draft budget and Council resolution	1	1	1	Achieved	N/A	N/A	Draft budget and Council resolution attached to substantiate the achievement .	
TI 97	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit final budgets to council for adoption on or before 31 May 2025	Number of final budgets submitted to council for adoption on or before 31 May 2025	Final budget and council resolution	1	1	1	Achieved	N/A	N/A	Final budget and Council resolution attached to substantiate the achievement .	

R/f	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TI 98	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit MFMA s71 reports to Mayor, Provincial and National Treasury within 10 days after the end of the month.	Number of MFMA s71 reports submitted to Mayor, Provincial and National Treasury within 10 days after the end of the month.	MFMA S71 reports and proof of submission	12	12	12	Achieved	N/A	N/A	Target met.	
TI 99	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit section 72 reports to the Mayor, PT, NT on or before the 25 <sup>th</sup> of January 2024	Number of section 72 reports submitted to the Mayor, PT, NT on or before the 25 <sup>th</sup> of January 2024 and to council by 31 January 2024	Council resolution for section 72 reports and proof of submission to the Mayor PT and NT	1	1	1	Achieved	N/A	N/A	Section 72 reports submitted to substantiate the achievement	
TI 100	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit Section 52d reports to Council within 30 days after the end of each quarter	Number of Section 52d reports submitted to Council within 30 days after the end of each quarter	Section 52 reports and council resolution	4	4	1	Not achieved	Three (3) of the reports not tabled to council	None provided	Reports were submitted in the absence of their council resolutions	
TI 101	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Develop Section 66 reports for the 2024/25 financial year by 30 June 2025	Number of Section 66 reports developed for the 2024/25 financial year by 30 June 2025	Section 66 reports developed	12	12	12	Achieved	N/A	N/A	Information submitted to substantiate the achievement	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TI102	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit expenditure management reports to Municipal Manager for approval on a quarterly basis	Number of expenditure management reports submitted to Municipal Manager for approval on a quarterly basis	Approved expenditure reports and acknowledged by Municipal Manager	4	4	3	Not achieved	None provided	None provided	Reports prepared but not acknowledged by the municipal manager hence non-achievement.	
TI103	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit income management reports to Municipal Manager for approval on a quarterly basis	Number of income management reports submitted to Municipal Manager for approval on a quarterly basis	Approved income reports and acknowledged by Municipal Manager	4	4	4	Achieved	N/A	N/A	Target met	
TI104	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Compile and submit GRAP compliant AFS to AGSA on or before 31 August 2024	Number of GRAP compliant AFS compiled and submitted to AGSA on or before 31 August 2024	Acknowledgement letter of receipt from AGSA and by Municipal Manager	1	1	1	Achieved	N/A	N/A	Information submitted <i>(Information is available on the link)</i>	
TI105	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit irregular expenditure reports to council for approval on a quarterly basis	Number of irregular expenditure reports submitted to council for approval on a quarterly basis	Consolidated expenditure report and council resolution	4	4	1	Not achieved	The target was only met in the fourth quarter	None provided	Attached evidence only validates work done for the fourth quarter.	



Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TI106	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit deviation reports on the procurement process to Municipal Manager for acknowledgment	Number of deviation reports on the procurement process submitted to Municipal Manager	Approved expenditure reports and acknowledgment by Municipal Manager	4	4	3	Not achieved	Only met the target in three (3) of the four (4) quarters	None provided	Insufficient information submitted as the provided evidence is not acknowledged by the Municipal Manager.
TI107	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit progress made on UIFW reduction plan to the municipal manager and MPAC	Number of progresses made on UIFW reduction plan submitted to the municipal manager and MPAC	Proof of submission and acknowledgment by municipal manager and MPAC chairperson	New KPI	2	0	Not achieved	None provided	None provided	Work not done for the period under review.
TI108	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit reports on unauthorized expenditure submitted to MPAC for investigation	Number of reports on unauthorized expenditure submitted to MPAC for investigation	Unauthorized expenditure report and acknowledgment by MPAC chairperson	4	4	0	Not achieved	None provided	None provided	Work not done for the period under review.
TI109	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit reports on wasteful expenditure to MPAC for investigation	Number of reports on wasteful expenditure submitted to MPAC for investigation	Wasteful expenditure report and acknowledgment by MPAC chairperson	4	4	0	Not achieved	None provided	None provided	Work not done for the period under review.

R	f	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TI	110	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit reports on fruitless expenditure to MPAC for investigation	Number of reports on fruitless expenditure submitted to MPAC for investigation	Fruitless expenditure report and acknowledgement by MPAC chairperson	4	4	0	Not achieved	None provided	None provided	Work not done for the period under review.		
TI	111	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit reports on awards above R100 000 to Municipal Manager for approval	Reports on awards above R100 000 submitted to Municipal Manager for approval	Report on awards above R 100 000 and acknowledgement by municipal manager	4	4	1	Not achieved	None provided	None provided	Insufficient information submitted as the provided evidence is not acknowledged by the Municipal Manager.		
TI	112	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Review budget related policies and submit to council for approval by end May 2025	Number of budget related policies and submit to council for approval by end May 2025	Budget and related policies and council resolution	2	6	6	6 Achieved	N/A	N/A	Information submitted Is the budget and related policies together with council resolution		
TI	113	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Prepare department adjustment budget for 2024/25 financial year by end January 2025	Number of department adjustment for 2024/25 financial year prepared by end January 2025	Departments adjustment budget and acknowledgement	New KPI	1	1	1	N/A	N/A	Information submitted to substantiate work done.		

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TI.114	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Prepare the department budget for 2025/26 financial year by end April 2025	Number of departments adjustment budget for 2025/26 financial year prepared by end April 2025	Departments adjustment budget and acknowledgement by finance department (responsible manager)	New KPI	1	0	Not achieved	None provided	None provided	No information submitted		
TI.115	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Develop departmental procurement plan and submit to Municipal Manager for approval on a quarterly basis	Number of departmental procurement plan developed and submitted to Municipal Manager for approval on a quarterly basis	Acknowledgement and a signed procurement plan	New KPI	4	4	Achieved	N/A	N/A	The said indicator is an annual task and not performed on a quarterly basis  (However, the target was met in the first quarter)		
TI.116	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Compile the supplementary valuation roll for 2024/25 financial year by end June 2025	Number of supplementary valuation roll compiled for 2024/25 financial year by June 2025	Certified supplementary roll	New KPI	1	1	Achieved	N/A	N/A	Information submitted		
TI.117	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial	Submit the Financial Management Grant activity plan to National Treasury by March 2025	Number of Financial management Grant activity plan submitted to National Treasury by March 2025	Proof of submission of FMG	New KPI	1	1	Achieved	N/A	N/A	Information submitted		

R/f													
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
			governance and management										
TI.118	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Update conditional grants on a monthly basis	Number of conditional grants updated on a monthly basis	Signed updated conditional grants and acknowledgment by municipal manager	New KPI	12	6	Not achieved	None provided	None provided	Information received for only two quarters of the financial year under review.	
TI.119	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Spend financial management grant as per DORA conditions by June 2025	% of financial management grant as per DORA conditions by June 2025	Signed expenditure reports as DORA conditions	New KPI	100%	100%	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement .	
TI.120	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit VAT returns to SARS on a monthly basis	Number of VAT returns submitted to SARS on a monthly basis	Proof of submission	New KPI	12	12	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement .	

R	f	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TI	121	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Submit EMP 201 forms to SARS on a monthly basis	Number of EMP 201 forms submitted to SARS on a monthly basis	Proof of submission	New KPI	12	12	Achieved	N/A	N/A	Target met  Attached proof of submission to substantiate the achievement		
TI	122	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Pay creditors within 30 days of receipt of the invoices	% of creditors paid within 30 days of receipt of the invoices	Signed expenditure	New KPI	50%	0%	Not achieved	None provided	None provided	The municipality is under financial difficulties hence creditors are not paid within the legislated timeframes.		
TI	123	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Develop finance operational plan by December 2024	Number of operational plans developed by December 2024	Signed operational plan	New KPI	1	1	Achieved	None provided	None provided	Attached operational plan developed for December 2024		
TI	124	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to	Implement Councils resolution within the prescribed timeframe	% of council resolution implemented within the prescribed timeframe	Signed progress reports on the implementation of the council resolution	100%	100%	0%	Not achieved	None provided	None provided	Target not met for the financial year under review		

R/f	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
			ensure accountability											
TI	125	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Attend public consultation on the preparation of the 2025/26 annual budget and IDP	Number of public consultations on the preparation of the 2025/26 annual budget and IDP attended	Notice and attendance register	1	1	1	Achieved	N/A	N/A	Target achieved	
TI	126	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Establishment of the budget steering committee in line with the municipal budget reporting regulation August 2024	Number of budget steering committee in line with the municipal budget reporting regulation August 2024	Establishment of the budget steering committee in line with the municipal budget reporting regulation August 2024	New KPI	1	0	Not achieved	None provided	None provided	No information submitted  Committee is yet to be established in the municipality	
TI	127	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Conduct Budget steering committee meetings in line with the municipal budget reporting regulation	Number of Budget steering committee meetings held in line with the municipal budget reporting regulation	Conduct budget steering committee in line with the municipal budget reporting regulation	4	1	0	Not achieved	None provided	None provided	No information submitted  Committee is yet to be established in the municipality	

## TECHNICAL SERVICES

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 28	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Conduct monthly departmental meetings	Number of monthly departmental meetings	Attendance registers and minutes of departmental meetings with action list	New KPI	11	2	Not achieved	None provided	None provided	Only two meetings were held for the financial year under review.
TL 29	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Sign and conclude performance agreement of all departmental staff	% of performance agreement signed and concluded	Signed performance agreement	New KPI	100%	0%	Not achieved	Performance not yet cascaded down to lower-level staff	Cascade down performance management	Performance agreement not concluded for all departmental staff. Performance management not cascaded down to lower level yet.
TL 30	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and	Conduct mid-year performance evaluation for all departmental staff by end June 2025	Number of mid-year performance evaluation for all departmental staff by end of June 2025	Signed mid-year performance evaluation	New KPI	100%	0%	Not achieved	Performance not yet cascaded down to lower-level staff	Cascade down performance management	Performance management is yet to be cascaded down to lower level.  (Unit of measure is not aligned to annual

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
			administrative practices									target in the SDBIP)
TL 31	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Prepare quarterly performance reports and submit to Municipal Manager	% of monthly performance reports and submitted to Municipal Manager	Acknowledgement by municipal manager and copy of a signed performance reports by the municipal manager	New KPI	100%	0%	Not achieved	Performance evaluations are only conducted on a quarterly basis	Rectify the performance indicator	Work not done for period under review.  KPI not aligned to the unit of measure.
TL 32	Infrastructure development and service	To ensure access to clean, quality and sustainable water services water supply	Investigate and report water network losses per town on a quarterly basis	% of water network losses investigated and reported per town on a quarterly basis	Detailed quarterly technical water losses report per town	New KPI	90%	0%	Not achieved	There is huge water losses due to poor aged infrastructure. The municipality does have bulk water meters however they are old and faulty. Therefore, they need to be calibrated and replaced. The technical services department had budgeted R 400 000.00 for	The municipality currently has water losses of about 70% for the past FY. Kindly note for the water losses to be lower the municipality must have a Water Conservation Water Demand Management (WCWDM) Strategy, however, a business plan for WCWDM strategy has	Target not met  PMS is unable to substantiate the performance of 70% in the absence of tangible evidence which is not submitted by the unit.



Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
										replacement/ installation of water meters. The budget was cut off and not included in the final 2024/25 financial year budget. It should be noted that the procurement of bulk, zonal and domestic meters will require funding from sector department as the municipality does not have the finances to do the replacement with internal funds	been submitted to DWS for funding, but it cannot be prioritised at the moment due to the implementation of the bulk water project of WSIG for Koffiefontein. Technical Services as a department therefore recommends that this KPI be removed until such a time the municipality can have a WCWDM Strategy and all faulty/ non-operational			
TL	33	Infrastructure development and service	To ensure access to clean, quality and sustainable water services water supply	Provide household, business and public facilities with access to clean quality	% of household, business and public facilities with access to clean, quality and sustainable	Detailed quarterly technical report per town	100%	80%	0%	Not achieved	More than 80% of households and businesses have access	None provided	Target not met	

Re													
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
				and sustainable water services water supply per town by June 2025	water services water supply per town by June 2025					to water. The department of Human Settlement will be constructing and installing bulk water reticulation for New Developments .		Evidence not submitted for the review for claimed achievement by the unit.	
TL	34	Infrastructure development and service	To ensure access to clean, quality and sustainable water services water supply	Provide households with access to safe and sustainable sanitation services per town	% of households with access to safe and sustainable sanitation services	Signed technical report per town	New KPI	90%	0%	Not achieved	More than 80% of households and businesses have access to sanitation. The department of Human Settlement will be constructing and installing bulk sewer reticulation for New Developments .	The VIP toilets in Bolokanang requires the municipality to find an alternative water supply to cater for the water demands in Petrusburg and Bolokanang.	Target not met  Evidence not submitted for the review for claimed achievement by the unit.
TL	35	Infrastructure development and service	To ensure access to safe and sustainable sanitation services to households,	Pump stations to be repaired in Koffiefontein by June 2025	% of the budget spend on repairing of 4 pump stations in Koffiefontein by June 2025	-Technical reports per project -Designs per project -Advert per project	New KPI	100%	0%	Not achieved	A business plan was submitted to Cogta for funding; however it was	The project will be implemented by MISA on behalf of the municipality	Work not done for the financial year under review.

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		public facilities and households.			-appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion					rejected due to the project cost of about 17Million and would not be implementable in 3years. The business plan was then submitted to WSIG for funding. MIG was willing to fund the project using the 10% of the allocation funding for Operations and Maintenance.  • The project was then replaced by the refurbishment of Sewer Pump Station and raising sewer main in Petrusburg, which will be implemented this financial year 2024/25.	using Schedule 6B	

Re		KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL	36	Infrastructure development and service	Promote effective and efficient sport and recreation development	Construction of new sports facility in Bolokanang/ Petrusburg	% of budget spend on the Construction of new sports facility in Bolokanang/ Petrusburg	-Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion	New KPI	100%	64%	Not achieved	Currently the Progress on site is at 75% due to late appointment of contractor.  •Experiencing heavy rainfall  •Regular strike on site by local labours due to non-payment of salaries  •Contractor experiencing cash flow challenges	Contractor occupied site in November 2024.  •Extension of Time Due to Rainfall – Response and Proposed Action  •The contractor has formally submitted a request for an Extension of Time (EOT) citing persistent and excessive rainfall as the primary cause of delay. Upon review of site records, weather data, and the contractor's programme of works the EOT was granted.	Target not met  The department indicated a 75% progress, but the submitted progress report indicates 64% overall progress to date.

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL 37	Infrastructure development and service	Promote effective and efficient sport and recreation development	Construction of Phase 2 of the sports facility in Sonwabile/ Koffiefontein	% of budget spend on the construction of Phase 2 of the sports facility in Sonwabile/ Koffiefontein	-Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion	100%	100%	0%	Not achieved	Phase 1 is vandalised the municipality cannot implement phase 2. Cogta recommended deregistration of the project.	None provided	No work performed for the financial under review	
TL 38	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Construction of 4 High Mast Lights in Relebohile/Luckhoff by June 2025	% of budget spend on the Construction of 4 High Mast Lights in Relebohile/Luckhoff by June 2025	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion	100%	100%	100%	Achieved	N/A	N/A	Information submitted to substantiate the achievement	

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
					-Completion certificate per project upon completion								
TL	39	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Construction of 4 High Mast Lights in Oppermansgronde by June 2025	% of budget spend on the Construction of 2 High Mast Lights in Oppermansgronde by June 2025	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion	100%	100%	100%	Achieved	N/A	N/A	Information submitted to substantiate the achievement
TL	40	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Conduct electricity meter audit per town by June 2025	% of electricity meter audited conducted by end June 2025	Detailed monthly technical electricity audit report per town	New KPI	100%	0%	Not achieved	None provided	None provided	Work not performed for the period under review.

Re		KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TL	41	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Limit electricity network losses to less than 20% per town by 30 June 2025	% of electricity losses reported per quarter	Detailed quarterly technical electricity losses report per town	20%	20%	0%	Not achieved	Technical Losses for all towns will not be achievable with the challenge of old aged infrastructure	There is no reference point, the commercial losses will only be achieved by Koffiefontein.	Work not performed for period under review.		
TL	42	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Report on the electrification of Ext 7 in Bolokanang/ Petrusburg by August 2024	% of the budget spend on the electrification of Ext 7 in Bolokanang/ Petrusburg by August 2024	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion	100%	100%	100%	Achieved	N/A	N/A	The project is practically completed to date		

Re		KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL	43	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Report on the construction of 4 High mast lights in Bolokanang/Petrusburg by September 2024	% of budget spend on the construction of 4 high mast lights in Bolokanang/Petrusburg by September 2024	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report per project upon completion -Completion certificate per project upon completion	100%	100%	100%	Achieved	N/A	N/A	The project was only completed in the Second quarter of the financial year under review
TL	44	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Report on the construction of 4 high mast lights in Koffiefontein by September 2024	% of budget spend on the construction of 4 high mast lights in Koffiefontein by September 2024	Technical reports per project -Designs per project -Advert per project  -appointment letter per project -SLA	100%	100%	100%	Achieved	N/A	N/A	Project is completed, attached supporting evidence to substantiate work done.



Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
						-Performance and expenditure progress per project  -Close out report per project upon completion  -Completion certificate per project upon completion								
TL	45	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Report on the construction 4 high mast lights in Ratanang/ Jacobsdal by September 2024	% of budget spend on the construction 4 high mast lights in Ratanang/ Jacobsdal by September 2024	Technical reports per project  -Designs per project  -Advert per project  -appointment letter per project  -SLA  -Performance and expenditure progress per project  -Close out report per project upon completion  -Completion certificate per project upon completion	100%	100%	100%	Achieved	N/A	N/A	The project is practically completed to date.	

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 46	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Installation of electricity smart meters for households and businesses	Number of electricity smart meters installed for households and businesses	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report	New KPI	100%	0%	Not achieved	None provided	None provided	Work not performed for the financial year under review.
TL 47	Infrastructure development and service	To ensure provision of sustainable electricity services to all household, public facilities and businesses	Budget spend on retrofitting of electrical motors and pumps in all sewer and water treatment plants throughout Letsemeng vicinity through EEDMS	% of budget spend on retrofitting of electrical motors and pumps in all sewer and water treatment plants throughout Letsemeng vicinity through EEDMS	Technical reports per project -Designs per project -Advert per project -appointment letter per project -SLA -Performance and expenditure progress per project -Close out report upon completion -completion certificate upon completion	New KPI	100%	0%	Not achieved	Re-allocation of funds due to vacant positions of MM, CFO and Director Technical Services. Attached letter.	None provided	Work not performed for the financial year under review.
TL 48	Infrastructure development and service	To ensure provision of sustainable electricity services to all	Upgrading of 1.3 km access road and storm water drainage in	% of budget spent on the upgrading of 1.3 km access road and storm water	Technical reports per project -Designs per project -Advert per project	New KPI	100%	80%	Not achieved	80% Progress due to Late appointment of contractor.	The main contractor is instructed to replace or reinforce the	Target not met

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		household, public facilities and businesses	Diamathhoogte/Koffiefontein	drainage in Diamathhoogte/Koffiefontein	-appointment letter per project -SLA -Performance and expenditure progress per project -Close out report upon completion -completion certificate upon completion					<ul style="list-style-type: none"> <li>Slow Progress: Progress on site has been adversely affected due to the non-performance of a key subcontractor, resulting in delays to critical activities.</li> <li>Labour Absenteeism: Labourers were absent from site for a period of two weeks due to non-payment of wages, leading to further disruptions in the work programme.</li> </ul>	underperforming subcontractor to ensure delivery on outstanding works.  <input type="checkbox"/> Immediate resolution of labour payment issues is required. Proof of payment must be submitted, and a formal commitment to regular wage disbursement must be provided.	(Overall progress to date is at 80%)

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 49	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Appropriate funds for local economic developments in the 2025/26 medium term revenue and expenditure framework	% of funds allocated for local economic developments for 2005/26 financial year	Budget extract for the local economic development sub vote approved by council	New KPI	100%	0%	Not achieved	None provided	None provided	Information not provided by the responsible unit
TL 50	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by AGSA	% of issues raised and proposed corrective measures by AGSA attended to	Signed updated Audit action recovery plan report	90%	90%	0%	Not achieved	None provided	None provided	Action plan was formulated but issues not attended to for the financial under review.
TL 51	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by Internal Audit	% of issues raised and proposed corrective measures by Internal Audit attended to	Signed Audit recovery plan report	90%	90%	0%	Not achieved	None provided	None provided	Issues were raised but not yet attended to (follow-up audits not performed under the unit)
TL 52	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit s progress on the management of departmental overtime	Number of progress reports on the management of departmental overtime on a monthly basis	Signed report on the management of departmental overtime on a monthly basis	New KPI	11	5	Not achieved	None provided	None provided	Target not met
TL 53	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome,	Prepare directorate's adjustment budget for 2024/25	Number of Departmental adjustment budget submitted to	Departments adjustment budget and acknowledgement	New KPI	1	1	Achieved	N/A	N/A	Attached information to substantiate the

Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
			promote sound financial governance and management	financial year based on the approved midyear budget and performance assessment	finance department	by the finance department						achievement		
TL	54	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Prepare directorates budget for 2025/26	Number of Departmental adjustment budget submitted to finance department	Departments adjustment budget and acknowledgement by the finance department	1	1	1	Achieved	N/A	N/A	Attached evidence to substantiate the achievement	
TL	55	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Perform conditional assessment and verification on assets and yellow fleet for the department on a quarterly basis per town	% of assets verification for the department on a quarterly basis per town conducted	Signed asset register	New KPI	4	4	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement	
TL	56	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Perform inventory count (diesel, petrol, water, globes, etc) on a quarterly basis	% inventory count(diesel, petrol, water, globes, etc) on a quarterly basis	Signed inventory reports	New KPI	100%	0%	Not achieved	None provided	None provided	Information not provided by the unit responsible.	

Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TL	57	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit EPWP reports to COGTA	Number of EPWP reports submitted to COGTA	Proof of submission and acknowledgement	New KPI	12	12	Achieved	N/A	N/A	Evidence is attached to substantiate the achievement (Acknowledgements done telephonically)	
TL	58	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit MIG reports to COGTA	Number of MIG reports submitted to COGTA	Proof of submission and acknowledgement	New KPI	12	12	Achieved	N/A	N/A	Evidence is attached to substantiate the achievement (Acknowledgements done telephonically)	
TL	59	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit WSIG reports to DWS	Number of WSIG reports submitted to DWS	Proof of submission and acknowledgement	New KPI	12	12	Achieved	N/A	N/A	Evidence is attached to substantiate the achievement (Acknowledgements done telephonically)	
TL	60	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit INEP reports to DOE	Number of INEP reports submitted to DOE	Proof of submission and acknowledgement	New KPI	12	0	Not achieved	None provided	None provided	Work not done for the financial year under review.	

Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TL	61	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Submit EEDMS reports to DOE	Number of EEDMS reports submitted to DOE	Proof of submission and acknowledgement		0	0	Not achieved	No quarterly targets set in the SDBIP 2024/25	Apply the SMART criteria	Not reportable for the financial year under review.	
TL	62	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Implement Council resolution within the prescribed timeframe	% of Council resolution implemented within the prescribed timeframe	Signed progress reports on the implementation of the council resolution	New KPI	100%	0%	Not achieved	None provided	None provided	Resolution taken by council were not implemented by the administration office.	
TL	63	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Attend public consultation on the preparation of the 2025/26 Annual budget and IDP	Number of public consultations on the preparation of the 2025/26 Annual budget and IDP attended	Notice and Attendance register	New KPI	1	1	Achieved	N/A	N/A	Target achieved. Attached evidence to substantiate the achievement.	
TL	64	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Establishment of the budget steering committee in line with the municipal budget reporting regulation August 2024	Number of budget steering committee established in line with the municipal budget reporting regulation August 2024	Establishment of the budget steering committee in line with the municipal budget reporting regulation August 2024	New KPI	1	0	Not achieved	None provided	None provided	Target not met  Unit responsible did not submit any support in this regard.	

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
TL	65	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Develop SLA with appointed service providers for capital project and submit to Municipal Manager	% of SLA developed with appointed service providers for capital project and submitted to MM	Signed SLAS	100%	100%	100%	Achieved	N/A	N/A	Target met.  Attached SLAs for consultant and for contractors' tender documents serves as a SLA between contracted parties.	



## COMMUNITY SERVICES, ENVIRONMENTAL SAFETY AND LOCAL ECONOMIC DEVELOPMENT

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 66	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Conduct monthly departmental meetings	Number of monthly departmental meetings	Attendance registers and minutes of departmental meetings with action list	New KPI	11	6	Not achieved	None provided	None provided	Target not met
TL 67	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Sign and conclude performance agreement of all departmental staff	% of performance agreement signed and conclude	Signed mid-year performance evaluation	New KPI	100%	0%	Not achieved	Performance is yet to be cascaded down to lower-level staff	Ensure implementation of the new staff regulations	Performance agreement not concluded for all departmental staff. Performance management not cascaded to lower level yet.
TL 68	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Conduct mid-year performance evaluation for all departmental staff by end June 2025	Number of mid-year performance evaluation for all departmental staff by end June 2025	Signed mid-year performance evaluation	New KPI	100%	0%	Not achieved	Performance is yet to be cascaded down to lower-level staff	Ensure implementation of the new staff regulations	Performance management is yet to be cascaded down to lower level.  (Unit of measure is not aligned to annual target in the SDBIP)

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 69	Municipal Transformation and Institutional Development	To enhance responsiveness to Citizen's priorities and capabilities of delivery of quality service, quality management and administrative practices	Prepare quarterly performance reports and submit to Municipal Manager	% of monthly performance reports and submitted to Municipal Manager	Acknowledgement by Municipal manager and copy of a signed performance reports by the municipal manager	New KPI	100%	0%	Not achieved	Performance evaluations are only conducted on a quarterly basis	Rectify the performance indicator	No information submitted  (Performance reports are prepared on a quarterly basis for all departments)
TL 70	Municipal Transformation and Institutional Development	Access and affordability of municipal information and communication infrastructure	Install licensed anti-virus to active municipal computer and any IT infrastructure by December 2024	% of licensed anti-virus installed to active municipal computer and any IT infrastructure by December 2024	Installation proof	New KPI	100%	100%	Achieved	N/A	N/A	Information submitted to substantiate the achievement
TL 71	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	LED strategies reviewed and approved by June 2025	Number of LED strategies reviewed and approved by June 2025	Notice of the meeting attendance register and council resolution	1	1	0	Not achieved	Unavailability of external stakeholders to assist with the review	Will be achieved in the new financial year	Work not performed by the responsible unit.
TL 72	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	Jobs created through municipality's local economic initiatives including national, provincial, district and local capital projects by end June 2025	created through municipality's local economic initiatives including national, provincial, district and local capital projects by end June 2025	Signed wage register per project employment contracts	1000	500	0	Not achieved	None provided	None provided	Target not met for the financial year under review.  Sum of quarterly target does not tie to the annual target.

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	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
				district and local capital projects by end June 2025									
TL	73	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	Entrepreneurs and SMMEs compliance workshops held by June 2025	Number of entrepreneurs and SMMEs compliance workshops held by June 2025	Invitations and attendance registers	4	4	3	Not achieved	None provided	None provided	Target not met for the financial year under review.
TL	74	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	Consumer awareness campaigns held by June 2025	Number of consumer awareness campaigns held by June 2025	Invitations and attendance registers	4	4	0	Not achieved	The consumer awareness is done together with the SMME compliance workshop	Combine indicator with the SMME compliance workshop one	Sufficient evidence not provided to substantiate the reasons provided by the responsible unit.
TL	75	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	LED forums established on or before 30 September 2024 per town	Number of LED forums established on or before 30 September 2024 per town	Invitations and attendance registers	4	4	0	Not achieved	None provided	None provided	Work not done for the financial year under review.
TL	76	Local economic development	Create an environment that promotes the development of the local economy and facilitate job creation	Conduct LED business forum meetings per town on a quarterly basis	Number of LED business forum meetings per town on a quarterly basis	Invitations, attendance registers and minutes of the meeting with action list	1	4	0	Not achieved	LED forums is yet to be established	Establish the LED forum	Work not done for the financial year under review.

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 77	Municipal financial viability and management	To enhance the revenue base of the municipality, improve audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by AGSA	% of issues raised and proposed corrective measures by AGSA attended to	Signed updated Audit action recovery plan report	90%	90%	0%	Not achieved	None provided	None provided	Action plan was formulated but issues not attended to for the financial under review.
TL 78	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Attend to issues raised and proposed corrective measures by Internal Audit	% of issues raised and proposed corrective measures by Internal Audit attended to	Signed audit recovery plan report	New KPI	90%	0%	Not achieved	None provided	None provided	No audits were planned under the Community Services directorate hence no action plan was prepared.
TL 79	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Develop departmental procurement plans per quarter and submit to the Municipal Manager for approval.	Number of developed departmental procurement plan per quarter and submit to the Municipal Manager for approval	Signed procurement plan and acknowledgement by the municipal manager	New KPI	4	4	Achieved	N/A	N/A	The said indicator is an annual task and not performed on a quarterly basis  (However, the target was met in the first quarter)
TL 80	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound	Submit a progress on the management of departmental overtime on a monthly basis	Number of progress reports on the management of departmental overtime on a monthly basis	Signed report on the management of departmental overtime on a monthly basis	New KPI	11	0	Not achieved	None provided	None provided	The unit did not provide any information in this regards.

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	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
			financial governance and management										
TL	81	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Perform assets verification for the department on a quarterly basis per town and submitted to CFO	% of assets verification for the department on a quarterly basis per town conducted and submitted to CFO	Signed asset register and acknowledgment by finance department	New KPI	4	4	Achieved	N/A	N/A	Target achieved  Supporting evidence was submitted to substantiate the achievement.
TL	82	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Prepare directorates' adjustment budget for 2024/25 financial year based on the approved midyear budget and performance assessment	Number of departmental adjustment budget submitted to finance department	Departments adjustment budget and acknowledgment by the finance department	New KKPI	1	1	Achieved	N/A	N/A	Information submitted  (Part of finance POE as well)
TL	83	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Prepare directorate budget for 2025/26	Number of departmental budgets submitted to finance department	Departmental budget and acknowledgment by the finance department	New KPI	1	1	Achieved	N/A	N/A	Information submitted to substantiate the achievement

Re	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL 84	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Municipal Commonage lease agreements signed by June 2025	% of municipal Commonage lease agreements signed by June 2025	Signed copies of Municipal commonage lease agreements and direct income register	100%	100%	0%	Not achieved	The lease agreements are currently in the process of being finalised with farmers	A schedule for finalisation is waiting for the Director's approval	Work not done/reporte d for the financial year under review.
TL 85	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Municipal buildings lease agreements signed by June 2025	% of municipal buildings lease agreements signed by June 2025	Signed copies of municipal commonage lease agreements and direct income register	100%	100%	0%	Not achieved	None provided	None provided	Work not done/reporte d for the financial year under review.
TL 86	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Municipal facilities rented out as per application on quarterly basis	% of municipal facilities rented out as per application on quarterly basis	Hall bookings register and direct income register	80%	100%	0%	Not achieved	Application was submitted for rental use but was never approved by Director Community services	Delegation for approval	Work not done/reporte d for the financial year under review.
TL 87	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management	Issue business licenses per town	% of business licenses issued by end of June 2025	Business license per town	New KPI	100%	0%	Not achieved	Applications have been submitted and are awaiting the inputs of other relevant departments to ensure compliance	Integration of other responsible departments	Work not done/reporte d for the financial year under review.
TL 88	Municipal financial viability and management	To enhance the revenue base of the municipality, improved audit	Compile monthly leave report.	Number of monthly leave reports compile	Signed monthly leave reports	New KPI	11	3	Not achieved	None provided	None provided	Target not met for the financial year under review. The

Re														
	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2023-24	Annual Target	Actual results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment		
			outcome, promote sound financial governance and management									responsible unit did not comply with reporting as outlined.		
TL	89	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Implement Council resolution within the prescribed timeframe	% of Council resolution implemented within the prescribed timeframe	Signed progress reports on the implementation of the council resolution	New KPI	100%	0%	Not achieved	None provided	None provided	Resolution taken by Council were not implemented by the administration office.	
TL	90	Good governance and public participation	To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability	Attend public consultations on the preparation of the 2025/26 Annual budget and IDP	Number of public consultations on the preparation of the 2025/26 Annual budget and IDP attended	Notice and Attendance register	New KPI	1	1	Achieved	N/A	N/A	Target achieved. Attached evidence to substantiate the achievement.	

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

### 4.1. INTRODUCTION TO THE OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager is the Accounting Officer of the Municipality. As Accounting Officer, she may delegate certain duties to the Chief Financial Officer, who will be accountable to him. The Municipal Manager is therefore accountable for all transactions entered into by his designates.

The Office of the Municipal Manager consists of the following administrative units:

- Internal Audit and Risk Management
- Integrated Development Planning and Performance Management Systems
- ICT

The Municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The top three service delivery priorities are as follows:

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishment/rehabilitation of existing infrastructure.
- Provision of basic services such as water, electricity and roads

### SERVICE STATISTICS FOR THE OFFICE OF THE MUNICIPAL MANAGER

Service Activity	Service Results
Number of senior management meetings held:	6
Number of management meetings held:	5
Number of quarterly stakeholder meetings convened:	0

Table 46: Service Statistics: Office of the Municipal Manager

Employees: Executive and Council					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	1	0	1	100%
7 – 9	3	4	3	1	25%
10 - 12	2	2	2	0	0%
13-15	0	0	0	0	
Total	5	7	5	2	

Table 47: Employees: Office of the Municipal Manager



## 4.2 FINANCIAL SERVICES

### INTRODUCTION TO FINANCIAL SERVICES

Debt recovery has been a serious concern over the past years. The municipality struggles to collect 100% of what is billed on monthly basis. The arrears are not fully serviced. Write-offs have been implemented on irrecoverable in line with provisions of Debt collection policy.

There is a challenge of low revenue collection due to non-payment of accounts. Cut-off processes are performed on regular basis to address revenue losses from electricity, water services and other services. Faulty meters both water and electrical are being replaced

Employees: Financial Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	15	19	15	4	21.05%
4 – 6	16	24	16	8	33.33%
7 – 9	4	6	4	2	33.33%
10 - 12	3	3	3	3	0%
13 - 15	0	0	0	0	0
Total	38	52	38	17	27%

Table 48: Employees: Financial Services

## 4.3 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is one of the supporting functions in Corporate Services Department, its main functions are as follows: Leave Administration, Recruitment, Benefits and Terminations.

#### Priority: Institutional Performance Capacity and staff provision

To improve performance the Council approved Performance Management Policy and the Institutional Performance Management Framework that will provide guidance in measuring, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Municipality is currently standing with a total staff component of **220** employees as at end June 2025.

#### 4.4 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Our 3 primary objectives in ICT are:

To minimize IT downtime;

- To ensure that our financial system data is backed-up on a regular basis; and
- To ensure all IT queries are addressed within 48 hours depending on the nature of the query and availability of resources .

Employees: ICT Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
7 - 9	1	2	1	1	50%
Total	1	2	1	1	50%

Table 49: Employees: ICT Services

## 4.5 INTRODUCTION TO THE MUNICIPAL PERSONNEL

Vacancy Rate: 2023/24			
Designations	*Total Approved Posts  No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100%
CFO	1	0	100%
Other S57 Managers (excluding Finance Posts)	3	1	50%
Other S57 Managers (Finance posts)	0	0	0%
Police officers	0	0	0%
Fire fighters	0	0	0%
Senior management: Levels 13-15 (excluding Finance Posts)	2	2	100%
Senior management: Levels 13-15 (Finance posts)	3	0	100%

Table 50: Vacancy Rate

A high turnover rate may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/Organizational knowledge. Below is a table that shows the turnover rate within the Municipality.

### COMMENT ON VACANCIES AND TURNOVER:

The Council last approved the organizational structure in January 2020. Some critical positions that needed to be filled have been filled and recruitment processes are underway to accommodate other critical positions. Turnover is mainly as a result of terminations e.g. death, resignation, retirements and ending of fixed term contracts.

## 4.5 MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality is constituted of five departments, Office of the Municipal Manager, Department of Corporate Services, Department of Finance, Department of Community Services and the Department of Technical Services of which each head of department is responsible for the management of the workforce

in its department. Furthermore, each department is divided into divisions that are headed by managers who responsible for the discipline and work of employees in their divisions.

#### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Human Resource Policies Manual was not reviewed for the period under review.

### 4.7 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
	Attraction and Retention	100%		Part of HR Policy Manual/ 29 August 2019
	Code of Conduct for employees		100%	Collective Bargaining Council matter
	Delegations, Authorisation & Responsibility	100%	100%	Adopted 22 May 2022
	Disciplinary Code and Procedures	100%		Collective Bargaining Council
	Essential Services		95.0%	Discussed at the level of the Local Labour Forum
	Employee Assistance / Wellness	100%		Part of HR policy Manual/ 29 August 2019
	Employment Equity		95.0%	Not available
	Exit Management		100%	Part of HR Policy Manual/ 29 August 2019
	Grievance Procedures		100.0%	Collective Bargaining Council matter
	HIV/Aids		95.0%	Part of HR Policy Manual/ 29 August 2019
	Human Resource and Development	100%		Part of HR Policy Manual/ 29 August 2019
	Information Technology	100%		In the process of developing IT policies
	Job Evaluation		0%	No job evaluation
	Leave	100%	80%	Part of HR Policy manual/ 29 August 2019
	Occupational Health and Safety	100%		Part of HR Policy Manual/ 29 August 2019
	Official Housing	100%		Part of HR Policy Manual/ 29 August 2019
	Official Journeys		95.0%	Available
	Official transport to attend Funerals		95.0%	A draft has been developed, still to be tabled before the LLF.
	Official Working Hours and Overtime	100%		Part of HR Policy Manual/29 August 2019
	Organisational Rights	100%	95.0%	Collective Bargaining Council matter
	Payroll Deductions		95.0%	Referred back to the section 80 Committee to further refinement.
	Performance Management and Development		95%	Awaiting workshop to be conducted.
	Recruitment, Selection and Appointments	100%		Part of HR Policy Manual/29 August 2019
	Remuneration Scales and Allowances		95.0%	Available

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
	Resettlement		95.0%	Available
	Sexual Harassment	100%		Part of HR Policy Manual/29 August 2019
	Skills Development	100%		Part of HR Policy Manual/ 29 August 2019
				<i>T 4.2.1</i>

Table 51: HR Policies and Plans

#### 4.8. PERFORMANCE REWARDS

Following Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers 2006, R.805, a bonus may only be paid after the municipal council has adopted the Annual Report for the year under review.

Municipal Systems Act, 2000 – Local Public Administration and Human Resource (Chapter 7)

Additionally, most Managers (Directors) appointed under Section 56 of the MSA are on fixed-term performance contracts. However, the Individual Performance Management System has not yet been extended to the second reporting line of managers. Now, there is no performance bonus system or policy in place for non-section 57 employees. This system will be implemented once the organisation achieves the necessary performance management maturity level.

#### COMMENT ON PERFORMANCE REWARDS

There were no performances rewards issued to employees during the period under review.

#### 4.11 ORGANISATIONAL PERFORMANCE SCORECARD

Performance Management is a process that measures the implementation of the organisation's strategy. It is also a management tool used to plan, monitor, measure, and review performance indicators to ensure the efficiency, effectiveness, and impact of service delivery by the municipality.

At the local government level, performance management is institutionalised through legislative requirements governing the performance management process for local government. Performance management serves as the mechanism to measure whether targets set by the organisation and its employees align with strategic goals.

The Constitution of South Africa (1996), Section 152, which deals with the objectives of local government, paves the way for performance management by requiring an "accountable government." The democratic

values and principles outlined in Section 195(1) are also linked to the concept of performance management, referencing principles inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Additionally, both the MSA and the Municipal Finance Management Act (MFMA) mandate that the Integrated Development Plan (IDP) aligns with the municipal budget. The performance of the budget against the IDP must be monitored through the Service Delivery and Budget Implementation Plan (SDBIP).

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 stipulates that a municipality's Performance Management System must include a framework describing how the municipality will conduct, organise, and manage its cycle and processes of performance planning, monitoring, measurement, review, reporting, and improvement. This framework also determines the roles of the various stakeholders involved.

Section 57 stipulates that the employment of the Municipal Manager and the managers directly accountable to them is contingent upon an annual performance agreement concluded before the end of July each year. Section 67 underscores the significance of monitoring, measuring, and evaluating staff performance to develop human resources and hold municipal staff accountable to serve the public efficiently and effectively. Consequently, performance management is relevant not only to the organisation but also to the individuals employed within the organisation, as well as external service providers and municipal entities.

#### **4.9. CAPACITATING THE MUNICIPAL WORKFORCE**

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient, and accountable manner. To achieve this, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999).

## INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The local sphere of government falls under Local Government Sector Education and Training Authority and is required to conduct skill audit and thereafter develop Workplace Skill Plan (WSP) which is accompanied by Training Plan. This Training Plan outlines the trainings that would be undertaken in a particular financial year. The employees are being sent to different training courses based on the skills identified in the WSP.

### 4. SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX															
Management	Gender	Number pf skilled employees required and actual as at June 2025													
				Learnerships			Skills Programmes & other short courses			Other forms of training			Total		
			No .	Actual: End of 2024 - 25	Actual: End of 2024-25	Actual : End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25	Actual: End of 2024-25
	MM and s57	Male	1	0	0	0	0	0	0	0	0	0	0	0	0
		Male	2	0	0	0	0	0	0	0	0	0	0	0	0
		Female	1	0	0	0	0	0	0	0	0	0	0	0	0
Councilors, senior officials and managers		Female	5	0	0	0	0	0	0	0	0	0	0	0	0
		Male	8	0	0	0	0	0	0	0	0	0	0	0	0
Technicians and associate professionals*		Female	34	4	0	0	0	0	0	0	0	0	4	4	4
		Male	76	11	0	0	0	0	0	0	0	0	11	11	11

Professionals	Female	3	0	0	0	0	0	0	0	0	0	0	0	0
	Male	10	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>14</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>15</b>
*														

Table 52: Skills Matrix

### Financial Competency Development: Progress Report\*

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated : Total of A and B	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated : Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	2	0	2	2	2	2
Any other financial officials	15	0	15	12	0	12
Supply Chain Management Officials	2	0	2	2	0	2
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>22</b>	<b>0</b>	<b>22</b>	<b>19</b>	<b>4</b>	<b>19</b>

Table 53: Financial Competency Development: Progress Report





#### **4.14 MANAGING THE WORKFORCE EXPENDITURE**

##### **INTRODUCTION TO WORKFORCE EXPENDITURE**

Section 66 of the MFMA states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

#### **4.15 EMPLOYEE EXPENDITURE**

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the caliber of staff working for the municipality.

Although sound financial governance is perceived to be most important, without proper personnel management, municipalities are likely to have trouble. This has become increasingly evident in several large municipalities that have recently found themselves in precarious financial situations and is certainly true of many smaller municipalities. An analysis of municipal finances suggests that personnel issues lie at the heart of many of the financial problems experienced by municipalities.

At an aggregate level, about 21 per cent of the total municipal operating budget gets spent on the remuneration of personnel.

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. If the Municipality wants to be effective, it is important to ensure that the Municipality plans properly. To ensure that the Municipality adhere to legislation, only approved and budgeted posts on the structure are advertised. The training and development of internal staff are aimed at ensuring that they can perform their duties better.

##### **COMMENT ON WORKFORCE EXPENDITURE:**

The Municipal workforce expenditure is on an upward curve since 2011. Demands by Labour have led to a steady increase in workforce expenditure despite a very slow economy. If the continues in the future

further pressure will be placed on the municipality's limited resources and will necessitate increases in tariffs that will place a greater burden on the rate payers.

**COMMENT ON WORKFORCE EXPENDITURE:**

There was no upgrade of positions due to job evaluation for the financial year 2024/25. Some variances are legacy issues that occurred because of previous amalgamation.

## CHAPTER 5 – ANNUAL FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of the following three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

### 5.1. FINANCIAL STATEMENTS

#### INTRODUCTION TO FINANCIAL STATEMENTS

The municipality's performance during the year under review has been unsatisfactory, due to financial constraints, municipality experienced decline in revenue.

With the GRAP 24 (Presentation of Budget Information in Financial Statements) now effective, detailed analysis and comments for comparatives of Actual against Budgeted Amounts are shown in the financial statement, which forms part of this report.

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original and final adjustments budget.

Total recognised revenue was R 282,223,367 the budgeted figure was R 239,971,183.

The highlights of income recognised are as follows:

- Actual service charges amounts to R 82,389,844 against a budget amount of R 89,572,029
- Total expenditure budgeted amounted to R 240,440,512 and the expenditure incurred was R 378,734,849

## 5.1.1 GRANTS

Grants Performance				
Description	2023/24	2024/25		
	Actual	Budget	Adjustment Budget	Actual
<u>Operational Transfers and Grants</u>	-			
Equitable Shares	84 906 000	90,162,000	90,162,000	90,162,000
Other Transfers	3 665 000	3 000 000	3 000 000	3 000 000
<u>Capital Grants and Transfers</u>				
MIG	11 743 718	27 290 000	25,246,000	20,775,607
INEP	528 000	0	0	0
WSIG	11 104 426	15 287 000	13 287 000	8,556,679
EEDSM	0	4 000 000	0	0

Table 54: Grant Performance

### COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality did not receive any conditional grants from sources other than the DoRA.

## 5.2 COMMENT ON ASSET MANAGEMENT:

Majority of Assets are procured through Grants, the Municipality has an asset management unit, which deals with all asset management issues.

Repair and Maintenance Expenditure: 2024/25				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2 509 439	2 509 439	1,685,512	823 927
				T 5.3.4

Table 55: Repairs and Maintenance Expenditure

## 5.3 SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent.

### CAPITAL EXPENDITURE AND OPERATING EXPENDITURE SPENDING

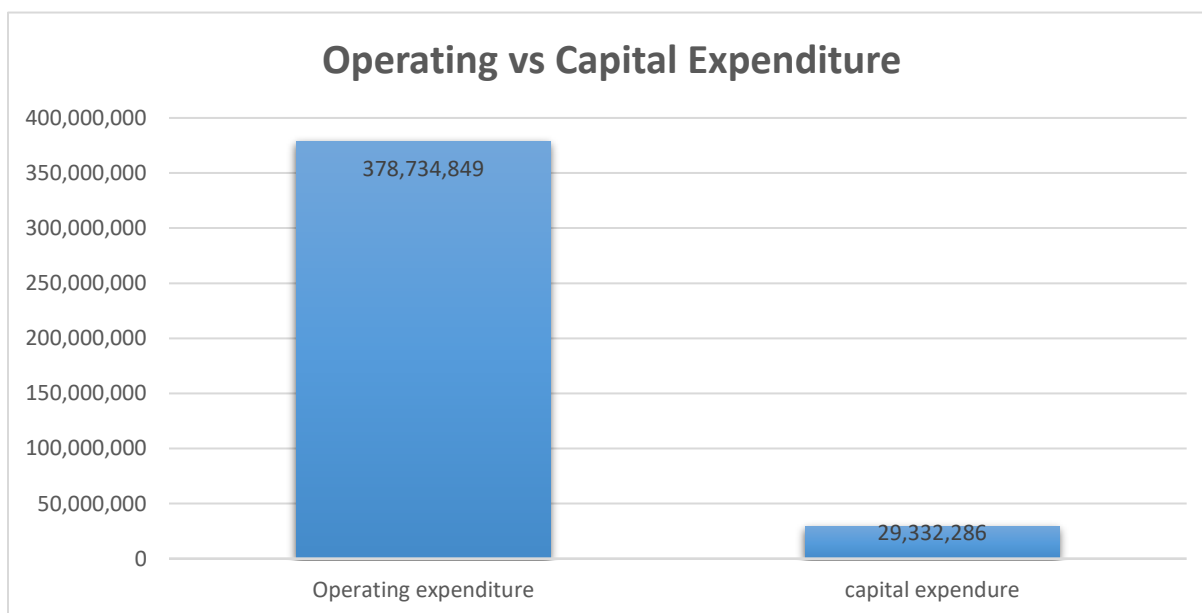


Figure 4: CAPEX vs OPEX

## 5.4 INDIGENTS HOUSEHOLDS

The municipality embarked on an indigent registration for the period under review. At the end of June 2025, the number was standing at 2275.

## 5.5 DEBTORS AGE ANALYSIS

The debtors of the municipality arise from the households, government, business and other. These debtors arise from the following services, water, electricity, sewerage and refuse removal.

### DEBTORS PER SERVICE

The information below shows the total outstanding debtors of the municipality as at 30 June 2025.

Table 56: Debtors Age Analysis by Income Source (Exchange Transactions)

Figures in Rand	2025	2024
<b>6. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Trade debtors	442,209	1,137,148
Consumer debtors - Electricity	20,465,937	17,273,737
Consumer debtors - Water	83,072,372	79,433,957
Consumer debtors - Waste water	64,616,955	63,404,092
Consumer debtors - Refuse	62,264,454	61,066,948
Consumer debtors - Interest	198,192,776	182,484,862
Consumer debtors - Rentals	1,323,819	1,349,269
Consumer debtors - Sundry	2,081,303	1,029,149
	<b>432,459,825</b>	<b>407,179,162</b>

Figures in Rand	2025	2024
<b>7. Receivables from non-exchange transactions</b>		
<b>Gross balances</b>		
Property rates	95,889,217	86,644,962

Table 57: Debtors Age Analysis by Income Source (Non- Exchange Transactions)

## 5.6 OPERATING EXPENDITURE

Figures in Rand	Note(s)	2025	2024 Restated*
<b>Expenditure</b>			
Bulk purchases	28	(69,591,836)	(50,856,418)
Contracted services	29	(18,350,705)	(7,922,936)
Debt impairment	30	(110,307,420)	(85,091,249)
Depreciation and amortisation	31	(15,707,710)	(31,411,259)
Employee related costs	32	(73,290,715)	(78,605,868)
Finance costs	33	(52,813,565)	(26,083,748)
General expenses	34	(31,244,155)	(28,920,128)
Remuneration of councillors	36	(5,743,231)	(5,563,275)
Repairs and maintenance	35	(1,685,512)	(3,254,227)
<b>Total expenditure</b>		<b>(378,734,849)</b>	<b>(317,709,108)</b>

Table 58: Operating Expenditure

## 5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Service Backlogs as at 30 June 2025				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	10127	100%	0	0
Sanitation	9183	100%	0	0
Electricity	7828	100%	0	0
Waste management	9188	100%	0	0
Housing				
				T 5.8.2

Table 59: Service Backlogs

### COMMENT ON BACKLOGS:

As can be seen the basic services backlogs are a huge problem for Letsemeng Local Municipality, only few projects were implemented in the last financial year, and these were fully funded by MIG and WSIG.



## **5.8 CASH FLOW MANAGEMENT AND INVESTMENTS**

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long-term liabilities.

## **5.9 OTHER FINANCIAL MATTERS**

### **5.9.1 SUPPLY CHAIN MANAGEMENT**

Organogram for Supply Chain Management Unit has been amended to include an extra Demand Acquisition vacant position which will be filled.

### **5.9.2 GRAP COMPLIANCE**

Letsemeng Local Municipal compiles its Annual Financial Statements in line with General Recognised Accounting Practise.

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Letsemeng Local municipality set out on pages xx to xx, which comprise the statements of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets and the 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 the auditor's report, the financial statements present fairly, in all material respects, the financial position of the Letsemeng Local Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognized Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

#### Basis for qualified opinion

##### Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for the trade payables included in payables from exchange transactions in note 15 to the financial statements due to material differences between the creditor listing and the financial statements. I was unable to confirm the trade payables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables stated at R398 311 703 (2024: R281 751 161) included in payables from exchange transactions in note 15 to the financial statements.
4. The municipality did not recognize accrued leave pay included in payables from exchange transactions in note 15 to the financial statements in accordance with GRAP

1, *Presentation of Financial Statements* and GRAP 25, *Employee benefits*. This was because the municipality calculated accrued leave pay for employees who did not have positive remaining leave balances at 30 June 2025. Consequently, this resulted in the accrued leave pay included in payables from exchange transactions in note 15 to the financial statements being overstated by R5 786 521 (2024: R6 459 826), and employee related costs in note 32 to the financial statements being understated by the same amount. Additionally, there was an impact on the deficit for the year and the accumulated surplus.

#### **Property, plant and equipment**

5. The municipality did not recognize land, building and infrastructure assets included in the property, plant and equipment in note 11 to the financial statements in accordance with GRAP 17, *Property, plant and equipment*. This was due to the land, buildings being incorrectly accounted for as infrastructure assets. Consequently, this resulted in infrastructure assets included in property, plant and equipment being overstated by R10 762 550 (2024: R10 762 550), buildings included in property, plant and equipment being understated by R6 281 274 (2024: R6 281 274) and R4 481 377 (2024: R4 481 377), respectively.

#### **Receivables from exchange transactions**

6. I was unable to obtain sufficient appropriate audit evidence for the receivables, from exchange transactions included in note 6 to the financial statements due to the non-submission of information in support of these receivables. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to the receivables from exchange transactions stated at R5 526 150 (2024: R6 805 132) in note 6 to the financial statements.
7. I was unable to obtain sufficient appropriate audit evidence for the allowance for impairment included in receivables from exchange transactions in note 6 to the financial statements. As described in note 44 to the financial statements, the restatements were made to rectify prior years' misstatements, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the allowance for impairment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the allowance for impairment included in the receivables from exchange transactions, stated at R426

933 675 (2024: R400 374 030) in note 6 to the financial statements.

8. During 2024, the municipality did not recognize receivables from exchange transactions in accordance with GRAP 104, *Financial instruments*, as differences were identified for the consumer debtor balances between the general ledger and the debtors' statements. Consequently, this resulted in receivables from exchange transactions in note 6 to the financial statements being understated by R5 401 415, and revenue from exchange transactions in note 20 to the financial statements was understated by the same amount. Additionally, there was an impact on the prior years' deficit and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the receivables from exchange transactions for the current period.

#### **Receivables from non-exchange transactions**

9. I was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange transactions in note 7 to the financial statements due to the non-submission of information in support of these receivables, and unexplained material reconciling differences between the debtor's age analysis and the financial statements. I was unable to confirm the receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from non-exchange transactions stated at R1 541 582 (2024: R1 829 463) in note 7 to the financial statements.
10. I was unable to obtain sufficient appropriate audit evidence for the restatements of the corresponding figure for receivables from non-exchange transactions. As described in note 44 to the financial statements, the restatements were made to rectify the prior years' misstatements, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the restatements by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the receivable from non-exchange transactions corresponding figure stated at R1 829 463 in the financial statements.

#### **VAT receivables**

11. The municipality did not disclose the VAT receivable in accordance with GRAP 108, *Statutory Receivables*, as amounts were included in the VAT receivable note that did not meet the definition of a statutory receivable. I was unable to determine the full extent of the misstatement to the VAT receivables, stated at R21 458 316 in note 9 to the

financial statements and the additional disclosure in terms of the MFMA in note 55 to the financial statements, as it was impractical to do so.

12. I was unable to obtain sufficient appropriate audit evidence for the restatements of the corresponding figure for the VAT receivables. As described in note 44 to the financial statements, the restatements were made to rectify prior year's misstatements, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the restatements by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivables corresponding figure, stated at R12 832 526 in note 9 to the financial statements.

13. During 2024, I was unable to obtain sufficient appropriate audit evidence for VAT receivables due to the status of accounting records. I was unable to confirm the VAT receivables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to VAT receivables, stated at R12 832 526 in note 9 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of VAT receivable for the current period.

#### **Government grants and subsidies**

14. During 2024, the municipality did not recognise the water services infrastructure grant included in government grants and subsidies in note 26 to the financial statements in accordance with GRAP 23, *Revenue from non-exchange transactions*, as the municipality recognised invoices relating to the previous years in the current year. Consequently, this resulted in the water services infrastructure grant (WSIG) included in government grants and subsidies in note 26 to the financial statement being overstated by R6 250 144, while the unspent conditional grants in note 17 to the financial statements were understated by the same amount. Additionally, there was an impact on the prior year's deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of government grants and subsidies for the current period.

#### **Unspent conditional grants and receipts**

15. During 2024, the municipality did not recognise unspent conditional grants in accordance

with GRAP 1, *Presentation of financial statements*. This was due to differences identified in the grant's receipts recorded in the grants schedule provided. Consequently, this resulted in unspent conditional grants in note 17 to the financial statements being understated by R7 157 150, and government grants and subsidies in note 26 to the financial statements were overstated by the same amount. Additionally, there was an impact on the prior year deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the

comparability of unspent conditional grants and receipts for the current period.

### **Service charges**

16. The municipality did not account for the service charges in accordance with GRAP 9, *Revenue from exchange transactions* and GRAP 23, *Revenue from non-exchange transactions*, as the fixed monthly fee that a municipality charges for services on vacant land was incorrectly recognised as service charges instead of availability charges. Consequently, service charges were overstated by R11 415 669 and unrecognised availability charges from non-exchange transactions were understated by the same amount. Additionally, there was an impact on the deficit for the period and the accumulated surplus.
17. In addition, I was unable to obtain sufficient appropriate audit evidence for the sale of water and the sale of electricity included in service charges in note 22 to the financial statements due to the non-submission of information in support of these revenue streams. I was unable to confirm the sale of water and the sale of electricity included in service charges by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to the sale of water stated at R17 421 454 and the sale of electricity, stated at R35 053 952 included in service charges in note 22 to the financial statements.
18. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for the service charges. As described in note 44 to the financial statements, the restatement was made to rectify prior year's misstatements, but the restatement could not be substantiated by adequate supporting audit evidence. I was unable to confirm the restatements by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the service charges

corresponding figure, stated at R76 667 092 in note 22 to the financial statements.

19. During 2024, the municipality did not recognise refuse removal, sewerage and sanitation charges included in service charges in note 22 to the financial statements in accordance with GRAP 9, *Revenue from exchange transactions*. This was because some consumers were not billed for refuse removal, sewerage and sanitation service charges during the current and prior years. Consequently, this resulted in the service charges for refuse removal, sewerage and sanitation included in note 22 to the financial statement being understated by R12 915 912, and receivables from exchange transactions included in note 6 being understated by the same amounts. Additionally, there was an impact on the prior year's deficit and accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of service charges for the current period.

#### **Interest income from exchange transactions**

20. I was unable to obtain sufficient appropriate audit evidence for interest income from exchange due to unexplained differences between the billing reports for the interest income and the amounts recorded in the financial statements. I was unable to confirm the interest income by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to interest income for exchange transactions stated at R32 032 065 (2024: R26 733 518) in note 18 to the financial statements.

#### **Interest income from non-exchange transactions**

21. I was unable to obtain sufficient appropriate audit evidence for interest income from non-exchange transactions due to unexplained material differences between the billing reports for the interest income and the amounts recorded in the financial statements. I was unable to confirm the interest income by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to interest income from non-exchange transactions stated at R10 954 303 (2024: R10 152 292) in note 24 to the financial statements.

#### **Employee related costs**

22. I was unable to obtain sufficient appropriate audit evidence for the overtime payments included in employee related costs in note 32 to the financial statements, as inadequate processes were in place to confirm that the municipal officials worked the overtime claimed. I was unable to confirm the overtime payments by alternative means.

Consequently, I was unable to determine whether any adjustment was necessary to the overtime payments included in employee related costs, stated at R 8 324 544 (2024: R 7 782 459) in note 32 to the financial statements.

### **Debt impairment**

23. I was unable to obtain sufficient appropriate audit evidence for bad debts written off included in debt impairment in note 30 due to the status of accounting records. I was unable to confirm the VAT receivables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to bad debts written off include in debt impairment, stated at R74 215 637 in note 30 to the financial statements.

24. During 2024, the municipality did not recognise debt impairment in accordance with GRAP 104, *Financial instruments* as the municipality did not correctly calculate the consumer debtor's impairment based on the debt impairment methodology. Consequently, this resulted in the debt impairment included in note 30 to the financial statements being overstated by R10 564 300, and receivables from exchange transactions in note 6 to the financial statements being overstated by the same amount. Additionally, there was an impact on the prior year deficit for the year and the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of debt impairment for the current period.

### **General expenses**

25. I was unable to obtain sufficient appropriate audit evidence that all invoices have been recorded as part of general expenditure as included in note 34 to the financial statements, due to the non-submission of information in support of these expenditures. I was unable to confirm general expenses by alternative means. Consequently, I could not determine whether any adjustments were necessary to the general expenses stated at R35 853 066 in note 34 to the financial statements.

26. During 2024, I was unable to obtain sufficient appropriate audit evidence for the hire expenditure included in general expenses in note 34 to the financial statements, due to the non-submission of information in support of these expenditures. I was unable to confirm the hire expenditure by alternative means. Consequently, I could not determine whether any adjustments were necessary to the hire expenditure



included in general expenses stated at

R10 316 756 in note 34 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the general expenses for the current period.

### **Property rates**

27. During 2024, the municipality did not recognise property rates in accordance with GRAP 23, *Revenue from non-exchange transactions*. This was because the municipality used incorrect tariffs when billing properties. In addition, the municipality billed property rates on properties that could not be physically verified. Consequently, this resulted in property rates included in note 23 to the financial statement being overstated by R13 763 748, and receivables from non-exchange transactions included in note 7 were overstated by the same amount. Additionally, there was an impact on the prior year deficit and accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of property rates for the current period.

### **Bulk purchases**

28. The municipality did not account for bulk purchases in accordance with GRAP 1, *Presentation of financial statements*, as the municipality recognised bulk purchases transactions at an incorrect value. Consequently, this resulted in the bulk purchases being understated by R8 606 380, and trade payables included in payables from exchange transactions in note 15 to the financial statements being overstated by the same amount. Additionally, there was an impact on the deficit for the year and the accumulated surplus.

29. In addition, the municipality did not account for bulk purchases in accordance with GRAP 1, *Presentation of financial statements*, as contracted services were incorrectly included as bulk purchases. Consequently, bulk purchases were overstated by R17 553 076, and contracted services included in note 29 to the financial statements were understated by the same amount.

### **Net cash flows from operating activities**

30. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, *Cash flow statements*. This was due to

multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R27 677 466 (2024: R22 529 402) in the financial statements.

### **Total revenue from non-exchange transactions**

31. Total revenue from non-exchange transactions was materially misstated by R3 205 664 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Property rates stated at R28 145 524 were billed based on incorrect tariffs during the year, resulting in an understatement of R3 205 664. Additionally, there was an impact on the deficit for the period and on the accumulated surplus.

In addition, I was unable to obtain sufficient appropriate evidence for capital grants included in government grants and subsidies in note 26 to the financial statements, due to the non-submission

of information supporting these grants. I was unable to confirm the capital grants by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the capital grants included in government grants and subsidies stated at R30 342 286 in note 26 to the financial statements.

### **Context for opinion**

32. 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.

33. 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.

34. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Material uncertainty relating to going concern**

35. I draw attention to the matters below. My opinion is not modified in respect of these matters.

36. Note 48 to the financial statements indicates that the municipality incurred a net deficit of 115 941 841 during the year ended 30 June 2025 and, as of that date the municipality's current liabilities exceeded its current assets by R391 248 688. These events or conditions, along with the other matters as set forth in note 48, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

### **Emphasis of matters**

37. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Material uncertainty relating to claims against the municipality**

38. With reference to note 42 to the financial statement, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result were made in the financial statements.

### **Unauthorised expenditure**

39. As disclosed in note 51 to the financial statements, unauthorised expenditure of R196 384 909 (2024: R26 127 262 723) was incurred, due to the overspending of the budget and the spending of conditional grants for operational purposes.

### **Fruitless and wasteful expenditure**

40. As disclosed in note 52 to the financial statements, fruitless and wasteful expenditure of R38 731 400 (2024: R24 346 762) was incurred, due to interest charged on long outstanding payments to suppliers.

### **Irregular expenditure**

41. As disclosed in note 53 to the financial statements, irregular expenditure of R 7 166 804 (2024: R12 602 903) was incurred, due to non-compliance with supply chain management (SCM) requirements.

## **Material losses**

42. As disclosed in note 54 to the financial statements, material electricity losses of R8 558 663 (2024: R4 346 214) were incurred, which represents 22,34% (2024: 11,03%) of total electricity purchased. Technical losses were as a result of inherent resistance of conductors, transformers, other electrical equipment and non-technical losses were as a result of tampering of meters, incorrect ratio used on bulk meters, faulty meters and illegal connections.

43. As disclosed in note 54 to the financial statements, material water losses of R3 147 367 (2024: R3 399 633) were incurred, which represents 79% (2024: 78%) of total water purchased.

## **Other matter**

44. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

45. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. The disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## **Responsibilities of the accounting officer for the financial statements**

46. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

47. 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**

48. 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.

49. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

### **Report on the annual performance report**

50. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

51. I selected the following material performance indicators related to infrastructure development and basic service delivery presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- % of budget spend on MIG grants
- % of budget spend on WSIG grants
- % of budget spend on INEP grants

- % of budget spend on EEDMS grant
- % of registered indigent households provided with free 6kl of basic water, 50KWh of electricity, basic sanitation and refuse removal
- % registered indigent households are exempted from the cost of digging and grave preparation
- % of water network losses investigated and reported per town on a quarterly basis
- % of household, business and public facilities with access to clean, quality and sustainable water services water supply per town by June 2025
- % of households with access to safe and sustainable sanitation services
- % of the budget spend on repairing of 4 pump stations in Koffiefontein by June 2025
- % of budget spend on the construction of new sports facility in Bolokanang/Petrusburg
- % of budget spend on the construction of Phase 2 of the sports facility in Sonwabile/ Koffiefontein
- % of budget spend on the construction of 4 high mast lights in Relebohile/Luckhoff by June 2025
- % of budget spend on the construction of 2 high mast lights in Oppermansgronde by June 2025
- % of electricity losses reported per quarter
- % of the budget spend on the electrification of Ext 7 in Bolokanang/Petrusburg by August 2024
- % of budget spend on the construction of 4 high mast lights in Koffiefontein by September 2024

- % of budget spend on the construction of 4 high mast lights in Ratatang/Jacobsdal by September 2024
- Number of electricity smart meters installed for households and businesses
- % of budget spend on retrofitting of electrical motors and pumps in all sewer and water treatment plants throughout Letsemeng vicinity through EEDMS
- % of budget spent on the upgrading of 1.3 km access road and storm water drainage in Diamanthoogte/Koffiefontein.

52.I evaluated the reported performance information for the selected material performance indicators 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.

53.I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

54. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

55. The material findings on the reported performance information for the selected material indicators are as follows:

% of registered indigent households provided with free 6kl of basic water, 50KWh of electricity, basic sanitation and refuse removal.

56. An achievement of 100% was reported against a target of 100%. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

% registered indigent households are exempted from the cost of digging and grave preparation

57. An achievement of 100% was reported against a target of 100%. I could not determine if the reported achievement was correct, as adequate supporting evidence 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.

% of the budget spend on the construction of the new sports facility in Bolokang/Petrusburg.

58. The indicator measures the budget spend, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives. "Contractor



occupied site in November 2024. Extension of time due to rainfall - response and proposed action. The contractor has formally submitted a request for an extension of time (EOT) Citing persistent and excessive rainfall as the primary cause of delay. Upon review of site records whether data, and the contractors programme of works the EOT was granted." was reported as a measure aimed at improving performance against the target of 100%. However, I could not determine if the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken

% of the budget spend on the construction of 4 high mast lights in Relebohile/Luckhoff by June 2025

59. The indicator measures budget spend on the project, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

% of the budget spend on the electrification of the Ext 7 in Bolokanang/Petrusburg by August 2024.

60. Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100%. Management could not provide support for the achievement of the target. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. The indicator measures budget spend on the project, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives.

Number of electricity smart meters installed for households and businesses

61. The approved planning documents included a commitment to report on the number of electricity smart meters installed for households and businesses. However, an achievement of 100% was reported in the annual performance report. This discrepancy highlights misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. An achievement of 0% was reported against a target of 100%. I could not determine whether the reported achievement was correct, as the indicator was not well defined and I could not verify

the methods and processes used to measure the achievements. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved. The indicator measures number of electricity smart meters installed for households and businesses, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives. Measures taken to improve performance against the underachieved target of 100% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

% of budget spend on retrofitting of electrical motors and pumps in all sewer and water treatment plants throughout Letsemeng vicinity through EEDMS

62. Adequate processes had not been established to consistently measure and reliably report on the achievement of this indicator and its target of 100%. Due to the municipality not providing support for the achievement of the target. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. The indicator measures budget spend on the project, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives. Measures taken to improve performance against the underachieved target of 100% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

% of budget spend on the upgrading of 1.3 km access road and storm water drainage in Diamanthoogte/Koffiefontein

63. The indicator measures the budget spend on the project, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the Municipality's 's planned objectives. An achievement of 80% was reported against a target of 100%. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently,

the achievement might be more or less than reported and was not reliable for determining if the target had been achieved. The main contractor is instructed to replace or reinforce the underperforming subcontractor to ensure delivery on outstanding works. Immediate resolutions of labour payment issues is required. Proof of payment must be submitted and formal commitment to regular wage disbursement must be provided" was reported as a measure aimed at improving performance against the target of 100%. However, I could not determine if the measure was actually implemented to improve performance because

adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

#### Various indicators

64. The indicator measures the budget spend on the project, which does not relate to the achievement of service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the Municipality's s planned objectives. Measures taken to improve performance against underachieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Planned target	Reported achievement
% of budget spend on MIG grants	100%	79%
% of budget spend on WSIG grants	100%	59%
% of budget spend on INEP grants	100%	0%
% of budget spend on EEDMS grant	100%	0%

#### Various indicators

65. I could not determine the accuracy of various reported achievements, as the indicators were not well-defined and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved. Measures taken to improve performance against underachieved targets were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and for assessing the effectiveness of strategies to improve future performance against targets.

Indicator	Planned target	Reported achievement
% of household, business and public facilities with access to clean, quality and sustainable water services water supply per town by June 2025	80%	0%

% of households with access to safe and sustainable sanitation services	90%	0%
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#### Various indicators

66. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets. The indicator measures the budget spend on the project, which does not relate to the achievement of Service delivery. Consequently, the indicator is not useful for measuring and monitoring progress against the municipality's planned objectives. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicator	Planned target	Reported achievement	Detail	Reported measure
% of the budget spend on repairing of 4 pump stations in Koffiefontein by June 2025	100%	0%	The indicator measures the budget spent and not the critical inputs, activities and	The project will be implemented by MISA on behalf of the municipality

			outputs for service delivery.	using Schedule 6B.
% of budget spend on the construction of the phase 2 of the sports facility in Sonwabile/Koffiefontein	100%	0%	The indicator measures the budget spent and not the critical inputs, activities and outputs for service delivery.	No measure included

#### Various indicators

67. I could not determine the accuracy of various reported achievements, as the indicators were not well-defined and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Planned target	Reported achievement
% of water network losses investigated and reported per town every quarter	90%	0%

% of electricity losses reported per quarter	20%	0%
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#### Other matters

68. I draw attention to the matters below.

## Achievement of planned targets

69. The annual performance report includes information on reported achievements against planned targets and measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

70. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures to improve performance are included in the annual performance report on pages xx to xx.

## Infrastructure development and basic service delivery

<i>Targets achieved: 57%</i>		
<i>Budget spent 100%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
% of budget spend on MIG grants	100%	79%
% of budget spend on WSIG grants	100%	59%
% of budget spend on INEP grants	100%	0%
% of budget spend on EEDMS grant	100%	0%
% of water network losses investigated and reported per town on a quarterly basis	90%	0%
% of household, business and public facilities with access to clean, quality and sustainable water services water supply per town by June 2025	80%	0%
% of households with access to safe and sustainable sanitation services	90%	0%

% of the budget spend on repairing of 4 pump stations in Koffiefontein by June 2025	100%	0%
% of the budget spend on the construction of the new sports facility in Bolokang/Petrusburg.	100%	64%
% of budget spend on the construction of the phase 2 of the sports facility in Sonwabile/Koffiefontein	100%	0%
% of electricity losses reported per quarter	20%	0%



Number of electricity smart meters installed for households and businesses	100%	0%
% of budget spend on retrofitting of electrical motors and pumps in all sewer and water treatment plants throughout Letsemeng vicinity through EEDMS	100%	0%
% of budget spend on the upgrading of 1.3 km access road and storm water drainage in Diamanthoogte/Koffiefontein.	100%	80%
Number of INEP expenditure reports submitted to DOE.	12	0
% of electricity meter audited conducted by end June 2025.	100%	0%

### Material misstatements

71. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for infrastructure development and basic service delivery. Management did not correct the misstatements, and I reported material findings in this regard.

### Report on compliance with legislation

72. 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.

73. 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.

74. 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.

75. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Annual financial statements and annual report**

76. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, 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.

77. The council failed to adopt an oversight report containing the council's comments on the 2023/24 annual report, as required by section 129(1) of the MFMA.

### **Expenditure management**

78. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.

79. Reasonable steps were not taken to prevent irregular expenditure amounting to R7 166 804 as disclosed in note 53 to the annual financial statement, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused

by non-compliance with SCM requirements.

80. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R 38 731 400, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to suppliers.

81. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R196 384 909, as disclosed in note 51 to the annual financial statement, as required by section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by the overspending of the budget and the spending of conditional grants for operational purposes.

#### **Revenue management**

82. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.

83. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

#### **Asset management**

84. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

85. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

#### **Human resource management**

86. 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 Municipal Systems Act 32 of 2000 (MSA) and regulation 31 of Municipal Staff Regulations.

#### **Strategic planning**

87. The SDBIP for the year under review did not include monthly revenue projections by source of

collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

88. Amendments to the IDP were made without consultation with the district municipality, as required by municipal planning and performance management regulation 3(6)(a).

89. A performance management system was not established, as required by section 38(a) of the MSA.

90. A performance management system was not adopted, as required by municipal planning and performance management regulation 8.

### **Consequence management**

91. 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.

92. 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.

93. 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.

### **Governance and oversight**

94. The Internal Audit unit did not prepare a risk-based audit plan and the internal audit program for the financial year, as required by section 165(2) of the MFMA.

95. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to internal controls, as required by section 165(2)(b)(ii) of the MFMA.

96. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.
97. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to performance management, as required by section 165(2)(b)(v) of the MFMA.
98. The Internal Audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance with MFMA, Dora, and any other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.
99. The internal audit unit did not submit quarterly reports on the audits of performance measurements of the auditee to the municipal manager and the performance audit committee, as required by regulation 14(1)(c)(ii) on Municipal Planning and Performance Management.

#### **Utilisation of conditional grants**

100. The municipal infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
101. The water services infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
102. Sufficient and appropriate audit evidence could not be obtained that performance in respect of programmes funded by the water services infrastructure grant was evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

#### **Procurement and contract management**

103. The preference point system was not applied in the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000. Similar non-compliance was also reported in the prior

year.

#### **Other information in the annual report**

104. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in key performance areas (KPA) presented in the annual performance report that have been specifically reported on in this auditor's report.
105. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.
106. 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 material indicators in the scoped-in KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
107. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is material misstatements therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### **Internal control deficiencies**

108. 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.
109. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

110. The council, Mayor, MPAC and audit committee was not effective in ensuring that good governance was in place that set the tone of accountability to protect and enhance the interests of the municipality. Instability in the office of the municipal manager and chief financial officer hindered the creation of systems and processes allowing the municipality to build stable capacity, enhance the skills of officials and create a culture of good financial and performance disciplines and compliance.
111. The accounting officer did not provide sufficient oversight over the implementation and monitoring of a sound control environment and the development of policies and procedures. The accounting officer did not act on audit recommendations made in the prior year and did not monitor the development and implementation of an effective action plan, resulting in many of the findings recurring.
112. Governance structures, i.e. the audit committee and the internal audit, were not effective in ensuring that good governance practices were in place by engaging management to prepare and monitor action plans to address the previous year's audit issues, as well as proper implementation thereof.
113. The accounting officer did not apply consequence management at the municipality and officials were not held accountable for irregular, unauthorised and fruitless and wasteful expenditure incurred in the previous financial years.
114. The accounting officer did not appropriately review and monitor compliance with applicable laws and regulations, resulting in repeat non-compliance reported above.
115. The accounting officer did not implement the required financial disciplines such as proper record keeping, monthly reconciliations and the review of accounting records as well as ensuring financial statements adhere to the accounting framework. The material misstatements were exacerbated by management's lack of adequate review and failure to ensure that information was timeously gathered and filed appropriately to support financial reporting

#### **Material irregularities**

116. 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 in progress**

117. I identified material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in next year's auditor's report.

### **Status of previously reported material irregularities**

#### **Eskom not paid within 30 days**

118. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R3 711 420 being incurred for the period 1 April 2019 to 31 March 2020. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay Eskom.

119. The accounting officer was notified of the material irregularity on 25 February 2021. The accounting officer did not take appropriate action to resolve the material irregularity. I recommend that the accounting officer should take the following actions to address the material irregularity, which should have been implemented by 15 December 2024, with progress reports every 4 months:

- Appropriate action should be taken to develop and commence with the implementation of the financial plan to address the financial problems of the municipality that are preventing it from paying Eskom within 30 days, as required by MFMA section 65(2)(e). The financial plan should include realistic timeframes and milestones to be achieved and include as a minimum strategy to:
  - (a) Increase revenue;
  - (b) Increase the collection of revenue;
  - (c) Efficiently manage the available resources of the municipality to optimise costs;
  - (d) Reduce electricity distribution losses; and



(e) Negotiate a reasonable payment arrangement with Eskom and properly budget for the amounts to be paid.

120. The accounting officer has not adequately implemented or made satisfactorily progress with implementation of the above recommendation. I notified the accounting officer on 24 April 2025 of the following remedial actions to address the material irregularity, which must have been implemented by 24 October 2025, with a progress report after three months:

- Appropriate action must be taken to develop and commence with the implementation of the financial plan to address the financial problems of the municipality that are preventing it from paying Eskom within 30 days, as required by section 65(2)(e) of the MFMA. The financial plan must include realistic timeframes and milestones to be achieved and include as a minimum strategy to:
  - a. Increase revenue;
  - b. Increase the collection of revenue;
  - c. Efficiently manage the available resources of the municipality through cost containment measures and proper budget management;
  - d. Reduce electricity distribution losses; and
  - e. Negotiate a reasonable payment arrangement with Eskom and properly budget for the amounts to be paid.

121. In support of the actions taken in implementing the remedial actions, the accounting officer submitted response on 24 October 2025. I have determined that the accounting officer has not adequately implemented or made satisfactorily progress with implementation of the remedial actions. I am in the process of making a decision on further actions to be taken.

#### **Other reports**

122. 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.

123. The former technical director has been arrested by the Priority Crime Investigation of the South African Police Services on 11 December 2023 and charged with alleged fraud, corruption and contravention of the Municipal Management Act, while the company and its director have been charged with fraud, forgery, uttering and contravention of the Municipal Financial Management Act. The acting municipal management and the director of the company were released on bail. The case was postponed to 25 March 2024 for further investigation. The matter is currently handled by the National Prosecuting Authority Specialised Commercial Crime Unit in Bloemfontein. The case was remanded to 21 April 2026. The case was therefore still ongoing at the date of this report.
124. The Public Protector is currently investigating allegations of fraud and corruption, abuse of power and improper conduct by a councillor claiming fuel for their motor vehicle. The investigation into these allegations were still ongoing at the date of this report.

*Auditor - General.*

Bloemfontein

30 November 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure to the auditor's report**

1. The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

## **Auditor-general's responsibility for the audit**

### **Professional judgement and professional scepticism**

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

### **Financial statements**

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based

on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulation
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), Sections: 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), Sections: 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), Sections: 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), Sections: 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), Sections: 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), Sections: 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), Sections: 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, Sections: 122(1), 122(2), 126(1)(a), 126(1)(b), Sections: 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), Sections: 129(3), 133(1)(a), 133(1)(c)(i),

	133(1)(c)(ii), Sections: 165(1), 165(2)(a), 165(2)(b)(ii), Sections:165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), Sections:166(2)(b), 166(2)(a)(iv), 166(5), 170, Sections: 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), Regulations: 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), Regulations: 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), Regulations: 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), Regulations: 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), Regulations: 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), Regulations: 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations: 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)

Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act 24 of 2024	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), Sections: 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), Sections: 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), Sections: 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, Sections: 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulation
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, Regulations: 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), Regulations: 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), Regulations: 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43

Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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), Regulations: 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), Regulations: 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), Regulations: 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), Regulation: 5(4)

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries can access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.



<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this

	EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDIX 'A' – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance	
	FT/PT			%	%	
Cllr X Mthukwane	FT	Oversight role - Speaker	ANC – Ward Cllr	98	2	
Cllr B Mocwaledi	F/T	EXCO- Mayor <b>Add members:</b> • Cllr II Ramohlabi • Cllr M Potgieter	ANC - PR Cllr ANC -Ward Cllr DA- PR Cllr	98	2	
Cllr II Ramohlabi	P/T	Corporate Technical Committee (Section 80) <b>Add members:</b> -Cllr K Molusi -Cllr V Stuurman -Cllr T Nthapo	ANC – Ward Councillor	98	2	
Cllr M Potgieter	P/T	Finance & Community (Section 80) <b>Add members:</b> - Cllr A Lebaka - Cllr S Lichaba - Cllr T Maseilane	DA – PR Councillor	98	2	
Cllr T Kumalo	P/T	Municipal Account Committee (MPAC) <b>Add members:</b> - Cllr N November - Cllr D Van Staten Terblanche	ANC – Ward Councillor	98	2	
<b>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</b>						<b>T A</b>

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees		Purpose of Committee
Municipal Public Accounts Committee		Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee		Performing duties as stipulated in Section 166 of the MFMA
Finance Committee		Perform duties as outlined on the legislation and advice council on finance related matters
Technical Services Committee		Perform duties as outlined on the legislation and advice council on technical department related matters
Corporate Services		Perform duties as outlined on the legislation and advice council on corporate services related matters
Community and LED services		Perform duties as outlined on the legislation and advice council on Community services and LED related matters

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Acting Municipal Manager – Me ST Maneli
Financial Services	Acting Chief Financial Officer – Mr. SJ Tooi
Technical Services	Acting Director: Mr. MA Tsoene
Corporate services	Acting Director: Mr SG Qwelane
Community Services	Acting Director: Mr. NI Bonani

## APPENDIX D –FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal Functions	
Municipal Functions	Function Applicable to Municipality (Yes / No) *
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr I Ramohlabi	Yes	12	-	-
2	Cllr V Stuurman	Yes	12	-	-
3	Cllr MA Lebaka	Yes	12	-	-
4	Cllr XH Mthukwane	Yes	12	-	-
5	Cllr T Khumalo	Yes	12	-	-
6	Cllr K Molusi	Yes	12	-	-
7	Cllr S Lichaba	Yes	12	-	-

## APPENDIX F – WARD INFORMATION

Top Two Service Delivery Priorities for Ward (Highest Priority First)		
Ward No.	Priority Name and Detail	Progress During '2024/25
6 (Petrusburg)	Project A: Electrification of 1000 Households Connections in Bolokanang Ext 7/Petrusburg	The project has reached practical completion, were currently on snag-list. Hoiusewholds connections.
4 & 5 (Koffiefontein)	Koffiefontein Bulk Water and Reservoir	The project is under Construction The project is stalled due to legal issues

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2024/25

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2024/25	Recommendations adopted (enter Yes) If not adopted (provide explanation)
N/A	None	None

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Largest Contracts Entered into during 2024/25) R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
NONE					

TH.1

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE

The municipality do not have a municipal entity.

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June of 2025		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>		
	Cllr Mocwaledi	Nil
<b>Member of MayCo / Exco</b>		
	Cllr Ramohlabi	Nil
<b>Councillors</b>		
	Cllr Nthapo	Nil
	Cllr Lebaka	Nil
	Cllr AN November	Nil
	Cllr Dichaba	Nil
	Cllr Stuurman	Nil
	Cllr Potgieter	Nil
	Cllr Terblanche	Nil
	Cllr Maseilane	Nil
	Cllr Molusi	Nil
	Cllr Kumalo	Nil
	Cllr Mthukwane	Nil





LETSEMENG LOCAL  
MUNICIPALITY

