

Siyathemba Municipality



Annual Report

2024/25



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Chapter 1: Mayor's Foreword and Executive Summary

Component A: Mayor's Foreword



It is with immense pride, deep responsibility, and unwavering hope that I present the Annual Report of the Siyathemba Local Municipality for the 2024/25 financial years. This consolidated report reflects our continued commitment to building a progressive, accountable, and service-oriented Municipality, while striving to fulfill our developmental mandate and improve the quality of life for all residents of Siyathemba.

These financial year has been marked by both significant challenges and remarkable achievements. Guided by the principles of good governance, inclusivity, and transparency, we have navigated complex socio-economic landscapes and ensured that the Municipality remains steadfast in delivering on its constitutional mandate.

Our Commitment to Service Delivery

The core responsibility of this Municipality is to provide sustainable and quality services to our communities. Over the past two years, we have made notable strides in improving access to water, sanitation, electricity, and waste management, despite financial and operational constraints that have tested our resilience.

- **Road Infrastructure:** Strategic partnerships and dedicated contractors such as Quebar Civil Engineering have ensured reliable road

repairs, enhancing connectivity and supporting local economic activity.

- **Lighting and Safety:** The installation of high mass lights has greatly improved safety and security for our residents, particularly in areas such as Plakkerskamp.

Human Settlements

As the Hon Mayor of Siyathemba Municipality, I am proud of the progress we are making in human settlement development. Almost 5,000 plots have been planned across the municipality, with 1,680 serviced plots in Prieska ready for settlement.

Through our partnership with Orion Minerals, an additional 600 plots have been planned to accommodate the working class.

We therefor remain committed to providing basic services to ensure dignified living conditions for all our residents.

Driving Local Economic Development

Local Economic Development (LED) remains a cornerstone of our strategic objectives. We have intensified efforts to stimulate growth by supporting small businesses, promoting local industries, and fostering job creation initiatives.

- The provision of land for the Tiger Eye Shopping Centre stands as a symbol of growth and empowerment, creating jobs and expanding retail access.

Public Participation and Governance

Central to our developmental agenda is the active participation of our communities. Public engagements have shaped our Integrated Development Plan (IDP) and budgeting processes, ensuring responsiveness to citizen needs.

Our governance structures have been strengthened through adherence to legislative frameworks such as the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA). The Auditor-General's review has provided valuable insights, and corrective measures have been identified to further enhance accountability and efficiency.

We remain committed to achieving clean governance and unqualified audit outcomes, as a testament to our financial prudence and ethical leadership.

Challenges and Lessons Learned

While celebrating our successes, we acknowledge the challenges that persist:

- Limited financial resources
- Aging infrastructure
- The impact of climate change

These obstacles have reinforced the need for innovative solutions, collaborative partnerships, and shared commitment to our vision of a prosperous and sustainable Siyathemba.

Community Achievements and Appreciation

Progress is only possible through collaboration. We extend heartfelt appreciation to:

- Dr. Raubenheimer for the erection of the welcoming sign in Prieska, a beacon of pride and hospitality.
- Municipal officials and traffic officers, whose dedication ensures law, order, and safety on our roads.
- Community leaders, businesses, and residents, whose resilience and partnership continue to drive our collective success.

Special thanks are due to the compilation team, our Councillors, Municipal Manager, Senior Management, and all municipal employees for their dedication.

The Road Ahead

As we reflect on the achievements of the past two years, we remain mindful of the work that lies ahead. The

coming years will demand even greater collaboration, innovation, and determination as we strive to meet the evolving needs of our people.

We envision a Siyathemba where:

- Every child grows up with opportunities.
- Our roads and infrastructure reflect the dignity of our people.
- Our youth find safe, legal, and empowering spaces to express their talents—whether in sport, business, or community leadership.

Let us remain united in our pursuit of a Siyathemba that is inclusive, prosperous, and resilient, a Municipality that truly embodies its name: “We have hope.”

Conclusion

This Annual Report is both a mirror of our progress and a roadmap for the future. It reaffirms our commitment to transparency, accountability, and participatory democracy. Together, we can overcome challenges, embrace opportunities, and build a stronger, more prosperous community for generations to come.

Fellow residents of Siyathemba, a new season of opportunity is upon us. Major investment such as Orion Minerals, the Prieska Power Reserve (PPR), business development, and local economic advancement. These projects create new opportunities to attract solar and wind farms, grow local business and create jobs.

The future of Siyathemba is bright, and together, we will ensure that it shines even brighter.

Cllr J. A Phillips

Hon Mayor of Siyathemba Local Municipality

Part B: Executive Summary

1.1 Municipal Manager's Overview



The 2024/2025 financial year represented a period of sustained effort by Siyathemba Local Municipality to stabilise its administrative environment while continuing to fulfil its constitutional mandate of providing basic services and promoting socio-economic development. Operating within a predominantly rural context and a constrained economic environment, the Municipality remained committed to implementing the strategic priorities of Council as set out in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP).

Despite ongoing challenges related to limited revenue bases, aging infrastructure, and increasing service delivery demands, the administration focused on strengthening governance systems, improving operational efficiency, and ensuring continuity of service delivery to the communities of Siyathemba.

Governance and Administration

During the year under review, the Municipality continued to implement legislative and regulatory requirements in line with the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA), and other applicable prescripts. Efforts were directed at strengthening internal controls, improving compliance, and enhancing oversight through effective risk management, internal audit processes, and performance monitoring.

The administration provided consistent support to Council and its committees, ensuring that decisions were informed by credible information and aligned to the Municipality's strategic objectives. Performance

management systems were implemented for Senior Managers to promote accountability and ensure alignment between organisational goals and individual performance.

Service Delivery and Infrastructure Development

Siyathemba Local Municipality continued to prioritise the delivery and maintenance of basic services, particularly in the areas of water, sanitation, roads, and electricity, within the limits of available resources. Capital and operational projects were implemented in accordance with approved plans, with a focus on addressing service backlogs and maintaining existing infrastructure to ensure sustainability. During the year under review the municipality experienced several challenges with regards to water provision, however the available resources are dwindling due to low revenue collection rates. This remains a huge and challenge and places serious strain on the available resources.

Community engagement remained central to the Municipality's development approach. Ward committee structures, public participation processes, and stakeholder engagements were utilised to ensure that community needs and priorities informed planning and implementation processes.

Financial Management

Sound financial management remained a key focus area during the 2024/2025 financial year. The Municipality implemented measures aimed at improving revenue collection, strengthening expenditure controls, and ensuring alignment between budgets and actual performance. Regular monitoring of financial performance enabled management to identify risks and implement corrective measures where necessary.

While financial pressures persisted, particularly in relation to revenue collection and rising operational costs, the Municipality remained committed to improving its financial sustainability and ensuring that public funds were managed responsibly and in the best interests of the community.

Human Resources and Organisational Capacity

Recognising the importance of institutional capacity in achieving service delivery objectives, the Municipality continued to prioritise human resource development. Critical vacancies were addressed where possible, and training and skills development initiatives were

implemented to enhance employee competence and performance.

Employee wellness and labour relations were managed to promote a stable and productive working environment, which is essential for uninterrupted service delivery.

Challenges and Way Forward

The Municipality continues to operate within a challenging environment characterised by financial constraints, infrastructure backlogs, and socio-economic pressures. However, the administration remains committed to addressing these challenges through improved planning, strengthened partnerships with other spheres of government, and the efficient utilisation of available resources.

Going forward, Siyathemba Local Municipality will focus on strengthening financial sustainability, improving governance and compliance, accelerating infrastructure development, and enhancing service delivery outcomes. Continuous improvement in accountability, transparency, and community engagement will remain central to the Municipality's strategic direction.

Appreciation

I would like to express my sincere appreciation to the Mayor, Speaker, and all Councillors for their leadership and oversight during the year under review. I also extend my gratitude to the municipal management team and all employees for their dedication and commitment in serving the communities of Siyathemba. Lastly, I thank our residents and stakeholders for their continued cooperation and participation in local governance.

Mr Thomas van Staden

MUNICIPAL MANAGER

1.2 Municipal Overview

This report addresses the performance of the Siyathemba Municipality in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2024/25 Annual Report reflects on the performance of the Municipality for the period 1 July 2024 to 30 June 2025. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Municipality committed itself to the vision and mission of:

Vision

“Siyathemba, a developmental Municipality, creating a better life”

Mission

“Creating a better life for our communities” through: -

- Addressing and managing of negative perceptions.
- Maximising the opportunities and resources for social and economic growth.
- Communicating information openly and honestly.
- Delivering quality and reliable services to all our communities and
- Putting the needs of the community first.

Strategic Objectives

- Enhance good governance processes and accountability
- Develop a capable and capacitated institution to respond to community needs
- Provide appropriate services to all households
- Strengthen community participation
- Good governance
- Enhance municipal financial viability
- Facilitate economic growth in the municipal area
- Plan, develop and maintain infrastructure and facilities
- Provision of access to all basic services rendered to residents within the available resources

1.2.1 Municipal Area at a Glance

Total municipal area	14 725 km ²	Demographics (Census 2022)	
		Population	Households
Population (Census 2022)		27 102	6 739
Population growth rate (%)	1.57 (2001–2011)	Densities (Census 2011)	
Average household size	4.0	Population density(persons/km ²)	1 person
		Working age (15-64)	66.5%

Service delivery (% of households with service) (Census 2022)							
Water (piped inside dwelling)	50.5%	Sanitation (flush toilet)	85.1%	Electricity	94.6%	Refuse removal	78.2%
Labour							
Unemployment rate 2001	36%			Unemployment rate 2011	24.3%		
Largest economic subsectors							
Social and personal services	Agriculture			General government services	Wholesale and retail trade		

Table 1: Municipal Area at a Glance

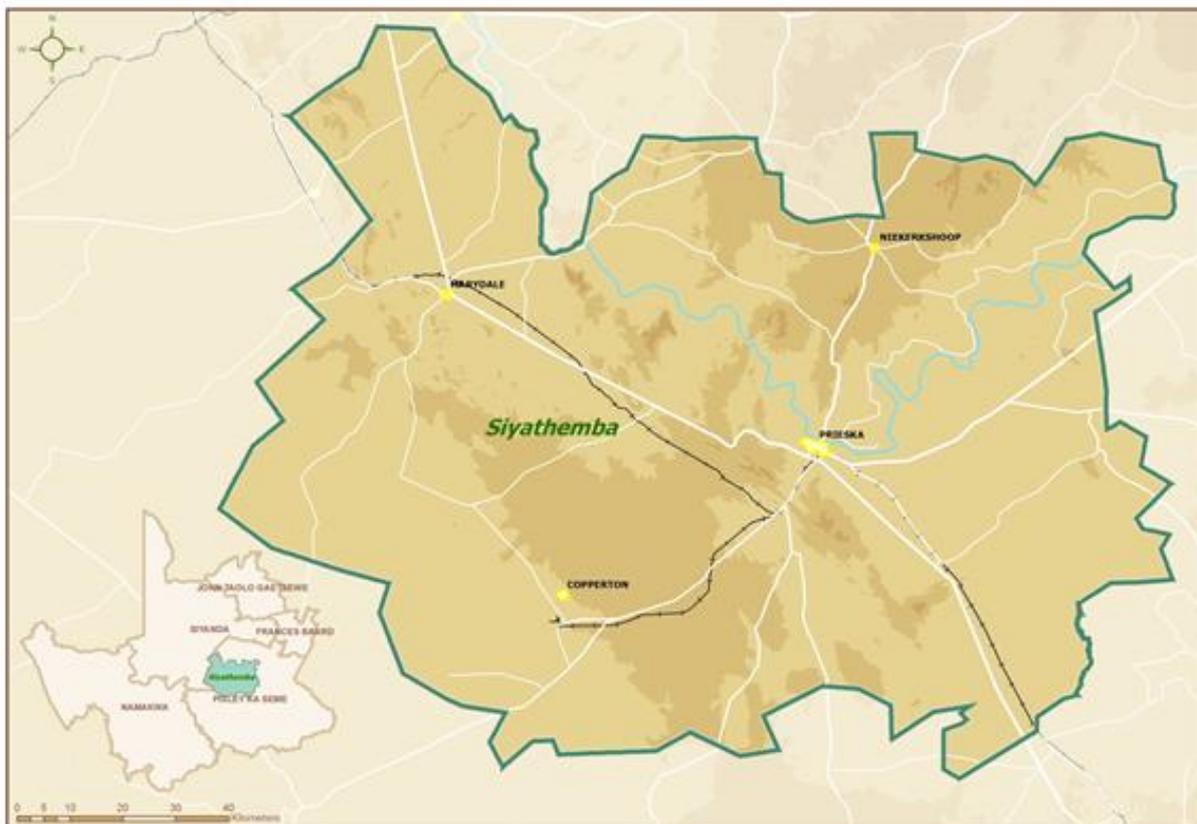
1.2.2 Geographical Context

Spatial Location

Siyathemba Municipality is a Category B Municipality (NC077), established in 2001, in accordance with the demarcation process. The Municipality is located within the central eastern parts of the Northern Cape Province on the banks of the Orange River and falls within the boundaries of the Pixley Ka Seme District. The nearest business centre is Kimberley, which is about 220km away.

The municipal area encompasses a geographic area of approximately 8,200km², which implies that Siyathemba Municipality accounts for 8% of the total district surface area and approximately 3% of the provincial area. The Municipality is divided into 6 Wards. The 6 wards demarcation was done in 2021 and is applicable from the 2021 municipal elections.

The map below indicates the location of the Municipality:



Graph 1: Locality Map

Main towns

Siyathemba Local Municipality, was initially established as 'Primanday' which was a combination of the names Prieska, Marydale and Niekerkshoop. Its name was changed in 2001 and is derived from Nguni "we hope" or "we trust". Because Prieska was a mine dump, the people in the area developed an illness known as asbestosis. Certain mine heaps have been rehabilitated in the area, although the people have already lost hope. By naming the municipality Siyathemba, the community trusts that their living conditions improve.

After the latest demarcation process, the area was extended to include not only the three towns and surrounding suburbs of Marydale, Niekerkshoop and Prieska but also Copperton.

Prieska was originally named Prieschap, a Koranna word meaning 'place of the lost she-goat', and used to be a fording place for travelers over the Orange River. Known to the locals as 'the gem of the Northern Cape', Prieska is the seat of the municipality and is located on the hills of the Doring Mountains on the southern banks of the Orange River. Prieska's infrastructure is impressive – it has Eskom power an abundant water supply from the Orange River, with the Gariiep and the Vanderkloof Dams on the upstream side of the river; easy access to the main railway line to Namibia; good tarred road linkage with Kimberley, Upington and De Aar; two landing strips for light aircraft; and complete and reasonably inexpensive industrial stands, with or without siding facilities.

Niekerkshoop is 80 kilometres south of Griquatown and 40 kilometres north of Prieska. Niekerkshoop is attractively placed between hills, and large trees shade the streets. There is no domestic water supply but irrigation water is supplied by a spring to the north of the town.

Marydale was established in 1903 by the Dutch Reformed Church on the farm Kalkput and named after Mary Snyman, the wife of Mr GP Snyman, owner of the farm on which the town was laid out. The town is 75 km north-west of Prieska and 120 km south-east of Upington. On the northwest side of Marydale is a rich underground water source, and the main means of water supply is by borehole and wind pumps. It depends mainly on sheep farming.

Copperton is an old mining town that was sold to a private owner after the closing of the mine. The town is currently on a long-term lease by the Request Trust. The current owners was awarded a mining license and is currently in negotiations with the Municipality for the housing and development land and the Municipality already availed some infrastructure in this regard. Some of the houses were initially demolished and after the lease agreement was signed with the Request Trust, an agreement was reached that the rest of the houses could be retained. An agreement was reached between the Lessee and Alkantpan (Armscor) for the delivery of water, sanitation, and electricity services. Armscor also maintained one of the main roads.

1.2.3 Demographic Profile

Population

Siyathemba Municipality contributes 11.9% to the district population (the second largest Local Municipality in the Pixley Ka Seme District by population) and 1.9% to the population of the Northern Cape.

The most dominant population group is Coloured. This group represents 80% of the total population in the municipal area. The other groups are black (12%) and white (8%).

The table below indicates a steady increase in the population size and the number of households of Siyathemba Municipality since 2011.

Indicator		2011	2022 (Census 2022)
Population		21 591	27 102
Households		5 831	6 739
People per household		3.6	4.0
Age breakdown	0 - 14	30.8%	27.0%
	15 - 64	63.2%	66.5%
	65+	6.0%	6.5%

Table 2: Demographic Profile

Wards

The Municipality consists of 6 electoral wards.

1.2.4 Economic Profile

The district contribution to the provincial GDP has consistently been the lowest over recent years with its contribution declining from 10,6% to 9,6% between 2003 and 2004. The economy is predominantly primary sector focused with manufacturing and tourism also contributing to the district economy. The economic sectors that contribute the most to the GDP of Pixley ka Seme are Agriculture, Mining, Tourism and Manufacturing. The tertiary sector contributes the greatest percentage to the GDP of the Northern Cape, followed by the primary sector and then the secondary sector. The Pixley Ka Seme district displays a similar characteristic as the province with respect to its sectoral contributions to GDP. To transform and diversify the status of the districts economy will require a concerted effort to improve and create development opportunities within this sector.

Sectors in the economy of the Pixley Ka Seme District that have a location quotient larger than 1 are agriculture (2,35); community, social and personal services (1,19); transport, storage and communication (1,16); electricity, gas and water supply (2,19). These indicate sectors that show potential for additional development.

Other sectors in the district that have a distinct comparative advantage with respect to the Northern Cape and South Africa are:

- Electricity, gas and water supply
- Community, social and personal services
- Transport, storage and communication

The economy in the Siyathemba municipal area and district is characterised by the following:

- High levels of poverty and low levels of education.
- Low level of development.
- Sparsely populated towns with Prieska serving as “agricultural service centre”.
- High rate of unemployment and social grant dependence.
- Prone to significant environmental changes owing to long-term structural changes (such as climate change, energy crises and other shifts).
- Geographic similarity in economic sectors, growth factors and settlement patterns.
- Economies of scale not easily achieved owing to the relatively small size of towns.
- A diverse road network with national, trunk, main and divisional roads of varying quality.

Potential in renewable energy resource generation.

Employment Status

There has been a decrease in the number of people employed and a concomitant increase in the number of unemployed in the district between these the 2001 and 2011 censuses. This is directly related to the number of businesses that has closed in the region during the period reflected and indicates the need for a retention or wholesale and retail strategy regarding these businesses. Unemployment reaching approximately 28.3% 2011 and Youth unemployment reaching 35.4% in 2011 as per Stats SA 2011 Census.

Municipality	Employed	Total%	Unemployed	Total%	Discouraged work-seeker	Total%	Other not economically active
1. Ubuntu	5 028	27	2 064	11	507	3	3 774
2. Umsobomvu	6 117	22	3 018	11	1 188	4	7 491
3. Emthanjeni	9 864	23	3 831	9	1 203	3	11 559
4. Kareeberg	2 856	24	951	8	456	4	3 030
5. Renosterberg	2 616	24	957	9	324	3	2 796
6. Thembelihle	3 861	25	1 533	10	687	4	3 777
7. Siyathemba	5 370	25	1 728	8	765	4	5 787
8. Siyancuma	7 947	21	3 120	8	1 422	4	10 575
Total	43 659	192	17 202	75	6 552	30	48 789

Table 3: Employment Status per Local Municipality in Pixley Ka Seme District

Any unemployment rate, irrespective of how large, has serious repercussions for the ability of the residents to pay for their daily needs and for municipal services. Other main sources of income are pension/welfare payments.

The employment status of the available workforce/economically active group in the Siyathema municipal area is listed in the table below:

Description	2011	Percentage of working age population (%)
Employed	5 370	25
Unemployed	1 728	8
Not economically active	6 552	44.4
Unemployment rate (%)	24.3	

Table 4: Employment Status

1.3 Municipal Challenges

1.3.1 Service Delivery Challenges

Challenge	Implications	Strategy
Sustainable service delivery	<ul style="list-style-type: none"> <input type="checkbox"/> Unhappy communities; <input type="checkbox"/> Unequal development in the area; <input type="checkbox"/> Divided community; and <input type="checkbox"/> Constant service interruption 	Develop different sector plans to ensure equal and sustainable development of the entire area
Old infrastructure & assets	Cannot utilise MIG for O&M	Develop proper tariffs to ensure O&M budget
	Water and other critical resource losses	Ensure that the municipality has an effective maintenance and replacement strategy

Challenge	Implications	Strategy
	<input type="checkbox"/> Lack of faith in Municipality by investors; and <input type="checkbox"/> Service interruptions	Increase municipal revenue through credit control
Lack of effective disaster management systems	Loss of lives	Improve the capacity of the Municipality to respond at a least the expected minimal level to disasters
	Inability to respond to disasters	

Table 5: Services Delivery Challenges

1.3.2 Households with minimum level of Basic Services

Service	2023/24	2024/25
Electricity service connections (Represents the number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas as at 30 June))	1 408	1408
Water - available within 200 m from dwelling (Represents the number of residential properties which are billed for water or have pre-paid meters as at 30 June)	3 483	6 667
Sanitation - Households with at least VIP service (Represents the number of residential properties which are billed for sewerage as at 30 June)	753	5 733
Waste collection - kerbside collection once a week (Represents the number of residential properties which are billed for refuse removal as at 30 June)	5 450	5 513

Table 6: Households with minimum level of Basic Services

1.4 Financial Health Overview

1.4.1 Financial Viability Challenges

Challenge	Description
Creditor payment period increase	<p>The creditors' payment period of 960 days is higher than the acceptable norm of 30 days, which indicates that the Municipality has poor financial management controls.</p> <p>The Municipality is exposed to cash flow risk and that insufficient cash is available to fund monthly operating expenditure, which holds potential risks to service delivery and may be indicative of or lead to possible going concern/ financial viability difficulties</p>
Debtors Collection period high	The Municipality is experiencing challenges in the collection of outstanding amounts due to it, which exposes it to cash flow risk and likely liquidity problems, that may lead to going concern/ financial viability difficulties, because a significant amount of potential cash is tied up in consumer debtors
Debtors' collection period increased	<p>There is a concern on collection of revenue realised by the Municipality.</p> <p>10,65% of electricity purchased during the 2023/2024 financial year was lost, which may be due to losses incurred through theft (illegal connections), none or inaccurate metering or wastage. This is a concern as there is an increase from the prior year from 7.64% as disclosed in the financial statements</p>
Increase in amounts payable	The Municipality is struggling to manage its cash resources. The lack of available cash could lead to the Municipality struggling to pay its creditors or procure certain goods or services in the future

Table 7: Financial Viability Challenges

1.4.2 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

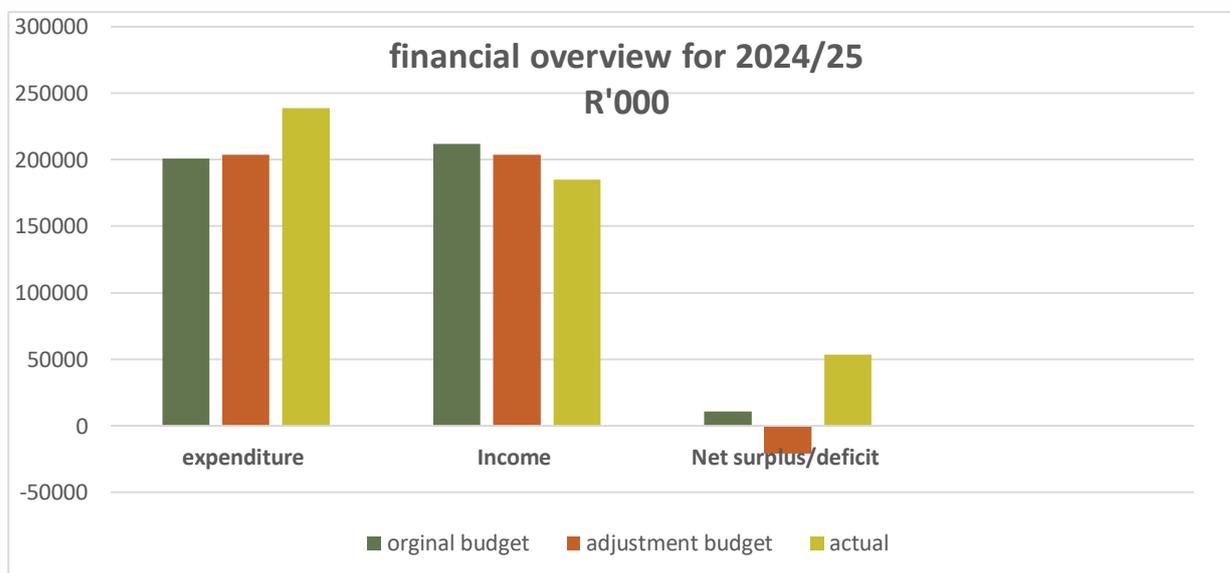
KPA & Indicator	2023/24	2024/25
Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	34%	34%
Service debtors to revenue (Total outstanding service debtors/revenue received for services)	334%	334%
Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	-0.11	-0.11

Table 8: National KPI's for Financial Viability and Management

1.4.3 Financial Overview

Details	2023/24	2024/25		
		Original budget	Adjustment Budget	Actual
		R		
Income				
Grants	R79 783	R73 089	R73 089	R66 359
Taxes, Levies and tariffs	R95 836	R102 994	R101 046	R87 460
Other	R6 550	R35 610	R29 669	R31 129
Sub Total	R182 170	R211 693	R203 804	R184 948
Less Expenditure	R182 902	R201 020	R224 430	R238 535
Net deficit/surplus	-R732	R10 673	-R20 626	-R53 587

Table 8: Financial Overview



Graph 2: Financial overview

1.4.4 Operating ratios

The following table contains the operating ratios for the 2024/25 financial year:

Detail	Expected norm	Actual	% Variance	Reason for variance
	(%)			
Employee cost	35	27.5	7.5	Under expenditure due to vacancies
Repairs and maintenance	8-12	2.35	5.65 – 9.65	The Municipality is cash strapped due to the high unemployment rate that results in a low debtors' collection rate. Therefore, the Municipality is only able to spent 2,35% on repairs and maintenance
Finance charges and depreciation	18	23.71	-5.71	Finance charges are due to outstanding Eskom account and the interest makes out bulk of the finance charges

Table 9: Operating ratios

1.4.5 Total Capital Expenditure

Detail	2023/24	2024/25
	R'000	
Original Budget	R28 839	R20 710
Adjustment Budget	R22 579	R20 710
Actual	R21 987	R13 417
% Spent	97.38	64.78

Table 10: Total Capital Expenditure

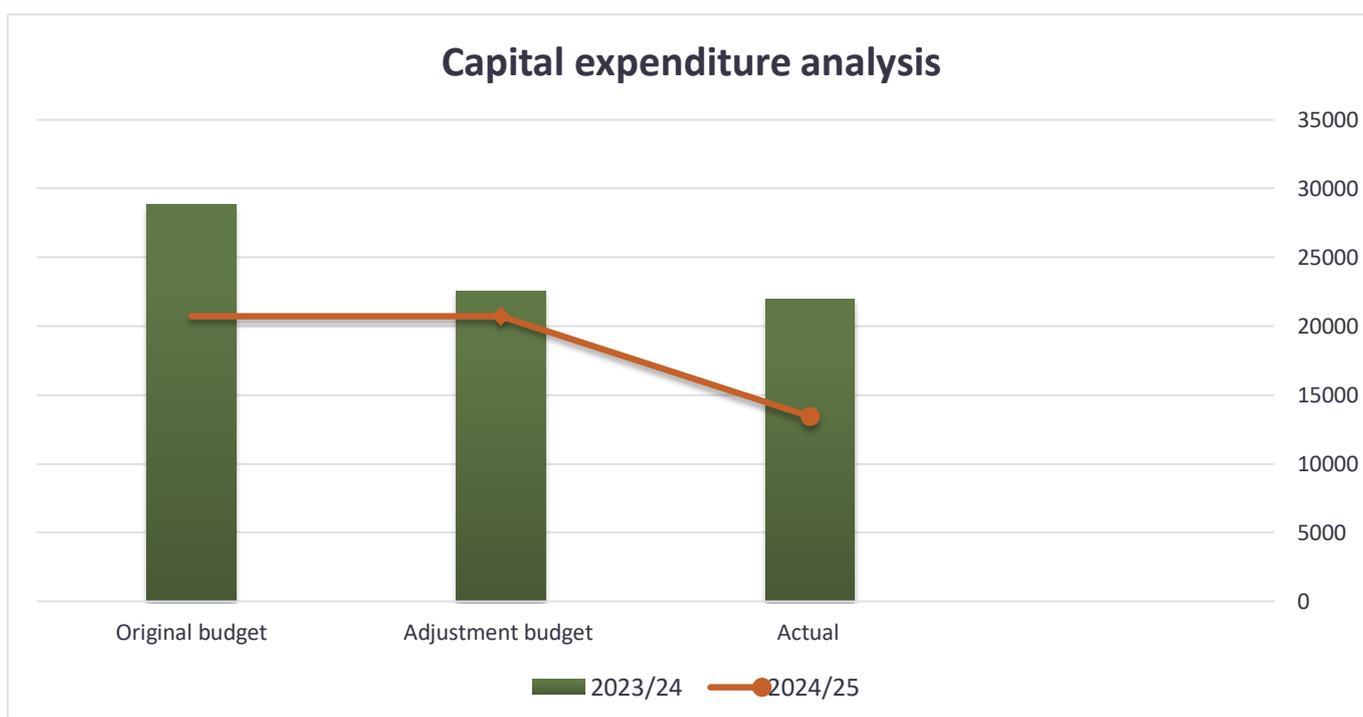


Table 11: Capital expenditure analysis

1.5 Organisational Development Overview

1.5.1 Municipal Transformation and Organisational Development Highlights

Highlight	Description
Labour Forum	The Municipality does have a functional Labour Forum in place
Organogram	The current organogram of the Municipality is structured in such a way that it promotes and accommodates all the functions of a developmental government

Table 12: Municipal Transformation and Organisational Development Highlights

1.5.2 Municipal Transformation and Organisational Development Challenges

Challenge	Implications	Strategy
Low skills base	Poor performance and compromising service delivery	<input type="checkbox"/> Create and implement a vibrant Workplace Skills Plan <input type="checkbox"/> Develop a Human Resource Management Strategy
Staff training, no performance management, organogram	Staff is employed in wrong positions	Provide sufficient budget for the implementation of the Workplace Skills Plan
	No formal performance management reporting	<input type="checkbox"/> Develop a Performance Management and Development System <input type="checkbox"/> Develop a Performance Management and Development Policy
Low staff morale	Non-and underperformance-unfriendly environment	Develop and implement a holistic staff development process starting with a consultation process
	Lack of trust between workers and management	
	Process taking longer to implement	
Staff shortages in key position	Exercise quality time at work	<input type="checkbox"/> Implement Recruitment Policy; and <input type="checkbox"/> Report to Council on the filling of vacancies
	Overburden on certain staff	
	Lack of certain services due to staff challenges	

Table 13: Municipal Transformation and Organisational Development Challenges

1.6 Auditor-General Report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

Unqualified audit without findings: The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation. This is commonly referred to as a “clean audit” outcome.

- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

Siyathemba Municipality received a qualified audit report from the Auditor-General for 2024/25

The audit outcomes received for the past four years are indicated in the table below:

Year	2020/21	2021/22	2022/23	2023/24	2024/25
Status	Qualified	Qualified	Qualified	Qualified	Qualified

Table 14: Audit Outcomes

Chapter 2: Governance

Component A: Political and Administrative Governance

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 Good Governance and Public Participation Highlights

Highlight	Description
Labour Forum	The Municipality does have a functional Labour Forum in place
Organogram	The current organogram of the Municipality is structured in such a way that it promotes and accommodates all the functions of developmental government

Table 15: Good Governance and Public Participation Performance Highlights

2.2 Good Governance and Public Participation Challenges

Challenges	Implications	Strategy
Improve the functioning of committees	No clear accountability	<ul style="list-style-type: none"> • Speaker to ensure regular meetings; Internal disciplinary procedures; • Supply Chain Management; • MPAC functionality, • Development of clear communication strategy and procedure to run a transparent and open administration
	Mistrust between Council and management	
	An uninformed Council	
Improve the communication and liaison with communities	No clear understanding of what the Municipality and Council are doing	Implement a quarterly Council meets the people programme
	Unnecessary community dissatisfaction	Establish ward committees and develop a strategy to use ward committees as a public participation tool
	Prolonged community protests	Develop a Community Communication and Stakeholder Engagement Strategy
Improve liaison with sector and other government agencies	No cooperation between the Municipality and other departments	Develop and implement an IGR Strategy
	Limited implementation of projects	

Table 16: Good Governance and Public Participation Challenges

Component A: Political and Administrative Governance

2.3 Political Governance Structure

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their

functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

2.3.1 Council

The Municipality operates according to a Plenary Executive System where executive powers are exercised by a full meeting of the Municipal Council. The Mayor leads the Council comprising of 11 Councillors – 5 ANC, 4 SCM and 2 DA.

Prieska serves as the seat of the Municipality. Siyathemba Municipality has eleven Councillors elected to the Council indirectly and on a proportional basis. The Municipal Council has an Executive Mayor, a speaker and eleven members.

The table below categorised the councillors within their specific political parties and wards from **1 July 2024 until 30 June 2025**

Name of councillor	Capacity	Political party	Ward representing or proportional	Dates of Council meetings held
Mr. JOHAN ANDREW PHILLIPS	Mayor	Siyathemba Community Movement (SCM)	Proportional	16 July 2024, SCM, 14H00 5 August 2024, SCM, 14H00 28 August 2024, SCM, 14H00 18 September 2024, SCM, 14H00 28 November 2024, GCM, 10H00 31 January 2025, SCM, 14H00 27 February 2025, GCM, 14H00 31 March 2025, SCM, 14H00 29 May 2025, SCM, 14H00
Mr. GIEL MACDONALD	Speaker	African National Congress (ANC)	Ward	
Mr. JACOBUS PLATVOET	Councillor	African National Congress (ANC)	Ward	
Mr. RONALD JOHN FEBRUARIE	Councillor	Siyathemba Community Movement (SCM)	Ward	
Me. SHANDY BRIDGET IVITTA NYANGINTAKA	Councillor	African National Congress (ANC)	Ward	
Me. SARAH SAIMAN	Councillor	Democratic Alliance (DA)	Proportional	
Me. SIZIWE PATRICIA MOOI	Councillor	Siyathemba Community Movement (SCM)	Proportional	
Me. WIIDA PELSTER	Councillor	Democratic Alliance (DA)	Proportional	
Me. MAURICIA ESTEL NIMMERHOUDT	Councillor	Siyathemba Community Movement (SCM)	Proportional	
Mr. WILLON HENZEL PIETERSE	Councillor	African National Congress (ANC)	Ward	
Mr. LAZARUS MZWANDILE ZENANI	Councillor	African National Congress (ANC)	Ward	

Table 17: Council from 1 July 2024 to 30 June 2025

2.3.2 Portfolio Committees

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The composition of the portfolio committees for the period **1 July 2024 to 30 June 2025** are stipulated in the table below:

Chairperson	Other members	Number of meetings held
Finance		
Mr. JOHAN ANDREW PHILLIPS	Mrs. Wiida Pelster	2
	Mr. Jacobus Platvoet	
Corporative		
Mrs. WIIDA PELSTER	Mr. Mauricia Estel Nimmerhoudt	3
	Mr. Willan Pieterse	
Technical		
Mr. JACOBUS PLATVOET	Mr. Ronald John Februarie	2
	Mr. Lazarus Mzwandile Zenani	
SCOPA / MPAC		
Me. SHANDY BRIDGET IVITTA NYANGINTAKA	Mrs. Sarah Saaiman	2
	Mrs. Siziwe Patricia Mooi	

Table 18: Portfolio Committees from 1 July 2024 to 30 June 2025

2.4 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reportees, which constitutes the Senior Management Team, whose structure is outlined in the table below:

Name of Official	Department	Period of employment	Performance agreement signed (Yes/No)
Mr. Thomas Isak van Staden	Municipal Manager	October 2024 (fixed term contract in line with the Amended Municipal Systems Act.)	YES
Mr. Mazondi Martiens Kubeka	Corporate Services	September 2024 to present	YES
Mr. Howard Humphrey Meiring	Financial Services	August 2015 to present	YES
Mr. Jakob Basson	Technical Services	August 2015 to present	YES

Table 19: Administrative Governance Structure

Component B: Intergovernmental Relations

MSA S15 (b): requires a municipality to establish and organize its administration to facilitate and create a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;

- monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

2.5 Intergovernmental Structures

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

To adhere to the principles of the Constitution as mentioned above the Municipality actively participates in the following intergovernmental structures:

- Premier IGR Forum
- District Intergovernmental Forum
- District Mayoral Forum
- District Communication Forum
- District IDP Forum
- MM Forum
- CFO Forum

Component C: Public Accountability and Participation

2.6 Public Participation

2.6.1 Public Meetings

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP
- establishment, implementation and review of the performance management system
- monitoring and review of the performance, including the outcomes and impact of such performance
- preparation of the municipal budget

The Municipality strives to have regular “Council meets the People and Imbizo” sessions on a quarterly basis. During these sessions, the community can communicate any grievances which they might have.

The newsletter indicates activities which take place in the municipal area during a specific quarter. Announcements such as meetings which take place, documents ready for public comments, etc., are also made known in the newsletters.

The Municipality developed a website which maintained it on a regular basis

The Municipality distribute flyers to communities if specific announcements need to be communicated.

The following public meetings were held:

Ward name	Date	Number of people attending
Ward 1	10 November 2024	42
	15 May 2025	38
Ward 2	15 May 2025	46
Ward 3	8 September 2024	40
	6 May 2025	40
Ward 4	7 May 2025	48
Ward 5	8 May 2025	35
Ward 6	9 October 2024	21
	13 May 2025	6

Table 20: Public Meetings

2.6.2 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The composition of the ward committees for the period **1 July 2024 to 30 June 2025** are stipulated in the tables below:

Ward 1:

Name of representative	Capacity representing	Dates of meetings held
1. Abaraham Plaatjies	Not identified	20 January 2025
2. Mildred Freddie	Woman/faith based	
3. S. Plaatjies	Not identified	
4. Jan Phillipus	Housing	
5. Julia Zenani	Business/welfare	
6. Simon Nkompela	Religion	
7. Katriena Booysen	Church	
8. Patric Hoorn	Agriculture	

Table 21: Ward 1: Committee Meetings

Ward 2:

Name of representative	Capacity representing	Dates of meetings held
1. Benedict van Staden	Not identified	20 January 2025 16 february 2025 9 May 2025
2. Nannie Fineberg	Not identified	
3. Vanesia Esterhuizen	Social	
4. Senobia Exford	General	
5. Helenita Spies	Housing	
6. Jan Ludick	Religion	
7. Sharnay Beukes	General	
8. Hendrika Lottering	Not identified	
9. Mariska Louw	Water/Sanitation	

Name of representative	Capacity representing	Dates of meetings held
10. Martin Grasvoet	Health	

Table 22: Ward 2: Committee Meetings

Ward 3:

Name of representative	Capacity representing	Dates of meetings held
1. Rikus Adams	Sport	10 July 2024 13 November 2024 10 December 2024 18 January 2025 7 February 2025 11 March 2025 11 April 2025
2. Charlotte Gous	Women	
3. Jacques Lottering	Police	
4. Anetta Fanie	Church	
5. Esmarie Swarts	Health	
6. Trudie Van Wyk	Welfare	
7. Diana Diedericks	Youth	
8. Shadeen Adams	Agriculture	
9. Jacoba Plaatjies	Elderly people	
10. Chantell Kapoe	Business	

Table 23: Ward 3: Committee Meetings

Ward 4:

Name of representative	Capacity representing	Dates of meetings held
1. Gerhardus Visagie	Not identified	05 November 2024 23 January 2025
2. Marionette Titus	Disable people	
3. Elrette Standers	Youth	
4. Willeen van Wyk	Youth	
5. Emily Seekoei	Woman	
6. Ida George	Youth	
7. Lindiwe Mtambaka	Woman	
8. Katrina van Wyk	Health	
9. Lizzie George	Sport/Agriculture	
10. Arrie George	Safety	

Table 24: Ward 4: Committee Meetings

Ward 5:

Name of representative	Capacity representing	Dates of meetings held
1. Jasmine van Wyk	Not identified	7 November 2024 20 January 2025
2. Marita Barends	Not identified	
3. Monica Koopman	Not identified	
4. Alton van Schalkwyk	Agriculture	
5. Constance Yawa	Health/Welfare	
6. Robert Kasper	Safety	
7. Reney Kock	Disabled	
8. Constance Nxumalo	Youth	

Table 25: Ward 5: Committee Meetings

Ward 6:

Name of representative	Capacity representing	Dates of meetings held
1. Vinolia Jood	Youth	20 January 2025
2. Gino Macdonald	Sport	
3. Ruben Lubbe	Not identified	
4. Aumor Jonas	Education	
5. Nancy Saal	Welfare/Health	
6. Stanford van Wyk	Safety	
7. Mevin Bosman	Not identified	
8. Rozaan Bosch	Not identified	
9. Vanessa van der Westhuizen	Disability/Woman	

Table 26: Ward 6: Committee Meetings**2.6.3 Representative Forums****Labour Forum**

The table below specifies the members of the Local Labour forum from **1 July 2024 to 30 June 2025**:

Name of representative	Capacity	Dates of meetings
TI Van Staden	Municipal Manager	25 September 2024 5 December 2024 24 February 2025 25 & 26 March 2025 29 April 2025
J. Plaatvoet	Councilor	
S. Saaiman	Councilor	
S. Mooi	Councilor	
J. Basson	Director Technical Services	
M.M Kubeka	Director Corporate Services	
H.H Meiring	Chief Financial Officer	
S.P Botha	SAMWU REP	
L.F Mooi	SAMWU REP	
Z.P Phike	SAMWU REP	
W.N Van Staden / W Beyers	IMATU REP	
Lydia Van Staden	IMATU REP	
S.B Gabogope	Secretary	

Table 27: Labour Forum**Component D: Corporate Governance**

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.8 Risk Management

Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003 that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of

financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

The Municipality does not have a risk assessment unit and therefore no formal risk assessment was carried out for the financial year.

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. A Risk Committee has not been established.

2.9 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality

2.9.1 Functions of the Audit Committee

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 which is further supplemented by the Local Government Municipal and Performance Management Regulation as well as the approved Audit Committee charter:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To carry out such investigations into the financial affairs of the municipality as the council may request.
- Perform such other functions as may be prescribed.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.

Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.

- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.9.2 Members of the Audit Committee

Committee member	Capacity	Meeting dates
Mr. J. Snyders	Chairperson	28 August 2024
Mr.G. Morolong	APC member	17 October 2024
Mr. A. Shabalala	APC member	29 November 2024
Mr. M. Mtubu	APC member	20 March 2025
		27 June 2025

Table 28: Members of the Audit Committee

Internal Audit services are rendered to the Municipality by Pixley Ka Seme District Municipality via shared services.

2.10 By-Laws and Policies

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

The following table provides details of the policies and/or by-laws that were adopted/revised during the year:

Name of Policy/By-law	Date Adopted/Reviewed
Siyathemba Municipal Budget Policy	29 May 2025
Siyathemba Credit Control Policy	29 May 2025
Siyathemba indigent Policy	29 May 2025
Siyathemba Property Rates Policy	29 May 2025
Siyathemba Supply Chain Management Policy	29 May 2025
Siyathemba Asset Management Policy	29 May 2025
Siyathemba Cash and Investment Policy	29 May 2025
Siyathemba Cost Containment Policy	29 May 2025
Siyathemba Contract Management Policy	29 May 2025
Siyathemba Fraud Prevention Policy	29 May 2025
Siyathemba Free Basic Services Policy	29 May 2025
Siyathemba ICT	29 May 2025
Siyathemba Virement Policy	29 May 2025
Siyathemba Write Off Policy	29 May 2025

Table 29: Policies and/or By-Laws Adopted

2.11 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

2.11.1 Communication Activities

Description	Yes/No
Communication unit	Yes
Communication strategy	No, in process
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	No
Crisis Communication Procedure	No
Language Policy and Procedure	No
Media Protocol Procedure	No
Social Media	Yes

Table 30: Communication Activities

2.11.2 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and S21A and B of the Municipal Systems Act ("MSA") as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2024/25	Yes
Adjusted Budget 2024/25	Yes
Asset Management Policy	Yes
Customer Care, Credit control & Debt collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	No

Description of information and/or document	Yes/No
Virement Policy (Part of Budget Implementation Policy)	No
Travel and Subsistence Policy	Yes
Top Layer SDBIP 2024/25	No
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2024/25	Yes
IDP Process Plan for 2024/25	No

Table 31: Information on Website

2.12 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. Explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission, provide the tables with the specific format of the details on the Municipality's compliance with regard to broad-based black economic empowerment at municipal level. The information as prescribed to report on enterprise and supplier development cannot currently be extracted from Siyathemba Municipality's financial system. The Municipality will engage with the service provider to ensure future reporting.

Chapter 3: Service Delivery Performance

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

Legislative requirements

The Constitution of the RSA, 1996, section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *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), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

Organisational performance

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure

that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, 2000.

Performance Management System used in the financial year 2024/25

The IDP and the Budget

The IDP and the main budget for 2024/25 was approved by Council in May 2024. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In terms of the performance management framework, the Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) for 2024/25. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on.

PERFORMANCE REPORT PART I

3.1 Introduction

This section provides an overview of the key service achievements of the municipality that came to fruition during 2023/24 in terms of the deliverables achieved against the strategic objectives of the IDP.

3.2 Strategic Service Delivery Budget Implementation Plan

This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the SDBIP KPI's applicable to 2023/24 in terms of the IDP strategic objectives.

Actual performance as per the SDBIP

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
Enhance Good Governance processes and accountability	Operational Requirements	Corporate Services	Submit the Annual Performance Report for 2023/24 to the AG by 31 August 2024	Annual Performance Report submitted to the AG by 31 August 2024	1	1	0	-	-
Enhance Good Governance processes and accountability	Operational Requirements	Corporate Services	Submit the Draft Annual Report for 2023/24 to Council by 31 January 2025	Draft Annual Report submitted to Council by 31 January 2025	1	1	0	-	-
Develop a capable and capacitated institution to respond to community needs	People	Corporate Services	Submit the Workplace Skills Plan and ATR (Annual Training Report) to LGSETA by 30 April 2025	Workplace Skills Plan and ART submitted to LGSETA by 30 April 2025	1	1	0	-	-
Develop a capable and capacitated institution to respond to community needs	People	Corporate Services	The percentage of the Municipality's training budget spent by 30 June 2025 [(Actual amount spent on training/total training budget) x100	% of the Municipality's Training budget spent by 30 June 2025	100%	100%	0	-	-
Develop a capable and capacitated			Limit the vacancy rate quarterly to less than 15% of budgeted posts		15%	63.02%	-48.02%	No recruitment done since 2022- only admin and Finance- no recruitment for	Recruitment process on

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
institution to respond to community needs	Operational Requirements	Corporate Services	((Number of posts filled/Total number of budgeted posts) x100)	% quarterly vacancy rate of budgeted posts				technical and has larger amount of vacancies	2024 approved organizational structure
Provide appropriate services to all households	Customer Care	Corporate Services	Spend 100% of the library grant by 30 June 2025 ((Actual expenditure divided by the approved budget) x100)	% of the library grant spent by 30 June 2025	100%	100%	0	-	
Strengthen community participation	Operational Requirements	Corporate Services	Submit the draft IDP review to Council by 31 March 2025	Draft IDP review submitted to Council by 31 March 2025	1	1	0	-	-
Enhance Good Governance processes and accountability	People	Corporate Services	Develop the Communication Strategy and submit to council by 30 June 2025	Develop Communication Plan submitted to Council by 30 June 2025	1	0	1	-	-
Enhance Good Governance processes and accountability	People	Corporate Services	Develop Employment equity plan by 30 June 2025	Develop Employment equity plan and submit to Council by 30 June 2025	1	0	1	Difficulties to submit plan to labour for review	Report will be uploaded on labour website Presented to council by 30 June 2025
Enhance municipal financial viability	Operational Requirements	Financial Services	Submit the draft budget for	Draft budget submitted to Council by 31 March 2025	1	1	0	□ -	□ -

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
			2025/26 to Council for consideration by 31 March 2025						
Enhance municipal financial viability	Operational Requirements	Financial Services	Submit the Adjustments budget for 2024/25 to Council for consideration by 28 February 2025	Submit the Adjustments budget to Council for consideration by 28 February 2025	1	1	0	-	-
Enhance municipal financial viability	Operational Requirements	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations as at 30 June 2025 ((Total operating revenue-operating grants received)/debt service payments due within the year))	% of debt coverage at 30 June 2025	20%	178%	+158%	The cash flow of the municipality did not allow the municipality to pay creditors on time	Revenue enhancement strategies being implemented
Enhance municipal financial viability	Operational Requirements	Financial Services	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors at 30 June 2025	90%	384%	+384%	Due to weak collection rate	Review of credit control policy Installation of smart meters
			Financial viability measured in terms of the available						

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
Enhance municipal financial viability	Operational Requirements	Financial Services	cash to cover fixed operating expenditure as at 30 June 2025 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortization, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash at 30 June 2025	0.5	0.07	-0.02	Cash flow not sufficient to cover one month expenditure. This is due to the weak collection Rate	
Enhance municipal financial viability	Operational Requirements	Financial Services	Submit the annual financial statements for 2024/25 to AGSA by 31 August 2025	Annual financial statements submitted by 31 August 2025	1	1	0	<input type="checkbox"/> -	<input type="checkbox"/> -
Enhance municipal financial viability	Operational Requirements	Financial Services	Compile Plan to address audit findings in report of the AG for 2023/24 and submit to MM by 31 January 2025	Plan completed and submitted to MM by 31 January 2025	1	1	0	-	-

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
Enhance municipal financial viability	Operational Requirements	Financial Services	Achieve a debtor payment percentage of 65% by 30 June 2025 $\{(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue \times 100\}$	% debtor payment achieved at 30 June 2025	65%	46.87%	-18.13	No Proper Systems was in place to ensure Debt Collection. Specifically in areas where Eskom is responsible for electricity distribution	
Enhance municipal financial viability	Operational Requirements	Financial Services	Limit unaccounted for electricity to less than 25% by 30 June 2025 $\{(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated\} \times 100\}$	% of unaccounted electricity by 30 June 2025	25%	10.65%	+14.35%		
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network	Number of properties which are billed for water as at 30 June 2025	4539	4307	-232	☐ -	

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
			and billed for the services at 30 June 2025						
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering, excluding eskom areas) and billed for the service as at 30 June 2025	Number of properties which are billed for electricity or have prepaid meters (excluding Eskom areas) as at 30 June 2025	663	1897	+1234	-	
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the number of water closets(toilets) and billed for the service as at 30 June 2025	Number of properties which are billed for sewerage as at 30 June 2025	4633	9472	+4839	□	
Provide quality and sustainable municipal infrastructure	Customer care	Financial services	Number of formal properties for which	Number of properties which are billed for	3608	4061	+993	□ -	

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
within available resources			refuse is removed once per week and billed for the service as at 30 June 2025	refuse removal as at 30 June 2025					
Enhance municipal financial viability	Operational Requirements	Financial Services	Limit unaccounted for water to less than 30% by 30 June 2025 (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified x 100)	% of water unaccounted by 30 June 2025	30%	18.13%	+11.87%	<input type="checkbox"/> -	-
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Provide free basic water to indigent households as at 30 June 2025	Number of households receiving free basic water as at 30 June 2025	1332	1338	+6	<input type="checkbox"/> -	
Provide quality and sustainable municipal infrastructure	Customer care	Financial services	Provide free basic electricity to indigent	Number of households receiving free basic electricity as at 30 June 2025	1315	1338	+23	<input type="checkbox"/>	

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
within available resources			households as at 30 June 2025						
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Provide free basic sanitation to indigent household as at 30 June 2025	Number of households receiving free basic sanitation services as at 30 June 2025	1073	1338	+265	□ -	-
Provide quality and sustainable municipal infrastructure within available resources	Customer care	Financial services	Provide free basic refuge removal to indigent household as at 30 June 2025	Number of households receiving free basic refuge removal services at 30 June 2025	1315	1338	+23	-	
Facilitate economic growth in the municipal area	Economic Development	Technical Services	Create temporary jobs - FTE's in terms of EPWP by 30 June 2025 (Person days /FTE (230 days))	Number of FTE's created by 30 June 2025	40	19	-21		
Plan, develop and maintain infrastructure and facilities	Infrastructure development & service delivery	Technical Services	Progress on the expenditure of the Upgrade of the Prieska Water Treatment Works	% completion on expenditure of the upgrade of Prieska Water Treatment Works	100%	92.5%	-7.5%	Delays experienced. Only SNAG Outstanding by June 2025	-
Plan, develop and maintain	Infrastructure development & service delivery	Technical Services	Progress on the construction of	% completion on the Construction of the	80%	50.4%	-29.5%	Delays experienced. Only SNAG	

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
infrastructure and facilities			the Construction of the 415kl elevated tower	415kl elevated tower				Outstanding by June 2025	
Plan, develop and maintain infrastructure and facilities	Infrastructure development & service delivery	Technical Services	Progress on the expenditure of the Construction of the 415kl elevated tower	% completion on the expenditure of the Construction of the 415kl elevated tower	80%	16%	-64%		<input type="checkbox"/>
Plan, develop and maintain infrastructure and facilities	Infrastructure development	Technical Services	Progress on the construction of the Upgrading of the sports facility in Prieska	%completion on the construction of the Upgrading of the sports facility in Prieska	80%	0	-80%		<input type="checkbox"/>
Plan, develop and maintain infrastructure and facilities	Infrastructure development	Technical Services	Progress on the expenditure of the Upgrading of the sports facility in Prieska	%completion on the expenditure of the Upgrading of the sports facility in Prieska	80%	0	-80%		<input type="checkbox"/>
Ongoing maintenance of municipal infrastructure	Customer care	Technical services	75% of electricity maintenance budget spent by 30 June 2025 { (Actual expenditure on maintenance divided by the total approved maintenance budget) x 100 }	% of maintenance budget spent by 30 June 2025	75%	20%	-55%	No maintenance Performed on roads infrastructure	<input type="checkbox"/> Submit O&M plans to municipal manager <input type="checkbox"/> Planned schedule of maintenance for approval <input type="checkbox"/> Submit quarterly reports
Ongoing maintenance of	Customer care	Technical services	75% of the Road transport				+2431%		<input type="checkbox"/>

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
municipal infrastructure			maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by the total approved budget) x 100}	% of maintenance budget spent by 30 June 2025	75%	2506%			
Ongoing maintenance of municipal infrastructure	Customer care	Technical services	75% of the waste water management maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by total approved budget) x 100}	% of maintenance budget spent by 30 June 2025	75%	1121%	+1046%		☐
Ongoing maintenance of municipal infrastructure	Customer care	Technical services	75% of the water management maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by total approved budget) x 100}	% of maintenance budget spent by 30 June 2025	75%	272%	+197%		☐
Provide quality and sustainable municipal infrastructure with available resources	Customer care	Technical Services	The percentage of the municipal capital budget actually spent capital projects by 30 June 2025	% of capital budget spent on capital projects by 30 June 2025	100%	100%	-	-	☐

Strategic objective	Municipal KPA	Responsible Department	Key Performance Indicator	Unit of measurement	Annual targets 2024/25	Actual annual performance 2024/25			
						Actual achieved	Variance	Reason for variance	Remedial action
			{amount actually spent on capital projects/ amount budgeted for capital						

3.3 Service Providers Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.4 Municipal Functions

The table below indicates the functional areas that the municipality are responsible for in terms of the Constitution:

Municipal function	Responsible for Function	Sufficient Capacity in terms of resources
Building regulations	Yes	Yes
Electricity reticulation	Yes	Yes
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal planning	Yes	Yes
Municipal public transport	Yes	No
Stormwater management systems in built-up areas	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	Yes
Constitution Schedule 5, Part B functions:		
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlors and crematoria	Yes	Yes
Cleansing	Yes	Yes
Control of public nuisances	Yes	Yes
Control of undertakings that sell liquor to the public	Yes	No
Fencing and fences	Yes	Yes
Licensing of dogs	Yes	No
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	Yes	No
Pounds	Yes	Yes
Public places	Yes	Yes

Municipal function	Responsible for Function	Sufficient Capacity in terms of resources
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes

Table 32: Functional Areas

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, including details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.5 National Key Performance Indicators – Basic Service Delivery and Local Economic Development

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas: Basic Service Delivery and Local Economic Development..

KPA & Indicators	2023/24	2024/25
<u>Basic Service Delivery</u>		
The number of households with access to free basic water	1 980	1937
The number of households with access to free basic electricity	1 980	1937
The number of households with access to free basic sanitation	1 427	1937
The number of households with access to free basic solid waste removal	1 980	1937
The number of households with access to basic level of water	7 993	7993
The number of households with access to basic level of sanitation	5 181	6 374
The number of households with access to basic level of electricity	3 539	5 733
The number of households with access to basic level of solid waste removal	5 450	5 370
The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025	69.62%	100%
<u>Local economic development</u>		
The number of temporary jobs created through municipality's local economic development initiatives including capital projects	*73	*91
<small>**Number of temporary jobs created in terms of the Expanded Public Works Programme (EPWP) as at 30 June 2024 and 30 June 2025</small>		

Table 33: National KPIs – Basic Service Delivery and Local Economic Development

3.6 Water Services

Siyathemba Municipality is the Water Services Authority (WSA) and Water Services Provider (WSP) for the 3 towns within their area of jurisdiction. Water services are rendered in Prieska, Niekerkshoop and Marydale. The Municipality is also supplying bulk water to Copperton, but Alkantpan (Armscore) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms. The Municipality strives to fulfil all the WSA and WSP functions, as stipulated in National Legislation.

As WSA, the Municipality needs to ensure access to services, develop a WSDP, compile policies and bylaws and put in place institutional arrangements for the delivery of services. The Municipality is authorized in terms of the Municipal

Structures Act (Act No. 117 of 1998) and the Municipal Structures Amendment Act (Act No. 33 of 2000) as the Water Services Authority for its area of jurisdiction and therefore has a duty, as assigned to it in terms of the Water Services Act (Act No. 108 of 1997), to all consumers or potential consumers to progressively ensure efficient, affordable, economical and sustainable access to water services. Operation and maintenance, asset management and customer care are therefore important.

The Spatial Development Framework of the Municipality does not indicate an approved level of water services. The Municipality however strives to have a basic level of service on even, before people move into that specific area. House connections are therefore the level of service the Municipality strives to provide. In informal areas, standpipes are provided as an interim level of service.

The Municipality understands, as WSA, that a proper planning document should be in place to coordinate all water service initiatives. Siyathemba Municipality therefore supports the initiative from the Department of Water Affairs to compile Water Services Development Plans (WSDP). DWA National made a new WSDP Guideline available in January 2010. Since then, the new WSDP Guideline has been revised several times to improve the content of the WSDP.

Water provision

Prieska is abstracting water from the Orange River whilst Marydale and Niekerkshoop are dependent on groundwater. Copperton receives its water from the Orange River via Prieska.

Prieska

The total volume of potable water for Prieska is supplied from the Flippie Holtzhausen Water Treatment Plant that extracts all its raw water from the Orange River. Electrically driven pumps (4) which can deliver up to 200ℓ/s to a purification plant, are used. The purification plant has a capacity of 6 Mℓ/day and potable water is stored in two potable water reservoirs. Water is pumped by two pumps (that operate alternately) from the water treatment plant via a 150mm, a 200mm and a 300mm pipeline to three nearby distribution reservoirs. Two of the reservoirs have a volume of 2.27 Mℓ and the third, 0.34 Mℓ. These reservoirs are hereafter referred to as the Koppie Reservoirs. The 300mm pipeline is a dedicated line from the pumps at the water treatment plant to the reservoirs. The 200mm pipeline has a connection to a 300mm line that supplies the other reservoirs in the system from the Koppie Reservoirs. The 150mm pipeline connects the water treatment plant to the smaller 0.34 Mℓ capacity reservoir. This reservoir is located next to, but slightly lower than the two larger reservoirs. The 150mm pipeline has many direct connections with the distribution system and is not a dedicated supply to the reservoir. There is a bulk water meter at the water treatment plant that measures all the fresh water pumped from the water treatment plant. The water treatment works is in a good condition and not used at its full capacity. This capacity will be increased subject to the water services agreement entered into with Prieska Copperton and Zinc Mine (Orion) for delivery of bulk water to the mine of an estimated 70 ml per month additional to the current delivery.

Marydale

In Marydale, water supply is obtained from 6 production boreholes. The rated capacity of the boreholes is 8.9 ℓ/s. The safe yield of the 6 boreholes per year is 276,820.80m³. Submersible pumps withdraw the water from 6 production boreholes and pump the water to two high lying water distribution reservoirs. The reservoirs store water for use during periods of peak demand and provide the pressure needed to reticulate water to the town.

There is no water treatment works facility in Marydale. Water is disinfected in the two reservoirs by adding floating chlorinators.

Niekerkshoop

Water delivery to the community for human consumption at Niekerkshoop consists of ground water from five boreholes namely GWK1, GWK2, Municipal Offices, G42098 and GWK 3. The water is abstracted with supply lines to the existing two reservoirs with a combined capacity of 0.4 Ml. From these reservoirs water is distributed to the water reticulation system to the consumers of Niekerkshoop. There is no water treatment works facility in Niekerkshoop. Water is disinfected in the two reservoirs by adding floating chlorinators.

Copperton

A 450-mm diameter concrete lined steel pipeline, together with a dedicated water treatment works, was constructed by the Copperton Mine in 1970's for supplying water from Prieska to the Mine. The total pipeline length from the water treatment works at Prieska to Copperton is approximately 52 km. After the Mine was closed down in about 1988, the ownership of the pipeline was transferred to Alkantpan, who is using the pipeline to supply water to their testing facilities close to Copperton. Alkantpan is the owner of the pipeline and also operates and maintains the pipeline.

The water demand on the pipeline in 2008 was estimated at 0.45MI/day, and includes the provision to Alkantpan, Copperton and some of the farms on the pipeline route. Water meters are connected at each demand point and the water is measured on a monthly basis.

The total length of the pipeline is approximately 52 km and the first approximately 40 km of the pipeline is a pumping main, from Prieska Water Treatment Works to a set of reservoirs from where it gravitates for approximately 12 km to the Mine in Copperton.

Since the transfer of the pipeline in 1990, there were no pipe bursts or leaks detected on the pipeline. Alkantpan has two staff members responsible for the operations and maintenance of the pipeline.

According to the Kareeberg Bulk Water Supply Implementation Readiness Report, no evidence was found that could indicate that the pipeline is in a poor condition. However, limited maintenance has been done on the pipeline since it was transferred to Alkantpan. The lack of maintenance on air valves, especially a pumping main where pumps are switched on and off regularly, could increase the possibility of cavitation due to insufficient air release points, which may result in damage to the internal lining.

There is a group of steel reservoirs at the end of the pumping main, approximately 40 km from the Prieska WTW. The total capacity is 10,9ML. The reservoir near Copperton has a capacity of 2 MI. The set of reservoirs at the end of the pumping main consist of five reservoirs, two of which are 4 ML each and three of which are 0.5 ML each. According to the Kareeberg Bulk Water Supply Report, little maintenance was done on all the reservoirs and the operational valves. No leaks were detected on the group of five reservoirs that are situated at the end of the pumping main, which are currently in use. No corrosion was spotted.

Level of service

The Municipality progressed very well in reaching the national target to eradicate water needs in their area of jurisdiction. The DWA Geo-database reflects that most of the backlogs have been addressed.

Water quality

The Municipality participated in the Blue Drop Certification Programme from the Department of Water Affairs. The Municipality scored an overall average of 40.95% during the assessment. The following scores were obtained in each of the water supply systems:

- Prieska: 37.52%
- Marydale: 50.85%

- Niekerkshoop: 56.56%

The Municipality has requested funds from DWA to assist in closing the gaps in drinking water quality management. An allocation was made to the Municipality and the Municipality started to develop the Water Safety Plan for the 3 Water Supply Systems. As part of the Water Safety Plan a management approved implementation plan is developed

Operation and maintenance

The Municipality does not have an Operation and Maintenance Master Plan available for any of their water infrastructure. This activity is listed as a possible project for future years. The Municipality is however doing regular maintenance on their entire infrastructure

Some of the challenges that are experienced include the following:

- Studies indicated that the bulk water supply to Niekerkshoop and Marydale may become a problem in the next few years.
- The Municipality progressed very well with regards to the eradication of water needs in their area of jurisdiction, but there is still some areas where services need to be upgraded to a minimum RDP level.
- No as-build drawings for the internal water reticulation network in Marydale, are available.
- The Municipality are doing maintenance of infrastructure on an ad-hoc basis.
- The Municipality are not providing any services on farm areas.
- The Blue Drop score for the Municipality is still very low.

Water Services Service Delivery Levels

Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

The table below specifies the different water service delivery levels per households for the financial years 2023/24 and 2024/25:

Households		
Description	2023/24	2024/25
<i>Water: (above min level)</i>		
Piped water inside dwelling	4 276	4 276
Piped water inside yard (but not in dwelling)	4 062	4 062
Using public tap (within 200m from dwelling)	91	91
Other water supply (within 200m)	N/A	0
<i>Minimum Service Level and Above sub-total</i>	8 429	8 429
<i>Minimum Service Level and Above Percentage</i>	100 %	99.15 %
<i>Water: (below min level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	72
<i>Below Minimum Service Level sub-total</i>	0	72
<i>Below Minimum Service Level Percentage</i>		0.85%
Total number of households	8 429	8 429

Table 34: Water Services Service Delivery Levels

Total Employees – Water Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	12	11	1	4.5%
4 - 6	5	5	0	0%
7 - 9	3	2	1	4.5%
10 - 12	1	0	1	4.5%
13 - 15	1	0	1	4.5%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
Total	22	18	4	18.18%

As at 30 June 2025

Table 35: Total Employees: Water Services

Capital Expenditure – Water Services

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget
R'000				
Upgrading of Prieska Water Treatment Works	R10 000	R10 000	R10 185	R-185
Upgrading of Prieska Water Treatment Works	R1 600	R1 600	R0	R 1600
Prieska: Bulk Water Supply (MIG 1331)	R0	R8 790	R98	R-98
Replacement assets	R0	R0	R230	R -230
Total all	R11 600	R20 390	R10 513	1 087

Table 36: Capital Expenditure: Water Services

3.7 Wastewater (sanitation) Services

Sanitation services are rendered in Prieska, Niekerkshoop and Marydale. No services are rendered to Copperton, since Alkantpan (Amscor) is responsible for the delivery of water, sanitation, and electricity services. No services are currently being rendered on farms.

Wastewater and Collection Infrastructure

The Sanitation Systems in the 3 towns can be summarised as follows:

	Prieska	Niekerkshoop	Marydale
Wastewater treatment works	Anaerobic digesters / Oxidation ponds	Oxidation ponds	Oxidation ponds
Design capacity	3Mℓ	3Mℓ	6.5Mℓ
Operate within design capacity	Yes	Yes	Yes
Collection services	1 pump station and approx. 57.3 km pipework	No pump stations and approx. pipework	No pump stations and approx. km pipework.

Table 37: Wastewater Supply Technology

Marydale

The sanitation system in the Marydale community consists of VIP toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Marydale is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and Council has submitted business plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available. The tanker loads dumped per day are captured in the registers to determine the inflow volume.

Niekerkshoop

The sanitation system in the Niekerkshoop community consists of VIP and UDS toilets and some flush toilets with a conservancy tank. The septic tanks are serviced by the Municipality staff on a daily basis. The WWTW/Oxidation Pond System in Niekerkshoop is utilised for the sewer effluent from the conservancy tanks transported by tankers to the Works. The WWTW is in a process of being upgraded and Council has submitted business plans to the relevant MIG Offices for possible funding of the project. No return flows from the oxidation ponds are available and no quality tests are done. The tanker loads dumped per day are captured in the registers to determine the inflow volume.

Prieska

The sanitation system in the Prieska community consists of an internal sanitation system with waterborne sanitation network and onsite sanitation facilities. Furthermore, there are some septic tanks in areas not serviced with the sewer network.

The waterborne sewage contents gravitate through a network of underground sewer pipes to various collection sewage pump stations. Electrical driven submersible sewage pumps transfer the sewage to a main sewer pump station. From this pump station, another set of electrical driven submersible pumps pump the sewage to the Prieska Wastewater Treatment Plant.

The Wastewater Treatment Plant is an Anaerobic Oxidation Pond System. The current capacity of the ponds is 2.2 Mℓ/day and the capacity used, is 95%. All final water or effluent is pumped to the Prieska Golf Club for irrigation of the lawns and fields. The final effluent is not disinfected with chlorine at this stage.

The ponds were upgraded during 2008. No laboratory tests are available on the wastewater quality of the Prieska WWTW. Bucket sewage contents are emptied into a tanker and are transported to the Wastewater Treatment Plant.

Level of service

The Municipality progressed very well in reaching the national target to eradicate sanitation needs in their area of jurisdiction.

Planning

The Municipality does not have a Master Plan available for sanitation services. Previously, it was addressed as part of the WSDP, but since the responsible Department has changed from DWA to CoGHSTA, this service is no longer discussed in detail in the WSDP. It should however be noted that most of the critical issues with regards to sanitation service delivery, internal and bulk, have been addressed. The Municipality is however in the process to compile a Wastewater Risk Abatement Plan to address all the risks with regards to wastewater management.

Operation and maintenance

The Municipality does not have an Operation and Maintenance Master Plan available for their entire sanitation infrastructure. This activity is listed as a possible project for future years.

The Municipality is however doing regular maintenance on their entire infrastructure.

Quality

The Municipality participated in the Green Drop Certification Programme implemented by the Department of Water Affairs.

An overall score of 18% were obtained. The specific Waste Supply System scored the following:

- Marydale: 15.2%
- Prieska: 21.9%
- Niekerkshoop: 17%

Three of the 3 Wastewater Treatment Plants do not have adequate monitoring regimes in place. With this failure, comes the lack of credible scientific testing and reporting.

The plants are not in compliance with the Effluent Quality Discharge Standards employed within the Municipality.

None of the 3 Systems have capacity evidence or plans to rectify the non-compliance scenario, with the exception being Prieska.

Basic systems, procedures, manuals and processes are lacking for all 3 Systems.

Some of the highlights include the following:

- A high percentage of households do have access to a sanitation facility which is in line with minimum standards. The Municipality however aims to provide waterborne sanitation to all households.

Some of the challenges that are experienced include the following:

- The wastewater treatment facility in Marydale does not function as a proper wastewater treatment works.
- There are still bucket toilets in the area which needs to be eradicated as a matter of urgency.
- VIP toilets are collapsing. These households do not have access to a safe and decent sanitation facilities.
- There are dry sanitation facilities which need to be upgraded.

- Households in the informal area in Prieska do not have access to proper sanitation facilities. There are however vacant erven which do have proper services. These people need to be relocated to these areas.
- The Municipality are doing maintenance of infrastructure on an ad-hoc basis. A proper Operation and Maintenance Plan needs to be developed for all the water infrastructure/assets.
- The Municipality are not providing any services on farm areas. A strategy needs to be developed with regards to the latter.
- The Green Drop score for the Municipality is still very low. General wastewater management needs to be improved.

Waste Water (Sanitation) Services Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2024/25 and 2024/25:

Households		
Description	2023/24	2024/25
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	5 029	5 733
Flush toilet (with septic tank)	150	160
Chemical toilet	0	138
Pit toilet (ventilated)	753	318
Other toilet provisions (above min. service level)	0	158
Minimum Service Level and Above sub-total	5 932	6 507
Minimum Service Level and Above Percentage	100%	100%
<i>Sanitation/sewerage: (below minimum level)</i>		
Bucket toilet (joint informal)	45	292
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	101
Below Minimum Service Level sub-total	45	393
Below Minimum Service Level Percentage	1.04%	5.8%
Total households		

Table 38: Waste Water (sanitation) Services Service Delivery Levels

Total Employees – Waste Water (Sanitation) Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	12	9	3	17.6%
4 - 6	1	0	1	5.9%
7 - 9	2	0	2	11.8%
10 - 12	1	1	0	0%
13 - 15	1	0	1	5.9%
16 - 18	0	0	0	0%

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
19 - 20	0	0	0	0%
Total	17	10	7	41.2%

As at 30 June 2025

Table 39: Total Employees Waste Water (sanitation) Services

Capital Expenditure – Waste Water (sanitation) Services

The Municipality had no capital expenditure for Water Waste services for the 2024/25 Financial year.

3.8 Electricity Services

Siyathemba Municipality, together with ESKOM, is responsible for electricity supply in the 3 towns as follows:

Area	Internal network	Public lighting
Prieska	LM and ESKOM	LM
Niekerkshoop	ESKOM	LM
Marydale	ESKOM	LM

Table 40: Electricity Supply Institution

The Municipality has an Electricity Master Plan available which was developed in the early 2000. The Municipality works according to this Plan to upgrade electricity infrastructure, as well as to develop new infrastructure.

Electricity service is done by the Municipality in a part of Prieska.

Two areas in Prieska still need to be upgraded because the electricity network is old and power failures occur. The Municipality applied for money to upgrade it, but all applications at the Department of Energy have been turned down, because they argue that INEP funds cannot be allocated for the upgrade of existing electricity infrastructure. The biggest part of Prieska, as well as the whole of Marydale and Niekerkshoop, is being supplied by ESKOM directly to customers.

Apart from meter inspections and new installations, maintenance work is done that relate to complaints received or faults which occur. Maintenance work includes:

- Maintenance of high and low voltage networks
- Maintenance of street and high mast lights
- New and maintenance of house connections
- Maintenance of electrical equipment at municipal installations and buildings such as water treatment works, borehole submersible pumps, sewerage pumps stations, wastewater treatment works, etc.
- Offices
- Community halls

The electrical service provides a standby service on a full time (24 hrs) basis in order to react to complaints and limit power failure to a minimum.

Some of the challenges that are experienced include the following:

- The Master plan for the Municipality needs to be revisited and updated.
- The Municipality need to complete the MIG projects registered during the previous financial years.

Electricity Services Service Delivery Levels

The table below specifies the different service delivery level standards for electricity within the municipal area:

Households		
Description	2023/24	2024/25
<i>Energy: (above minimum level)</i>		
Electricity (at least min. service level)	145	
Electricity - prepaid (min. service level)	712	956
<i>Minimum Service Level and Above sub-total</i>	857	
<i>Minimum Service Level and Above Percentage</i>	100%	
<i>Energy: (below minimum level)</i>		
Electricity (< min. service level)	0	
Electricity - prepaid (< min. service level)	0	
Other energy sources	0	
<i>Below Minimum Service Level sub-total</i>	0	
<i>Below Minimum Service Level Percentage</i>	0%	
Total number of households		

Table 41: Electricity Services Service Delivery Levels

Total Employees – Electricity Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	5	5	0	0%
4 – 6	1	1	0	0%
7 – 9	2	2	0	0%
10 – 12	2	2	0	0%
13 – 15	1	0	1	9%
16 – 18	0	0	0	0%
19 – 20	0	0	0	0%
Total	11	10	1	9%

As at 30 June 2025

Table 42: Total Employees Electricity Services

Capital Expenditure – Electricity Services

No capital expenditure incurred for the financial year.

3.9 Waste Management Services (Refuse collections, waste disposal, street cleaning and recycling)

Solid waste can be defined as any garbage, refuse, sludge or other discarded material resulting from industrial, commercial, institutional and residential activity. Weekly refuse removal in Siyathemba Municipal area is about 100%.

Waste Management

An Integrated Waste Management Plan was compiled for Siyathemba Municipality during 2007.

The services which the Municipality is delivering are categorised as follows:

- Refuse removal
- Street cleansing
- Landfill sites, transfer stations and bulk containers

The Municipality is rendering this service internally and it is coordinated from Prieska. The service delivery for the various towns is managed from the local service delivery centres due to the distance of the towns from each other. There is also no private waste contractors active within the municipal area.

The Municipality does not have a set of bylaws which comprehensively address the Council's responsibility for the removal of refuse, management of disposal facilities, waste minimisation, illegal activities, payment of fees and penalties.

There are currently no formal municipal driven waste minimisation activities taking place in the Municipality. However, the Municipality is assisting one individual to recycle glass bottles from the landfills.

The Municipality is also currently not offering any recycling incentives to private people or businesses.

Waste removal

A regular waste removal service is provided to all the urban areas within the Municipality. The farming areas of the Siyathemba Municipality do not receive a waste removal service. The provision of such a service is not envisaged by the Municipality at present.

The Municipality utilises a black refuse bag system. Residents have to buy their own refuse bags. The Municipality accepts any number of bags per household, so there is no specific limit. The bags are placed on the curb outside the house and collected from there. In some areas in Prieska, as well as in Marydale and Niekerkshoop, people put out their refuse bins from where it is emptied onto a truck.

Waste removal service, residential and businesses, are done once a week.

In all the towns within the municipal area, small amounts of garden waste are collected together with general household waste.

There is one Provincial Hospital (in Prieska) and smaller Medical Clinics in Niekerkshoop and Marydale. The Municipality is not involved in the removal of any medical waste from these Institutions. The medical waste is collected by SANUMED and incinerated and disposed of in the Free State. The Municipality does not experience any problems with medical waste at the landfill sites.

Industries in the area are mostly confined to light industries. The Municipality is currently not experiencing any problems with regard to the disposal of hazardous waste from industry or mining activities on the existing disposal facilities.

Street sweeping is done in the CBD's areas of Prieska, Niekerkshoop and Marydale. There is no street sweeping in the residential areas and the residential areas will only be cleaned if it is necessary to do so.

Landfill sites

Each of the towns has its own solid waste disposal site.

Town	Site
Prieska	Existing permitted landfill site
Marydale	Existing unauthorised landfill site
Niekerkshoop	Existing unauthorised landfill site

Table 43: Solid Waste Disposal Sites

The landfill site in **Prieska** is a Class G:C:B⁻ permitted site. The site has approximately enough airspace for the next 20 years. The site is not well managed due to certain financial and personnel constraints. The waste is not covered on a regular basis and is burned once disposed of. The site is not fenced, and access is not controlled. No record-keeping takes place at the entrance to the site. Wind-blown litter is a serious problem at the site.

The landfill site at **Niekerkshoop** is located 7 km outside town. The site is fenced (needs maintenance), but access is not controlled. The open burning of waste in a pit forms part of the operational procedure for the site. The waste is not covered on a daily basis due to the absence of proper landfill equipment. The operation of the site is not at an acceptable standard.

The **Marydale landfill site** is located 3 km north of town. The site is not fenced and access is not controlled. Wind-blown litter is also a serious problem in the vicinity of the site. There is no landfill equipment on the site and therefore covering of the waste does not occur at all. The site is not properly operated with waste being disposed of haphazardly and burned after disposal.

Some of the challenges that are experienced include the following:

- Illegal dumping of waste is common in several of the outlying and township areas. The Municipality has to collect this waste at an unnecessary cost. The Siyathemba Municipality has recognized the need for education of the people regarding this practice; however, nothing has yet been implemented. The Municipality is also experiencing dumping of waste in areas not demarcated for waste disposal. A draft bylaw on illegal waste dumping is in place, Public consultation process needs to be calendered during the 25/26 financial period.
- Waste volumes are not recorded at the entrances to the disposal sites.
- There are no Waste Minimization Strategies that have been developed. These need to be addressed and implemented.
- The new developments that are taking place in the Siyathemba Municipality must be included for the provision of a waste disposal service.
- New municipal bylaws should be drafted by the District Municipality (for use by the Local Municipalities within the District) that pertain directly to waste and issues surrounding waste management. Issues such as waste minimization and recycling, etc., should be dealt with in the bylaws.
- The Siyathemba Municipality has a shortage of personnel, specifically with regard to the management of the disposal sites. Limited or no personnel are present at the disposal sites. Vacant posts should be filled, and posts should be created for the management of the disposal sites.
- The Siyathemba Municipality has vehicles that are old and in poor condition that are due for replacement.
- The Niekerkshoop and Marydale disposal sites are not authorized. The process to authorize these disposal facilities should be initiated by the Municipality. The operation of these sites is not up to standard. The sites should be

upgraded (properly fenced/secured, guard house with ablution) and the operations should be improved in accordance with the Minimum Requirements for Waste Disposal by Landfill document.

- The Prieska Disposal Site should be upgraded (fenced, guard house and ablution facility) and operated in accordance with the permit conditions for the site, as well as the Minimum Requirements for Waste Disposal by Landfill as published by the Department of Water Affairs.
- Access should be controlled at the disposal facilities and a record should be kept of the types and volumes of waste that is being disposed of at each site.
- Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements.
- A Public Awareness and Education Programme should be implemented consisting of flyers, newspaper notices and road shows.
- The Municipality does not have an Air Quality Management Plan. Since Prieska is situated in close vicinity of the SKA development, a decision needs to be taken whether the development of such a plan should be prioritized.

Waste Management Services Service Delivery Levels

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the Municipality:

Description	Households	
	2023/24	2024/25
<i>Solid Waste Removal: (Minimum level)</i>		
Removed at least once a week	4 800	5 270
<i>Minimum Service Level and Above sub-total</i>	4 800	5 270
<i>Minimum Service Level and Above percentage</i>	88.1%	78.2%
<i>Solid Waste Removal: (Below minimum level)</i>		
Removed less frequently than once a week	650	243
Using communal refuse dump	0	18
Using own refuse dump	0	647
Other rubbish disposal	0	6
No rubbish disposal	0	402
<i>Below Minimum Service Level sub-total</i>	650	1316
<i>Below Minimum Service Level percentage</i>	11.9%	21.9%
Total number of households	5 450	6 586

Table 44: Waste Management Services Delivery Levels

Total Employees – Waste Management Services

Employees of waste management are currently reflected under public works to align with expenditure allocations.

Capital Expenditure – Waste Management Services

No capital expenditure incurred for the financial year.

3.10 Housing

The Municipality is in the process of updating the available figures regarding the housing need in their area of jurisdiction. This is a major challenge for the Municipality and proper planning cannot be done since status quo information is not available. As soon as data is available with regards to the housing need in the area, the Municipality will have a better understanding of the challenges in terms of housing and will be in a better position to identify specific housing subsidy schemes (BNG, rental, etc.) to address these needs. Residents are encouraged to complete the need on housing on the national housing needs register

The construction of 364 BNG Houses project as is still ongoing. The Department has issued 239 Houses to date and 100 title deeds has been issued to the owners. However, there are currently contractual issues with phase 2 of the project which resulted in termination of the contract.

Housing will always be a burning issue because it's an on-going need that needs to be addressed as such. However, the main issue is budgetary constraints from sector departments to address the national needs and backlogs. The construction of Civil Services for 1670 erven in Prieska is underway. After completion of this project, it will enable the Municipality and COGHSTA to build top-structures.

This will assist in minimizing the need for houses in Prieska.

The Municipality is trying to eradicate the huge housing need that is due the business upswing. Most of the challenges are attended to by the technical team to improve the status. However, the response processes might take longer than what is expected. This is also determined by monetary availability from the different sector departments.

The Municipality does not have updated figures available regarding the housing need in their area of jurisdiction. This is a major challenge for the Municipality and proper planning cannot be done since status quo information is not available.

As soon as data is available with regards to the housing need in the area, the Municipality will have a better

3.11 Free Basic Services and Indigent Support

The tables below indicate the total number of households that received free basic services in the 2024/25 financial year:

Access to Free Basic Services

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2023/24	3 748	1 920	51	1 920	51	1 920	51	1 920	51
2024/25	3 748	1338	36	1338	36	1338	36	1338	36

Table 45: Access to Free Basic Services

The access to free basic services is summarised into the different services as specified in the following tables:

Financial year	Electricity								
	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Rate per HH (R)	No of HH	Unit per HH (kwh)	Rate per HH (R)	No of HH	Unit per HH (kwh)	Rate per HH (R)
2023/24	1 920	50 kwh	R132	1 828	0	0	1 674	50 kwh	0
2024/25	1 338	50 kwh		2 410	0	0	1 674	50 kwh	0

Table 46: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Rate per HH	No of HH	Unit per HH (kl)	Rate per HH
			(R)			(R)
2023/24	1 920	6 kl	R55.41	1828	0	0
2024/25	1 338	6 kl	R55.41	2 410	0	0

Table 47: Free Basic Water Services to Indigent Households

Sanitation				
Financial year	Indigent Households		Non-indigent households	
	No of HH	Rate per HH	No of HH	Rate per HH
		(R)		(R)
2023/24	1 920	R354.08	1 828	0
2024/25	1 338	R354.08	2 410	0

Table 48: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Rate per HH	No of HH	Unit per HH per month	Rate per HH
			(R)			(R)
2023/24	1 920	1	R122.58	1 828	4	0
2024/25	1 338	1	R122.58	2 410	4	0

Table 49: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2024/25: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2023/24	2024/25			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	R2 675	R3 050	R3 050	R2 675	-14%
Waste Water (Sanitation)	R4 575	R5 080	R5 080	R4 575	-11%
Electricity	R331	R2 387	R2 387	R331	-622%
Waste Management (Solid Waste)	R1 944	R2 135	R2 135	R1 944	-10%
Total	R9 524	R12 653	R12 653	R9 524	-33%

Table 50: Cost to Municipality of Free Basic Services Delivered

COMPONENT B: ROAD TRANSPORT

This component includes Roads and Waste Water (storm water drainage).

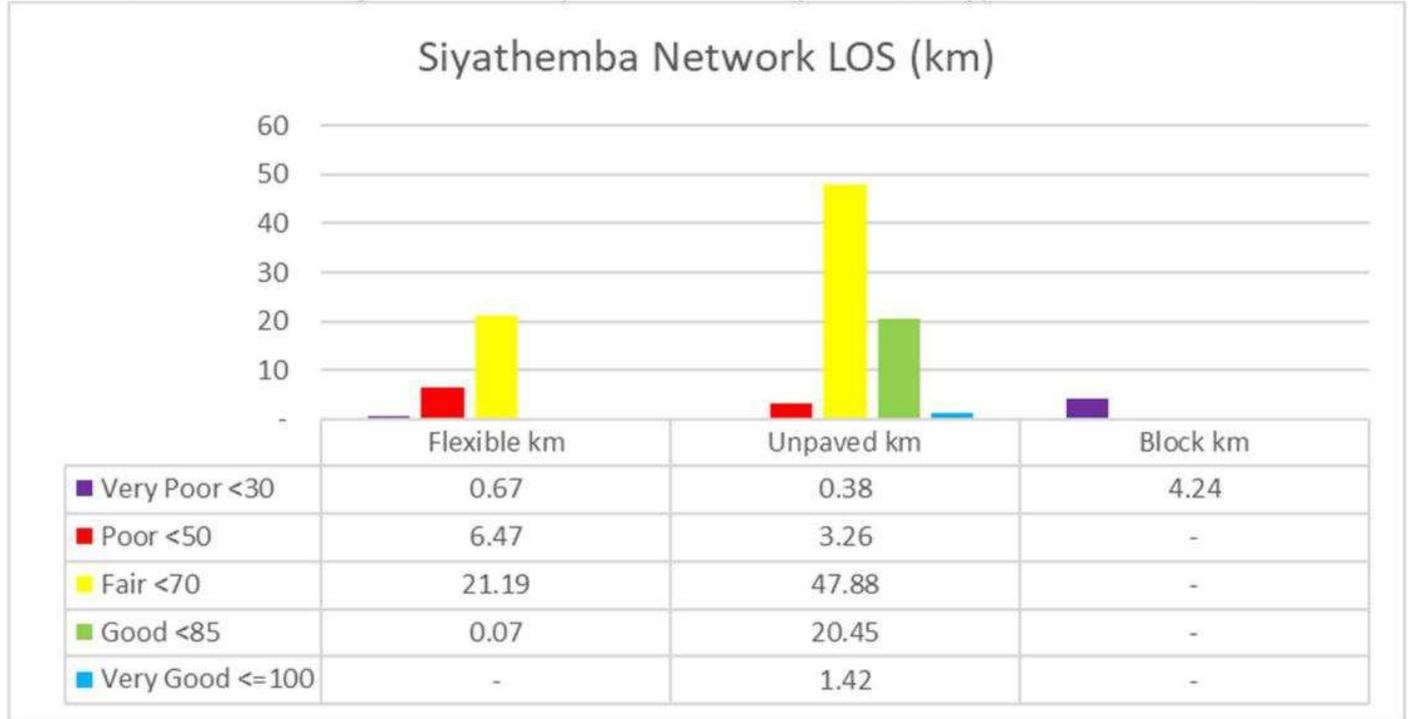
3.12 Roads and Stormwater

Roads

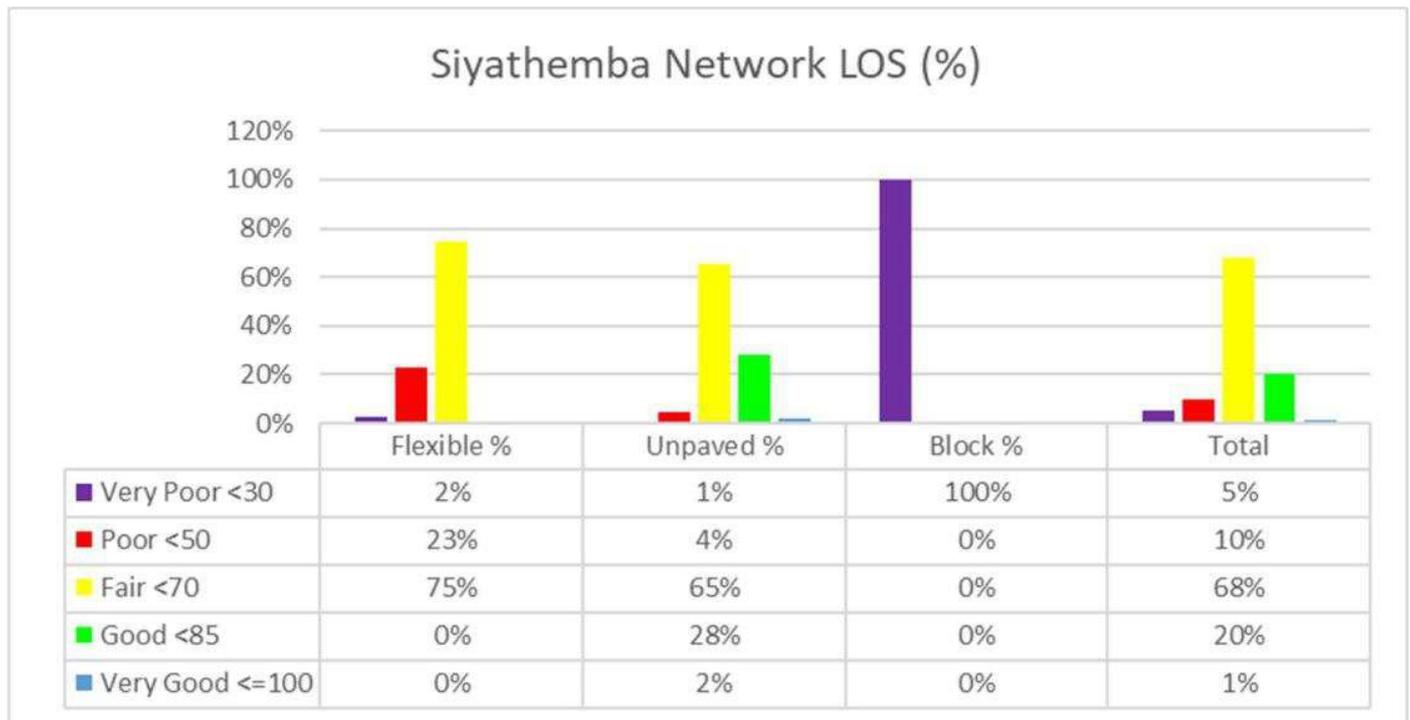
The Siyathemba Local Municipality's road network forms a vital component of regional connectivity and local service delivery. It includes well-developed tarred roads linking Prieska to major centres such as Kimberley, Upington and De Aar, as well as municipal streets serving the towns of Prieska, Marydale and Niekerkshoop. Prieska, as the municipal seat, benefits from good road access that supports economic activities, industry and agriculture. Road ownership rests with the local municipality, while asset management and condition assessments are undertaken in collaboration with

the Pixley ka Seme District Municipality through an established Road Asset Management Plan (RAMP). This system guides maintenance, rehabilitation and investment decisions for both paved and unpaved roads, as well as associated structures such as bridges and culverts. Regular condition and traffic assessments are conducted in line with national standards to improve road safety, extend asset lifespan and reduce vehicle operating costs. Overall, the road network supports mobility, economic development and service access across the municipality's urban and rural areas

The visual conditions indicated for the road network is summarised according to the network length, percentage of road network in length(km) and percentage.

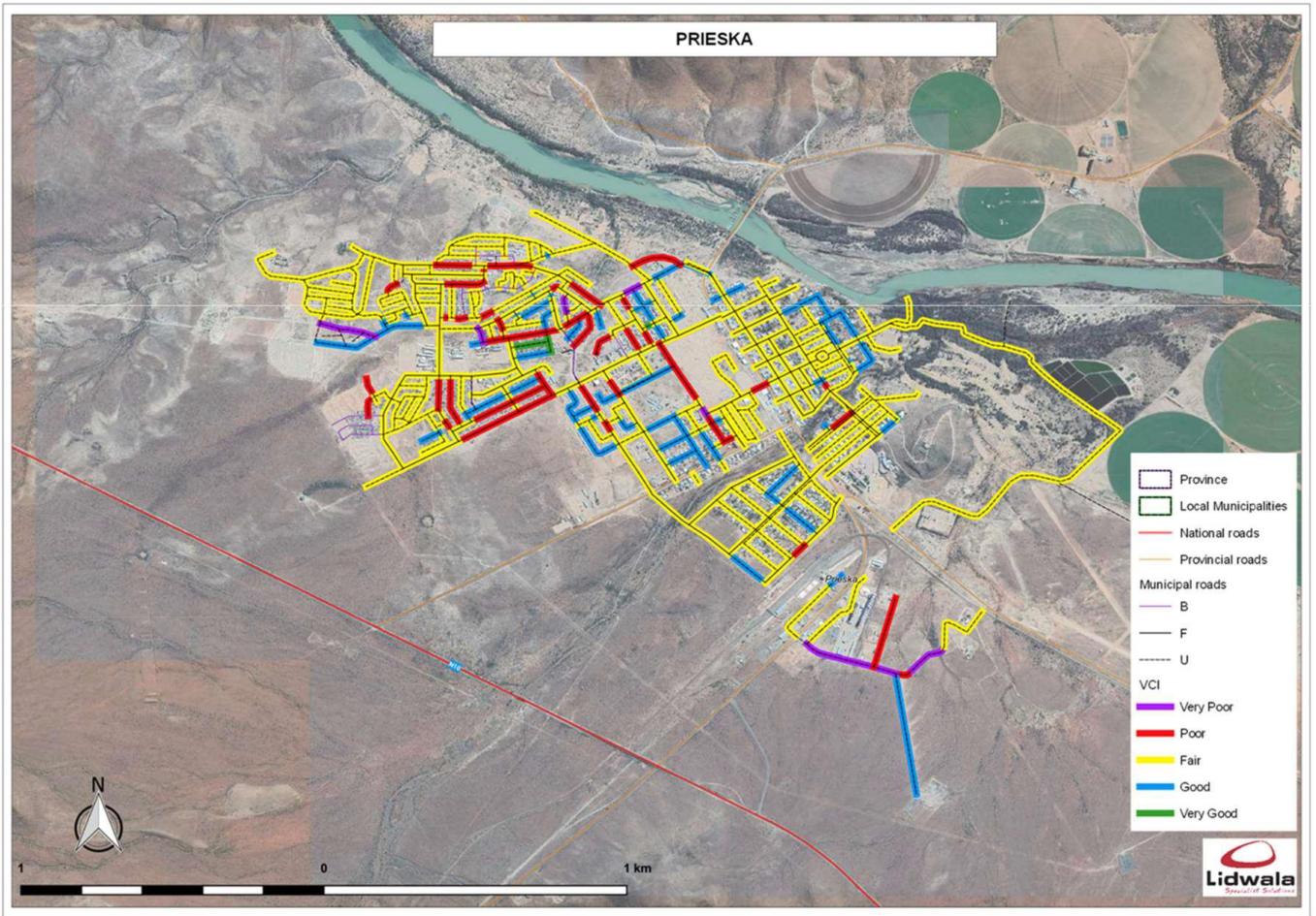


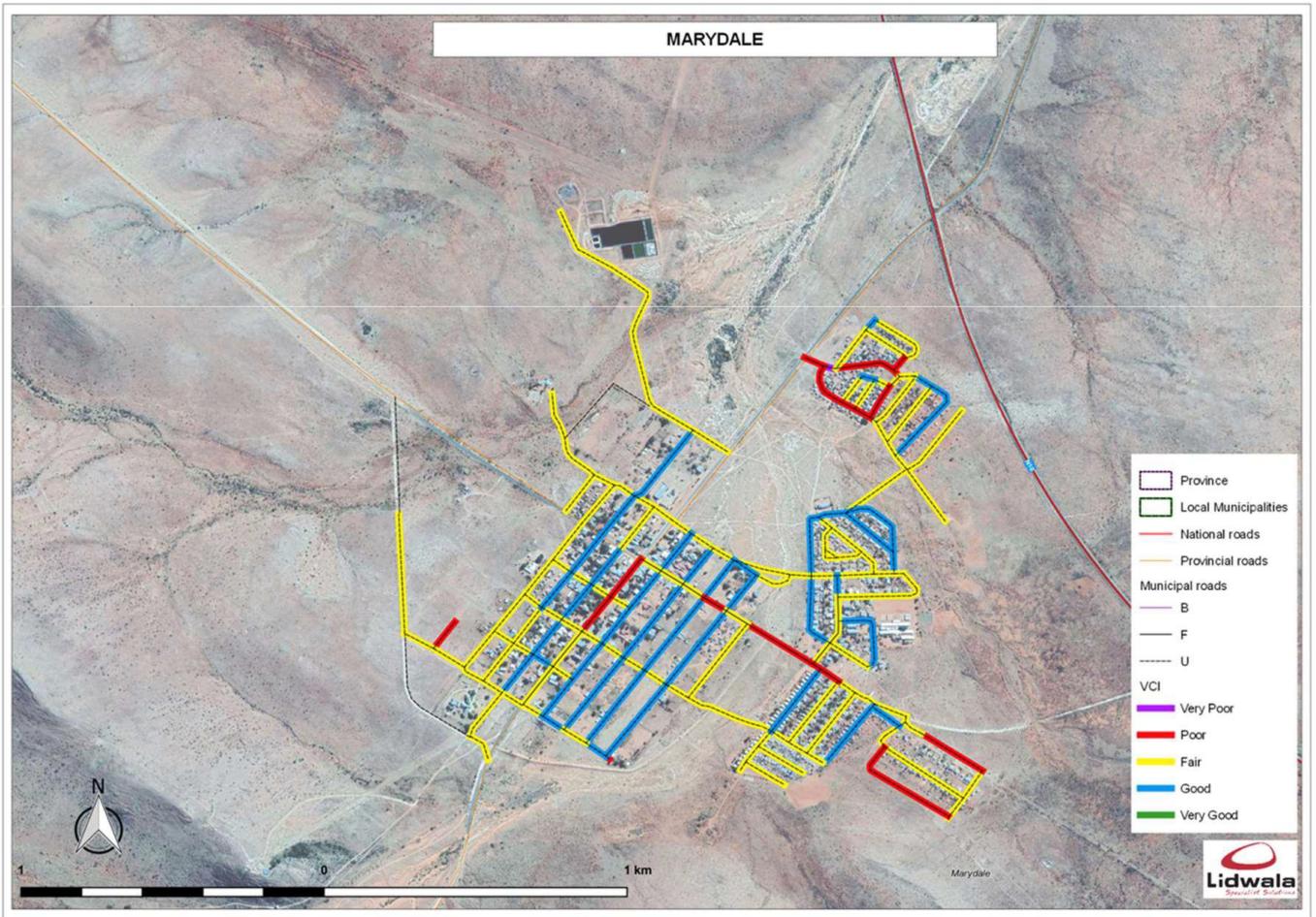
Graph 3: Municipal Network LOS per surface type (KM)



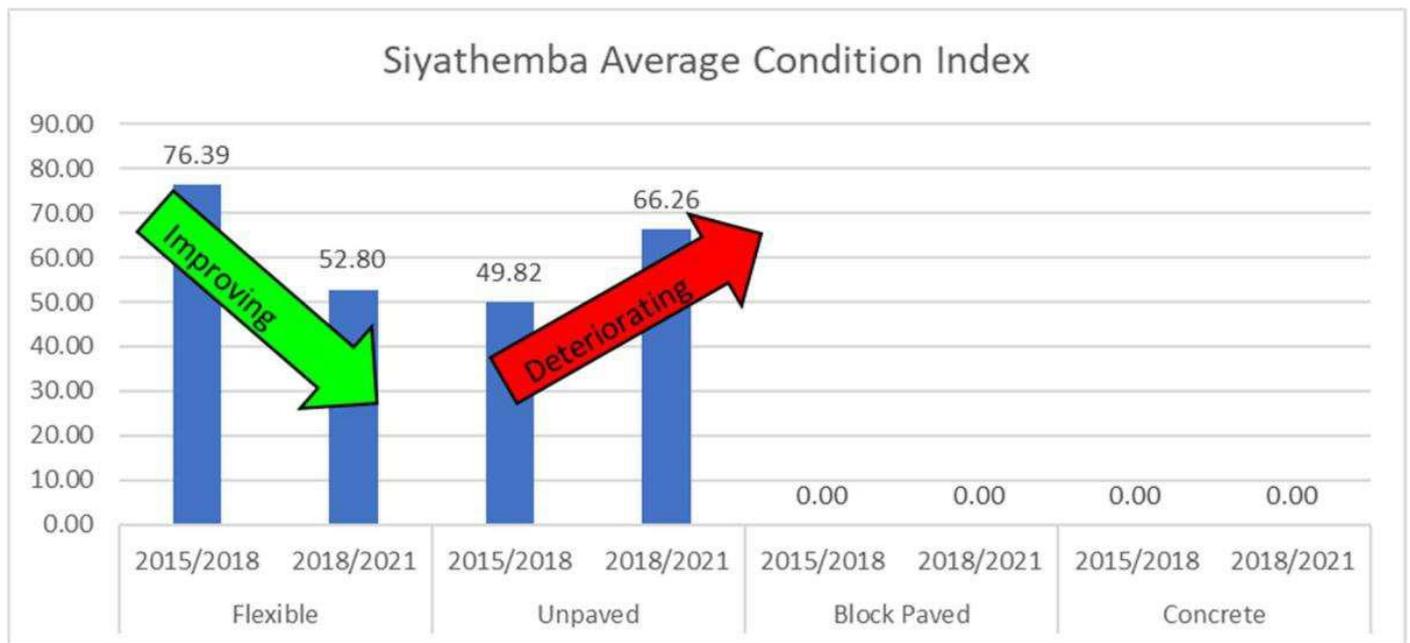
Graph 4: Municipal Network LOS surface type (%)

Road network conditions maps





Engineering conditions of assets



Asset valuation

Paved Roads

Asset value is measure of how well the road network is being preserved and the value of the new road which consists of the following elements:

- Ground preparation work;
- Road foundation layers;
- Pavement layers, and
- Surface.

Over time, pavement structures deteriorate and the value of the structural layers decreases accordingly. Eventually, rehabilitation becomes necessary and, if the deterioration of the surface and pavement layers continues even further, there will be a stage where the road has no functionality and the value of the road will be zero. The asset value is calculated as the total value of a road minus depreciation of the structural layers. The depreciation of the structural layers of a road is calculated in proportion to its remaining life and total life expectancy. This concept is similar to the generally accepted accounting practice of calculating an asset's "book value" which equates to cost minus accumulated depreciation

Unpaved Roads

Asset value is measure of how well the road network is being preserved and the value of the new road which consists of the following elements:

- Ground preparation work;
- Road foundation layers; and
- Wearing course.

Over time, the wearing course deteriorates and the value of the road decreases accordingly. Eventually, reshaping or re-gravelling becomes necessary and, if the deterioration of the wearing course continues even further, there will be a stage where the road has no functionality and the value of the road will be zero.

The asset value for Gravel roads were calculated using a replacement cost of R425 000/km for the wearing course and R265 000/km for the ground preparation work and road foundation.

The asset value for Earth roads were calculated by using the replacement cost of R5 750/km for the ground preparation work and the asset value of Tracks were regarded to be Zero.

The current Depreciated Replacement Cost, based on the thickness of the wearing course and the road foundation and Current Replacement Cost are determined based on the condition data of 2019/20.

Municipality	Replacement Cost R	Ground Preparation R
Siyathemba	27 935 505	17 418 609

Stormwater

The stormwater infrastructure is limited within the Municipality. There is only a small portion of Prieska where stormwater infrastructure exists. The Municipality does not have a Storm Water Management Plan.

Some of the challenges that were experienced include the following:

- Development of a Storm Water Management Plan which will assist the Municipality to phase in this service on a sustainable and cost-effective manner.

Total Employees – Roads and Stormwater

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	12	24	0	0%
4 – 6	7	5	2	6.5%
7 – 9	8	8	0	0%
10 – 12	3	2	1	3.2%
13 – 15	1	0	1	3.2%
16 – 18	0	0	0	0%
19 – 20	0	0	0	0%
Total	31	39	4	12.9%

As at 30 June 2025

Table 51: Total Employees – Roads and Stormwater

Capital Expenditure – Roads and Stormwater

The municipality incurred no Capital expenditure for Road and Stormwater infrastructure for 2024/25.

COMPONENT C: PLANNING AND DEVELOPMENT

3.13 Town Planning & Spatial planning

There has been a steady increase in population due to the economic development over the years. This increase has resulted in the need for land for both low- and middle-income houses. The Municipality has conducted a number of

interventions whereby we planned and drafted layouts for all informal settlements at own expenses. This was then communicated to be phase 1 and to be followed by phase 2. To prevent possible conflict with the upcoming elections, it is important that we plan and make provision to accommodate the needs of the people and also to plan for the top structures of the toilets in all three (3) towns.

With phase 1 layouts completed, it should be noted that the Municipality still need to complete a SPLUMA application for township establishment

Phase 1:

- Prieska: 474 erven
- Marydale: 191 erven
- Niekerkshoop: 124 erven

COGHSTA:

The Municipality submitted an application to COGHSTA for the planning and development of 5108 erven for all three towns:

- Prieska 4108
- Niekerkshoop 500
- Marydale 500

The approval of Prieska and Niekerkshoop has been granted by the Department and the town planning process has been completed. The only outstanding approval is that of Marydale. This is mainly due to availability of suitable land. The identified land is that of Public Works and the Municipality is seeking to secure the land to unlock the development. Phase 1, 2 and 3 of the construction of Civil Services in Prieska has commenced from a total of seven (7) phases, with the other phases to follow. The consultant, Gap Infrastructure Cooperation (GIC) which was previously known as Barzani Town Planners, are responsible for quality control.

These projects will be implemented as per the availability of funds from COGHSTA. Umzingeli Civils (Pty) Ltd has been appointed for the construction of Civil Services, namely (i) Sewer Network (ii) Water Network (iii) Gravel Roads for phase 1 to 3 which sums up to 1670 erven in total.

- To specify the relationship between the spatial planning and the land use management system and other kinds of
- planning;
- To provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of
- government;
- To provide a framework for the monitoring, coordination and review of the spatial planning and land use
- management system;
- To provide a framework for policies, principles, norms and standards for spatial development planning and land use
- management;
- To address past spatial and regulatory imbalances;
- To promote greater consistency and uniformity in the application procedures and decision-making by authorities
- responsible for land use decisions and development applications;
- To provide for the establishment, functions and operations of Municipal Planning Tribunals;
- To provide for the facilitation and enforcement of land use and development measures; and
- To provide for matters connected therewith.
- Spatial strategy to address your structural impediments
- SDF was approved in 2019.
- Land use scheme was approved in 2022.
- Decentralization of business zones into previously disadvantages residential areas.
- In anticipation of population expansion planning for educational and economic developmental infrastructure.
- The current service delivery capacity is not sufficient for spatial transformation outcomes, there is a need to develop
- masterplans.
- Cost sharing between Municipality and private partners.
- Institutional focus for the next 3 years- continue to focus on our pro poor agenda.
- Increasing of capacity through implementation of staff establishment to meet forecasted need.
- Development of master plans.
- Upgrades of bulk water.
- Expanding the electrical grid and NMD.
- Intensify economic developmental initiatives.

3.14 Local Economic Development

Although temporary job opportunities are created annually with labour intensive capital projects where possible, the municipality urgently needs funding to review the Local Economic Development Strategy with a practical and realistic implementation plan for the next 5 years.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.15 Libraries

Council strives to give the best services possible to the community through its libraries. All libraries have internet services, copy facilities and daily newspaper and magazines.

Libraries Service Statistics

The Library Services render an important educational service to the Siyathemba Community. The aim of the service is to take the Libraries to the people. The main aim of the Siyathemba Library Service is to render an effective and efficient service to the community of Siyathemba. The Library provides information and recreational services to adults, learners and students. This section creates a culture of reading through Educational Programmes. We are also involved with Provincial Library Services in a Library Development Programme where we address the needs of Libraries through Financial Allocation from Provincial Administration.

Service Statistics for Library Services

The table below indicates the service statistics for the division:

Type of service	2023/24	2024/25
Number of libraries	4	4
Library members	1769	1982
Books circulated	7343	7176
Internet users	1239	1208
Children programmes	4	4
Visits by school groups	4	3
Book group meetings	0	0

Table 52: Libraries Service Statistics

Total Employees – Libraries

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	4	4	0	0%
4 – 6	4	4	0	0%
7 – 9	0	0	0	0%
10 – 12	1	0	1	11.1%
13 – 15	0	0	0	0%
16 – 18	0	0	0	0%
19 – 20	0	0	0	0%
Total	9	8	1	11.1%

As at 30 June 2025

Table 53: Total Employees: Libraries

COMPONENT E: SECURITY AND SAFETY

This component includes:

- Traffic, law enforcement and licensing;

- Fire; and
- Disaster management.

The municipality do not have a full-time dedicated fire service. It does, however, offer firefighting services with municipal staff trained in firefighting skills. All towns do have firefighting equipment available.

Disaster management is provided by the Pixley ka Seme District Municipality.

Total Employees – Traffic Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	2	2	0	0%
4 – 6	5	2	3	21.4%
7 – 9	5	4	1	7.1%
10 – 12	0	0	0	0%
13 – 15	0	0	0	0%
16 – 18	2	0	0	0%
19 – 20	0	0	0	0%
Total	14	8	4	28.5%

As at 30 June 2025

Table 54: Total Employees: Traffic Services

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes Executive and Council, Corporate Services and Financial services

3.17 Executive and Council

Members of the municipal council and senior managers are remunerated as per the determination of upper limits of salaries, allowances and benefits of different members of municipal councils and the upperlimits of total remuneration packages of Municipal managers and managers accountable to municipal manager as approved by the minister for Cooperatove governance. The gazetted documentation for remuneration are indicated below

	Legislative remuneration prescript	Remuneration applicable	Gazetted number and date
Members of Municipal council	Upper limits of salaries, allowances and benefits of different members of municipal councils		Gazette number 51407 17 October 2024
Municipal Manager and managers directly accountable to municipal manager	Municipal managers and managers accountable to municipal manager as	Category 1 Municipality	Gazette No. 50737 30 May 2024- effective as of 1 July 2024

Table 55: Total Employees – Executive and Council

3.18 Financial Services

Financial Services is responsible for budgeting, revenue, expenditure and supply chain management.

Debt Recovery

Details of the types of account raised and recovered	2022/23			2023/24			2024/25		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Proportion of accounts billed that were collected %	Billed in Year	Actual for accounts billed in year	Estimated 23 Proportion of accounts value billed that were collected %
Property Rates	R30 692	R22 465	73.20%	R32 533	R23 813	73.20%	R32 533	R23 813	73,20%
Electricity	R21 456	R20 830	97.00%	R21 540	R20 893	97.00%	R21 540	R20 893	97,00%
Water	R13 547	R8 806	65.00%	R14 421	R9 374	65.00%	R14 421	R9 374	65,00%
Sanitation	R7 205	R4 683	65.00%	R8 139	R5 290	65.00%	R8 139	R5 290	65,00%
Refuse	R3 117	R2 026	65.00%	R3 484	R2 265	65.00%	R3 484	R2 265	65,00%
Total	R76 017	R58 810		R80 116	R61 635		R80 116	R61 635	

Table 56: Debt Recovery

Total Employees – Financial Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	4	4	0	0%
4 – 6	11	9	2	8.3%
7 – 9	6	5	1	4.2%
10 – 12	2	2	0	0%
13 – 15	1	1	0	0%
16 – 18	0	0	0	0%
19 – 20	0	0	0	0%
Total	24	21	3	12.5%

As at 30 June 2025

Table 57: Total Employees – Financial Services

Capital Expenditure – Financial Services

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget
R'000				
Intangible assets	0	0	7	100%
Other Assets: Movables	0	0	305	100%
Total all	0	0	312	100%

Table 58: Capital Expenditure: Financial Services**3.19 Corporate Services**

This division includes Administration, Human Resources and Performance Management, IDP, LED and Special Programmes.

Some of the challenges that were experienced include the following:

- Capacity constraints.
- Time constraints.

Total Employees – Corporate Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 – 3	6	4	2	13.3%
4 – 6	6	5	1	6.6%
7 – 9	1	1	0	0%
10 – 12	2	2	0	0%
13 – 15	0	0	0	0%
16 – 18	0	0	0	0%
19 – 20	0	0	0	0%
Tota	15	12	3	20%

As at 30 June 2025

Table 59: Total Employees – Corporate Services**3.20 Information Technology**

The Municipality has a central server, and all users can access the information on the server. There is however rights allocated to specific drivers which cannot be accessed by all users.

The Municipality is making use of an external service provider to do the necessary back-up of information, as well as to do basic maintenance of the server and the computers. The service provider visits the Municipality on a regular basis to perform this function.

There is a structured plan for the purchase of new hard and/or software. If the need arises for more computers or specific programmes, the staff member will report it to his/her section manager or supervisor. The CFO discuss all requests with the Municipal Manager for the necessary authorisation.

Day-to-day consumables such as paper, cartridges, etc. are purchased from local suppliers in terms of the SCM requirements.

COMPONENT H: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2024/25

3.21 Development and Service Delivery Priorities for 2025/26

The main development and service delivery priorities for 2025/26 are included in the Municipality's Top Layer SDBIP for 2025/26 and the Key Performance Indicators to achieve the service delivery priorities.

Key Performance Area	Strategic Objective	Responsible Department	Key Performance Indicator	Unit of Measurement Target/output	Ward	Baseline	Annual Target 25/26	Reporting Cycle	Means of Verification/ POE	Quarterly Targets			
										Q1	Q2	Q3	Q4
Good Governance and Community Participation	Public Participation & Governance	Corporate Services	Submit the Annual Performance Report for 2023/24 to the AG by 31 August 2025	Date of submission to the Auditor General	All	1	1	Annually	Annual financial statement and proof of submission	1	0	0	0
Good Governance and Community Participation	Public Participation & Governance	Corporate Services	Submit the Draft Annual Report for 2023/24 to Council by 31 January 2026	Date of submission to Council	All	1	1	Annually	Final annual report and council minutes	0	0	1	0
Good Governance and Community Participation	Public Participation & Governance	Corporate Services	Submit the draft IDP review to Council by 31 March 2026	Date of submission to Council	All	1	1	Annually	Council resolution	0	0	1	0
GOOD GOVERNANCE & PUBLIC PARTICIPATION	Public Participation & Governance	Corporate Services	Host quarterly public participation forums	Number Of Public Participation Forums Held	ALL	1	4	Quarterly	Minutes of public forums and attendance registers	1	1	1	1
Municipal Transformation and Organisational Development	Achieve 95% compliance with the Workplace Skills Plan	Corporate Services	Submit the Workplace Skills Plan (WSP) and Annual Training Report (ART) to LGSETA by 30 April 2026	Date of submission to LGSETA	All	1	1	Annually	Reviewed work skills plan and APR and proof of submission to LGSETA	0	0	30 April 2026	0
Municipal Transformation and Organisational Development	Achieve 95% compliance with the Workplace Skills Plan	Corporate Services	Percentage of employees trained through targeted programmes by 30 June 2026	Percentage of employees trained	All	1	20%	Quarterly	Training attendance registers	5%	5%	5%	5%
Municipal Transformation and Organisational Development	Achieve 95% compliance with the Workplace Skills Plan	Corporate Services	Percentage of management trained on performance management and leadership by 31 March 2026	Percentage of management trained	All	1	50%	Annually	Training attendance registers	N/A	N/A	50%	N/A
Municipal Institutional Development and Transformation	Achieve 95% compliance with the Workplace Skills Plan	Corporate Services	Percentage of technical staff trained by 30 June 2026	Percentage of technical staff trained	All	1	40%		Training attendance registers	N/A	N/A	N/A	40%

Municipal Transformation and Organisational Development	Conduct annual performance evaluations for 100% of senior managers	Corporate Services	Percentage of senior managers evaluated annually by 30 June 2026	Percentage of senior managers evaluated	All	1	100%	Annual	Quarterly assessment reports	N/A	N/A	N/A	10%
Municipal Transformation and Organisational Development	Decrease municipal employee absenteeism rates to below 5% by June 2025.	Corporate Services	Implementation of electronic time-keeping systems to monitor attendance by December 2025.	% employee absenteeism as per monthly system generated attendance register (number of absent employees – total employees/ total employees) x100%	All	1	5%	Monthly	Monthly generated system attendance register	5%	5%	5%	5%
Municipal Institutional Development and Transformation	Municipal Transformation	Corporate Services	Submit Employment Equity Policy to Council by December 2025	Date of submission to council	All	1	1	Annually	Approved employment equity policy and council resolution	0	0	0	1
Municipal Institutional Development and Transformation	Municipal Transformation	Corporate Services	Number of quarterly performance assessment conducted for senior managers by 30 June 2026	Number of Quarterly assessments conducted	ALL	1	4	Quarterly	Quarterly assessment reports	1	1	1	1
Municipal Institutional Development and Transformation	Municipal Transformation	Corporate Services	Submit a fraud prevention policy to council by 31 December 2025	Date of submission to Council	ALL	1	1	Annually	Approved fraud prevention plan and council resolution	-	1	-	-

Financial Viability and Management	Strengthening financial viability for responsive local governance.	Financial Services	Submit the draft budget for 2026/27 to Council for consideration by 31 March 2026	Draft budget submitted to Council by 31 March 2026	All	1	1	Annually	Approved budget and council resolution	0	0	1	0
Financial Viability and Management	Strengthening financial viability for responsive local governance.	Financial Services	Submit the Adjustments budget for 2025/2026 to Council for consideration by 28 February 2026	Submit the Adjustments budget to Council for consideration by 28 February 2026	All	1	1	Annually	Approved adjustment budget and council resolution	0	0	1	0
Financial Viability and Management	Enhance municipal financial viability	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations as at 30 June 2026 (Total operating revenue-operating grants received)/debt service payments due within the year)	% of debt coverage at 30 June 2026	All	1	20%	Quarterly	Financial and audit report	20%	20%	20%	20%
Financial Viability and Management	Enhance municipal financial viability	Financial Services	Reduce municipal debt levels by 10% by June 2026 (total amount of trade creditors 2025/Trade creditors balance June 2026)/Trade creditors balance at June 2025)	% Reduction in Trade creditors	All	1	Annually	Annually	Financial and audit report	-	-	-	10%
Financial Viability and Management	Strengthening financial viability for responsive local governance.	Financial Services	Financial viability measured in terms of the outstanding service debtors as at 30 June 2026 (Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors at 30 June 2026	All	4	95%	Quarterly	Monthly budget reports and audit report	95%	95%	95%	95%
Financial Viability and Management	Strengthening financial viability for responsive local governance.	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 (Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Operational Expenditure	Number of months it takes to cover fix operating expenditure with available cash at 30 June 2026	All	4	0.5	Quarterly	Monthly budget reports and audit report	0.5	0.5	0.5	0.5

			excluding (Depreciation, Amortization, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets) Monthly Fixed										
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Financial Viability and Management	Effective Public Service	Financial Services	Submit the annual financial statements for 2024/25 to AGSA by 31 August 2025	Annual financial statements submitted by 31 August 2025	All		1	Annually	Annual finance statements 24/25 and proof of submission to AG	1	0	0	0
Financial Viability and Management	Effective Public Service	Financial Services	Compile Plan to address audit findings in report of the AG for 2023/24 and submit to MM by 31 January 2026	Plan completed and submitted to MM by 31 January 2026	All		1	Annually	Completed audit action plan and proof of submission to MM	0	1	0	0
Financial Viability and Management	Enhance municipal financial viability	Financial Services	Achieve a debtor payment percentage of 65% by 30 June 2026 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved at 30 June 2026	All	1	65%	Quarterly	Monthly budget reports and audit report	65%	65%	65%	65%

Financial Viability and Management	Enhance municipal financial viability	Financial Services	Limit unaccounted electricity to less than 25% by 30 June 2025 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or generated) × 100}	% of unaccounted electricity by 30 June 2026	All	1	25%	Annually	Financial and audit report	N/A	N/A	N/A	25%
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Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network and billed for the services at 30 June 2026	Number of properties which are billed for water as at 30 June 2026	All		4539	Quarterly	Billing report and financial report	4539	4539	4539	4539
Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering, excluding Eskom areas) and billed for the service as of 30 June 2026	Number of properties which are billed for electricity or have prepaid meters (excluding Eskom areas) as at 30 June 2026	All		663	Quarterly	Billing report and financial report	663	663	663	663

Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Number of formal properties connected to the municipal wastewater sanitation/ sewerage services, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2026	Number of properties which are billed for sewerage as at 30 June 2026	All		4633	Quarterly	Billing report and financial report	4633	4633	4633	4633
Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Number of formal properties for which refuse is removed once per week and billed for the service as at 30 June 2026	Number of properties which are billed for refuse removal as at 30 June 2026	All		3608	Quarterly	Billing report and financial report	3608	3608	3608	3608
Financial Viability and Management	Enhance municipal financial viability	Financial Services	Limit unaccounted for water to less than 30% by 30 June 2026 (Number of Kiloliters Water Purchased or Purified - Number	% of water unaccounted by 30 June 2026	All		30%	Annually		N/A	N/A	N/A	30%

			of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified x 100)										
Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Provide free basic water to indigent households as at 30 June 2026	Number of households receiving free basic water as at 30 June 2026	All		1732	Quarterly	Indigent register	1732	1732	1732	1732
Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Provide free basic electricity to indigent households as at 30 June 2026	Number of households receiving free basic electricity as at 30 June 2026	All		1732	Quarterly	Indigent register	1732	1732	1732	1732
Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Provide free basic sanitation to indigent household as at 30 June 2026	Number of households receiving free basic sanitation services as at 30 June 2026	All		1395	Quarterly	Indigent register	1395	1395	1395	1395

Financial Viability and Management	Provide quality and sustainable municipal infrastructure within available resources	Financial services	Provide free basic refuge removal to indigent household as at 30 June 2026	Number of households receiving free basic refuge removal services at 30 June 2026	All		1315	Quarterly	Indigent register	1315	1315	1315	1315
Financial Viability and Management	Responsive Local Government	Financial services	Compile plan to reduce UIF&W to council/MM by 31 October 2025	Submit plan to reduce UIF&W to council/MM by 31 October 2025	ALL		1	Annual	UIFW reduction plan and minutes of council meeting	-	31/10/2025	-	-
Financial Viability and Management	Responsive Local Government	Financial services	Reduce irregular expenditure by 15% by 30 June 2026	% reduction of irregular expenditure after condonement (Current year – Prior year) / prior year	All		30%	Annual	UIFW registers and statement of financial Performance	-	-	-	30%
Financial Viability and Management	Responsive Local Government	Financial services	Reduce Unauthorised expenditure by 15% by 30 June 2026	% reduction of unauthorised expenditure after condonement (Current year – Prior year) / prior year	All		15%	Annual	UIFW registers and statement of financial Performance				15%
Financial Viability and Management	Responsive Local Government	Financial services	Reduce fruitless and wasteful expenditure by 15% by 30 June 2026	% reduction of Fruitless and wasteful expenditure after condonement (Current year – Prior year) / prior year	All		15%	Annual	UIFW registers and statement of financial Performance				15%
Financial Viability and Management	Promoting transparent and accountable public financial management.	Financial services	Submit a Consultants Reduction Plan to council by 31 December 2025	Submission of Consultancy reduction plan by 31 December 2025	all		1	Annual	Consultancy reduction plan and council minutes			31/12/2025	
Financial Viability and Management	Strengthening financial viability for responsive local governance	Financial services	Reduce municipal trade debtors by 10% by 30 June 2026	% reduction of Trade debtors (Current year – Prior year) / prior year	All		10%	Annual	Statement of financial position				30/06/2026

Facilitate economic growth in municipal area	Inclusive Economic Growth	LOCAL Economic development	Submit a Local Economic development strategy to council by November 2025	Draft Local Economic development strategy to council by November 2025	ALL	1	1	Annual	Approved Led Strategy And Council Meeting	-	30/11/2025	-	-
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Facilitate economic growth in municipal area	Rural Development	Local economic development	Facilitate access to agricultural grants like the Comprehensive Agricultural Support Programme (CASAP) by June 2026.	Review municipal commonage land policy by June 2025	ALL	1	1	Annual	Approved commonage policy and council minutes	-	-	-	30/06/2025
Plan, develop and maintain infrastructure and facilities	Infrastructure development & service delivery	Technical services	Increase household access to basic water services to 95% by June 2026	Conduct baseline studies to identify underserved areas and submit to MM by 31 December 2025	ALL		1	Annual	Study report				30/06/2025
Plan, develop and maintain infrastructure and facilities	Infrastructure development & service delivery	Technical Services	Progress on the construction of the Upgrade of the Prieska Water Treatment Works	% completion on the upgrade of Prieska Water Treatment Works as per project plan	5	50%	100%	Quarterly	Project progress report and practical completion certificates	75%	100%	-	-
Plan, develop and maintain infrastructure and facilities	Infrastructure development & service delivery	Technical Services	Progress on the expenditure of the Upgrade of the Prieska Water Treatment Works	% completion on the upgrade of Prieska Water Treatment Works as per project plan	5	50%	100%	Quarterly	Project progress report and practical completion certificates	75%	100%	-	-

Infrastructure development & service delivery	Plan, develop and maintain infrastructure and facilities	Technical Services	Progress on the construction of the 415kl elevated tower	% completion on the Construction of the 415kl elevated tower as per project plan	1 & 6	-	100%	Quarterly	Project progress report and practical completion certificates	25%	75%	100%	-
Infrastructure development & service delivery	Plan, develop and maintain infrastructure and facilities	Technical Services	Progress on the expenditure of the Construction of the 415kl elevated tower	% completion on the expenditure of the Construction of the 415kl elevated tower as per project plan	1 & 6	-	100%	Quarterly	Project progress report and practical completion certificates	25%	75%	100%	-
Infrastructure development & service delivery	Plan, develop and maintain infrastructure and facilities	Technical Services	Progress on the construction of High Mast lights	%completion on the construction of the High Mast lights as per project plan	1, 2, 5 & 6	25%	100%	Quarterly	Project progress report and practical completion certificates	50%	100%	-	-

Infrastructure development & service delivery	Plan, develop and maintain infrastructure and facilities	Technical Services	Progress on the expenditure of the High Mast lights	%completion on the expenditure of The High Mast lights as per project plan	1, 2, 5 & 6	25%	100%	Quarterly	Project progress report and practical completion certificates	50%	100%	-	-
Infrastructure development & service delivery	Ongoing maintenance of municipal infrastructure	Technical services	75% of electricity maintenance budget spent by 30 June 2026. {(Actual expenditure on maintenance divided by the total approved maintenance budget) x 100}	% of maintenance budget spent by 30 June 2026	All	0	75%	Quarterly	Maintenance report and financial reports	10%	25%	50%	75%
Infrastructure development & service delivery	Ongoing maintenance of municipal infrastructure	Technical services	75% of the Road transport maintenance budget spent by 30 June 2026. {(Actual expenditure on maintenance divided by the total approved budget) x 100}	% of maintenance budget spent by 30 June 2026	All	0	75%	Quarterly	Maintenance report financial reports	10%	25%	50%	75%
Infrastructure development & service delivery	Ongoing maintenance of municipal infrastructure	Technical services	75% of the Waste Water management maintenance budget spent by 30 June 2026. {(Actual expenditure on maintenance divided by total approved budget) x 100}	% of maintenance budget spent by 30 June 2026	All	0	75%	Quarterly	Maintenance report and financial reports	10%	25%	50%	75%
Infrastructure development & service delivery	Ongoing maintenance of municipal infrastructure	Technical services	75% of the Water management maintenance budget spent by 30 June 2026 {(Actual expenditure on maintenance divided by total approved budget) x 100}	% of maintenance budget spent by 30 June 2026	All	0	75%	Quarterly	Maintenance report and financial reports	10%	25%	50%	75%
Infrastructure development & service delivery	Provide quality and sustainable municipal infrastructure with available resources	Technical Services	The percentage of the municipal capital budget actually spent capital projects by 30 June 2026 [(amount actually spent on capital projects/	% of capital budget spent on capital projects by 30 June 2026	All	0	100%	Quarterly	Maintenance report and financial reports	25%	50%	75%	100%

			amount budgeted for capital projects]x 100]										
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4.1 Introduction to the Municipal Workforce

The Municipality currently employs **169** permanent officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. "

Employment Equity vs Population

Description	African	Coloured	Indian	White	Total
Number for positions filled	80	86	0	3	169
% For Positions filled	47%	51%	0%	2%	100%

Employment Equity vs Population

Departments - Race

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	7	4	0	0	3	0	1	0	15
Corporate Services	2	5	0	0	9	9	0	0	25
Financial Services	5	9	0	1	4	4	0	0	23
Operational Services	36	42	0	0	9	14	1	0	102
Total permanent	50	60	0	1	25	27	2	0	165
Non- permanent employees	1	0	0	0	2	1	0	0	4
Grand total	51	60	0	1	27	28	2	0	169

Table 60: Departments – Race

4.3 Vacancy Rate

The approved organogram for the municipality has **211** posts. The actual positions filled are indicated in the tables below by post level and by functional level. **109** posts were vacant at the end of 2024/25, resulting in a vacancy rate of **63.02%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	6	1
Senior management	2	2
Professionals and Middle management	13	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	43	5
Semi - skilled	23	22
Unskilled and defined decision making	78	70
Total	165	100
PER FUNCTIONAL LEVEL		
Per Department	Filled	Vacant
Office of the Municipal Manager	4	2
Corporate Services	14	6
Financial Services	22	5
Community Services	15	8
Technical Services	87	88
Total	142	109

Table 61: Vacancy Rate per Post and Functional Level

4.4 Turnover rate

A high turnover 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.

The table below indicates the turn-over rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2023/24	0	0	11	6.5
2024/25	6	6	8	4.7

Table 62: Turnover Rate

4.5 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The table below indicates the total number of injuries within the different departments:

Department	2023/24	2024/25
Office of the Municipal Manager	1	0
Corporate Services	4	1
Financial Services	0	0
Operational Services	15	7
Total	20	8

Table 63: Injuries

Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates the total number sick leave days taken within the different salary bands:

Salary band	Employees using sick leave		Average sick leave per employee	
	No		Days	
	2024/25			
Lower skilled (Levels 1-2)	0		0	
Skilled (Levels 3-5)	913		224	
Highly skilled production (levels 6-8)	279		30	
Highly skilled supervision (levels 9-12)	8		11	
Senior management (Levels 13-15)	39		1	
MM and S56	21		4	
Total	1260		270	

Table 64: Sick Leave

HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff. The municipality is in the process of developing and updating policies.

4.7 Capacitating the Municipal Workforce

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Occupational categories		Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Achieved
MM and S57	Female							
	Male			1				
Legislators, senior officials and managers	Female							
	Male							
Professionals	Female							
	Male							
Technicians and associate professionals	Female			1				
	Male							
Clerks	Female							
	Male							
Service and sales workers	Female							
	Male							
Plant and machine operators and assemblers	Female							
	Male							
Elementary occupations	Female							
	Male			1				
Interns	Female	3						
	Male	1						
Sub total	Female	3		1				
	Male	1		2				
Total		4		3				

Table 65: Skills Development: Training Provided

MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007,

“(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	0	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	2	2	2	2
Any other financial officials	0	0	0	0
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	0
Supply chain management senior managers	0	0	0	0
Total	5	3	4	4

Table 66: Financial Competency Development: Progress Report

Skills Development - Budget allocation

The table below indicates the amounts budgeted and spent on training in the past two financial years:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R			
2023/24	60 722 000	20 959	49 081.66	-133.87
2024/25	62 282 366	21 968	216 780.45	-885.99

Table 67: Budget Allocated and Spent for Skills Development

4.8 Managing the Municipal Workforce Expenditure

Section 66 of the MSA 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.

Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		%
2023/24	59 844	186 960	32%
2024/25	62 617	192 888	32%

Table 68: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2023/24	2024/25
Description	R	
Councillors (Political Office Bearers plus Other)		
Mayor	846 866	871 048
Speaker	685 653	704 999
Exco committee	1 126 089	1 157 946
Councillors	1 479 455	1 821 262
Sub Total - Councillors	4 433 954	4 555 254
Senior Managers of the Municipality		
Annual Remuneration	2 556 878	3 029 709
Acting Allowance	81 980	4 532
Car Allowance	253 261	347 918
Settlement Payment	0	
Bonus & Long Service Bonus	124 641	261 614
Performance Bonus	0	
Contribution to UIF, Medical & Pension	368 192	519 914
Housing Subsidy	0	
Telephone Allowance	31 500	7 000
Leave Pay-Out	0	
Other	214 354	404 334
Sub Total - Senior Managers of Municipality	3 634 004	4 757 020
Other Municipal Staff		
Basic Salaries and Wages	39 693 682	41 060 117
Pension Contributions	6 120 343	5 360 254
Medical Aid Contributions	1 836 444	2 387 313
Motor vehicle allowance	848 170	850 594
Cell phone allowance	43 200	7 000
Housing allowance	102 375	105 831
Overtime	7 738 385	6 356 638
Other benefits or allowances	3 461 618	3 662 785
Sub Total - Other Municipal Staff	59 844 216	59 790 531

Table 69: Personnel Expenditure

Chapter 5: Financial Performance

Component A: Statements of Financial Performance

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2024/25 financial year:

Description	2023/24	2024/25			2024/25 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Pre-Audit Outcome	Original Budget	Adjusted Budget
	R'000				%	
Financial Performance						
Revenue						
Exchange Revenue						
Service charges - Electricity	21 607	26 124	24 104	24 104	-8%	0%
Service charges - Water	14 421	19 753	17 753	17 753	-10%	0%
Service charges - Waste Water Management	7 981	7 784	9 072	9 072	17%	0%
Service charges - Waste Management	3 642	3 526	4 120	4 120	17%	0%
Sale of Goods and Rendering of Services	197	488	488	488	0%	0%
Agency services	707	578	578	578	0%	0%
Interest earned from Current and Non Current Assets	-	16 958	20 768	20 768	22%	0%
Rental from Fixed Assets	536	240	528	528	120%	0%
Operational Revenue	1 015	14 302	2 302	2 302	-84%	0%
Non-Exchange Revenue						
Property rates	32 533	32 534	34 485	34 485	6%	0%
Fines, penalties and forfeits	27	6	6	6	0%	2%
Transfer and subsidies - Operational	50 658	53 779	53 779	53 779	0%	0%
Interest	5 713	3 855	6 167	6 167	60%	0%
Operational Revenue	-	-	-	-	0.00%	0
Other Gains	-	-	-	-	0.00%	0
Total Revenue (excluding capital transfers and contributions)	146 527	181 427	176 814	176 814	-3%	0%
Expenditure						

Employee related costs	61 842	66 081	62 617	62 617	-5%	0%
Remuneration of councillors	4 434	4 604	5 638	5 638	22%	0%
Bulk purchases - electricity	35 754	38 542	42 229	42 229	10%	0%
Inventory consumed	5 530	7 334	5 836	5 836	-20%	0%
Debt impairment	23 279	21 079	21 079	21 079	0%	0%
Depreciation and amortisation	26 576	21 368	21 368	21 368	0%	0%
Interest	23 013	3 671	3 671	3 671	0%	0%
Contracted services	9 938	14 627	14 531	14 531	-1%	0%
Irrecoverable debts written off	7 622	890	890	890	0%	0%
Operational costs	19 583	17 592	15 029	15 029	-15%	0%
Other Losses	11	-	-	-	22%	0%
Total Expenditure	217 582	195 788	192 888	192 888	1.48%	0%
Surplus/(Deficit)	(71 055)	(14 361)	(16 074)	(16 074)	12%	0%
Transfers recognised - capital	21 987	20 710	20 710	20 710	0%	0%
Contributions recognised - capital & contributed assets	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions	(49 068)	6 349	4 636	4 636	-27%	0%
Capital expenditure & funds sources						
Capital expenditure	8 061	20 710	20 710	13 417	0%	-35%
Transfers recognised - capital (incl Housing Development Fund)	8 061	20 710	20 710	20 710	0%	0%
Public contributions & donations	-	-	-	-		
Borrowing	-	-	-	-		
Internally generated funds	-	-	-	-		
Total sources of capital funds	337 689	30 439	24 179	561 076	21.00%	2221.0%
Financial position						
Total current assets	86 112	90 444	88 730	88 730	-2%	0%
Total non-current assets	613 839	639 764	638 764	638 764	0%	0%
Total current liabilities	307 441	268 379	268 379	269 379	0%	0%
Total non-current liabilities	29 943	52 801	52 801	52 801	0%	0%

Community wealth/Equity	367 762	407 028	405 314	405 314	0%	0%
Cash flows						
Net cash from (used) operating	(76 852)	25 689	9 669	9 669	-62%	0%
Net cash from (used) investing	–	(20 710)	(20 710)	(20 710)	0%	0%
Net cash from (used) financing	–	–	–	–	–	–
Cash/cash equivalents at the year end	(76 645)	48 532	30 798	30 798	-37%	0%
Cash backing/surplus reconciliation						
Cash and investments available	7 444	31 800	30 086	30 086	-5%	0%
Application of cash and investments	257 844	227 090	228 787	228 787	1%	0%
Balance - surplus (shortfall)	(250 400)	(195 290)	(198 701)	(198 701)	2%	0%

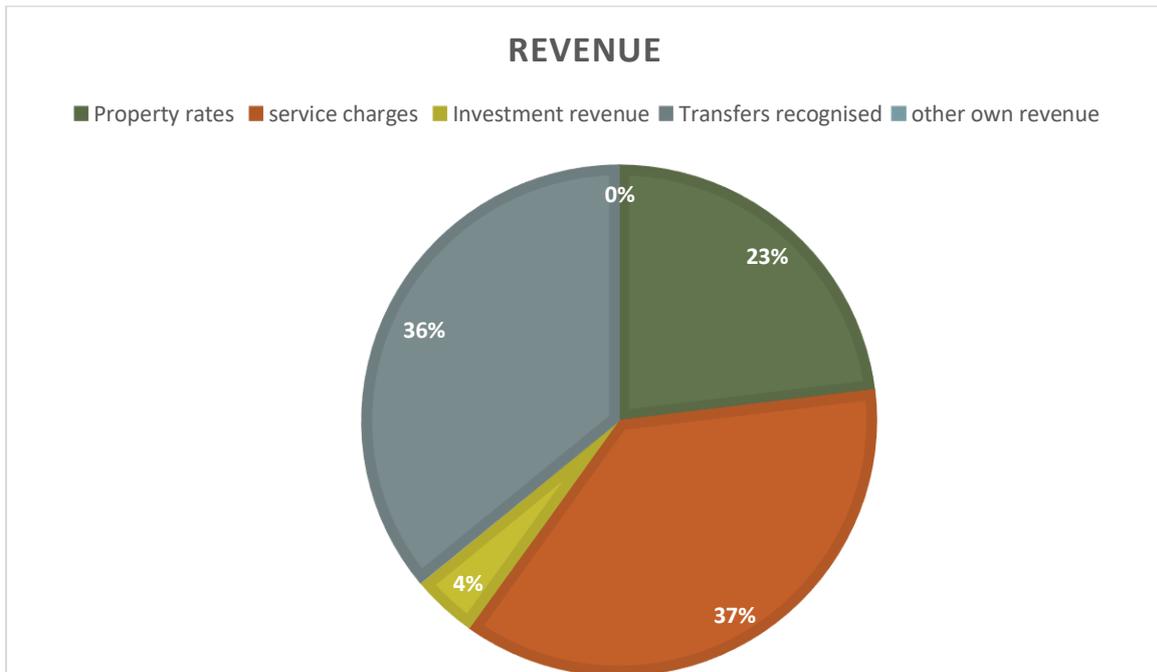
Table 70:
Financial Performance

The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2024/25	181 427	176 814	-4 613	-2.54%	195 788	192 888	-2 900	1.48%

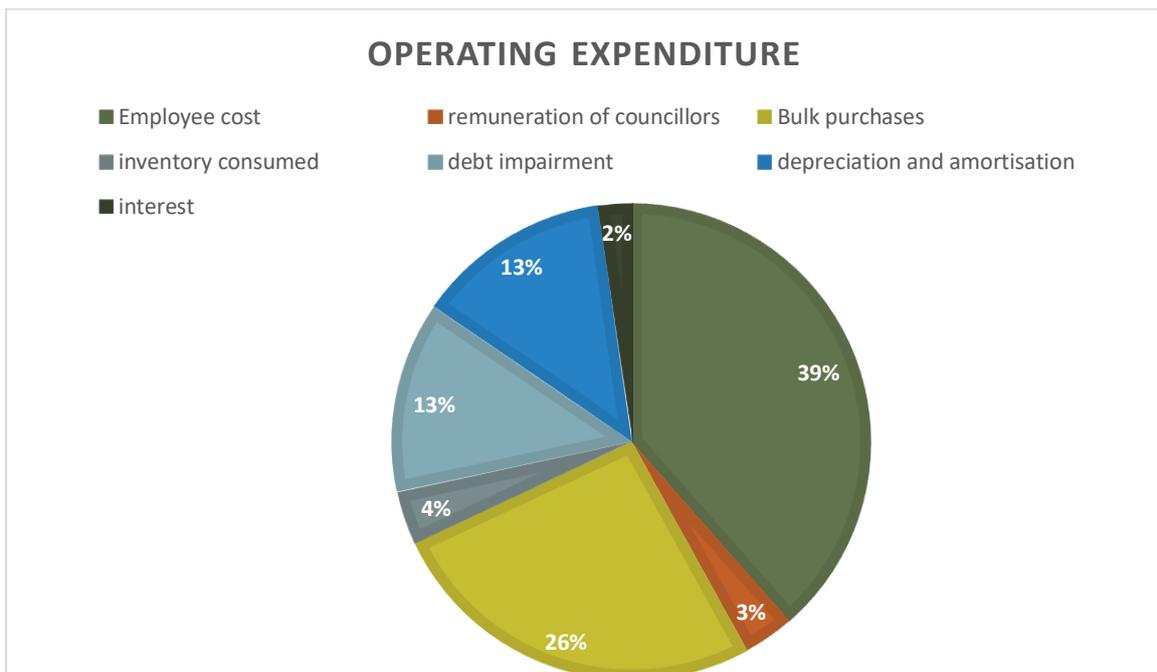
Table 71: Performance against Budgets

The following graph indicates the various types of revenue received in 2024/25:



Graph 3: Revenue

The following graph indicates the various types of expenditure items in 2024/25:



Graph 4: Operating Expenditure

5.1.1 Revenue Collection by Vote

The table below indicates the Revenue Collection Performance by Vote

Vote Description	2023/24	2024/25		2024/25 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000			%		
Vote 1 - Office of the Mayor/Speaker	2 462	3 319	3 319	2 652	-20.00%	-20.00%
Vote 2 - Office of the Municipal Manager	0	0	0	0	100.00%	100.00%
Vote 3 - Directorate Financial Services	61 685	71 189	71 189	66 445	-7.00%	-7.00%
Vote 4 - Directorate Corporate & Community Services	3 365	1 913	1 913	4 094	114.00%	114.00%
Vote 5 - Directorate Infrastructure Services	76 218	105 750	99 490	96 429	-9.00%	0.00%
Total Revenue by Vote	143 731	182 170	175 910	169 620	178.00%	187.00%

Table 72: Revenue Collection by Vote

5.1.2 Revenue Collection by Source-

The table below indicates the Revenue collection performance by source for the 2024/25 financial year:

Description	2023/24	2024/25		2024/25 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R				%	
Exchange Revenue						
Service charges - Electricity	R21 499 584	R24 904 044	R24 904 044	R21 539 639	-15.62%	-15.62%
Service charges - Water	R13 547 241	R18 830 502	R18 830 502	R14 420 864	-30.58%	-30.58%
Service charges - Waste Water Management	R7 088 289	R7 420 260	R7 420 260	R8 138 669	8.83%	8.83%
Service charges - Waste Management	R3 233 786	R3 361 270	R3 361 270	R3 484 415	3.53%	3.53%
Sale of Goods and Rendering of Services	R422 989	R465 606	R465 606	R0	-100.00%	-100.00%
Agency services	-R1 662	R551 380	R551 380	R707 056	22.02%	22.02%
Interest earned from Current and Non Current Assets	R482 395	R367 500	R367 500	R535 701	31.40%	31.40%
Rental from Fixed Assets	R1 056 541	R13 634 292	R13 634 292	R1 014 820	-1243.52%	-1243.52%
Operational Revenue	R4 612 452	R1 430 349	R1 430 350	R5 331 198	73.17%	73.17%
Non-Exchange Revenue						
Property rates	R30 692 060	R27 740 826	R27 740 826	R32 532 740	14.73%	14.73%
Fines, penalties and forfeits	R6 207	R5 880	R5 880	R26 502	77.81%	77.81%
Transfer and subsidies - Operational	R47 846 672	R50 944 000	R50 944 000	R53 081 109	4.03%	4.03%
Interest	R3 847 557	R3 675 000	R3 675 000	R5 713 535	35.68%	35.68%
Other Gains	R260 500	R0	R0	R1 107 168	100.00%	100.00%

Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R				%	
Total Revenue (Excluding Capital Transfers and Contributions)	R134 594 612	R153 330 909	R153 330 910	R147 633 416	-3.86%	-3.86%

Table 73: Revenue Collection by Source

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R16 940	R23 652	R23 395	R13 283	-78%
Expenditure:					
Employees	R5 599	R5 886	R5 572	R5 518	-7%
Repairs and Maintenance	R1 869	R1 508	R1 675	R1 307	-15%
Other	R9 955	R9 221	R9 221	R9 955	7%
Total Operational Expenditure	R17 423	R16 615	R16 468	R16 780	1%
Net Operational (Service)	R483	R7 037	R6 927	R3 497	-101%

Table 74: Financial Performance: Water Services

5.2.2 Sanitation Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R16 278	R19 077	R21 983	R22 349	15%
Expenditure:					
Employees	R4 907	R4 830	R5 250	R4 951	2%
Repairs and Maintenance	R101	R796	R557	R344	-131%
Other	R6 773	R38	R228	R9 289	100%
Total Operational Expenditure	R11 782	R5 664	R6 035	R14 584	61%
Net Operational (Service)	-R4 496	R13 413	R15 948	R7 765	-73%

Table 75: Financial Performance: Sanitation Services

5.2.3 Electricity Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R27 115	R44 481	R42 758	R29 914	-49%
Expenditure:					
Employees	R4 038	R4 505	R4 264	R9 051	50%
Repairs and Maintenance	R311	R615	R358	R376	-64%
Other	R39 359	R38 918	R44 251	R39 225	1%
Total Operational Expenditure	R43 707	R44 038	R48 873	R48 652	9%
Net Operational (Service)	R16 592	R443	-R6 115	-R18 738	102%

Table 76: Financial Performance: Electricity Services

5.2.4 Waste Disposal and Other Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R14 365	R11 139	R12 270	R12 480	11%
Expenditure:					
Employees	R1 425	R1 900	R1 798	R2 858	34%
Repairs and Maintenance	R133	R129	R89	R110	-17%
Other	R4 893	R306	R232	R4 639	93%
Total Operational Expenditure	R6 451	R2 335	R2 119	R7 607	69%
Net Operational (Service)	-R7 914	-R8 804	-R10 151	-R4 873	-81%

Table 77: Financial Performance: Waste Disposal and Other Services

5.2.5 Roads Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R775	R1 200	R1 200	R1 200	0%
Expenditure:					
Employees	R14 904	R15 341	R14 521	R9 875	-55%
Repairs and Maintenance	R1 824	R1 231	R1 801	R1 478	17%
Other	R2 345	R1 953	R2 606	R953	-105%
Total Operational Expenditure	R19 072	R18 525	R18 928	R12 306	-51%
Net Operational (Service)	R18 297	R17 325	R17 728	R11 106	-56%

Table 78: Financial Performance: Roads Services

5.2.7 Libraries; Archives; Museums; Galleries; Community Facilities; Other

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R1 357	R1 400	R1 400	R1 400	R1 357
Expenditure:					
Employees	R1 557	R1 747	R1 654	R1 770	R1 557
Repairs and Maintenance	R0	R0	R0	R0	R0
Other	R255	R14	R7	R18	R255
Total Operational Expenditure	R1 812	R1 761	R1 661	R1 788	R1 812
Net Operational (Service)	R455	R361	R261	R388	R455

Table 79: Financial Performance: Libraries; Archives; Museums; Galleries; Community Facilities; Other

5.2.9 Traffic, Vehicle Licensing & Testing Service

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R733	R583	R583	R682	15%
Expenditure:					
Police Officers	R3 058	R2 980	R2 980	R2 242	7.00%
Employees Cost	R0	R0	R0	R0	-33%
Repairs and Maintenance	R0	R0	R0	R0	0.00%
Other	R274	R120	R120	R22	-445%
Total Operational Expenditure	R3 332	R3 100	R3 100	R2 264	-37%
Net Operational (Service)	R2 599	R2 517	R2 517	R1 582	-59%

Table 80: Financial Performance: Traffic, Vehicle Licensing & Testing Service

5.2.12 Financial Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R66 445	R57 406	R57 406	R66 445	14%
Expenditure:					
Employees	R11 115	R13 335	R13 735	R11 115	-20%
Repairs and Maintenance	R16	R111	R111	R16	-614%
Other	R61 815	R37 089	R37 109	R61 815	40%
Total Operational Expenditure	R72 945	R50 535	R50 955	R72 945	31%
Net Operational (Service)	R6 500	R6 871	R6 451	R6 500	-6%

Table 81: Financial Performance: Financial Services

5.2.13 The Executive and Council

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R2 652	R2 652	R2 652	R2 652	0%
Expenditure:					
Employees	R5 288	R5 912	R6 312	R6 815	13.00%
Repairs and Maintenance	R2	R5	R5	R6	7.00%
Other	R16 227	R15 413	R15 443	R18 582	17.00%
Total Operational Expenditure	R21 518	R21 330	R21 760	R25 403	16.00%
Net Operational (Service)	R19 057	R18 679	R19 109	R22 752	18.00%

Table 82: Financial Performance: The Executive and Council

5.2.14 Sport and Recreation

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	R0	R0	R0	R0	0%
Expenditure:					
Employees	R4 549	R4 207	R4 507	R4 549	8%
Repairs and Maintenance	R0	R0	R0	R0	0%
Other	R50	R86	R86	R50	-70%
Total Operational Expenditure	R4 600	R4 293	R4 593	R4 600	7%
Net Operational (Service)	R4 600	R4 293	R4 593	R4 600	7%

Table 83: Financial Performance: Sport and Recreation

5.2.15 Cost to Municipality of Free Basic Services Delivered

Description	2024/25	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Expenditure:					
Water	R2 675	R3 050	R3 050	R2 675	-14%
Waste Water (Sanitation)	R4 575	R5 080	R5 080	R4 575	-11%
Electricity	R331	R2 387	R2 387	R331	-622%
Waste Management (Solid Waste)	R1 944	R2 135	R2 135	R1 944	-10%
Total Operational Expenditure	R9 524	R12 653	R12 653	R9 524	-33%
Net Operational (Service)	R2 675	R3 050	R3 050	R2 675	-14%

Table 84: Financial Performance: Cost to Municipality of Free Basic Services Delivered

5.2.16 Human Resource Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	R13	R18	R18	R13	-35%
Expenditure:					
Employees	R4 112	R4 402	R4 702	R4 112	-7%
Repairs and Maintenance	R440	R2 378	R2 378	R440	-441%
Other	R3 760	R3 985	R4 015	R3 760	-6%
Total Operational Expenditure	R8 311	R10 765	R11 095	R8 311	-30%
Net Operational (Service)	R8 298	R10 747	R11 077	R8 298	-30%

Table 85: Financial Performance: Human Resource Services

5.2.17 Property; Legal; Risk Management; and Procurement Services

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	R912	R13 535	R13 535	R912	-1384%
Expenditure:					
Employees	R2	R9	R9	R2	-357%
Repairs and Maintenance	R406	R278	R278	R406	32%
Other	R118	R438	R438	R118	-270%
Total Operational Expenditure	R527	R725	R725	R527	-38%
Net Operational (Service)	-R386	R12 810	R12 810	R386	-3221%

Table 86: Financial Performance: Property; Legal; Risk Management; and Procurement Services

5.3 Grants

5.3.1 Grant Performance

The Municipality had a total amount of **R73,5 million** available that was received in the form of grants from the National and Provincial Governments during the financial year. The performance in the spending of these grants is summarised as follows:

Description	2023/24	2024/25			2023/24 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjus-t-ments Budget
	R'000					%
Operating Transfers and Grants						
National Government	59 051	61 989	61 989	54 123	87%	87%

Description	2023/24	2024/25			2023/24 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjus-t-ments Budget
	R'000				%	
Equitable share	45 537	48 179	48 179	40 313	84%	84%
Municipal Infrastructure Grant	10 413	10 710	10 710	10 710	100%	100%
Department of Minerals and Energy	–	–	–	–	0%	0%
INEP	–	–	–	–	0%	0%
Finance Management Grant	3 100	3 100	3 100	3 100	100%	100%
Provincial Government	129 929	11 356	6 356	12 929	0.00%	0.00%
Health subsidy	0	–	–	–	–	–
Housing	0	–	–	–	–	–
Ambulance subsidy	0	–	–	–	–	–
Library Project	1 356	1 400	1 400	1 400	100%	100%
Water Services Infrastructure Grant	11 573	10 000	10 000	10 000	100%	100%
District Municipality:	0	–	–	–	–	–
Other grant providers:	665	1 200	1 200	1 200	100%	100%
EPWP	665	1 200	1 200	1 200	0%	100%
Total Operating Transfers and Grants	72 645	74 589	74 589	66 723	89%	89%

Actual amount represents the total revenue recognised excluding VAT on grants and subsidies

Table 87: Grant Performance

5.4 Asset Management

5.4.1 Treatment of the Three Largest Assets

Asset 1 R'000				
Name	Provision of Water Borne Gravitation Sewer System for 472 Low Income erven Prieska 2999			
Description	Sanitation Network			
Asset Type	Sanitation Network			
Key Staff Involved	Mr. J Basson			
Staff Responsibilities	Project implementation and monitoring			
Asset Value as at 30 June	2021/22	2022/23	2023/24	2024/25
	R8 683	R66	R3 279	R3 279
Capital Implications				
Future Purpose of Asset	Sewerage Network in Prieska			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

Table 88: Summary of Largest Asset

Asset 2 R'000				
Name	Upgrading of Prieska Water Treatment Works			
Description	Water network			
Asset Type	Water network			
Key Staff Involved	Mr. J Basson			
Staff Responsibilities	Project implementation and monitoring			
Asset Value as at 30 June	2021/22	2022/23	2023/24	2024/25
	R0	R538	R0	R10 185
Capital Implications				
Future Purpose of Asset	Water network			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

Table 89: Summary of 2nd Largest Asset

Asset 3 R'000				
Name	Bulk Outfall Sewer Infrastructure to service E'Thembeni Township			
Description	Sanitation Network			
Asset Type	Sanitation Network			
Key Staff Involved	Mr. J Basson			
Staff Responsibilities	Project implementation and monitoring			
Asset Value as at 30 June	2021/22	2022/23	2023/24	2024/25
	R0	R8 022	R4 303	R2 727
Capital Implications				
Future Purpose of Asset	Sewerage Network in Prieska			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

Table 90: Summary of 3rd Largest Asset

5.4.2 Repairs and Maintenance

Description	2024/25			
	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000			%
Repairs and Maintenance Expenditure	R6 171	R6 171	R5 105	17,26%

Table 91: Repairs & Maintenance Expenditure

5.5 Financial Ratios

5.5.1 Employee costs

Description	Basis of calculation	2023/24	2024/25
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.50%	27.50%

Table 92: Employee Costs

5.5.2 Repairs & Maintenance

Description	Basis of calculation	2023/24	2024/25
Repairs & Maintenance	Expenditure on Repairs & Maintenance /(Total Revenue excluding capital revenue)	2.35%	3.46%

Table 93: Repairs and Maintenance

Component B: Spending Against Capital Budget

5.6 Capital Expenditure

Capital Expenditure

Description	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
R'000					
<u>Capital expenditure</u>					
Capital Expenditure	20 710	20 710	20 710	0,0%	0,0%
Operating Expenditure	182 902	184 982	217 584	-19,0%	-17,6%
Total expenditure	203 612	205 692	238 294	-17,0%	-15,9%
Water and sanitation	22	23	31	-40,8%	-39,4%
Electricity	10 710	10 710	4 311	-10,5%	0,5%
Housing	–	–	–		
Roads, Pavements, Bridges and Stormwater	19	19	12	33,6%	35,0%
Other	95	96	123	-30,1%	-28,5%
	180	186	216	-20,1%	-15,8%
External Loans	–	–	–		
Internal contributions	–	–	–		
Grants and subsidies	75	75	67	10,5%	10,5%
Other	–	–	–		
	75	75	67	10,5%	10,5%
External Loans	0	0	0	0.00%	0.00%
Grants and subsidies	0	0	0	0.00%	0.00%
Investments Redeemed	0	0	0	0.00%	0.00%

Statutory Receipts (including VAT)	0	0	0	0.00%	0.00%
Other Receipts	0	0	0	0.00%	0.00%
	0	0	0	0.00%	0.00%
Salaries, wages and allowances	63	65	60	5,2%	8,1%
Cash and creditor payments	–	–	–		
Capital payments	–	–	–		
Investments made	–	–	–		
External loans repaid	–	–	0		
Statutory Payments (including VAT)	–	–	–		
Other payments	–	–	–		
	63	65	60	4.40%	7.30%
Property rates	33	34	34	-6,0%	0,0%
Service charges	57	55	55	3,7%	0,0%
Other own revenue	21	13	13	39,3%	0,0%
	111	102	102	7,6%	0,0%
Employee related costs	63	65	60	5.20%	8.10%
Provision for working capital	0	0	0	0.00%	0.00%
Repairs and maintenance	6	6	5	17.30%	17.30%
Bulk purchases	37	37	37	0.10%	0.10%
Other expenditure	167	140	143	14.40%	-2.30%
	284	63	256	9,9%	-308,0%
Service charges: Electricity	26	24	24	7,7%	0,0%
Grants & subsidies: Electricity	6	6	6	0,0%	0,0%
Other revenue: Electricity	13	13	0	97,7%	97,7%
	44	43	30	32,7%	30,0%
Employee related costs: Electricity	5	4	9	-100,9%	-112,3%
Provision for working capital: Electricity	–	–	–		
Repairs and maintenance: Electricity	1	0	0	38,9%	-5,0%
Bulk purchases: Electricity	33	33	36	-6,8%	-6,8%

Other expenditure: Electricity	5	11	3	36,1%	67,8%
-	44	49	49	-10,5%	0,5%
Service charges: Water	20	18	18	10,1%	0,0%
Grants & subsidies: Water	3	3	3	0,0%	0,0%
Other revenue: Water	1	3	-	100,0%	100,0%
-	24	23	20	14,3%	13,3%
Employee related costs: Water	6	6	6	6,3%	1,0%
Provision for working capital: Water	-	-	-		
Repairs and maintenance: Water	2	2	1	13,3%	22,0%
Bulk purchases: Water	3	3	1	73,4%	73,4%
Other expenditure: Water	6	6	9	-50,2%	-50,2%
	17	16	17	-1,0%	-1,9%

Table 94: Capital Expenditure

5.7 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2024/25 financial year:

Details	2023/24	2024/25				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	R0	R0	R0	R0	0,00%	100,00%
Public contributions and donations	R0	R0	R0	R0	0,00%	0,00%
Grants and subsidies	R19 240	R20 710	R20 710	R20 710	0,00%	0,00%
Own funding	R542	R0	R0	R0	0,00%	100,00%
Total	R19 782	R20 710	R20 710	R20 710	0,00%	200,00%
Percentage of finance						
External loans	0,0%	0,0%	0,0%	0,0%	0,0%	50,0%
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants and subsidies	97,3%	100,0%	100,0%	100,0%	0,0%	0,0%
Own funding	2,7%	0,0%	0,0%	0,0%	0,0%	50,0%

Details	2023/24	2024/25				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Capital expenditure						
Description	R'000				%	
Water and sanitation	R16 519	R11 600	R20 390	R10 513	75,77%	-9,37%
Electricity	R0	R10 710	R10 710	R6 417	0,00%	-40,08%
Housing	R0	R0	R0	R0	0,00%	0,00%
Roads and stormwater	R2 055	R0	R0	R0	#DIV/0!	100,00%
Other	R1 208	R0	R0	R1 208	0,00%	#DIV/0!
Total	R19 782	R22 310	R31 100	R18 138	243,80%	114,48%
Percentage of expenditure						
Water and sanitation	83,5%	52,0%	65,6%	58,0%	31,1%	-8,2%
Electricity	0,0%	48,0%	34,4%	35,4%	0,0%	-35,0%
Housing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Roads and stormwater	10,4%	0,0%	0,0%	0,0%	#DIV/0!	87,4%
Other	6,1%	0,0%	0,0%	6,7%	0,0%	#DIV/0!

Table 95: Capital Expenditure by Funding Source

5.8 Municipal Infrastructure Grant

The full MIG budget transfer received for the 2024/25 financial year was R17.5 million.

Details	Budget	Adjustments Budget	Actual	Variance to budget	
	R'000			%	
Roads, Pavements & Bridges	R18 839	R17 579	R2 363	-87.00%	-87.00%
Water purification	R10 000	R0	R113	-100.00%	-100.00%
Reticulation	R0	R0	R6 907	-100.00%	-100.00%
Sport Facilities	R0	R0	R1 030	-100.00%	-100.00%
Total	R28 839	R17 579	R10 413	-63.89%	-40.76%

Table 96: Municipal Infrastructure Grant -MIG)

5.9 Capital Expenditure of 3 Largest Projects

The table below indicates the Capital Expenditure of the 3 Largest Projects for the 2024/25 financial year:

Name of Projects	Current Year: 2024/25			Variance to budget	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance %	Adjustment variance %
Provision of Water Borne Gravitation Sewer System for 472 Low Income erven Prieska 2999	R3 500	R3 500	R3 279	-6.31%	-6.31%
Upgrading of Prieska Water Treatment Works	R10 000	R5 000	R10 185	100.00%	100.00%

Name of Projects	Current Year: 2024/25			Variance to budget	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance %	Adjustment variance %
Bulk Outfall Sewer Infrastructure to service E'Thembeni Township	R5 920	R5 290	R2 727	-53.93%	-48.44%

Table 97: Capital Expenditure of 3 Largest Projects

The table below indicates the Details of the 3 Largest Projects for the 2024/25 financial year:

Name of Project - A	Provision of Water Borne Gravitation Sewer System for 472 Low Income erven Prieska 2999
Objective of Project	Sanitation Network
Delays	Yes
Future Challenges	N/a
Anticipated citizen benefits	Sewerage Network in Prieska
Name of Project - B	Upgrading of Prieska Water Treatment Works
Objective of Project	Water network
Delays	Yes
Future Challenges	N/a
Anticipated citizen benefits	Water network
Name of Project - C	Bulk Outfall Sewer Infrastructure to service E'Thembeni Township
Objective of Project	Sanitation Network
Delays	Yes
Future Challenges	N/a
Anticipated citizen benefits	Sewerage Network in Prieska

Table 98: Details of the 3 Largest Projects

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.10 Cash Flow

Description	2023/24	2024/25
	Actual R'000	
Receipts		
Property rates, penalties & collection charges	R17 235	R9 726
Service charges	R23 128	R38 462
Other revenue	R503	R850
Government (Operating)	R45 622	R54 202
Government (Capital)	R31 579	R5 317
Interest	R6 249	R748
Payments		
Suppliers	-R14 065	
Employee costs	-R61 858	-R53 922
Finance charges	-R20 948	-R27 517
Net cash from/(used) operating activities	R27 445	R27 866
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-R19 775	-R12 492

Description	2023/24	2024/25
	Actual R'000	
Proceeds on Disposal of Fixed Assets	R0	R0
Purchase of Intangible Assets	-R7	R15
Net cash from/(used) investing activities	-R19 782	-R12 477
Cash Flows from Financing Activities		
Loans raised	R0	R0
Loans (repaid)	-R493	-R932
(Increase)/Decrease in Long term Receivables	R0	R0
Increase/(Decrease) in Non Current Provisions	R0	R0
Increase/(Decrease) in Consumer Deposits	R67	R115
Net cash from/(used) financing activities	-R426	-R817
Net increase/(decrease) in cash held	R7 237	R14 572
Cash/cash equivalents at the year begin:	R207	R7 444
Cash/cash equivalents at the year end:	R7 444	R884

Table 99: Cash Flow

5.12 Borrowing, Investments and Grants Made

5.12.1 Actual Borrowings

Instrument	2022/23	2023/24	2024/25
	R'000		
Municipality			
Long-Term Loans (annuity/reducing balance)	R0	R0	R0
Long-Term Loans (non-annuity)	R0	R0	R0
Local registered stock	R0	R0	R0
Instalment Credit	R0	R0	R0
Financial Leases	R1 767	R1 274	R1 274
PPP liabilities	R0	R0	R0
Finance Granted By Cap Equipment Supplier	R0	R0	R0
Marketable Bonds	R0	R0	R0
Non-Marketable Bonds	R0	R0	R0
Bankers Acceptances	R0	R0	R0
Financial derivatives	R0	R0	R0
Other Securities	R0	R0	R0
Municipality Total	R1 767	R1 274	R1 274
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)	R0	R0	R0
Local registered stock	R0	R0	R0

Instrument	2022/23	2023/24	2024/25
	R'000		
Instalment Credit	R0	R0	R0
Financial Leases	R0	R0	R0
PPP liabilities	R0	R0	R0
Finance Granted By Cap Equipment Supplier	R0	R0	R0
Marketable Bonds	R0	R0	R0
Non-Marketable Bonds	R0	R0	R0
Bankers Acceptances	R0	R0	R0
Financial derivatives	R0	R0	R0
Other Securities	R0	R0	R0
Entities Sub-Total	R0	R0	R0
Consolidated Total	R1 767	R1 274	R1 274

Table 100: Actual Borrowings

5.12.2 Municipal Investments

The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements, are invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

Instrument	2022/23	2023/24	2024/25
	R'000		
Municipality			
Securities - National Government	R0	R0	R0
Listed Corporate Bonds	R0	R0	R0
Deposits - Bank	R207	R7 444	R884
Deposits - Public Investment Commissioners	R0	R0	R0
Deposits - Corporation for Public Deposits	R0	R0	R0
Bankers Acceptance Certificates	R0	R0	R0
Negotiable Certificates of Deposit - Banks	R0	R0	R0
Guaranteed Endowment Policies (Sinking)	R0	R0	R0
Repurchase Agreements - Banks	R0	R0	R0
Municipal Bonds	R0	R0	R0
Other	R0	R0	R0
Municipality Sub-Total	R207	R7 444	R884
Municipal Entities			
Securities - National Government	R0	R0	R0
Listed Corporate Bonds	R0	R0	R0
Deposits - Bank	R0	R0	R0
Deposits - Public Investment Commissioners	R0	R0	R0

Instrument	2022/23	2023/24	2024/25
	R'000		
Deposits - Corporation for Public Deposits	R0	R0	R0
Bankers Acceptance Certificates	R0	R0	R0
Negotiable Certificates of Deposit - Banks	R0	R0	R0
Guaranteed Endowment Policies (Sinking)	R0	R0	R0
Repurchase Agreements - Banks	R0	R0	R0
Other	R0	R0	R0
Entities Sub-Total	R0	R0	R0
Consolidated Total	R207	R7 444	R884

Table 101: *Municipal Investments*

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Component A: Auditor-General Findings 2024/25

56.1 Report on the audit of the financial statements

.1.1 Audit Opinion

In the auditor's opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section, the financial statements present fairly, in all material respects, the financial position of the Siyathemba Local Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

The qualified audit opinion is based on the following:

Property, plant and equipment

- A. The municipality did not review the useful lives of Property, Plant and Equipment at each reporting date in accordance with GRAP 17, Property, plant and equipment. The auditor identified assets still in use with no carrying amount due to useful lives not being assessed. The auditor was unable to determine the full extent of the understatement of Infrastructure, stated at R438 838 047 (2024: R442 864 936) in note 2 to the financial statements and overstatement of Depreciation and Amortisation — Property, Plant and Equipment, stated at R22 319 901 (2024: R26 560 652) in note 35 to the financial statements. Additionally, there was an impact on the deficit and accumulated surplus for the period.
- B. The municipality did not account for property in accordance with GRAP 17, Property, plant and equipment. I identified property registered in the municipality's name which were not recorded. The auditor was unable to determine the full extent of the understatement of Land, stated at R7 822 519, and Community Assets, stated at R7 043 353 in note 2 to the financial statements as it was impracticable to do so.
- C. The municipality did not review indicators of impairment of Property, Plant and Equipment at each reporting date in accordance with GRAP 17, Property, plant and equipment and GRAP 21, Impairment of Non-cash-generating Assets. The auditor was unable to determine the full extent of the understatement of impairment charge and overstatement of Infrastructure, stated at R438 838 047, and Community Assets, stated at R7 043 353 in note 2 to the financial statements as it was impracticable to do so. Additionally, there was an impact on the deficit for the period.

Investment property

- D. The auditor was unable to obtain sufficient appropriate audit evidence for Investment Property, as supporting information for the fair value adjustment performed was not provided for audit purposes. The auditor could not

confirm the amounts by alternative means. Consequently, the auditor was unable to determine whether any further adjustments were necessary to Investment Property stated at R 175 060 622 in note 3 to the financial statements. In addition, the municipality did not account for Investment Property in accordance with GRAP 16, Investment property. The auditor identified property registered in the municipality's name which were not recorded for the current and previous year. I was unable to determine the full extent of the understatement of Investment Property stated at R175 060 622 (2024: R153 957 916) in note 3 to the financial statements as it was impracticable to do so.

- E. During 2024, the fair value of Investment Property was not determined as required by GRAP 16, Investment property. The auditor was unable to determine the impact on the net carrying amount of the Investment Property stated at R153 957 916 in note 3 to the financial statements as it was impractical to do so. There was a resultant impact on the deficit for the period and on the accumulated surplus. The auditor's audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. The auditor's opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the Investment Property for the current period.

Payables from exchange transactions

- F. The auditor was unable to obtain sufficient appropriate audit evidence for Trade Payables, Salary Control Account, Traffic Control and Unknown Deposits due to the status of the accounting records. Supporting information for payable balances were not provided for audit purposes. The auditor could not confirm the amounts by alternative means. Consequently, The auditor was unable to determine whether any further adjustments were necessary to Traffic Control stated at R10 336 364 (2024: R9 914 214), Unknown Deposits stated at R2 344 137, prior year Trade Payables stated at R247 865 492 and to the prior year Salary Control Account stated at R2 701 255 in note 20 to the financial statements. In addition, The auditor was unable to determine whether any adjustments were required to the Traffic Control included in Principal—Agent Arrangements stated at R10 336 364 (2024: R9 914 214) in note 53 to the financial statements.
- G. The municipality did not recognise Payables from Exchange Transactions in accordance with GRAP 11 Presentation of financial statements. Retentions related to construction contracts were not recorded in the current and prior year financial statements. The auditor was unable to determine the full extent of the understatement of retention payables and Property, Plant and Equipment as it was impracticable to do so.

Trade Receivables from exchange transactions

- H. During 2024, the municipality did not recognise Trade Receivables from exchange transactions in accordance with GRAP 104, Financial instruments. Interest was not charged on outstanding consumer accounts for the 2024 and prior years in accordance with the tariff policy. The auditor was unable to determine the full extent of the understatement on the corresponding figures of Total Net Receivables from Exchange Transactions, stated at R44 494 171 in note 8 to the financial statements, and Total Interest Earned - Outstanding Debtors, stated at R5 713 535 in note 27 to the financial statements, as it was impracticable to do so.
- I. There was a resultant impact on the deficit and accumulated surplus for the period. In addition, The auditor was unable to obtain sufficient appropriate audit evidence for Trade Receivables from exchange transactions due to the status of the accounting records. Consequently, The auditor was unable to determine whether any

adjustment was necessary to Trade Receivables from exchange transactions, stated at R44 494 171 in note 8 to the financial statements. The auditor's audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. The auditor's opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of Trade Receivables from exchange transactions for the current period.

Service charges

- J. The municipality did not recognise Service charges — Electricity and Service charges Sewerage and Sanitation in accordance with GRAP 9, Revenue from Exchange Transactions. Service charges - Electricity and Service charges Sewerage and Sanitation recorded in the accounting records did not agree to the billing data. Consequently, Service charges - Electricity and Trade Receivables from exchange transactions, Service Receivables — Electricity was understated by R2 729 085 respectively and Service charges - Sewerage and Sanitation and Trade Receivables from exchange transactions, Service Receivables — Sewerage was overstated by R2 373 304 respectively. In addition, several properties were not billed for basic services, and the municipality did not identify and recognise all qualifying indigent households in the billing system. As a result, the auditor was unable to determine the full extent of the misstatements on Service charges and Revenue forgone disclosed in note 25 to the financial statements, and Trade Receivables from exchange transactions disclosed in note 8 to the financial statements as it was impracticable to do so. There was a resultant impact on the deficit for the period.
- K. The auditor was unable to obtain sufficient appropriate audit evidence for Service charges due to the status of the accounting records. Billing reports for periods after year-end were not provided to confirm if services were billed in the correct period. Consequently, The auditor was unable to determine if any adjustment was necessary to Service charges stated at R51 737 513 in note 25 to the financial statements.
- L. The auditor was unable to obtain sufficient appropriate audit evidence for Service charges - pre-paid electricity, included in Service charges - Electricity in the financial statements, due to the status of the accounting records. I was unable to confirm Service charges - pre-paid electricity, by alternative means. Consequently, The auditor was unable to determine whether any further adjustment was necessary to Service charges - Electricity stated at R21 929 790 (2024: R21 858 775) in note 25 to the financial statements.

Revenue from non-exchange transactions

- M. The municipality did not have adequate systems in place to account for Property Rates in accordance with GRAP 23, Revenue from non-exchange transactions. The auditor identified properties that was not billed for the year. The auditor was unable to determine the full extent of the understatement on Property Rates stated at R27 490 321 (2024: R32 544 140) in note 22 and Other Receivables from non-exchange transactions: Taxes — Rates stated at R96 055 087 (2024: R78 290 736) in note 9 to the financial statements, as it was impracticable to do so. In addition, Rebates was incorrectly calculated which resulted in an overstatement of

Property Rates - Rateable Land and Buildings and Property Rates - Rebates included in note 22 to the financial statements by R3 694 868, respectively. There was a resultant impact on the deficit for the period.

- N. The auditor was unable to obtain sufficient appropriate audit evidence for Property Rates due to the status of the accounting records. Billing reports for periods after year-end were not provided to confirm if Property Rates was billed in the correct period. Consequently, The auditor was unable to determine if any adjustment was necessary to Property Rates stated at R27 490 321 in note 22 to the financial statements.
- O. During 2024, the municipality did not recognise availability charges in accordance with GRAP 23, Revenue from non - exchange transactions. Availability charges were incorrectly classified as part of Revenue from exchange transactions, Service charges, Consequently, The auditor was unable to determine the full extent of the overstatement of Service charges — Electricity and Service charges — Water included in note 25 to the financial statements and understatement of Revenue from non-exchange transactions as it was impracticable to do so. The auditor's audit opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. The auditor's opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the Revenue from exchange transactions, Service charges for the current period.

Repairs and maintenance

- P. The municipality did not recognise Repairs and Maintenance in accordance with GRAP 1, Presentation of financial statements, as General expenses - Contracted Services were incorrectly recorded as Repairs and Maintenance. This resulted in Repairs and Maintenance being overstated by R2 784 688 and General expenses - Contracted Services in note 36 being understated by R2 450 279. In addition, The Auditor was unable to obtain sufficient appropriate audit evidence for Repairs and Maintenance as the municipality was not able to provide supporting documentation due the status of the accounting records. The auditor could not confirm the Repairs and Maintenance by alternative means. Consequently, The auditor was unable to determine whether any adjustments were necessary to the Repairs and Maintenance stated at R5 797 510 (2024: R5 105 429) in the statement of financial performance.

Bulk Purchases

- Q. During 2024, The auditor was unable to obtain sufficient appropriate audit evidence for Bulk Purchases for water and electricity, as the municipality did not keep proper records for journals processed. The auditor could not confirm the Bulk Purchases by alternative means. Consequently, The auditor was unable to determine whether any adjustments were necessary to the corresponding figure for Bulk Purchases stated at R36 438 693 in note 34 to the financial statements. There was a resultant impact on the deficit for the period and on the accumulated surplus. The auditor's opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. The auditor's on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the Bulk Purchases for the current period.

Employee related costs

- R. The municipality did not account for employee related costs in accordance with GRAP 25, Employee benefits. The auditor identified Overtime payments that was incorrectly calculated and not approved. Consequently, Overtime payments included in note 29 to the financial statements was overstated by R2 372 913 and Other

Receivables from non-exchange transactions was understated by R2 372 913. There was a resultant impact on the deficit for the period.

General Expenses

- S. The municipality did not recognise Contracted Services included in General Expenses in accordance with GRAP 1, Presentation of financial statements, as IT expenses were incorrectly recorded as Contracted Services and Contracted Services were recorded in the incorrect period. Consequently, Contracted Services included in note 36 to the financial statements was overstated by R5 579 075, IT expenses included in note 36 to the financial statements was understated by R3 549 279 and Trade Payables included in note 20 to the financial statements was overstated by R2 029 796. In addition, The auditor was unable to obtain sufficient appropriate audit evidence for Contracted Services included in General Expenses due the status of the accounting records. The auditor could not confirm the General Expenses by alternative means. Consequently, The auditor was unable to determine whether any further adjustment was necessary to Contracted Services stated at RI 1 481 152 (2024: R7 704 966), in note 36 to the financial statements.
- T. The auditor was unable to obtain sufficient appropriate audit evidence for Travel — Local included in General Expenses due the status of the accounting records. The auditor could not confirm the General Expenses by alternative means. Consequently, The auditor was unable to determine whether any further adjustments were necessary to Travel — Local stated at R2 130 112 in note 36 to the financial statements. In addition, the municipality did not recognise Travel - Local included in General Expenses in accordance with GRAP 1, Presentation of financial statements, as Contracted Services was incorrectly recorded as Travel - Local. Consequently, Travel - Local included in note 36 to the financial statement was overstated by R542 985 and Contracted Services included in note 36 to the financial statements was understated by R542 985. There was a resultant impact on the deficit for the period.
- U. The municipality did not recognise Sanitation and Sewerage included in General Expenses in accordance with GRAP 1, Presentation of financial statements, as Bulk Purchases were incorrectly recorded as Sanitation and Sewerage. Consequently, Sanitation and Sewerage in note 36 to the financial statements was overstated by R3 643 912 and Bulk Purchases was understated by R3 643 912 There was a resultant impact on the deficit for the period.
- V. During 2024, The auditor was unable to obtain sufficient appropriate audit evidence for General Expenses - Fuel and Oil due the status of the accounting records. The auditor could not confirm General Expenses — Fuel and Oil by alternative means. Consequently, The auditor was unable to determine whether any further adjustments were necessary to General Expenses - Fuel and Oil stated at R3 360 159 in note 36 to the financial statements. The auditor's opinion on the financial statements for the period ended 30 June 2024 was modified accordingly. The auditor opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of General Expenses — Fuel and Oil for the current period.

- W. The auditor was unable to obtain sufficient appropriate audit evidence regarding the following items, which had a material cumulative effect on General Expenses:
- General Expenses - Sanitation and Sewerage of R3 643 912 as included in the disclosed balance of R32 712 714
 - General Expenses - Fuel and Oil of RI 418 643 as included in the disclosed balance of R32 712 714
 - General Expenses - IT expenses of RI 771 975 as included in the disclosed balance of R32 712 714
 - General Expenses - Unauthorised Debit orders of R322 418 as included in the disclosed balance of R32 712 714
- X. Consequently, The auditor was unable to determine whether any further adjustment was necessary to General Expenses.
- Y. In addition, General Expenses was misstated by R82 009 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:
- General Expenses - Sanitation and Sewerage stated at R3 643 912 in note 36 to the financial statements was overstated by R48 799
 - General Expenses - Contracted Services stated at RI 1 481 152 in note 36 to the financial statements was overstated by R 131 789
 - General Expenses - Auditors remuneration stated at R5 375 877 in note 36 to the financial statements was overstated by R797 704
 - General Expenses - Act on Local Government stated at R12 280 in note 36 to the financial statements was understated by R737 951
 - General Expenses - Advertising stated at R 141 152 in note 36 to the financial statements was overstated by R51 374
 - General Expenses - Meter Management Fees stated at RI 031 406 in note 36 to the financial statements was overstated by RI 24 703
 - General Expenses - Other Expenses stated at R2 014 400 in note 36 to the financial statements was understated by R334 409

Employee benefit

- Z. The auditor was unable to obtain sufficient appropriate audit evidence for Employee benefits, due to the incorrect assumptions used. The auditor could not confirm the balance by alternative means.
- AA. Consequently, The auditor was unable to determine whether any adjustment was necessary to Employee benefits stated at R18 753 400 in notes 15 to the statement of financial position.

Material Losses

- BB. The municipality did not determine Electricity distribution losses in accordance with section 125(2)(d) of the MFMA. The calculation of Electricity distribution losses was based on incomplete and unreliable information, as the municipality did not maintain accurate records of purchases, system of input units and electricity
-

consumed. Significant variances between electricity purchased, billed consumption and estimated unmetered usage were not investigated or adjusted by management. Consequently, The auditor was unable to determine the full extent of the understatement of Electricity distribution losses in note 44,4 to the financial statement misstatement for the current year, as it was impracticable to do so.

Irregular expenditure

CC. The municipality did not include all Irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. The municipality incurred expenditure in contravention of the supply chain management requirements, resulting in Irregular expenditure. The auditor was unable to determine the full extent of the understatement in the current and prior year, as it was impracticable to do so.

Capital commitments

DD. The municipality did not include all items that meet the definition of Capital commitments in accordance with GRAP 17, Property, plant and equipment. The municipality did not record all contractual agreements that constituted Capital commitments. was unable to determine the full extent of the understatement of Capital commitments for the current and prior year, as it was impracticable to do so.

Cash flow statement

Net Cash from Operating Activities was not correctly prepared and disclosed in accordance with GRAP 2, Cash flow statements. This was due to multiple errors in determining Net Cash from Operating Activities. The auditor was not able to determine the full extent of the errors in the Net Cash from Operating Activities, as it was impracticable to do so. Consequently, The auditor was unable to determine whether any adjustments to Net Cash from Operating Activities as stated at R7 280 164 (2024: R27 445 420) in the financial statements and note 38 were necessary,

Debt Impairment on receivables

EE. The Debt Impairment on Receivables was not calculated in accordance with the standards of GRAP 104, Financial instruments. The municipality did not assess at the end of the reporting date whether there is objective evidence that the debtors are impaired. The auditor was unable to determine the full extent of the understatement of Debt Impairment on Receivables included in note 32 to the financial statements, as it was impracticable to do so. Consequently, The auditor was unable to determine the full extent of the overstatement of Other Receivables from nonexchange transactions and Trade Receivables from exchange transactions and the overstatement on VAT Payable Accrual stated in note 20 to the financial statements. Additionally, there was an impact on the deficit and accumulated surplus for the period.

FF. Prior year Debt Impairment on Receivables was misstated by R2 578 195 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- GG. Prior year Trade Receivables from exchange transactions at R20 512 867 in note 32 to the statement of financial performance was understated by R1 741 610
- HH. Prior year Other Receivables from non-exchange transactions stated at R12 786 663 in note 32 to the financial statements was understated by R836 586

Emphasis of matters

- II. In the audit report the auditor draw attention to the matters below indicating that the opinion is not modified in respect of these matters.
- JJ. As disclosure in note 56 in the financial statements, which deals with the possible effects of the future implications of deterioration in operational results on the municipality's prospects, performance, and cash flows. Management have also described how they plan to deal with these events and circumstances.
- KK. As disclosed in note 44.1 to the financial statements, the municipality materially underspent the capital expenditure budget for water management by R8 673 967 and waste water management by R7 796 605 on acquisition and repairs and maintenance of propertyt plant and equipment.
- LL. With reference to note 54 to the financial statements, the municipality is a defendant in a lawsuit. The ultimate outcome of this matter could not be determined at the time of this report, due to the uncertainty of the litigation
- MM. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2024 have been restated as a result of an errors in the financial statements of the Municipality, and for the year ended, 30 June 2025.

6.2.1 Report on the annual performance report

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.

The auditor selected the following material performance indicators related to Customer care presented in the annual performance report for the year ended 30 June 2025. The auditor selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network and billed for the services at 30 June 2025
- Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering, excluding Eskom areas) and billed for the service as at 30 June 2025

- Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the number of water closets(toilets) and billed for the service as at 30 June 2025
- Number of formal properties for which refuse is removed once per week and billed for the service as at 30 June 2025
- Provide free basic water to indigent households as at 30 June 2025
- Provide free basic electricity to indigent households as at 30 June 2025
- Provide free basic sanitation to indigent household as at 30 June 2025
- Provide free basic refuse removal to indigent household as at 30 June 2025
- 75% of electricity maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget)\ x\ 100\}$
- 75% of the Road transport maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ budget)\ x\ 100\}$
- 75% of the waste water management maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ total\ approved\ budget)\ x\ 100\}$
- 75% of the water management maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ total\ approved\ budget)\ x\ 100\}$
- The percentage of the municipal capital budget actually spent capital projects by 30 June 2025 $\{amount\ actually\ spent\ on\ capital\ projects/\ amount\ budgeted\ for\ capital\ projects\}x\ 100\}$

a) The auditor 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.

b) The auditor 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

- c) The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents the reported performance information is presented in the annual performance report in the prescribed manner there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance. The auditor performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
- d) The material findings on the reported performance information for the selected material indicators are as follows.

Various indicators

- e) The targets in the annual performance report differed from those committed to in the approved revised planning documents. These changes were made without obtaining the required approval, which undermines transparency and accountability.

Approved indicator	Approved target	Reported target
Provide free basic electricity to indigent households as at 30 June 2025		1315
Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network and billed for the services at 30 June 2025	45439	4539

Various indicators

- f) Based on the audit evidence, the actual achievement for six indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the target were lower than reported

Indicator	Target	Reported achievement	Actual achievement
Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network and billed for the services at 30 June 2025	4539	4989	4307
75% of electricity maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by the total approved maintenance budget) x 100 }	75%	97%	

The percentage of the municipal capital budget actually spent capital projects by 30 June 2025 {amount actually spent on capital projects/ amount budgeted for capital projects}x 1001	100%	100%	
Provide free basic water to indigent households as at 30 June 2025	1332	1528	1289
Provide free basic sanitation to indigent household as at 30 June 2025	1073	1528	1289
Provide free basic refuse removal to indigent household as at 30 June 2025	1315	1528	1289

Various indicators

- g) Based on the audit evidence, the actual achievements for five indicators did not agree to the achievements reported, but the targets were still achieved.

Indicator	Target	Reported achievement	Actual achievement
Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering, excluding eskom areas) and billed for the service as at 30 June 2025	663	1310	1897
Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the number of water closets(toilets) and billed for the service as at 30 June 2025	4633	3600	9472
Provide free basic electricity to indigent households as at 30 June 2025	1315	1036	1289
75% of the Road transport maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by the total approved budget) x 100}	75%	00/0	2506%
75% of the water management maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by total approved budget) x 100}	75%	55%	272%

Various indicators

h) A comparison of the actual performance for the year against the prior year performance was not included in the annual performance report. Consequently, the reported information is not useful for evaluating progress over time and for identifying areas of improvement.

- Number of formal properties that receive piped water(credit) that is connected to the municipal water infrastructure network and billed for the services at 30 June 2025
- Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering, excluding Eskom areas) and billed for the service as at 30 June 2025
- Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the number of water closets(toilets) and billed for the service as at 30 June 2025
- Number of formal properties for which refuse is removed once per week and billed for the service as at 30 June 2025
- Provide free basic water to indigent households as at 30 June 2025
- Provide free basic electricity to indigent households as at 30 June 2025
- Provide free basic sanitation to indigent household as at 30 June 2025
- Provide free basic refuse removal to indigent household as at 30 June 2025
- 75% of electricity maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget) \times 100\}$
- 75% of the Road transport maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ budget) \times 100\}$
- 75% of the waste water management maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ total\ approved\ budget) \times 100\}$
- 75% of the water management maintenance budget spent by 30 June 2025 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ total\ approved\ budget) \times 100\}$
- The percentage of the municipal capital budget actually spent capital projects by 30 June 2025 $\{amount\ actually\ spent\ on\ capital\ projects/ amount\ budgeted\ for\ capital\ projects\} \times 100\}$

Various indicators

i) 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	Target	Reported achievement	Actual achievement
Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the	4633	3600	9472

number of water closets(toilets) and billed for the service as at 30 June 2025			
Provide free basic electricity to indigent households as at 30 June 2025	1315	1036	1289
75% of the Road transport maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by the total approved budget) x 100}	75%	00/0	2506%
75% of the water management maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by total approved budget) x 100			272%

6.2.3 Other matters

j) The auditor draw attention to the matters below.

- Achievement of planned targets
- The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
- The table that follows provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report.

k) Customer care

Targets achieved: 71%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of formal properties connected to the municipal waste water sanitation/ sewerage services, irrespective of the number of water closets(toilets) and billed for the service as at 30 June 2025	4633	3600
Provide free basic electricity to indigent households as at 30 June 2025	1315	1036

75% of the Road transport maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by the total approved budget) x 100}	75%	
75% of the water management maintenance budget spent by 30 June 2025 {(Actual expenditure on maintenance divided by total approved budget) x 100}	75%	55%

Material misstatements

- l) The auditor identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for customer care. Management did not correct the misstatements, and the auditor reported material findings in this regard.

Report on compliance with legislation

- m) In accordance with the PAA and the general notice issued in terms thereof, the auditor 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.
- n) The auditor 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, the auditor indicated that the auditor general does not express an assurance opinion or conclusion.
- o) Through an established AGSA process, the auditor 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.
- p) The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance reports and annual reports

- q) The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
- r) 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.

Asset management

- s) 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.
- t) Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services as required by section 14(2)(a) of the MFMA.

Consequence management

- u) 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.
- v) Irregular expenditure and fruitless and wasteful 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

Revenue management

- w) An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
- x) Revenue due to the municipality was not calculated on a monthly basis, as required by section 62(4)(b) of the MFMA.

Expenditure management

- y) 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.
- z) Payments were made from the municipality's bank accounts without the approval of a properly authorised official, as required by section 1 1 (1) of the MFMA.

- aa) Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.
- bb) Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R30 584 563, as disclosed in note 44.2 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 on late payment of supplier by the municipality,
- cc) Reasonable steps were not taken to prevent unauthorised expenditure amounting to R80 767
- dd) As disclosed in note 44.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by overspending on the municipality's approved budget.

Procurement and contract management

- ee) Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
- ff) Some of the written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM Regulations 17(1)(a) and 17(1)(b). Similar noncompliance was also reported in the prior year.
- gg) Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.
- hh) Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a), Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).
- ii) Some of the contracts were awarded to bidders based on points given for legislative requirement that were not stipulated /differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21 (b) and 28(l)(a)(i) and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.
- jj) Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.

- kk) Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.
- ll) The preference point system was not applied some of the procurement of goods and services as required by section 2(l)(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.
- mm) Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5.
- nn) The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section of the MFMA. Similar non-compliance was also reported in the prior year,
- oo) The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 1 16(2)(c)(ii) of the MFMA.

Strategic planning and performance management

- pp) 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.
- qq) The review of the IDP was not done in accordance with the results of the performance evaluation and to the extent that changing circumstances demanded, as required by section 34(a) and 41 (l)(c)(ii) of the MSA.
- rr) Amendments to the IDP were made without consultation with the district municipality, as required by municipal planning and performance management regulation 3(6)(a).
- ss) The SDBIP was revised during the year without approval of the council following approval of an adjustments budget, as required by section 54(1)(c) of the MFMA.

Overight and Governance

- tt) 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.

uu) The internal audit plan did not include the assessment of the auditee's reliability of performance measurement in measuring performance against key performance indicators, as required by regulation 14(1)(b)(iii) on Municipal Planning and Performance Management.

vv) The Internal Audit unit did not audit the results of performance measurements, as required by MSA 456).

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.

Human resource management

ww) Financial interests were not disclosed by the senior managers within 60 days from date of appointment, as required by regulation 36(1) on appointment and conditions of employment of senior managers.

xx) Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA and regulation 7 (1) of Municipal Staff Regulations.

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

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