



*Annual*  
**REPORT**

*2023/24*



# SENQU MUNICIPALITY



## *Annual* **REPORT**

*2023/24*

# Chapter 1

## MAYOR'S FOREWORD & EXECUTIVE SUMMARY





# CHAPTER 1

## MAYOR'S FOREWORD & EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD

#### 1.1 VISION

A leading rural Municipality with a viable and modern economy.

Senqu Municipality as a rural Municipality will have to build and develop its connectivity, digitisation and road infrastructure as enablers of economic investment and tourism. For it to achieve its developmental Objectives and to modernise its economy, prospective investors should not be hamstrung by the inability to access connectivity and be constrained by the poor state of roads to be able to explore business opportunities within the jurisdictional area of Senqu municipality. The Municipality should be a destination of choice to any investor who wants to contribute to the attainment of the developmental objectives of the municipality.

#### 1.2 KEY POLICY DEVELOPMENTS

Our commitment to sustainable service delivery, effective clean governance and sustainable growth and development has driven the Municipality's key strategic objectives over the past year. From initiatives that promote efficient service delivery to policies fostering economic growth, we have strived to create a framework that aligns with the evolving needs of our community. Inclusivity and fairness remain at the forefront of our policymaking, ensuring that the benefits of our decisions are felt in every corner of Senqu Municipality.

##### The key strategic objectives of Council are:

- To improve and maintain current basic service delivery through specific infrastructural development projects;
- To create an enabling environment for social development and economic growth;
- To promote a safe and healthy environment through the protection of our natural resources to grow the revenue base of the municipality;
- To structure and manage the municipal administration to ensure efficient service delivery; and
- To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication. The above strategic objectives are aligned with the Provincial Growth and Development Strategy, the National Development Plan, the National Spatial Development Perspective and the National Key Performance Areas.

#### 1.3 KEY SERVICE DELIVERY IMPROVEMENTS

##### 1.3.1 Job Creation

The Community Works programme (CWP) which is a partnership between the municipality and Cogta has created a total of 2031 job opportunities for the financial year 2023/2024 with a budget allocation of R11 253 502. The budget was spent on Wages, training, protective gear, tools and material and technical support.

The Expanded Public Works Programme (EPWP) which is a collaboration between the Municipality and the Department of Public Works has created job opportunities to the value of 346 jobs through the year for 2023-2024

##### 1.3.2 Roads, Bridges and Stormwater

- In terms of powers and functions, senqu municipality is responsible for all access and municipal roads in its area.
- Provincial roads are a responsibility of department of transport (dot)
- Senqu municipality has a total road network of 3 005. 37 Kilometres of which tarred roads amount to .....Kms and gravel roads .....Kms
- The municipality is rapidly replacing gravel access roads with interlocked paving because the maintenance of the former is expensive and the roads are not durable.
- Roads capital projects are funded through mig grants and supplemented through own funding.
- Construction of roads bridges and stormwater channels is done through the use of private consultants and contractors.



- For the period 2021/2022 to 2023/2024 no roads construction project has been completed.
- 133.52 Km of roads maintenance has been done for the period 2021/2022 to 2023/24
- For the 2021/2022 to 2023/ 2024 only the renewal of the transwilger bridge was done.
- The maintenance of roads has hampered by the continuous breakages of the municipal plant as a consequence thereof only less than 16km of gravel roads could be maintained.

### 1.3.3 Sportsfield

- Senqu municipality has sportfield in every urban centre ie. Lady grey, barkley east and sterkspruit. The municipality in conjunction with the department of sport, recreation, arts and cultutre has started building sportsfields in the villages. Currently the processses of constructing a stadium in Bue Gums are in full swing. This is meant to integrate the rural communities into the developmental trajectory of the municipality and also to take basic devleopmental services deep into the rural communities of Senqu Municipality.

### 1.3.4 Traffic Services

Basic traffic law enforcement functions are well provided overall using four traffic officers, and it must be noted that there hasn't been any significant increase in the number of tickets and summons issued because of a directive from Eastern Cape Provincial Department of Transport and RTMC on the promulgation of AARTO system country wide and its eminent implementation by all law enforcement agencies. Administrative Adjudication of Road Traffic Offences Act, 1998 is an act of the Parliament of South Africa which introduces a points demerit system for violations of traffic law. It is managed by the Road Traffic Management Corporation, a public entity under the Department of Transport. This service has proved to be challenging with the vehicle population increase in Sterkspruit warranting additional traffic wardens and collaboration with other relevant stakeholders.

- The Roadworthy Division in Barkly East testing station / division/ roadworthy system is functional and its operations are back to normal.
- The Driving License Testing Centre in Sterkspruit is under construction to make it a fully functional centre and to be able to meet the requirements of the Minimum Norms and Standards as per the DOT Service Level Agreement, National Road Traffic Act and regulations including the minimum requirements for Grading of Centres, functions and grading of examiners. Improvements required relate to access control, space layout and general infrastructure maintenance.

### 1.3.5 Waste Mangement

- Involves Refuse collection, waste disposal, street cleaning and recycling ,.
- Function performed in terms of the National Environmental Management Act , (Act 59 of 2008)
- The Function is a free basic service that has to be enjoyed by all citizens in all areas, (formal and informal settlements) and funding for the service is received from the national fiscus.
- Municipality operates and has received permits for solid waste sites in:
  - Lady Grey
  - Herschel
  - Rossouw
  - Barkly East
- Plans to construct a solid waste site in Sterkspruit are in progress and in Rhodes the municipality opted for a transfer station.
- The municipality is not offering the waste collection services in some areas in particular the informal settlements and rural areas and this leads to illegal dumping with all hazardous consequences.
- The Municipality needs to find alternative methods of waste collection in the areas where such services is not enjoyed

## 1.4 PUBLIC PARTICIPATION

Section 152(1)(e) of the Constitution on the objects of the local government encourages the involvement of communities and community organizations in the matters of local government; also with Section 28 of the Municipal System Act, Act 32 of 2000 requires that each Municipal Council adopts a process plan that would guide the planning, drafting, adoption and review of the IDP, Budget

and Performance. The Municipal Council has adopted processes and mechanisms and structures through which this constitutional obligation can be realized. The municipal council has adopted a public participation strategy and also a plan that is reviewed annually to enhance the meaningful participation of communities of Senqu Municipality. The municipality has also established reliable structures that are sustaining and improving public participation. These include the following:

- IDP Representative Forum
- Ward Committees
- Community Development Workers (CDW's)

The public is also allowed to attend Council meeting during sessions that are open to public and also participate in meetings and for a that are seized with the development and Integrated Development Plan (IDP), Municipal Budget, Service Delivery and Budget Implementation Plan (SDBIP). Public consultations are also undertaken when the oversight report is developed. Communities also participate in structures and programs that relate to youth, HIV -AIDS, Disable and Gender Based issues. The Municipal website, social media platforms and local media are some of the mechanisms through which the media can meaningfully engage the municipality on any matter.

## 1.5 FUTURE ACTIONS

Initiatives committed whereby service delivery will be improved over the next few years.

## 1.6 AGREEMENTS /PARTNERSHIPS

Partnerships and Agreements are both formal and semi-formal and are part of the Municipality's Intergovernmental Relations approach to Service Delivery and Good Governance. The municipality actively participates in IGR structures such as MUNIMEC ( a forum that brings together municipal Mayors and the MEC's) AND DIMAFU (a district forum that brings together Municipal Mayors within a particular district). A partnership with the Joe Gqabi Development Agency (JOGEDA) was established in relation to matters of tourism and technical and financial support in respect of service delivery matters that are of mutual interest and benefit to both municipalities. A partnership with the Department of Sport, Recreation, Arts and Culture (DSRAC) in respect of library services, a partnership with the Department of Roads and Public Works in respect of the EPWP Programme, a partnership with the Department of Cooperative Governance and Traditional Affairs (GOGTA) in respect of Community Development Works Programme, Disaster Recovery Programme and a partnership with the Human Settlement Department in respect of RDP houses and disaster houses, Destitute Housing Programme, the Rectification Housing Programme and the Upgrading of Informal Settlements. The municipality entered into service level agreements with various Services Providers who assist the municipalities with various technical and financial skills in its quest to provide services to the communities of Senqu Municipality in a sustainable, economical, efficient and effective manner. Such agreements are predicated on the applicable legal prescripts as dictated to by the Municipal Finance Management Act 56 of 2003 and the relevant supply chain policies and regulations that govern such agreements

## 1.4 CONCLUSION

In conclusion, I am proud to say that our commitment to sustainable service delivery, effective clean governance, and sustainable growth and development has driven our Municipality's key strategic objectives. Our vision of being "a leading rural Municipality with a viable and modern economy" remains at the forefront of our efforts.

We have worked tirelessly to create a framework that aligns with the evolving needs of our community. This has involved various initiatives, including the Expanded Public Works Programme (EPWP), which has created 346 job opportunities in collaboration with the Department of Public Works.

Infrastructure development has also been a key focus area, with the construction of a stadium in Bue Gums underway. This project aims to integrate rural communities into the Municipality's developmental trajectory and bring basic services to these areas. Additionally, the Driving License Testing Centre in Sterkspruit is being upgraded to meet the necessary requirements.



Our Municipality has also made strides in service delivery, including refuse collection, waste disposal, street cleaning, and recycling. We have adopted a public participation strategy, which is reviewed annually, to ensure meaningful community engagement. Our website, social media platforms, and local media outlets provide additional channels for stakeholders to interact with us.

Furthermore, we have established partnerships with key stakeholders, such as the Joe Gqabi Development Agency (JOGEDA), to leverage technical and financial support for service delivery and tourism development.

While we have made significant progress, we acknowledge the challenges we faced, including the maintenance of roads, which were hampered by equipment breakdowns. We are committed to addressing these challenges and continuing to work towards achieving our vision.

Overall, I am confident that our efforts will yield positive results for our community in the years to come

Signed by

**Mayor/Executive Mayor**  
**V.V STOKHWE**



## COMPONENT B: EXECUTIVE SUMMARY

### 1.8 MUNICIPAL MANAGER'S OVERVIEW

It is an honour for me as the municipal manager of Senqu Municipality to present this 2023/2024 annual report to the Senqu Municipality Council and its communities. The purpose of this report is for the administration to take stock and report on the activities and programmes that have been undertaken to improve the lives of the communities and to remain transparent and accountable in terms of how we have utilised the resources allocated to the municipality by both the national and provincial governments and how our cooperative governance with the district municipality is unfolding and beneficial to the Municipality. Robust financial management practices and compliances have to be observed for the municipality to be able to use its limited resources effectively and efficiently when delivering services to our people on a sustainable basis. During the 2023/2024 financial year, infrastructure development has been at the core of enhancing the living standards of our communities. To give effect, proper meaning and guidance to this commitment, a project management office (PMO) was established and located in the office of the municipal manager. This is meant to give the municipal manager day by day updates on the implementation of the infrastructure development projects, be it the procurement processes or the actual project implementation activities. Human Resource capabilities play a very critical role in the implementation of the municipal development plans and to this effect all budgeted critical vacancies were filled to ensure proper and effective leadership and supervision of departmental activities. Communities are always informed, involved and provide legislated public oversight on the municipal performance. Expenditure on capital budget continues to improve and as a consequence, additional capital funding was received by the municipality. The year has not been without its challenges, however the Municipality has navigated through such challenges with clarity and success. Such challenges include but not limited to maintenance plant and vehicles and electrical power outages in one of our office blocks. I am over the moon that the Municipality has once again received an Unqualified Audit Opinion making it 10 clean audits out of 11.

#### ALIGNMENT OF SERVICE DELIVERY INDICATORS AND COUNCIL PRIORITIES

##### a. Service Delivery Performance

Service Delivery Lies At The Heart Of Our Municipal Mandate And 2023/2024 Has Seen Considerable Progress In This Regard. Our Dedicated Teams Have Worked Tirelessly To Deliver Essential Services Ranging From Waste Management To Basic Electricity Supply. Upgrades Of Stormwater Infrastructure, Paved Roads, And Improvements To Our Social Development Programs Such Hiv-Aids Support Programmes And Youth Development Programmes Under The Stewardship Of The Special Programmes Unit Are Just A Few Examples Of Our Ongoing Commitment To Providing Services That Meet The Evolving Needs Of Our Community.

Regardless of the pressure to perform, I am pleased to share some highlights of the 2023/2024 financial year.

- Barkley East Town Hall Renovations
- Paving in Lady Grey, Lulama in Barkley East and Mogesi
- Construction of DLTC in Sterkspruit
- Construction of Roads in Upper Tele, Mabele, Makhumsha, Lepota Village, Joveleni, Hinana and Voyizana, Kwantoyi and Zwelitsha
- Fencing of Cemeteries in Joveleni, Hinana and Voyizana
- Upgrading or construction of Waste sites in Lady Grey and Rossouw and construction of a transfer station in Rhodes
- Construction of Blue Gums Sportsfield
- Provision of Library Services in Lady Grey, Barkley East and Sterkspruit

##### b. Financial Viability and Sustainability

National Treasury, refers to financial viability as the sustainability of the municipal budget, and whether the municipality is able to sustainably meet its expenditure commitments from its own revenues and transfers.

**Senqu Municipality has illustrated its ability to successfully achieve financial health and sustainability. More specifically it is noted that:**

- Senqu LM has received clean audit reports for 9 years and 8 of the were consecutively
- A positive cash flow is enjoyed for the short term, whereas overall revenue showed a slight increase.
- Other revenue decreased significantly because of a huge decrease in actuarial gains and decreases in other categories of





revenue as well.

- Low spending on capital grants also had negative effects on revenue.
- Lastly, the municipality remains financially viable regardless of the challenges faced by local government generally.

## 1.9 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.9.1 INTRODUCTION TO BACKGROUND DATA

The geographical area and aspects defining the Senqu Municipal context within which it exists, together with demographics relating to the population itself will be examined. This information is captured further within Senqu Municipalities Integrated Development Plan (IDP) that is updated annually. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at any and every level. The Municipality has made great strides in terms of delivering basic services to its communities and trying to improve and upgrade the existing infrastructure to be able to meet its service delivery objective as contained in its Integrated Development Plan.

### 1.9.2 GEOGRAPHICAL CONTEXT AND OVERVIEW OF THE MUNICIPALITY

**Historically it must be noted that Senqu Municipality was established following the amalgamation of the following Local Authorities and towns:**

- Lady Grey (including Transwilger and Kwezi Naledi);
- Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);
- Sterkspruit;
- Rhodes (including Zakhele), Rossouw; and
- Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe.

The map which follows clearly indicates the boundaries relating to the Senqu Municipal district and provides an appropriate pictorial context and frame of reference for further discussion.



- Senqu Municipality is the largest Municipality in the Joe Gqabi District Municipality and spans an area of 6 772km squared.
- It borders the Eastern Cape Province and Lesotho.
- It is characterized by mountains and beautiful rivers. There are many game-fishing opportunities and both agriculture and the

potential for tourism are considered to be critical economic factors to nurture for growth.

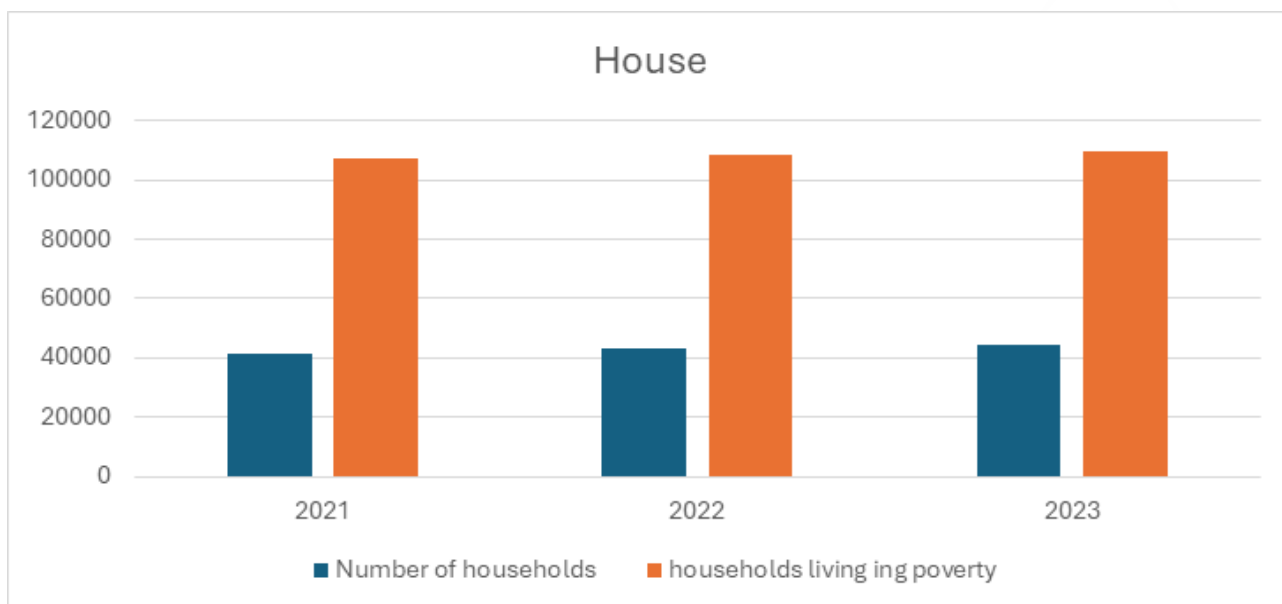
- Elundini and Sakhisizwe Municipalities are to the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality. These then link to the N6 at Aliwal North.
- The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate.
- The remaining areas of the municipality are characterized by small villages and communal and commercial farming land.

### 1.9.3 Demographic Overview: Senqu Municipality (2022/2027 IDP)

- Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit;
- The dominant home languages are Isi Xhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found living within the Sterkspruit area;
- 83.5% of households are rural in nature (StatsSA) however according to the latest statistics those figures are affect the phenomenon of urban migration. This simply means that people are moving to live in villages which are expanding towards the urban centre of Sterkspruit in search of better employment and educational opportunities.

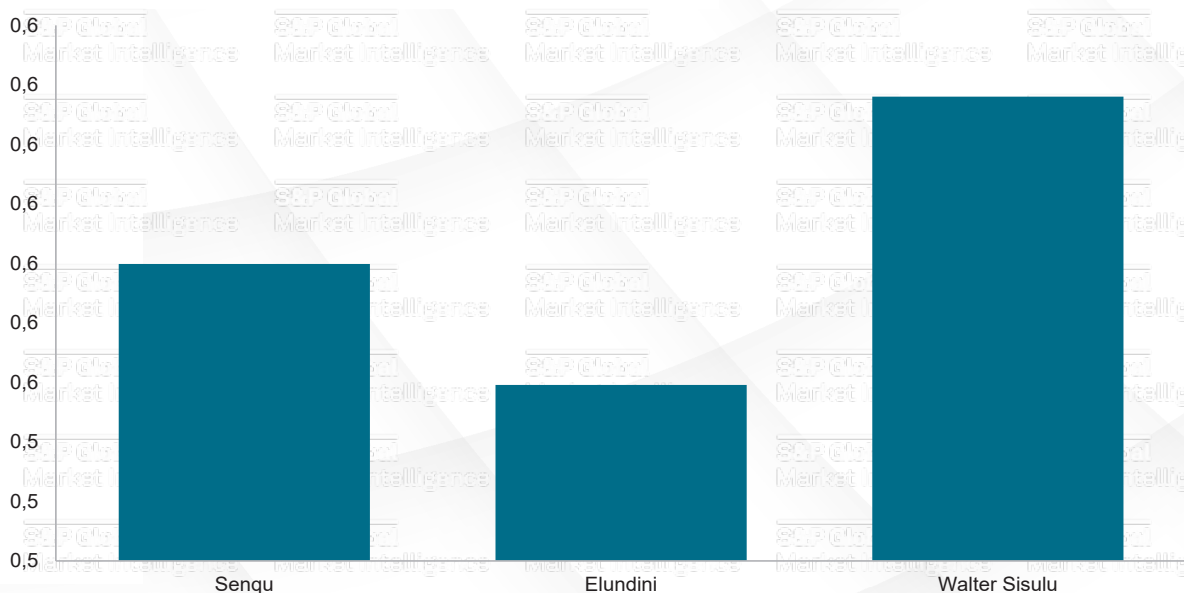
POPULATION DETAILS									
Age	2001			2011			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0-4	6785	6803	13 588	8030	7783	15 813	7874	7903	15,777
Age: 5-9	8855	8872	17,727	7533	7589	15,122	7310	7015	14,325
Age: 10-19	19,727	19,628	39,355	15,823	14,216	30,039	15423	14695	30,118
Age: 20-29	10,207	10,522	20,729	10,487	11,508	21,995	10002	11192	21,194
Age: 30-39	5,519	6,894	12,413	6,644	7,721	14,365	8507	10331	18,838
Age: 40-49	4,344	6,121	10,465	4,755	6,404	11,159	6,725	7,973	14,698
Age: 50-59	3,187	4,292	7,479	4,083	6,176	10,259	5,093	7,113	12,206
Age: 60-69	2,996	4,878	7,874	3,134	4,566	7,700	4,600	6,914	11,514
Age: 70+	2,087	4,015	6,102	2,768	7,310	10,078	2,807	5,594	8,401

YEAR	Number of households	households living in poverty
2021	41300	107500
2022	43300	108500
2023	44300	110000



### Poverty

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.



**CHART 35.** Number and percentage of people living in poverty - Senqu Local Municipality, 2013-2023 [Number percentage]

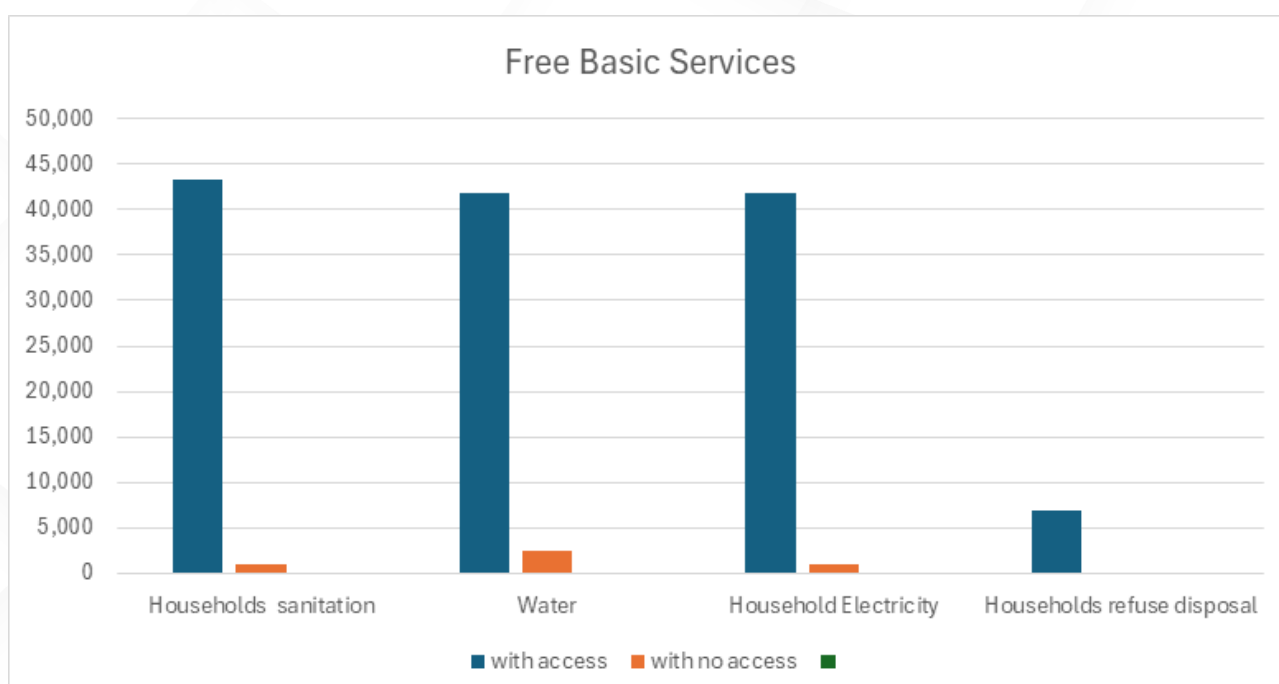
Source: South Africa Regional eXplorer v2571. Data compiled on 13 Dec 2024.

© 2024 S&P Global.

In 2023, there were 111 000 people living in poverty, using the upper poverty line definition, across Senqu Local Municipality - this is 18.43% higher than the 94 000 in 2013. The percentage of people living in poverty has increased from 70.09% in 2013 to 76.33% in 2023, which indicates a increase of -6.24 percentage points.

Socio Economic Status						
Year	No of Households	Number of HIV infections	Gross domestic product (GDP)	Economically active population (EAP)	Total employment	Unemployment
2021	41,300	16,500	4.9	39,500	20,400	17,200
2022	43,300	16,900	5.1	40,600	21,600	17,100
2023	43,300	17,400	5.4	41,300	23,100	16,200

	Households sanitation	Water	Household Electricity	Households refuse disposal
with access	43,318	41,782	41,783	6815
with no access	1,003	2,540	975	38700



Natural Resources	
Major Natural Resource	Relevance to Community
Mountains	Beautiful scenery (adventure and agricultural tourism)
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism

More specifically and as reflected within the IDP it must be noted that Senqu’s rugged terrain is able to be utilized for adventure and agricultural tourism which is already occurring, such as the “Salmon Skyrun”.

Numerous varieties of sandstone are available and have a variety of uses, such as: building bricks or paving - as is being provided from Hershel Sandstone. It must be noted that there is also a great deal of fine river sand for building purposes, but this needs to be monitored as a great deal of illegal sand mining occurs without permits.

The high levels of wind and solar energy facilitate the use of greener energy alternatives such as wind and solar energy (JGDM Environmental Management Plan 2011). Despite this it is acknowledged that these types of alternatives require further study and mapping.



The Senqu District is home to many bird species and a vulture restaurant is located near Lady Grey. It contains many species of the unique alpine plants and an example of this is the red-hot poker which does not grow anywhere else.

In addition, many paleontological species are being discovered in the area with many dinosaur skeletons as well as rock art.

### 1.9.4 Comments on Background data

1. The youthful character of Senqu Municipality’s population presents both an opportunity and a challenge in the following respect  
If properly guided, directed and trained, the youth can become a reservoir for the skills that the municipality so dearly needs, like

- technical and engineering skills
- project management skills
- Finance management skills
- Town planning skills
- Skills in ICT

b. However if not properly guided, directed and trained they might turn out to be a source of social disorientation and distress in the following sense:

- They might swell the ranks of unemployment and joblessness
- They might indulge in crime and drugs
- The municipality’s skills base might be malnourished or depleted
- They will be relegated into EPWP or CWP practitioners.
- They might perpetrate gender based violence.

1. The high levels of poverty and unemployment may put a strain on the limited budgetary allocations and therefore have a negative impact on the municipality’s ability deliver services on a sustainable basis.

2. The mountainous nature of the Senqu Municipality’s landscape provides a comparative and competitive advantage for tourism against neighbouring municipality. Gaming, hunting, mountain climbing, Biking be a necessary boost for the young hospitality sector of Senqu Municipality.

3. The abundance of strong winds can be a significant source of energy into our power grid if a lot of investment can be put in that direction. This might be an offset of many unplanned power outages experienced throughout South Africa.

4. The rivers ideally should provide a great source of natural water to our communities however that is negated by the serious drought our country is grappling with.

## 1.10 SERVICE DELIVERY OVERVIEW

### 1.10.1 Service Delivery Introduction

Free Basic Water and Free Basic Sanitation statistics is a competence of Joe Gqabi District Municipality (District Municipal Function). Senqu Municipality is responsible for providing refuse removal and free basic energy.

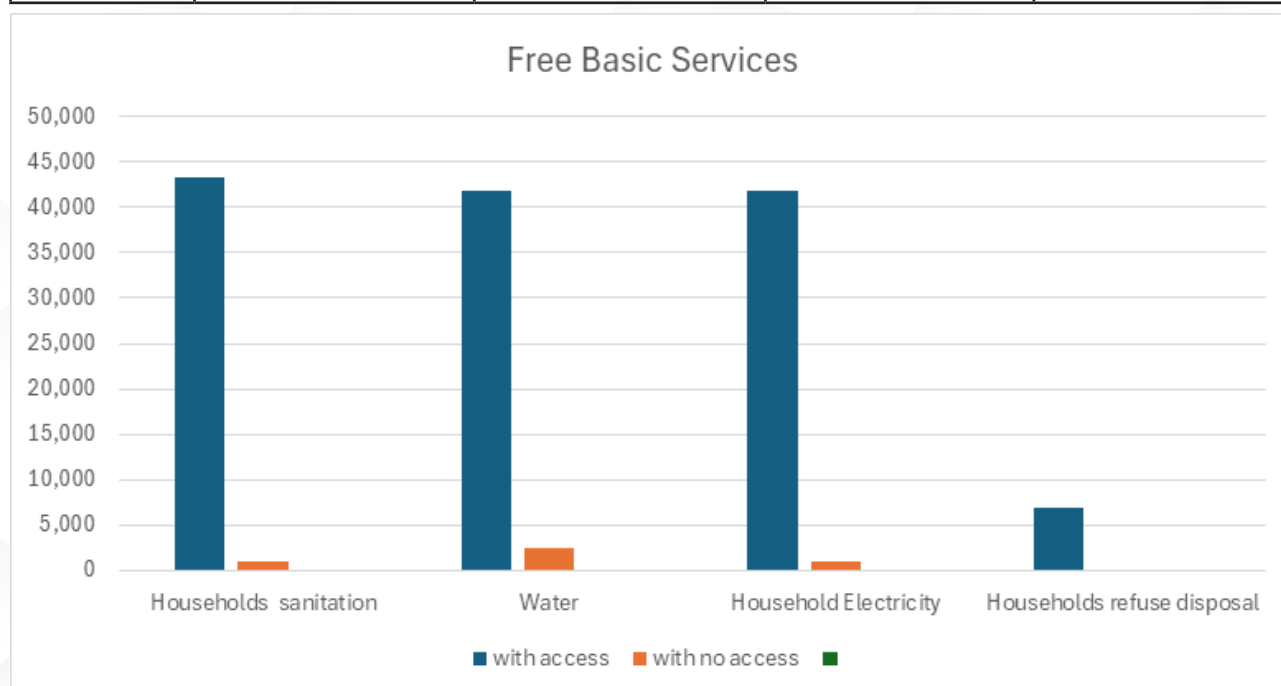
FREE BASIC REFUSE REMOVAL					
No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non-indigent)	Total beneficiaries	Level of Service	Type of subsidy e.g. Equitable Share	Frequency of waste collection e.g. once a week or twice a week
2 414	0	2 414	On site appropriate & regularly supervised disposal	Equitable share	Once a week



			Community transfer to central collection point	0	0
			Curbside Collection	2 414	1 x Week
			Other (Please specify)	0	

FREE BASIC ENERGY	
No. of Indigent (poor) beneficiaries	13027
No. of other beneficiaries (non-indigent)	0
Total beneficiaries	12088
No. of Indigents configured in Eskom database	11661
No. of Indigent who collected tokens and the % thereof	8269
Beneficiaries provided by Eskom	7533
Beneficiaries provided by Municipality	736
Non-grid energy Beneficiaries	497
level of Service (e.g., 50 kWh per household) or the Rand value in the case of non-grid	259.82

	Households sanitation	Water	Household Electricity	Households refuse disposal
with access	43,318	41,782	41,783	6815
with no access	1,003	2,540	975	38700



## 1.11 FINANCIAL HEALTH OVERVIEW

The following dashboard information and tables indicate the municipality's performance in terms of 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. As an overall assessment, the following Financial Ratios are highlighted.



	2022/2023 Unaudited	2023/2024
Capital charges to Operating Expenditure	12%	21%
Liquidity: times	2.7	7.12
Outstanding debtors to Annual Revenue	0.12%	8%
Creditors to cash	23 days	16 days
IDP regulation financial viability figures	2022/2023	2023/2024
Debt Coverage	131 times	152 times
Outstanding Service Debtors	5%	8%
Cost Coverage	19 months	18 months

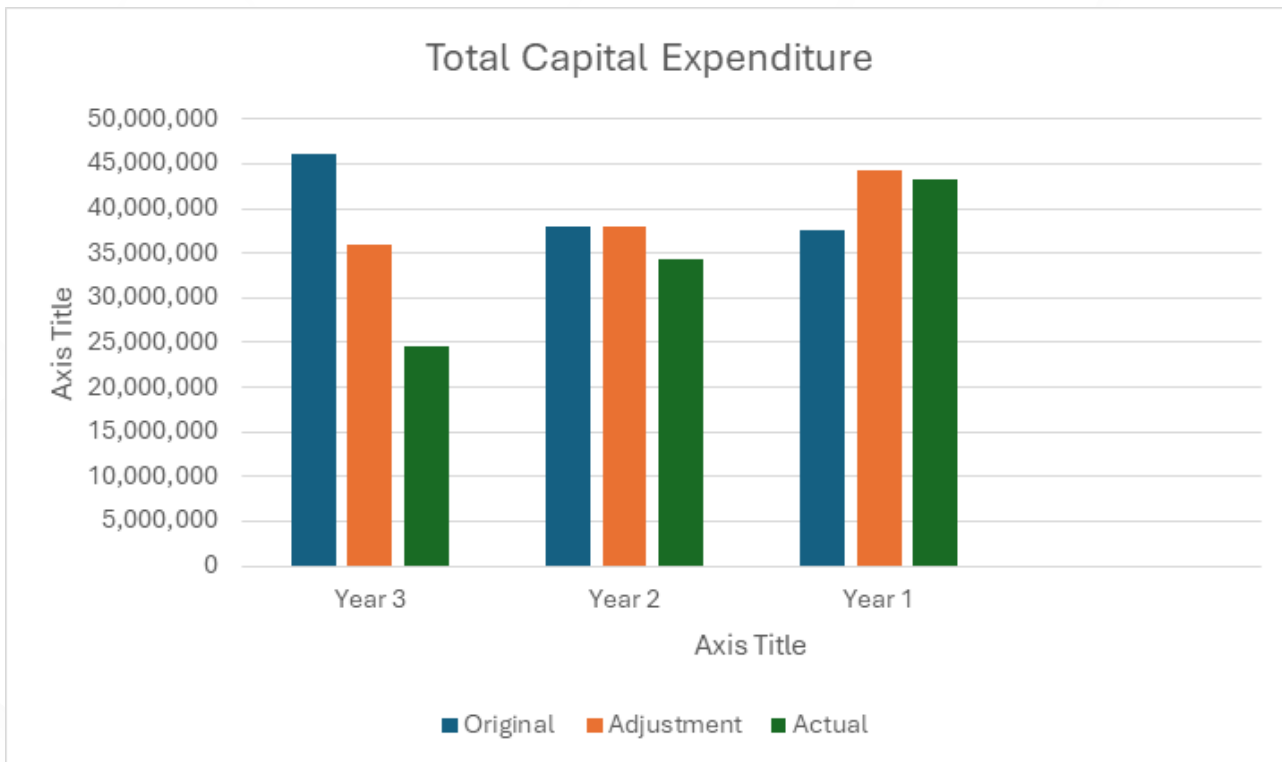
Operating Ratios	
Employee Cost	46%
Repairs & Maintenance	2%
Finance Charges & Impairments	7%

### 1.11.1 Comment on Financial Health Overview

Explain variances from expected norms: 'Employee Costs' expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%.

Financial overview year 0				R'000
Details	Original budget	Adjusted budget	Actual	
Income				
Grants	200 984 435	201 862 657	199 772 545	
Taxes, Levies and tariffs	88 837 426	86 863 242	84 080 422	
Other	35 750 617	46 703 473	60 785 131	
Sub Total	325 572 478	335 429 373	344 638 098	
Less: Expenditure	362 697 016	379 990 113	316 770 806	
Net Total	(37 124 538)	(44 560 741)	27 867 292	
*Note: surplus/deficit	37 574 565	44 348 509	43 309 971	
	450 027	(212 232)	71 177 262	

Total Capital Expenditure: Year-2 to Year 0			
Detail	Year 2021/22	Year 2022/23	Year 2023/24
Original Budget	46 112 050	37 947 826	37 574 565
Adjustment Budget	36 037 050	38 065 145	44 348 509
Actual	24 571 877	34 365 765	43 309 971



### 1.12 ORGANIZATIONAL DEVELOPMENT PERFORMANCE

Provide an overview of key Organisational Development issues based on information contained in Chapter 4.

Organisational development, involves an ongoing, systematic process of implementing effective organisational activities such as municipal functions; structure; budget allocation in order to transform the municipality into a going concern. Underlying organisational development are humanistic values such as humanity, fairness and equal opportunities for all of its employees to be developed to their full potential by the municipality. Senqu Municipality has reviewed its organogram and the job descriptions, participates in the District Job Evaluation Committee which is guided by SALGA's Job Evaluation Policy and principle as it is SALGA EC' competency. Vacant posts were filled following a rigorous and a fair recruitment and selection process. The institution has an active labor forum where a lot of issues are dealt with by both the employer and the employee reps. Quarterly meetings discuss issues that relate to employee wellness, Human Resources Development and policy related are convened. Employees benefit from the skills development programs offered by the municipality as part of the institutional capacity building to build its own human capital. The municipality experiences few cases of suspensions due to lack of discipline and financial misconduct. This can be attributed to the municipality's appetite to clean and compliant governance. The municipal structure , functions, its human resources and budget allocation enable the Municipality to implement its systemic transformation and follow its service delivery trajectory without any difficulties. The municipality has a Performance Management System that is commensurate with its resources, best suited to its circumstances, and consistent with the priorities, objectives, indicators, and targets as outlined in the Integrated Development Plan.

### 1.13 AUDITOR GENERAL'S REPORT

Reference is made to the audit report contained in Chapter 6 of the Annual Report.

Senqu Municipality has received an Unqualified Audit opinion for the 2023/2024 financial year. This represents a consistency from the Unqualified Audit opinion it received in the financial year 2022/2023. The current financial year audit results proclaims the efficiency and the effectiveness of Senqu Municipality state of clean, accountable and transparent governance both politically and administratively. This means that the financial resources allocated to the Municipality are utilised with financial prudence and financial accountability and this can be evinced from the levels of service delivery standards that the municipality is delivering to its communities.



## 1.14 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	December
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		<b>T 1.7.1</b>

### COMMENT ON THE ANNUAL REPORT PROCESS:

The table above defines all the deadlines required to be met in terms of compliance. In this manner it is ensured that all required reporting occurs timeously and is an accurate consolidation of all required reporting.

The Annual Report is acknowledged as the strategic document that accurately depicts an annual review of performance for the entire year. It is this document that will be used for all forward planning and for this reason it is imperative that there is alignment and verification between all content shown between and within the IDP, SDBIP, Budget (AFS) and the Annual Report.

The Annual Report is required to reflect the most accurate, aligned and consolidated version of all preceding documents. This is achieved through a very structured process of auditing (internally and externally). Through validation and confirming the accuracy of data, the Annual Report may be used to inform the IDP review process; the structuring of the organogram; the development of SDBIP's; Performance Planning; the development of the Budget and the like.

The Annual Report provides a holistic view of the organization – its challenges, available resources, and records of performance

### The Annual Report is required to comply with very definite prescripts and timeframes as follows:

- The Annual Performance Report (s46) and Annual financial statements were compiled and submitted to the Auditor General by 31 August 2024; and
- The draft Annual Report 2023/2024 was tabled on or before January 2025, and the Final with an Oversight report was submitted for approval on before March 2025.

# CHAPTER 2: GOVERNANCE

## 2.1 INTRODUCTION TO GOVERNANCE

“Governance” involves the interdependence and interaction that occurs between four critical components which will be examined further below. The concept of “Governance” requires that one take a holistic view of these four (4) components, to establish whether the organization is functioning effectively and achieving its required objectives.

The following four (4) components are discussed to examine and understanding “Governance” appropriately:

**Component A:** Political and Administrative Governance

**Component B:** Intergovernmental Relations

**Component C:** Public Accountability and Participation

**Component D:** Corporate Governance brief introduction to Political and Administrative governance at your municipality.

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.2 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.2.1 Political governance

##### INTRODUCTION TO POLITICAL GOVERNANCE

As per the Municipal Structures Act, Act No. 117 of 1988, Senqu Municipality has a Council Executive System. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.





#### (a) COUNCILLORS

Senqu Municipal Council is comprised of 34 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Party Representatives: 17

Ward Councillors: 17

**Reference is made to Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).**

Provide a brief paragraph on the Administrative responsibilities of Councillors/Council

Reference is made to Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

#### (b) Committees of Council

Reference is made to Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

**(i) Standing Committees**

DIRECTORATE	FOCUS AREAS
<p><b>BUDGET &amp; TREASURY</b>                      Chairperson: Cllr. Nolonwabo Ngendane                      Councillors: Cllr. Molefe Mshasha                                        Cllr. Zandisile Mangciphu                                        Cllr. Bukhosibakhe                                        Cllr. Ngamlana</p>	<ul style="list-style-type: none"> <li>▪ Management of financial resources</li> <li>• Budget and Treasury,</li> <li>• Revenue Services,</li> <li>• SCM,</li> <li>• Stores and Expenditure Management</li> <li>▪ Policies, Procedures and By-laws (MFMA and National Treasury)</li> <li>▪ Financial support to all Departments</li> <li>▪ Information Technology Support</li> <li>▪ Fleet Management</li> <li>▪ eNatis Licensing</li> </ul>

**Approved and functioning Standing Committee Structures (as reflected within the table that follows):**

<p><b>DEVELOPMENT AND TOWN PLANNING</b>                      Chairperson: Cllr. Bongeka Mbonjwa                      Councillors: Cllr. Thulisa Mbane                                        Cllr. Dumisani Somsila                                        Cllr. Akhona Mvelase                                        Cllr. Tshepiso Madiene</p>	<ul style="list-style-type: none"> <li>▪ Support to community participation structures</li> <li>▪ Housing, Town Planning and Land Use Management</li> <li>▪ Integrated Planning and Economic Development</li> <li>▪ LED</li> </ul>
<p><b>COMMUNITY AND SOCIAL SERVICES</b>                      Chairperson: Cllr. Nolufefe Ngendane                      Councillors: Cllr. Kholiwe Mpti-Xhelesha                                        Cllr. Busaphi Duba                                        Cllr. Mcebisi Mgojo                                        Cllr. Pulane Mmele</p>	<p>Community based service provision:</p> <ul style="list-style-type: none"> <li>▪ Cemeteries,</li> <li>▪ Environmental management,</li> <li>▪ Libraries and amenities</li> <li>▪ Traffic Services – Law enforcement</li> <li>▪ Community based by-laws</li> <li>▪ Waste Management and Refuse</li> </ul>
<p><b>CORPORATE &amp; SUPPORT SERVICES</b>                      Chairperson: Cllr. Symon Mfisa                      Councillors: Cllr. Thenjiwe Dumzela                                        Cllr. Mahlubi Phuza                                        Cllr. Zuziwe Mnisi                                        Cllr. Ndileka Nyongwana</p>	<ul style="list-style-type: none"> <li>▪ Council Administration, Assets and Building Preservation</li> <li>▪ Council Support and ward support</li> <li>▪ HR &amp; Labour Relations</li> <li>▪ Employee Performance</li> <li>▪ Stakeholder Relations – participation</li> <li>▪ Customer Care/ Presidential Hotline</li> <li>▪ Legal Services / Compliance</li> <li>▪ Special Programmes (HIV Aids Youth, disabled, elderly and woman)</li> <li>▪ By-Laws Facilitation</li> <li>▪ Document Management</li> </ul>
<p><b>TECHNICAL SERVICES</b>                      Chairperson: Cllr. Luthando Ndakisa                      Councillors: Cllr. Melisizwe Kafile                                        Cllr. Nonkuselo January                                        Cllr. Mzuvelile Mbutyu                                        Cllr. Thulisa Mbane</p>	<ul style="list-style-type: none"> <li>▪ Infrastructure Development (Maintenance and Minor Construction)</li> <li>▪ Technical Service Delivery</li> <li>▪ Electricity</li> <li>▪ Roads (Maintenance and Minor Roads Construction) and Stormwater</li> <li>▪ PMU Project Management /Administration</li> <li>▪ Fleet Management</li> </ul>



**(ii) MPAC**

MPAC (Municipal Public Accounts Committee)

The committee is constituted as follow:

MEMBER	POSITION
Cllr. Kholiwe Mpiti-Xhelesha	Chairperson (Acting)
Cllr. Mchumane Ntlwatini	Member
Cllr. Tshepiso Madiene	Member
Cllr. Pulane Mmele	Member
Cllr. Babalwa Lawu	Member
Cllr. Dumisani Somsila	Member
Cllr. Akhona Mvelase	Member
Cllr. Mahlubandile Phuza	Member
Cllr. Lunga Nongongo	Member

**Functions of MPAC**

- Provision of an oversight role in respect of the administration and executive committee of the council.
- Reviewing the municipal / municipal entity’s quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council.
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy.
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee’s and the Auditor General’s recommendations have been implemented.
- Promoting good governance, transparency, and accountability on the use of municipal resources.
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee’s responsibilities/ area of competence.

**To fulfil its functions MPAC is required to:**

- Seek / have access to any information required from any councillor/employee.
- Report to council on the activities of the committee.
- Perform any other function assigned to the committee through a resolution of Council.
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity.
- Request the support of the internal and external auditors when necessary.
- Engage directly with the public and consider public comments when received.
- Have permanent referral with regard to the following reports:
  - Mid-year /In-year s72 reports
  - Annual Financial Statements
  - Reports of Auditor General and Audit Committee
  - Any other financial audit report from the municipality
  - Information on compliance in terms of sections 128 and or sections 133 MFMA
  - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
  - Performance information relating to the municipality.

**(iii) Traditional Leaders**

The following Traditional leaders are recognized and consulted as and when appropriate

<b>J Mgye</b>	Traditional Leader
<b>T Kakudi</b>	Traditional Leader
<b>N J Tikiso</b>	Traditional Leader
<b>N H Binza</b>	Traditional Leader
<b>Z Mphambo</b>	Traditional Leader

The role of Traditional Leadership participation in the Council matters and decision making

In terms of the Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003), and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Traditional Leaders play a significant role in municipal councils in South Africa.

**Traditional Leaders play the following pivotal role in the Senqu Local Municipal Council**

1. Participation in Council Meetings: Traditional Leaders participate in Senqu Local Municipal Council and attend council meetings, however, in compliance with Section 81 of the Local Government: Municipal Structures Act they do not have voting rights.
2. Representation of Traditional Communities: Empowered by Section 20 of the Traditional Leadership and Governance Framework Act Traditional Leaders represent the interests of their traditional communities.
3. Advice on Traditional Matters: Traditional Leaders advise the municipal council on matters related to traditional governance, customs, and practices.
4. Promotion of Traditional Governance: Traditional Leaders promote traditional governance and the role of traditional leaders in the municipal council.
5. Facilitation of Community Participation: These Traditional Leaders facilitate the participation of their traditional communities in municipal council processes, including ward committee meetings and public participation processes.

**(iv) Ward Committees**

Ward Committees Establishment and Functionality

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.



## Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils to ensure that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. Ward Committees play a critical role in achieving the above. Ward committees are essentially a representative structure of the community and citizens and they are created in order to be in a position to inform the municipality regarding the issues, goals, aspirations and difficulties experienced by community members.

Ward Committee meetings provide the community and the municipality with an opportunity to engage and to facilitate what is in essence and in simplified form an opportunity for two-way communication. Ward committees have an extremely important role to play in ensuring that there is active participation and involvement from the community when determining core municipal process. These include: Integrated Development Planning, municipal budgeting and municipal performance management processes. Should these processes occur without this involvement it is fair to say that our system of “democratic government and developmental local government” will not be considered to have been centred within the community and having representation from the community. Ward committee meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This process has assisted the municipality in ensuring that public participation is enhanced, and accountability of the municipality is not compromised. In the past and in the brewing protests in Sterkspruit for example, information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2023/2024 the targeted number of required Ward Committee meetings were held as required.

## Administrative Considerations

- Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005.
- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:
  - Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, education, sport, culture, business, welfare, and women’s associations.
  - Committees are required to meet at least once per quarter and report formally to the Speaker at least quarterly through their Ward Councillor.
  - The term of office of a member is a period of five years – concurrent with the term of office of Council.
  - The Speaker is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed.
  - The Speaker shall submit a 6-month report to Council on the activities and considerations of the Ward Committees.
  - Each Committee will be chaired by its respective Ward Councillor and only the 10 Ward Committees of the ward and secretariat is provided by the municipality to ensure that proper minutes are taken. These meetings are also used to get complaints from the wards, which are then reported to customer care who then ensures that the complaints are sent to the responsible officials at the local municipality, district municipality as well as sector departments.
  - During Ward meetings, the community members are briefed about developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and
  - To facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.
  - In keeping with all required legislation, it must be noted that:
    - All records of meetings scheduled and attended are maintained (minuted).
    - Minutes of all meetings are made available.
    - Written proof of resolutions tabled to Council are made available.
    - Minutes are available for all feedback meetings with communities; and
    - Ward Committee activity reports are made available to all.



## (v) Community Development Workers

Community Development Workers (CDWs) are effectively multi-skilled public servants who are deployed at the community level in order to bridge the gap between the provision of services by government and access to those services by the communities. CDWs are deployed to municipalities where they live in order to address issues that may include lack of information, knowledge and poor communication that communities experience in relation to municipal services.

### Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose).
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e., reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office.
- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.
- The role and task of CDWs is to link communities with all government spheres and departments.
- CDW's work as community facilitators and organisers, focuses on the following key functions:
  - Assisting communities with developing and articulating their needs
  - Facilitating the development of community structures
  - Facilitating public participation in government development projects (e.g. IDP, LED, infrastructure and service delivery projects and the like)
  - Identifying service blockages in the community
  - Finding solutions to identified needs and blockages by interacting with national, provincial, and local government structures.
- Community Development Workers are required to interact with the community, identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occurs because of effective marketing.
- CDW's report to COGTA by utilizing designated reporting mechanisms to obtain required support and assistance for particular households; and
- Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges
- experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

Also refer to Appendix B which sets out committees and committee purposes.

Institutional Meetings Held by Committees 2023/2024



INSTITUTIONAL MEETINGS	DATES ATTENDED - 2023/2024
MPAC	15 March 2024
	12 June 2024
EXCO	21 July 2023
	25 August 2023
	26 September 2023
Audit Committee Meetings	18 August 2023
	23 November 2023
	16 February 2024
	27 May 2024
Council	28 July 2023
	31 August 2023
	15 September 2023
	27 October 2023
	08 December 2023

#### COMMITTEES AND COMMITTEES' PURPOSE

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal Public Accounts Committee (MPAC)	Oversight
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget and Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Town Planning Services Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational Health and Safety issues of the Council

## (b) POLITICAL DECISION-TAKING

Explain how political decisions are taken and provide the percentage of Council Resolutions implemented against the number of decisions taken. List those not implemented and indicate why not.

Senqu Municipality has an Executive Committee system with an Executive Committee consisting of 2 full time Councillors and 5 Part time Executive Committee members who act as an advisory structure to the Council. The Executive Committee has delegated powers to portfolio committees on matters dealt with by portfolio committees. The Council is the decision making body of the municipality regarding non-delegated matters as prescribed by legislation.

The political decisions are taken in terms of the Municipal Structures Act, 117 of 1998 by the Executive Committee and Section 80 Committees before they are tabled at Council for a resolution. All the resolutions taken by council have been implemented. The Municipal Public Accounts Committee plays an oversight role on decision taken by the council for oversight purposes.

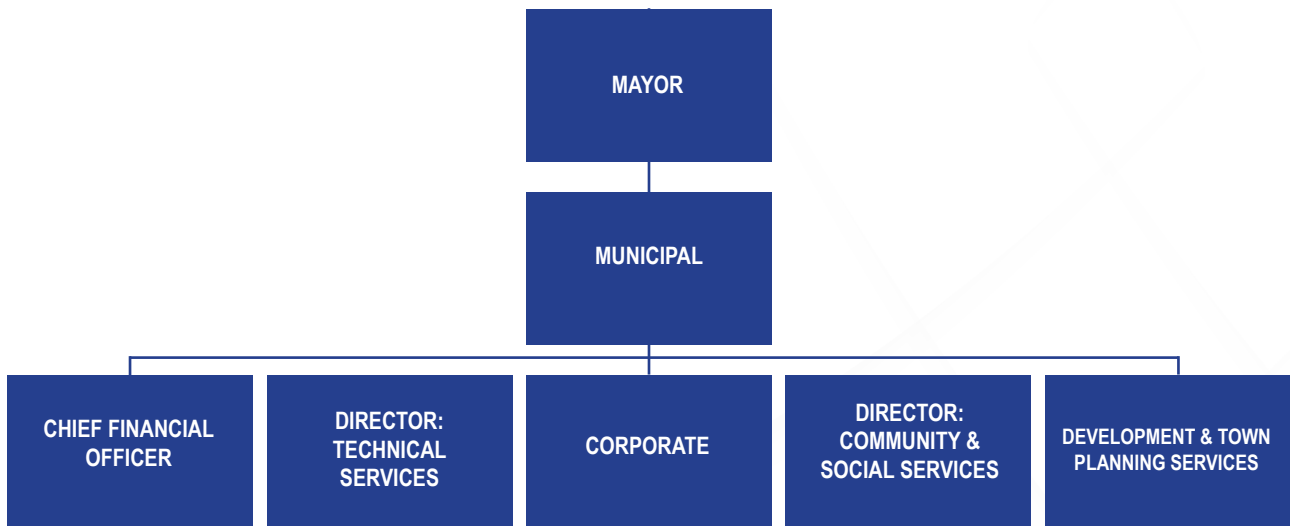
## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

**The Municipal Manager is the head of the administration and the municipality's Accounting Officer. As the Head of the Administration is responsible for :**

- The provision of Municipal Strategic Direction and the Operationalizing of such strategies
- The management of and administration of the financial affairs of the municipality.
- Responsible for the use and preservation of municipal assets in an economical, efficient and effective manner.
- The establishment of the governance framework of the municipality and enforce compliance with the framework.
- Administratively responsible for the development of the IDP, Budget and the SDBIP taking into account the inputs and contributions of the communities.
- The development and signing of performance contracts for the managers accountable to the Accounting Officer
- Establishment of the framework for the development of the organogram, budgeting for the organogram and the population of the organogram
- Ensures that the municipality accounts for the utilization of financial and accounts for the financial and non financial performance in line with the audit requirements.
- The development of a Risk Management Strategic Framework to cushion and mitigate the municipality against any inherent and external risk that might prevent the municipality from fulfilling its constitutional obligations.
- The provisioning of essential basic services to the communities that depend thereon.
- The development of By Laws

In performing all the above functions, the municipal manager is ably assisted by the directors who are heads of various directorates or departments. The figure below depicts the administrative structure of Senqu Municipality.



- (a) As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Directors who report to the Municipal Manager. S56 Directors are appointed under the following conditions:
- S56 directors are appointed on 5-year fixed term contract, and they are required to sign Performance Agreements annually between the Municipal Manager (to whom they report). This details their specific contract conditions and together with an annually reviewed performance scorecard, their performance goals and objectives are agreed to annually (as performance measurable targets). It is against these that their performance will be measured; and
  - S56 Directors' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.

#### Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager regarding functional issues that relate to their specific directorates.
- Reporting occurs according to reporting lines and recognized communication structures (encouraging free flow of communication).
- Director's compile/present reports to Council regarding their respective directorates monthly (to the Standing Committees), who then recommend that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution).
- Council resolutions are required to be implemented within a specific period and follow ups are required to be undertaken to ensure that this occurs timeously and, in the manner, required.
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.
- The diagram that follows on the next page details each directorate, the name of its director and the functional requirements for each director

<b>Municipal Manger Mr. T. Mawonga</b>	<ul style="list-style-type: none"> <li>Governance and Compliance and Risk Management</li> <li>Strategic Support (administration)</li> <li>Performance Management</li> <li>Political executive support</li> <li>Internal Audit</li> <li>Strategic Communication</li> </ul>
--	---

<b>Director: Corporate Services Z. Koyana</b>	<b>Chief Financial Officer K. Fourie CFO</b>	<b>Director: Technical Services R. Ruiter</b>	<b>Director: Development and Town Planning S. Chaphi</b>	<b>Director: Community &amp; Social Services N. Nyezi</b>
<ul style="list-style-type: none"> <li>Council Administration, Assets and Building Preservation</li> <li>Council Support and ward support</li> <li>Individual Performance</li> <li>HR &amp; Labour Relations</li> <li>Stakeholder Relations – participation</li> <li>Customer Care/ Presidential Hotline</li> <li>Communications</li> <li>Legal Services / Compliance</li> <li>Special Programmes (HIV Aids, Youth, Disabled, elderly and women)</li> <li>By-Laws Facilitation</li> <li>Document Management and Fleet Management</li> </ul>	<ul style="list-style-type: none"> <li>Management of financial resources:</li> <li>Budget and Treasury,</li> <li>Revenue Services, SCM,</li> <li>stores and Expenditure Management</li> <li>Policies, Procedures and By-lays (MFMA and National Treasury)</li> <li>Financial support to all Departments</li> <li>Information, Communication and Technology Support</li> <li>Traffic Services – eNatis Licensing</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure Development (Maintenance and Minor Construction)</li> <li>Technical Service Delivery Electricity</li> <li>Roads (Maintenance and Minor Roads Construction) and Storm water</li> <li>PMU Project Management / Administration</li> </ul>	<ul style="list-style-type: none"> <li>Housing, Town Planning and Land Use Management</li> <li>Integrated Planning and Economic Development</li> <li>Strategic Planning</li> <li>LED</li> </ul>	<ul style="list-style-type: none"> <li>Community based service provision</li> <li>cemeteries,</li> <li>environmental management,</li> <li>Libraries and amenities</li> <li>Community based by-laws</li> <li>Waste Management and Refuse</li> <li>Traffic Services Law enforcement</li> </ul>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

Section 40 The Constitution of the Republic of South Africa, 1996 clearly indicates that the national, provincial and local spheres of government are distinctive, interdependent and interrelated and Section 41 provides the basis for co-operative and Intergovernmental Relations. S41 (1) (g) & (h) implores the spheres of government to exercise their constitutional powers in a manner that does not encroach on the geographical, functional or institutional integrity of another sphere of government and to co-operate with each other on matters of mutual interest and in good faith. S41(2) (a) provides for the establishment and enactment of a legal framework upon which that co-operative Governance should be predicated. Intergovernmental Relations Framework Act (No.13 of 2005) gives effect to the constitutional requirement and provides a regulatory framework within which all the spheres of government interact. .Senqu Municipality operates within the prescripts of the Constitution of the Republic South Africa of 1996, participates fully in all the intergovernmental structures that operate at provincial and district levels These structures enable the Municipality to contribute to the legislative cooperative governance and benefit from both individual and shared experiences of these structures and learn to develop more effective skills and methods in handling day to day operations and specific challenges.





### 2.3.1 Intergovernmental Relations

#### (a) NATIONAL INTERGOVERNMENTAL STRUCTURES

As a Local Municipality, the municipality does not officially participate in National Intergovernmental Structures such as MINMEC and MINTECH and related working groups. The Municipality fully participates in MEC-MMC political and technical intergovernmental forums as well as SALGA and the respective SALGA working groups. However All the programmes that are developed by Senqu Municipality are derived from the legislative policies that are approved by National and Provincial Government. The Local Development strategies in Senqu Municipality's Integrated Development Plan are aligned to the National Development strategies and policies.

#### (b) PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Senqu Municipality is fully represented in a number of Provincial IGR structures such as:

- Provincial Speakers Forum
- IGR Practitioners Forum (chaired by the Office of the Premier)
- MUNIMEC Meetings.
  - Attended by Mayor and Municipal Manager.
  - Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes)

*Reference is made to Appendix D (detailing a complete list of entities and delegated functions).*

#### (c) DISTRICT INTERGOVERNMENTAL STRUCTURES

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy.

Intergovernmental structures were created and were linked to the following clusters:

- Social Needs
- Economic and Infrastructure
- Safety and Justice and
- Governance and Administration.

It must be noted that the District IGR Forum has not been active for the last two financial years.  
Existing and Functional Structures

Aside from the clusters, the following structures exist

- The District Technical Task Group.
- The District Mayor's Forum (DIMAFU) meets quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality.
- This s79 committee comprises the Mayors of all local municipalities within the district.
- As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year formal opportunities are created to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a “people centred” organization is created – one in which the needs of the community are noted, and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

#### 2.4.1 PUBLIC MEETINGS COMMUNICATION, PARTICIPATION AND FORUMS

Communication, Participation and Forums

The 5-year Communication Strategy and the Public Participation Plan were both approved by the Council on 30 July 2021.

The public participation process in Senqu Municipality is progressing well, with stakeholders actively contributing to municipal decision-making. The process is community-driven, allowing local residents to express their priorities and needs, which helps shape the municipality’s plans and budget for the coming financial year.

#### Key Activities:

1. Community Engagement: Public participation begins immediately after the start of the financial year, with municipal officials visiting communities to gather input on local priorities for the upcoming year. These visits provide a platform for residents to voice their needs, ensuring that the municipality’s decisions reflect the concerns of the community.
2. Council Endorsement: After collecting community inputs, the priorities are presented to the municipal council for endorsement. Once approved by the council, these priorities are submitted to the relevant departments to ensure that they are included in departmental plans and budgets.

#### Communication Channels: The municipality employs multiple methods to engage with the community:

3. Face-to-face visits: Officials conduct in-person meetings with residents in various communities, ensuring that all voices are heard.
4. Radio: Public announcements and updates are broadcast through local radio stations to reach a broader audience.
5. Social Media: Live streams and updates on social media platforms ensure that information is accessible to a wider demographic, especially those who cannot attend in-person meetings.
3. Draft Budget Presentation: Between March and April, the municipality presents the draft budget to the community for feedback. Similar to the initial community engagement, the municipality utilizes face-to-face meetings, radio broadcasts, and live social media updates to inform residents and gather their opinions on the proposed budget.
4. Legislature and Municipal Outreach: The municipality also supports outreach initiatives led by the legislature. These initiatives include joint community meetings and imbizos (community gatherings) aimed at educating the public on municipal programs and projects. The municipality ensures that its outreach efforts are aligned with those of the legislature to improve communication and enhance community awareness.
6. Conclusion: Senqu Municipality is committed to maintaining an open and transparent relationship with its residents. Through these ongoing public participation efforts, the municipality is fostering greater community involvement in decision-making processes, which ultimately leads to more responsive and accountable governance. The diverse methods used for engagement ensure that a wide range of voices are included in shaping the future of the municipality.

#### Other Role-players Used to Improve Public Participation

In addition, the following role-players are used to heighten and improve public participation overall:



## 1. Municipal Council

- Role: The Municipal Council is the primary decision-making body within the municipality. It is responsible for endorsing community priorities and the municipal budget, as well as ensuring that the feedback received during public participation processes is taken into account when making decisions.
- Responsibilities:
  - Approving the community priorities identified through public participation.
  - Endorsing the final budget based on public input.
  - Ensuring that public participation processes are legally compliant and inclusive.

## 2. Municipal Officials (Administration)

- Role: The municipal administration, led by the municipal manager, plays a key role in facilitating public participation by organizing meetings, collecting feedback, and ensuring that it is communicated to the council and relevant departments.
- Responsibilities:
  - Organizing community meetings, radio programs, and social media campaigns.
  - Gathering and documenting feedback from the community.
  - Ensuring that public input is presented to the council and relevant departments.
  - Drafting reports based on community feedback and presenting them during council meetings.

## 3. Ward Councillors

- Role: Ward councillors serve as the direct link between the community and the municipality. They are elected to represent the interests of their constituencies and ensure that community priorities are voiced during the public participation process.
- Responsibilities:
  - Actively engaging with residents in their wards to gather input on local needs and priorities.
  - Communicating community concerns and feedback to the municipal council and administration.
  - Organizing ward meetings and community outreach efforts.
  - Providing updates to the community on municipal programs and decisions.

## 4. Community Development Workers (CDW's)

The CDW's report to province, but also report to the municipality via Ward Committee quarterly meeting and public participation meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed.

## 5. Economic Development Forum

This forum is required to meet quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy.

## 6. Communications Forum

This forum meets quarterly to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives. Meetings will again be held once COVID restrictions and regulations are relaxed, and operations are normalized.

## 7. Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created to facilitate ward communication with Council. Ward Committees are required to meet quarterly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by the National Treasury. Financial constraints have impacted negatively on this.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is always on board of functionality of the ward committees.

**Reference:** Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

Public Meetings		
Nature and purpose of meeting	Date of events	Number of Community members attending
Ward Committee Quarterly meeting	<ul style="list-style-type: none"> <li>• July – September</li> <li>• Oct- DEC</li> <li>• Jan- March</li> <li>• April – June</li> </ul>	<ul style="list-style-type: none"> <li>• Ward Committees</li> <li>• Ward Councillors</li> <li>• Municipal Official</li> <li>• CDW</li> <li>• Ward Clerks</li> </ul>
Public Participation Priorities		<ul style="list-style-type: none"> <li>• Ward Committees</li> <li>• Ward Councillors</li> <li>• Municipal Official</li> <li>• CDW</li> <li>• Ward Clerks</li> <li>• Communities</li> </ul>
Draft Budget Community meeting		<ul style="list-style-type: none"> <li>• Ward Committees</li> <li>• Ward Councillors</li> <li>• Municipal Official</li> <li>• CDW</li> <li>• Ward Clerks</li> <li>• Communities</li> </ul>
Public Participation form	Quarterly	<ul style="list-style-type: none"> <li>• Ward Committees</li> <li>• Ward Councillors</li> <li>• Municipal Official</li> <li>• CDW</li> <li>• Ward Clerks</li> <li>• Sector Departments</li> </ul>

**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:**

The Public Participation Plan was approved and adopted, and Public Participation Meetings were held,. What are the key benefits of public participation?

**2.4.2 IDP Participation and Alignment**

S34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) requires the development and completion of the Integrated Development Plan (IDP). This 5-year document was compiled and was adopted by Council May 2021.

The IDP is required to correspond with each new Council’s elected term of office. It is the organizations strategic document that directs and influences the functioning of the organization overall – informing and influencing the strategic direction and operation of all projects and planning that occurs internally.

**The Integrated Development Plan (IDP) is explained by the diagram that follows, detailing its impact and role within the organization. More specifically the following points of explanation are noted:**

- (a) The IDP is developed for a period of 5 years and is reviewed annually. The strategic targets and goals consider the available resources and are developed as realistic goals that are reworked annually from the 5-year strategic goals. Available resources are considered and impact on the development and
- (b) approval of annual achievable and realistic targets – aligned to the overall strategic objectives contained within the IDP.
- (c) A Process Plan is developed annually which informs the way the IDP will be reviewed and managed (and public participation will be maximized).
- (d) Planned meetings are detailed and scheduled as required.
- (e) Performance is evaluated according to the use of the Budget Evaluation Checklist.
- (f) The IDP & Budget Steering Committee meets regularly to evaluate the previous year’s budget process – learning from current



and past situations.

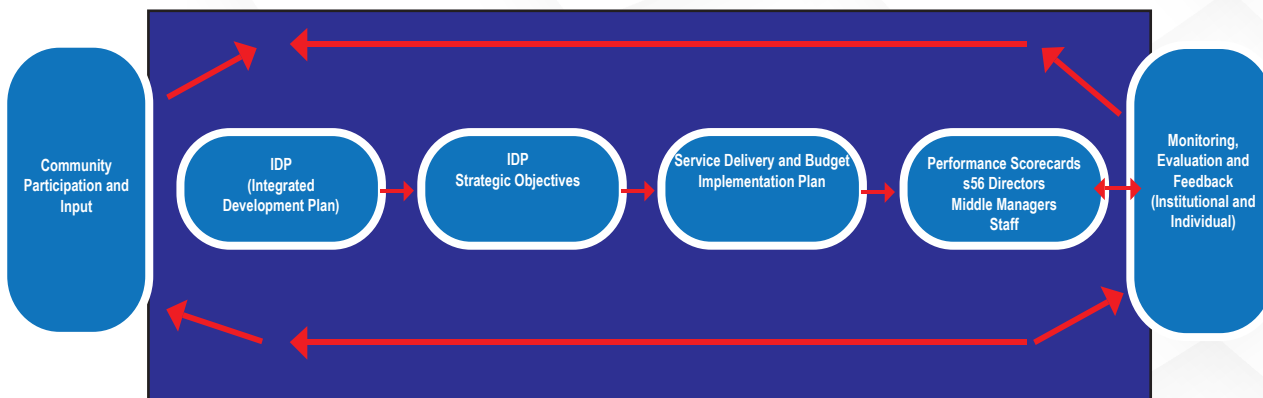
- (g) It is critical that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives.
- (h) In accordance with this philosophy, alignment must be carried through to the population of the s56 Directors' scorecards and to the levels below; and
- (i) The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives.

Figure: Development of the IDP through Public Participation and alignment with SDBIP and Budget

In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

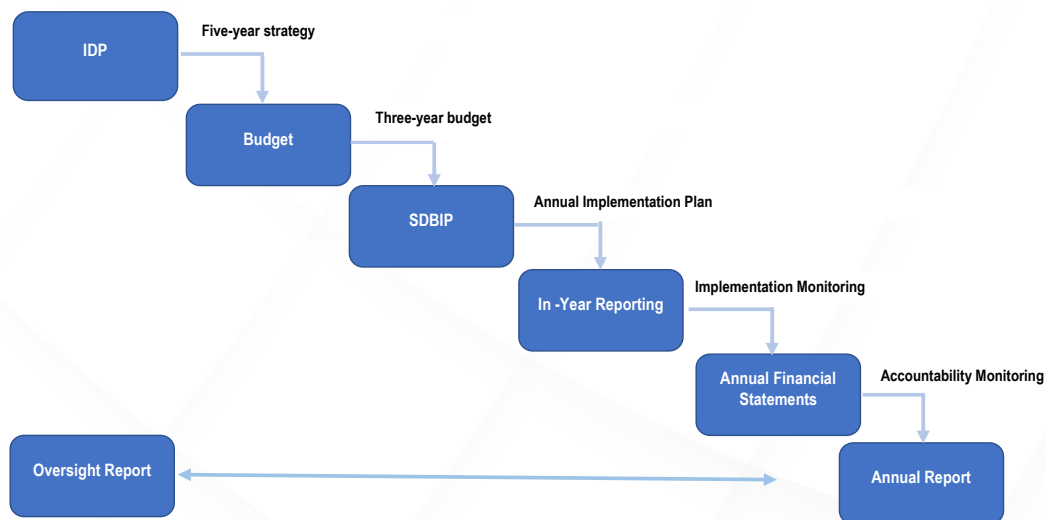
- The draft IDP was adopted 27 March 2024 and the Final IDP adopted by Council on 15 May 2024.
- The required number of IDP and Budget Steering Committee meetings were held as required. These gave birth to the actual approved draft and final budget as inputted by all municipal stakeholders. The draft was then presented to management and to Exco prior to approval by Council.
- The Draft SDBIP was compiled and approved by the Mayor within 28 days after the approval of the budget.
- Public participation in the IDP process was conducted where Councillors had to gather needs and priorities from wards.
- All needs and inputs (formally identified by the community) were recorded, prioritized, and included in Council's Integrated Development Plan (which was adopted by Council). The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related document.
- The following two diagrams/figures illustrate accountability and reporting and oversight functions further.
- The Accountability Cycle illustrates the manner in which financial accountability lies at each point and level; and
- The Process Diagram illustrates the manner in which Council Oversight is achieved at every level (from IDP through to the Annual Report).

Figure: Development of the IDP through Public Participation and alignment with SDBIP and Budget





## MUNICIPAL ACCOUNTABILITY CYCLE

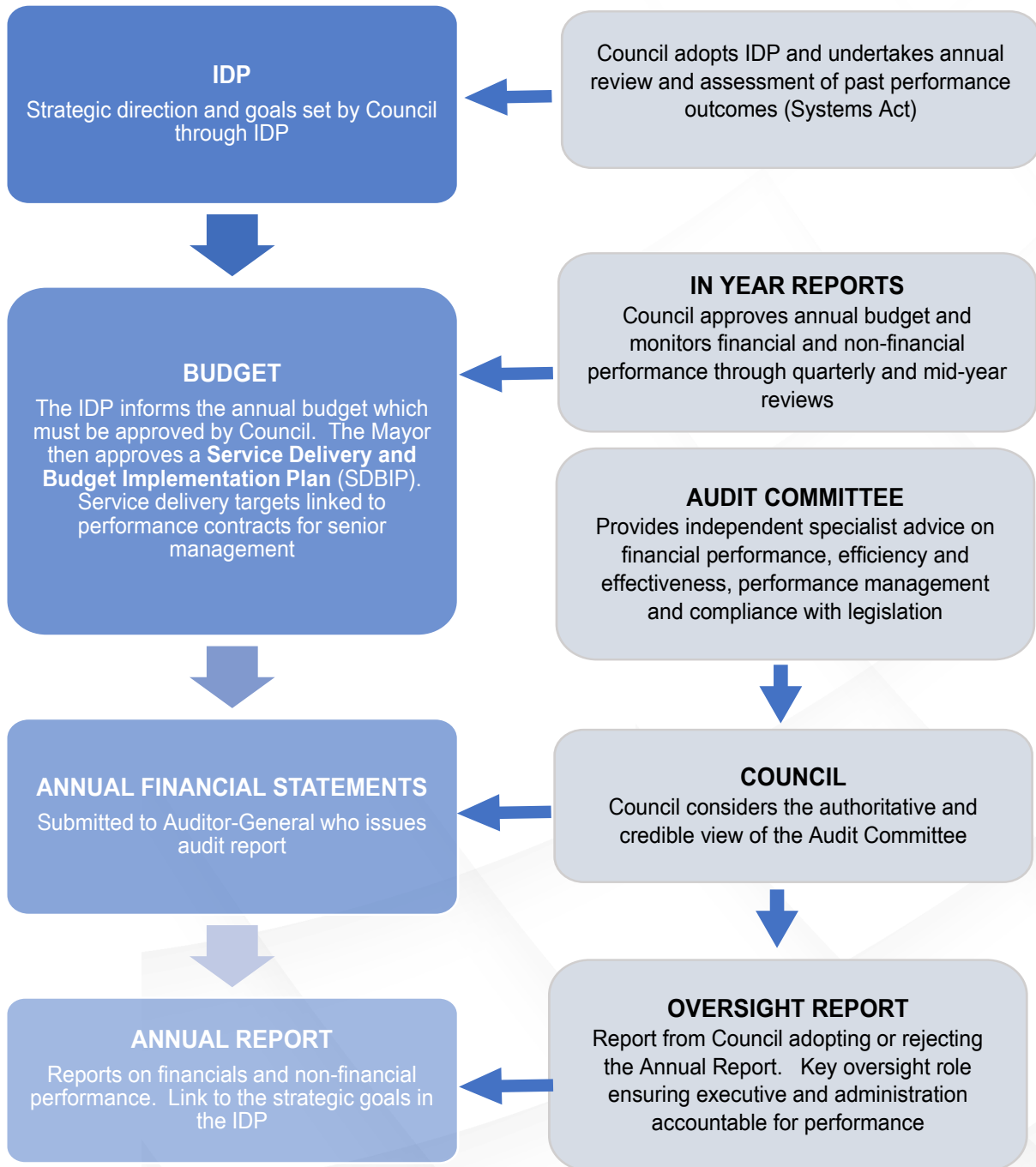


Accuracy of Information depends on:

- Organisational structure aligned to basic services
- Sound municipal policies, processes and procedures
- Standard chart of accounts for municipalities

**PROCESS**

**COUNCIL OVERSIGHT**



IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2022/2023	YES/ NO	COMMENT
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	
Are the above aligned and can they calculate into a score?	Yes	
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Directors	Yes	
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	
Were the indicators communicated to the public?	Yes	
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	

## COMPONENT D: CORPORATE GOVERNANCE

### 2.5 OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates all identified aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance required and the level achieved.

#### 2.5.1 RISK MANAGEMENT

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management. It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage risk cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall. The “fall out” in respect of this would include extreme costs to the organisation, audit queries and possible audit qualifications.

The Governance and Compliance Division of the Municipal Managers Office is location to the risk management division. The Manager of Governance and Compliance oversees the duties associated with this position. Risk remains the responsibility of each Directorate and said parties on all levels are required to manage risk within the ambit of their control. A Risk Management Committee has been established and consist of Senior Management from all Directorates, Provincial Treasury as well as a seconded member from the Audit Committee. The Manager of Governance and Compliance, who oversees Risk Management, has been designated as the Committee’s Chief Risk Officer.

The function of this committee is to ensure that from the management side, risk is facilitated in an effective and efficient manner. This committee meets once a month to look at all risk, compliance, and fraud related issues for the purpose of addressing any findings that might have been made and report progress to the Audit Committee.



## Oversight on Risk

The Internal Audit Committee provides the required oversight on all matters pertaining to risk (both internal and external). The top five (5) risks as reflected within the table above receive priority. Notwithstanding risk is identified on all levels and where at all possible, contingency plans are put into place to mitigate risk. The oversight role involves making a comparison between perceived and actual risk experienced. Recognized practices and processes are utilized to measure and assess the manner in which risk is minimized and the manner in which reporting, and controls are undertaken, so as to manage risk effectively.

- a. To facilitate monitoring, oversight and management, the following structures and reporting mechanisms were utilised:
- b. A Risk Management Framework and Policy have been developed and are updated regularly except for the current year –in which no policies were reviewed. In this manner, a standardized approach to risk management and commitment to such throughout the organization is achieved.
- c. The municipality has developed a Risk Profile in which risks are identified and rated – illustrating the gravity of the risk and action plans required to resolve this risk – which is then ideally monitored and reported on.
- d. Directorates/Departments are advised on mitigating measures that are required to be implemented in respect of identified risks.
- e. The Risk Action Plan for each Directorate is required to be developed, monitored, and reviewed annually.
- f. The IT Disaster Recovery Plan was reviewed, and no changes required or made.
- g. To combat fraud, to prevent any inappropriate influences regarding supply chain management processes and awards and as a matter of compliance, all staff members and Councillors signed their disclosures in the Conflict-of-Interest Register.
- h. The Declaration of Conflict-of-Interest Register was developed and tabled for both Councillors and employees; and

The Fraud Risk Workshop and Awareness was not held as planned due to the clashing timeframes of the municipality and ECCOGTA, as an effort to promote fraud prevention the municipality distributed fraud prevention pamphlets within the municipality

### 2.5.2 ANTI-CORRUPTION AND FRAUD

Senqu Municipality has an approved Fraud Prevention Plan. This plan outlines the concept of “fraud” and has resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and a policy and practice to be utilized to protect “whistle-blowers” was developed and implemented. This plan also outlines the policies and procedures that must be adhered to/implemented to prevent any fraudulent practice/activity that may be observed within supply chain management activities and the like. To this end it is further noted that the Internal and External Audit as well as the Audit Committee are required to provide an oversight role in this regard and all are mandated to expose any evidence of fraud.

### 2.5.3 FRAUD AND ANTI-CORRUPTION STRATEGY

**In an effort to minimise and to prevent fraud it is noted that:**

- a. The Fraud Prevention Plan is in place and is being implemented by the Risk and Compliance Coordinator.
- b. All new employees and Councillors are inducted regarding the Code of Conduct – thus ensuring that they are adequately prepared regarding protocols and the manner in which all parties are required to behave.
- c. In terms of the Disciplinary Policy and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy.
- d. Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard, very specific signing authority as per the Municipal Finance Management Act (MFMA), is specified.
- e. In any instance where it is suspected that a person has contravened any aspect relating to compliance/having committed fraud, they are immediately suspended pending the nature of the allegation and if justified criminal charges are laid.
- f. As indicated, the Fraud Risk Workshop and Awareness was not held as planned due to the clashing timeframes of the municipality and ECCOGTA, as an effort to promote fraud prevention the municipality distributed fraud prevention pamphlets within the municipality.
- g. A Declaration of Interest Register for 2022/2023 was developed for both Councillors and Employees to ensure that no conflict of interest occurs; and

It is noted that both the Mayor and the Municipal Manager have publicly condemned acts of corruption, fraud, and malpractice of any kind.

### 2.5.5 Audit Committee Comments/Recommendations (as per Appendix G and Chapter 6)

Not with standing the progress within this area, it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to **Appendix G and Chapter 6**.

### 2.5.6 Supply Chain Management

#### OVERVIEW SUPPLY CHAIN MANAGEMENT

- a. The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals that will facilitate that the application of Supply Chain Management Policy and Procedures – facilitating the correct acquisition and provision of required goods and services.
- b. All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council: and
- c. During 2023/2024, SCM compliance reporting was submitted to National Treasury; and

**Reference is made to Appendix H for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.**

### 2.5.7 By-Laws

By-laws are required to be reviewed and updated annually.

#### COMMENTS ON BY-LAWS

During 2023/2024 by-laws no were gazzeted and printed. A challenge remain on the existing By-Laws is the enforcement of these by-laws as the municipality does not have a dedicated law enforcement unit and sometimes relies on other agency of the state like SAPS to enforce some bylaws which require certain skills and equipment.

A plan is underway to establish a law enforcement unit, however this will largely depend on the availability of financial resources.

### 2.5.8 Municipal Website

The website was developed in order to improve communication with communities. Reports on the monitoring of the Website in terms of compliance with the MFMA and MSA were submitted quarterly to the Executive Committee.

**Note: The MFMA s75, requires that Municipalities monitor and report on the use of their websites by the public - detailing the number of hits per website and related data.**

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality's /Entity's Website	Yes / No
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
All budget-related documents	Yes
All budget-related policies	Yes
Annual report	Yes
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	No
All long-term borrowing contracts	No
All supply chain management contracts above R30 000	No





An information statement of capital assets that have been disposed	No
<b>Documents published on the Municipality's /Entity's Website</b>	<b>Yes /</b>
	<b>No</b>
Contracts which impose a financial obligation on the municipality beyond 3 years	No
All quarterly reports tabled in council	Yes
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	Yes
Oversight reports	Yes
Monthly budget statement	Yes
Mid-year budget and performance assessment	Yes
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	Yes
Delegations	No
Internal Audit Plan	Yes
Audit Committee charter	Yes
Risk Management Policy	Yes

#### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Communications Officer is required to maintain and update the Website regularly. It must be noted that the content of the website has greatly improved, although there is always room for improvement and growth aesthetically and overall, in terms of the "look and feel" and functionality. This function is shared with the ICT Department due to capacity issues and the fact that the individual best suited to perform this function was within this department (with required resources).

#### 2.5.9 Public Satisfaction on Municipal Services

In an effort to enhance delivery service and improve community engagement, the municipality-initiated approval of the customer care plan. This involved visiting various villages to gather input from residents on how they would like to receive customer care services from the municipality.

#### Objectives of the Consultation:

1. Understand Community Needs: Gather feedback on current customer care services and identify areas for improvement.
2. Enhance Service Delivery: Develop a customer care plan that reflects the preferences and needs of the community.
3. Foster Engagement: Strengthen relationships between the municipality and residents by involving them in the decision-making process.

#### Consultation Process:

- Community Meetings: Representatives from the municipality held meetings in seventeen villages, encouraging open discussions about customer care services.

#### Key Findings:

1. Preferred Communication Channels:
  - Many residents expressed a desire for multiple channels of communication, including in-person visits, phone calls, and digital platforms (social media, WhatsApp).
  - A strong preference for local customer care centres where residents can receive assistance face-to-face.
2. Timeliness and Responsiveness:
  - Communities highlighted the importance of timely responses to inquiries and complaints. They suggested setting clear timeframes for addressing issues.
3. Training for Staff:
  - Residents emphasized the need for well-trained customer care staff who can effectively address their concerns and provide accurate information.
4. Regular Feedback Mechanisms:

- There is a call for regular feedback opportunities, such as community forums or suggestion boxes, to ensure ongoing engagement and improvement.

**5. Awareness and Accessibility:**

- Increased awareness of available services and how to access them was identified as a priority. Many residents suggested informative campaigns to promote municipal services.

**Draft Customer Care Plan: Based on the feedback received, the following draft plan is proposed:**

**1. Establishment of Local Customer Care Centers:**

- Create dedicated spaces in each village where residents can receive assistance and information.

**2. Multi-Channel Communication Strategy:**

- Implement a strategy that includes in-person support, telephone hotlines, and digital communication via social media and messaging apps.

**3. Staff Training Programs:**

- Develop training programs for customer care staff to enhance their skills in communication, problem-solving, and service delivery.

**4. Feedback and Evaluation Mechanisms:**

- Introduce regular community forums and feedback tools to assess the effectiveness of customer care services and gather ongoing input.

**5. Awareness Campaigns:**

- Launch initiatives to inform residents about available services, how to access them, and the role of customer care within the municipality.

During the period under review no Customer Care survey were conducted as no funding was allocated for Customer Care Surveys. (Check if this sentence is still relevant)

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools / opportunities are provided:

- Complaint boxes have been installed at designated Community Halls and all Municipal offices throughout the Senqu Municipal jurisdiction (Lady Grey, Sterkspruit and Barkly East). The boxes are opened weekly and the complaints /suggestions if any are channelled through the Communication divisions to the relevant Directorates for response.
- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). Reports (inclusive of statistics) are submitted to the Standing committee monthly.
- The Complaints Hotline has been installed (number is 0861 (Senqu) 73678), this together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization continuously look for ways to address the issues raised and to improve the level of customer satisfaction.
- The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Division.

**PUBLIC SATISFACTION LEVELS**

Provide a brief overview of public satisfaction with municipal service delivery.

Customer Care Unit	70%
Water	20%
Infrastructure	40%
Job Creation	60
Municipal Sport	40%

**PUBLIC SATISFACTION LEVELS**

Provide a brief overview of public satisfaction with municipal service delivery.

No surveys were conducted during the 2023/2024 Financial Year.

# Chapter 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)



# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE

### (PERFORMANCE REPORT PART 1)

#### 3.1 INTRODUCTION

Service delivery functions currently performed by Senqu Municipality (noting that the water services and sanitation function are performed by Joe Gqabi District Municipality as the Water Services Authority) are reflected as follows:

- Electricity distribution – licensed areas only
- Provision of assistance to Eskom with rural electrification issues
- Street Lighting
- Roads construction and maintenance – municipal and access roads (including Stormwater Maintenance)
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration (including roads – PMU Construction)
- Library Services (Service Level Agreement entered into between Senqu Local Municipality and DSRAC on an agency basis. (Portion of funding received from DSRAC)
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces
- Public Safety
- Commonages
- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control)
- LED (Tourism, SMME and Poverty Alleviation); and
- Building of crèches (Grant funding through MIG)

Each of these areas will be examined in terms of reporting on their performance for the period under review.

#### COMPONENT A: BASIC SERVICES

#### 3.2 ELECTRICITY

##### 3.2.1 Introduction To Electricity

Senqu Municipality Electricity Network is only stationed the three Town areas.

Lady Grey: No backlog

Barkly East: No backlog

Sterkspruit: Backlog is 88 households, and this is currently addressed through funding allocated by the department of energy in FY 2024-2025

Network Eskom supply area.

Eskom has a roll over of INEP funds to complete the households allocated in FY 2023-2024 in the next FY 2024-2025. Number of Households is 363. No INEP funding was allocated to Eskom in the FY 2024-2025.

(Attached are our top 3 service delivery challenges that impact the Municipality during the year.

- Vehicle failure and due to aging and old age electricity infrastructure.
- Faulty metering system
- Limited resources and budget available to start the procurement process.
- AMI system is required for meter monitoring and bulk customer metering unit read via AMI system.

Measures to be taken to improve performance and the major deficiencies during the year.

- Improve the maintenance of the vehicles to attend to infrastructure deficiencies.
- Replacement of metering verification and replacement of faulty meters.
- Request for improved budget allocations

Senqu Municipality provide Eskom Customers with electricity at Barkly East. Nkululeko and Fairview Village. Solar system Customers in Sterkspruit. 800KVA supply Shoprite mall. Senqu Municipal office in Lady grey. 234kw supply.

**a. Progress to date is reflected as follows (2023/2024)**

#	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2023/2024
1	Percentage of households with access to electricity services	Senqu Municipality 29 in urban	Senqu Municipality 88 (urban)	Senqu Municipality 29 (urban)	Senqu Municipality 29 new connections (urban)	Senqu Municipality 100% (Urban)
		Eskom 463 (Rural)	Eskom 6 558 (Rural)	Eskom 463 including infills	Eskom 100 including infills (Rural)	Eskom 21.6%

**ESKOM DISTRIBUTION (RURAL AREA – Data is estimated due to THE LACK OF INFORMATION PROVISION FROM Eskom):**

**b. Electricity Service Delivery Levels**

Description	2020/2021	2021/2022	2022/2023	2023/2024
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity – prepaid (min. service level)	40 592	41 012	41 262	41 362
Minimum Service Level and Above sub-total	89,03%	85%	85%	86.63%
Minimum Service Level and Above Percentage				
<b>Energy: (below minimum level)</b>				
Electricity (<min. service level)	0	0		0
Electricity-prepaid (<min. service level)	0	0		0
Other energy sources	5 001	5023	5046	6 558
Below Minimum Service Level sub-total	10,97%	1.93%	1.12%	0.34%
Below Minimum Service Level Percentage				
<b>Total number of households</b>	<b>42 223</b>	<b>45 593</b>	<b>46 013</b>	<b>47 920</b>





## c. ESKOM Consumers

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
Description	2020/21	2021/22	2022/2023	2023/2024		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Households below minimum service Level	400	420	250	29	0	29
Total households	3 397	3 496	3 552	3 581	0	3 581
Households below minimum service Level	360	67	56	117	29	88
Proportion of households below minimum service level	10,56%	1,92%	1,57%	3.27%	0	88
Informal Settlements Eskom						
Total households	42 623	43 043	43 293	43 756	47 393	43 857
Households below minimum service Level	400	420	250	463	363	100
Proportion of households below minimum service levels	0,94%	0,98%	0,58%	1.06%	0.08%	0.002%

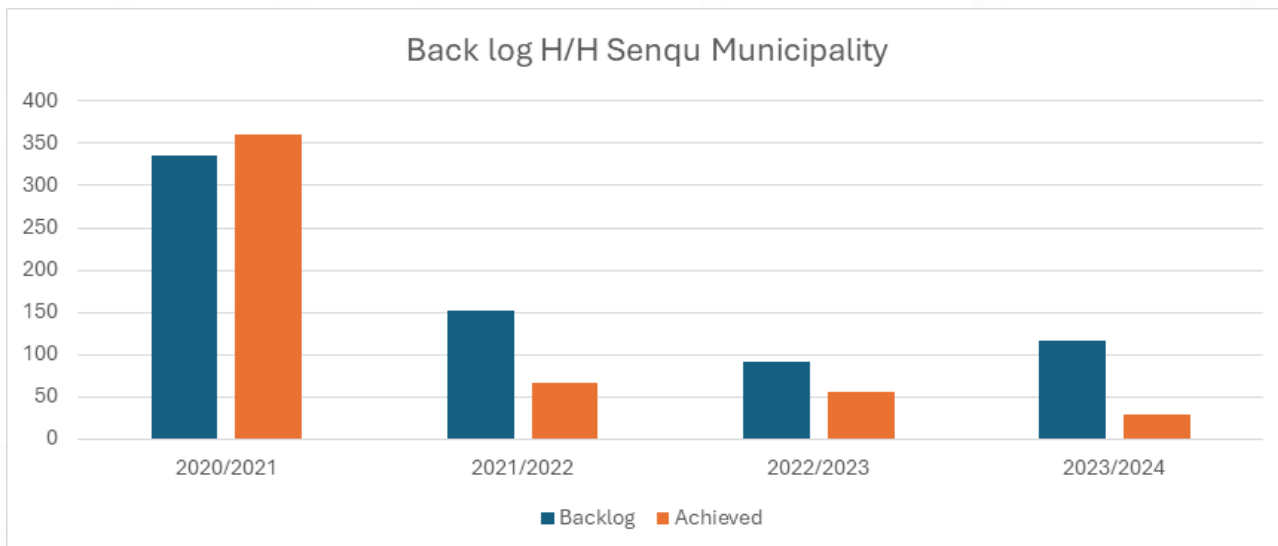
## d. Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS				
Households (Municipal)				
Description	2020/2021	2021/2022	2022/2023	2023/2024
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)	2020/2021	2021/2022	2022/2023	2023/2024
Electricity (at least min. service level)	Actual No.	Actual No.	Actual No.	Actual No.
Electricity – prepaid (min. service level)	360	32	56	29
Minimum Service Level and Above sub-total	2 964	3 324	3 380	3 409
Minimum Service Level and Above Percentage	3 397	3 757	3 813	3 497
Energy: (below minimum level)	87,25%	88,47%	88,64%	88%
Electricity (<min. service level)	360	32	56	88
Electricity-prepaid (<min. service level)	57	60	56	88

**e Municipal Backlogs (Area of Distribution)**

YEAR	2020/2021	2021/2022	2022/2023	2023/2024
Backlog	335	152	92	117
Achieved	360	67	56	29

Municipal backlogs as reflected per table above in graph below (2020-2024)



**TOTAL BACKLOGS (Eskom & Municipality)**

Total Households	Original Backlog Rural (Eskom)	Target Eskom (2023/2024)	Actual Eskom (Estimated)	New Backlog (Rural)	Original Backlog (Urban)	Target (Urban)	Actual (Urban)	New Backlog (Urban)	Total Backlog (End FY)
47 438	6 646	492	129	6 517	6 558	463	100	6 458	6 546

ESKOM DISTRIBUTION – Data is estimated due to lack of information provision from Eskom)  
Electricity Service Policy Objectives taken from IDP

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Target	2022/2023		2023/2024		*Following Years		2026/2027	
		Target	Actual	Target	Actual	Target	2024/2025	2025/2026	2026/2027
Service Objective		Previous Year	Current Year	Previous Year	Current Year	2024/2025	2025/2026	2026/2027	
To decrease the electrical Losses	Reduce electricity losses by 2%	o Electricity losses (Inclusive of 10% Technical losses) = 18,88%	o Electricity losses (Inclusive of 10% Technical losses) = 20,97%	o Electricity losses (Inclusive of 10% Technical losses) = 18,88%	o Electricity losses (Inclusive of 10% Technical losses) = 20,97%	o Electricity losses (Inclusive of 10% Technical losses) = 20,97%	o Electricity losses (Inclusive of 10% Technical losses) = 20,97%		
		o 3 521 Consumers	o 3 550 Consumers	o 3 521 Consumers	o 3 550 Consumers	o 3 550 Consumers	o 3 550 Consumers		
		o 56 New connection	o 29 New connection	o 56 New connection	o 29 New connection	o 29 New connection	o 29 New connection		
		o 610 distribution faults	o 526 distribution faults	o 610 distribution faults	o 526 distribution faults	o 526 distribution faults	o 526 distribution faults		
		o 446 Street light repairs	o 327 Street light repairs	o 446 Street light repairs	o 327 Street light repairs	o 327 Street light repairs	o 327 Street light repairs		
		o 1 New Street Lights	o 0 New Street Lights	o 1 New Street Lights	o 0 New Street Lights	o 0 New Street Lights	o 0 New Street Lights		
		o 91 Street Light Fittings replaced	o 78 Street Light Fittings replaced	o 91 Street Light Fittings replaced	o 78 Street Light Fittings replaced	o 78 Street Light Fittings replaced	o 78 Street Light Fittings replaced		

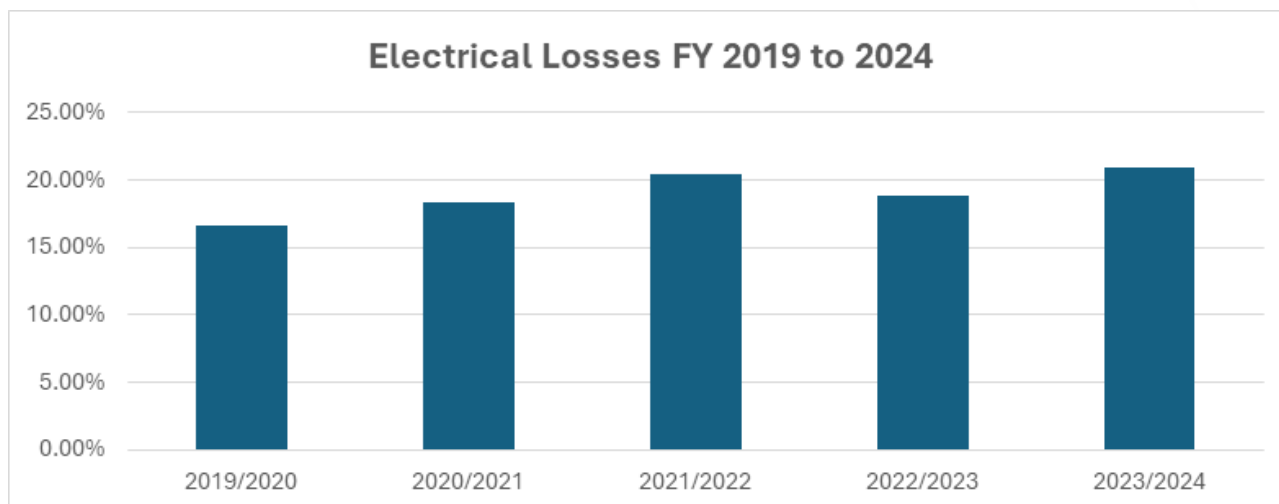
	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished	o 1 Transformers refurbished									
	o 148 KWH Meters replaced	o 148 KWH Meters replaced	o 148 KWH Meters replaced	o 148 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced	o 27 KWH Meters replaced									
	o 7 m MV New Conductor installed	o 7 m MV New Conductor installed	o 7 m MV New Conductor installed	o 7 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed									
	o 150 m LV Conductor installed	o 150 m LV Conductor installed	o 150 m LV Conductor installed	o 150 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed	o 0 m LV Conductor installed									

(a) Electricity Losses (Historic to Date)

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	16.57%	18.4%	20.47%	18.88%	20.96%



Table below shows the losses



### 3.2.2 Employee statistics : Electrical Services

The table below provides the employee statistics for electrical services.

EMPLOYEES: ELECTRICITY SERVICES					
Job Level	Year 2022/2023	Year 2023/2024			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6					
7-9	7	7	7	0	0%
10-12	5	6	5	1	0.17%
13-15	4	4	4	0	0%
16-18	1	1	1	0	0%
19-20					
Total	17	18	17	1	0.17%

### 3.2.3 Financial Performance

The Table below provides the financial performance for the period of F/Y 2023/24

FINANCIAL PERFORMANCE YEAR JUNE 2024: ELECTRICITY SERVICES					
					R'000
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	50 113	98 670	96 696	59 500	37 196
Expenditure					
Employees	7 288	8 097	3 244	7 988	(4 744)
Repairs and Maintenance	6 724	2 588	2 733	5 648	(2 915)
Other	52 624	85 084	76 131	55 407	20 724
Total Operational Expenditure	66 635	95 769	82 108	69 043	13 065



### 3.2.4 Electricity Services Capital Expenditure 2023/24

The table below provides a summary of the capital expenditure for electricity services for period 2022/23.

CAPITAL EXPENDITURE YEAR 2023/2024: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Tools & Equip & Vehicles	65	65	-	-	
Infrastructure	1 800	300	911	(611)	

### 3.2.5 Municipal INEP Allocation (2023/24)

The municipal INEP allocation for 2023/24 is provided in the table below.

INEP MUNICIPAL 2023/2024				
R'000				
Allocation	Budget	Actual	Variance	Total Project Value
0	0	0	0	0

#### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Upon completion of the following operationally planned targets it is anticipated that electricity losses will reduce to a level of 14% during the 2027/28 financial year:

- Completion of the AMI Meter project, inclusive of data collectors (budget dependent);
- Minor conductor upgrades.
- Infrastructure reroutes of LV Overhead Lines and metering units at Lulama Village.
- Installation of check sectional metering (Budget dependent);
- Installation of check meters at Eskom supply points and installation of check meters at the wheeling point where Eskom is using Senqu Municipality infrastructure to serve their customers. (Budget dependent)
- LV phase balancing (ongoing); and infrastructure maintenance.
- Implementation of RT29 Tender from National Treasury to ensure all meters are effective and monitored. (Budget dependent)
- Vehicle availability due to old age and high kilometers. (Budget dependent)

## 3.3 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### 3.3.1 INTRODUCTION TO WASTE MANAGEMENT

Street Cleaning services is done daily including weekends around Sterkspruit EPWP workers do sweeping and litter picking in townships.

Solid Waste is being collected once week house to house and kerb side method in the informal household as per a National Waste Collection Standard. Senqu Municipality has 18 289 households with access to weekly waste removal in the formal and non-formal areas.

The Solid Waste Management department oversees the recycling services, through support with PPE and access to recyclable materials.

Areas that are not currently serviced through refuse removals are the villages, this is due to the fact that they are not yet formalised for the function to start with the collection of waste.

Business around Sterkspruit, Lady Grey, Barkly East, Rhodes Herschel and Rossouw are also serviced twice a week with both kerb and business to business collection.



Removal of illegal dumping is being scheduled monthly and executed internally with the available limited resources and additional equipment are sourced in when funds are available.

landfill Sites are used for the final and safe disposal of waste in all areas, of which Herschel and Sterkspruit landfill sites are earmarked to be operated by a Private Service Provider for their daily management and operation, with the process still in procurement stages. Corporate and shared services department appointed permanently sixty-two (62) general workers for the waste management and appointed one hundred and sixty-two (162) EPWP to relieve shortage of staff in Solid Waste Operations although they are not enough.

Provide brief introductory comments on the actions being taken to achieve the National standard for weekly

Street Cleansing is being done daily in Sterkspruit CBD, Lady Grey CBD, and Barkly East CBD's. In township is being done by picking up litter and sweeping of streets by EPWP.

There are 18 289 household with access to weekly waste removal in the formal and non-formal areas.

Removal of illegal dumping is executed internally with limited resources and additional equipment are sourced in when funds are available.

Landfill Sites are used for the final and safe disposal of waste in Lady Grey, Sterkspruit, Barkly East, Herschel, Rossouw and Rhodes.

Refuse Collection challenges

The municipality experiences a lot of fleet break-down and as such, the current procurement system makes it difficult for quicker turn-around times with regards to repairs/service by appointed service providers. This results in backlogs and inability to adhere to the approved collection schedule, posing potential danger to communities as well as the environment, aging of collection trucks, in all areas and the shortage of Drivers (team Leader Drivers)

Success achieved:

The municipality managed to procure Specialised vehicles through the MIG Grant

Two Tipper Trucks

Two Front End Loader

One Cage Truck

One Landfill Compactor Dozer

The municipality participated in the District Greenest Municipal Award and won the district award and represented the municipality Provincially and the municipality won the.

Best landfill sites Management

And became third winner in overall

faced in year 0. Discuss briefly progress made with waste disposal, street cleaning and recycling. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Indicate how your municipality identifies and responds to those communities that are living in poverty and

Three services Delivery priorities

The Management of the landfill sites (Herschel & Sterkspruit)

The municipality appointed the contractor to cover and compact the Sterkspruit landfill site, The municipality has put out the tender for the Management, Operation, and Maintenance of both Herschel and Sterkspruit Landfill sites and will also manage the other sites internally, however, that will be feasible if the municipality procures landfill site operation plant as well as equipment in order to meet the stipulated legislative requirements.

Currently, the municipality only has one landfill compactor which cannot undertake landfill operations and management of the other three landfill sites as per prescribed plant.

Development/ review of the Intergraded Waste Management Plan

The municipality is in the process of reviewing the IWMP.

The primary objective for the review of the IWMP is to integrate and optimize waste management planning in order to maximize efficiency and minimize the associated environmental impacts and financial costs, and to improve quality of life for communities.

**Give priority to the basic needs of the local community;**

- Promote the development of the local community; and,
- Ensure that all members of the local community have access to at least the minimum level of available resources and the improvement of standards of quality over time.

**Environmental and Waste Management Awareness Campaigns**

The municipality has conducted 12 awareness campaigns in different schools and 8 in communities, the main topics, environmental pollution, safe disposal of waste, recycling, sorting of waste at sources (homes) and illegal dumps. are deficient in this basic service. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Refuse Services within the municipality

**Recycling Initiatives**

The municipality has built Materials Recovery Facility in Herschel Landfill site and operational cages in other landfill sites for making it easy for recyclers to keep and protect their material. recycling cooperatives or independent person/s in the municipality. There is currently a total of about 8 registered recycling cooperatives which are doing recycling on smaller scale as well as various waste pickers who are not yet registered. The completion of the MRF in Herschel is set to increase the recycling activities enough to ensure diversion of significant amount of waste from being landfilled which saves both costs and conserve landfill airspace.

**Financial Performance Year 2023/2024: Solid Waste Management Services**

Description	Year-2021/2022	Year-2022/2023	Year 2023/2024
	Actual No	Actual No	Actual No
<u>Solid Waste Removal:</u> (minimum level)			
Removed at least once a week	8 879	10 879	18 289
Minimum Service Level and Above Sub-total			
Minimum Service Level and Above percentage			
<u>Solid Waste Removal:</u> (Below minimum level)			
Removed less frequently than once a week			18 289
Using communal refuse dump			305
Using own refuse dump			24755
Other rubbish disposal			585
No rubbish disposal			3754
Below minimum service level sub-total			
Below minimum service level percentage			
Total number of Households			
			T.3.3.3

Financial Performance Year 2023/2024: Solid Waste Management Services					
					R'000
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13 277	49 334	50 856	14 383	36 473
Expenditure					
Employees	15 975	14 148	14 839	16 333	(1 494)
Repairs and Maintenance	7 791	949	950	9 788	(8 838)
Other	13 223	11 313	18 492	14 555	(3 937)
Total Operational Expenditure	36 989	26 410	34 281	40 676	(6 395)

### Capital Projects: Solid Waste

Financial Performance Year 2023/2024: Solid Waste Management Services Municipal Areas					
					R'000(Ex VAT)
Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
	'000	'000	'000	'000	'000
Total All	15 350	21 789	21 390	399	32 830
Machinery and Equipment	11 300	17 683	17 314	369	17 683
Solid Waste Infrastructure	4 050	4 106	4 076	30	15 147

### THE PRIORITY PROJECTS

- The Hybrid landfill site: The management of two landfill sites, which was planned for Herschel and Barkly East, could not be implemented due to the fact there were no compliant service providers.
- Development of the Transfer Station in Rhodes was also not implemented due to the details in acquiring of the land surveyor.
- Development of greening, beautification, landscaping and management of public open spaces strategy, the actual strategy was not developed, greening and landscaping was implemented by the internal staff.

Cleansing which entails street sweeping, litter picking, for that to be achieved in the next five years, it needs full support from the council, by increasing the numbers of EPWP staff to fully compliment the permanent staff in order to achieve a clean and healthy environment.

Integrated Waste Management Plan, need to be fully funded in order to achieve the five projects listed in the IWMP (sorting of waste from the sources, fully support recycling by developing buy back centres, MRFs etc)

The hybrid landfill site management budget was limited and the budget should be looked at to avoid variances, that could be achieved if only sufficient budget is allocated t the infrastructure projects.

### 3.4 HOUSING (DIRECTOR DTPTS)

#### 3.4.1 INTRODUCTION TO HOUSING

The housing strategy is to achieve human settlements that provide good quality homes with proper access to the necessary socio-economic opportunities for its residents. It places importance on social, economic and racial integration in the settlements linked to the objectives of densification and integrated mixed land use in South African urban areas. The housing backlogs are currently being addressed through housing projects that are implemented, such as low income housing projects, destitute projects and the upgrading of informal settlements. The municipality does not have a mandate to implement housing projects, this creates a challenge in the timeframes of the implementation of projects. The municipality submits applications for projects and these are implemented in terms of the plans and the budget of the Department of Human Settlements. Projects can be implemented in over 5 years from the application date. This creates a difficulty in locating the beneficiaries as people move around and some are deceased.

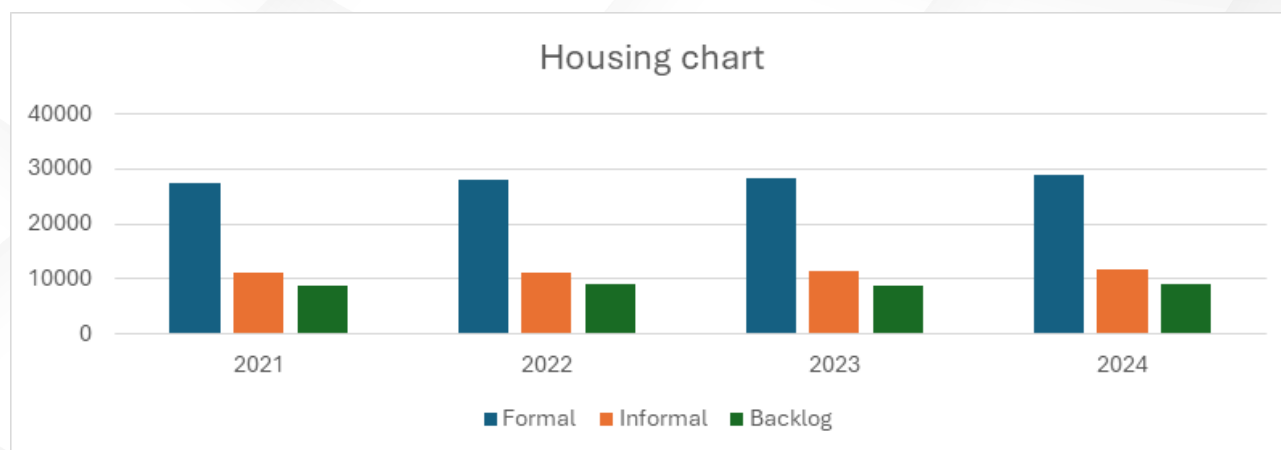
The municipality has a Housing Sector Plan which guides the planning and implementation of projects. Phase 1 of the Sterkspruit 4000 units project has been completed and phase will commence in the next financial year. People living in poor conditions are assisted in terms of the low income housing and the destitute housing projects.

#### 3.4.2 Access to Basic Housing

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2022/23		
Type of dwelling	Number of households	% of total number of households
House of brick/ concrete block	26 673	75%
Traditional dwelling/ hut	6162	17.3%
Informal dwelling/ shack	1477	4.2%
Informal dwelling in an informal settlement or farm	415	1.2%

#### 3.4.3 Housing Backlogs (Historical data and contextual overview)

HOUSING BACKLOGS (dating back up to 2020 to 2024)





3.4.3 Housing Service Policy Objectives Taken from IDP

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	Outline Service Targets	2022/2023		2023/2024		Following Years			
		Target	Actual	Target	Actual	2024/2025	2025/2026	2026/2027	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	(ix)	(x)	
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	0	0	0	0	298			
	Barkly East 298 units								
	Senqu Destitute/ Emergency housing 65 units	85	35	35	50	114			
	Sterkspruit 4000 units phase 2 (1100)	0	0	0	1100	1100			
	Lady Grey 56 units	0	0	0	0	56			
Facilitate housing project(s)/ implementation	Evidence of facilitation efforts/reports / Database updated								

### 3.4.4 Employee Statistics (Housing Services)

EMPLOYEES: HOUSING SERVICES					
Job Level	2022/2023	2023/2024			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3			0	0	0
4-6	1	1	1	0	0%
7-9	1	1	1	0	0%
10-12		0	0	0	0
13-15	1	1	1	0	0%
16-18	1	1	1	0	0%
19-20					
Total	4	4	4	0	0

### 3.4.5 Comment on the performance of the housing service overall:

The largest housing projects for the municipality are:

1. Sterkspruit 4000 units (2024).
2. Barkly East 298 units (2024).
3. Lady Grey 56 units (2024).
4. Destitute 85 units (2022).
5. Upgrading of Informal Settlements in Barkly East and Lady Grey (2021).

The Sterkspruit 4000 units projects commenced with the construction of the top structures in October 2024. The Department of Human Settlements is currently providing internal services for the individual erven for the Barkly East 298 units and Lady Grey 56 units. The Destitute housing project has been stalled by the appointment of new contractors by DoHS, as the contracts of the first contractors had expired. The implementation of housing projects is funded and managed by the DoHS.

## 3.5 FREE BASIC SERVICES

### 3.5.1 Introduction to free basic services and indigent support

In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including Free Basic Services (FBS). Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). Currently there is a Service Level Agreement (SLA) in place with Eskom for FBE in the rural areas. This is based on technical data (20 A supply).

Senqu Municipality has both an Indigent and a FBE Policy in place. These cater for any household earning a combined income of no more than twice the official old age pension, which changes on an annual basis. This then entitles them to receive Free Basic Energy or Free Basic Alternative Energy. Free Basic Solid Waste Removal and a full subsidy on property rates is included for formally identified indigent households.

The Indigent Register was updated. The indigent verification was completed by utilizing the CAAT system and there were 13 186 beneficiaries as 30 June 2024.



**FREE BASIC SERVICES - including Solid waste /refuse removal 2023/2024(Comparison with previous financial year 2022/20223)**

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2022/2023	2023/2024
a) The percentage of households earning less than two state pension fund per month with access to free basic services	27% of our serviced consumers are registered as Indigent consumers on. The municipality is in control of 7% percent coverage as compared to Eskom area of supply. Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.	27% of our serviced consumers are registered as Indigent consumers on. The municipality is in control of 7% percent coverage as compared to Eskom area of supply. Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.
b) The percentage of households with access to basic level of solid waste removal	98.03% of our household have access to waste disposal during the year under review. 6 153, households have access to refuse removal of which 2410 receive free basic properties during the year under review. There were 881 properties where services were not collected these do appear on the collection site	98.03% of our household have access to waste disposal during the year under review. 6 153, households have access to refuse removal of which 2410 receive free basic properties during the year under review. There were 881 properties where services were not collected these do appear on the collection site

**Households Receiving Free Basic Energy**

REGISTERED HOUSEHOLDS (Eskom & Municipality)	Year 2019/2020	Year 2020/2021	Year 2021/2022	Year 2022/2023	Year 2023/2024
Free Basic Energy	12640	12530	12530	12536	12536
Free Basic Alternative Energy	497	497	625	650	650

Free Basic Services to Low Income Households						
	Number of Households					
	Total	Households earning less than two state social grants				
		Free Basic Electricity			Free Basic Electricity Free Basic Refuse	
		Total	Access	%	Access	%
Year - 3	46 408	11 281	8900	19%	1300	3%
Year -2	47 477	10 303	10125	21%	2100	4%
Year -1	48 519	12 640	14 323	30%	2690	6%
Year - 0	50 252	13 186	14 323	29%	2590	5%

## FREE BASIC SERVICES: ELECTRICITY 2023/2024

FINANCIAL PERFORMANCE YEAR 2023/2024: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED R '000					
Services Delivered	Year 2022/2023		Year 2023/2024		Variance to Budget '000
	Actual '000	Budget '000	Adjustment Budget '000	Actual '000	
Water	-	-	-	-	-
Wastewater (Sanitation)	-	-	-	-	-
Electricity	12 002	17 450	18 350	7 181	11 169
Waste Management (Solid Waste)	6 616	5 736	5 736	198	5 538
Total	12 002	23 186	24 086	7 379	16 707

**Note:** Water and Sanitation are not Senqu functions but are the responsibility of Joe Gqabi District Municipality.

INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2023/2024
1. Percentage of households with access to electricity services	47 438	6 646	429	129	1.94%
2. Percentage of indigent households with access to basic electricity services	12 536	650	0	0	0%

Free Basic Service Policy Objectives Taken From IDP											
Service Objectives	Outline Service Target	2022/2023		2023/2024		Current Year	Target	2025/2026		2026/2027	
		Target	Previous Year	Actual	Target			Actual	Target		Previous Year
		625 HHs receiving support)	650 HHs	650 HHs	650 HHs			650 HHs receiving support)	650 HHs		650 HHs
Service Objectives											
Provision of alternative energy support to low-income households that do not received free basic services	Low Income Households (LIH's) who do not receive all free basic services but <u>do</u> receive alternative support (total number of LIH's not in receipt of free basic services)	625 HHs receiving support)	650 HHs	650 HHs	650 HHs	650 HHs receiving support)	650 HHs	650 HHs	650 HHs	650 HHs	
Facilitate the provision to access to adequate basic Electricity: Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure.	12 536	12 700	12 700	12 700	12 700	12 700	12 700	12 700	12 700	



**a. Budget vs Expenditure: Free Basic Services**

	Year 2021/2022	Year 2022/2023	Year 2023/2024
Budget	23 469	25 886	28 321
Expenditure	9 257	7 562	7 194

**3.5.2 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

- It must be noted that the Free Basic Services and Indigent Support Policies are revised annually, and Free Basic Services are paid for from the Equitable Share Grant as allocated under DORA.
- Joe Gqabi District Municipality is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipality Technical Services Department is now responsible for Solid Waste Management.
- The indigent verification is done through CAAT system and both new and existing beneficiaries are process through the CAAT system to ensure indigent credibility
- In total 27 726 residential households 5 630 have access to refuse removal services on formalized area of which 2 378 is free basic refuse removal services.
- 85.75% of households have access to refuse removal.
- 41,04 % of our serviced consumers are registered as Indigent consumers.
- The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every two (2) to three (3) months, and therefore consumers are calculated on households that are registered.
- There is currently only one (1) dedicated staff member for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long-term employment, to assist with FBS due to the magnitude of the service. The intention is to achieve a permanent FBS Unit within the next 3 years, budget dependent.
- In areas that will not be grid electrified, the municipality will be completing and submitting applications to the DoE for solar energy, after assessment of the need is complete; and
- Applications have been submitted to the DoE for Solar Water Heaters for areas where criteria are met but no response has been received to date.

**Challenges Experienced (FBS and FBAE)**

- No dedicated vehicle
- Delivery logistics
- Insufficient staff
- Insufficient data
- Insufficient political assistance
- Insufficient operational budget; and
- SCM turnaround time.



## COMPONENT B: ROAD AND STORMWATER DRAINAGE

### 3.6. ROADS AND STORMWATER DRAINAGE

This component includes roads; and stormwater drainage.

#### 3.6.1 INTRODUCTION TO ROADS

It is noted that Senqu Municipality is home to the largest and longest amount of unsurfaced main roads and access roads.

In terms of Gravel/ Unsurfaced Roads it is fair to say that, despite maintenance by the DRPW, most of provincially maintained gravel roads have deteriorated significantly to a level where they need extensive re-gravelling and low-level bridges need repair or replacing.

The DRPW is required to re-examine their strategy and to investigate ways in which a more sustainable road surface process (such as interlock paving) can be utilized. This is also required as it is noted that the quantity and quality of gravel is diminishing. Ultimately this will result in a situation where people will be unable to access goods and services or will be required to pay a high price for the transport of goods and persons, due to poor or impassable roads. This is compounded by extreme weather conditions such as flooding and snow.

In terms of Powers and Functions, Senqu Municipality is responsible for all access and municipal roads in its area. The balance of roads fall under the powers and functions of the Department of Roads and Public Works (DRPW).

Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are of reasonable condition but there is still localized flooding in bad weather, impassable roads and poor access. The original RDP housing constructed in Kwezi Naledi has contributed to the original flooding challenge due to incorrect building practices (failure to build above the natural ground level) and it is noted that communities block storm water flow due to illegal access constructions and dumping of waste in storm water channels.

Senqu Municipality does not have any entities responsible for rendering road maintenance services within the municipality. Capital projects are completed through the procurement of professional service providers and contractors and funded through the MIG programme and internal funding. Capital projects are identified through the IDP process and prioritised by the IDP & Budget Steering Committee, dependent on available funding.

During the 2023/24 financial year the Roads Maintenance Plan targets were set at an estimated 9 km. 15,70 km of this target was achieved.

Implementation on the approved Roads Maintenance Plan is reflected per wards as below:

**Ward 2 :** 11,64 km

**Ward 5:** 2,17 km

**Ward 7:** 1,98 km

**Total km achieved:** 15,79 km

Senqu Municipality experienced a lot of brake-downs on Fleet because of aging of current Fleet. The majority of Yellow plant was standing for almost 6 months in order to be repaired.

A service provider was appointed in August 2023 for the repairs and maintenance on all Municipal Fleet which is assisting , however 90 % of all Fleet needs replacement.

#### WASTE WATER (STORMWATER DRAINAGE)

##### 3.6.2 INTRODUCTION TO STORMWATER DRAINAGE

Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during

the year). Set out measures taken to improve performance, and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services within the municipality.

Stormwater services is located at Technical Services Department and is managed by the Manager Roads & Stormwater. The operations are done by both EPWP as well as permanent staff in the Roads & Stormwater section. EPWP staff is based in all three towns which is Barkly East, Lady Grey and Sterkspruit.

EPWP staff is general assistance staff who concentrate on unblocking of stormwater infrastructure and also cleaning and is supervised by the Team leader drivers.

GRAVEL ROAD INFRASTRUCTURE				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/ Paving	Gravel roads graded/ maintained/ re-gravelled
Year 2021/2022		0	0	61,60 Km
Year 2022/2023		0	0	56,12 Km
Year 2023/2024		0	0	15,79 Km

### 3.6.3 GRAVEL ROAD INFRASTRUCTURE GRAVEL ROADS (INFRASTRUCTURE AND MAINTENANCE)

TARRED ROAD – INFRASTRUCTURE KILOMETRES					
	Total tarred roads	New tar roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads-main- tained Potholes Repaired
Year 2021/2022		0	0	0	8945
Year 2022/2023		0	0	0	5683
Year 2023/2024		0	0	0	8370

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Target	Actual	Current Year	Following Year
		Previous Year 22 23 sect 46	Current Year	Previous Year	Current Year	Current Year	Current Year	Current Year	Current Year
Service Objective									
To repair and maintain roads, stormwater, bridges and transport infrastructure	100% completion of Maintenance of roads as per the approved maintenance plan	100% ( 21 Km) Completion of roads as per the approved maintenance plan	Target Exceeded . Road maintenance was plan was 267.23% (56, 12 Km) completed against the council approved maintenance plan. This translates into 167% above the target.	100% ( 21 Km) Completion of roads as per the approved maintenance plan	100% (45 kms) Completion of roads as per the approved maintenance plan	Target Not Met . 15.79 KM was maintained instead of 45 KM that was planned	100% (45 kms) Completion of roads as per the approved maintenance plan	Target Not Met . 15.79 KM was maintained instead of 45 KM that was planned	100% (16 kms) Completion of roads as per the approved maintenance plan

## Employee Statistics (Roads Services)

Job Level	Year 2022/2023	Year 2023/2024			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	17	20	17	3	85
4-6	14	14	14	0	100
7-9				0	100
10-12	1	1	1	0	100
13-15				0	100
16-18	1	1	1	0	100
19-20					
Total	33	36	33		92

T3.7.5

## 3.6.4 FINANCIAL PERFORMANCE : ROAD SERVICES

FINANCIAL PERFORMANCE YEAR 2023/2024: ROAD AND STORMWATER SERVICES					
Details	Year 2022/ 2023	Year 2023/2024			R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	Total Operational Revenue	36 031	38 780	45 180	45 535
Expenditure					
Employees	15 109	13 983	13 764	15 402	(1 638)
Repairs and Maintenance	6 965	9 041	8 881	5 681	3 200
Other	9 653	12 208	12 819	1 183	11 636
Total Operational Expenditure	31 727	35 232	35 464	22 266	13 198
Net Operational Expenditure	(4 304)	3 548	9 716	(23 269)	





Tails	Year 2023/2024		
	Original Budget	Adjustment Budget	Actual Expenditure
Total Capital Revenue	37 575	56 709	51 928
Expenditure	24 275	83 073	62 083
Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges	7 200 000	1 380	2 503
Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14	4 925 435	17 025	13 136
Reconstruction of Roads in Upper Tele, Mabele, Makhumsa and Nombhengana Ward 3 (3km)		2 956	2 956
Rehabilitation of Roads & Stormwater in Mokhesi Ward 8	-	6 335	1 485
Rehabilitation of Roads & Stormwater in Ward 10	-	7 900	1 463
Rehabilitation of Roads & Stormwater in Lady Grey Ward 14	-	7 900	1 662
Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16	-	7 850	1 617
Reconstruction of Roads_Ntabamhlophe - Ward 05	-	1 565	1 544
Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12	-	1 151	1 139

### 3.6.5 Comment On The Performance Of Roads Overall:

- Un-licensed borrow pits are a huge problem in terms of legislation, usage by all and the fact that they are located mainly in tribal areas. This results in access difficulties experienced by the municipality as well as contractors due to the tribal authority/community interference.
- The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and this results in over-haulage or crushing. This raises the costs of construction and maintenance. Accessibility to gravel requires roads to be constructed to borrow pits to procure gravel and this leads to further delays.
- The municipality is working according to a Roads Maintenance Plan and the targets set for the year were met by 15,79 km.
- As part of the ongoing maintenance programme the municipality are in process to purchase:
  - 2 x Tipper Trucks
  - 1 x Excavator
  - 1 x Grader
  - 1 x Minibus (Already Received)

Production of the roads team is negatively affected by the extreme brake downs experienced late 2023 and beginning 2024 due to aging of the current plant that needed to be replaced long time ago.

## 3.7 TRANSPORT (FLEET MANAGEMENT )

### 3.7.1 Introduction To Transport

The Fleet Management section is located at the technical services department and its responsibility is to oversee how the Municipality's vehicles, plant and equipment is being utilized and maintained. The Fleet Officer is responsible for the management of the fleet and sees to it that the use of fleet is done in accordance with the municipal fleet management policy and that drivers sign trip authorities and that pre-trip inspections are done before the vehicle is released and that check lists of vehicles is done to determine the state at which the vehicle is, before it is released. Post trip inspections are done to determine the state at which the vehicle is brought back. Mileage and fuel utilisation is recorded and monitored regularly. The maintenance of the vehicles and plant is done through the use of private service providers in line with the Municipality's supply chain policy. The Municipality does not have a fully fledged fleet management unit and it is something that it intends to address in future.

The Fleet Section is also assisting departments to do procurement of new vehicles whenever a need arise. Fleet is constituted by Plant and Equipment as well as vehicles.

Employees: Transport Services					
Year-2022/2023		Posts	Year 2023/2024		vacancies (as % of total post)
Job Level	Employees		Employees	Vacancies (full time equivalent)	
	No	No	No	No	No
0-3					
4-6	0	1	0	1	100
7-9					
10-12	1	1	1	0	0
13-15					
16-18					
19-20					
Total	1	2	1	1	50

### EMPLOYEES: TRANSPORT SERVICES

#### FINANCIAL PERFORMANCE

Financial Performance Year 2023/2024: Transport Services					
Details	Year-1 Actual	Original Budget	Year 0		
			Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure					
Employees	776	709	768	109	659
Repairs and Maintenance	1 189	1 026	4 178	3 177	1 001
Other	561	7 762	6 543	926	5 617
Total Operation Expenditure	2 526	9 497	11 489	4 212	7 277
Net Operational Expenditure	(2 526)	(9 497)	(11 489)	(4 212)	

#### 3.7.2 COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

Currently the municipality's fleet needs to be replaced as it has overstretched its usefulness and its maintenance is quite expensive and in many cases the Municipality employees can not undertake service delivery tasks on time due to many mechanical breakages of vehicles and plant. This leads to long periods of unavailability of vehicles. The Municipality has to allocate sufficient financial resources to replace the current fleet.

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.8 PLANNING AND DEVELOPMENT

#### 3.8.1 INTRODUCTION TO PLANNING AND DEVELOPMENT

The Town Planning unit is comprised of the following functions:

- 1.Land Use Management
- 2.Spatial Planning
- 3.GIS
- 4.Building control
- 5.Housing; and
- 6.Investment Properties

The unit is challenged with the fast growth of informal settlements which create difficulties in planning for housing development. Land invasion in current informal settlements creates challenges when planning for informal settlements upgrading, as the numbers of occupants increase rapidly. This is also coupled with land invasion in other areas which are not earmarked for residential developments. This limits the municipality's efforts in attracting investments into its towns. There is potential growth for all the towns, however the towns in Senqu are all land locked, which prohibits outward growth. Towns are surrounded by state land (villages) and private farms. There is great potential for economic growth in Sterkspruit, should the land surrounding the town be vested with the municipality. The demand for housing is still high as a result of immigration and the rising population growth. The municipality is implementing four housing projects through the Department of Human Settlements, which are believed to decrease the housing demand substantially once completed.

### 3.9 PLANNING

#### 3.9.1 INTRODUCTION TO PLANNING

The main elements of town planning strategies are :

1. Sustainability of settlements
2. Economic growth
3. Protection of the natural environment
4. Resilience of towns; and
5. Functionality of towns and strong linkages with rural areas.

#### **Top three service delivery priorities:**

1. Availing land for residential and business purposes.
2. Integrated settlements.
3. Providing secure tenure (title deeds).

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Target	Actual	Current Year	Following Year
		Previous Year	Current Year	Previous Year	Current Year	Current Year	Current Year	Current Year	Current Year
Service Objective									
To develop and maintain urban centres to attract and keep investors to the municipality	Sterkspruit Development Business Plan/ Urban Design Framework by 30 June 2024	Appointment of a service provider	Appointment of a service provider	Appointment of a service provider	Appointment of a service provider	Approved Sterkspruit Development Business Plan/ Urban Design Framework	Approved Sterkspruit Development Business Plan/ Urban Design Framework	Approved Sterkspruit Development Business Plan/ Urban Design Framework	
Spatial Planning	Township Establishment for Lady Grey new settlements by 30 June 2024	Submission of application to the Municipal Planning Tribunal	Service provider appointed	Appointment of SP and submission of the engineering services report to the JGDM was done in 2021/2022	Submission of application to the Municipal Planning Tribunal	Appointment of SP and submission of the engineering services report to the JGDM was done in 2021/2022	Submission of application to the Municipal Planning Tribunal	Submission of application to the Municipal Planning Tribunal	Pegging of sites
Spatial Planning	Formalisation of Sterkspruit villages by 30 June 2027				Signing of MOU between the Municipality and Tribal authorities	MOU drafted but not signed	Signing of MOU between the Municipality and Tribal authorities	Signing of MOU between the Municipality and Tribal authorities	Signing of MOU between the Municipality and Tribal authorities
Spatial Planning	Development of the Senqu Land Acquisition Strategy 30 June 2025				Appointment of service provider	Service provider not appointed. Panel of service providers cancelled.	Appointment of service provider	Appointment of service provider	Draft Land Acquisition Strategy



Employees: Planning Services (PMU)					
Job Level	Year-1		Year 0		
	Employees	Posts	Employees	Vacancies (full time equivalent)	vacancies (as % of total post)
	No	No	No	No	No
0-3					
4-6					
7-9	1	1	1	0	100
10-12	3	4	3	1	75
13-15					
16-18	1	1	1	0	100
19-20					
Total	5	6	5	1	83

### Financial Performance: Planning and Local Development Services

Financial Performance: Planning and Local Development Services					
Details	2022/2023	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 386	1 964	1 804	8 144	(6 340)
Expenditure					
Employees	16 251	12 957	14 578	16 809	(2 231)
Repairs and Maintenance	2 647	200	200	3 090	(2 890)
Other	107	21 205	23 479	115	23 364
Total Operation Expenditure	19 005	34 362	38 257	20 014	18 243
Net Operational Expenditure	(12 619)	(32 398)	(36 453)	(11 870)	

### 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### Introduction to Economic Development

The Local Economic Development Strategy was adopted in June 2022. It has the following objectives which include the broad objectives of tourism development as well:

**The Senqu LED Strategy aims to achieve the following objective and strategies:**

**Objective 1:** To grow the local economy by 3 % by 2027.

**Strategy 1:** To attract 2 main investments by 2027.

**Objective 2:** To increase employment by X % in 2027

**Strategy 1:** Engage appropriate stakeholders on how to develop appropriate skills for the modern economy.

**Strategy 2:** Development of an SMME strategy



- Strategy 3:** Development of SMME's Hubs
- Strategy 4:** Facilitate the development of organisations to mentor and assist emerging businesses.
- Strategy 5:** Utilize more labor-intensive methods in capital infrastructure projects.
  
- Objective 3:** Stimulation of the rural economy
  - Strategy 1:** Facilitate the development of access to market for emerging farmers with appropriate stakeholders.
  - Strategy 2:** Facilitate the maintenance of the most important rural roads for farmers.
  - Strategy 3:** Facilitate the access for emerging farmers to machinery.
  - Strategy 4:** Engage appropriate stakeholders on how to improve mobile phone coverage and increase data speeds.
  
- Objective 4:** Development of investor friendly and attractive urban areas
  - Strategy 1:** Develop a red-tape reduction strategy to reduce business turnover time on applications.
  - Strategy 2:** Development of legally compliant businesses
  - Strategy 3:** Utilisation of the green economy

Programmes and implementation plans form part of the strategy.

In order to facilitate job creation the Municipality has set the following targets which are monitored by the LED Unit. These targets for enterprise development support have been set at 30 % procurement by SMME & Co-operatives of the Operational Budget and 30 % of all projects over R 6 million must be given to subcontractors.

Other job creation is done through the implementation of the EPWP programme which created 346 jobs on 7 sites.

The capital projects where the 30 % of all projects over R 6 million must be given to subcontractors were 3 in total viz Blue Gums Sports Field, DLTC Sterkspruit, Lady Grey Paving. However due to slow progress only 2 companies were subcontracted to provide security services.

The target for 30 % procurement by SMME & Co-operatives of the Operational Budget A total of R76,223,179.77 was spent on SMME's. the total budget spent on operations was R 258 545 920. Therefore 29.48% of the operational budget was spent on SMME's.

Jobs Created during Year 2023/2024 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created/ Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)	0	0	0	0
Year-2				
Year-1				
Year-0	2031	0	2031	CWP Annual Report
Initiative A (Year-0)				
Initiative B (Year-0)				
Initiative C (Year-0)				

Job creation through EPWP* Projects		
Details	EPW P Projects No	Jobs creation through EPW P projects No
2023/2024	7	346

The Senqu Municipal GDP grew from R 2,1 Billion (2010) to 4 Billion (2020). It makes up 32,63 % of JGDP GDP and 1,06% of EC economy GDP. This growth is not necessarily an increase in production but could be due to the increasing costs of products. The



annual growth rate from 2010-2020 was 1,3%. The forecast is an annual growth rate of 2,37% from 2020 to 2025.

The economy of Senqu is not diverse. The biggest sector of the economy is the tertiary sector. Trade had the highest positive growth 2012 at 6.1%, transport in 2012 at 4.6% and finance in 2012 grew at 5.8%. Community services sector had the highest positive growth in 2011 with 4.7%. These growth rates have also become negative in 2020.

The primary sector consisting of mining and agriculture experienced its highest growth rate in 2017. Agriculture from 2010 to 2020 had an average growth rate of 21.1% with mining at 11.3%. The secondary sector of manufacturing, electricity and the construction sector had construction have the highest growth rate in 2013 at 6,0%. Manufacturing had the highest growth rate of 4,9 % in 2010. 2010 – 2020. However since then these 2 sectors have declined to negative growth rates in 2020.

The Primary sector is expected to grow at an average annual rate of 0.64% between 2020 and 2025, with the Secondary sector growing at 2.50% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.39% for the same period. These growth rates may be overstated in light of the current declining economic climate.

### Employment

The economically active population (EAP) is of 47 200 in 2020 who make up 28,99% of the total population. From 2010 - 2020, average annual increase in employment was 3.88%. The majority of employment is in formal employment especially the Tertiary industry, with 8 060 jobs. Formal jobs make up 43,5 % of all jobs available. The total number of jobs in 2020 is 22 600 jobs (formal & informal). Formal jobs 43.5%

### Unemployment

In 2020, 17 300 people were unemployed which is an increase of 9 880 from 7 460 in 2010. This is an average annual increase of 8,81 %. This gives Senqu an unemployment rate of 40,6 % which is higher than the national and provincial rate.

### Household Income

In 2020, 22.50% of all the households lived on R30,000 or less per annum. This is an increase of households of 43,26 %. The highest number of households survive on 30,000 to 42,000 income followed by the 18,000-30,000 households. Only 4.4 households fall within the 0-2400 income category.

Per capita income in Senqu Local Municipality is R 31,500 i.e. per person - lower than Eastern Cape and JGDM. South Africa =R 58,700.

GVA by Broad economic sector – Senqu 2020 [R Billions, Current Prices] (ECSECC)			
Sector	Year-2	Year-1	Year-0
Agriculture		162.0	150.0
Mining		7.0	7.1
Manufacturing		122.0	122.7
Electricity		26.2	26.0
Construction		108.7	101.9
Trade		477.1	466.2
Transport		188.5	193.7
Finance		451.1	464.3
Community services		2.028.5	2.049.8
Total Industries		3.571.1	3.581.5

Source: IHS Markit Regional eXplorer version 2142

Economic Employment by Sector			
			Jobs
Sector	2021 No	year 1 No	Year 0 No
Agric, forestry and fishing	2,410		2,860
Mining and quarrying	32		25
Manufacturing	871		1,030
Electricity			33
Construction			2,310
Transport			969
Wholesale and retail trade	4990		
Finance, property, etc.	2,224		1,820
Govt, community and social services	9,430		6,870
infrastructure	2,664		
Households			2,190
Total	22,621		18.107

## CONCLUSION

The main hinderance to economic development is the limited and aging infrastructure. The majority of roads are unpaved and poorly maintained. In addition, the low speed and poor quality of internet reception throughout the region limits trading activities from home unlike other economies. Access to land and finance remain stumbling blocks for SMME development. The lack of skills amongst workers remain a challenge as most workers only have a secondary qualification with very few having tertiary qualifications. These workers are therefore dependent on primary industry activities particularly in agriculture and tourism.

Tourism is a growth sector due to its scenic beauty, hiking and wildlife attractions and trout fishing. The remoteness of the area and its diverse landscapes are favoured by off road enthusiasts, trail runners and mountain bikers. Adventure tourism including hiking and biking will result in economic growth.

Agriculture particularly livestock production such as wool production is a major economic driver. Senqu is one of the largest producers of wool in the Eastern Cape. Its climate and topography make it well suited to expand this type of farming. Due to the limited use of irrigation, most crop production is dryland and small. Therefore niche agricultural production is a key to expanding this sector.

SMME development especially around contractor development will assist in our contractors being able to take on larger capital projects in the area. However many SMME's lack business skills to run and maintain their businesses such as financial skills as well as a lack of space to operate from. Therefore SMME hubs and an increase in hawkers stalls will assist SMME's to reach their target audience.



Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Target	Current Year	Current Year	Following Year
		Previous Year		Previous Year		Current Year	Current Year	Current Year	
Service Objective									
Growth of the economy	Implementing the LED and tourism strategy	To grow the local economy by 3 %	Annual implementation	Annual implementation	Annual implementation				
		To attract 2 main investments by 2027	Annual implementation plan adopted	Annual implementation plan adopted	Annual implementation plan adopted				
Employment	Increase employment	Number of jobs created through the LED initiatives including capital projects annually	An average of 290 jobs were created during the 2022/2023 financial year	Annual reports	Annual reports	Annual reports	346 jobs created		
		To increase employment by X% by 2027							

Employees: Local Economic Development Services					
Job Level	Year-1	Year 0			
	Employees No	Posts No	Employees No	Vacancies (full time equivalent) No	vacancies (as % of total post) No
0-3					
4-6					
7-9					
10-12	2	2	2	0	100
13-15					
16-18	1	1	1	0	100
19-20					
Total	3	3	3	0	100

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

The LED Unit did not undertake any capital projects in the year under review.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.11 INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

This component includes: Waste Management, Indoor Community facilities (Halls), Cemeteries & Crematoria, Pollution Control, Bio-Diversity & Landscape, Traffic & Public Safety, Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Sport & Recreation and Libraries, Archives, Museums, Galleries.

#### 3.11.1 LIBRARIES;ARCHIVES;MUSEUMS;GALLERIES;COMMUNITYFACILITIES;OTHERPOLICYOBJECTIVES TAKENFROMIDP INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

The main purpose of the Library Service in Senqu Municipality is to provide information and knowledge to the community. The service is provided by way of five libraries in the urban areas and 1 modular library in Hillside Village, Sterkspruit. The Herschel modular library was vandalised and it is no longer operational. The municipality runs this service as an agency function for the Department of Sports, Arts and Recreation. More funding is however required for this service to fulfil the demand of school and university learners.



**SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)**

Policy Objectives Taken From IDP: Libraries; archives; Museums; Galleries; Community Facilities; Other

Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Target	Actual	Current Year	Following Year
		Previous Year	Current Year	Previous Year	Current Year	Current Year	Current Year	Current Year	Current Year
Service Objective	Average no of library visits per library quarterly	Quarterly reports on individual libraries regarding visits	4 Quarterly reports on individual libraries regarding visits	Quarterly reports on individual libraries regarding visits	4 Quarterly reports on individual libraries regarding visits	Quarterly reports on individual libraries regarding visits	4 Quarterly reports on individual libraries regarding visits	Quarterly reports on individual libraries regarding visits	4 Quarterly reports on individual libraries regarding visits

**Employees: Libraries; archives; Museums; Galleries; Community Facilities; Other**

Job Level	Year-1		Year-0		vacancies (as % of total post)	
	Employees	Posts	Employees	Vacancies (full time equivalent)	No	No
	No	No	No	No	No	No
0-3						
4-6						
7-9	3	3	3	0	100	100
10-12	2	2	2	0	100	100
13-15						
16-18						
19-20						
TOTAL	5	5	5	0	100	100

Financial Performance Year 0: Libraries; archives; Museums; Galleries; Community Facilities; Other					
Details	Year-1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 507	1 508	1 518	1 520	(2)
Expenditure					
Employees	3 481	2 360	2 579	2 649	(70)
Repairs and Maintenance	-	-	-	-	-
Other	256	286	286	136	150
Total Operation Expenditure	3 737	2 646	2 865	2 785	80
Net Operational Expenditure	(2 230)	(1 138)	(1 347)	(1 265)	82

### Financial Performance: Library Services

Capital Expenditure Year 0: Libraries; archives; Museums; Galleries; Community Facilities; Other

There were no capital projects on libraries and therefore no capital expenditure incurred for the 2023/2024 financial year.

#### 3.11.2 Comment On The Performance Of Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc) Overall:

The Municipality is doing very well in the area of running Libraries the ICT program at the libraries has produced high number of members. The provision of information to the community occurs in different ways. Learners and students are helped with information out of books, newspapers, magazines, pamphlets and the Internet to do their assignments and for research. Libraries also provide story books and magazines for relaxation purposes. The Library Service encourages children to read by way of storytelling, displays, DVD shows and holidays programmes. Library promotions activities and events were held during the financial year.

The following is a membership in respect of the financial year 2023/2024:

LIBRARIES	JUNE 2024 MEMBERSHIP
Lady Grey	315
Barkly East	427
Sterkspruit	561
Rhodes	138
Rossouw	114

### 3.12 CEMETERIES AND CREMATORIUMS

#### 3.12.1 INTRODUCTION TO CEMETERIES & CREMATORIUMS

The cemetery function is applicable to the Municipality in terms of functions and powers as prescribes by Municipal Structures Act 117 of 1998. There are 12 municipal cemeteries within the urban areas of the Senqu Municipality. The Municipality strives to provide safe and accessible cemeteries to all residents.

**3.12.2 SERVICE STATISTICS FOR CEMETERIES & CREMATORIIUMS**

In the 2023/2024 financial year there were 215 normal burials that took place in the municipal cemeteries and the Municipality assisted with 8 destitutes.

**3.12.3 CLOSED CEMETERIES**

Khwezi Naledi Cemetery, Barkly East Town Cemetery, Nkululeko Cemetery, Zinyoka Cemetery.

**3.12.4 OPERATING CEMETERIES**

Steve Tshwete Cemetery, Barkly East waste site Cemetery, Transwinger Cemetery, Sterkspruit Cemetery, Rhodes Cemetery, Zakhele Cemetery, Rossouw Cemetery and Lady Grey Cemetery.

Cemeteries and Crematoriums Policy Objectives Taken From IDP										
Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		Previous Year		Previous Year		Current Year		Current Year		Following Year
Service Objective										
To ensure effective management, construction, and maintenance of cemeteries	Development of Cemeteries	Barkly East Cemetery Completed and operational	Barkly East cemetery completed		Lady Grey and Herschel Cemetery Layout Plans		Nil			



Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year-1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	21	22	25	24	1
Expenditure					
Employees	134	55	137	198	(61)
Repairs and Maintenance	272	1 012	1 101	818	283
Other	633	690	756	923	(167)
Total Operation Expenditure	1 039	1 757	1 994	1 939	55
Net Operational Expenditure	(1 018)	(1 735)	(1 969)	(1 915)	

Capital Expenditure Year : Cemeteries and Crematoriums					
R' 000					
2023/2024					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	variance From Original Budget	Total Project Value
Total All					
Lady Grey and Herschel Cemetery Layout Plans	720	-	216	504	216
Cemetery in Barkly East	0	175	175	-	12 052
Project C					
Project D					

### 3.12.5 Comment On The Performance Of Cemeteries

The cemeteries are managed by implementing the cemetery by-laws and maintaining all cemeteries to an acceptable standard. The Municipality is responsible for managing all cemeteries. Priority is given to Lady Grey project to create burial space to meet shortages. The Municipality also provides an administration and booking function for burial sites. This includes pauper and indigent burials. The Barkly East cemetery was completed in the year 2022/2023. During the financial year there were damages that occurred in the fencing. It was necessary to start with the fixing of the fence at the Barkly East cemetery which was damaged to prevent unauthorised access being gained to the cemetery. The Municipality succeeded in providing well maintained cemeteries to the urban areas in the municipal area. The operational maintenance of the cemeteries is done mainly in-house. The municipality also succeed in maintaining cemeteries that are owned by the municipality in the rural areas of Sterkspruit. The Municipality started with the planning phase for a new cemetery in Lady Grey to ensure that the need for cemetery space can be met.



### 3.13 CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

#### 3.13.1 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Local authorities have a legal mandate in terms of the Constitution (Schedule 4B) regarding their duty to provide facilities for early childhood development. In terms of child care, it is required that the municipality inspects the facilities utilized in order to ensure that they meet the minimum requirements.

#### 3.13.2 COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL

##### PROGRAMMES

The District Municipality Environmental Health Practitioners inspect child care and report on their status and whether any interventions are necessary. The Environmental Health Practitioners assist with the monitoring of the quality of early childhood development, facilities, services and programmes rendered within those facilities. The Municipality is in the process of ensuring that current facilities meet minimum health and safety

Requirements however, finances are limited. The Municipality struggles with early childcare facilities as most of the facilities are overcrowded and do not meet legislative requirements in terms of municipal health regulations norms and standards of Environmental Health Policies.

Financial Performance Year : Child Care; Aged Care; Social Programmes					R'000
Details	2022/2023	2023/2024			
	Actugyal	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	768	1 563	1 578	1 623	(45)
Total Operation Expenditure	-				
Net Operational Expenditure	(768)	(1 563)	(1 578)	(1 623)	

#### Capital Expenditure Year 0: Child Care; Aged Care; Social Programmes

There were no capital projects on : Child Care; Aged Care; Social Programmes and therefore no capital expenditure incurred for the 2023/2024 financial year.



## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.14 ENVIRONMENTAL PROTECTION

#### 3.14.1 INTRODUCTION TO ENVIRONMENTAL PROTECTION

##### POLLUTION CONTROL

#### 3.14.2 INTRODUCTION TO POLLUTION CONTROL

This component includes: pollution control, biodiversity and landscape. With regard to biodiversity, the municipality is in the process to finalize the Environmental Management Framework Plan for the Senqu area.

#### 3.14.3 COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The Air pollution function is shared with the Joe Gqabi District Municipality. The Municipality has no financial resources to develop an air quality plan or engage specific staff for the function. Maintenance, management and development of parks open spaces, beautifying and landscaping of towns and townships, entrances and gardens was carried out during the financial year. The municipal parks are maintained on a regular basis by means of grass cutting cycles which is done by municipal employees. These parks do not have playing apparatus. These apparatus were vandalized. The past year very little was done to repair vandalized play parks due to capacity constraints.

## COMPONENT F: SPORT AND RECREATION

### 3.15 SPORT AND RECREATION

#### 3.15.1 INTRODUCTION TO SPORT AND RECREATION

This unit is responsible for the management and maintenance of sport and recreational facilities. Sport fields and stadiums are maintained to an acceptable standard for use by communities. The Municipality in terms of powers and functions provides for the building and maintenance of sports facilities, these facilities are availed for the community to participate in recreational activities and they are used for rental.

#### 3.15.2 SERVICE STATISTICS FOR SPORT AND RECREATION

Senqu Local Municipality is currently having sport facilities in the following areas: Lady Grey, Barkly East, Sterkspruit, Kwa Gcina and Zava and Blue Gums sport field is in a process of being constructed

**SERVICE STATISTICS FOR INTRODUCTION TO INDOOR RECREATIONAL COMMUNITY FACILITIES (HALLS)**

**Sport And Recreation Policy Objectives Taken From IDP**

Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Target	Current Year	Current Year	Following Year
		Previous Year	Current Year	Previous Year	Current Year	Current Year	Current Year	Current Year	Following Year
Service Objective									
To ensure effective management and maintenance of sports facilities	Upgrade and construction of municipal facilities	Construction of Blue Gums sport field				Upgrading at Khwezi Naledi Stadium and fixing electricity			

**3.15.3 COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION**

Taking the targets into account, the department has achieved its objectives during 2023/2024 financial year in the provision of sport facilities and service. Provision of sport facilities was achieved with grass cutting and general maintenance of the facilities. A maintenance plan was developed and . 5 sports fields were maintained during the financial in Lady Grey, Barkly East, Gcina – Sterkspruit, Naledi –Sterkspruit and Sterkspruit. Soccer fields in rural areas of Sterkspruit were not maintained due to lack of resources. Some of the stadiums require major maintenance which could not be carried out due to lack of funding only preventative maintenance has been conducted. The fixing of Khwezi Naledi stadium fence could not be achieved due to budgetary constraints. The sport fields in Kwa Gcina and Zava which are situated in villages of Sterkspruit continue to be a challenge as these facilities are constantly being vandalised.

**3.16 INDOOR RECREATIONAL COMMUNITY FACILITIES (HALLS)**

**3.16.1 INTRODUCTION TO INDOOR RECREATIONAL COMMUNITY FACILITIES (HALLS)**

This unit is responsible for the management and maintenance of Halls and facilities. Halls and facilities are maintained to an acceptable standard for use by communities.

**3.16.2 SERVICE STATISTICS FOR INTRODUCTION TO INDOOR RECREATIONAL COMMUNITY FACILITIES (HALLS)**

Total number of halls - 27, 18 in rural areas and 9 in urban areas.

Indoor Recreational Community Facilities (Halls) Policy Objectives Taken From IDP										
Service Objectives	Outline Service		Year-1		Year-0		Year-1		Year-3	
	Target	Actual	Target	Previous Year	Actual	Target	Current Year	Current Year	Current Year	Following Year
Service Objective										
To ensure effective management, construction, and maintenance of indoor recreational community facilities	Upgrade of municipal facilities		Construction of Herschel Hall Renovate Barkly East Town Hall		BE Town Hall renovated but still finalising snags and furniture. Hershel Community Hall project had to be readvertised					



Employees: Indoor Recreational Community Facilities (Halls)					
Job Level	Year-1	Year 0			
	Employees No	Posts No	Employees No	Vacancies (full time equivalent) No	vacancies (as % of total post) No
0-3	7	8	7	1	
4-6	8	8	8		
7-9	3	3	3		
10-12	2	2	2		
13-15					
16-18	1	1	1		
19-20					
Total	21	22	21	1	

### 3.16.3 COMMENT ON THE PERFORMANCE OF INDOOR RECREATIONAL COMMUNITY FACILITIES (HALLS)

Minor maintenance was conducted in halls, major maintenance could not be carried out due to lack of funding only preventative maintenance has been conducted. During this period, it must be noted that although renovations were intended for Herschel Community Hall, this was not done due the delays in the supply chain management processes. Herschel Community Hall project had to be readvertised. Halls were cleaned and maintained as per the cleaning and maintenance schedule and reported monthly to the standing committee. Halls in urban as areas are booked through finance and are in a good condition as most of them are in a good condition. Barkly East Town Hall renovated is completed but still finalising snags and furniture.

NB. It must also be noted that the Municipality does not have a dedicated staff for Sports and Recreation and Recreation Community Facilities. Instead those are catered for under the Amenities segment. Therefore the numbers for Amenities are reflective of both Community Halls and Sport fields.

## COMPONENT

### G: MISCELLANEOUS (ICT) SUPPLY CHAIN MANAGEMENT, RISK MANAGEMENT AND LEGAL SERVICES INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

Information Communication and Technology Services of the Senqu Local Municipality is delegated to the office of the Budget and Treasury Offices (BTO) under the stewardship of the Chief Financial Officer.

In the modern business world ICT has become a strategic imperative without which organisations cannot survive. Due to this and other factors, ICT strategic planning has become critical for every organisation.

Senqu Municipality has recognised this fact and embarked on a project to develop an ICT Strategy. The ICT Strategic Plan for Senqu Municipality was developed in conjunction with key stakeholders from within the municipality.

The Municipality strives to make the best use of Information and Technology and therefore subscribes to the COBIT 5 Best Practice Framework for the governance of enterprise ICT as developed by ISACA which are:

The 5 underlying principles of this framework are:

- Meeting Stakeholder's needs.
- Covering the enterprise end to end service delivery objectives.
- Applying a single integrated framework.
- Enabling a holistic approach and
- Separating Governance

In the process of trying to attain the above-mentioned principles of the framework the council developed and a 5-year ICT Strategic Plan which has 28 business processes

- So far Senqu Local Municipality have achieved 12 business processes of which 4 were implemented in the 2023-24 FY. The achieved 4 business processes are as follows:
- ICT Equipment and Refreshment Cycle
- Virtual Private Network Line Rental (Network Connectivity & Bandwidth)
- Network Security Control Solution (Replace and Increase Security Software Coverage-Firewall)
- ICT Network Maintenance and Server Support

The implementation of the above-mentioned business processes has had a positive impact on the institution so that ICT as business enabler is able to :

- Mitigate the risk of ageing computers and their peripheral devices.
- Secured data lines speed were upgraded and improved.
- Constant attacks and vulnerability of the Senqu networks are prevented
- Employees ICT tools of trade were enhanced, and new technological application were upgraded.
- Efficient and effective virtual platforms for the municipality were improved.



ICT service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Target	Year-1		Year-0		Year-1		Year-3	
		Target	Actual	Target	Actual	Current Year	Following Year	Current Year	Following Year
Service Objective									
To ensure a continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment		8 of the 28 Strategic ICT Priorities Implemented in 2022/2023	8 of the 28 Strategic ICT Priorities Implemented in 2022/2023	4 of the 20 Strategic ICT Priorities Implemented in 2024/2025	4 of the 20 Strategic ICT Priorities Implemented in 2024/2025	4 of the 20 Strategic ICT Priorities Implemented in 2024/2025	4 of the 20 Strategic ICT Priorities Implemented in 2024/2025	4 of the 16 Strategic ICT Priorities Implemented in 2024/2025	4 of the 12 Strategic ICT Priorities Implemented in 2024/2025

## Employees: ICT Services

Employees: ICT Services					
Job Level	Year-1	Year 0			
	Employees No	Posts No	Employees No	Vacancies (full time equivalent) No	vacancies (as % of total post) No
0-3					
4-6					
7-9					
10-12	2	2	2	0	100
13-15					
16-18	1	1	1	0	100
19-20					
Total	3	3	3	0	100

Financial Performance Year : ICT Services					
					R'000
Details	2023/2024	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure					
Employees	2 569	2 850	3 186	2 871	315
Repairs and Maintenance	-	-	-	-	-
Other	4 375	4 351	6 235	4 684	1 551
Total Operation Expenditure	6 944	7 201	9 421	7 555	1 866
Net Operational Expenditure	(6 944)	(7 201)	(9 421)	(7 555)	

Capital Expenditure Year : ICT Services					
2023/2024					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	variance From Original Budget	Total Project Value
Total All					
Laptops & IT Equipment	1 300	2 520	1 801	719	
Project B					
Project C					
Project D					

### 3.17.2 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

For the 2023/2024 Financial Year the ICT Unit undertook the following projects

- New Laptops and bag pack for officials and Councillors were purchased
- Rental of automated office equipment in the form of bulk printers
- Provisioning of data modems for officials through acquisition of Service Level Agreement with a service provider.
- Provisioning of both internet and security firewall services through a Service Level Agreement with a service provider.

The provisioning of the above capital ICT infrastructure has ensured that the municipal processes and functions that rely heavily on the ICT services as business enablers were able to improve and operate at the optimum levels. The municipality has also obtained licences for critical systems to enable the ICT services to operate legally and authentically and to enhance the security of the ICT infrastructure. The ICT has been functioning with the staff establishment of 3 personnel, this is a far cry from the expected norm as per approved ICT Strategy.

### 3.18 LEGAL: RISK MANAGEMENT AND PROCUREMENT SERVICES

#### 3.18.1 INTRODUCTION TO LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

##### 3.18.1.1 LEGAL SERVICES

Legal Services attends to municipal litigations, general provision of legal services support to directorates and maintains a litigation register that is constantly updated. A quarterly report of litigations is sent to our standing committee, audit committee, senior executive and COGTA (Executive Committee and Council as and when required). Upon receipt of proceedings legal services informs and follows up with the affected directorate to assess whether the proceedings should be defended or settled accordingly. A panel of legal services is appointed on a three-year term to further pursue cases that arise on behalf of the municipality, referrals are made to the panel on a case-by-case basis.

The legal services unit has made significant strides in ensuring access to administrative justice and promoting good governance. Herewith some highlights and achievements:

- Establishment of In-House Legal Personnel: The Municipality has established its own in-house legal unit to manage litigation and provide legal advisory services, ensuring that legal matters are handled efficiently and effectively.
- Provision of quality Legal Services: Legal services has been working to deliver quality services, by developing a Litigation Management Framework and Standard Operating Procedures.
- Transformation of Legal Services: Efforts have been made to transform legal services, by ensuring that we provide proactive legal interventions.
- Mindset of the institution when on legal matters: Raising consciousness within the municipality on matters that may have legal implications and put the municipality under risk of litigation to the municipality. **3.18.1.2**

**RISK MANAGEMENT**

The Municipal Finance Management Act's Section 62(i)(c) stipulates that formal risk management is a compliance requirement. Accordingly, every municipality has to develop and execute a risk management system that is transparent, efficient, and effective. It becomes apparent that the organisation will experience losses both financially and operationally if risks cannot be identified and managed. It is impossible to justify the costs and detrimental effects of not managing risk, especially if the risk was recognised and nothing was done about it. Apathy would show up as inadequate management in principle and unacceptable business practices. Extreme organisational costs, audit inquiries, and potential audit qualifications are the "fallout" associated with this.

TOP 5 RISKS 2023/2024	CURRENT CONTROLS	RISK MITIGATION
Ineffective maintenance of the ageing municipal infrastructure assets	<ol style="list-style-type: none"> <li>Repairs and maintenance budget.</li> <li>Maintenance personnel.</li> <li>Investment property current controls include:                             <ul style="list-style-type: none"> <li>- Investment Property Framework</li> <li>- SLA's</li> <li>- Disposal Committee</li> </ul> </li> <li>Maintenance Plan for Municipal Facilities</li> </ol>	Approve a maintenance budget for F/Y 2023/24
Under-expenditure of conditional grants	<ol style="list-style-type: none"> <li>Established PMU.</li> <li>Approved IDP.</li> <li>Approved Project Management Strategy.</li> <li>Project Implementation Plan</li> <li>Contract conditions (Joint Builders Conditions of Contract &amp; General Conditions of Contract)</li> <li>SCM Unit</li> <li>Procurement Plan</li> <li>Appointed BID Committees</li> </ol>	Development Procurement Strategy.
Loss of Institutional Memory	<ol style="list-style-type: none"> <li>Established Registry Unit.</li> <li>Approved File Plan.</li> <li>Designated storage sites.</li> <li>Manual document management system.</li> </ol>	Establish knowledge hub for the municipality (this will be a phased process next steps to follow next financial) Knowledge and Information Plan
Illegal occupation of municipal land	<ol style="list-style-type: none"> <li>Land-Use Scheme.</li> <li>PIE Act.</li> <li>Building Regulations Act.</li> <li>Municipal By-Laws.</li> <li>Disposal Committee.</li> <li>Housing Sector Plan</li> <li>Approved Land Disposal Policy</li> </ol>	The implementation Land Disposal Policy
Business discontinuity	<ol style="list-style-type: none"> <li>Municipal Corporate Governance ICT Framework</li> <li>ICT Strategic Plan.</li> <li>ICT Steering Committee</li> </ol>	Reviewal of Municipal Corporate Governance ICT Framework.

### OVERSIGHT ON RISK

The required oversight of all risk-related issues (internal and external) is provided by the Internal Audit Committee. Priority is given to the top five (5) risks. as seen in the above table. Although this, risk is recognized at every level, and contingencies are implemented whenever appropriate to mitigate risk. Comparing anticipated and actual risk is part of the oversight duties. To effectively manage risk, established procedures and practices are used to measure and assess how risk is mitigated and how reporting and controls are implemented.

The structures and reporting structures mentioned below have been applied to facilitate monitoring, oversight, and management:

- i. A Risk Management Strategy was developed and updated on a regular basis, except for the current year where no policies had been reviewed. This results in a consistent approach to risk management and commitment across the organization.
- j. The municipality has created a Risk Profile that identifies and rates risks, indicating their level of significance and action plans for resolution. This profile is then monitored and reported on.
- k. Directors/Departments receive advice on necessary risk mitigation actions.
- l. The Risk Action Plan for each Directorate is required to be prepared, monitored, and revised annually.
- m. The IT Disaster Recovery Plan was reviewed with no revisions needed.

## ANTI-CORRUPTION AND FRAUD

The Fraud Prevention Plan of Senqu Municipality has been approved. This plan defines “fraud” and has led to the development of a Code of Conduct for Councillors and Employees. The organization developed and set into effect fraud reporting procedures as well as a policy and practice for protecting “whistle-blowers.” This plan further outlines the rules and guidelines that must be followed or put into place in order to stop any fraudulent conduct or practices that might be noticed in supply chain management operations and similar activities. In light of this, it should be mentioned that the Audit Committee, Internal and External Audit, and all of those involved are expected to monitor this area and disclose any signs of fraud.

Strategies for Fraud and Anti-Corruption

### In an attempt to minimize and prevent fraud, it is observed that:

- a. The Risk and Compliance Unit is in charge of carrying out the Fraud Prevention Plan.
- b. The Code of Conduct is explained to all newly appointed employees and council members during their induction, guaranteeing that they are well-prepared for the procedures and the way that everyone must act.
- c. In accordance with the Disciplinary Policy and Procedure Code, any occurrence of misconduct or malpractice shall be dealt with appropriately.
- d. To prevent corruption, fraud, and theft, very explicit procedures are in place for authorizing approvals and payments. According to the Municipal Finance Management Act (MFMA), a highly particular signature authority is established in this regard.
- e. If someone is suspected of violating any legal requirements or committing fraud, they are suspended right away while the investigation is ongoing and, if appropriate criminal charges will be filed.
- f. To combat fraud, eliminate inappropriate influences on supply chain management processes and rewards, and ensure compliance, all staff members and Councillors signed their Declaration of Interest Forms.
- g. The municipality with the support of ECCOGTA conducted a Fraud Risk Workshop and Awareness during Quarter 2 of 2023/24.; and

It is noted that both the Mayor and the Municipal Manager have publicly condemned acts of corruption, fraud, and malpractice of any kind.

### 3.18.3 SUPPLY CHAIN MANAGEMENT OVERVIEW SUPPLY CHAIN MANAGEMENT

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals that will facilitate that the application of Supply Chain Management Policy and Procedures – facilitating the correct acquisition and provision of required goods and services.

- d. All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council: and
- e. During 2023/2024, SCM compliance reporting was submitted to National Treasury; and
- f. Reference is made to Appendix H for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.



Employees: Legal; Risk Management; and Procurement Services					
Job Level	Year-1	Year 2023/2024			
	Employees No	Posts No	Employees No	Vacancies (full time equivalent) No	vacancies (as % of total post) No
0-3	1	1	1	0	0
4-6					
7-9	3	4	3	1	33.3
10-12	4	4	4	0	0
13-15	2	2	2	0	0
16-18	5	5	5	0	0
19-20					
Total	15	16	15	1	6.6

Financial Performance Year 2023/2024 : Property; Legal; Risk Management; and Procurement Services					
					R'000
Details	Year-1	Year2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure	-	-	-	-	-
Employees	1 718	4 181	3 515	3 508	7
Repairs and Maintenance		-	-	-	-
Other	3 850	3 956	4 685	3 741	944
Total Operation Expenditure	5 568	8 137	8 200	7 249	951
Net Operational Expenditure	(5 568)	(8 137)	(8 200)	(7 249)	

SENQU MUNICIPALITY

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (JULY - JUNE) 2023-2024



KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														
STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To ensure that the traffic section operates effectively and efficiently	BSD01B3-G9D14B9-N9	BS001-01	Construction of a DLTIC in Sierspruit by 30 June 2025	Contractor Appointed in 2022/23	Completion of Earthworks, building foundation and concrete casting)	Director Technical Services/PMU Manager/R. 13 875 502.38	DLTIC constructed in Sierspruit	Improved conditions of DLTIC services for Sierspruit community. To increase revenue collection for the municipality.	Relocation of current vendors. Site establishment and demolitions	Site clearance, Layer works for foundation setting out and casting of foundations	Completion of earthworks for office building	Completion of Earthworks, building foundation and concrete casting	1. Quarterly Progress Report signed by Director	Director Technical Services
									Appointment of SP and site establishment, Clear and Grab	Completion of project. Backup batteries installed.	Not a target	Not a target		
Decrease in downtime due to loadshedding	ELECTR	BSD11-03	Installation of Power Back Up System Batteries by 31 December 2022.	Power Backup System with no Batteries	Procurement and Installation of Batteries for the Power Back Up System	Director Technical/Electro Technical Controller/ R.3 150.000.00	Reduce power downtime	Ensure Business Continuity during power failure	Appointment of SP and site establishment, Clear and Grab	Completion of project. Backup batteries installed.	Not a target	Not a target	1. Asport letter 2. Proof of Purchase and Installation 3. COC-1, Completion certificate	Director Technical Services

Table 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
Increased financial Viability	MFM03	MFM03-05	Report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches after identification of related expenditure by 30 June 2024	2022/2023 Reports	Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches that occurred during the FY	CFO/Manager Demanded and Acquisition	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches that occurred during the FY	Improved management of municipal finances	1 Quarterly report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	1 Quarterly report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	1 Quarterly report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	1 Quarterly report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	UJRF Report Submitted to Council	CFO
Good Governance	FINANCIAL MANAGEMENT - MFM03	MFM03-06	Compilation and submission of Legislatively Compliant AFS by 31 August 2023	2022/2023 AFS	Compilation of 2022/2023 AFS by 31 August 2023	CFO/All Directors	Legislatively compliant AFS	Improved reporting on public funds	Not a target in Q2	Not a target	Not a target	Not a target	Proof of submission of AFS to the Auditor General and relevant Treasurers	CFO
Report on the % of operational budget actually spent with a variance of 5%	FINANCIAL MANAGEMENT - MFM03	MFM03-07	Report on 100% Expenditure of the Operational Budget by 30 June 2024	The OPEX expenditure 2022/2023	12 Monthly Reports on 100% Expenditure of the Operational Budget for the Budget and Treasury office by the end of the financial year	CFO/ R000 Financial System	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	3 Monthly Reports on the actual operational budget % spent (65% by the end of the quarter)	3 Monthly Reports on the actual operational budget % spent (70% by the end of the quarter)	3 Monthly Reports on the actual operational budget % spent (75% by the end of the quarter)	3 Monthly Reports on the actual operational budget % spent (80% by the end of the quarter)	12 Reports Approved by the CFO Standing Committee Consideration	CFO
Report on % Capital budget actually spent with a variance of 5%	FINANCIAL MANAGEMENT - MFM03	MFM03-08	Report on 100% Expenditure of the Capital Budget by 30 June 2024	The CAPEX expenditure of 2022/2023	12 Monthly Reports on 100% Expenditure of the Capital Budget	CFO/ R000 Financial System	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	3 Monthly Reports on the actual Capital budget % spent (20% by the end of the quarter)	3 Monthly Reports on the actual Capital budget % spent (60% by the end of the quarter)	3 Monthly Reports on the actual Capital budget % spent (80% by the end of the quarter)	3 Monthly Reports on the actual Capital budget % spent (100% by the end of the quarter)	12 Reports Approved by the CFO Standing Committee Consideration	CFO
Report on % of Conditional grants received actually spent	FINANCIAL MANAGEMENT - MFM03	MFM03-09	Report on 100% Expenditure on Conditional grants received by 30 June 2024	Conditional Grant expenditure of 2022/2023	12 Reports on 100% Expenditure on Conditional grants received	CFO/ R000 Financial System/ All Directors	Monitoring and Implementation of the budget	Improved management of public funds and delivery of services	3 Monthly Reports on the actual % of Conditional Grants received spent (20% by the end of the quarter)	3 Monthly Reports on the actual % of Conditional Grants received spent (60% by the end of the quarter)	3 Monthly Reports on the actual % of Conditional Grants received spent (80% by the end of the quarter)	3 Monthly Reports on the actual % of Conditional Grants received spent (100% by the end of the quarter)	12 Reports Approved by the CFO Standing Committee Consideration	CFO

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To promote and instil good governance practices within Senqu Municipality	RISK AND FRAUD PREVENTION GPP01	GPP01-01	Implementation of Risk Management Plan by 30 June 2024	2022/2023 tracked resolutions	100% of tracked Risk Committee meeting resolutions implemented	Municipal Manager/Manager Governance and Compliance	Risk Register Updated	Minimization of Municipal Risk	1 Quarterly Report on % of Implementation of Risk Management Plan	1 Quarterly Report on % of Implementation of Risk Management Plan	1 Quarterly Report on % of Implementation of Risk Management Plan	1 Quarterly Report on % of Implementation of Risk Management Plan	Updated Quarterly Resolution Register	MM
			Development of Conflict of Interest Register	2022/2023 Conflict of Interest Declaration Register	Development of the Conflict of Interest Register	Municipal Manager/Manager Governance and Compliance	Register Developed	Improved Fraud Risk within the Municipality	Not a target	Not a target	Not a target	Not a target	Register approved by the Municipal Manager for Internal Audit further processing.	
Implementation of the Compliance Register	COMPLIANCE GPP02	GPP02-01	Implementation of the Compliance Register by 30 June 2024	2022/2023 tracked compliance register	100% implementation of the Compliance register	Municipal Manager/Manager Governance and Compliance	Departmental Risk Assessments conducted	Minimization of Municipal Risk	1 Quarterly Report on % of Implementation of Compliance Register	1 Quarterly Report on % of Implementation of Compliance Register	1 Quarterly Report on % of Implementation of Compliance Register	1 Quarterly Report on % of Implementation of Compliance Register	4 reports on tracked Compliance register Implemented	MM
			Implementation of the Audit Committee Resolutions by 30 June 2024	2022/2023 tracked resolutions	100% of tracked Audit Committee resolutions implemented	Municipal Manager/CAE/R	Meetings held	Improved Oversight and Governance	100% of tracked Audit Committee resolutions implemented	100% of tracked Audit Committee resolutions implemented	100% of tracked Audit Committee resolutions implemented	100% of tracked Audit Committee resolutions implemented	Updated Quarterly Resolution Register	
To increase compliance	OVERSIGHT - GPP03	GPP03-02	Implementation of the Municipal Public Works Committee Resolutions by 30 June 2024	2022/2023 tracked resolutions	100% of tracked MPAC resolutions implemented	Municipal Manager/Chef of Staff	Number of MPAC meetings held	Enhance oversight over Municipal Functioning	100% of tracked MPAC resolutions implemented	100% of tracked MPAC resolutions implemented	100% of tracked MPAC resolutions implemented	100% of tracked MPAC resolutions implemented	Updated Quarterly Resolution Register	MM
			Number of Council/Exco resolutions tracked by 30 June 2024	2022/2023 tracked resolutions	4 Quarterly Reports on tracked resolutions of Council and EXCO	Director Corporate Manager IGR	Reports compiled	Improved implementation of Council Resolutions	1 Report on tracked Council and EXCO Resolutions for Quarter 4	1 Report on tracked Council and EXCO Resolutions for Quarter 1	1 Report on tracked Council and EXCO Resolutions for Quarter 2	1 Report on tracked Council and EXCO Resolutions for Quarter 3	1 Report on tracked Council and EXCO Resolutions for Quarter 3	
To ensure that Council/Exco and Top Management meetings are held regularly and that resolutions are implemented		GPP03-03	Number of Council/Exco resolutions tracked by 30 June 2024	2022/2023 tracked resolutions	4 Quarterly Reports on tracked resolutions of Council and EXCO	Director Corporate Manager IGR	Reports compiled	Improved implementation of Council Resolutions	1 Report on tracked Council and EXCO Resolutions for Quarter 4	1 Report on tracked Council and EXCO Resolutions for Quarter 1	1 Report on tracked Council and EXCO Resolutions for Quarter 2	1 Report on tracked Council and EXCO Resolutions for Quarter 3	Updated Quarterly Resolution Register	Director Corporate Services

KPA 11: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
Improved quality of municipal road network	BSD 02-01	Maintenance of Roads in identified Wards as per the Council Approved Maintenance Schedule by 30 June 2024	100% Completion of Maintenance of roads as per the approved maintenance plan by 30 June 2024	Director Technical Manager Roads R9451 986,00 OPEX	Maintained road infrastructure	Extended life of access roads within the Sengca Municipality	(10, km)	Not a target	Not a target	(15km) Completion of Maintenance of roads as per the revised maintenance plan	1. Job Cards, 2. Annual Implementation Report of the Maintenance Plan	Director Technical Services		
							(2km)	Completion of reconstruction of 3 kilometers of roads in ward 3	Not a target	Not a target	Practical completion certificate.	Director Technical Services		
							Not a Target	Not a Target	Not a Target	Preliminary designs and report	1. Design report	Director Technical Services		
							Not a Target	Not a Target	Not a Target	Advert for construction	1. Advert, 2. Appointment letter of the contractor, 3. Progress Report signed by Director	Director Technical Services		
							Not a Target	Not a Target	Not a Target	Site establishment and Clearing and grubbing and 1,5km sub-base layer work	1. Appointment letter, 2. Progress report signed by contractor, 3. Practical completion certificate	Director Technical Services		
							Not a Target	Not a Target	Not a Target	Appointment of contractor and Completion of construction of 4,3 km of roads in ward 9				
To ensure that residents can reach the services required	BSD 02-02	Reconstruction of 3 kilometers of Access Roads in Ward 3 - Upper Reservoir area, Sengca Municipality by 30 June 2024	New indicator	Director Technical PMU Manager RZ 355 521 173	Reconstruction of the roads in ward 3	Improved sustainable access to services	Not a Target	Not a Target	Not a Target	Not a Target		Director Technical Services		
							Not a Target	Not a Target	Not a Target	maintained stormwater infrastructure	Ensure asset lifespan	Director Technical Services		
							Not a Target	Not a Target	Not a Target	Paved Streets Constructed in Khwazi Naledi	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
To ensure that residents can reach the services required	BSD 02-04	Lining, fencing and upgrading of primary storm water channel through Khwazi Naledi and upgrade of two motor bridges by 30 June 2026	Civil consultant has been appointed 2022/2023	Director Technical PMU Manager R3 280 404-15	maintained stormwater infrastructure	Ensure asset lifespan	Not a Target	Not a Target	Not a Target	Not a Target		Director Technical Services		
							Not a Target	Not a Target	Not a Target	Advert for the procurement of the contractor, Appointment of the contractor, site establishment and construction of 3km sub-base layer.				
							Not a Target	Not a Target	Not a Target	Appointment of contractor				
							Not a Target	Not a Target	Not a Target	Site establishment and Clearing and grubbing and 1,5km sub-base layer work				
							Not a Target	Not a Target	Not a Target	Appointment of contractor and Completion of construction of 4,3 km of roads in ward 9				
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
To ensure that residents can reach the services required	BSD 02-05	Construction of tarrock paved streets (6m) in Khwazi Naledi (Steve Tswane) W 14 by 30 June 2026	New indicator	Director Technical PMU Manager R 14 145 223	Paved Streets Constructed in Khwazi Naledi	Improved access to services	Not a Target	Not a Target	Not a Target	Not a Target		Director Technical Services		
							Not a Target	Not a Target	Not a Target	Appointment of the contractor and Completion of construction of 4,3 km of roads in ward 9				
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
To ensure that residents can reach the services required	BSD 02-06	Reconstruction of 4,3km of Access Roads in Ward 9 - Lepota Village by 30 June 2024	New indicator	Director Technical PMU Manager R4 600 000 (Own Funding)	Reconstructed roads in Lepota Village	Improved access to services	Not a Target	Not a Target	Not a Target	Not a Target		Director Technical Services		
							Not a Target	Not a Target	Not a Target	Appointment of the contractor and Completion of construction of 4,3 km of roads in ward 9				
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			
							Not a Target	Not a Target	Not a Target	Reconstructed roads in Lepota Village	Improved access to services			

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON		
									QTR 1	QTR 2	QTR 3	QTR 4				
To reduce office space and parking by renovating existing buildings	OFFICE SPACE B0S13	BSD13-01	Construction of staff change rooms in Lady Grey by 31 March 2025.	New indicator	Construction of staff change rooms in Lady Grey	Director Technical Services (PMU Manager/R800 000.00)	Staff change rooms constructed	Improved working environment for staff members	Advert and Appointment	Site establishment 2. Clear and Grub	Not a target	Not a target	Not a target	Not a target	1. Advert. 2. Appointment letter 3. Progress report signed.	Director Technical Services
To reduce downtime period of fleet used for service delivery and enhance maintenance of public infrastructure	FLEET MANAGEMENT B0S12	BSD12-01	Procurement of the Road Maintenance Plant by 30 June 2024.	New indicator	Procurement of Lowbed Truck and Excavator	Director Technical Manager (Road Management /R10 000 000.00 /CAPEX)	Roads Maintenance Plant Procured	Improved Maintenance of Roads Infrastructure	Not a target	Not a target	Not a target	Not a target	Not a target	Not a target	1. Appointment letter	Director Technical Services
To provide office space and parking by building new offices and renovating existing buildings	OFFICE SPACE B0S13	BSD13-01	Construction of staff change rooms in Lady Grey by 31 March 2025.	New indicator	Construction of staff change rooms in Lady Grey	Director Technical Services (PMU Manager/R800 000.00)	Staff change rooms constructed	Improved working environment for staff members	Advert and Appointment	Site establishment 2. Clear and Grub	Not a target	Not a target	Not a target	Not a target	1. Advert. 2. Appointment letter 3. Progress report signed.	Director Technical Services



RPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
Compliant, Sustainable and Responsive Budgeting & Financial Management	BUDGET COMPLIATION - MFV04	MFV04-01	Completion of the Annual budget for 2024/2025 by 31 May 2024	2022/2023 Budget	Complete 2024/2025 MFMA Compliant budget by 31 May 2024	CFO/ Financial System/ All Directors/Dea / Legislative Directors /	MFMA Compliant budget	Improved Municipal Financial Planning	Not a target	Not a target	1. Draft Budget compiled and tabled. 2. Notice of the budget adjustment within 10 days after tabling	1. Council Resolution Considering the Draft and Final budget. 2. Notice of both budgets	CFO	
			Completion of the Adjustment budget by 29 February 2024	2022/2023 Budget	Complete MFMA Compliant 2022/2023 Adjustment budget by 29 February 2024	CFO/ Financial System/ All Directors / Legislative	MFMA Compliant adjusted budget	Improved Municipal Financial Planning	Not a target	Not a target	1. Adjustment of the budget. 2. Notice informing the public of the adjustment within 10 days after the approval	1. Council Resolution considering the Adjusted budget. 2. Notice of the adjusted budget	CFO	
Development and submission of S 71, S 52d and S 72 as per Treasury deadlines	REPORTING-MFV05	MFV05-01	Development and submission of the section 71 (1) report (Submission to the Mayor and National Treasury within 10 working days after the end of the month	2 section 71 reports for 2022/2023	12 Monthly reports on Section 71 (1) developed	CFO/Manager BTO/ Financial System / Treasury Template / All Directors	Compliance with Treasury Regulations and the MFMA	Improved Financial Management and Reporting	3 Monthly Reports on development of section 71 (1) reports and submission to the Mayor and National Treasury within 10 working days after the end of the month	3 Monthly Reports on development of section 71 (1) reports and submission to the Mayor and National Treasury within 10 working days after the end of the month	3 Monthly Reports on development of section 71 (1) reports and submission to the Mayor and National Treasury within 10 working days after the end of the month	17 Monthly report of submissions to the Mayor and Provincial Treasury	CFO	
			Completion of Financial and Performance Reports (S 71, S 52d and S 72 - MFMA) by 30 June 2024	4 Financial and Performance Reports developed in 2022/2023	4 Financial and Performance Reports (S 71, S 52d and S 72 - MFMA) by 29 February 2024	Municipal Manager/CFO/Manager Governance and Compliance/BTO	4 Financial and Performance reports compiled	Structured and Improved Planning, Monitoring and Evaluation	Section 52(d) Completed (Quarter 4 of 2022/23)	Section 52(d) Completed (Quarter 1 of 2023/24)	Section 72 report compiled by 25 January 2024	Section 52 (d) Completed (Quarter 3 of 2022/23)	Council Resolution Approving the Reports	MM/CFO
To ensure a continually efficient ICT service through ICT policies and plans and implementation of ICT upgrading of ICT equipment	IT - MFV06	MFV06-01	100% of the implementation of the Strategic ICT Initiatives in 2022/2023	4 of the 20 Strategic ICT Priorities Implemented in 2023/2024	4 of the 20 Strategic ICT Priorities Implemented in 2023/2024	CFO/Manager IT	8 Strategic ICT Priorities achieved	Improved and Secured Systems and Network Accessibility	Report on 25% of identified ICT Strategic Priorities Achieved submitted to the ICT Steering Committee	Report on 50% of identified ICT Strategic Priorities Achieved submitted to the ICT Steering Committee	Report on 75% of identified ICT Strategic Priorities Achieved submitted to the ICT Steering Committee	Report on 100% of identified ICT Strategic Priorities Achieved submitted to the ICT Steering Committee	CFO	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To ensure that Council, Executive Management and top Management meetings are held regularly and that resolutions are implemented	OVERSIGHT - GPP03	GPP03-04	Implementation of the Senior Executive Management Resolutions by 30 June 2024	2022/2023 tracked resolutions	100% of tracked Senior Executive Management resolutions implemented	Municipal Manager/Manager Strategic and Communication	Meetings Held	Improved decision making and dissemination of information by Management	100% of tracked Senior Executive Management resolutions implemented	100% of tracked Senior Executive Management resolutions implemented	100% of tracked Senior Executive Management resolutions implemented	100% of tracked Senior Executive Management resolutions implemented	Updated Quarterly Resolution Register	MM/All Directors
			Monitor the implementation of the Audit Action Plan by 30 June 2024	2022/2023 reports	100% of issues resolved on the audit action plan	Municipal Manager/Manager: Governance and Compliance	Audit Action Plan Implemented	Improved Audit Outcome	100% implementation of the Audit Action Plan submitted to the Audit Committee	100% of tracking of the Audit Action Plan submitted to the Audit Committee	100% of tracking of the Audit Action Plan submitted to the Audit Committee	100% of tracking of the Audit Action Plan submitted to the Audit Committee	4 Quarterly Reports on issues resolved	
To ensure good governance through the monitoring of OpC&R and Audit action plan	OVERSIGHT - GPP03	GPP03-05	100% implementation of the Communication action plan by 30 June 2024	Communication action plan adopted by council in 2022-2023	100% implementation of the Communication action plan	Municipal Manager/Manager Strategic and Communication	Implementation Reports actually compiled	Improved capacity in communicating municipal information	100% implementation of the action plan	100% implementation of the action plan	100% implementation of the action plan	100% implementation of the action plan	Reports submitted to the SEM	MM
			Number of Ward Committee engagements/interactions/support by 30 June 2024	4 Quarterly Reports per Ward (17 wards)	4 Quarterly Reports per Ward (17 wards)	Director Corporate/Manager HR	Engagements/interactions/support	Improved Public Participation	Reports per ward	Reports per ward	Reports per ward	Reports per ward	1 Authenticated attendance registers, 2 Notices convening the meetings, 3 list of ward committee members per ward.	
To ensure that the public are involved in municipal planning	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION	GPP04-03	100% of issues disseminated and tracked to delivery in the Municipal Customer Care Units after 8 working days dissemination by 30 June 2024	12 reports submitted in 2022/2023	Percentage of issues resolved on the Municipal Customer Care Units register within 3 days	Director Corporate Services/Manager CCR and Shareholder Relations/R	Queries resolved	Improved Service Delivery	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	Reports on percentages of the issues resolved on the Municipal Customer Care Units register, Complaints Register and Presidential Hotline approved by the Director for Standing Committee Consideration	Director Corporate Services
			Number of issues disseminated and tracked to delivery in the Municipal Customer Care Units after 8 working days dissemination by 30 June 2024	12 reports submitted in 2022/2023	Percentage of issues resolved on the Municipal Customer Care Units register within 3 days	Director Corporate Services/Manager CCR and Shareholder Relations/R	Queries resolved	Improved Service Delivery	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	100 Percent of issues resolved on the Municipal Customer Care Units register within 5 working days	

KPAT: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON	
								QTR 1	QTR 2	QTR 3	QTR 4			
To ensure that residents can reach the services required	BSD 02-07	Removal and Replacement of old Paving with new one in Mogesi Village of Ward 8 by 30 June 2024	New indicator	Appointment of the contractor and site establishment	Director Technical PMU Manager/R 11 000 000.00	Replaced paving of Mogesi Village	Improved access to services	Not a target	Not a target	Not a target	Not a target	Appointment of the contractor and site establishment	Appointment letter, Progress report signed by the MM	MM
		Replacement of tar with Paving in Zwelitsha by 30 June 2024	New indicator	Appointment of the contractor and site establishment	Director Technical PMU Manager/R 11 000 000.00	Replaced tar with paving in Zwelitsha	Improved access to services	Not a target	Not a target	Not a target	Not a target	Appointment of the contractor and site establishment	Appointment letter, Progress report signed by the MM	MM
		Replacement of Tar with Paving in Kwenzi Naledi Ward 14 by 30 June 2024	New indicator	Appointment of the contractor and site establishment	Director Technical PMU Manager/R 11 000 000.00	Replaced tar with paving in Kwenzi Naledi	Improved access to services	Not a target	Not a target	Not a target	Not a target	Appointment of the contractor and site establishment	Appointment letter, Progress report signed by the MM	MM
		Replacement of Tar with Paving in Lulama Barkly East by 30 June 2024	New indicator	Appointment of the contractor and site establishment	Director Technical PMU Manager/R 11 000 000.00	Replaced tar with paving in Lulama	Improved access to services	Not a target	Not a target	Not a target	Not a target	Appointment of the contractor and site establishment	Appointment letter, Progress report signed by the MM	MM
		Reconstruction of 6 km of access roads in Nabambophe in Ward 5 by 30 September 2024	New indicator	Advert, appointment of the contractor and site establishment	Director Technical PMU Manager/R 5 999 699.99	Reconstruction of roads in Nabambophe in Ward 5	Improved sustainable access to services	Not a target	Not a target	Not a target	Not a target	Advert, appointment of the contractor and site establishment	Advert and appointment letter and the progress report signed by the Director	Director Technical Services
		Reconstruction of 1.5 km access roads in Kwenzi Naledi and Thaba Kobo in Ward 13 by 30 September 2024	New indicator	Advert, appointment of the contractor	Director Technical Services PMU Manager/R 354 499.99	Reconstruction of roads in Kwenzi Naledi and Thaba Kobo in Ward 13	Improved sustainable access to services	Not a target	Not a target	Not a target	Not a target	Advert, appointment of the contractor and site establishment	Advert and appointment letter and the progress report signed by the Director	Director Technical Services
		Reconstruction of 5 km access roads in Kwenzi and Zwelitsha in Ward 12 by 30 September 2024	New indicator	Advert, appointment of the contractor	Director Technical PMU Manager/R 4 412 249.903	Reconstruction of grave roads in Kwenzi and Zwelitsha in Ward 12	Improved sustainable access to services	Not a target	Not a target	Not a target	Not a target	Advert, appointment of the contractor and site establishment	Advert and appointment letter and the progress report signed by the Director	Director Technical Services

KPA 2: LOCAL ECONOMIC DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To promote and attract development in the local economy through implementation of the LED strategy	LED 01	LED01-01	% of the implementation of LED Strategy Plan by 30 June 2027	Draft LED Strategy 2022-2027	100% implementation of the 2022/2024 priorities as per LED strategy	Director Development and Town Planning Services/Manager IPED	Implemented year priorities as per LED strategy	Increased local economy	Council adoption of the LED Strategy	Not a target	Implementation of year priorities as per LED Strategy	Implementation of year priorities as per LED Strategy	1. Council Resolution adopting the LED Strategy. 2. Progress Report signed by the Director on implementation	Director DTFS
		LED01-02	Report on number of jobs created through the LED initiatives including capital projects by 30 June 2024	162 jobs created through LED initiatives in 2019/2020	1 Annual Consolidated Report on number jobs created through LED initiatives including capital projects	DTFS	Number of jobs created	Improved socio economic conditions of the poor	Not a target	Not a target	Not a target	Report on the actual jobs created approved by the Director for Standing Committee Consideration	Director DTFS	
		LED01-03	% of the municipal infrastructure initiatives funded through the municipal budget allocated to SMMEs through sub contracting by 30 June 2024	2022/2023 Report	30% of the municipal infrastructure initiatives in excess of R6 million allocated to SMMEs through sub contracting	DTFS	Improved work opportunities for SMMEs	Increase in revenue local economy	Increase in revenue recycled in local economy	Not a target	Not a target	Not a target	Report approved by the Director for the Technical Services/ Finance Standing Committee Consideration	Director DTFS
		LED01-04	30% of expenditure of operational budget to SMMEs by 30 June 2024	New Indicator	30% of expenditure of operational budget to SMMEs	DTFS	Improved work opportunities for SMMEs	Increase in revenue local economy	Increase in revenue recycled in local economy	Not a target	Not a target	Not a target	Report approved by the Director for the Technical Services/ Finance Standing Committee Consideration	Director DTFS

MPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

STRATEGY	IDP PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE: 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To ensure implementation of WSP the annually developed	MTD01	MTD01-01	% of a municipality's budget actually spent on implementing its own standard workplace skills and programmes by 30 June 2024	Report submitted in 2022/2023	1 Annual Report on the 100% of a municipality's budget actually spent on implementing its workplace skills plan	Director Corporate Manager HR and Legal Services Manager	Capacitation of employees	Improved capacity of employees to carry out their duties	Not a target	Not a target	Not a target	1 Annual Report on % of a municipality's budget actually spent on implementing its workplace skills plan	Director Corporate Services	
									Not a target	Not a target	1 Annual Report submitted to the Training Committee for noting.			
To ensure that the EC plan is implemented	MTD02	MTD02-01	Number of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan by 30 June 2024	Report submitted in 2022/2023	1 Report on no. of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan	Director Corporate Manager HR	Reports compiled	Balanced equity in the employment of the municipality	Not a target	Not a target	1 Report approved by the Director for Standing Committee for Consideration	Director Corporate Services		
									Not a target	1 Report approved by the Director for Standing Committee for Consideration				
To ensure that the Municipality has the capacity to implement its programmes and plans	EMPLOYEE MANAGEMENT, SELECTION AND	MTD03-01	Reviews of the Institutional Organogram by 30 June 2024	2022/2023 Reviewed Organogramme	Implementation and review of the Institutional Organogram	Director Corporate Manager HR	Organogramme approved	Improved acquisition of staff	Not a target	Not a target	1 Municipal Manager's Certificate of Approval of the Organogramme, 2. Council Resolution noting the approved organogramme	Director Corporate Services		
									Not a target	Approved Institutional Organogram				
To ensure that the Municipality has the capacity to	RECRUITMENT, SELECTION AND	MTD03-02	100% of funded vacancies approved and filled with evaluation outcomes filed with six months of being vacant by 30 June 2024 with a variance of 20%	New Indicator	100% of funded vacancies with evaluation outcomes filed within six months of being vacant by June 2024 with a variance of 20%	Director Corporate Manager HR	Well capacitated municipality	Low vacancy rates	Not a target	Not a target	1 Annual Report submitted to SEN for approval.	Director Corporate Services		
									Not a target	100% of funded, evaluated, approved and filled vacancies with evaluation outcomes filed within six months of being vacant by June 2024 with a variance of 20%				

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING - GPP05	GPP05-01	% Implementation of the Public participation Strategy and plan by 30 June 2024	New Indicator	Approval of the implementation plan and 4 reports on 100% Implementation of the Public Participation Strategy and plan by June 2024	Director Corporate Services/Manager (GR and Stakeholder Relations	Reports Developed	Improved Mainstreaming of Public participation related issues	Approval of the Implementation and Implementation of the Public participation Strategy and plan	Implementation of the Public participation Strategy and plan	Implementation of the Public participation Strategy and plan	Implementation of the Public participation Strategy and plan	1. Approved implementation plan, 2. 4 Quarterly Reports approved by the Director for Stakeholder Relations consideration.	Director Corporate Services
							Plan Developed and Implemented	Improved Mainstreaming of SPU related issues	Approval of the Implementation and Implementation of the SPU Activity Plan	Implementation of the SPU Activity Plan	Implementation of the SPU Activity Plan	Implementation of the SPU Activity Plan		



KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	BSD03-01	Renovate Barkly East Town Hall by 30 June 2024	Completion of pedestrian ramp and lining	Practical Completion of the Renovations in Barkly East Town Hall	Director Technical PMU Manager R2 888 000,00	Facility renovated	Ensure asset lifespan	Innomogary Paving and lining	Completion of the Renovations in Barkly East Town Hall	Installation of arcons and burglers	Practical completion	1. Progress report 2. Practical Completion certificate	Director Technical Services
			Construction of the Heschel Community Hall by 30 June 2024	New	Completion of construction of the Heschel Community Hall	Director Technical PMU Manager R4 900 000,00	Constructing Heschel Community Hall	Ensure asset lifespan	Advert and Appoint contractor	Site establishment and demolitions	Casting of foundations and building to wall plate	Completion of the construction of the Heschel Community Hall Roofing and electrification and paving of parking area	Monthly progress Report and Advert and Appointment letter Completion certificate	Director Technical Services
To ensure effective management and maintenance of cemeteries	CEMETERIES AND BURIAL	BSD04-01	Fencing of existing cemeteries at Jovelani, Hlirana and Vozzana by 30 June 2025	New indicator	Completion of Fencing of existing cemeteries at Jovelani, Hlirana and Vozzana	Director Technical PMU Manager R 0	Provide pots for burials	Sufficient burial area for 10 years	Not a target	Not a target	Not a target	Appointment of the contractor	1. Appointment Letter,	Director Technical Services
			Construction of Bulegums sportsfield by 30 June 2025	Appointment of Consultant, EIA and Civil Consultants	Advert for the procurement of the contractor and appointment, Site Establishment	Director Technical PMU Manager R. 4 699 874,06	Constructing sportsfield	Improved Sports development	Not a Target	Not a Target	advertising for the construction	Appointment and Site establishment	1. Advert for the procurement of a contractor. 2. Appointment letter. 3. Progress report signed.	Director Technical Services
To construct, maintain and upgrade existing urban sportsfields	SPORTS BSD05	BSD05-01	Report on the implementation of Library Services SLA with DSRAC by 30 June 2024	1. Quarterly Reports on the implementation of the SLA were submitted in 2022/2023	4. Quarterly Reports on the implementation of the SLA	Director Community Services/Manager Amenities	Compliance with the signed SLA	Improved library levels within the Setape Communities	1. Quarterly Report on the implementation of the SLA	1. Quarterly Report on the implementation of the SLA	1. Quarterly Report on the implementation of the SLA	Quarterly Reports submitted to DSRAC	Director Community Services	
			Updating of Stock Register by 30 June 2024	4 stock Registers were updated in 2022/2023	Stock Register Quarterly Updated for all Commonages	Director Community Services/Manager Amenities	Register updated	Improved management of animals	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Updated stock Register	Director Community Services
To maintain and control the municipal commonage	LICENSING AND CONTROL OF ANIMAL - BSD08	BSD08-01	Updating of Stock Register by 30 June 2024	4 stock Registers were updated in 2022/2023	Stock Register Quarterly Updated for all Commonages	Director Community Services/Manager Amenities	Register updated	Improved management of animals	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Stock Register Quarterly Updated for all Commonages	Updated stock Register	Director Community Services

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To implement the procurement plan	MFMV01-01	MFMV01-01	% of the Implementation of the Institutional Procurement Plan by 30 June 2024	Procurement Plan Developed in 2022/2023	100% implementation of the institutional procurement plan Quarterly reports	CFO/Manager Supply Chain	Plan Developed	Improved Management of Supply Chain Processes	1 Quarterly reports on the implementation of the Annual Procurement Plan 20%	1 Quarterly reports on the implementation of the Annual Procurement Plan 60%	1 Quarterly reports on the implementation of the Annual Procurement Plan 60%	1 Quarterly reports on the implementation of the Annual Procurement Plan 100% for 4th Quarter	4 Reports on the implementation of the Institutional Procurement Plan to the SEMI	CFO
			Complete evaluation of performance of service providers by 30 June 2024	Report on Performance of Service Providers in 2022/2023	4 Quarterly Reports on the % of Service Providers who implement terms and conditions of tender documents in a timely manner	CFO/Manager Supply Chain	Quarterly Report	Improved Management of Contracts	1 Quarterly reports on the performance of service providers 100% percent performance by service providers	1 Quarterly reports on the performance of service providers 100% percent performance by service providers	1 Quarterly reports on the performance of service providers 100% percent performance by service providers	1 Quarterly reports on the performance of service providers 100% percent performance by service providers	4 Quarterly Reports on the implementation of the Institutional Service Provider Performance Report submitted to the SEMI	CFO
To ensure the efficient and effective procurement of goods and services	MFMV01-03	MFMV01-03	Turnaround time for adjudication of projects	90 days	Report on Number of Tenders Adjudicated within 90 days of being advertised	CFO/Manager Supply Chain/ Departmental Evaluation	Number of tenders adjudicated	Improved Management of Supply Chain Processes	Not to be assessed	Not to be assessed	Not to be assessed	Annual Report on the Number of Tenders adjudicated within 90 days of being advertised.	Tender Adjudication Register	CFO
			Perform the Annual Asset Count by 30 June 2024	The 1 Annual Asset Count was Performed in 2022/2023	1 Annual Asset Count Performed	CFO/Manager Supply Chain	Asset Count Report developed	Improved management of municipal assets	Spot checks	Spot checks	Spot checks	1 Annual Asset Count Performed	Summary of the fixed asset register signed by the CFO/Manager and report submitted	CFO
To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	MFMV02	MFMV02-01							Spot checks	Spot checks	Spot checks	1 Annual Asset Count Performed	Summary of the fixed asset register signed by the CFO/Manager and report submitted	CFO



KPA 6: ENVIRONMENT & SPATIAL MANAGEMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				RESPONSIBLE PERSON	
									QTR 1	QTR 2	QTR 3	QTR 4		
To ensure the protection of natural assets/Protection of natural resources  To ensure the protection of natural resources  To ensure the protection of natural resources  To ensure the protection of natural resources  To ensure the protection of natural resources	ENVIRONMENT EASM01	EASM01-01	Development of Environmental Planning Framework by 30 June 2025	New Indicator	Appointment of Service Provider for the development of Environmental Management Framework	Director Community Services and Manager of Municipal Services (R150 000) (Open)	Appointment of Service Provider for the development of Environmental Management Framework	Protection of the Natural resources	Not a target	Not a target	Terms of reference and Advert	Appointment of the services provider	1. Advert, 2. Appointment letter, 3. Terms of reference	Director Community Services
			Stokrospruit Development Business Plan/ Urban Design Framework by 30 June 2024	Appointment of a service provider	Approved Stokrospruit Development Business Plan/ Urban Design Framework	Director Development and Town Planning Services/ Town Planner	Approved Stokrospruit Development Business Plan/ Urban Design Framework/developed	Improved spatial planning	Not a target	Public participation	Final UDF	Submission of final UDF to standing committee for Council approval	1. Proof of public participation, 2. Final UDF, 3. Council resolution approving UDF.	Director Development and Town Planning Services
			Township Establishment for Lady Grey new settlements by 30 June 2024	Appointment of SP and submission of the engineering services report to the LGDM was done in 2021/2022	Submission of application to the Municipal Planning Tribunal	Director Development and Town Planning Services/ Town Planner	Approved Township Applications	Improved Land Use Management	Not a target	Not a target	Submission of land use application to the DMPT Municipality	Submission of land use application to the DMPT	Proof of submission to the DMPT.	Director Development and Town Planning Services
			Formalisation of Stokrospruit villages by 30 June 2027	New Indicator	Springing of MOU between the municipalities and Tribal authorities	Director Development and Town Planning Services/ Town Planner	Incorporation of Stokrospruit villages into the urban edge (town)	Improved administration of land use	Not a target	Not a target	Council resolution on the formalisation of villages	Springing of MOU between the municipalities and Tribal authorities	1. Attendance registers, 2. Council resolution, 3. Sign-off MOU	Director Development and Town Planning Services
			Development of the Senqu Land Acquisition Strategy 30 June 2025	New Indicator	Appointment of the consultant for the Development of the Draft Senqu Land Acquisition Strategy	Director Development and Town Planning Services/ Town Planner	Strategy Developed	Development of a Strategy	Not a target	Not a target	Appointment of the consultant	Appointment letter		Director Development and Town Planning Services

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IIP PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON		
									QTR 1	QTR 2	QTR 3	QTR 4				
To provide refuse removal to settlements and to reduce the amount of waste deposited at landfills	WASTE MANAGEMENT BSD09	BSD09-01	Development of a Solid Waste Site at New Waste Site in Ward 5, Rescor	150m of perimeter fence and 100kg of refuse were done in September 2023	Completion of the development and installation of smart coil. Project completion	Director Technical Services/ PMU Manager R3 326 000.00	Waste Site Developed	Improved Management of Waste Material	Project Completion	Not a target	Not a target	Not a target	Not a target	1. Practical Completion certificate	Director Technical Services	
			Upgrading of the Lady Grey Solid Waste Site by 31 March 2024	Site Establishment by the newly appointed contractor	Director Technical Services/ PMU Manager R 05 763.15	Waste Site Upgraded to be NEMA Compliant	Improved Management of Waste Material	Completion of Lining of cell 1	Lining of the pond and removal of material from cell 1 to Cell 2	Lining of the cell 2 and project works completion	Not a target	Not a target	1. Progress Report signed By Director. 2. Works Completion certificate	Director Technical Services		
			Construction of Transfer Station in Rhodesia by 30 June 2025	Consultant Appointed in 2022/2023	Director Technical/ PMU Manager R 350 000.00	Waste Site Upgraded to be NEMA Compliant	Improved Management of Waste Material	Advert and Appoint contractor	Site establishment and grub	Site establishment and grub	Advert and Appoint contractor	Not a target	Not a target	1. Design report	Director Technical Services	
To provide refuse removal to settlements and to reduce the amount of waste deposited at landfills	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-04	Management, operation, and maintenance of landfill sites	New indicator	Appointment, Management, operation, and maintenance of landfill sites (Barkly East & Hechel Landfill Site)	Director Community Services/ Manager Waste Services R200 000	Appointment, Management, operation, and maintenance of landfill sites (Barkly East & Hechel Landfill Site)	Improved Management of landfill sites	Not a target	Not a target	Advert	Advert	Advert	1. Advert. 2. Appointment letter for the Service Provider.	Director Community Services	
			15.94% of refuse removal on households by 30 June 2024	15.94% of refuse removal on households	Director Community Services/ Manager Waste	Number of people with access to free basic refuse removal	Fair level of delivery of services	Not a Target	Not a Target	Not a Target	Not a target	Not a target	15.94% of refuse removal on households	15.94% of refuse removal on households	1. Reports approved by the Director for standing committee consideration.	Director Community Services
			Review of the IWMP by 30 June 2025	2013/2018 IWMP	Director Community Services/ Manager Waste	Appointment of the Service Provider	Fair level of delivery of services	Not a Target	not a target	Not a Target	Not a target	Terms of reference and Advert	Appointment of the Service Provider	Appointment of the Service Provider	1. Advert. 2. Appointment letter. 3. Terms of reference	Director Community Services
To increase access to electricity	FREE BASIC SERVICES BSD10	BSD10-01	Report on the percentage of household earning less than 2 state pension fund per month with access to free basic services by 30 June 2024	1 Annual Report was tabled - 3 quarterly reports and 1 Annual Report on the percentage of household earning less than 2 state pension fund per month with access to free basic services by 30 June 2022/2023	CFO/Manager Revenue	Number of indigent people approved for free basic electricity	Equal delivery of service to the community of Senqu Municipality	1 report	1 report	1 report	1 report	1 report	1 Annual Report on the number of households approved by the Director for Standing Committee Consideration	CFO		
			% of electricity losses reduced by 30 June 2024	New	Director Technical/Electro Technical Controller	Reduce electricity losses	Reduce financial losses envisaged due to electricity losses	Not a target	Not a target	Not a target	Not a target	Not a target	Not a target	1. Annual Report approved by the Director	Director Technical Services	
To increase access to electricity	URBITY AND STREET LIGHTING BSD11	BSD11-02	Increase in number of households with access to electricity by 30 June 2024	35 536 households electrified	Increase the number of households with access to electricity by 501 households	Director Technical/Electro Technical Controller (Eskom funds)	Reduce electricity backlog	Electrification of households	Not a target	Not a target	Not a target	Not a target	1. Annual Report approved by the Director for Standing Committee Consideration	Director Technical Services		

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY														
STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE: 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
									QTR 1	QTR 2	QTR 3	QTR 4		
To expand and protect the municipal revenue base by providing accurate bills for services rendered and to protect the municipal revenue base by providing accurate bills for services rendered	FINANCIAL MANAGEMENT - MFV03	MFV03-01	Report on financial viability as expressed by the ratios in the gazette by 30 June 2024	2022/2023 Ratios	1 Annual Report on Financial Viability as expressed by the ratios in the gazette.	CFO/Manager Revenue System/All Directors	Report on Ratios	Improved management of municipal financial and other resources	Not a target	Report on uniform financial ratios	Not a target	1 Bi-Annual Report on improvement of Key strategic ratios	2 Bi-Annual Report on improvement of Key strategic ratios submitted to SCM for Notification	CFO
		MFV03-02	Complete Supplementary valuation roll by 30 June 2024	2022/2023 Valuation Roll	1 Annual Supplementary Valuation Roll completed	CFO/Manager Revenue	Actual Supplementary Valuation conducted	1 Annual Supplementary valuation roll	Not a target	Not a target	1 Annual Supplementary Valuation Roll completed.	Certification of the Valuation Roll agreed by the Municipal Manager	CFO	
		MFV03-03	Report on 100% Correct billing of consumers with a 2% variance factor by 30 June 2024	2022/2023 verified actual correct billing reported	100% Correct billing of consumers with a 2% variance factor	CFO/Manager Revenue 0000 Financial System	Number of consumers correctly billed	Improved Revenue collection and management of municipal financial resources	100% Correct billing of consumers with a 2% variance factor	100% Correct billing of consumers with a 2% variance factor	100% Correct billing of consumers with a 2% variance factor	100% Correct billing of consumers with a 2% variance factor	Monthly Billing report	CFO
		MFV03-04	Report on actual revenue collected by 30 June 2024	2022/2023 Total Revenue collected	1 Quarterly Reports on the actual collected revenue	CFO/Manager Revenue/ Financial System	Total Planned Revenue collected	Improved Revenue collection and management of municipal financial resources	1 Quarterly Report on the actual collected revenue with a 2% variance factor	1 Quarterly Report on the actual collected revenue with a 2% variance factor	1 Quarterly Report on the actual collected revenue with a 2% variance factor	1 Quarterly Report on the actual collected revenue with a 2% variance factor	1 Quarterly Reports Approved by the CFO/Manager Revenue/Committee Consideration	CFO



KPA-4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

STRATEGY	IDP PROGRAMME NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON
								QTR 1	QTR 2	QTR 3	QTR 4		
To monitor and evaluate the performance of staff and management on an annual basis	PERFORMANCE MANAGEMENT AND REPORTING - MTD 07	Compilation of the Annual Performance Report 2022/2023 (646) by 31 August 2023	2021/2022 Annual Performance Report	2022/2023 Annual Performance Report compiled and submitted to AG by 31 August 2023	Municipal Manager/Manager Governance and Compliance	Annual Performance Report compiled	Structured and Improved Planning, Monitoring and Evaluation	Not a target	Not a target	Not a target	Not a target	Proof of submission to the Provincial AG and relevant treasuries	MM
		Compilation of the Annual Report for 2022/2023 by 31 March 2024	2021/2022 Annual Report	2022/2023 Annual Report compiled and approved by 31 March 2024	Municipal Manager/Manager Governance and Compliance	Annual Report compiled	Structured and Improved Planning, Monitoring and Evaluation	Not a target	Not a target	Not a target	Not a target	Council Resolution Approving the Annual Report	MM
		Compilation of the 2022/2023 Oversight report by 31 March 2024	2022/2023 Oversight report	2022/2023 Oversight report compiled by 31 March 2024	MM/Chef of Staff	Oversight report compiled	Structured and Improved Public accountability	Not a target	Not a target	Not a target	Not a target	1. Notice of the public participation, 2. Minutes of the meeting, 3. Council resolution approving the Oversight report	MM
		Development and Tabling of the Service Delivery and Budget Implementation Plan by 30 June 2024	2023/2024 SDBIP	2024/2025 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget	Municipal Manager/Manager Governance and Compliance	SDBIP Compiled	Structured and Improved Planning, Monitoring and Evaluation	Not a target	Not a target	Not a target	Not a target	1. Council Resolution Approving the Draft, 2. Approved SDBIP by the Mayor	MM
		Review of the new 5 year IDP for 2024/25 to 2029/30 by 30 June 2024	IDP 2023-2027	Review of 5 year IDP	Director Development and Town Planning Services/Manager IPED	IDP reviewed	Improved Planning of Municipal Programmes	Not a target	Not a target	Not a target	Not a target	1. Council Resolution adopting the process plan, 2. Council Resolution adopting the draft IDP, 3. Council Resolution adopting the final IDP	Director Development and Town Planning Services

IPK 6: ENVIRONMENT & SPATIAL MANAGEMENT

STRATEGY	IDP PROGRAMME NUMBER	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 June 2023	ANNUAL TARGET	INPUT	OUTPUT	OUTCOME	QUARTERLY TARGETS				AUDIT EVIDENCE	RESPONSIBLE PERSON	
									QTR 1	QTR 2	QTR 3	QTR 4			
To develop and maintain urban centres to attract and keep investors to the municipality	Property Management ESM 04	EASM04-01	Transfer of public works and rural development properties by 30 June 2025	New Indicator	Transfer of 13 properties to Provincial Public Works, Public Works and 1 property to Department of Agriculture, Land Reform and Rural Development	Director Development and Town Planning Services/Town Planner/	Registration of properties under the relevant government department	Improved management of municipal properties	Obtaining a legal opinion on transfer of properties	Implementation of opinion recommendations	Not at target	Transfer of 13 properties to Provincial Public Works, Public Works and 1 property to Department of Agriculture, Land Reform and Rural Development	Deed of transfer	Director Development and Town Planning Services	
			Facilitate the implementation of Housing Development in Senqu by the Provincial Department of Human Settlements by 30 June 2024	4 Quarterly reports on houses completed submitted in 2022/2023	4 Quarterly reports on houses completed	Director Development and Town Planning Services/Town Planner	Data Base of occupants of the informal settlement developed	Improved land ownership	Quarterly report on houses completed	Quarterly report on houses completed	Quarterly report on houses completed	Quarterly report on houses completed	4 Quarterly reports submitted to standing committee	Director Development and Town Planning Services	
			File deed restoration by 30 June 2025	New Indicator	Appointment of the service provider to prepare Pre-conveyancing applications for Lady Grey and Hirschel	Director Development and Town Planning Services/Town Planner/	Opening of township registers for Lady Grey and Hirschel	Improved land management	Not at target	Appointment of the service provider	Appointment of the service provider	Appointment of the service provider	Investigation report submitted	Director Development and Town Planning Services	
			Review of the Senqu Municipality Land Use Scheme 2017 by 30 June 2025	New Indicator	Appointment of the service provider to prepare A draft Senqu Municipality Land Use Scheme 2017 for public participation	Director Development and Town Planning Services/Town Planner/	Scheme regulations developed	Improved administration of land	Not at target in Q1	Not at target in Q2	Not at target	Appointment of the Service Provider	Appointment of the Service Provider	Appointment letter	Director Development and Town Planning Services
			Review of the Senqu Housing Sector Plan 2020 by 30 June 2025	New Indicator	Appointment of the service provider to draft Senqu Housing Sector Plan for public participation	Director Development and Town Planning Services/Town Planner/	Plan developed	Improved Land Use Management	Not at target in Q1	Not at target in Q2	Not at target	Appointment of the Service Provider	Appointment of the Service Provider	Appointment letter	Director Development and Town Planning Services

# Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)



# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT

## PERFORMANCE(PERFORMANCE REPORT PART II) Chapter 4

### 4.1 INTRODUCTION

As outlined in the Municipal Staff Regulations, performance management is the process by which the municipal Political and Administrative Executives can monitor and evaluate work of the employees they are responsible for overseeing. Section 38 of the Municipal Systems Act No. 32 of 2000, it is required that, each municipality to establish a Performance Management System that is commensurate with its resources, best suited to its circumstances, and consistent with the priorities, objectives, indicators, and targets outlined in the Integrated Development Plan. Schedule 2 of the Code of Conduct for Municipal Staff Members, which is contained in the Municipal Systems Act No. 32 of 2000, it is required that municipal employees to participate in both the municipality's overall performance management system and the employee's individual performance appraisal and reward system (clause 3(e)).

Prior to 2023/2024 financial year, the municipality was implementing the Performance Management System Framework and Policy split to accommodate two (2) levels of staff. Out of those two groups, Group 1, was applicable to all staff at the level of the Municipal Manager, Section 56 Directors and those staff considered to be at Middle Management level (i.e. those staff reporting directly to Section 56 Directors) and generally considered to be at a TASK Level that is not lower than a level 12. Their performance assessment was conducted accordance to the policy and adhered to as prescribed.

During the 2023/2024 financial year, the organisational structure was reviewed and that resulted in the split of the institutional and individual performance management system. From the split, Individual PMS was taken to Corporate Services Directorate in the Human Resource Section and the Institutional PMS was move to Governance & Compliance residing in the Office of the Municipal Manager. Upon implementation, the Municipal Manager, all Directors accountable to him, Middle Managers and Staff Below Middle Management signed their performance score obligations (scorecards) as required and in line with the policy and adhered to as prescribed. This was achieved by following a system that involves setting performance standards which were aligned to the IDP i.e. the Integrated Development Plan; the Service Delivery and Budget Implementation Plans and took into account the availability of budget and resources. By so doing and assessing individual employee performance and institutional performance (reporting appropriately on each), the organization becomes geared and focused on achieving its strategic objectives – ultimately allowing it to meet the requirements of service delivery and all operational and pre-determined targets. The municipality had a backlog regarding the performance assessments which resulted from the delays in finalisation of the previous year's annual reports.

### 4.2 INTRODUCTION TO MUNICIPALITY'S ORGANISATIONAL DEVELOPMENT FUNCTION.

As a practice, organisational development, involves an ongoing, systematic process of implementing effective organisational changes such as municipal functions; structure; budget allocation etc Organisational development seen as both a field of applied science focused on understanding and management organisational change and field of scientific study and inquiry. Underlying organisational development are humanistic values such as the provision of opportunities for people to function as human being rather than as resources in the service delivery processes as well as providing opportunities for the employees to be developed to their full potential by the municipality.

In the process of implementation, within the year under review, Senqu Local municipality has continuously and actively participated in the organisation processes through the effective seating in the District Job Evaluation Committee by submitting their reviewed organogram; draft job descriptions that were reviewed or developed for the new or reviewed jobs aligned to the Regulations, when necessary. Out of the submission, a number of our newly developed or reviewed job descriptions were approved and other were downgraded or upgraded in line with the SALGA's Job Evaluation Policy and principle as it is SALGA EC' competency.

Through effective organisational development, the municipality has also managed to successfully and effectively implemented the recruitment and selection processes and managed to close a number of vacant positions without any litigations within the year in

review. The municipality managed to embark on a work study to review its organisational structure to a “fit for purpose” structure in ensuring the alignment with the COGTA Regulations and per SALGA’s results and guidance.

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.3 INTRODUCTION TO HUMAN RESOURCE SERVICES

Senqu Local Municipality’s Human Resource Management’s Section is focused, in providing the best personnel services through fair and transparent processes and procedures. It is also focused on effective recruitment procedures, training and staff empowerment, and providing expert and professional advice to staff and management on Human Resources-related issues. This Section also maintained its strategy during 2023/2024 to recruit qualified and competent staff to fill vacancies. Structured interviews were conducted together with work sampling-based tests to assist with the selection of the best candidates for appointment. Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider before appointments are made. This prevented the Municipality from appointing staff without the necessary skills, competencies, and qualifications. In addition to the foregoing, a Workplace Skills Plan is being compiled, submitted to the Local Government Sector Education Training Authority (LGSETA) on an annual basis, and implemented accordingly to attend to the most critical skills development needs. Although staff bursaries system was implemented and learning was approved for staff to upgrade their qualifications with the preference of job evaluation related cases, challenges were experienced during the payment processes and that resulted in payment differed to the following year which is 2024/2025. The Local Labour Forum, Staff Wellness Meetings, and Human Resources Development Meetings were being planned to take place on quarterly basis.

Employees:					
Description	Year-1	Year 0			
	Employees No	Approved posts No	Employees No	Vacancies No	vacancies %
Water					
Waste Water (Sanitation)					
Electricity	17	18	17	1	5.5
Waste Management	80	85	80	5	5.8
Roads	33	36	33	3	8.3
Transport	1	2	1	1	50
Planning	5	6	5	1	20
Local Economic Development	3	3	3	0	0
Planning (Strategic & Regulatory	4	4	4	0	0
Community & Social Services	22	23	22	1	4.3
Health					
Security and Safety	11	10	11	1	9.0
Sport and Recreation					
Corporate Policy Offices and Other	117	121	117	4	4.0
Totals	289	305	289	17	7



#### 4.3.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Designations	Total Approved Posts No	Vacancies (Total time that vacancies exist using fulltime equivalents No
Municipal Manager	1	0
CFO	1	0
Other S57 Managers (excluding Finance Posts)	3	0
Other S57 Managers (Finance posts)	1	0
Police officers (Traffic Officers)	11	12
Senior management Levels 16-18(excluding Finance Posts)	15	12
Senior management Level 16-18(Finance posts)	5	5
Professionally skilled and skilled technicians Levels 13-15 (excluding Finance Posts)	6	0
Professionally skilled and skilled technicians Level 13-15 (Finance posts)	2	0
Highly skilled supervision levels 9-12 (excluding Finance posts)	56	3
Highly skilled supervision levels 9-12 (Finance posts)	16	0
Total	117	32

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
	No	No	
Year-2	24	8	33.3
Year-1			
Year 0			

#### 4.3.2 COMMENT ON VACANCIES AND TURNOVER:

During the 2023/2024 financial year, the Human Resource Section reviewed and implemented the Recruitment & Selection Policy aligned to the Municipal Staff Regulations to respond to the Departmental needs for staffing of critical positions. In the year under review, all the critical and key positions that were funded, were filled as per the departmental needs.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.4 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

#### 4.4.1 Policy Review and Development

Senqu, as an evolving and developmental Local Government Institution, regularly reviews its policies, processes and procedures to ensure all processes followed, implemented and executed are open, transparent and aligned to legislative requirements, not to unfairly discriminate against employees.



HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Attraction and Retention	100		March 2014
2	Code of Ethics	100		May 2024
3	Disciplinary Code and Procedures	100		August 2018
4	Essential User Scheme	100		29 September 2014
5	Employee Assistance/ Wellness	100		March 2014
6	Employment Equity and affirmative Action	100		March 2014
7	Exit Interview Management	100		2010
8	Skills Development Policy	100		May 2024
9	Job Evaluation	100		SALGBC POLICY
10	Leave	100		Feb 2021
11	Occupational Health and Safety	100		July 2017
12	Housing Subsidy / Allowance Scheme/ Home Owners and Gap Market Employees	100		June 2016
13	Substance and travelling	100		May 2024
14	Bereavement	100		May 2024
15	Remuneration	100		May 2024
16	Individual Performance Management and Development	100		May 2024
17	Recruitment, Selection and Appointments	100		May 2024
18	Sexual Harassment	100		September 2015
19	Perks/ Travelling Allowance	100		May 2021
20	Vehicle Allowance	100		May 2021
21	Sport, Recreation and wellness	100		29 September 2015
22	Promotion, Demotion and Transfer	100		31 March 2015
23	Relocation	100		6 June 2016
24	Cellular phone	100		31 May 2023
	Other			

#### 4.4.2 COMMENT ON WORKFORCE POLICY DEVELOPMENT:

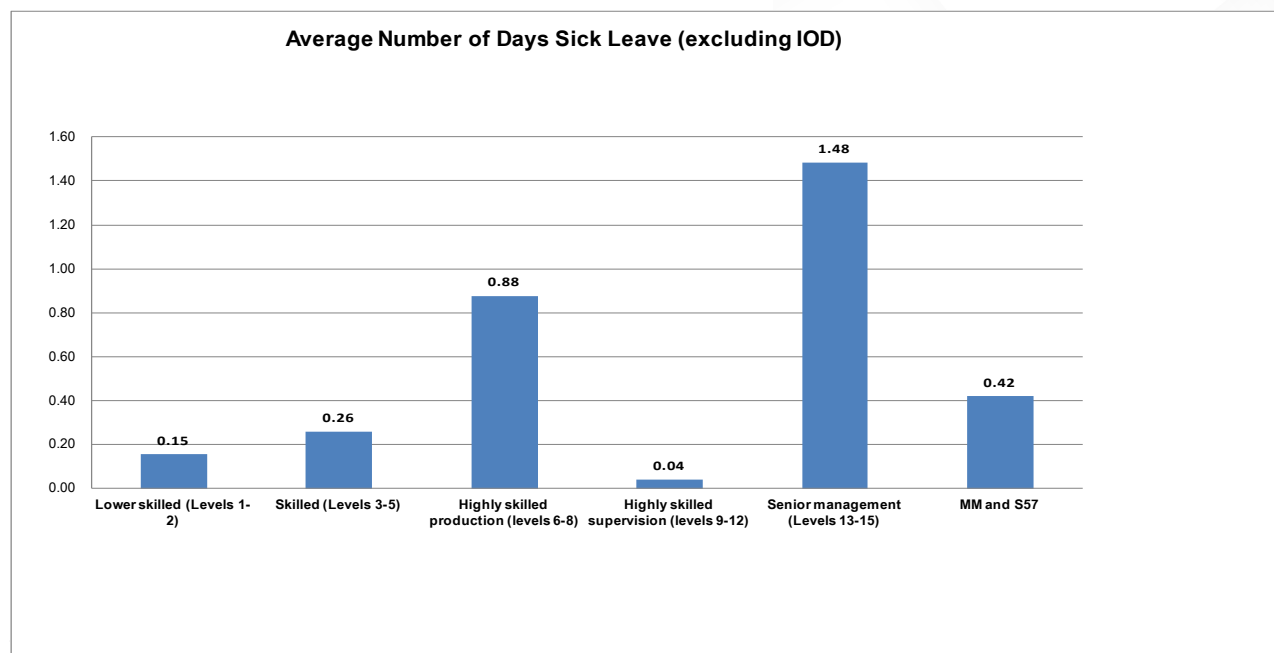
In the year reviewed, the municipality is in the developed and adopted its Policy Review Process Plan in December 2022, and the plan was effectively implemented and that resulted in the municipality's ability to successfully reviewed its policies to align to the latest Municipal Staff Regulations No. 890 in May 2023 for effective implementation from the 1<sup>st</sup> July 2023.



#### 4.5 INJURIES, SICKNESS AND SUSPENSIONS

In the year in review, sick leave has been monitored through the Leave Policy and monthly audits which are implemented as part of controls. Over and above this, twelve (12) monthly reports were submitted to departments and Standing Committees

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee DAYS	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement		0	0	0	0
Fatal		0	0	0	00
Total	0	0			



##### 4.5.1 COMMENT ON INJURY AND SICK LEAVE:

The municipality is managing all the leave categories very well in that monthly audits are undertaken and the reports thereof are submitted to Management of each Directorate for verification; controls and taking action where necessary.

In addition to effectively implementing the Leave Policy, monthly reports are filed and presented to the Standing Committee (**Section 79 Committee**) to verify compliance. All cases of injury on duty also form part of the OHS Compliance and leave reports.

#### 4.6 LABOUR RELATIONS

At Senqu Local Municipality, sound labour relations is encouraged and promoted in all matters relating to employees. Awareness campaigns on the employee code of conduct form part of induction sessions for new staff. The induction also makes employees aware of legislation and policies applicable within the workplace. Quarterly and special Local Labour Forum meetings are held to ensure that matters of mutual interest between labour and management are effectively deliberated and joint resolutions achieved. In the year in

review the municipality ensured that all Local Labour Forum meetings were conducted as scheduled.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not finalised	Date finalised
LICENCING & REGULATIONS COMPLIANCE OFFICER	Alleged to misconduct relating to failure to conduct themselves with honesty and integrity	March 2024	Employee resigned	Not yet finalised Employee resigned when he was served with the suspension letter.
CUSTOMER CARE COORDINATOR	Alleged to misconduct relating to failure to conduct themselves with honesty and integrity	March 2024	Pending investigation	Finalised November 2024 (7 months)

#### 4.6.1 Comment On Suspensions And Cases Of Financial Misconduct:

The municipality has established a Disciplinary Board aligned to the MFMA and the NT Regulations. All financial misconducts are reported to the Disciplinary Board; to National Treasury within the stipulated time and also the matter get reported to the SAPS in line with the relevant legislation. In the year of review, there were two cases that were reported by the community members and two municipal officials that were affected, were suspended. Out of the two employees suspended, one decided to resigned while the matter was still investigated. The other employee's investigation took longer than the expected time as a result the matter was settled after seven (7) and the employee was eventually returned back to work.

## 4.7 PERFORMANCE REWARDS

Performance reward is an incentive given to an employee based on his/her contribution to the municipality's success in achieving its targets. Performance awarding is aimed at linking performance to reward and reinforce effective work behaviours by determining and allocating appropriate rewards to employees aligning it to the Regulations. Out of the two types of performance-based rewards, the municipality is approved the "bonuses type" as it is a % which is indicated in the Individual Performance Management Policy as approved by Council and is aligned to the Regulations. A bonus is a lump sum paid in addition to base employee salary, and it is flexible than an incentive type and is linked to specific a specific goal. The performance rewards are also aimed at motivating employees to do better; encouraging the innovation and creativity within the employee; boosting productivity and ensuring better and improvement on services delivered to the Senqu local communities.



Performance Rewards By Gender					
Designation	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R'000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female	12	12		
	Male	9	9		
Middle Management (level 13-15)	Female	2	2		
	Male	6	6		
Senior management (levels 16-18)	Female	9	8		
	Male	11	11		
MM and S57	Female	2	2		
	Male	4	4		
Total					

#### 4.7.1 Comment On Suspensions And Cases Of Financial Misconduct:

In the year reviewed, qualifying employee's performance rewards has not been implemented yet as the performance audit process must be completed first, AG must be satisfied with the outcomes and the annual report on the municipality's overall performance for that financial year. The municipality has gone on the tender process requesting services of professional services provider to conduct the performance assessments for staff for a period of three years inclusive of the year in review (2023/2024) and employee assessments will be conducted as soon as the appointment of the service provider is finalized

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.8 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Workforce capacity development is a set of solutions designed to build capacity of employees in the workplace both individually and collectively, to enhance the institutional performance. Workforce capacity development enables the municipality to develop its existing workforce and successfully recruit qualified employees to reach their full potential by implementing HR best practices and training its staff through the approved Workplace Skills Plan.

In the year under review, Senqu Local Municipality viewed workforce capacity development as an important aspect of its success in maintaining the clean audit status, in that through effective implementation of the workforce capacity process and ensuring the capacity and readiness of its workforce to effectively and efficiently fulfill its roles and responsibilities. Effectively managing workforce capacity is vital for organisational success and resilience. Although the municipality experienced a number of challenges, staff and councillor's capacity building and training programmes were implemented.

## 4.9 SKILLS DEVELOPMENT

### Financial Competency Development: Progress Report

Description	A. Total number of officials employed by municipality (Regulation 14 (4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14 (4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(b)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4) €
Financial Officials						
Accounting officer	1			1	1	
Chief financial officer	1			1	1	
Senior manager	4			4	4	
Any other financial officer	16			16	11	
Supply chain management officials	5			5	0	
Heads of supply chain management units						
Supply chain management senior managers	2			2	1	
<b>Total</b>	<b>29</b>			<b>29</b>	<b>18</b>	

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2024	Number of skills employees required and actual as at 30 June 2024											
			Leaverships			Skills programmes & other short courses			Other forms of training				Total	
		No.	Actual end of year 1	Actual end of year 0	Year to target	Actual end of year 1	Actual end of year 0	Year to Target	Actual end of year 1	Actual end of year 0	Year to Target	Actual end of year 1	Actual end of year 0	Year to Target
MM and S57	Female	2				2								
	Male	4				4								
Councillors	Female	14				6								
	Male	20				2		1						
Senior Managers	Female	9				2								
	Male	11				2								
Technicians and Associates and Professionals	Female	4												
	Male	18				1			2					
Professionals	Female	22				8								
	Male	22				6								
Sub total	Female	51				18			3					
	Male	75				15			0					
Total		126				33			3					



Skills Development Expenditure												R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1		Skills programmes & other short course	Other forms of training	Total	Original Budget		Actual		
			No.	No.				Original budget	Actual	Original budget	Actual	
MM and S57	Female	2										
	Male	4										
Legislators	Female	14										
	Male	20										
Senior Managers	Female	9										
	Male	11					59724.98					
professionals	Female	26					84594.80					
	Male	22					64742.44					
Technicians and associate professionals	Female	4					16266.65					
	Male	18					27568.38					
Clerks	Female	30										
	Male	19										
Service and sale workers	Female	5										
	Male	2					8574.37					
Plant and machine operators and assemblers	Female	1					892.00					
	Male	29					189550.00					
Elementary occupations	Female	37					25079.53					
	Male	76										
Sub-total	Female	112										
	Male	177										
Total		289										



## BUDGET

DIRECTORATE	TOTAL BUDGET
Technical	R 229,700.10
Executive and council	R 329,459.05
Corporate services	R 723,160.45
Dtps	R 302,703.80
Community services	R 468,057.00
BTO	R 844,434.30

### 4.9.1 Comment On Skills Development And Related Expenditure And On The Financial Competency Regulations:

In the year reviewed, Senqu Local Municipality was able to identify skills gaps through the skills audit processes that were conducted from the second and the third quarter, the Workplace Skills Plan and its Implementation Plan were successfully developed though less than 100% of the budget was spent as planned due to a number of challenges experienced such as the capacity within the unit; lack of accredited service providers in the target skills programme; non response from the service providers when trainings interventions were required through the competitive bidding processes, the resignation of the Skills Development Facilitator during that time. This resulted in the number of the required and targeted training interventions being differed to the following financial year (2024/25).

## 4.10 COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.10.1 Introduction To Workforce Expenditure

Senqu Municipality is required to manage all resources in the most effective manner, and this includes the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. To this end, no appointments may be made without the appropriate approval and ensuring that the budget is allocated correctly.

#### Accordingly:

- Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting);
- Staff appointments are made strictly in accordance with the relevant legislation and/or policy agreements; and
- Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

### 4.10.2 Employee Expenditure

Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (levels 1-2)	Female	
	Male	
Skilled (levels 3-5)	Female	
	Male	
Highly skilled (levels 6-8)	Female	
	Male	
Highly skilled supervision (levels 9-12)	Female	1
	Male	2

Senior management (levels 13-16)	Female	
	Male	
MM and S57	Female	
	Male	
<b>Total</b>		<b>3</b>

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Traffic Officers	3	11	R 304 992 per annum R 25 416 per month	Added responsibilities

T 4.6.6

#### 4.10.2 Comment On Upgraded Posts And Those That Are At Variance With Normal Practice:

In the year reviewed, out of the positions that were reviewed and submitted to the District Job Evaluation Committee, only the Traffic Officer's position was approved and submitted to the Provincial Audit Committee (PAC) successfully upgraded as indicated in the table above.

#### Disclosures Of Financial Interests

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in Appendix J. Make other comments as appropriate.

# Chapter 5

# FINANCIAL PERFORMANCE



# CHAPTER 5 – FINANCIAL PERFORMANCE

As the global economic uncertainty and rising costs places inflationary pressure on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard, every effort is made to ensure that systems and procedures are in place to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. In addition, the municipality takes appropriate steps to ensure that operations are properly controlled – thereby maintaining efficient and effective service delivery to our consumers.

The 2023/2024 financial year has been quite successful for Senqu Municipality in so far as financial management and proven financial sustainability is concerned, as has been the case in the previous years. The municipality's 2023/24 Approved Budget is funded with sufficiently cash-backed reserves, provisions and all liabilities including the long-term. The municipality was able to achieve a net operating surplus of R71.2 million which increased from R47.7 million in the 2022/23 financial year, as a result of significant increase in revenue generated. In addition, the municipality has over the years consistently maintained a favorable financial position through funded reserves which is kept in investment deposits to the tune of R459 million as at the end of 2023/24 financial year.

All aspects relating to mSCOA compliance are being incorporated within Senqu Municipality and its operating systems – ensuring that the financial and support systems integrate with mSCOA requirements and performance reporting. With the assistance of GRAP standards reporting requirements, financial information has become more readily available and this allows information to be presented and reported in an accurate manner. That being said, difficulties are experienced in respect of information which is processed outside of the financial system such as procurement related information. Regular reporting and reporting of compliant and useful information is required from each directorate and is mandatory as required by various legislated prescripts. This information is critical for all other reporting and should be readily available at all times.

While specific detail on all aspects of finance are provided within the schedules attached, a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

## STANDARD PRACTICES TO FACILITATE ACCURATE INFORMATION PROVISION

It is required that there is compliance regarding all reporting and in particular regarding the predetermined objectives - ensuring that they are written in accordance with the SMART principles.

Issues identified in terms of the Audit Action Plan are required to be addressed and appropriate “follow ups” conducted.

The Internal Audit and Audit Committee are required to work together in order to review the Strategic and Annual Performance Plans – ensuring that these are correctly addressed, and that appropriate and valuable reporting occurs.

The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required; and Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and/or wasteful expenditure and in respect of the potential qualification, due to the failure to detail and report on predetermined objectives and National Treasury views on non-priority spending.

## FINANCIAL INDICATORS

The following dashboard information and tables indicate the municipality's performance in terms of 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.

As an overall assessment, the following indicators are highlighted:

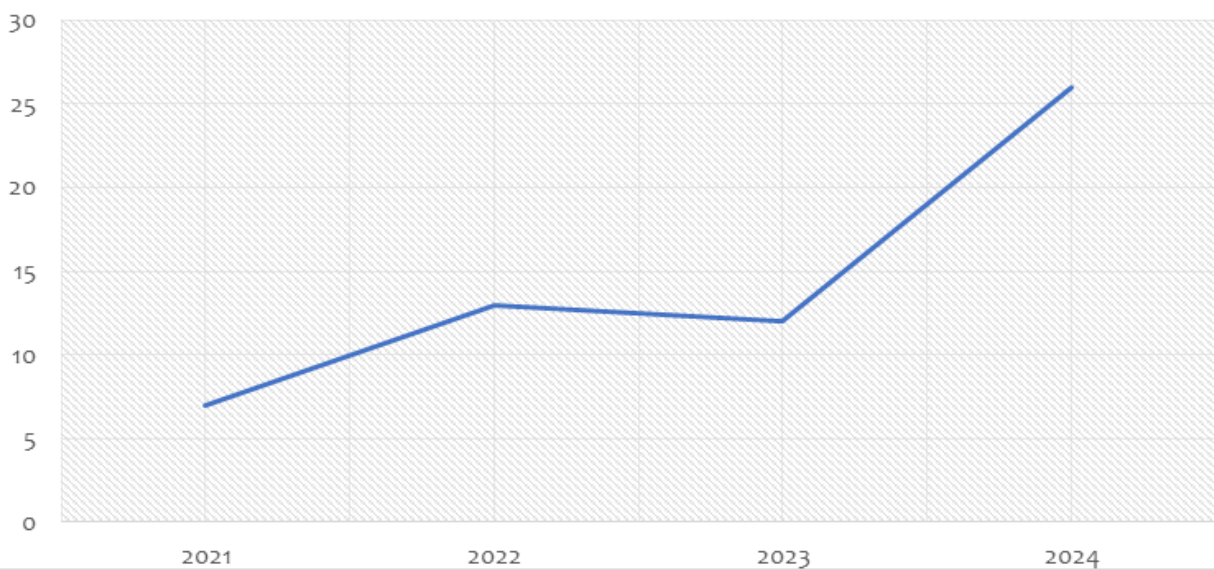






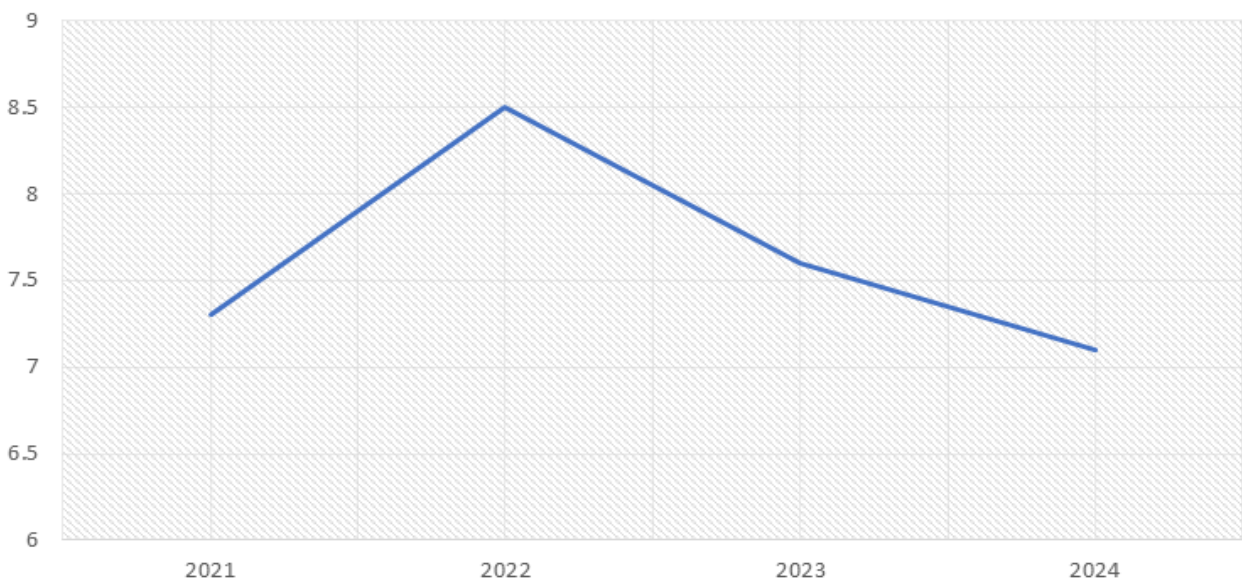
FINANCIAL INDICATORS	2023/2024	2022/2023
Capital charges to Operating Expenditure	26%	12%
Liquidity: times	7.12	7.7
Repairs and maintenance	2%	2%
Creditors Payment Period	24 Days	14 days
IDP REGULATION FINANCIAL VIABILITY FIGURES		
Debt Coverage	4.7 times	2.3 times
Outstanding Service Debtors	104%	153.6%
Cost Coverage	36 Months	19 months

2023/24 Capital Charge to Operating Expenditure

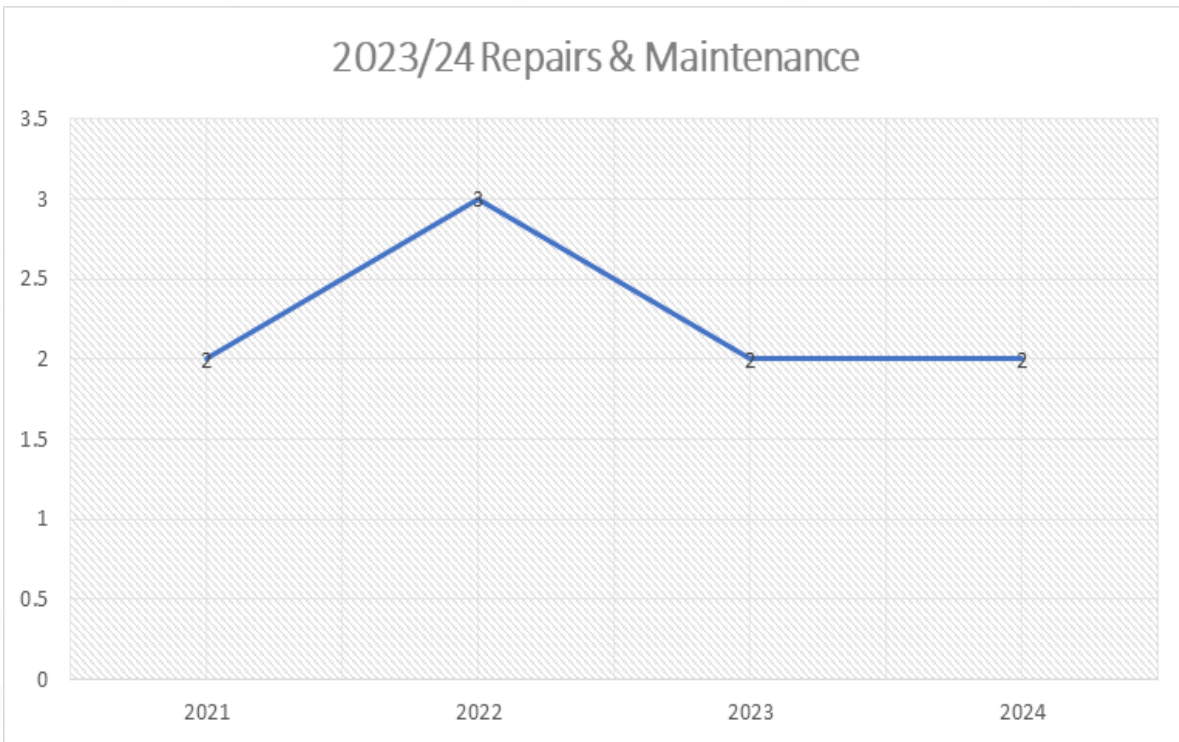


The above graph shows the % of capital budget to operational budget.

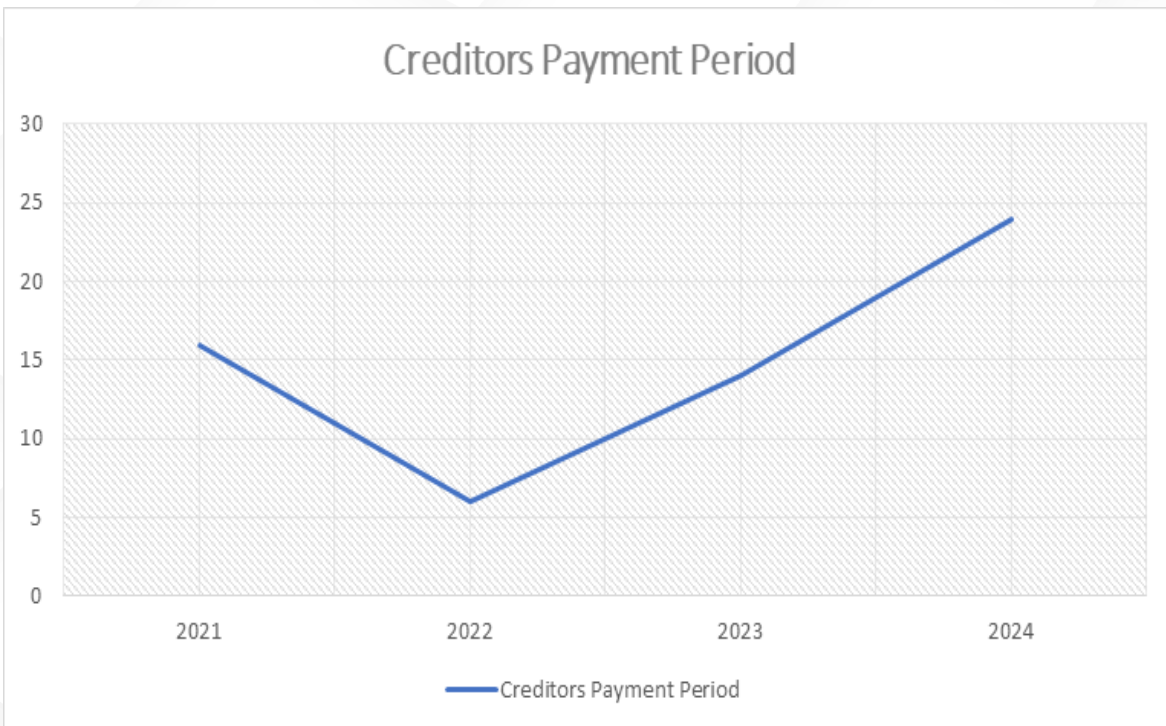
2023/24 Liquidity Ratio



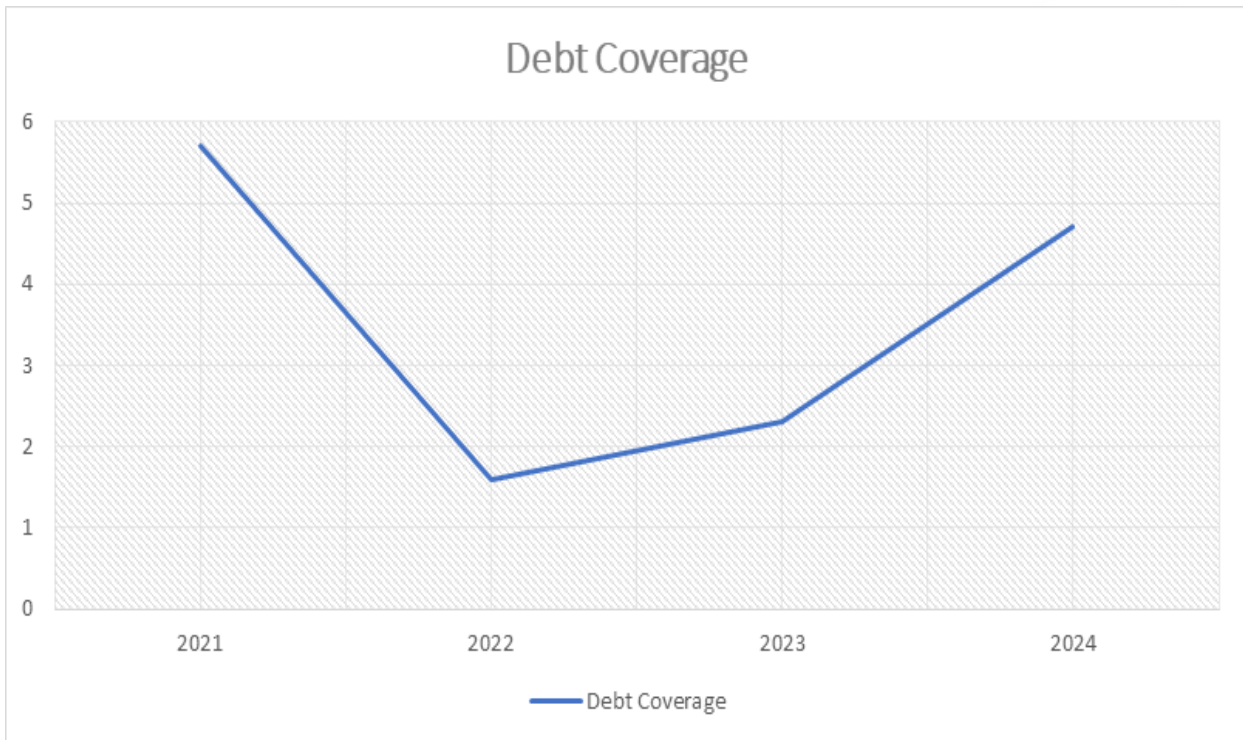
Liquidity ratio measures the municipality's ability to pay its creditors within a financial year. A good liquidity ratio is normally greater than 1.0.



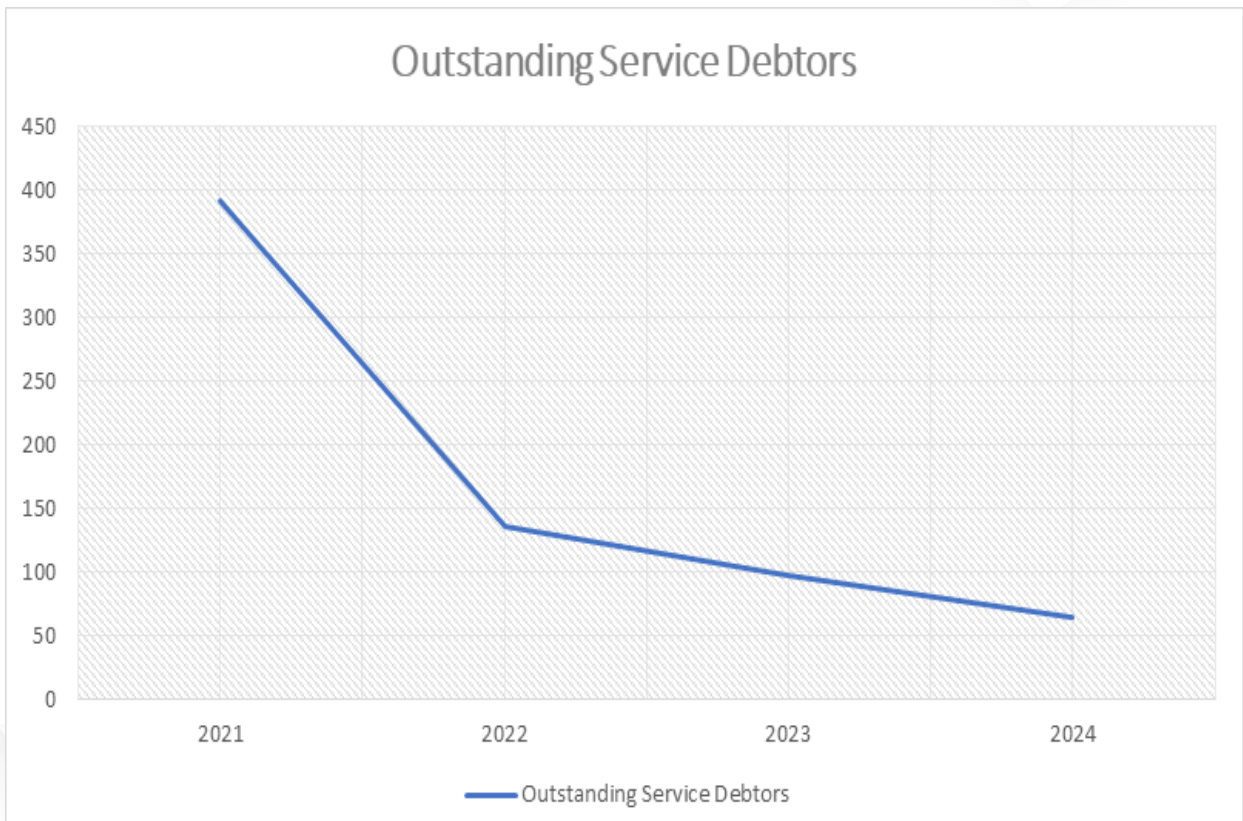
The above graph indicates the portion of operating expenditure spent for repairs and maintenance from 2020/2021 to 2023/2024 financial year in percentage.



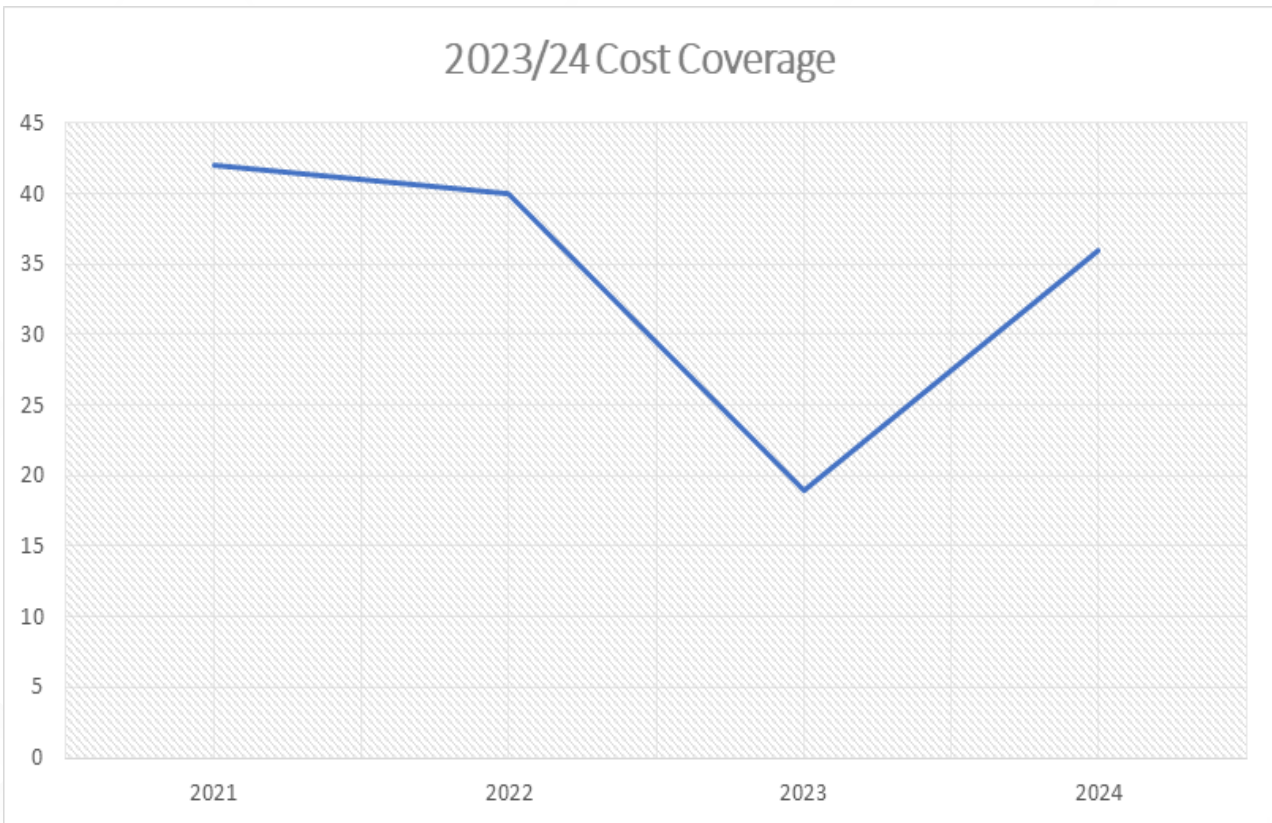
The creditors payment period graph indicates the average time it takes the municipality to pay creditors. There has been a steady increase in the number of days it takes the municipality to pay creditors from 2022 to 2024 financial year. The municipality is able to pay all its creditors within 30 days.



Debt coverage ratio represents the ease with which the municipality can pay debt using operational revenue. Debt coverage ratio above 1 indicates the municipality's ability to cover service debt and below 1, indicates inability to pay.



Outstanding service debtors measures how much money is still owed by the community for services provided (electricity, water, refuse etc....) compared to how much money has been paid for these services. Lower % is better.



Cost coverage ratio explains how many months expenditure can be covered by the cash and other liquid assets available to the municipality, excluding grants.

**COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

**5.2 INTRODUCTION TO FINANCIAL STATEMENTS**

Statements of Financial Performance are reflected in the tables that follow.

**Note:** Reference is made to Appendix K in which “Statements of Revenue Collection Performance by Vote and by Source” are included. This component provides an overview of financial performance of the municipality and focuses on its financial health.



5.2.1 Statements of Financial Performance – 2023/2024 in comparison with previous financial year 2022/2023 Actuals

Senqu Local Municipality				
Statement Of Financial Performance For The Year Ending 30 June 2024				
			2024	2023
			R	R
			(Actual)	(Actual)
	Notes			
REVENUE				
REVENUE FROM NON-EXCHANGE TRANSACTIONS			268 197 319	248 818 638
Taxation Revenue			18 603 345	17 330 716
Property Rates	20		18 603 345	17 330 716
Transfer Revenue			243 082 516	223 217 310
Transfers and Subsidies – Capital	21		43 309 971	34 365 765
Transfers and Subsidies – Operating	21		199 772 545	188 851 545
Other Revenue			6 511 458	8 270 612
Actuarial Gains	17		1 364 572	4 671 529
Fines Penalties and Forfeits	22		928 740	915 394
Insurance Receipts			-	-
Interest Earned - Penalty Interest on Property Rates	26		2 000 203	1 720 263
Gain on Fair Value Adjustments of Investment Property	8		1 605 675	963 425
Gain on Disposal of Capitalised Restoration Cost (PPE)	18		612 268	-
REVENUE FROM EXCHANGE TRANSACTIONS			119 750 750	95 243 481
Operating Activities			119 750 750	95 243 481
Service Charges	23		65 477 077	53 643 060
Rental from Fixed Assets	24		1 813 788	1 475 736
Interest Earned - external investments	25		43 067 757	32 208 528
Interest Earned - outstanding debtors	26		5 815 409	4 751 626
Licences and Permits	27		1 225 974	1 300 733
Agency Services	28		1 046 830	1 204 135
Sales of Goods and Rendering of Services	29		403 874	110 377
Operational Revenue	30		551 150	549 287
Gain on Disposal of Investment Property	42		348 891	-
TOTAL REVENUE			387 948 070	344 062 119



## 5.2.2 Statements of Financial Performance – 2023/2024 in comparison with previous financial year 2022/2023 Actuals (Continues from the previous page)

Senqu Local Municipality				
Statement Of Financial Performance For The Year Ending 30 June 2024				
			2024	2023
			R	R
	Notes		(Actual)	(Restated)
<b>EXPENDITURE</b>				
	Employee related costs	31	132 545 352	124 615 650
	Remuneration of Councillors	32	13 910 269	12 975 962
	Debt Impairment	33	17 464 288	16 641 103
	Depreciation and Amortisation	34	17 689 077	17 032 144
	Impairment Loss	35	1 109 447	314 017
	Actuarial Losses	17	20 207	-
	Finance Charges	36	5 645 685	5 397 454
	Bulk Purchases	37	48 678 878	45 498 755
	Contracted services	38	38 519 241	31 251 097
	Transfers and Subsidies	39	36 321	42 055
	Operating Leases	40	408 494	550 203
	Operational Cost	41	40 013 784	41 159 753
	Loss on Disposal of Assets	42	705 871	833 099
	Inventory Loss		23 892	3 142
	<b>TOTAL EXPENDITURE</b>		<b>316 770 806</b>	<b>296 314 434</b>
	<b>NET SURPLUS FOR THE YEAR</b>		<b>71 177 263</b>	<b>47 747 685</b>

During the financial year 2023/2024 Senqu Municipality achieved an operating surplus of R 71.1 million as compared to R 47.7 million in the prior year. Actual results as compared with planned budget outcomes can be observed in the table that follows with explanations provided for material variances.



## 5.2.3 Statements of Financial Performance: Budget Comparisons Operating Revenue

Senqu Local Municipality				
Statement Of Comparison Of Budget And Actual Amounts				
Statement Of Financial Performance For The Year Ending 30 June 2024				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2024	2024	2024	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
<b>REVENUE BY SOURCE</b>				
Property rates	18 603 345	17 048 155	1 555 190	9%
Service charges	65 477 077	69 815 087	(4 338 010)	-6%
Rental of facilities and equipment	1 813 788	1 667 566	146 222	9%
Interest earned - external investments	43 067 757	33 167 182	9 900 575	30%
Interest earned - outstanding debtors	5 815 409	5 441 598	373 811	7%
Fines, penalties and forfeits	928 740	589 098	339 642	58%
Licences and permits	1 225 974	1 436 609	(210 635)	-15%
Agency services	1 046 830	1 464 890	(418 060)	-29%
Transfers and Subsidies - Operating	199 772 545	201 862 657	(2 090 113)	-1%
Other revenue	6 886 633	2 934 001	3 952 632	43%
<b>TOTAL OPERATING REVENUE</b>	<b>344 638 098</b>	<b>335 429 373</b>	<b>9 208 725</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	132 545 352	139 518 861	(6 973 508)	-5%
Remuneration of councillors	13 910 269	13 939 419	(29 150)	0%
Debt impairment	17 464 288	17 221 566	242 722	1%
Depreciation & amortisation	17 689 077	18 693 076	(1 003 999)	-5%
Finance charges	5 645 685	5 476 097	1 946 776	3%
Bulk purchases	48 678 878	61 537 072	(12 858 194)	-21% %
Inventory consumed	-	21 534 574	(21 534 574)	-100%
Contracted services	38 519 241	58 993 432	(20 474 191)	-35%
Transfers and subsidies	36 321	46 451	(10 130)	-22%
Other expenditure	40 422 278	41 029 566	(607 288)	-1%
Losses	1 859 417	2 000 000	(140 583)	-7%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>316 770 806</b>	<b>379 990 113</b>	<b>(63 219 307)</b>	

**NOTE:** Operating Revenue earned at end of the financial year shows a positive variance of R 9 208 725 as compared to the final budget. This can be attributed to the higher Interest on investment that was realised due to a significantly high interest rates as compared to the initial estimates, as well as the other revenues which exceeded the budget. The operating expenditure came in at a variance of R63 219 307 due to under-expenditure. This may be directly attributable to a Cost Containment Strategy that was implemented which reduced expenditure across the categories of expenses as well as the under-expenditure of the budget of Bulk Purchases due to significant loadshedding experienced during the financial year.

### 5.3 EXPENDITURE AUTHORISED IN TERMS OF SECTION 32 OF THE MFMA

#### 5.3.1 Unauthorised Expenditure

The unauthorised expenditure reported relates to payment of invoices for the Construction of the Blue-gums Sports Field which exceeded the budget allocated only for the 2023/24 financial year. The aggregate 2023/24 MTREF budget of the project and the contract amount has not been exceeded.

#### BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR – OPERATING

	2024	2024	2024
Unauthorised expenditure – Operating	(Actual)	(Final Budget)	(Unauthorised)
	R	R	R
Executive & Council	39 880 691	46 999 457	-
Planning & Development	21 935 751	27 897 483	-
Corporate Services	43 592 305	48 622 014	-
Budget & Treasury	42 996 098	49 457 503	-
Road Transport	31 170 719	39 925 691	-
Waste Water Management	3 913 647	5 376 993	-
Community & Social Services	19 546 264	21 303 904	-
Sport & Recreation	2 399 969	2 759 987	-
Public Safety	1 614 809	1 890 061	-
Electricity	69 043 658	85 684 365	-
Waste Management	40 676 895	50 072 658	-
Total	316 770 806	379 990 115	

#### BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR (CAPITAL)

	2024	2024	2024
Unauthorised expenditure – Capital	(Actual)	(Final Budget)	(Unauthorised)
	R	R	R
Executive & Council	209 205	215 000	-
Corporate Services	899 282	5 470 000	-
Budget & Treasury	1 775 114	2 960 850	-
Road Transport	43 872 744	87 242 837	-
Waste Water Management	1 615 675	2 230 404	-
Community & Social Services	3 834 778	5 804 889	-
Sport & Recreation	6 904 805	4 854 874	2 049 931
Public Safety	1 026 323	1 080 000	-
Electricity	991 166	1 265 000	-
Waste Management	21 389 934	21 789 264	-
Total	82 519 025	132 913 118	2 049 931



### 5.3.2 Expenditure Authorised in Terms of Section 32 of the MFMA (Fruitless & Wasteful Expenditure)

Fruitless and Wasteful expenditure for the financial year (2023/2024) amounted to R 2 084 488 and R 2 023 681 was incurred during the previous financial years. A decrease was therefore noted between the previous financial year as compared with the current year.

Irregular Expenditure Consists Out Of The Following	2024	2023
Deviations from Supply Chain Regulations and Policies - Disciplinary processes have not been initiated.	5 778 289	21 311 345
<b>Total</b>	<b>5 778 289</b>	<b>21 311 345</b>

### 5.3.3 Irregular Expenditure

Irregular expenditure increased from R 59 548 156 to R 65 326 446 during the 2023/2024 financial year. The amount of R 21 311 345 for 2022/23 and R 5 778 289 for 2023/24 identified as Deviations from Supply Chain Regulations and Policies relates to procurement that did not follow the supply chain prescripts but was detected via the municipal internal control system.

Incident	Disciplinary steps/ criminal proceedings	2024	2023
Penalties paid – Dept. Transport	Investigation completed	-	23 665
Interest paid to SARS	Not yet started	59 104	15 420
Interest paid to SALA Pension Fund	Not yet started	-	24 042
Advance payment to contractor	Not yet started	-	1 800 000
Lithaba Travels (Accommodation)		1 703	
<b>TOTAL</b>		<b>60 807</b>	<b>1 863 127</b>

5.4 GRANTS

APPENDIX E (UNAUDITED)

Disclosure Of Transfers And Subsidies For The Year Ending 30 June 2024

	Opening Balance	Grants Received	Interest On Investments	Transferred To Revenue (Operating)	Transferred To Revenue (Capital)	Funds Returned To Nt	Closing Balance
	R	R	R	R	R	R	R
NATIONAL GOVERNMENT							
Equitable Share	-	186 760 000	-	186 760 000	-	-	-
Municipal Finance Management Grant	-	1 700 000	-	1 700 000	-	-	-
Municipal Infrastructure Grant	4 950 899	42 443 000	-	7 381 290	35 061 609	4 951 000	-
NDPG (Neighborhood Development Partnership Grant)	2 010 056	-	-	-	-	-	2 010 056
EPWP (Expanded Public Works Program)	-	1 194 000	-	1 658 000	-	-	-
Total	6 960 955	217 818 000	-	197 499 290	34 365 765	-	2 010 056
PROVINCIAL GOVERNMENT							
Prov Gov - Housing (Hillside)	232 651	-	-	-	-	-	232 652
Herschel People's Housing Libraries	12 722 578	-	1 020 477	-	-	-	13 743 055
EPWP (Expanded Public Works Program)	-	1 500 000	-	1 500 000	-	-	-
Greenest Municipality	758 545	-	-	-	-	-	758 545
Municipal Disaster Relief Grant	6 400 000	14 266 000	-	1 237 254	8 248 362	-	11 180 383
Total	20 113 774	15 766 000	1 020 477	2 737 254	8 248 362	-	25 914 635
ALL SPHERES GOVERNMENT	27 074 730	247 863 000	1 020 477	200 236 544	43 309 971	4 951 000	27 924 691



#### 5.4.1 Comments regarding Grant Funding

It is noted that the municipality's rollover application of R4.9 million of the MIG funding was declined by the National Treasury.

### 5.5 ASSET MANAGEMENT

#### 5.5.1 Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively efficiently and economically.

It is acknowledged that an Accounting Officer of a municipality is responsible for the management safeguarding and maintenance of assets and liabilities and must for this purpose take all reasonable steps to ensure that the municipality has and implements the following:

Maintains a management accounting and information system that accounts for the assets and liabilities of the municipality;  
Ensures that assets and liabilities are valued in accordance with the standards of Generally Recognised Accounting Practice; and  
Maintains a system of internal control of assets and liabilities including an Asset and Liabilities Register.

#### ROLES & RESPONSIBILITIES

##### a. Role of the Municipal Manager

As the Accounting Officer of the municipality, the Municipal Manager is regarded as the principal custodian of the entire municipality's fixed assets. Accordingly, the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act No 56 of 2003 delegate this responsibility.

##### b. Role of the Senior Managers

###### Chief Financial Officer

The Chief Financial Officer shall control the Fixed Asset Register of the municipality and is required to ensure that a complete accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the Fixed Asset Register shall be made other than by the Chief Financial Officer or by an official acting under the written instruction of the Chief Financial Officer.

###### The Chief Financial Officer shall:

Ensure implementation of the Asset Management and Insurance Policy;  
Ensure the verification of all assets in possession of council annually as at 30 June each year within the last three months of that specific financial year;

Keep a complete and balanced record (assets register) of all assets in possession of the council; and  
Report in writing on all asset losses to the council.

###### Other Senior Managers

The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act No 56 of 2003;

Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained properly used and insured and ensure that section 78 of the Municipal Finance Management Act no 56 of 2003 is adhered to;

The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant heads of departments are made.

Upon the resignation / retirement of an employee the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary, the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

Although capacity within the municipality's asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. This clearly shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to R 82 519 025 which include the following categories of assets as reflected in the following table. Note: This does not include intangible assets (not included in the table below).

### 5.5.2 Capital Assets 2023/2024

30 June 2024	Additions
	R
Land and Buildings	17 220 851
Buildings	17 220 851
Infrastructure	36 715 082
Roads	31 129 703
Stormwater	552 123
Solid Waste	4 075 998
Electricity	957 258
Community Assets	8 147 548
Sport Field	6 904 805
Node Development	-
Parks & Gardens	-
Cemetery	216 420
Other	1 026 323
Other Assets	20 435 544
Plant & Equipment	787 505
Motor Vehicles	33 908
Office Equipment	-
Furniture & Fittings	499 619
Computer Equipment	-
Specialised Vehicles	1 800 576
Total	82 519 025



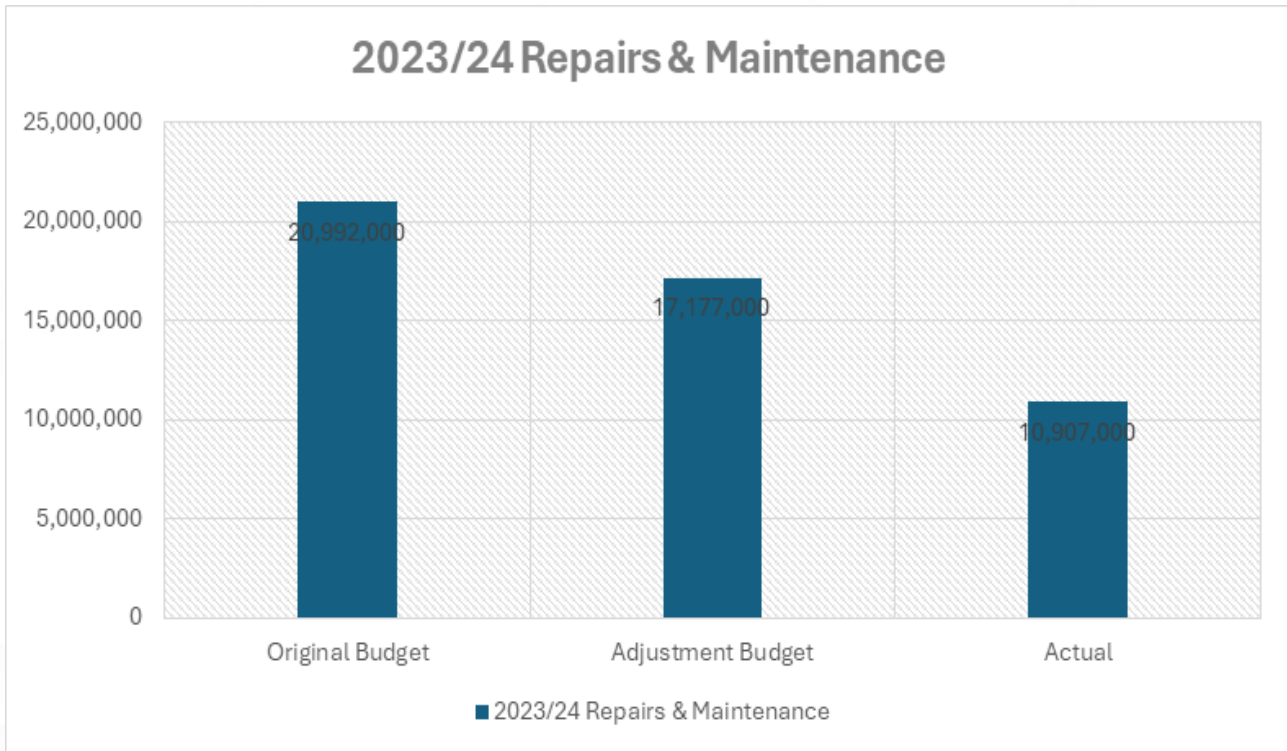
Table: Schedule A9 Asset Management Summary Sheet

		2022/23		Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework				
		'000	'000	'000	'000	'000	'000	'000	'000	'000
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget 2025/26	Year +1	Budget Year +2	
ASSET REGISTER SUMMARY -	5									
PPE (WDV)		117 774	116 471	109 538	109 538	158 152	230 949	230 949	295 596	
Infrastructure - Road transport		23 752	24 354	21 791	21 791	20 408	24 999	24 999	27 610	
Infrastructure - Electricity		48 599	85 141	46 843	46 843	47 755	48 815	48 815	72 513	
Infrastructure - Other		251 910	254 989	238 447	238 447	289 459	366 242	366 242	456 475	
Community		59 698	69 673	57 223	57 223	66 363	83 352	83 352	84 892	
Investment properties		47 272	46 309	47 272	47 272	47 272	47 272	47 272	47 272	
Other assets		124 987	118 358	123 929	123 929	142 993	160 000	160 000	158 775	
Intangibles		330	2 072	525	525	1 149	1 702	1 702	1 794	
Computer Equipment		2 263	2 689	4 065	4 065	4 224	4 576	4 576	4 307	
Furniture and Office Equipment		997	1 597	1 153	1 153	2 425	2 714	2 714	2 886	
Machinery and Equipment		14 965	33 976	40 784	40 784	46 929	45 748	45 748	44 451	
Transport Assets		5 066	16 887	9 247	9 247	10 641	11 137	11 137	11 356	
Land		30 185	29 779	30 185	30 185	30 185	30 185	30 185	30 185	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	537 674	576 329	552 830	552 830	641 641	752 928	752 928	842 392	

Repairs & Maintenance (2023/2024)

Repairs and Maintenance Expenditure Year June 2024		
	Original Budget	Actual
Repairs and Maintenance Expenditure	20 991	10 907
Totals	20 991	10 907
		Budget variance %
		63.5%
		R'000

5.6.1 Repairs and Maintenance Comparison 2023/2024

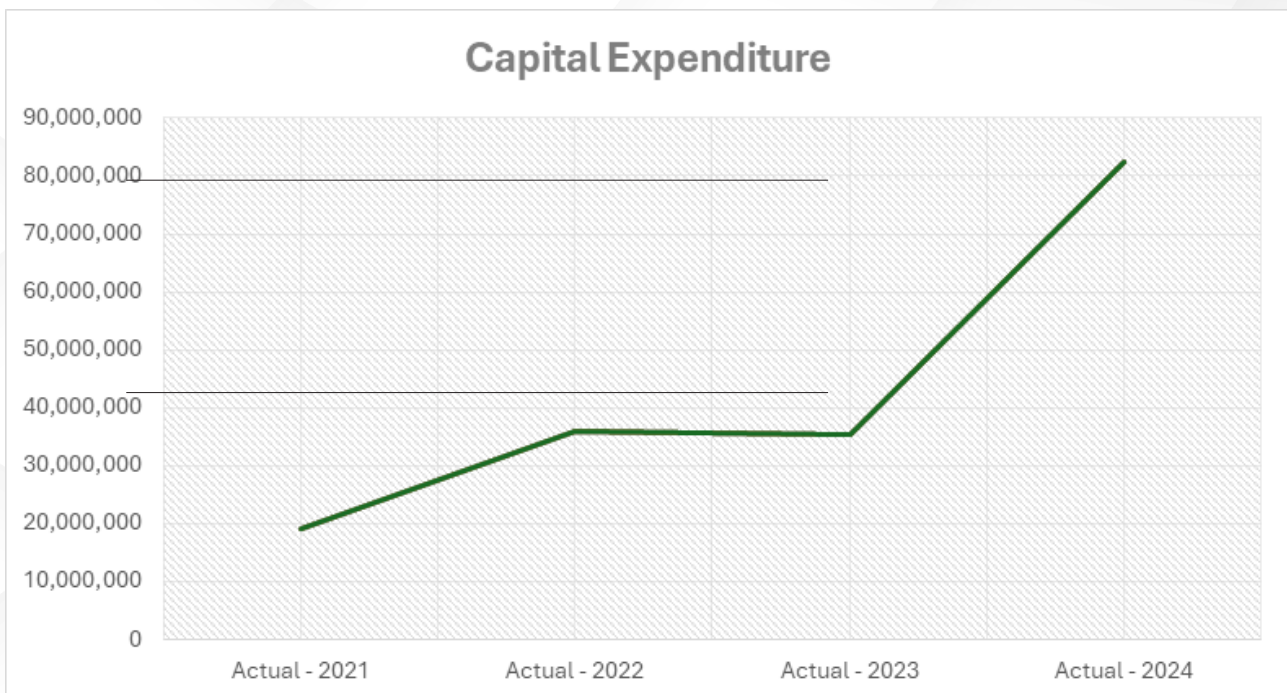


5.6.2 Comments on Repairs and Maintenance:

During the Adjustment Budget process the original amount for repairs and maintenance decreased from R 20.9 million to R 17 177 to align with the anticipated expenditure trend.

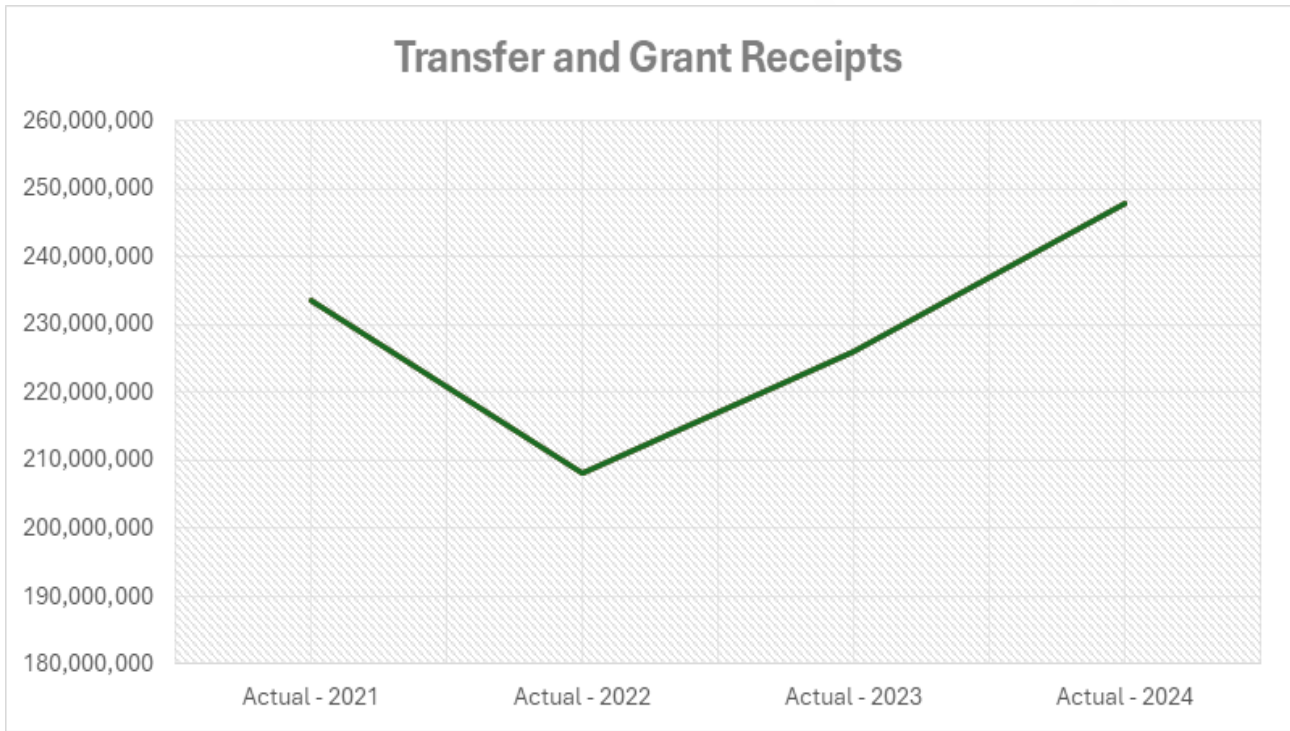
The Adjustment Budget was subsequently underspent by 36.5% due to planned maintenance not occurring as planned in the adjustment budget phase with actual expenditure amounting to R 10 907. Reference is made to the graph below for a comparison of basis for the table above.

5.7 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

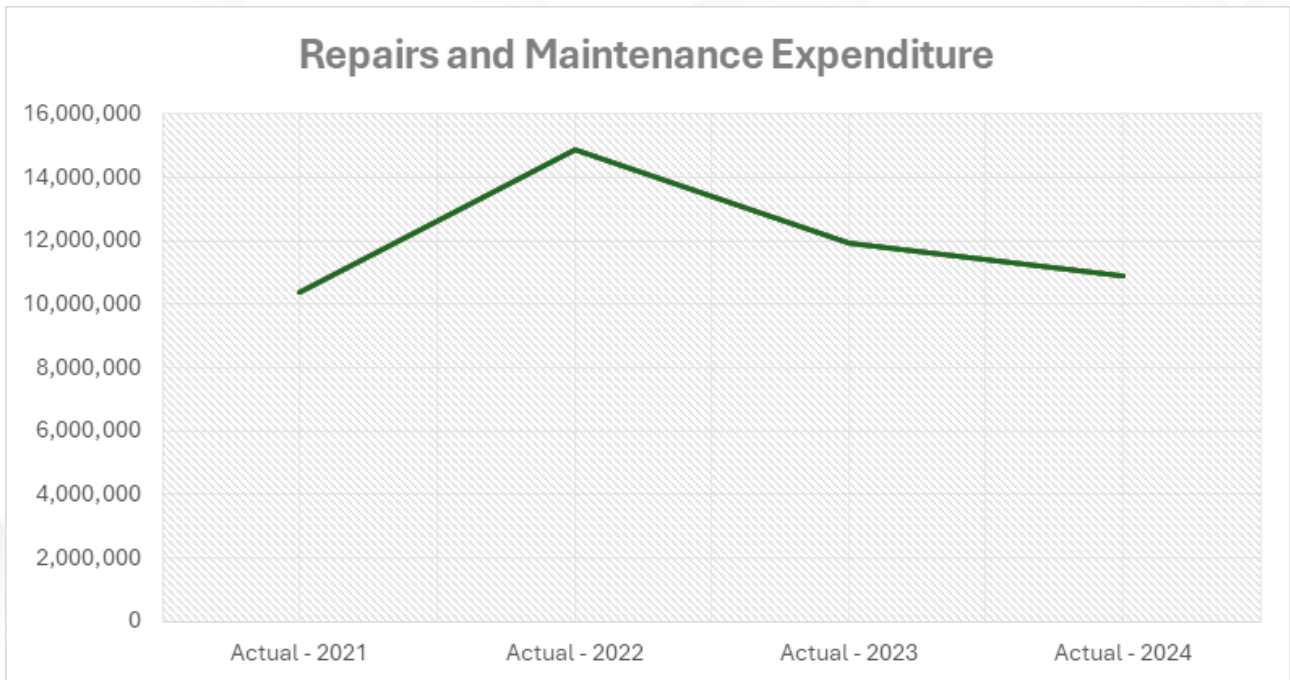




The Graph above shows the movement of Capital Expenditure from the financial year 2020-2021 to 2023-2024 financial year. There was a 133.7% increase in the capital expenditure from 2022/23 to 2023/24. This is directly attributed to the accelerated infrastructure projects implementation, where the Municipal Infrastructure Grant (MIG) and the Municipal Disaster Recovery Grant (MDRG) were fully spent during 2023/24 financial year.

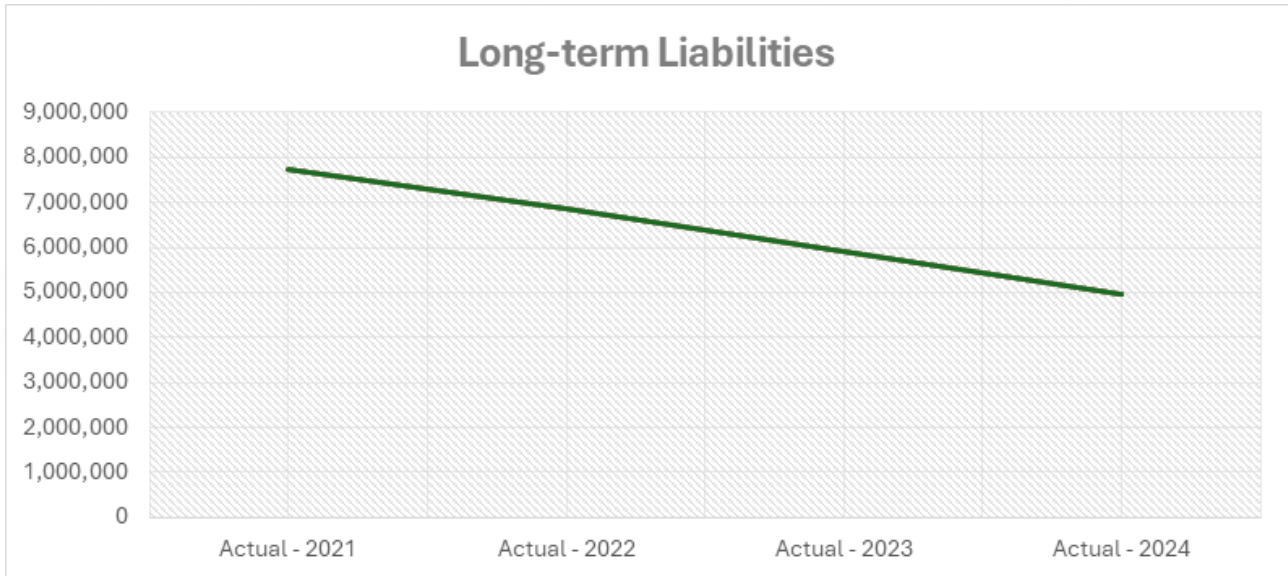


The Graph above shows the estimated increase of total grant receipts for Senqu Municipality from the financial year 2021-2022 to the financial year 2023-2024.



The Graph above shows a slight decrease of R1 million in expenditure for repairs and maintenance from 2022/23 to 2023/24.

## Long Term Liabilities 2023 /2024



Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken.



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.8 Introduction To Spending Against Capital Budget

In this regard it must be noted that:

Capital expenditure relates mainly to construction projects that will have lasting value over many years; and Capital expenditure is funded from grants and the municipality's Capital Replacement Reserve.

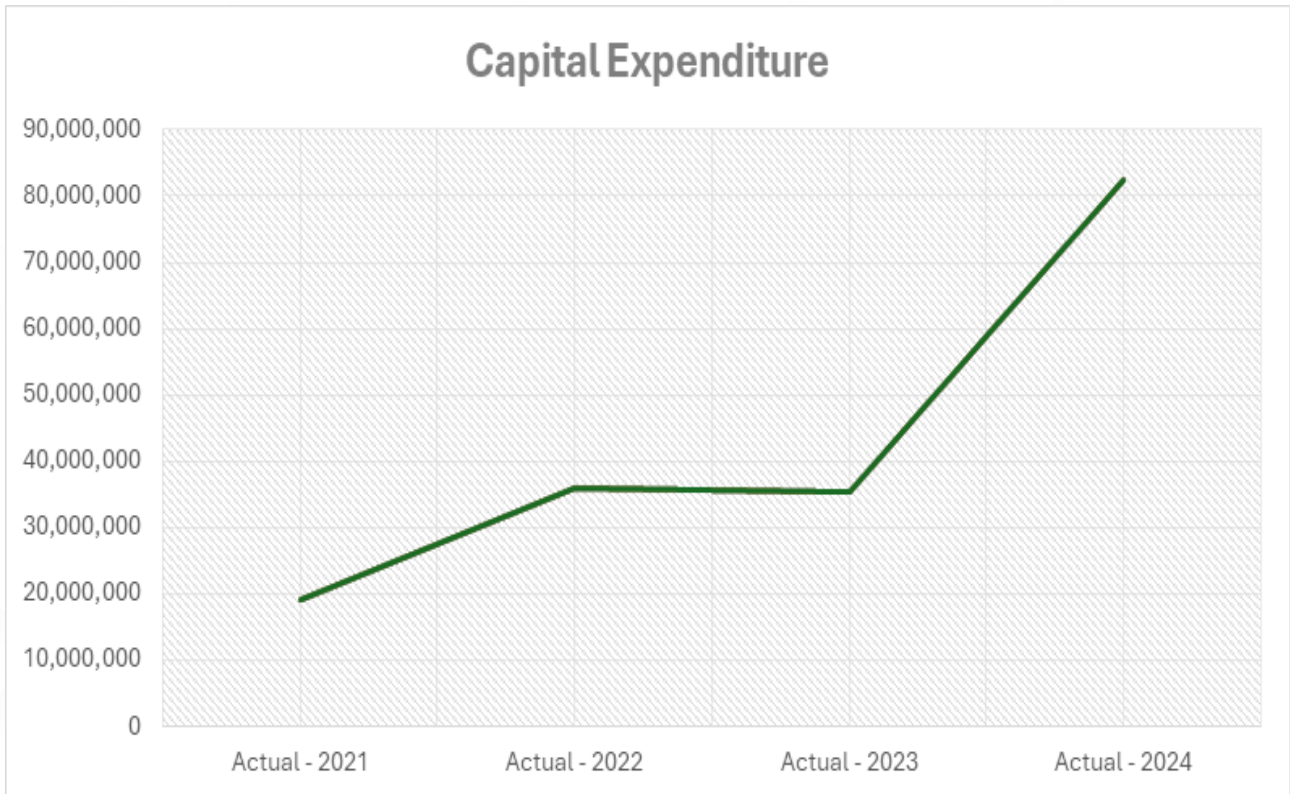
Table: Senqu Municipality's Capital Acquisition Programme

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		'000	'000	'000	'000	'000	'000	'000
	Actual 2022/23	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand	'000	'000	'000	'000	'000	'000	'000	
CAPITAL EXPENDITURE								
Roads Infrastructure	4 593	7 704	5 194	5 194	7 726	5 907	7 564	
Storm water Infrastructure	184	442	12	12	464	420	433	
Electrical Infrastructure	548	1 007	1 147	1 147	2 552	2 378	4 035	
Solid Waste Infrastructure	106	1 903	1 593	1 593	2 005	1 716	1 855	
Infrastructure	5 431	11 055	7 945	7 945	12 747	10 421	13 887	
Community Facilities	1 686	2 101	2 200	2 200	2 024	1 844	2 378	
Sport and Recreation Facilities	166	330	330	330	446	412	581	
Community Assets	1 851	2 431	2 530	2 530	2 470	2 255	2 959	
Operational Buildings	613	1 974	1 841	1 841	2 385	2 322	3 019	
Other Assets	613	1 974	1 841	1 841	2 385	2 322	3 019	
Licences and Rights	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	
Furniture and Office Equipment	458	615	780	780	924	714	1 006	
Machinery and Equipment	1 135	2 106	2 021	2 021	2 363	2 213	2 031	
Transport Assets	2 131	2 595	5 550	5 550	6 151	4 009	6 147	



### 5.8.1 Capital Expenditure

Total Capital Expenditure 2023/2024



The graph above shows the movement of Capital Expenditure from the financial year 2020-2021 to 2023-2024 financial year. There was a 133.7% increase in the capital expenditure from 2022/23 to 2023/24. This is directly attributed to the accelerated infrastructure projects implementation, where the Municipal Infrastructure Grant (MIG) and the Municipal Disaster Recovery Grant (MDRG) were fully spent during 2023/24 financial year.





### 5.8.2 Sources Of Finance

The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality excluding VAT. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

Capital Expenditure	Original	Budget	Final	Actual	Budget	Restated
	Budget	Adjustments	Budget	Outcome	Variance	Outcome
	2024	2024	2024	2024	2024	2023
	R	R	R	R	R	R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	37 574 566	(2 512 957)	35 061 608	35 061 609	-	29 883 274
Provincial Government	-	9 286 899	9 286 899	8 248 899	(1 038 537)	-
Transfers recognised - capital	37 574 566	6 773 942	44 348 508	43 309 971	(1 038 537)	29 883 274
Internally generated funds	45 306 785	43 257 825	88 564 610	39 209 054	(49 355 556)	5 433 853
Total Capital Funding	82 881 350	50 031 767	132 913 117	(82 519 025)	(50 394 093)	35 317 127

### 5.8.3 Capital Spending On Projects

The following table details the infrastructure assets and related progress through expenditure on these assets during the financial year 2023/2024.

INFRASTRUCTURE ASSETS 2022/2023	EXPENDITURE R
Lady Grey Solid Waste Site	4 075 998
Lining fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges	2 503 129
Interlock Paved Street in Kwezi Naledi - Ward 14	13 136 382
Reconstruction of Roads in Upper Tele, Mabele, Makhumsa and Nombhengana Ward 3 (3km)	2 956 522
Reconstruction of Re-graveling of Roads in Lepota Village Ward 9	4 173 913
Rehabilitation of Roads & Stormwater in Mokhesi Ward 8	1 485 645
Rehabilitation of Roads & Stormwater in Ward 10	1 463 703
Rehabilitation of Roads & Stormwater in Lady Grey Ward 14	1 662 092
Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16	1 617 297
Reconstruction of Roads_Ntabamhlophe - Ward 05	1 544 520
Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12	1 138 625
Sterkspruit Electricity meters and Boyce Nondala meters	865 200
Pre-Paid Electricity Meters	92 058
Renovation town hall Barkly East	3 618 358
Driving License and Testing Centre Sterkspruit	13 602 493
Blue-Gums Sportsfield	6 904 805
Barkly East & Lady Grey Boundary Fence	1 026 323
Lady Grey Cemeteries - Ward 14	216 420
<b>TOTAL</b>	<b>R62 083 481</b>

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Having displayed excellent financial management and investment practices it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long- and short-term commitments in a timely manner. It must be noted that the Council of the municipality is regarded as the trustee of the public revenue that it collects and it therefore has an obligation to the community to ensure that the municipality's cash resources are effectively and efficiently managed. Under these circumstances the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality's cash flow divided into calendar months and updates these estimates on a monthly basis. These estimates shall indicate when and for what periods and amounts surplus revenues may be invested; when and for what amounts investments will have to be liquidated and when (if applicable) either long-term or short-term debt must be incurred.

#### 5.9.1 Cash Flow

The table that follows will detail comparisons regarding Senqu Municipality' cash flow for 2023/2024 financial year:

Senqu Local Municipality				
Statement Of Comparison Of Budget And Actual Amounts				
Cash Flow Statement For The Year Ending 30 June 2024				
	2024	2024	2024	
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	16 011 309	15 785 301	226 007	1%
Service charges	49 800 546	61 456 326	(11 655 781)	-23%
Other revenue	3 550 108	5 905 278	(2 355 170)	-66%
Government – operating	200 396 174	200 396 174	-	0%
Government – capital	42 515 826	47 466 826	(4 951 000)	-12%
Interest	44 088 233	33 167 182	10 921 052	25%
<b>Payments</b>				
Suppliers and Employees	(264 025 117)	(332 473 989)	68 448 872	-26%
Finance charges	(599 568)	(5 476 097)	4 876 529	-813%
Transfers and Grants	(36 321)	(46 451)	10 130	-100%
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>91 701 189</b>	<b>26 180 550</b>	<b>65 520 639</b>	


**CASH FLOW Cont. from previous page**

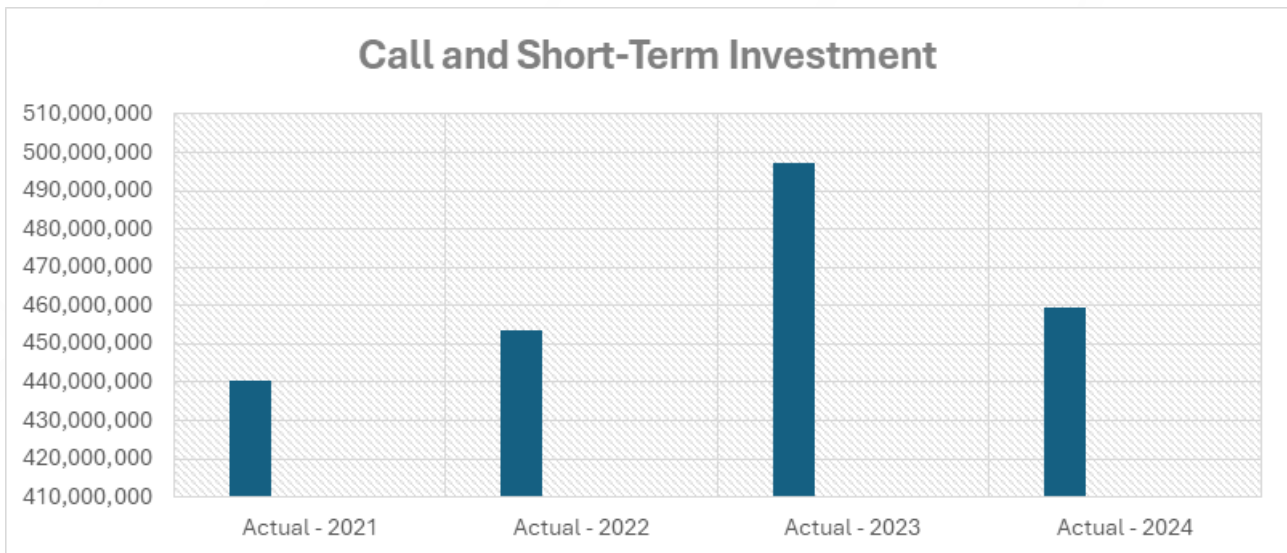
Senqu Local Municipality				
Statement Of Comparison Of Budget And Actual Amounts				
Cash Flow Statement For The Year Ending 30 June 2024				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2024	2024	2024	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of PPE	557 391	100 000	457 391	82%
Payments				
Capital assets	(82 519 025)	(132 913 118)	50 394 094	-61%
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(81 961 633)</b>	<b>(132 913 118)</b>	<b>50 394 094</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Increase in consumer deposits	64 015	113 082	(49 067)	-77%
Payments				
Repayment of borrowing	(909 046)	(922 862)	13 816	-2%
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(845 031)</b>	<b>(809 780)</b>	<b>(35 251)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>8 894 525</b>	<b>(107 542 348)</b>	<b>115 879 482</b>	
Cash and Cash Equivalents at the beginning of the year	497 831 825	497 831 824	0	0%
Cash and Cash Equivalents at the end of the year	506 726 349	390 389 476	116 336 873	23%

**5.9.2 Borrowings And Investments**
**Borrowings**

The Municipality currently has two (2) long-term borrowing commitments, and both are payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure in order to reduce electricity losses and improve service delivery.

**5.9.3 INVESTMENTS**



The municipality has accumulated investment funds which are kept in call deposit accounts to accumulate Interest. These funds are partially reserved and earmarked for specific purposes as determined by the Accounting Officer, including the Capital Replacement Reserve, Valuation Roll reserve and Employee Benefits Reserve.

The following graph depicts the level of investments held by the municipality from the 2020-21 financial year to 2023-24 financial year. The investments reflects a gradual increase year on year, having increased from R440.2 million in 202-21 to R497,3 million in 2022-23 and decreasing to 459.5 million in 2023-24.

**5.10 PUBLIC PRIVATE PARTNERSHIPS**

**Public Private Partnerships**

**Note:** Council has not entered into any private public partnerships during this financial year.

**COMPONENT D: OTHER FINANCIAL MATTERS**

**5.11 SUPPLY CHAIN MANAGEMENT**

**5.11.1 Introduction to Supply Chain Management**

The Council and management remain committed to ensuring that there is compliance with all SCM legislation and regulations in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by council during the previous financial year as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to supply chain management (SCM).

Various other control measures are also being implemented in order to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

Further details on the SCM are outlined in Appendix I of the report.



## GRAP COMPLIANCE

### 5.12.1 Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

The financial statements have been prepared using an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB). This has occurred in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved not to early adopt the Improvements to Standards of GRAP (2020) which was issued but not yet effective. The improvements affected the following Standards of GRAP:

GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

GRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

The Municipality also resolved not to early adopt the following Interpretation of the Standards of GRAP which were issued but with effective dates not yet determined:

GRAP 103 (Revised 2022) - Heritage Assets.

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

The impact of this Standard on the financial statements will not be significant, as the Municipality does not have any assets that meet the definition of a heritage asset as prescribed per GRAP 103.

GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control.

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control.

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

GRAP 107 (Revised 2023) – Mergers



This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations. The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

Amendments to GRAP 1 on Presentation of Financial Statements (2022).

The amendment to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

Currently, the Municipality is not faced with any going concern issues and therefore these amendments will have no effect on the financial statements.

### 5.12.2 Improvements to the Standards of GRAP (2023)

The improvements will affect the following pronouncements to the Standard of GRAP:

Pronouncement	Description
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Cost
GRAP 13	Leases
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 104	Financial Instruments
IGRAP 20	Accounting for Adjustments to Revenue
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities
Guideline	Application of Materiality to Financial Statements

The effect of the above-mentioned Improvements, Interpretations and Amendments to the Standards of GRAP which were early adopted is considered insignificant. The amendments and improvements to the Standards of GRAP mainly relate to the clarification of accounting principles.



# Chapter 6

AUDIT COMMITTEE FINDINGS 2023/2024 (General Manager)





# CHAPTER 6 – AUDIT COMMITTEE FINDINGS

## 2023/2024 (General Manager)Chapter 6

This chapter will detail the following audit related information:

**Component A:**

**6.1 The Auditor-General Report 2023/24**

# Report of the auditor-general to Eastern Cape Provincial Legislature and the council on Senqu Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Senqu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024 statement of financial performance statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Senqu Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 and the Division of Revenue Act 5 of 2023 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Irregular expenditure

7. As disclosed in note 48.3 to the financial statements, the municipality has R65,3 million (2023: R59,5 million) irregular expenditure that has not been recovered, written off or condoned.

## Debt impairment

8. As disclosed in note 3 and 4 to the financial statements, allowance for impairment of R78,5 million (2023: R68,5 million) relating to receivables from exchange transactions and R30,1 million (2023: R26,4 million) relating to receivables from non-exchange transactions were incurred.

## Other matters

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

## Unaudited disclosure notes

10. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose the particulars of non-compliance with legislation. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion on them.

## Unaudited supplementary schedules

11. The supplementary schedules set out in pages ... to ... do not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly I do not express an opinion on them.

## Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and DORA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7 forms part of our auditor's report.

### Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priority presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following programme presented in the annual performance report for the year ended 30, June, 2024 for auditing. I selected a programme that measure the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Service delivery and infrastructure development</b>	[XX]	Service delivery and infrastructure development is the core mandate of the municipality

18. I evaluated the reported performance information for the selected programme 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.

19. I performed procedures to test whether:

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

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

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. I did not identify any material findings on the reported performance information for the selected development priority.

### **Other matters**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements / measures taken to improve performance.

### **Report on compliance with legislation**

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. I did not identify any material non-compliance with the selected legislative requirements.

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

28. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report



and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

29. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. I did not identify any significant deficiencies in internal control.

*Auditor General*  
East London

30 November 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

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

#### Professional judgement and professional scepticism

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

#### Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Communication with those charged with governance**

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act (Act No. 56 of 2003)	Section 122(1) Section 122(2) Section 126(1) (a) Section 133(1)(a) and 133(1)(c) Section 127(2) and 127(5)(a) Section 129(1) and 129(3) Section 65(2)(e), 65(2)(a), 65(1)(d) and 65(2)(b) Section 11(1) Section 62(1)(d) Section 15 Section 29 (1) and 29 (2) (b) Section 62(1)(f)(ii), 62(1)(f)(iii) and 62(1)(f)(i) Section 63(2)(a) and 63(2)(c) Section 64(2)(e), 64(2)(b) and 64(2)(f) Section 64(2)(c) and 64(2)(g) Section 13(2) Section 14(1) Section 14(2)(a) and 14(2)(b) Section 33(2) Section 170 Section 32(2) Section 32(2)(a), 32(2)(b), 32(6)(a) and 32(7) Section 171 (4)(a) Section 53(1)(c)(ii) Section 1 Section 72(1)(a)(ii) Section 24(2)(c)(iv) Section 54(1)(c) Section 171(4)(a) Section 117
Municipal Budget and Reporting Regulations	Regulation 71(1) and 71(2) Regulation 72 Regulation 75(2)
Municipal Structures Act ,(Act No.32 of 2000)	Section 74(1) Section 96(b)



Legislation	Sections or regulations
	Section 29(1)(b)(ii) Section 29(3)(b) Section 42 Section 25(1) Section 26 Section 41(1)(a) and 41(1)(b) Section 43(2) Section 34(a) and 41(1)(c)(ii) Section 34(b) Section 38(a)
Municipal Property Rates Act ,(Act No.06 of 2004)	Section 3(1)
Municipal investment regulations	Regulation 3(1)(a) and 3(3) Regulation 6 Regulation 7 Regulation 12(2) and 12(3)
Prevention and Combatting of Corrupt Activities Act (Act No.12 of 2004)	Section 34(1)
Municipal Planning and Performance Management Regulations	Regulation 15(1)(a)(i) Regulation 2(1)(e) Regulation 2(3)(a) Regulation 9(1)(a) Regulation 10(a) Regulation 12(1) Regulation 3(4)(b) and 15(1)(a)(ii) Regulation 3(5)(a) Regulation 3(6)(a) Regulation 3(3) Regulation 8 Regulation 7(1)
Disciplinary Regulations for Senior Managers	Regulation 5(2) Regulation 5(3) Regulation 5 (6) Regulation 8 (4)
Financial Misconduct Regulations	Regulation 5(4) Regulation 6(8)(a) Regulations 6(8)(b)

Legislation	Sections or regulations
	Regulation 10(1)
Supply Chain Management Regulations	Regulation 121(1)(c) Regulation 16(a) Regulation 17(a) and (c) Regulation 17(b) Regulation 43 Regulation 19(a) &(b) Regulation 36(1)(a) Regulation 12(3) Regulation 27(2)(a) & (e) Regulation 22(1)(b) & 22(2) Regulation 28(1)(a)(i) Regulation 21(b) Regulation 29(1) (a) & (b) Regulation 29(5)(a)(ii) & (b)(i) Regulation 13(c) Regulation 38(1) (c) Regulation 38(1)(d)(ii) & (g)(iii) Regulation 38(1) (e) Regulation 38(1)(g)(i) and 38(1)(g)(ii) Regulation 32 Regulation 5 Regulation 44 Regulation 46(2)(e) and 46(2)(f)



## **REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE SENQU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2024**

In accordance with Section 166 of the Municipal Finance Management Act 56 of 2003 (the MFMA), the Audit Committee has been established as an Independent Committee of Council. The Committee has adopted formal terms of reference, which are reviewed annually and approved by Council.

The Committee is pleased to present its report for the financial year ended 30 June 2024.

### **AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

In the year under review, the Committee consisted of four members. As demonstrated below, seven (7) Audit Committee meetings were held including the induction of new members in the year under review. In addition, and as demanded by good corporate governance norms; separate exclusive meetings were held with the Auditor General of South, the Head of Internal Audit and the Accounting Officer. Internal Audit facilitates audit committee meetings, and the Auditor General of South Africa is a standing invitee at these meetings even though they do not normally attend. During the year under review, 3 of the committee members' contracts came to an end. They were replaced timeously by 3 new members who joined the committee in May 2024. The following is a list of the audit committee members whose term came to an end during the financial year:

<b>Name of member</b>	<b>Number of meetings attended</b>
Mr S Maharaj	3
Mrs N Hermanus-Mabuza	4
Mr A Makhabeni	5

The following is a list of the new audit committee members, including the chairperson:

<b>Name of member</b>	<b>Number of meetings attended</b>
Mrs F Mushohwe (Chairperson)	7
Mr A.M Langa	2
Mr S Dube	2
Mr B Mbange	2

## **AUDIT COMMITTEE RESPONSIBILITY**

The responsibility of the Audit Committee is to exercise an oversight function on the effectiveness of good corporate governance at the Municipality. The MFMA prescribes the minimum specific responsibilities to be executed and fulfilled by the Audit Committee. This report gives account on these legislated responsibilities.

## **EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL**

The Internal Audit through its processes assessed the control environment of the municipality to be acceptable, however some areas were considered to have weak controls. Recommendations to remedy these were given by the Internal Audit and were either actioned by management throughout the financial year, or commitments were made to resolve the internal audit findings. The committee noted with concern some repeat findings relating to performance information as detected by internal audit. In some instances, performance targets were not met, however, management did not give adequate reasons for non-achievement. Recommendations were given in the internal audit reports. The Internal audit together with the Audit Committee will continue to monitor and report on the control environment giving practical recommendations to the municipality to improve.

## **INTERNAL AUDIT ACTIVITY**

Internal Audit continued to be effective in the year under review, wherein they executed and fulfilled their mandate as envisaged by Section 165 of the Municipal Finance Management Act. This was encapsulated in the internal audit plan and in the internal audit charter.

## **RISK MANAGEMENT**

Risk Management was effective in the year under review. However, Management did not have a functional risk committee. The Committee acknowledges that there is still a lot to be done in order the Risk Management to be at the required level.

## **ACCOUNTING POLICIES**

Accounting policies adopted by the Municipality in the current year were in accordance with Generally Recognised Accounting Practice standards (GRAP), accordingly, there were no internal audit findings on accounting policies.

## **REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements together with the Annual Performance Report were submitted by management to Internal Audit and the Audit Committee. The Internal Audit performed its reviews with its findings reported to the Audit Committee. The Audit Committee also had its review of the Annual Financial Statements and Annual Performance Report. The committee recommended the Annual Financial Statements for submission to the Auditor General.

## **PERFORMANCE MANAGEMENT**

The Internal Audit reviewed the performance management of the municipality throughout the year. As discussed above, the committee noted with concern some repeat findings relating to performance information as detected by internal audit. In some instances, performance targets were not met, however, management did not give adequate reasons for non-achievement. Appropriate recommendations were furnished to management.

## **GOVERNANCE**

Governance at the Municipality for the year under review was effective, accordingly the Internal Audit did not raise any issues on governance.

## **COMPLIANCE WITH THE MFMA AND OTHER APPLICABLE LEGISLATION**

The internal audit did not identify any new material non-compliance issues within the municipality in the year under review. Internal Audit continues to monitor management commitments on their action plan to mitigate the risk of recurring non-compliance.

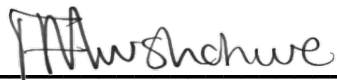
## **COMPARISON TO PRIOR YEAR**

The Committee would like to congratulate the Municipality for receiving yet another clean audit outcome and appreciate the team efforts by management which lead to the Municipality receiving a clean administration status.

The committee noted an improvement in the Municipal spending of its budget especially as it relates to infrastructure grant(s). The Municipality has aging infrastructure and huge financial reserves and is encouraged to ensure that they spend on their aging fleet to ensure that service delivery can still be achieved. The Municipality is still battling to collect some of its monies owed by debtors for Municipal services. A more vigorous approach is encouraged to ensure that monies owed to the Municipality are recovered.

The Committee has also taken note of the concerns raised by Internal Audit and accepts that there is further room for improvement in the accounting function and elements of the internal control environment.

I would like to thank all members of the Committee for their contribution and the professional way in which meetings were conducted. The Committee wishes to express to the Accounting Officer, management, Executive Mayor and the Council, our sincere appreciation for the commitment and progress made this year.



---

**F Mushohwe**

**Audit Committee Chairperson**

**For and on behalf of the Audit Committee**

**03 February 2025**

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.



<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned



**APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

<b>Councillors, Committees Allocated and Council Attendance</b>						
<b>Council Members</b>	<b>Full Time/ part Time</b>	<b>Committees Allocated</b>	<b>*Ward and/party Represented</b>	<b>Percentage council Meeting Attendance</b>	<b>Percentage Apologies for non- attendance</b>	
				<b>%</b>	<b>%</b>	
VELILE VICTOR STOKHWE	FT	Mayor	PR	100%	0%	
RUTH NOGOLI GWABINI	FT		PR	100%	0%	
KHOLIWE SANNA MPITI-XELESHA	FT	Chief Whip	WARD	90%	10%	
PULANE CECELIA MMELE	PT	MPAC	WARD	80%	20%	
BABALWA LAWU	PT	MPAC	PR	80%	20%	
ZOLISWA REJOICE MXOLI	PT	MPAC	PR	80%	20%	
MAHLUBANDILE PHUZA	PT	MPAC	PR	80%	20%	
SIMON MFISA	PT	PORTFOLIO HEAD	WARD	100%	0%	
NOKUZOLA MURIEL PHAMA	PT	Corporate services	PR	60%	40%	
phambili Mei	PT	Corporate Services		100%	0%	
Themba nonjola	PT	Corporate Services		100%	0%	
Thenjiwe Dumzela	PT	Corporate Services		90%	10%	
NOLUFEFE MERCY NDENGANE	PT	PORTFOLIO HEAD	PR	100%	0%	
MOEKETSI JOHN MOAHLOLI	PT	COMMUNITY AND SOCIAL SERVICES	PR	100%	0%	
MCEBISI NTSIKELELO MGOJO	PT	COMMUNITY AND SOCIAL SERVICES	PR	70%	30%	
THULISA MBANE	PT	COMMUNITY AND SOCIAL SERVICES	WARD	80%	20%	
DUMISANI JOSEPH SOMSILA	PT	COMMUNITY AND SOCIAL SERVICES	WARD	80%	20%	
busaphi duba	PT	COMMUNITY AND SOCIAL SERVICES		100%	0%	
BONGEKA MBONJWA	PT	PORTFOLIO HEAD	PR	100%	0%	
XOLA GARY MAGCAI	PT	DTPS	PR	90%	10%	
LUZUKO LUNGA NONGOGO	PT	DTPS	PR	50%	50%	
NTOMBOVUYO SEBATAN	PT	DTPS	WARD	100%	0%	
MZUVELILE ELLIOT MBUTYA	PT	DTPS	WARD	90%	10%	
MOLEFE Mshasha	PT	DTPS		80%	20%	
LUTHANDO STEPHEN NDAKISA	PT	PORTFOLIO HEAD	PR	80%	20%	
NDILEKA NYONGWANA	PT	TECHNICAL SERVICES	PR	90%	10%	
NONKUSELO JANUARY	PT	TECHNICAL SERVICE	PR	100%	0%	
TSHEPISO JACKSON MADIENE	PT	TECHNICAL SERVICE	PR	80%	20%	
MELISIZWE KAFILE	PT	TECHNICAL SERVICE		90%	10%	
NOLONWABO NGENDANE	PT	PORTFOLIO HEAD	PR	60%	40%	
ZANDISILE ISHMAEL MANGCIPU	PT	BTO	WARD	90%	10%	
P.MEI IN 2024	PT	BTO	PR	90%	10%	
AKHONA MVELASE	PT	BTO		80%	20%	
SAMUEL MCHUMANE NTLWATINI	PT	BTO	WARD	100%	0%	
MZWANDILE THEO MBIJEKANA	PT	BTO	WARD	80%	20%	



## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committees
Audit Committee	Administrative Oversight
Municipal Public accounts committee	Oversight
Local Labour Forum	Labour related Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Planning Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational and Health issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (state title and name)
Financial Services	Chief Financial Officer: Mr K. Fourie
Technical Services	Director: Mr. R.S. Ruiters
Development and Planning Services	Director: Mr. S. Chaphi
Community Services	Director: Mrs N. Nyezi
Corporate Services	Director: Z. Koyana

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal/ Entity Function		
Municipal Functions	Functions applicable for Municipality (Yes/ No)	Function applicable to Entity (Yes/No)
Air pollution	No	N/A
Building regulations	Yes	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal planning	Yes	N/A
Municipal health service	No	N/A
Municipal public transport	No	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer function specifically assigned to them under the constitution or any other law.	Yes	N/A
Pontoons, ferries, jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Stormwater management system	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable supplier systems and domestic waste water and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboard and display of advertisement in public place	Yes	N/A
Cemeteries, funeral parlours and crematories	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertaking that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licensing and control that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A

**APPENDIX E – WARD REPORTING**

Nature and purpose of meeting	Date of events	Number of Community members attending
Ward Committee Quarterly meeting	July – September	Ward Committees
	Oct- DEC	Ward Councillors
	Jan- March	Municipal Official
	April – June	CDW Ward Clerks
Public Participation Priorities		Ward Committees
		Ward Councillors
		Municipal Official
		CDW
		Ward Clerks CommintIES
Draft Budget Community meeting		Ward Committees
		Ward Councillors
		Municipal Official
		CDW
		Ward Clerks Communities
Public Participation form	Quartey	Ward Committees
		Ward Councillors
		Municipal Official
		CDW
		Ward Clerks Sector Departments

**APPENDIX F – WARD INFORMATION**

Ward Title: Ward Name (Number)

**Capital Projects: Seven Largest in Year 0 (Full list at Appendix o)**

R'000

No	Project Name and detail	Start Date	End Date	Total Value
8	Rehabilitation of Roads & Stormwater in Mokhesi (Ward 8)	28 June 2024	01 April 2025	R43 414 883,67
14	Construction of 13km Paved Streets & Storm water channels in Lady Grey Ward 14 (Phase 1 - 6km)	30 November 2023	Multi year Project	R42 698 373.86
15 & 16	Rehabilitation of Roads & Stormwater in Barkly East (Ward 15 & 16)	28 June 2024	01 April 2025	R42 052 619,62
	Construction of the Sterkspruit Driving Licence Testing Centre	27 June 2023	26 August 2024	R39 824 578,26
5	Re-construction of 6km Gravel Road and Storm Water Channels in Ward 5 (Ntabamhlophe)	23 May 2024	22 August 2024	R6 030 853,00
12	Re-construction of 5km Gravel Road and Storm Water Channels in Ward 12 (kwaNtoyi and Zwelitsha)	23 May 2024	22 August 2024	R4 832 719,75
	Stormwater Channels in Zava, Mdlokovana and Thaba Kolozi in Ward 12	26 June 2024	25 September 2024	R4 235 631,26
	Construction of Blue Gums Sports Facility	08 April 2024	07 December 2024	

T F.3

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

**Long Term Contracts (20 largest contracts entered into during Year 0)**

R'000

Name of service provider (entity or municipal department)	Description of service rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Contract value
The Standard Bank of South Africa Limited	Provision of Banking Services	04 January 2023	03 January 2028	Revenue Manager	Rates based

Public Private Partnerships Entered into during Year 0					
					R'000
Name and description of project	Name of Partners	Initiation date	Expiry date	Project manager	value
N/A					

**APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

The Municipality does not have an entity

Consolidated Service Providers Performance Report 2023 /2024 (1 July 2023 until 30 June 2024)

LEGEND		
Total number of projects assessed 31		
Fully Achieved/Targets Met – Excellent performance	31	100.00%
Targets Met with a Variance – Good Achievement	0	0.00%
Not yet met/not fully achieved	0	0.00%
Not achieved	0	0.00%
Not Assessed	Adjudication Stage	Not provided



#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeframes To Correct Variance
1	54/2023-2024T	Moaleko Trading	Repair and Maintenance of Fleet including Supply and Delivery of Spares for a Period of Three Years	Rates Based	06 June 2023	10 Aug 2023	21 Aug 2023	100%	Service Provider appointed on the 25 August 2023	Tender Document	No Variance	n/a	n/a
2	56/2023-2024T	Khomotso Consulting (Pty) Ltd	Provision of Employment Checks for Recruitment & Selection for Three Years	Rates Based	12 June 2023	17 Aug 2023	21 Aug 2023	100%	Service Provider appointed on the 22 August 2023	Tender Document	No Variance	n/a	n/a



#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/ Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeliness To Correct Variance
3	67/2023-2024T	Vorster Vulstasie Filling Station	Supply of Fuel, Petrol and Diesel	Prices will be determined by the South African Petroleum Industry Association	10 Aug 2023	17 Aug 2023	07 Nov 2023	100%	Service Provider appointed on the 28 September 2023	Tender Document	No Variance	n/a	n/a
4	112/2023-2024T	GreenDot	Printing of the IDP and Annual Report for 3 years	R200,066.49	22 Sept 2023	07 Nov 2023	Approved 27 Nov 2023	100%	Service Provider appointed on the 24 November 2023	Tender Document	No Variance	n/a	n/a
5	46/2022-2023T	Innovation The Legacy	Supply and Installation of Floor Covering in Municipal Offices	Rates Based exclusive of VAT	06 June 2023	11 Dec 2023	Approved 22 Dec 2023	100%	Service Provider appointed on the 22 December 2023	Tender Document	No Variance	n/a	n/a

6	57/2023-2024T	Tumizi Holdings	Supply and Delivery of Consumables	Rates Based	12 June 2023	09 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a
7	57/2023-2024T	Malu Development Projects	Supply and Delivery of Consumables	Rates Based	12 June 2023	09 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a
8	57/2023-2024T	Man Met and Piaan Projects	Supply and Delivery of Consumables	Rates Based	12 June 2023	09 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a

#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/ Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeframes To Correct Variance To
9	58/2023-2024T	Squeezy Clean	Supply and Delivery of Cleaning Material	Rates Based	12 June 2023	24 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a

10	58/2023-2024T	Best OxyL	Supply and Delivery of Cleaning Material	Rates Based	12 June 2023	24 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a
11	58/2023-2024T	Amended Recline	Supply and Delivery of Cleaning Material	Rates Based	12 June 2023	24 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a
12	85/2023-2024T	Aliwal Sound	Installation of Branding	Rates Based	14 Aug 2023	09 Oct 2023	09 Nov 2023	100%	Service Provider appointed on the 27 November 2023	Tender Document	No Variance	n/a	n/a
13	109/2023-2024T	Maxprof	Tax Advisory and VAT Recovery Services	Rates Based	22 Sept 2023	30 Nov 2023	Approved 22 Dec 2023	100%	Service Provider appointed on the 22 December 2023	Tender Document	No Variance	n/a	n/a

#	Notice no.	Name of the service provider	Description	Contract value	Date of specification	Date of evaluation	Date of adjudication	Overall target for current period	Progress/ achievement of targets	Level of services	Reason for variance on target	Action to remedy variance	Timeframes to correct variance
14	53/2023-2024T	Innovation The Legacy	Purchase and installation of Blinds in Municipality Building	R771,837.00	06 June 2023	11 Nov 2023	09 Feb 2024	100%	Service Provider appointed on the 14 February 2024	Tender Document	No Variance	n/a	n/a

15	106/2023-2024T	N and C Maintenance and Spare	Refurbishment of Transformers for three years	Rates Based	22 Sept 2023	19 Dec 2023	09 Feb 2024	100%	Service Provider appointed on the 14 February 2024	Tender Document	No Variance	n/a	n/a
16	111/2023-2024T	Abungula ICT Solutions	Provision on a Framework for Intergrated Security System	R296,332.00	22 Sept 2023	23 Nov 2023	09 Feb 2024	100%	Service Provider appointed on the 15 February 2024	Tender Document	No Variance	n/a	n/a
17	147/2023-2024T	Ebusha general Trading (Pty) Ltd	Supply and Delivery of Cold Mix Asphalt	R200.55 per bag	01 Dec 2023	08 Feb 2024	29 Feb 2024	100%	Service Provider appointed on the 06 March 2024	Tender Document	No Variance	n/a	n/a
18	150/2023-2024T	Snowvalley Communications	Developing of the Content Management Website for Senqu Municipality	Rates Based	07 Dec 2023	08 Feb 2024	29 Feb 2024	100%	Service Provider appointed on the 12 April 2024	Tender Document	No Variance	n/a	n/a
#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/ Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeframes To Correct Variance



19	12/2023-2024T	DDP Valuers	General Valuation Roll 2024	R2,946,754.80	07 Feb 2024	10 April 2024	Approved 15 April 2023	100%	Service Provider appointed on the 15 April 2024	Tender Document	No Variance	n/a	n/a
20	14/2023-2024T	Health Fit SA (Pty) Ltd	Provision of Employee Assistance Wellness Programme Support Services for Senqu Local Municipality	Rates Based	01 Nov 2023	23 April 2024	26 April 2024	100%	Service Provider appointed on the 30 April 2024	Tender Document	No Variance	n/a	n/a
21	14/2023-2024T	Liqhayiya Occupational Health & Safety Consultants	Employee Medical Surveillance Services for three years	Rates Based	Advertised 23 Feb 2024	24 April 2024	26 April 2024	100%	Service Provider appointed on the 28 June 2024	Tender Document	No Variance	n/a	n/a
22	28/2023-2024T	Abantu Environmental Services (Pty) Ltd	Development of an Environmental Management Framework	R354,000.00	05 March 2024	24 April 2024	26 April 2024	100%	Service Provider appointed on the 28 June 2024	Tender Document	No Variance	n/a	n/a
23	104/2023-2024T	Tarcron Projects	Construction of 13km Paved Streets & Storm water channels in Lady Grey Ward 14 (Phase 1 - 6km)	R42,698,373.86	15 Sept 2023	01,02,03 Nov 2024	09 Feb 2024	100%	Service Provider appointed on the 30 November 2023	Tender Document	No Variance	n/a	n/a



#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/ Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeframes To Correct Variance
24	93/2023-2024 T	Thewo JV SMM	Project management office	Rates Based	21 Aug 2023	09 Oct 2023	09 Feb 2024	100%	Service Provider appointed on the 14 February 2024	Tender Document	No Variance	n/a	n/a
25	149/2023-2024 T	Matela Civils and Construction Works	Construction of Blue Gums Sports Facility	R26,675,973.46	07 Dec 2023	24 April 2024	26 April 2024	100%	Service Provider appointed on the 08 April 2024	Tender Document	No Variance	n/a	n/a
26	131/2023-2024 T	Deluxe World Ensphere	Construction (renovation) Change Room Lady Grey	R959,500.00	05 Oct 2023	24 April 2024	26 April 2024	100%	Service Provider appointed on the 30 April 2024	Tender Document	No Variance	n/a	n/a
27	53/2023-2024 T	Busi Trading and Projects	Re-construction of 5km Gravel Road and Storm Water Channels in Ward 12 (kwaNtoyi and Zwelitsha)	R4,832,719.75	Advertised 12 April 2024	09 May 2024	Appointed 23 May 2024	100%	Service Provider appointed on the 23 May 2024	Tender Document	No Variance	n/a	n/a

28	54/2023-2024T	Tshiya Infrastructure Development	Re-construction of 6km Gravel Road and Storm Water Channels in Ward 5 (Ntabamhlophe)	R6,030,853.00	Advertised 12 April 2024	10 May 2024	Appointed 23 May 2024	100%	Service Provider appointed on the 23 May 2024	Tender Document	No Variance	n/a	n/a
----	---------------	-----------------------------------	--	---------------	--------------------------	-------------	-----------------------	------	---	-----------------	-------------	-----	-----

#	Notice No.	Name Of The Service Provider	Description	Contract Value	Date Of Specification	Date Of Evaluation	Date Of Adjudication	Overall Target For Current Period	Progress/Achievement Of Targets	Level Of Services	Reason For Variance On Target	Action To Remedy Variance	Timeframes To Correct Variance
29	54/2023-2024T	SLS Civils	Stormwater Channels in Zava, Mdllovana and Thaba Koloi in Ward 12	R4,235,631.26	Advertised 12 April 2024	10 May 2024	Appointed 26 June 2024	100%	Service Provider appointed on the 26 June 2024	Tender Document	No Variance	n/a	n/a
30	30/2023-2024T	Busi Trading and Projects	Rehabilitation of Roads & Stormwater in Mokhesi (Ward 8)	R43,414,883.67	15 March 2024	15 May 2024	Appointed 28 June 2024	100%	Service Provider appointed on the 28 June 2024	Tender Document	No Variance	n/a	n/a
31	33/2023-2024T	Tarcon Projects	Rehabilitation of Roads & Stormwater in Barkly East (Ward 15 & 16)	R42,052,619.62	15 March 2024	15 May 2024	Appointed 28 June 2024	100%	Service Provider appointed on the 28 June 2024	Tender Document	No Variance	n/a	n/a

#	Notice No.	Name of Service Provider	Description of goods/services	Contract Value	Term of Contract	Start Date	End Date
1	32/2020-2021T	MM Baloyi Incorporated	Provision for Legal Services for a period of three years - for the following areas as per the tender document, (1) Litigations, (2) Local Government, (3) Litigation regional	VAT Inclusive Rates	3 years	01 June 2021	31 May 2024
2	32/2020-2021T	Wesley Pretorius and Associates Inc	Provision for Legal Services for a period of three years - for the following areas as per the tender document, (1) Litigations, (2) Local Government, (3) Litigation regional	VAT Inclusive Rates	3 years	01 June 2021	31 May 2024
3	32/2020-2021T	Le Roux Inc	Provision for Legal Services for a period of three years - for the following areas as per the tender document, (1) Litigations, (2) Local Government, (3) Litigation regional, (4) Conveyancing	VAT Inclusive Rates	3 years	01 June 2021	31 May 2024
4	59/2020-2021T	Sphere ICT Solutions	ICT Consultant for Support, Maintenance and Upgrades of Systems and Infrastructure for three years	VAT Inclusive Rates	3 years	27 August 2021	27 August 2024



### Management of Service Provider

#	Notice No.	Name of Service Provider	Description of goods/ services	Contract Value	Term of Contract	Start Date	End Date
5	39/2020-2021T	Mastermind Technology	Request for a Suitable Service Provider for provision, support of backup and recovery software licensed solution for three years	VAT Inclusive Rates	3 years	27 August 2021	27 August 2024
6	62/2020-2021T	Thuthuka Office	Purchase and Delivery of Office Furniture	VAT Inclusive Rates	3 years	18 September 2021	18 September 2024
7	67/2023-2024T	Vorster Vulstasie Filling Station	Supply of Fuel, Petrol and Diesel	Prices will be determined by the South African Petroleum Industry Association	1 year	28 September 2023	27 September 2024
8	57/2023-2024T	Tumizi Holdings	Supply and Delivery of Consumables	Rates Based	1 year	27 November 2023	26 November 2024
9	57/2023-2024T	Malu Development Projects	Supply and Delivery of Consumables	Rates Based	1 year	27 November 2023	26 November 2024
10	57/2023-2024T	Man Met and Plan Projects	Supply and Delivery of Consumables	Rates Based	1 year	27 November 2023	26 November 2024

The Manager: Acquisition, Contract Management and Vendor Performance manages, monitors and reports on the issues related to scope of functioning within the Acquisition, Inventory, Contract Management and Vendor Performance, the reporting is further not just limited to the performance of contracts, deviations and all other related aspects are covered as deemed appropriate. These reports monitored by the Manager: Acquisition, Contract Management and Vendor Performance are tabled to the Mayor and the Council.

### Operational Contracts that will Expire

There are 14 non-infrastructure contracts that will expire within 6 months from the end of the financial year under review i.e., 30 June 2024.

The user departments are to start on new procurement processes to obtain the services and goods that will still be needed when the contracts expire.

#	Notice No.	Name of Service Provider	Description of goods/services	Contract Value	Term of Contract	Start Date	End Date
11	58/2023-2024T	Squeeky Clean	Supply and Delivery of Cleaning Material	Rates Based	1 year	27 November 2023	26 November 2024
12	58/2023-2024T	Best Oxyl	Supply and Delivery of Cleaning Material	Rates Based	1 year	27 November 2023	26 November 2024
13	58/2023-2024T	Amended Recline	Supply and Delivery of Cleaning Material	Rates Based	1 year	27 November 2023	26 November 2024
14	140/2023-2024T	Health Fit SA (Pty) Ltd	Provision of Employee Assistance Wellness Programme Support Services for Senqu Local Municipality	Rates Based	6 months	30 April 2024	30 October 2024

**APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST**

Disclosure of financial interest		
Period 1 July to 30 June of Year (current Year)		
Position	Name	Description of financial interest (nil/details)
(Executive) Mayor	Stokhwe VV	NIL
Member of Mayco/Exco	Mfisa S	Church pastor: Receive monthly donations from church.  Land and property: owner of 37 north street, Matatiele (267.2 sqm)  Owner of 361, Zastron 9950 (748 sqm) and renting 184 Banrock street, Bloemfontein (600 sqm)
	Mbonjwa B	Land and property: Rental 24 Greyveslein street barkly east.
	Ngendane N	NIL
	Ndakisa SL	1 Jonkisa Waste Solutions (PTY) LTD Vital moments (PTY) LTD
	Ngendane MN	Bulelwa Ngendane sister with company: Description not specified
Councillor	Nongogo L	Directorship and partnership: Qukeza trading enterprise (PTY): Company does catering, construction and provide rental rooms
	Duba B	Receive R350 covid relief grant
	Mshasha MA	NIL
	Mfisa S	Church pastor: Receive monthly donations from church.  Land and property: owner of 37 north street, Matatiele (267.2 sqm)  Owner of 361, Zastron 9950 (748 sqm) and renting 184 Banrock street, Bloemfontein (600 sqm)
	Mbonjwa B	Land and property: Rental 24 Greyveslein street barkly east.
	Somsila JD	NIL
	Ntlwatini SM	NIL
	Mpitl – Xhelesha KS	NIL
	Ndakisa SL	1 Jonkisa Waste Solutions (PTY) LTD Vital moments (PTY) LTD
	Ngendane MN	Bulelwa Ngendane sister with company: Description not specified
	Mbane T	NIL
	Lawu B	Mother: Owns injongo supply and goods
	Ngendane N	NIL
	Mbijekana M	NIL
Kafile M	NIL	
Mei P	Land and property: ERF 16 Sterkspruit ERF 1057 Aliwal north	
Gwabeni NR	Pension DOE	
Dumzela TM	Brother: Mcebisi owns Qobo projects – General trading	



	Nonjola T	Directorship and partnership: Herschel independent (NPC), ENT consortium ( community development), Ithemba lamahlubi (NPO) community development Supper life agent
	Mbutyu M	NIL
	Sebatana N	NIL
	Moahloli MJ	NIL
	Mangciphu Z	NIL
	Phama NM	NIL
	Mxoli ZR	NIL
	Mmele P	Directorship: Lidino trading 577CC and dinare training skills Lebohang Mmele – lebo dinare (PTY) LTD
	Nyongwana N	NIL
	January N	Brother, Lizo January owns Taxis
	Madiene TJ	NIL
	Magcai XG	NIL
	Phuza M	50% share holder at Ilanga libalele communications Additional salary from DSTV (doing installations)
	Mgojo MN	NIL
	Mvelase A	Brother: Abongile and Cynthia Mvelase owns Abednego Mvelase Constructors
<b>Municipal manager</b>	Mawonga T	Directorship and ownership: Joe Gqabi DA, entity of the JGDM. Residential plot. Angel Mawonga: 1978/06/01 Angel Maw Calinary arts & wine school
<b>Chief Executive Officer</b>		
<b>Deputy MM and (executive) directors</b>	Chapi S	Shares: YWBN Mutual bank, balwin properties Ltd, Distel group holdings ltd, Gold fields ltd and sun international ltd. Directorship: Create planning and design Remunerated outside Senqu: Private consultation – Property development, town and regional planning services. Land and property: 107 Gladstone road, Bayswater, Bloemfontein 8 Durban street, Aliwal north
	Fourie K	Extended family: Collin and Leon theron, Lady grey joinery, construction and cooper leaf trading.
	Koyana Z	Shareholder at GLS Properties (25%)  Directorship at Lwazi Capital Non Executive Director: GLS Mehlokhulu Properties.  Land and Property: 57 and 292 Main Street (25%), GLS Properties (25%); Fort Hook (B&B)(25%) 26 Eton Park, Sandhurst (100%) Extended family: Sister a director at work dynamics



	Ruiters R	Directorship and partnership: Best thought trading and project 312  Land and Property: 1Mpanze street The Orcharos 0182 1591 Berg Avenue, magaliesburg estate
	Nyezi N	Extended family: Ayanda Nyezi Premium care
<b>Other S57 officials</b>	Van Zyl T	Atribus (PTY) LTD 1 Queens terrace street, Aliwal north (75 square meters)  Atribus purchased a property at Barkly East , ERF 1332 and 1333  Husband a farmer ( Vergenoeg Landgoed CC, owner of Eluvio (PTY) LTD and renting out a TLB and bulldozer
	Mnizelwa XG	Audit committee meeting member at Walter Sisulu Municipality from 01/11/2021 to 31/10/2024  Have a Property at Hawk street, birds eyeview, Aliwal north.
	Lerothudi N	Registered taxi owner for Germiston and Sterkspruit route  100% owner of Sterkspruit Trading CO  Flats at Barkly East: Rental
	Motlohi TT	N/A
	Mbekushe S	Brothers company: Indalo KMD group construction company
	Viedge B	NIL
	Booi	NIL
	Gushmani A	Director at Belle and Noma K6, owns 25%  Land and Property: ERF 259- Lady grey ERF 316 Lady grey ERF 250 Lady grey ERF 539 Rossouw
	Skampula S	Extended family: Babalwa Skampula, owner of Yawa Qithi Trading enterprise

Mkontwana U	Shareholder at Vodacom, MTN and Sasol Khanyisa Land and Property: 99 Winterland Body Corporate, Faurelaan- Willows Bloemfontein Cousin shareholder/owner at: Nqalela Investment Group, and Mayaya Investment Group. Brother shareholder/owner of: Latido (PTY) Ltd
Majikela N	NIL
Tobben LH	Extended family: Brother is working at Tiphu and Phumi Panel Beaters which is a service provider of the municipality
Nelani NS	NIL
Nako U	NIL
Van Rensburg	NIL
Nkopane NT	Extended family: Cousin owner of New Elite construction
Sobudula U	Extended family: Husband Max U trading enterprise and projects pty ltd Cousin own Diyele construction
Salmani M	NIL
Ngceke N	NIL
Ngwenya N	

#### APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

##### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Source						
R '000						
Description	2022/23	2023/24			2023/2024	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>						
Property Rates	17,331	17,048	17,048	18,603	8.36%	8.36%
Transfers and Subsidies - Operating	188,852	200,984	201,863	199,773	-0.61%	-1.05%
Actuarial Gains	4,672	-	-	1,365	100.00%	100.00%
Fines, Penalties and Forfeits	915	74	589	929	92.02%	36.57%
Interest Earned - Penalty Interest on Property Rates	1,720	1,791	1,791	2,000	10.47%	10.47%
Gain on Fair Value Adjustments of Investment Property	963	-	100	1,606	100.00%	93.77%
Gain on Disposal of Capitalised Restoration Cost (PPE)	-	-	-	612	100.00%	100.00%
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>						
Service Charges	53,643	71,789	69,815	65,477	-9.64%	-6.63%
Rental from Fixed Assets	1,476	1,778	1,668	1,814	1.98%	8.06%
Interest Earned - external investments	32,209	23,819	33,167	43,068	44.69%	22.99%
Interest Earned - Service Debtors	4,752	4,419	5,442	5,815	24.01%	6.43%



Licences and Permits	1,301	1,433	1,437	1,226	-16.85%	-17.18%
Agency Services	1,204	1,540	1,465	1,047	-47.10%	-39.94%
Sales of Goods and Rendering of Services	110	128	277	404	68.39%	31.47%
Operational Revenue	549	769	769	551	-39.54%	-39.54%
Gain on Disposal of Investment Property	-	-	-	349	100.00%	100.00%
Total Revenue (excluding capital transfers and contributions)	309,696	325,572	335,429	344,638	5.53%	2.67%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

#### APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	"Adjustments Budget"	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	"Adjustments Budget"	
Municipal Finance Management Grant	1,700	1,700	1,700	0.00%	0.00%	Interns and Financial Management Program
EPWP (Expanded Public Works Program)	1,194	1,194	1,194	0.00%	0.00%	Extended Public Works Program
Libraries	1,500	1,500	1,500	0.00%	0.00%	Library Operations
Municipal Disaster Relief Grant	-	14,266	14,266	0.00%	0.00%	Provincial allocation for disaster relief
Total	4,394	18,660	18,660	324.67%	0.00%	

**APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES**

**APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME**

Capital Expenditure - New Assets Programme*							
R '000							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Infrastructure - Total	11,562	12,015	3,780	3,460	10,534	32,225	28,270
Infrastructure: Road transport - Total	4,221	7,515	2,230	2,503	3,229	25,741	4,427
Roads, Pavements & Bridges	3,450	315	–	–	785	588	4,427
Storm water	771	7,200	2,230	2,503	2,444	25,152	–
Infrastructure: Electricity - Total	130	1,800	1,200	957	7,304	5,459	5,443
Generation	–	–	–	–	–	–	–
Transmission & Reticulation	130	1,800	1,200	957	7,304	5,459	5,443
Street Lighting	–	–	–	–	–	–	–
Infrastructure: Other - Total	7,211	2,700	350	–	–	1,026	18,400
Waste Management	7,211	2,700	350	–	–	1,026	18,400
Transportation	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Community - Total	6,517	8,370	5,935	8,148	19,118	4,224	5,178
Parks & gardens	–	–	–	–	–	–	–
Sportsfields & stadia	310	–	4,855	6,905	12,710	1,229	–
Swimming pools	–	–	–	–	–	–	–
Community halls	1,194	5,850	–	–	4,900	1,720	–
Libraries	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–
Cemeteries	4,816	1,440	–	216	1,100	905	5,001
Social rental housing	–	–	–	–	–	–	–
Other	197	1,080	1,080	1,026	408	369	178
Table continued next page							



Capital Expenditure - New Assets Programme*							
							R '000
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Investment properties - Total	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Other assets	5,864	34,126	55,345	34,038	27,732	3,932	3,002
General vehicles	646	6,400	5,000	788	2,253	1,398	1,167
Specialised vehicles	-	-	-	17,314	-	-	-
Plant & equipment	147	16,311	27,494	34	7,903	666	419
Computers - hardware/ equipment	1,454	1,300	2,520	1,801	910	1,141	782
Furniture and other office equipment	292	466	556	500	1,691	728	634
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	3,324	9,650	19,776	13,602	14,974	-	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intangibles	-	2,070	280	-	714	646	190
Computers - software & programming	-	2,070	280	-	714	646	190
Other (list sub-class)	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	23,943	56,581	65,340	45,646	58,098	41,028	36,641
Specialised vehicles	-	-	-	17,314	-	-	-
Refuse	-	-	-	17,314	-	-	-
Fire	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1



Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Infrastructure - Total	8,352	23,050	61,368	33,255	81,092	73,592	25,918
Infrastructure: Road transport -Total	4,337	20,350	57,262	29,179	81,092	73,592	25,918
Roads, Pavements & Bridges	4,337	20,350	57,262	29,179	81,092	73,592	25,918
Storm water							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-
Infrastructure: Other - Total	4,015	2,700	4,106	4,076	-	-	-
Waste Management	4,015	2,700	4,106	4,076	-	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Community	3,022	2,450	5,805	3,618	600	181	889
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	178
Swimming pools	-	-	-	-	-	-	-
Community halls	3,022	2,050	5,805	3,618	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	400	-	-	600	181	711



Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Capital expenditure by Asset Class							
Investment properties	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Other assets	-	800	400	-	3,200	-	-
General vehicles	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-
Computers - hardware/ equipment	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	-	800	400	-	800	-	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	-	-	-	2,400	-	-
Intangibles	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>11,374</b>	<b>26,300</b>	<b>67,573</b>	<b>36,873</b>	<b>84,892</b>	<b>73,774</b>	<b>26,807</b>
Specialised vehicles	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2023/24					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	"Variance (Act - OB) %"	"Variance (Act - Adj) %"
Executive & Council					
Furniture & Office Equipment	-	70	67	-	-4.43%
Vehicles, Plant & Equipment	400	-	-	-100.00%	-
Computers - software & programming	2,070	-	-	-100.00%	-
Communication Equipment	135	145	142	5.41%	-1.86%
Corporate Services					
Tools & Equipment	72	-	-	-100.00%	-
Furniture & Office Equipment	40	70	112	179.44%	59.68%
Vehicles, Plant & Equipment	6,000	5,000	788	-86.87%	-84.25%
Power Backup System	3,150	-	-	-100.00%	-
Information and Knowledge Hub including Customer Care	805	-	-	-100.00%	-
Integrated Security	714	-	-	-100.00%	-
Construction of Change rooms - Lady Grey	800	400	-	-100.00%	-100.00%
Budget & Treasury Office					
Furniture & Office Equipment	261	161	117	-55.21%	-27.36%
Computers - software & programming	-	280	-	-	-100.00%
Computer Equipment	1,300	2,520	1,658	27.56%	-34.20%
Road Transport					
Furniture & Office Equipment	65	205	204	214.00%	-0.44%
Driving Licence and Testing Centre Sterkspruit	9,650	19,776	13,602	40.96%	-31.22%
Reconstruction of Roads in Ward 3 - Upper Tele, Mabele and Makhumsha Roads	-	2,957	2,957	-	0.00%
Reconstruction of Roads in Ward 9 - Lepota Village	-	4,174	4,174	-	0.00%
New Rest Construction - Paving	4,500	-	-	-100.00%	-
Tienbank_Access to Property (180 Properties)	315	-	-	-100.00%	-
Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14	15,850	17,025	13,136	-17.12%	-22.84%
Rehabilitation of Roads & Stormwater in Mokhesi Ward 8	-	6,335	1,486	-	-76.55%
Rehabilitation of Roads & Stormwater in Ward 10	-	7,700	1,464	-	-80.99%
Rehabilitation of Roads & Stormwater in Lady Grey Ward 14	-	7,700	1,662	-	-78.41%
Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16	-	7,650	1,617	-	-78.86%
Fleet - GFS Roads (Plant)	-	10,000	-	-	-100.00%
Reconstruction of 4,5 km gravel roads and stormwater channels in Zava, Mdlokovana and Thaba Koloi (Ward 13)	-	1,006	-	-	-100.00%
Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12	-	1,151	1,139	-	-1.08%
Reconstruction of Roads_Ntabamhlophe - Ward 05	-	1,565	1,545	-	-1.32%



Capital Programme by Project: 2023/24					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	"Variance (Act - OB) %"	"Variance (Act - Adj) %"
Waste Water Management					
Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges..	7,200	2,230	2,503	-65.23%	12.23%
Community Services					
Traffic Equipment (VTS Cameras)	100	-	-	-100.00%	-
Renovations (Barkly East Town Hall)	2,050	5,805	3,618	76.51%	-37.67%
Herschel Community Hall	5,850	-	-	-100.00%	-
Fencing of existing cemeteries at Joveleni, Hinana and Voyizana	720	-	-	-100.00%	-
Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 & 14)	720	-	216	-69.94%	-
Sport and recreation					
Construction of Blue-Gums Sportsfield	-	4,855	6,905	-	42.22%
Public Safety					
Barkly East & Lady Grey Boundary Fence	1,080	1,080	1,026	-4.97%	-4.97%
Construction of Animal Pound in Lady Grey	400	-	-	-100.00%	-
Electricity					
Tools & Equipment	65	65	34	-47.83%	-47.83%
Pre-Paid Electricity Meters	1,800	1,200	957	-46.82%	-20.23%
Waste Management					
Tools & Equipment	70	-	-	-100.00%	-
Specialised Vehicles	11,200	17,284	17,314	54.59%	0.18%
Furniture & Office Equipment	100	50	-	-100.00%	-100.00%
Solid Waste Site - Sterkspruit	1,350	-	-	-100.00%	-
Upgrading of Existing Solid Waste Site in Lady Grey	2,700	4,106	4,076	50.96%	-0.72%
Construction of Transfer Station in Rhodes	1,350	350	-	-100.00%	-100.00%

**APPENDIX O- Capital Programme by Project: 2023/24**

Capital Programme by Project: 2023/24		
		R' 000
Capital Project	Ward affected	Work completed (Yes/No)
Executive & Council		
Furniture & Office Equipment	Administrative or Head Office	Yes
Communication Equipment	Administrative or Head Office	Yes
Corporate Services		
Furniture & Office Equipment	Administrative or Head Office	Yes
Vehicles, Plant & Equipment	Administrative or Head Office	Yes
Budget & Treasury Office		
Furniture & Office Equipment	Administrative or Head Office	Yes
Computer Equipment	Administrative or Head Office	Yes
Road Transport		
Furniture & Office Equipment	Administrative or Head Office	Yes
Driving Licence and Testing Centre Sterkspruit	Ward 10	No
Reconstruction of Roads in Ward 3 - Upper Tele, Mabele and Makhumsha Roads	Ward 3	Yes
Reconstruction of Roads in Ward 9 - Lepota Village	Ward 9	Yes
Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14	Ward 14	No
Rehabilitation of Roads & Stormwater in Mokhesi Ward 8	Ward 8	No
Rehabilitation of Roads & Stormwater in Ward 10	Ward 10	No
Rehabilitation of Roads & Stormwater in Lady Grey Ward 14	Ward 14	No
Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16	Ward 15 & Ward 16	No
Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12	Ward 12	No
Reconstruction of Roads_Ntabamhlophe - Ward 05	Ward 5	No
Waste Water Management		
Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges	Ward 14	No
Community Services		
Renovations (Barkly East Town Hall)	Ward 16	No
Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 & 14)	Ward 13 & Ward 14	No
Sport and recreation		
Construction of Blue-Gums Sportsfield	Ward 8	No



Public Safety		
Barkly East & Lady Grey Boundary Fence	Ward 14 & Ward 16	No
Electricity		
Tools & Equipment	Administrative or Head Office	Yes
Pre-Paid Electricity Meters	Whole of the Municipality	Yes
Waste Management		
Specialised Vehicles	Whole of the Municipality	Yes
Upgrading of Existing Solid Waste Site in Lady Grey	Ward 14	Yes



## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

WARD 1	
Mbobo J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
Bikizana J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
Walaza J.S.S.	Admin Block not in good condition Toilets are falling apart. No Sport Grounds, No Furniture
Ndofela J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
Nxasana S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
Governors Drift	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Qhoboshane, Qhemerha, Telle Junction, Kwa Gcina, Storomo, ST Teresa	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library
WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
Tlokweng S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.



Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
<b>WARD 4</b>	
Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 1 2 Schools 8 Schools need Toilets 8 schools need access roads All 14 need sports fields 5 schools need to be upgraded in terms of electricity 11 schools need fencing
<b>WARD 5</b>	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those Schools with electricity
<b>WARD 6</b>	
Hoita, Majuba, Malgas, Mapolo, Thembaletu, Umlamli, Zingxengele, Bongoletu, Monwabisi, Phelandaba.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
<b>WARD 7</b>	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms
Tsakana S.P.S.	5 Classrooms need Renovations. Sanitation Water Supply Sports fields Fencing

Thaba Lesoba	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields
St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
Mbolekwa S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
Egugwini J.S.S.	Toilets and Fencing
Macacuma S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
<b>WARD 9</b>	
Amaqwathu JSS	Administration Block
Luvumelwano S.S.	Administration Block 10 Classrooms
Voyizana SPS	Renovations of 13 Classrooms Administration Block
Ngquba JSS	Admin Block 4 Classrooms to be added. Renovations of 5 Classrooms
Joveleni S.P.S	Addition of 3 Classrooms
Sunduza J.S.S	Addition of 3 Toilets
	Common Challenges for Ward 9 Water Supply Sanitation Fencing Access Roads Sports Fields Library, Laboratory Upgrading of Electricity



Bensonvaile JSS	<p>Major Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Ekuzoleni JSS	<p>6 New Classrooms</p> <p>Minor Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Ngongodoville SPS	<p>3 New Classrooms</p> <p>Major Renovations (building in the stat of collapsing)</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Nkululeko SSS	<p>6 New Classrooms</p> <p>Major Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Nomzamo (Sterkspruit) JSS	<p>15 New Classrooms</p> <p>Minor Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p>

Sterkspruit Community	10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Sterkspruit SSS	25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tapoleng JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tienbank JSS	5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
<b>WARD 11</b>	
Herschel Village JSS	Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots



Ezintatyaneni SP	Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No playgrounds
Dibinkonzo JSS	Sanitation Fence Administration Block and Renovations Mud Structure Sport field
Mehlomakhulu SSS	Fence Water & Sanitation Renovations & Administration Block Sports Field Furniture for Learners
St Marys	Water & Sanitation Access Road Sport Ground School Hall
Hlanjwa SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
Meyi JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
Magumbu SPS	Sanitation Fence 5 Classrooms cracked all sides. Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road



Ebenezer Nyathi SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation. Water Admin Block 3 classroom 1 lab
Bamboesspruit JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep
<b>WARD 12 (cont.)</b>	
Entsimekweni JSS	Minor Renovations Flooring Fencing Access Road Sanitation
Nyaniso SPS	Flooring Fencing Water School Grounds
Manxeba JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
Mncunubeni JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground



Jozana's Nek JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
Jozana's Hoek	Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations
Magwiji JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
Mrobongwana SPS	Water & Sanitation Playground Access Road Admin Block Furniture
<b>WARD 12 (cont.)</b>	
Hlomendlini JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads Furniture Playgrounds Administration Block
<b>WARD 13</b>	
Khiba JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block

Skisazana JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
Lungisani SPS	Access Road Water Fencing Sport Ground
Mbonisweni SPS	Fencing Access Road
Witterbergen SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
Diphana SPS	Mud Structure Sanitation Fence Admin Block Access Road
<b>WARD 13 (cont.)</b>	
Witterbergen JSS	Principal's Office Fencing Sanitation Access Roads Sport Field Roofing
Zava SPS	Flooring Sanitation Prevention of soil erosion
Nkopane JSS	Fencing Major Renovations Water & Sanitation Sport Field
Nompumelelo SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road



Mdlokovana JSS	Mud Structures Sporting Facilities Sanitation Fencing
<b>WARD 14:</b>	
Rossouw was promised a school 3 years ago	Farm schools need attention
<b>WARD 15</b>	
Mzondeki SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence
Sizamulwazi SPS	Sport Grounds 5 Classrooms
Sijorha SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence
<b>WARD 15 (cont.)</b>	
Luyolo SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Playgrounds
Sakakude JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
Impumelelo SSS	No Buildings Water & Sanitation Access Road Playgrounds Fence Electricity
Wartrail	Water & Sanitation Playgrounds

Malikhanye SSS	Sport Grounds Furniture Minor Renovations Fencing
Rhodes PS	School is Prefab Structure Toilets
Moshoeshoe's Ford	Structure falling apart. School on Private Property
Barkly East DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview

#### APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None

Declaration of Loans and Grants made by the municipality: Year 0				
All organisation or person in receipt of Loans/grants provided by the municipality	Nature of project	Conditions to funding	Value Year 0 R'000	Total amount committed over previous and future years
None				

SENQU MUNICIPALITY  
SECTION 46 PERFORMANCE REPORT 2023-2024  
(Pre determined IDP /SDBIP Targets)



LEGEND:	Target exceeded
	Target Met
	Target Not Met
	Targets on Not Assessed/on Hold

KPA	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI 'S Exceeding Target	Number KPI's Meeting Target	% KPI 'S Meeting Target	Number of KPI's Not Achieved	% of KPI's Not Achieved	Number Targets Not Assessed and or on Hold
Service Delivery	32	6		14		12		
LED	4			3		1		
Financial Viability	18			15		3		
Municipal Transformation & Development	13	1		10		2		
Good Governance & Public Participation	13			11		2		
ENVIRONMENTAL AND SPATIAL MANAGEMENT	10			3		7		
TOTAL	90	6		57		27		



KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure that the traffic section operates efficiently and efficiently	TRAFFIC - BSD01	BSD01-01	Construction of a Driving Licence Testing Centre in Sterkspruit by June 2025	Contractor Appointed in 2022/23	Director Technical Services/PMU Manager/ R 13 875 502.38	DLTC constructed in Sterkspruit	Advert for the procurement of the contractor, Appointment of the contractor and site Establishment	Target Not Met .The contractor was appointed on 01 June 2023.	Completion of Earthworks, building foundation and concrete casting)	Target Met. Earthworks completed, digging of foundation complete and casting of concrete complete	
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-01	Maintenance of Roads in identified Wards as per the Council Approved Maintenance Schedule by 30 June 2024	100% Completion of Maintenance of roads as per the approved maintenance plan in 2022/2023	Director Technical/ Manager Roads/ R9 451 986.00 OPEX	Maintained road infrastructure	100% Completion of Maintenance of roads as per the approved maintenance plan	Target Exceeded . Road maintenance was plan was 267.23% completed against the council approved maintenance plan. This translates into 167% above the target.	100% (45 kms) Completion of Maintenance of roads as per the approved maintenance plan	Target Not Met . 15.79 KM was maintained instead of 45 KM that was planned	The municipal Roads and Maintenance plant was very old and unfortunately it experienced Major Break-downs. This meant that roads maintenence is negatively affected as the plan was taken for repairs. Theses repairs also took longer due to their individual nature.
		BSD 02-02	Reconstruction of 3 kilometers of Access Roads in Ward 3 - Upper Tele, Mabele and Makhumsha Roads by 30 June 2024.	New indicator	Director Technical/ PMU Manager/R2 956 521.73	Reconstruction of the roads in ward 3	New indicator	New indicator	Completion of reconstruction of 3 kilometers of roads in ward 3.	Target Met. Reconstruction of access roads in Ward 3 was completed in Q 2 on the 14 February 2024.	
		BSD 02-04	Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges by 30 June 2026	Civil consultant has been appointed 2022/2023	Director Technical/ PMU Manager R3 280 404.15	maintained stormwater infrastructure	Advert and Appointment of the Contractor	Target Not Met . The advert and appointment of the contractor was not done.	Preliminary designs and report	Target Met. Preliminary designs were made and submitted.	
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-05	Construction of interlock paved streets (6km) in Khwezi Naledi (Steve Tswete) W 14 by 30 June 2026	New indicator	Director Technical/ PMU Manager/ R 14 145 223	Paved Streets Constructed in Khwezi Naledi	Advert for the procurement of the contractor, Appointment of the contractor and site establishment	Target Not Met . the advert was done however the appointment of the contractor and site establishment has not been done.	Advert for the procurement of the contractor, Appointment of the contractor, site establishment and construction of 3km sub-base layer.	Target Exceeded' Advert for the procurement of the contractor, Appointment of the contractor, site establishment and construction of 3.5 km sub-base layer was achieved	The contractor worked faster than anticipated and this is due to the conducive weather.
		BSD 02-06	Reconstruction of 4.3km of Access Roads in Ward 9 - Lepota Village by 30 June 2024	New indicator	Director Technical/ PMU Manager/ R4 800 000 (Own funding)	Reconstructed roads in Lepota Village	New indicator	New indicator	Appointment of the contractor and Completion of reconstruction of 4.3 km of roads in ward 9.	Target Met. Reconstruction of 4.3km of Access Roads in Ward 9 - Lepota Village was achieved in Q2. The completion of the project was 14 December 2023.	

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE- BSD02	BSD 02-07	Removal and Replacement of old Paving with new one in Mogesi Village of Ward 8 by 30 June 2024	New indicator	Director Technical/ PMU Manager/R 11 000 000.00	Replaced paving of Mogesi Village	New indicator	New indicator	Appointment of the contractor and site establishment	Target not Met. Appointment of the contractor and site establishment was not achieved	The contractor could not be appointed because of the delays in procurement which were as a result of poor planning.
		BSD 02-08	Replacement of tar with Paving in Zwellitsha by 30 June 2024	New indicator	Director Technical/ PMU Manager/R 11 000 000.00	Replaced tar with paving in Zwellitsha	new indicator	new indicator	Appointment of the contractor and site establishment	Target Not Met. Appointment of the contractor and site establishment was not achieved	The contractor could not be appointed because of the delays in procurement which were as a result of poor planning.
		BSD 02-09	Replacement of Tar with Paving in Khwezi Naledi Ward 14 by 30 June 2024	New indicator	Director Technical/ PMU Manager/R 11 000 000.00	Replaced tar with paving in Khwezi Naledi	new indicator	new indicator	Appointment of the contractor and site establishment	Target Not Met. Appointment of the contractor and site establishment was not achieved	The contractor could not be appointed because of the delays in procurement which were as a result of poor planning.
		BSD 02-10	Replacement of Tar with Paving in Lulama Barkly East by 30 June 2024	New indicator	Director Technical/ PMU Manager/R 11 000 000.00	Replaced tar with paving in Lulama	new indicator	new indicator	Appointment of the contractor and site establishment	Target not Met. Appointment of the contractor and site establishment was not achieved	The contractor could not be appointed because of the delays in procurement which were as a result of poor planning.
		BSD02-11	Reconstruction of 6 km of access roads in Ntabamhlophe in Ward 5 by 30 September 2024	New indicator	Director Technical/ PMU Manager/ R 5 999 699.99	Reconstruction of roads in Ntabamhlophe in Ward 5	New indicator	New indicator	Advert, appointment of the contractor and site establishment	Target exceeded. Contractor appointed (Tshiya Infrastructure Development has been appointed on the 26th May 2024) and site establishment. Clearing and grubbing has been done.	This is also a disaster Management funded project as a result the appointment of the contractor was expedited. This resulted in the first project milestone to be done before the end of the financial year.
		BSD02-12	Reconstruction of 4.5 km access roads in Zava, Mdlakovana and Thaba Koloi in Ward 13 by 30 September 2024.	New indicator	Director Technical Services /PMU Manager/R3 854 499.98	Reconstruction of roads in Zava, Mdlakovana and Thaba Koloi in Ward 13	New indicator	New indicator	Advert and appointment of the contractor	Target Met. Contractor appointed. SLS Civils has been appointed on the 26th June 2024	
		BSD02-13	Reconstruction of 5 km access roads in Kwantoyi and Zwellitsha in Ward 12 by 30 June 2024.	New indicator	Director Technical/ PMU Manager/ R 4 412 249.903	Reconstruction of gravel roads in Kwantoyi and Zwellitsha in Ward 12	new indicator	new indicator	Advert and appointment of the contractor	Target Exceeded. Contractor appointed ( Busi Trading and Projects CC has been appointed on the 23rd May 2024) and site establishment. Clear and grubbing has been done.	This is also a disaster Management funded project as a result the appointment of the contractor was expedited. This resulted in the first project milestone to be done before the end of the financial year.

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	BSD03-01	Renovate Barkly East Town Hall by 30 June 2024	Completion of pedestrian ramp and tiling	Director Technical/ PMU Manager/ R2 868 000,00	Facility renovated	Earthworks, waterproofing on existing roof, plastering, paintwork, sanding and vanishing of wooden floors and new tiling work.	Target Met. Earthworks, waterproofing on existing roof, plastering, paintwork, sanding and vanishing of wooden floors and new tiling work were done.	Practical Completion of the Renovations in Barkly East Town Hall	Target Not Met. Practical Completion of the Renovations in Barkly East Town Hall has not been achieved.	The project could not be completed due to poor performance by the contractor.
		BSD03-02	Construction of the Herschel Community Hall by 30 June 2024	Consultant Appointed in 2022/2023	Director Technical/ PMU Manager/ R 5 850 000,00	Constructing Herschel Community Hall	Practical completion of the construction of the Herschel Community Hall	Target Not Met. Herschel Community Hall has not been complete.	Completion of construction of the Herschel Community Hall	Construction of this Hall could not commence as result it was not completed.	Although the advert was issued on the 14 July 2023. The contractor was appointed on the 21 September 2023. Site establishment and demolitions were not done. Contractor has abandoned site as they wanted upward rates adjustments which is not permissible. They abandoned site and their service were terminated.
To ensure effective management, construction, and maintenance of cemeteries	CEMETERIES AND BURIAL - BSD04	BSD04-01	Fencing of existing cemeteries at Joveleni, Hinana and Voyizana by 30 June 2025	new indicator	Director Technical/ PMU Manager/ R 0	Provide plots for burials	Completion of Fencing of existing cemeteries at Joveleni, Hinana and Voyizana	Target Not Met. Fencing of the cemeteries was not done	Completion of Fencing of existing cemeteries at Joveleni, Hinana and Voyizana	Target Not Met. Completion of Fencing of existing cemeteries at Joveleni, Hinana and Voyizana not achieved.	The target could not be achieved because of deficiencies in the project management process that has since been revised. Some projects are now management in the Office of the MM.
To construct, maintain, identify, establish and upgrade existing urban Sports fields	SPORTS BSD05	BSD05-01	Construction of Bluegums sports field by 30 June 2025	Appointment of Consulted, EIA and Civil Consultants	Director Technical/ PMU Manager/ R 4 909 874,06	Constructing sport field	EIA Completion and acquire ROD and Advert for the procurement of the contractor	Target Not Met. EIA Completion was not achieved and ROD not acquired and Advert for the procurement of the contractor has not been done.	Advert for the procurement of the contractor and appointment. Site Establishment	Target Exceeded. 1. Appointment of the contractor was concluded. 2. Site Establishment was concluded. 3. Bulk earthworks has started and foundation of grand stand is complete	The project was initially under budgeted however during the adjustment it was adequately budgeted for. This resulted in the quick procurement.
To provide library services to all residents	LIBRARIES - BSD06	BSD06-01	Report on the Implementation of Library Services SLA with DSRAC by 30 June 2024	4 Quarterly Reports on the Implementation of the SLA were submitted in 2022/2023	Director Community Services/Manager Amenities	Compliance with the signed SLA	4 Quarterly Reports on the Implementation of the SLA.	Target Met. 4 quarterly reports on the implementation of the SLA were submitted to the DSRAC.	4 Quarterly Reports on the Implementation of the SLA.	Target Met. 4 Quarterly Reports on the implementation of the SLA submitted to the standing committee.	

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To maintain and control the municipal commonage	LICENSING AND CONTROL OF ANIMAL - BSD08	BSD08-01	Updating of Stock Register by 30 June 2024	4 stock Registers were updated in 2022/2023	Director Community Services/Manager Amenities	Register updated	Stock Register Quarterly Updated for all Commonages	Target Met. 4 Quarterly reports on the updated stock register submitted to the standing committee.	Stock Register Quarterly Updated for all Commonages	Target Met. Stock Register Quarterly Updated for all Commonages submitted.	
To ensure construction of solid waste landfill site	WASTE MANAGEMENT - BSD09	BSD09-01	Development of a Solid Waste Site in Ward 5 - Rossouw by 30 September 2023	950m of perimeter fence and Digging of cells were done in 2022/2023	Director Technical Services/ PMU Manager/ R6 392 000,00	Waste Site Developed	Completion of the Development of a Solid Waste Site in Ward 5 - Rossouw	Target Not Met . Development of a Solid Waste Site in Ward 5 - Rossouw has not been completed. Project percentage is at 95%	Completion of the Development of a Solid Waste Site in Ward 5 - Rossouw	Target Met in Quarter 1 and the project was completed on the 05 July 2023. Project percentage is at 100%	
		BSD09-02	Upgrading of the Lady Grey Solid Waste Site by 31 March 2024	Site Establishment by the newly appointed contractor	Director Technical Services/ PMU Manager/R4 005 763.15	Waste Site Upgraded to be NEMA Compliant	Completion of Lining of cells and Installation of smart coil. Project completion	Target Not Met . Lining of cells and Installation of smart coil was not done. The project was not completed.	Completion of Lining of cells and Installation of smart coil. Project completion	Target Met in Quarter 2 and the project was completed 03 November 2023. Project percentage is at 100%	
		BSD09-03	Construction of Transfer Station in Rhodes by June 2025	New	Director Technical/ PMU Manager/ R200 000.00	Waste Site Upgraded to be NEMA Compliant	Appointment of a Consultant.	Target Met . Appointment of a Consultant was done.	Preliminary designs and report	Target Met. Preliminary designs and report was done and submitted to the Municipality.	



KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To provide refuse removal to existing and new settlements and to reduce the amount of waste disposal at landfillsites	WASTE MANAGEMENT - RECYCLING BSD09	BSD09-04	Management, operation, and maintenance of landfill sites	New indicator	Director Community Services, Manager Waste Services/ R900 000	Appointment, Management, operation, and maintenance of landfill sites (Barkly East & Heschel Landfill Site)	New indicator	New indicator	Appointment, Management, operation, and maintenance of landfill sites (Barkly East & Heschel Landfill Site)	Target Not Met. Appointment of the Service Provider for the Management, operation, and maintenance of landfill sites (Barkly East & Heschel Landfill Site) was not achieved	The tender was advertised and evaluated. After the evaluation by BEC, it was resolved that there are no responsive tenderers, therefore no appointment letter is going to be issued.
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection		BSD09-05	15.94% of refuse removal on households by 30 June 2024	15.94% of refuse removal on households	Director Community Services/Manager Waste	Number of people with access to free basic refuse removal	15.94% of refuse removal on households	Target Met. 15.94%	15.94% of refuse removal on households	Target Exceeded. The municipality rendered refuse collection to a total of 37% of the population and households of Senqu for the 2023-2024 financial year.	The target was exceeded by 21.06%. This is due to a new Tipper Truck that was purchased as well as the increase in the number of EPWP workers which caused an increase in the percentage of refuse collection on households.
To provide refuse removal to existing and new settlements and to reduce the amount of waste disposal at landfillsites		BSD09-06	Reviewal of the IWMP by 30 June 2025	2013/2018 IWMP	Director Community Services/Manager Waste	IWMP reviewed	Council Approved Integrated Waste Management Plan	Target Not Met. The IWMP was not reviewed because the municipality needed to have a consultant appointed to conduct the study.	Appointment of the Service Provider	Target Met. Earth Free Environmental Consultancy has been appointed for the development of IWMP on the 30th April 2024	
To increase the access to indigent services	FREE BASIC SERVICES BSD10	BSD10-01	Report on the percentage of household earning less than 2 state pension fund per month with access to free basic services by 30 June 2024	1 Annual Report was tabled - 31,04 % of our serviced consumers are registered as Indigent consumers in 2022/2023	CFO/Manager Revenue	Number of indigent people approved for free basic electricity	1 Annual Report on the percentage of household earning less than 2 state pension fund per month with access to free basic services	Target Met. The report was submitted stating 39% of households earning less than 2 state pension fund per month with access to free basic services was achieved.	3 quarterly reports and 1 Annual Report on the percentage of household earning less than 2 state pension fund per month with access to free basic services	Target Met. 1 Annual Report on the percentage number of household earning less than 2 state pension fund per month with access to free basic services was achieved	
To decrease theft of electricity	ELECTRICITY AND STREET LIGHTING BSD-11	BSD11-01	% of electricity losses reduced by 30 June 2024	New	Director Technical/Electro Technical Controller	Reduced electricity losses	Reduce electricity losses by 6%	Target not Met. The reduction of electricity losses by 6% has not been achieved. The Losses reduced by 3,44%.	reduce electricity losses by 1.5%	Target Not Met. Report submitted on the reduction of electricity losses by 1.5% indicates that the target has not been achieved instead electricity losses have increased by 1.2%	There was a payment dispute with the service provider assisting the municipality with this project, and this had to be rectified by council decision, and that took longer than expected The dispute was resolved in the 3rd quarter of 2023/2024. The resolution involved cancelling the services of the Service Provider. Since there was a delay in there resolution of the dispute, the funds of this project were re-allocated to other projects and this resulted in the
To increase access to electricity		BSD11-02	Increase in number of households with access to electricity by 30 June 2024	35 596 households electrified	Director Technical/Electro Technical Controller	Reduced electricity backlog	Increase the % of households with access to electricity to 85%	Target Not Met. The municipality registered 84,1 % for 2022/2023.	Increase the number of households with access to electricity by 501 Households	Target exceeded. The annual report on the increase in number of household with access to electricity indicates that 529 Households were connected and this translates into 28 households more than targeted households with access to electricity.	The Project is run by Eskom and not the municipality.
Decrease in downtime due to loadshedding		BSD11-03	Installation of Power Back Up System Batteries by 31 December 2023.	Power Backup System with no Batteries	Director Technical/Electro Technical Controller/ R 3 150 000.00	Reduce power downtime	Procurement and Installation of Batteries for the Power Back Up System	Target Not Met. Procurement and Installation of Batteries for the Power Back Up System not done.	Procurement and Installation of Batteries for the Power Back Up System	Target not Met. Appointment of SP and site establishment, Clear and Grub was not done.	This is due to the project coming expensive than actually budgeted.
Set used for service delivery and of public infrastructure	EMENT BSD12	BSD12-01	Procurement of the Yellow Fleet for Waste Management by 30 June 2024	New indicator	Director Community Services / Director Technical/ Manager Roads and Fleet Management/ R 17 283 500.56 MIG	Yellow Fleet for Waste Management procured	New indicator	New indicator	Procurement of 2 Front end loaders 2 Tipper Trucks( 10 Cubic) Cage Waste Management Truck Landfill Compactor	Target Met. 2 Front end loaders 2 Tipper Trucks( 10 Cubic) Cage Waste Management Truck Landfill Compactor were procured and delivered	

To reduce downtime period of fi enhance maintenance	FLEET MANAG	BSD12-02	Procurement of the Road Maintenance Plant by 30 June 2024	New indicator	Director Technical/ Manager Roads AND Fleet Management / R10 000 000.00 CAPEX	Roads Maintenance Plant Procured	New indicator	New indicator	Procurement of Lowbed Truck and Excavator	Target Not Met. Procurement of Lowbed Truck and Excavator has not been achieved.	The tender was cancelled due to supply chain processes which were not properly followed and this could have created a risk of litigation if the process was not properly followed.
To provide office space and parking by building new offices and renovating existing buildings	OFFICE SPACE BBS13	BSD13-01	Construction of staff change rooms in Lady Grey by 31 March 2025.	New indicator	Director Technical services /PMU Manager/R800 000.00	Staff change rooms constructed	New indicator	New indicator	Appointment and Site establishment	Target Met. Contractor appointed and site establishment done	



KPA 2: LOCAL ECONOMIC DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To promote and attract development in the local economy through implementation of the LED strategy	LED-01	LED01-01	% of the Implementation of LED Strategy Plan by 30 June 2027	Draft LED Strategy 2022-2027	Director Development and Town Planning Services/Manager IPED	Implemented year priorities as per LED strategy	100% Implementation of the year priorities as per LED strategy	Target Not Met .70 % of the implementation plan was met with 7 out of the 10 targets reached.	100% Implementation of the 2023/2024 priorities as per LED strategy	Target not Met. In total 14 targets were met, 6 were not met. This means 70 % of targets was met.	Items were not procured due to limited funds
		LED01-02	Report on number of jobs created through the LED initiatives including capital projects by 30 June 2024	162 jobs created through LED initiatives in 2019/2020	DTPS	Number of jobs created	1 Outdoor advertising & signage policy adopted	Target Not Met . The policy was not approved by council.	1 Annual Consolidated Report on number jobs created through LED initiatives including capital projects	Target Met. Annual Consolidated Report on number jobs created through LED initiatives including capital projects was achieved.	
		LED01-03	% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through sub contracting by 30 June 2024	2022/2023 Report	DTPS	Improved work opportunities for SMME's	1 Street and public places naming policy adopted	Target Met . The policy was approved by council.	30 % of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through sub contracting.	30 % of the municipal infrastructure capital projects in excess of R6 million, was allocated to SMME's through sub contracting.	
		LED01-04	30% of expenditure of operational budget to SMME's by 30 June 2024	New Indicator	DTPS	Improved work opportunities for SMME's	1 Annual Consolidated Report on number jobs created through LED initiatives including capital projects	Target Met. 290 jobs were created through the LED initiatives including capital projects.	30% of expenditure of operational budget to SMME's.	30% of expenditure of operational budget was allocated to SMME's.	

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	MFMV01-01	% of the Implementation of the Institutional Procurement Plan by 30 June 2024	Procurement Plan Developed in 2022/2023	CFO/Manager Supply Chain	Plan Developed	10 Monthly reports on the percentage of the implementation of the institutional procurement plan	Target Not Met. The procurement plan was 100% achieved an 10 reports were submitted to the standing committee.	4 Quarterly reports on 100% implementation of the institutional procurement plan	Target Not Met. Quarterly Reports on the implementation of the Institutional Procurement Plan was not 100% implemented.	This is due to a number of reasons. Some projects were advertised but there were no responsive bidders. Others reasons are poor planning by the municipality in ensuring that all projects planned are implemented as planned.
		MFMV01-02	Complete evaluation of performance of service providers by 30 June 2024	Report on Performance of Service Providers in 2022/2023	CFO/Manager Supply Chain	Quarterly Report	10 Monthly Reports on the % of Service Providers who implemented terms and conditions of tender documents in a timely manner	Target Met. 10 Monthly reports were submitted to Finance Standing Committee.	4 Quarterly Reports on the % of Service Providers who implemented terms and conditions of tender documents in a timely manner	Target Met. Quarterly reports on the performance of service providers submitted. 100% percent performance by service providers	
To ensure the efficient and effective procurement of goods and services	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	MFMV01-03	Turnaround time for adjudication of projects.	New	CFO/Manager Supply Chain/ Departmental Evaluation Reports	Number of tenders adjudicated	New indicator	New indicator	Annual Report on Number of Tenders Adjudicated within 90 days of being advertised	Target Not Met. Annual Report on the Number of Tenders adjudicated within 90 days of being advertised has been submitted.	This is due to project which inherently would not attract large number of respondents and also Bid Committees that are not sitting as planned.
To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	ASSET MANAGEMENT- MFMV02	MFMV02-01	Perform the Annual Asset Count by 30 June 2024	The 1 Annual Asset Count was Performed in 2022/2023	CFO/Manager Demand	Asset Count Report developed	1 Annual Asset Count Performed	Target Met. The Annual Asset count was performed.	1 Annual Asset Count Performed	Target Met. The Annual Asset count was performed.	
To annually assess and report on the % of the budget spent as expressed by the ratios	FINANCIAL MANAGEMENT - MFMV03	MFMV03-01	Report on Financial viability as expressed by the ratios in the gazette by 30 June 2024	2022/2023 Ratios	CFO/MANAGER BTO/Financial System/All Directors	Report on Ratios	1 Annual Report on Financial viability as expressed by the ratios in the gazette.	Target Met. 1 Annual Report on Financial viability as expressed by the ratios in the gazette was submitted.	1 Annual Report on Financial viability as expressed by the ratios in the gazette.	Target Met. 1 Bi -Annual Report on Improvement of Key strategic ratios submitted	
To expand and protect the municipal revenue base by providing accurate bills for services rendered		MFMV03-02	Compile Supplementary valuation roll by 30 June 2024	2022/2023 Valuation Roll	CFO/Manager Revenue	Actual Supplementary Valuation conducted	1 Annual Supplementary Valuation Roll compiled	Target Not Met. The Annual Supplementary Valuation roll was not compiled.	1 Annual Supplementary Valuation Roll compiled	Target Not Met. Compilation of the Annual Supplementary Valuation Roll not done.	This was due to an extension granted to the Municipality by COGTA. The extension is until 2025, therefore the municipality could not do the supplementary valuation roll when it is in the process of doing the actual valuation roll as per the extension.
	MFMV03-03	Report on 100% Correct billing of consumers with a 2% variance factor by 30 June 2024	2022/2023 verified actual correct billing reported	CFO/Manager Revenue 0000 /Financial System/	Number of consumers correctly billed	100% Correct billing of consumers with a 2% variance factor	Target Met. The correct billing of consumers was achieved by 100%	100% Correct billing of consumers with a 2% variance factor	Target Met. The correct billing of consumers was achieved by 100%		
	MFMV03-04	Report on actual revenue collected by 30 June 2024	2022/2023 Total Revenue collected	CFO/ Manager Revenue/ Financial System	Total Planned Revenue collected	4 Quarterly Reports on the actual collected revenue	Target Met. The quarterly reports on the actual revenue collected were submitted to the standing committee.	4 Quarterly Reports on the actual collected revenue	Target Met. 4 Quarterly Reports on the actual collected revenue. - Min 80% . The report indicates that 101% revenue collection was achieved		

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To expand and protect the municipal revenue base by providing accurate bills for services rendered	FINANCIAL MANAGEMENT - MFIV03	MFIV03-05	Report on Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches after identification of related expenditure by 30 June 2024	2022/2023 Reports	CFO/Manager Demand and Acquisition	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches that occurred during the FY	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	Target Met. The quarterly reports on the UIFW Expenditure and minor breaches were submitted to the standing committee.	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches that occurred during the FY	Target Met. The quarterly reports on the UIFW Expenditure and minor breaches were submitted to the standing committee.	
		MFIV03-06	Compilation and submission of Legislatively Compliant AFS by 31 August 2023	2021/2022 AFS	CFO/ All Directors/	Legislatively compliant AFS	Compilation of 2021/2022 AFS by 31 August 2022	Target Met. Compilation and submission of Legislatively Compliant AFS by 31 August 2022.	Compilation of 2022/2023 AFS by 31 August 2023	Target Met. Compilation and submission of Legislatively Compliant AFS by 31 August 2023 was achieved	
To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	FINANCIAL MANAGEMENT - MFIV03	MFIV03-07	Report on 100 % Expenditure of the Operational Budget by 30 June 2024	The OPEX expenditure 2022/2023	CFO/ R000/ Financial System	Monitoring and Implementation of the budget	12 Monthly Reports on 100 % Expenditure of the Operational Budget by the end of the financial year	Target Not Met. The municipality managed to spend 87% of its operational budget.	12 Monthly Reports on 100 % Expenditure of the Operational Budget for the Budget and treasury office by the end of the financial year	Target Not Met. 12 Monthly Reports on the actual operational budget 78% spent submitted	Demand for Bulk Purchases was less than anticipated due to loadshedding in the first half of the financial year. Implementation of the Cost containment strategy on Contracted Services and Other expenditure. Over-budgeting on some of the projects due to non-availability of reliable estimates at the time of budget approval. Some recently created and funded positions were not filled before year-end.
		MFIV03-08	Report on 100% Expenditure of the Capital Budget by 30 June 2024	The CAPEX expenditure of 2022/2023	CFO/ R000/ Financial System	Monitoring and Implementation of the budget	12 Monthly Reports on 100% Expenditure of the Capital Budget	Target Not Met. The municipality managed to spend 46% of its capital budget.	12 Monthly Reports on 100% Expenditure of the Capital Budget	Target not Met. 12 Monthly Reports on the actual Capital budget 55% spent submitted	Poor and late planning of the key project with a significant budgets. Lack strict monitoring and management of projects.
		MFIV03-09	Report on 100% Expenditure on Conditional grants received by 30 June 2024	Conditional Grant expenditure of 2022/2023	CFO/ R000/ Financial System/ All Directors	Monitoring and Implementation of the budget	12 Reports on 100% Expenditure on Conditional grants received	Target Not Met. The municipality managed to spend 79% of its conditional grant budget.	12 Reports on 100% Expenditure on Conditional grants received	Target Met. 12 Reports on 100% Expenditure on Conditional grants received	

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION - MFMV04	MFMV04-01	Compilation of the Annual budget for 2024/2025 by 31 May 2024	2022/2023 Budget	CFO/ Financial System/ All Directors /Dora / Legislative Directives /	MFMA Compliant budget	Comply 2023/2024 MFMA Compliant budget by 31 May 2023	Target Met. The budget was approved by Council on 31 May 2023.	Comply 2024/2025 MFMA Compliant budget by 31 May 2024	Target Met. Compilation of the 2024/2025 MFMA Compliant budget by 31 May 2024 was achieved.	
		MFMV04-02	Compilation of the Adjustment budget by 29 February 2024	2022/2023 Budget	CFO/ Financial System/ All Directors / Legislative Directives	MFMA Compliant adjusted budget	Comply MFMA Compliant 2022/2023 Adjustment budget by 28 February 2023	Target Met. The adjustment budget was approved by Council on 28 February 2023.	Comply MFMA Compliant 2023/2024 Adjustment budget by 29 February 2024	Target Met. Compilation of MFMA Compliant 2023/2024 Adjustment budget by 29 February 2024 was achieved.	
To develop and submit S 71, S 72 & S 52 reports as per MFMA guidelines and prescriptions	REPORTING - MFMV05	MFMV05-01	Development and submission of the section 71 (1) report (Submission to the Mayor and National Treasury within 10 working days after the end of the month	12 section 71 reports for 2022/2023	CFO/Manager BTO/ Financial System / Treasury Template / All Directors	Compliance with Treasury Regulations and the MFMA	12 Monthly reports on Section 71 (1) developed	Target Met. 12 Monthly reports on s71 were developed and submitted to Treasury.	12 Monthly reports on Section 71 (1) developed	Target Met. 12 Monthly reports on Section 71 (1) developed were submitted	
		MFMV05-02	Compilation of Financial and Performance reports (Section 52(d) and Section 72 - MFMA) by June 30 2024	4 Financial and Performance Reports developed in 2022/2023	Municipal Manager/CFO/Manager Governance and Compliance/BTO	4 Financial and Performance reports compiled	4 Financial and Performance reports (Section 52(d) and Section 72 - MFMA)	Target Met. All 4 Financial and Performance Reports were sent to council for approval.	4 Financial and Performance reports (Section 52(d) and Section 72 - MFMA)	Target Met. All 4 Financial and Performance Reports were sent to council for approval.	
To ensure a continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	IT - MFMV06	MFMV06-01	100 % of the implementation of the ICT strategy by 30 June 2024	Implementation of the 8 Strategic ICT Initiatives in 2022/2023	CFO/Manager IT	8 Strategic ICT Priorities achieved	8 of the 28 Strategic ICT Priorities Implemented in 2022/2023	Target Not Met. Not all projects under the ICT Strategic priorities were done. The actual percentage achieved is 70%	4 of the 20 Strategic ICT Priorities Implemented in 2023/2024	Target Met. All 4 of the 20 Strategic ICT Priorities Implemented in 2023/2024	



KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure implementation of the annually developed WSDP	SKILLS DEVELOPMENT - MTID-01	MTID01-01	% of a municipality's budget actually spent on implementing its own funded workplace skills and programmes by 30 June 2024	Report submitted in 2022/2023	Director Corporate/Manager HR and Legal Services Manager	Capacitation of employees	1 Annual Report on the % of a municipality's budget actually spent on implementing its workplace skills plan	Target Met. 44,11% spent during the FY under review.	1 Annual Report on the 100% of a municipality's budget actually spent on implementing its workplace skills plan	Target Not Met. Annual Report on 100% of a municipality's budget actually spent on implementing its workplace skills plan has been submitted however it indicates that 40% of the budget has been spent (1.5 million spend from a budget of 4 million)	60% of the budget could not be spent due to the following reason:(a) The SDF resigned and the only person left in the office was an Intern with no capacity to do the work. (b) There were no sufficient Providers registered on the database. (c) Number of appointed providers wanted to be paid upfront for the training programme and could not be done. (d) Some department(s) could not release registered employees to go to training due to other work commitment such as clashing of institutional commitments as it is an intervention to supply chain.
To ensure that the EE plan is implemented	EMPLOYMENT EQUITY - MTID-02	MTID02-01	Number of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan by 30 June 2024	Report submitted in 2022/2023	Director Corporate/Manager HR	Reports compiled	1 Report on no. of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Target Met. 12 people were employed from the employment equity group in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	1 Report on no. of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Target Met.. Report submitted. For 2023/24 FY. The target for Equity groups was 5 that is two A/F, 1 A/M, 1C/M and 1W/M -L84The status quo is that 7 A/M have been appointed and 1 C/M. No women were appointed	
To ensure that the Municipality has the capacity to implement its programmes and plans	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	MTID03-01	Reviewal of the Institutional Organogram by 30 June 2024	2022/2023 Reviewed Organogramme	Director Corporate/Manager HR	Organogramme approved	Implementation and reviewal of the Institutional Organogram	Target Met. The organogramme was reviewed and approved by council on 31 May 2023.	Implementation and reviewal of the Institutional Organogram	Target Met. Organogram was approved on the 15 May 2024.	
		MTID03-02	100% of funded, evaluated, approved and finalised vacancies with evaluation outcomes filled within six months of being vacant by 30 June 2024 with a viance of 20%	New Indicator	Director Corporate/Manager HR	Well capacitated municipality	% of funded vacancies with evaluation outcomes filled within six months of being vacant by June 2023	Target Met. 68.4% of the funded vacancies have been filled.	100% of funded vacancies with evaluation outcomes filled within six months of being vacant by June 2024 with a variance of 20%	Target Not Met. . For 2023/24 FY there were 38 funded vacant posts. Of the 38, 26 positions were filled resulting in 68.4% achievement for the target (26/38x100 = 68.4%)	1. Applicants did not meet minimum requirements and the positions were re-advertised 2. Applicants who did not perform during the interviews and the positions were re-advertised 3. Delays and slow processes of recruitment and selection

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure that all Seruq buildings and staff adhere to and implement OHS legislation	OCCUPATIONAL HEALTH AND SAFETY - MTID-05	MTID05-01	70% of OHS resolutions implemented annually by June 2024	2022/23 tracked resolutions	Director Corporate/Manager HR	Meetings Held	Percentage (70%) of tracked OHS resolutions resolved	Target exceeded. 80% of the OHS resolutions were tracked and implemented. The target exceeded by 10%	Percentage (70%) of tracked OHS resolutions resolved	Target exceeded. 80% of tracked OHS Resolutions resolved.	1. Improvement in the procurement processes in response to the issues of material & equipment as raised by the OHS Committee. 2. Improved communication between the OHS Committee and various departments in relation to issues of OHS Compliance.
To ensure implementation of LLF resolutions	LOCAL LABOUR FORUM - MTID06	MTID06-01	Percentage (100%) of legal and labour matters initiated on time by 30 June 2024	2022/2023 tracked resolutions	Director Corporate, MMManager HR, Manager Legal	Number of meetings held	100% initiation of labour and legal matters	Target Met. Labour achieved 100%	100% initiation of labour and legal matters	Target Met. 100% labour and legal matters initiated	



KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To monitor and evaluate the performance of staff and management on an annual basis	PERFORMANCE MANAGEMENT AND REPORTING - MTID 07	MTID07-01	Signing of Performance Agreements by the Municipal Manager and all appointed Section 56 Managers by 30 September 2023	6 Agreements signed in 2022/23 FY	Director Corporate Services/HR and Legal Services Manager	Signed Agreements	6 Signed Performance Agreements	Target Met. All 6 Performance Agreements were signed and submitted to COGTA on the 5th of Sept 2022	6 Signed Performance Agreements	Target Met. 6 Signed Performance Agreements on the 20 November 2023	The Performance Agreements were concluded in November 2023 because the New Municipal Manager had to present his strategy to Exco first. This was done in August and processes to finalise the agreements unfolded there after.
		MTID07-02	Signing of Performance agreements by all appointed Managers with their respective Directors by 30 September 2023	18 Agreements signed	Director Corporate Services/HR and Legal Services Manager	Signed Agreements	18 Signed Performance Agreements	Target Not Met. Submissions were made by only 8 managers.	18 Signed Performance Agreements	Target Not Met. All 12 Managers out of 18 signed their Performance Agreements, and 1 new manager in the political offices. In all 13 managers signed their agreements.	Initially there were 18 managers, and 12 signed their agreement. In October of 2023 The Political Offices Appointed two Managers which were not initially part of the 18. This took the number to 20. One of the political managers did not sign his score card because he was not well inducted on the performance management system. Other managers who did not sign had disputes on how the system is working. This could not be resolved until the end of the
		MTID07-03	Compilation of the Annual Performance Report 2022/2023 (s46) by 31 August 2023	2021/2022 Annual Performance Report	Municipal Manager/Manager Governance and Compliance/	Annual Performance Report compiled	Annual Performance Report compiled and submitted to AG by 31 August 2022	Target Met. The report was developed and submitted to AG on 31 AUGUST 2022	2022/2023 Annual Performance Report compiled and submitted to AG by 31 August 2023	Target Met. 2022/2023 Annual Performance Report compiled and submitted to AG by 31 August 2023	
		MTID07-04	Compilation of the Annual Report for 2022/2023 by 31 March 2024	2021/2022 Annual Report	Municipal Manager/Manager Governance and Compliance/	Annual Report compiled	Annual Report compiled and approved by 31 March 2023	Target Not Met. The Annual report was compiled but not approved.	2022/2023 Annual Report compiled and approved by 31 March 2024	Target Met. 2022/2023 Annual Report compiled and approved by 31 March 2024	
		MTID07-05	Compilation of the 2022/2023 Oversight report by 31 March 2024	2022/2023 Oversight report	MM/Chief of Staff	Oversight report compiled	2021/2022 Oversight report compiled by 31 March 2023	Target Not Met. The report was not compiled and approved.	2022/2023 Oversight report compiled by 31 March 2024	Target Met. 2022/2023 Oversight report compiled by 31 March 2024	
		MTID07-06	Development and Tabling of the Service Delivery and Budget Implementation Plan by 30 June 2024	2023/2024 SDBIP	Municipal Manager/Manager Governance and Compliance/ R	SDBIP Compiled	2023/2024 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget	Target Met. The SDBIP was approved by the Mayor on 28 June 2023	2024/2025 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget	Target Met. 2024/2025 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget (12 June 2024)	
To ensure participatory integrated planning and budgeting	INTEGRATED DEVELOPMENT PLANNING - MTID 09	MTID09-01	Reviewal of the new 5 year IDP for 2024/25 to 2026/27 by 30 June 2024	IDP 2023-2027	Director Development and Town Planning Services/Manager IPED	Reviewed IDP	Reviewal of 5 year IDP	Target Met. The IDP was reviewed and approved by council on 31 May 2023.	Reviewal of 5 year IDP	Target Met. The IDP was reviewed and approved by council on 15 May 2024.	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To promote and instill good governance practices within Senqu municipality	RISK AND FRAUD PREVENTION GGPP01	GGPP01-01	Implementation of Risk management Plan by 30 June 2024	2022/2023 tracked resolutions	Municipal Manager/Manager Governance and Compliance	Risk Register Updated	100% implementation of Risk Management Plan	Target not Met. 75% has been implemented, 25% not implemented.	100% implementation of the Risk Management Plan	Target Not Met. Risk Management Plan implementation status up-to-date is as follows: 85% Implemented 15% In-Progress	The position of the RMC Chairperson has been advertised on the 07 December 2023 with Notice No 151/2023.  The Risk Management Strategy was reviewed during Q4 of 2023/24 and was sent to Council for approval, the RMU is still waiting for the A/O and Mayor to sign approved RM Strategy.
		GGPP01-02	Develop a Conflict of Interests Declaration Register for staff and Councillors by 30 June 2024	2022/2023 Conflict of Interests Declaration Register	Municipal Manager/Manager Governance and Compliance	Register Developed	Development of the Conflict of Interest Register	Target Met. The Development of the Conflict of Interest Register has been developed.	Development of the Conflict of Interest Register	Target Met. Declaration of interest register for 2023/2024 has been developed	
To ensure compliance with all legislated deadlines such as MFMA & MSA, MSCOA, IDP and budget dates	COMPLIANCE GGPP02	GGPP02-01	Implementation of the Compliance Register by 30 June 2024	2022/2023 tracked compliance register	Municipal Manager/Manager Governance and Compliance	Departmental Risk Assessments conducted	100% Implementation of the Compliance register	Target Met. 100% implementation has been achieved.	100% Implementation of the Compliance register	Target Met. 100% implementation has been achieved.	
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report	OVERSIGHT - GGPP03	GGPP03-01	Implementation of the Audit Committee Resolutions by 30 June 2024	2022/2023 tracked resolutions	Municipal Manager/CAE/ R	Meetings held	100% of tracked Audit Committee resolutions implemented	Target Met. 100% tracked resolutions implemented.	100% of tracked Audit Committee resolutions implemented	Target Met. 100% tracked resolutions implemented.	
		GGPP03-02	Implementation of the Municipal Public Accounts Committee Resolutions by 30 June 2024	2022/2023 tracked resolutions	Municipal Manager/Chief of Staff	Number of MPAC meetings held.	100% of tracked MPAC resolutions implemented	Target Met. 100% of tracked MPAC resolutions implemented was achieved.	100% of tracked MPAC resolutions implemented	Target Met. 100% of tracked MPAC resolutions implemented	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure that Council, Exco and Top Management meetings are held regularly and that resolutions are implemented	OVERSIGHT - GGPP03	GGPP03-03	Number of Council/Exco resolutions tracked by 30 June 2024	2022/2023 tracked resolutions	Director Corporate/ Manager IGR	Reports compiled	4 Quarterly Reports on tracked resolutions of Council and EXCO	Target Met . All Exco Resolutions were tracked and reports developed.	4 Quarterly Reports on tracked resolutions of Council and EXCO	Target Met. Council and EXCO Resolutions were tracked	
To ensure that Council, Exco and Top Management meetings are held regularly and that resolutions are implemented	OVERSIGHT - GGPP03	GGPP03-04	Implementation of the Senior Executive Management Resolutions by 30 June 2024	2022/2023 tracked resolutions	Municipal Manager/Manager Strategic and Communication	Meetings Held	100% of tracked Senior Executive Management resolutions implemented	Target Not Met.57 resolutions taken and 48 implemented. 84% of resolutions implemented	100% of tracked Senior Executive Management resolutions implemented	Target Met. 100% of tracked Senior Executive Management resolutions implemented	
		GGPP03-05	Monitor the implementation of the Audit Action Plan by 30 June 2024	2022/2023 reports	Municipal Manager/Manager: Governance and Compliance	Audit Action Plan Implemented	100% of issues resolved on the audit action plan	Target Not Met . 92% has been completed	100% of issues resolved on the audit action plan	Target Met. 100% of tracking of Implementation of the Audit Action Plan submitted to the Audit Committee has been done and a quarterly reports to that effect have been submitted	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure regular interaction with the public through the public participation plan (mhibizos and meetings such as IPPF)	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	GGPP04-01	100% implementation of the Communication action plan by 30 June 2024	Communication action plan adopted by council in 2022-2023	Municipal Manager/Manager Strategic and Communication	Implementation Reports actually compiled	100% implementation of the Communication action plan with a variance of 20%	Target Not Met. No evidential of 62 targets set of which 8 was not implemented. 87% implemented was provided .	100% implementation of the Communication action plan	Target Met. 100% Implementation of the action plan	
To promote interactive communication with customers around service delivery issues	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	GGPP04-02	Number of Ward Committee engagements/interactions/support by 30 June 2024	4 Quarterly Reports per Ward (17wards)	Director Corporate Services/Manager IGR and Stakeholder Relations/R	Engagements/interactions/support	4 Quarterly Reports per Ward (17wards)	Target Met. 4 Quarterly reports were submitted	4 Quarterly Reports per Ward (17wards)	Target Met. 4 Quarterly reports were submitted	



KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
To ensure regular interaction with the public through the public participation plan, Imbizo and meetings such as IPFF	COMMUNICATIONS, MARKETING, CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	GGPP04-03	100 % of issues disseminated and tracked within 5 days from the Municipal Customer Care complaints register and checked after 8 working days dissemination by 30 June 2024	12 reports submitted in 2022/2023	Director Corporate Services/Manager IGR and Stakeholder Relations R	Queries resolved	Percentage of issues disseminated from the Municipal Customer Care Complaints register within 3 days	Target Met.100% of issues disseminated from the Municipal Customer Care Complaints register within 3 days was achieved.	Percentage of issues disseminated from the Municipal Customer Care Complaints register within 3 days	Target Met.100% of issues disseminated from the Municipal Customer Care Complaints register within 3 days was achieved.	
To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	MAINSTREAMING - GGPP05	GGPP05-01	% Implementation of the Public participation Strategy and plan by 30 June 2024	New Indicator	Director Corporate Services/Manager IGR and Stakeholder Relations	Reports Developed	Approval of the implementation plan and 4 reports on the Implementation of the HIV/Aids Strategy and plan by June 2023	Target Met. 100% Approval of the implementation plan and 4 reports on the Implementation of the HIV/Aids Strategy and plan by June 2023 was achieved.	Approval of the implementation plan and 4 reports on 100% Implementation of the Public participation Strategy and plan by June 2024	Target not met. Approval of the implementation plan and 4 reports on 100% Implementation of the Public participation Strategy and plan has not been achieved.	The Strategy could not approved because of the delays in the consultation processes. New people joined the Public Participation team and they had to be involved in the process.
		GGPP05-02	% Implementation of the SPU Activity Plan by 30 June 2024	2022/2023 Activity Plan	Director Corporate Services/Manager IGR and Stakeholder Relations/R	Plan Developed and Implemented	Approval of the Implementation, and 4 reports on the Implementation of the SPU Activity Plan by June 2023	Target Met. The implementation of the SPU Activity Plan was approved by the Cousin on the 31 May 2023.	Approval of the Implementation, and 4 reports on 100% Implementation of the SPU Activity Plan by June 2024	Target Met. 1. Approved implementation plan, 2. 4 Quarterly Reports approved by the Director for Standing committee consideration were submitted	

KPA 6 : ENVIRONMENT & SPATIAL PLANNING

STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2022/2023		CURRENT FINANCIAL YEAR 2023/2024		REPORTED VARIANCE
							ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ANNUAL TARGET 30 JUNE 2024	ACTUAL TARGET 30 JUNE 2024	
Protection of natural resources programme	E&SM01	E&SM01-01	Development of Environmental Management Framework 30 June 2025	New Indicator	Director Community Services and Manager Waste Management Services (R150 000) (Opex)	Appointment of Service Provider for the development of Environmental Management Framework	New Indicator	New Indicator	Appointment of Service Provider for the development of Environmental Management Framework	Target Met. Appointment of Service Provider for the development of Environmental Management Framework has been achieved. Abantu Environmental Services has been appointed on the 28 June 2024	
To develop and maintain urban centres to attract and keep investors to the municipality	E&SM02	E&SM02-01	Sterkspruit Development Business Plan/ Urban Design Framework by 30 June 2024	Appointment of a service provider	Director Development and Town Planning Services/Town Planner	Approved Sterkspruit Development Business Plan/ Urban Design Framework Developed	Approved Sterkspruit Development Business Plan/ Urban Design Framework	Target Not Met. The Sterkspruit Development Business Plan/ Urban Design Framework has not been approved	Approved Sterkspruit Development Business Plan/ Urban Design Framework	Target Met. Approved Sterkspruit Development Business Plan/ Urban Design Framework was achieved. The UDF was approved by Council on the 30 April 2024	
To develop and maintain urban centres to attract and keep investors to the municipality		E&SM02-02	Township Establishment for Lady Grey new settlements by 30 June 2024	Appointment of SP and submission of the engineering services report to the JGDM was done in 2021/2022	Director Development and Town Planning Services/Town Planner	Approved Township applications	Submission of application to the Municipal Planning Tribunal	Target Not Met. Submission of application to the Municipal Planning Tribunal was not done.	Submission of application to the District Municipal Planning Tribunal	Target not Met. Submission of application to the District Municipal Planning Tribunal has not been achieved.	Application awaiting environmental authorisation from DEDEAT
To develop and maintain urban centres to attract and keep investors to the municipality		E&SM02-03	Formalisation of Sterkspruit villages by 30 June 2027	New Indicator	Director Development and Town Planning Services/Town Planner	Incorporation of Sterkspruit villages into the urban edge (town)	Signing of MOU between the Municipality and Tribal authorities	Target Not Met. The MOU between the Municipality and the Tribal Authorities has not been signed.	Signing of MOU between the Municipality and Tribal authorities	Target Not Met. Signing of MOU between the Municipality and Tribal authorities was not achieved	A meeting sat between the traditional leaders and the municipality. MOU has not yet been signed because it was agreed that COGTA and DRDLR should form part of the agreement.
To develop and maintain urban centres to attract and keep investors to the municipality		E&SM02-04	Development of the Senqu Land Acquisition Strategy 30 June 2025	New Indicator	Director Development and Town Planning Services/Town Planner	Strategy Developed	New Indicator	New Indicator	Appointment of the consultant for the Development of the Draft Senqu Land Acquisition Strategy	Target Not Met. Appointment of the consultant for the Development of the Draft Senqu Land Acquisition Strategy has not been achieved.	The works was to be allocated to a Panel of town planners which were discontinued due to risk of irregular expenditure. Specifications/ RFQ submitted on 21/05/2024. No response received.
To develop and maintain urban centres to attract and keep investors to the municipality	Property Management E&SM 04	E&SM04-01	Transfer of public works and rural development properties by 30 June 2025	New Indicator	Director Development and Town Planning Services/Town Planner	Registration of properties under the relevant government department	New Indicator	New Indicator	Transfer of 13 properties to Provincial Public Works, 13 properties National Public Works and 1 property to Department of Agriculture Land Reform and Rural Development	Target Not Met. Transfer of 13 properties to Provincial Public Works, 13 properties o National Public Works and 1 property to Department of Agriculture Land Reform and Rural Development has not been achieved	There was a delay in acquiring the legal opinion on the transfer of these properties and that has since been received from the municipal lawyers. They are now analysing the opinion in order to advise council on the process to follow in transferring these properties.
and tenure	E&SM 07	E&SM07-01	Facilitate the Implementation of Housing Development in Senqu by the Provincial Department of Human Settlement by 30 June 2024	4 Quarterly reports on houses completed submitted in 2022/2023	Director Development and Town Planning Services/Town Planner	Data Base of occupants of the informal settlement developed	4 Quarterly reports on houses completed	Target Met. All 4 quarterly reports were submitted to the standing committee.	4 Quarterly reports on houses completed	Target Met. 4 Quarterly reports on houses completed has been submitted to standing committee	
		E&SM07-02	Title deed restoration by 30 June 2025	New Indicator	Director Development and Town Planning Services/Town Planner	Opening of township registers for Lady Grey and Herschel	Pre-conveyancing applications for Lady Grey and Herschel	Target Not Met. Pre-conveyancing applications for Lady Grey and Herschel was not done.	Appointment of the service provider to prepare Pre-conveyancing applications for Lady Grey and Herschel	Target Not Met. Service provider to prepare Pre-conveyancing applications for Lady Grey and Herschel has not yet been appointed	Panel contracts were discontinued due to risk of irregular expenditure. Revising project specifications in line with the treasury guidelines on the use of panels



Improved!	Housing	E&SM07-03	Review of the Senqu Municipality Land Use Scheme 2017 by 30 June 2025	New Indicator	Director Development and Town Planning Services/Town Planner	Scheme regulations developed	New Indicator	New Indicator	Appointment of the service provider to prepare A draft Senqu Municipality Land Use Scheme 2017 for public participation	Target Not Met. Service provider to prepare A draft Senqu Municipality Land Use Scheme 2017 for public participation has not yet been appointed	Tender was non-responsive
		E&SM07-04	Review of the Senqu Housing Sector Plan 2020 by 30 June 2025	New Indicator	Director Development and Town Planning Services/Town Planner	Plan Developed	New Indicator	New Indicator	Appointment of the service provider to draft Senqu Housing Sector Plan for public participation	Target Not Met. Appointment of the service provider to draft Senqu Housing Sector Plan for public participation has not been achieved.	The works was to be allocated to a Panel of town planners which were discontinued due to risk of irregular expenditure. Specifications submitted 02/04/2024, advertised 19/04/2024 and closed 21/05/2024.

**VOLUME II: ANNUAL FINANCIAL STATEMENTS**

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

# SENQU LOCAL MUNICIPALITY



## ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

AUDITED

# SENQU LOCAL MUNICIPALITY

## INDEX

<b>Content</b>	<b>Page</b>
General Information	1 - 2
Approval of the Annual Financial Statements	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Statement of comparison of budget and actual amounts	
- Statement of Financial Position	8 - 9
- Statement of Financial Performance	10 - 11
- Cash Flow Statement	12 - 13
Accounting Policies	14 - 46
Notes to the Annual Financial Statements	47 - 102
<b>APPENDICES - Unaudited</b>	
A Schedule of External Loans	103
B Analysis of Property Plant and Equipment	104
C Segmental Statement of Financial Performance (Municipal Votes)	105
D Actual versus Budget - Capital and Operating Expenditure (Municipal Votes)	106
E Disclosure of Grants and Subsidies	107
F National Treasury Appropriation Statements	
- Revenue and Expenditure (Standard Classification)	108 - 109
- Revenue and Expenditure (Municipal Vote Classification)	110 - 111
- Revenue and Expenditure (Revenue by Source and Expenditure by Type)	112 - 113
- Capital Expenditure by Vote, Standard Classification and Funding	114 - 116
- Cash Flows	117 - 118

# SENQU LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

Senqu Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

### LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

### JURISDICTION

The Senqu Local Municipality includes the following areas:

Lady Grey  
Barkly East  
Sterkspruit  
Rhodes  
Herschel  
Rossouw

### MEMBERS OF THE COUNCIL

Position	Councillor	Ward	Additional Portfolio
Executive Mayor	VV Stokhwe	Proportional	Member of Executive Committee
Speaker	NR Gwabeni	Proportional	Member of Executive Committee
Chief Whip	S Mfisa	Ward 10	Portfolio Head: Corporate Service
Ward Councillor	T Mbane	Ward 1	
Ward Councillor	P Mmele	Ward 2	
Ward Councillor	SM Ntlwatini	Ward 3	
Ward Councillor	M Mbijeka	Ward 4	
Ward Councillor	N Sebatana	Ward 5	
Ward Councillor	M Mbutyu	Ward 6	
Ward Councillor	Z Mangcipu	Ward 7	
Ward Councillor	KS Mpiti-Xhelesha	Ward 8	
Ward Councillor	JD Somsila	Ward 9	
Ward Councillor	T Nonjola	Ward 11	
Ward Councillor	B Duba	Ward 12	
Ward Councillor	M Kafile	Ward 13	
Ward Councillor	TM Dumzela	Ward 14	
Ward Councillor	M Phuza	Ward 15	
Ward Councillor	MA Mshasha	Ward 16	
Ward Councillor	A Mvelase	Ward 17	
PR Councillor	MN Ngendane	Proportional	Portfolio Head: Community Services
PR Councillor	SL Ndakisa	Proportional	Portfolio Head: Technical Services
PR Councillor	B Mbonjwa	Proportional	Portfolio Head: DTPS
PR Councillor	N Ngendane	Proportional	Portfolio Head: Finance Services
PR Councillor	XG Magcai	Proportional	
PR Councillor	N Nyongwana	Proportional	
PR Councillor	L Nongogo	Proportional	
PR Councillor	MN Mgojo	Proportional	
PR Councillor	NM Phama	Proportional	
PR Councillor	B Lawu	Proportional	
PR Councillor	ZR Mxoli	Proportional	
PR Councillor	TJ Madiene	Proportional	
PR Councillor	P Mei	Proportional	
PR Councillor	N January	Proportional	
PR Councillor	MJ Moahloli	Proportional	

# SENQU LOCAL MUNICIPALITY

## GENERAL INFORMATION

### **MUNICIPAL MANAGER**

T Mawonga

### **CHIEF FINANCIAL OFFICER**

AK Fourie

### **REGISTERED OFFICE**

Murray Street, Lady Grey, 9755

### **POSTAL ADDRESS**

P.O. Box 18, Lady Grey, 9755

### **AUDITORS**

Auditor-General of South Africa, P.O. Box 13252, East London

### **PRINCIPAL BANKERS**

Standard Bank, Lady Grey

### **ATTORNEYS**

Le Roux Incorporated, 101 Cape Road, Gqeberha

MM Baloyi Incorporated, 14th Floor Marble Towers, Cnr Jeppe and Von Wielligh Streets, Johannesburg

Wesley Pretorius & Associates Incorporated, 24 Tottenham Road, Baysville, East London

### **RELEVANT LEGISLATION**

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

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

Supply Chain Management Regulations, 2005

Labour Relation Amendment Act (Act 6 of 2014)

Collective Agreements

SALBC Leave Regulations

Municipal Budget and Reporting Regulations

Municipal Regulation on Standard Chart of Accounts (mSCOA)

Amended Municipal Structures Act No: 3 of 2021



# SENQU LOCAL MUNICIPALITY

## APPROVAL OF ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these financial statements for the year ended 30 June 2024, which are set out on pages 1 to 118 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) Standards, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's annual financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

---

T Mawonga  
Municipal Manager

---

Date

# SENQU LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>544 608 379</b>	<b>526 781 913</b>
Cash and Cash Equivalents	2	506 726 350	497 831 825
Receivables from exchange transactions	3	24 313 874	13 955 160
Receivables from non-exchange transactions	4	7 346 339	7 582 205
Taxes	5	5 497 593	6 804 796
Operating Lease Asset	6.1	50 746	359
Inventory	7	673 476	607 567
<b>Non-Current Assets</b>		<b>611 851 332</b>	<b>537 817 304</b>
Investment Property	8	48 397 100	47 271 925
Property, Plant and Equipment	9	562 362 479	488 913 920
Intangible Assets	10	47 570	77 642
Capitalised Restoration Cost (PPE)	11	1 044 183	1 553 817
<b>Total Assets</b>		<b>1 156 459 711</b>	<b>1 064 599 218</b>
<b>Current Liabilities</b>		<b>76 452 416</b>	<b>68 873 422</b>
Borrowings	12	942 652	922 862
Consumer Deposits	13	1 948 713	1 884 698
Payables from exchange transactions	14	18 102 451	11 990 078
Payables from non-exchange transactions	15	27 924 692	27 074 731
Operating Lease Liability	6.2	-	-
Current Employee benefits	16	27 533 908	27 001 053
<b>Non-Current Liabilities</b>		<b>54 380 642</b>	<b>50 640 880</b>
Borrowings	12	4 978 161	5 920 487
Employee benefits	17	22 216 000	19 749 000
Non-Current Provisions	18	27 186 480	24 971 393
<b>Total Liabilities</b>		<b>130 833 058</b>	<b>119 514 303</b>
<b>NET ASSETS</b>		<b>1 025 626 653</b>	<b>945 084 915</b>
<b>COMMUNITY WEALTH</b>			
Revaluation Reserve	19.1	100 386 876	91 022 401
Accumulated Surplus	19.2	925 239 777	854 062 514
		<b>1 025 626 653</b>	<b>945 084 915</b>

# SENQU LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>268 197 319</b>	<b>248 818 638</b>
<b>Taxation Revenue</b>		<b>18 603 345</b>	<b>17 330 716</b>
Property Rates	20	18 603 345	17 330 716
<b>Transfer Revenue</b>		<b>243 082 516</b>	<b>223 217 310</b>
Transfers and Subsidies - Capital	21	43 309 971	34 365 765
Transfers and Subsidies - Operating	21	199 772 545	188 851 545
<b>Other Revenue</b>		<b>6 511 458</b>	<b>8 270 612</b>
Actuarial Gains	17	1 364 572	4 671 529
Fines, Penalties and Forfeits	22	928 740	915 394
Interest Earned - Penalty Interest on Property Rates	26	2 000 203	1 720 263
Gain on Fair Value Adjustments of Investment Property	8	1 605 675	963 425
Gain on Disposal of Capitalised Restoration Cost (PPE)	11	612 268	-
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>119 750 750</b>	<b>95 243 481</b>
<b>Operating Activities</b>		<b>119 750 750</b>	<b>95 243 481</b>
Service Charges	23	65 477 077	53 643 060
Rental from Fixed Assets	24	1 813 788	1 475 736
Interest Earned - external investments	25	43 067 757	32 208 528
Interest Earned - Service Debtors	26	5 815 409	4 751 626
Licences and Permits	27	1 225 974	1 300 733
Agency Services	28	1 046 830	1 204 135
Sales of Goods and Rendering of Services	29	403 874	110 377
Operational Revenue	30	551 150	549 287
Gain on Disposal of Investment Property	42	348 891	-
<b>TOTAL REVENUE</b>		<b>387 948 070</b>	<b>344 062 119</b>
<b>EXPENDITURE</b>			
Employee related costs	31	132 545 352	124 615 650
Remuneration of Councillors	32	13 910 269	12 975 962
Debt Impairment	33	17 464 288	16 641 103
Depreciation and Amortisation	34	17 689 077	17 032 144
Impairment Loss	35	1 109 447	314 017
Actuarial Losses	17	20 207	-
Finance Charges	36	5 645 685	5 397 454
Bulk Purchases	37	48 678 878	45 498 755
Contracted services	38	38 519 241	31 251 097
Transfers and Subsidies	39	36 321	42 055
Operating Leases	40	408 494	550 203
Operational Cost	41	40 013 784	41 159 753
Loss on Disposal of Assets	42	705 871	833 099
Inventory Loss	7	23 892	3 142
<b>TOTAL EXPENDITURE</b>		<b>316 770 806</b>	<b>296 314 434</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>71 177 263</b>	<b>47 747 685</b>

# SENQU LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2024

	REVALUATION RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2022</b>	<b>85 610 740</b>	<b>805 867 706</b>	<b>891 478 444</b>
Correction of Error - Refer to note 44.5	-	447 122	447 122
<b>Balance on 30 June 2022 - Restated</b>	<b>85 610 740</b>	<b>806 314 828</b>	<b>891 925 566</b>
Net Surplus for the year	-	47 747 685	47 747 685
Revaluation on Land and Buildings	5 411 661	-	5 411 661
<b>Balance on 30 June 2023 - Restated</b>	<b>91 022 401</b>	<b>854 062 513</b>	<b>945 084 912</b>
Net Surplus for the year	-	71 177 263	71 177 263
Revaluation on Land and Buildings	9 364 474	-	9 364 474
<b>Balance on 30 June 2024</b>	<b>100 386 876</b>	<b>925 239 777</b>	<b>1 025 626 650</b>

# SENQU LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property rates		16 011 309	13 342 325
Service charges and interest on outstanding debtors		49 800 546	48 290 229
Other revenue		3 550 108	5 605 946
Government - operating		200 396 174	184 102 250
Government - capital		42 515 826	41 915 750
Interest		44 088 233	32 980 402
<b>Payments</b>			
Suppliers and employees		(264 025 117)	(249 596 460)
Finance charges		(599 568)	(610 062)
Transfers and Grants		(36 321)	(42 055)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>45</b>	<b>91 701 189</b>	<b>75 988 326</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on Disposal of Investment Property		557 391	-
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(82 519 025)	(35 317 128)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(81 961 633)</b>	<b>(35 317 128)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Increase in Consumer Deposits		64 015	64 090
<b>Payments</b>			
Loans repaid		(909 046)	(916 507)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(845 031)</b>	<b>(852 417)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>8 894 524</b>	<b>39 818 783</b>
Cash and Cash Equivalents at the beginning of the year		497 831 825	458 013 042
Cash and Cash Equivalents at the end of the year		506 726 349	497 831 825

# SENQU LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET		2024 R	2024 R	2024 R	Explanations for material variances (10% of line-item with a minimum of R1m)
ASSETS	(Actual)	(Final Budget)	(Variance)		
<b>Current assets</b>					
Cash and cash equivalents	506 726 350	390 389 476	116 336 874	30%	Result of increased revenue, investment strategy and Unspent Grants at year-end.
Trade and other receivables from exchange transactions	24 313 874	13 979 043	10 334 831	74%	Net result of the increase in Consumer debtors actual amount and the increase in the Provision for Debt impairment in the budget
Receivables from non-exchange transactions	7 346 339	7 488 294	(141 955)	-2%	-
Inventory	673 476	607 567	65 910	11%	Less inventory utilised before year-end than anticipated
VAT	5 497 593	6 805 156	(1 307 563)	-19%	Result of the VAT 201 submissions
Other current assets	50 746	-	50 746	0%	Effect of renewed lease contracts for the Operating lease assets
<b>Total current assets</b>	<b>544 608 379</b>	<b>419 269 535</b>	<b>125 338 843</b>		
<b>Non-current assets</b>					
Investment property	48 397 100	47 271 925	1 125 175	2%	Effect of the Fair value adjustments on investment Property
Property, plant and equipment	562 362 479	602 097 141	(39 734 662)	-7%	Effect of the under-expenditure of the capital budget
Intangible Assets	47 570	524 567	(476 996)	-91%	The latest Microsoft office software were treated as an operational expense as it expires after one year
Capitalised Restoration Cost	1 044 183	-	1 044 183	100%	Budgeted for under Property, plant and equipment
<b>Total non-current assets</b>	<b>611 851 332</b>	<b>649 893 633</b>	<b>(38 042 300)</b>		
<b>TOTAL ASSETS</b>	<b>1 156 459 711</b>	<b>1 069 163 168</b>	<b>87 296 543</b>		
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	942 652	942 691	(39)	0%	
Consumer deposits	1 948 713	1 997 780	(49 067)	-2%	-
Trade and other payables from exchange transactions	18 102 451	15 571 326	2 531 125	16%	Effect of infrastructure payment vouchers paid after year-end
Trade and other payables from non-exchange transactions	27 924 692	23 775 801	4 148 891	17%	Effect of Unspent Disaster Relief Grant received close to year-end
Provisions	27 533 908	21 642 179	5 891 729	27%	Performance Bonusses for 2022/2023 were not paid before year-end
<b>Total current liabilities</b>	<b>76 452 416</b>	<b>63 929 777</b>	<b>12 522 639</b>		
<b>Non-current liabilities</b>					
Borrowing	4 978 161	4 977 795	366	0%	-
Provisions	30 124 480	29 832 394	292 087	1%	-
Other non-current liabilities	19 278 000	20 764 449	(1 486 449)	-7%	Effect of Actuarial Assumptions used for the Post Employment medical aid calculations
<b>Total non-current liabilities</b>	<b>54 380 642</b>	<b>55 574 638</b>	<b>(1 193 996)</b>		
<b>TOTAL LIABILITIES</b>	<b>130 833 058</b>	<b>119 504 415</b>	<b>11 328 644</b>		
<b>NET ASSETS</b>	<b>1 025 626 653</b>	<b>949 658 753</b>	<b>75 967 899</b>		
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	669 124 984	520 196 581	148 928 403	29%	Effect of under-expenditure of budget; Less contributions to reserves
Reserves	356 501 668	429 462 172	(72 960 504)	-17%	Less contributions to reserves than anticipated
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1 025 626 652</b>	<b>949 658 753</b>	<b>75 967 899</b>		



# SENQU LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

### STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

ADJUSTMENTS TO APPROVED BUDGET		2024	2024	2024	
ASSETS		R	R	R	
	(Approved Budget)	(Adjustments)	(Final Budget)		Explanations for material variances (10% of line-item with a minimum of R1m)
<b>Current assets</b>					
Cash and cash equivalents	333 978 520	56 410 956	390 389 476	17%	Increased to a more realistic amount and the result of all other transactions in the budget
Trade and other receivables from exchange transactions	27 624 613	(13 645 570)	13 979 043	-49%	Decreased to a more realistic amount based on the actuals for the previous financial year
Receivables from non-exchange transactions	4 177 459	3 310 835	7 488 294	79%	Increased to a more realistic amount based on the actuals for the previous financial year
Inventory	550 845	56 722	607 567	10%	Increased to a more realistic amount based on the actuals for the previous financial year
VAT	3 558 083	3 247 073	6 805 156	91%	Increased to a more realistic amount based on the actuals for the previous financial year
<b>Total current assets</b>	<b>369 889 520</b>	<b>49 380 015</b>	<b>419 269 535</b>		
<b>Non-current assets</b>					
Investment property	46 308 500	963 425	47 271 925	2%	Increased to a more realistic amount based on the actuals for the previous financial year
Property, plant and equipment	584 282 996	17 814 145	602 097 141	3%	Result of the increase in the capital budget due to an Additional Disaster Relief Grant received
Intangible Assets	2 072 158	(1 547 592)	524 567	-75%	Decreased to a more realistic amount based on the actuals for the previous financial year
<b>Total non-current assets</b>	<b>632 663 654</b>	<b>17 229 979</b>	<b>649 893 633</b>		
<b>TOTAL ASSETS</b>	<b>1 002 553 174</b>	<b>66 609 994</b>	<b>1 069 163 168</b>		
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	942 786	(95)	942 691	0%	-
Consumer deposits	2 136 205	(138 425)	1 997 780	-6%	Decreased to a more realistic amount based on the actuals for the previous financial year
Trade and other payables from exchange transactions	16 655 155	(1 083 829)	15 571 326	-7%	Decreased to a more realistic amount based on the actuals for the previous financial year
Trade and other payables from non-exchange transactions	12 768 768	11 007 033	23 775 801	86%	Effect of the Unspent grants for the 2022/2023 financial year
Provisions	20 525 535	1 116 644	21 642 179	5%	Increased to a more realistic amount based on the actuals for the previous financial year
<b>Total current liabilities</b>	<b>53 028 450</b>	<b>10 901 327</b>	<b>63 929 777</b>		
<b>Non-current liabilities</b>					
Borrowing	4 977 723	73	4 977 795	0%	-
Provisions	37 972 681	(8 140 287)	29 832 394	-21%	Reclassification of Employee Benefits to "Other non-current liabilities" below; effect of the restatement on the Landfill site provision
Other non-current liabilities	-	20 764 449	20 764 449	100%	Reclassification of Employee Benefits previously disclosed under "Provisions" above
<b>Total non-current liabilities</b>	<b>42 950 404</b>	<b>12 624 234</b>	<b>55 574 638</b>		
<b>TOTAL LIABILITIES</b>	<b>95 978 853</b>	<b>23 525 561</b>	<b>119 504 415</b>		
<b>NET ASSETS</b>	<b>906 574 320</b>	<b>43 084 433</b>	<b>949 658 753</b>		
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus/(Deficit)	505 135 103	15 061 478	520 196 581	3%	Appropriation to and from Reserves
Funds and Reserves	401 439 218	28 022 955	429 462 172	7%	Increased to a more realistic amount based on the actuals for the previous financial year
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>906 574 320</b>	<b>43 084 433</b>	<b>949 658 753</b>		







**SENQU LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024**

ADJUSTMENTS TO APPROVED BUDGET	2024 R	2024 R	2024 R	Explanations for material variances (10% of line-item with a minimum of R1m)
CASH FLOW FROM OPERATING ACTIVITIES	(Approved Budget)	(Adjustments)	(Final Budget)	
<b>Receipts</b>				
Property rates	13 028 581	2 756 720	15 785 301	21% Interest earned on outstanding debtors included in the final budget as per NT schedules
Service charges	54 862 964	6 593 362	61 456 326	12% Interest earned on outstanding debtors included in the final budget as per NT schedules
Other revenue	5 301 983	603 296	5 905 278	11% Result of penalties recognised on infrastructure project delays
Transfers and Subsidies - Operational	199 394 435	1 001 739	200 396 174	1% Result of the EPWP - Provincial Grant that was removed
Transfers and Subsidies - Capital	37 574 565	9 892 261	47 466 826	26% Net result of the additional Disaster Relief Grant received from Provincial Treasury and the reduction in the MIG for 2023/24
Interest	30 029 451	3 137 731	33 167 182	10% Increased as a result of the higher interest rates and Investment Strategy
<b>Payments</b>				
Suppliers and Employees	(315 476 352)	(16 997 638)	(332 473 989)	5% Result of the increase in budget for operating expenditure as well as increase in Employee Related Costs
Finance charges	(3 802 278)	(1 673 819)	(5 476 097)	44% Increased due to the effect that iGRAP 2 and the latest Guideline on Accounting for Landfill Sites had on the interest on Landfill site calculations
Transfers and subsidies	(36 450)	(10 001)	(46 451)	27% Less paid than budgeted for
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20 876 898</b>	<b>5 303 652</b>	<b>26 180 550</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-	100 000	100 000	100% Gains on disposal of Investment Property previously not budgeted for
<b>Payments</b>				
Capital assets	(82 881 350)	(50 031 768)	(132 913 118)	60% Result of the additional infrastructure projects included in the final budget
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(82 881 350)</b>	<b>(49 931 768)</b>	<b>(132 813 118)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Increase in consumer deposits	120 917	(7 835)	113 082	-6% -
<b>Payments</b>				
Repayment of borrowing	(923 106)	244	(922 862)	0% -
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(802 188)</b>	<b>(7 592)</b>	<b>(809 780)</b>	
<b>NET DECREASE IN CASH HELD</b>	<b>(62 806 640)</b>	<b>(44 635 709)</b>	<b>(107 442 348)</b>	
Cash and Cash Equivalents at the beginning of the year	396 785 160	101 046 665	497 831 824	25% Increased to a more realistic amount based on the actuals for the previous financial year
Cash and Cash Equivalents at the end of the year	333 978 520	56 410 956	390 389 476	17% Increased to a more realistic amount and the result of all other transactions in the budget year

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### **1 ACCOUNTING POLICIES**

#### **1.01 BASIS OF PREPARATION**

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

#### **1.02 TRANSITIONAL PROVISIONS**

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

#### **1.03 PRESENTATION CURRENCY**

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

#### **1.04 GOING CONCERN ASSUMPTION**

These financial statements have been prepared on a going concern basis.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.05 COMPARATIVE INFORMATION

#### 1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Items deemed immaterial are also corrected if the value thereof can become material.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### 1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policies in the current year.

### 1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how an item should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

### 1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

Explanations for material differences between the final budget amounts and actual amounts are included in the Statement of Comparison of Budget and Actual Amounts. Material differences are being defined by Management as 10% of a specific line-item with a minimum of R1 million.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### 1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved not to early adopt the following Standard of GRAP which was issued but is not yet effective:

##### 1.08.1.1 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will not be significant.

##### 1.08.1.2 iGRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

#### 1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

##### 1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

The impact of this Standard on the financial statements will not be significant, as the Municipality does not have any assets that meet the definition of a heritage asset as prescribed per GRAP 103.

##### 1.08.2.2 GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

##### 1.08.2.3 GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

#### 1.08.2.4 GRAP 107 (Revised 2023) - Mergers

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

#### 1.08.2.5 Amendments to GRAP 1 on Presentation of Financial Statements (2022)

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

Currently, the Municipality is not faced with any going concern issues and therefore these amendments will have no effect on the financial statements.

#### 1.08.2.6 Improvements to the Standards of GRAP (2023)

The improvements will affect the following pronouncements to the Standard of GRAP:

Pronouncement	Description
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 13	Leases
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 104	Financial Instruments
IGRAP 20	Accounting for Adjustments to Revenue
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities
Guideline	Application of Materiality to Financial Statements

The effect of the improvements to the above-mentioned pronouncements is considered insignificant. The improvements mainly relates to the clarification of accounting principles.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.09 RESERVES

#### 1.09.1 *Revaluation Reserve*

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The following reserves are ring-fenced in the accumulated surplus and therefore disclosed as part of the accumulated surplus in the statement of financial position:

#### 1.09.2 *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

#### 1.09.3 *Employee Benefits Reserve*

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

Contributions equal to the short-term portion of employee benefits, plus 5% of the prior year closing balance of long term employee benefits is contributed to the reserve from accumulated surplus.

#### 1.09.4 *Valuation Roll Reserve*

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### **1.10 INVESTMENT PROPERTY**

#### **1.10.1 Initial Recognition**

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

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

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

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

#### **1.10.2 Subsequent Measurement – Fair Value Model**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is recognised in the Statement of Financial Performance for the period in which it arises. The fair value of Investment Property reflects market conditions at the reporting date.

#### **1.10.3 Derecognition**

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.11 PROPERTY, PLANT AND EQUIPMENT

#### 1.11.1 Initial Recognition

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

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

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

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

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

#### 1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment, other than Land and Buildings, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

#### 1.11.3 Subsequent Measurement – Revaluation Model

Subsequent to initial recognition, Land and Buildings are carried at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in the Statement of Financial Performance, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 1.11.4 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate are accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
<b>Infrastructure</b>		<b>Land and Buildings</b>	
Roads and Paving	7 - 115	Buildings and	
Bridges	50 - 80	Improvements	100
Electricity	10 - 70	Land	Indefinite
Storm Water	15 - 85		
<b>Community</b>		<b>Other Assets</b>	
Community Halls	100	Vehicles	5 - 27
Libraries	100	Plant & Equipment	3 - 24
Parks & Gardens	15 - 50	Furniture	5 - 26
Sports facilities	30 - 45	Special Vehicles	10 - 14
Cemeteries	10 - 15	Specialised plant and	10 - 23
		Equipment	
<b>Capitalised Restoration Cost</b>		Office Equipment	5 - 24
Landfill Sites	9 - 25	Computer Equipment	5 - 24

#### 1.11.5 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

#### 1.11.6 Derecognition

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.12 INTANGIBLE ASSETS

#### 1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on their acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

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

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### 1.12.2 Subsequent Measurement - Cost Model

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

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.12 INTANGIBLE ASSETS (CONTINUED)

#### 1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible asset with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	5 - 24

#### 1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

#### 1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### 1.13 IMPAIRMENT OF NON-MONETARY ASSETS

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

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

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

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.13 IMPAIRMENT OF NON-MONETARY ASSETS (CONTINUED)

#### 1.13.1 Recoverable amount of Cash-generating assets

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

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

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

#### 1.13.2 Recoverable amount of Non-cash-generating assets

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

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### 1.13.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

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

#### 1.13.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

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

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.14 INVENTORIES

#### 1.14.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

#### 1.14.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.15 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

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

#### 1.15.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

##### 1.15.1.1 *Defined Contribution Plans*

The Municipality contributes to various defined contribution plans on behalf of its qualifying employees. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable.

##### 1.15.1.2 *Post Retirement Medical Obligations*

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.15 EMPLOYEE BENEFITS (CONTINUED)

#### 1.15.2 Long-term Benefits

##### 1.15.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

#### 1.15.3 Short-term Benefits

##### 1.15.3.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

##### 1.15.3.2 Staff Bonuses Accrued

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

##### 1.15.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

##### 1.15.3.4 Other Short-term Employee Benefits

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

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

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.16 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.17 LEASES

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

#### 1.17.1 Municipality as Lessee

##### 1.17.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

##### 1.17.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

#### 1.17.2 Municipality as Lessor

##### 1.17.2.1 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.18 FINANCIAL INSTRUMENTS

#### 1.18.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

#### 1.18.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
  - (i) derivatives;
  - (ii) combined instruments that are designated at fair value;
  - (iii) instruments held for trading;
  - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
  - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.18 FINANCIAL INSTRUMENTS (CONTINUED)

#### 1.18.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

##### 1.18.3.1 *Financial assets measured at amortised cost*

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

##### 1.18.3.2 *Financial assets measured at cost*

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not reversible.

#### 1.18.4 Derecognition of financial instruments

##### 1.18.4.1 *Financial assets*

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### 1.18.4.2 *Financial liabilities*

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.18 FINANCIAL INSTRUMENTS (CONTINUED)

#### 1.18.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 1.19 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### 1.19.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

#### 1.19.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

#### 1.19.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

#### 1.19.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.20 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

### 1.21 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

### 1.22 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the cash basis.

### 1.23 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

### 1.24 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.25 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.26 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

#### 1.26.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

##### 1.26.1.1 *Taxation Revenue*

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.26 REVENUE (CONTINUED)

#### 1.26.1.2 *Transfer Revenue*

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

#### 1.26.1.3 *Fines*

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. In cases where fines and summonses are issued by another government departments, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

#### 1.26.1.4 *Insurance Receipts*

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

#### 1.26.1.5 *Unclaimed deposits*

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

#### 1.26.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

#### 1.26.1.7 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.26 REVENUE (CONTINUED)

#### 1.26.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

#### 1.26.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

##### 1.26.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

##### 1.26.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

##### 1.26.2.3 Rental income

Revenue from the rental of fixed assets is recognised on a straight-line basis over the term of the lease agreement.

##### 1.26.2.4 Income from Agency Services

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

##### 1.26.2.5 Other Tariffs

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.26 REVENUE (CONTINUED)

#### 1.26.2.6 *Sale of goods*

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

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.26.2.7 *Deferred payment*

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

### 1.27 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

### 1.28 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.29 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.30 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

### 1.32 CAPITAL COMMITMENTS

Capital commitments disclosed in the annual financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

### 1.33 EVENTS AFTER REPORTING DATE

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

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

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.34 RELATED PARTIES

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

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

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

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

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the annual financial statements to understand the effect of related party transactions.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.35 ACCOUNTING BY PRINCIPALS AND AGENTS

An agent is an entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principle and for the benefit of the principle.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principle, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.36 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality's annual financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis (i.e. departmental charges).

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the annual financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

### 1.37 SERVICE CONCESSION ARRANGMENTS: ENTITY AS GRANTOR

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator, which in this case will be the Municipality.

A mandated function involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor's mandate.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.37 SERVICE CONCESSION ARRANGMENTS: ENTITY AS GRANTOR (CONTINUED)

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- (a) is provided by the operator which:
  - the operator constructs, develops, or acquires from a third party; or
  - is an existing asset of the operator; or
- (b) is provided by the grantor which:
  - is an existing asset of the grantor; or
  - is an upgrade to an existing asset of the grantor.

The Municipality recognises an asset provided by the operator and an upgrade to an existing asset of the Municipality, as a service concession asset if the Municipality controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the Municipality controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a “whole-of-life” asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the Municipality recognises a service concession asset, and the asset is not an existing asset of the Municipality (grantor), the Municipality (grantor) also recognises a liability.

The Municipality does not recognise a liability when an existing asset of the Municipality is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

The Municipality initially measures the service concession asset as follows:

- (a) Where the asset is not an existing asset of the Municipality, the asset is measured at its fair value.
- (b) Where the asset is an existing asset of the Municipality and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The Municipality initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the Municipality to the operator, or from the operator to the Municipality.

Where the Municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the Municipality accounts for the liability as a financial liability.

The Municipality allocates the payments to the operator and accounts for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charge and charges for services provided by the operator in a service concession arrangement are accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.37 SERVICE CONCESSION ARRANGMENTS: ENTITY AS GRANTOR (CONTINUED)

Where the asset and service components are not separately identifiable, the service component of payments from the Entity to the operator is determined using estimation techniques.

Where the Municipality does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the Municipality accounts for the liability as the unearned portion of the revenue arising from the exchange of assets between the Municipality and the operator.

The Municipality recognises revenue and reduces the liability according to the substance of the service concession arrangement.

If the Municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

The Municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The Municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

### 1.38 CONSTRUCTION CONTRACTS

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Human Settlements. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Human Settlements to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme*. The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Human Settlements. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Human Settlements.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.38 CONSTRUCTION CONTRACTS (CONTINUED)

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Human Settlements. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Human Settlements.

The binding agreements entered into with the provincial Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low-cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the annual financial statements:

#### 1.39.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### 1.39.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

#### 1.39.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

#### 1.39.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

#### 1.39.5 Post-Retirement and Long-term Benefits

The cost of post-retirement medical obligations and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### 1.39.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthworks as published by Statistics South Africa.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### 1.39.7 Distinguishing between Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

#### 1.39.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

#### 1.39.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

#### 1.39.10 Recognition and Derecognition of Land

In order for land to be meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

#### 1.39.11 Applying materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality's circumstances. The assessment of materiality therefore requires management to apply judgement about:

- (a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.
- (b) How the nature or size or both, of the information could reasonably be expected to influence users' decisions.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	2024 R	2023 R
<b>2 CASH AND CASH EQUIVALENTS</b>		
Primary Bank Account	47 195 296	520 449
Call and short-term Investments Deposits	459 530 354	497 310 676
Cash Floats	700	700
<b>Total</b>	<b>506 726 350</b>	<b>497 831 825</b>

Due to the short-term nature of cash deposits, all balances included above are in line with their fair value.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	27 924 692	27 074 731
Capital Replacement Reserve	203 391 447	225 678 807
Valuation Roll Reserve	2 973 437	2 202 815
Employee Benefit Reserve	49 749 909	46 750 054
Taxes	1 768 388	994 561
Working Capital Requirements	220 918 477	195 130 857
	<b>506 726 350</b>	<b>497 831 825</b>

### Primary Bank Account

Standard Bank - Lady Grey Branch - Account Number 28 063 130 8

Bank Statement Balance - Opening Balance	452 175	4 638 487
Bank Statement Balance - Closing Balance	47 130 078	452 175
Cashbook Balance - Opening Balance	520 449	4 682 069
Cashbook Balance - Closing Balance	47 195 296	520 449

### Call and short-term Deposits

Call and short-term Deposits consist out of the following accounts:

Standard Bank 388489162/0	324 647 554	373 225 933
Standard Bank 388489731/0	122 184 544	112 317 449
Standard Bank 388486066/0	12 698 256	11 767 293
	<b>459 530 354</b>	<b>497 310 676</b>

Short-term deposits attracted interest of between 8.25% and 8.45% (2023: 3.37% and 8.45%).

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### 30 JUNE 2024

	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
<b>Service Receivables</b>	<b>96 594 025</b>	<b>78 482 153</b>	<b>18 111 872</b>
Electricity	39 782 785	23 395 380	16 387 405
Refuse	55 665 854	54 279 880	1 385 973
Housing Rentals	1 145 387	806 892	338 494
<b>Other Receivables</b>	<b>6 202 002</b>	-	<b>6 202 002</b>
Joe Gqabi District Municipality (WSA)	3 640 889	-	3 640 889
Interest Accrual	2 561 113	-	2 561 113
<b>Total</b>	<b>102 796 027</b>	<b>78 482 153</b>	<b>24 313 874</b>

#### 30 JUNE 2023

	Gross Balance	Allowance for impairment	Net Receivable
	R	R	R
<b>Service Receivables</b>	<b>78 585 205</b>	<b>68 462 185</b>	<b>10 123 020</b>
Electricity	30 545 086	21 981 114	8 563 971
Refuse	47 191 223	45 956 172	1 235 050
Housing Rentals	848 897	524 899	323 998
<b>Other Receivables</b>	<b>3 832 141</b>	-	<b>3 832 141</b>
Joe Gqabi District Municipality (WSA)	3 832 141	-	3 832 141
<b>Total</b>	<b>82 417 346</b>	<b>68 462 185</b>	<b>13 955 160</b>

Included in the outstanding balances at 30 June 2024 are consumer debtors to the value of R3 988 311 (30 June 2023: R422 82) who have made arrangements to repay their outstanding debt over a re-negotiated period.

The carrying value of receivables are in line with their fair value. A credit period of 30 days is granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

	2024	2023
	R	R
<b>Ageing of service and other receivables:</b>		
<b>Electricity Ageing</b>		
Current (0 - 30 days)	4 484 132	3 908 243
Past Due (31 - 60 Days)	2 499 673	1 778 610
Past Due (61 - 90 Days)	2 038 703	1 206 566
Past Due (90 Days +)	30 760 276	23 651 667
<b>Total</b>	<b>39 782 785</b>	<b>30 545 086</b>
<b>Refuse Ageing</b>		
Current (0 - 30 days)	1 373 933	1 199 323
Past Due (31 - 60 Days)	1 176 623	1 081 727
Past Due (61 - 90 Days)	1 106 899	1 023 705
Past Due (90 Days +)	52 008 398	43 886 468
<b>Total</b>	<b>55 665 854</b>	<b>47 191 223</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)	2024 R	2023 R
<b>Housing Rentals Ageing</b>		
Current (0 - 30 days)	114 228	114 218
Past Due (31 - 60 Days)	45 521	22 374
Past Due (61 - 90 Days)	45 321	21 911
Past Due (90 Days +)	940 317	690 394
<b>Total</b>	<b>1 145 387</b>	<b>848 897</b>
<b>Other Receivables Ageing</b>		
Current (0 - 30 days)	2 561 113	-
Past Due (31 - 60 Days)	-	-
Past Due (61 - 90 Days)	-	-
Past Due (90 Days +)	3 640 889	3 832 141
<b>Total</b>	<b>6 202 002</b>	<b>3 832 141</b>
<b>Total Service and Other Receivables Ageing</b>		
Current (0 - 30 days)	8 533 407	5 221 784
Past Due (31 - 60 Days)	3 721 817	2 882 711
Past Due (61 - 90 Days)	3 190 923	2 252 181
Past Due (90 Days +)	87 349 879	72 060 669
<b>Total</b>	<b>102 796 027</b>	<b>82 417 346</b>
<b>Reconciliation of Allowance for impairment</b>		
Balance at the beginning of the year	68 462 185	57 149 891
Contribution to the provision	13 503 088	12 748 695
Electricity	2 733 361	2 878 018
Refuse	10 487 733	9 741 534
Housing Rentals	281 994	129 144
Bad Debts Written off	(3 483 120)	(1 436 401)
Electricity	(1 319 095)	(1 181 342)
Refuse	(2 164 025)	(255 059)
Balance at the end of the year	<b>78 482 152</b>	<b>68 462 185</b>

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

30 JUNE 2024

	Gross Balance R	Allowance for impairment R	Net Receivable R
<b>Service Receivables</b>	<b>32 229 078</b>	<b>28 100 874</b>	<b>4 128 204</b>
Rates	32 229 078	28 100 874	4 128 204
<b>Other Receivables</b>	<b>5 206 036</b>	<b>1 987 900</b>	<b>3 218 136</b>
Traffic fines income due	1 987 900	1 987 900	-
Other Receivables	3 218 136	-	3 218 136
<b>Total</b>	<b>37 435 113</b>	<b>30 088 774</b>	<b>7 346 339</b>

30 JUNE 2023

	Gross Balance R	Allowance for impairment R	Net Receivable R
<b>Service Receivables</b>	<b>28 873 797</b>	<b>24 692 711</b>	<b>4 181 085</b>
Rates	28 873 797	24 692 711	4 181 085
<b>Other Receivables</b>	<b>5 136 420</b>	<b>1 735 300</b>	<b>3 401 120</b>
Traffic fines income due	1 735 300	1 735 300	-
Other Receivables	3 401 120	-	3 401 120
Balance previously reported	3 400 030	-	3 400 030
Prior period adjustment - Note 44.1	1 090	-	1 090
<b>Total</b>	<b>34 010 217</b>	<b>26 428 011</b>	<b>7 582 205</b>

The carrying value of receivables are in line with their fair value. A credit period of 30 days is granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

<b>Ageing of service receivables:</b>	<b>2024</b> R	<b>2023</b> R
<b>Rates Ageing</b>		
Current (0 - 30 days)	231 667	290 557
Past Due (31 - 60 Days)	666 170	667 939
Past Due (61 - 90 Days)	680 703	601 810
Past Due (90 Days +)	30 650 537	27 313 491
<b>Total</b>	<b>32 229 078</b>	<b>28 873 797</b>

### Reconciliation of Allowance for impairment

Balance at the beginning of the year	26 428 012	22 426 677
Contribution to the provision	4 897 721	4 709 308
Rates	4 645 121	4 463 108
Fines	252 600	246 200
Bad Debts Written off	(1 236 958)	(707 973)
Rates	(1 236 958)	(707 973)
Balance at the end of the year	<b>30 088 774</b>	<b>26 428 012</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

#### The ageing of amounts past due but not impaired is as follows:

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
<b>2024</b>			
1 month past due	2 059 053	105 446	2 164 499
2 + months past due	11 780 310	4 002 140	15 782 450
<b>Total</b>	<b>13 839 363</b>	<b>4 107 586</b>	<b>17 946 949</b>
<b>2023</b>			
1 month past due	1 378 467	169 573	1 548 040
2 + months past due	5 097 929	3 908 837	9 006 766
<b>Total</b>	<b>6 476 396</b>	<b>4 078 410</b>	<b>10 554 806</b>

#### Trade and other receivables impaired:

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
<b>2024</b>			
<b>Total</b>	<b>78 482 152</b>	<b>30 088 774</b>	<b>108 570 926</b>
<b>2023</b>			
<b>Total</b>	<b>68 462 185</b>	<b>26 428 012</b>	<b>94 890 197</b>

### 5 TAXES

	2024 R	2023 R
Vat Receivable/(Payable)	(2 165 164)	78 559
Vat on Contribution to Provision for Impairment of Trade Receivables from Exchange Transactions	7 662 757	6 726 237
<b>Total</b>	<b>5 497 593</b>	<b>6 804 796</b>

VAT is accounted for on the cash basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

6 OPERATING LEASES	2024 R	2023 R
<b>6.1 OPERATING LEASE ASSETS</b>		
Operating Lease Asset	<u>50 746</u>	<u>359</u>
The operating lease asset is derived from contracts where the municipality acts as the lessor in the agreement.		
Reconciliation of Operating Lease Asset:		
Balance at the beginning of the year	359	-
Movement during the year	<u>50 387</u>	<u>359</u>
<b>Balance at the end of the year</b>	<u><b>50 746</b></u>	<u><b>359</b></u>
The municipality will receive the following lease payments from contracts that have defined lease payments and terms:		
Within 1 Year	601 628	883 576
Between 1 and 5 Years	<u>589 876</u>	<u>4 209</u>
	<u><b>1 191 505</b></u>	<u><b>887 785</b></u>
The lease payments are in respect of properties being lease out over a period ranging up to June 2026.		
<b>6.2 OPERATING LEASE LIABILITIES</b>		
Operating Lease Liability	<u>-</u>	<u>-</u>
The operating lease liability is derived from contracts where the municipality acts as the lessee in the agreement.		
Reconciliation of Operating Lease Liability:		
Balance at the beginning of the year	-	4 217
Movement during the year	<u>-</u>	<u>(4 217)</u>
<b>Balance at the end of the year</b>	<u><b>-</b></u>	<u><b>-</b></u>
The Municipality entered into a lease agreement to rent the Library building in Lady Grey. The lease agreement was renewed on 1 March 2018 and expired on 28 February 2023. The initial monthly rental was R3 238 (VAT inclusive) with an annual increase of 8%. The lease is currently continuing on a month-to-month basis.		
<b>7 INVENTORY</b>		
Electricity materials	<u>673 476</u>	<u>607 567</u>
<b>Total</b>	<u><b>673 476</b></u>	<u><b>607 567</b></u>
No inventory was pledged as security for liabilities.		
Inventory are disclosed at the lower of cost or net realisable value (NRV).		
Inventory Loss recognised as a result of NRV test	<u>23 892</u>	<u>3 142</u>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

8 INVESTMENT PROPERTY	2024 R	2023 R
Investment Property - Carrying Value	<u>48 397 100</u>	<u>47 271 925</u>

The movement in investment properties is reconciled as follows:

<b>Opening Carrying Value</b>	47 271 925	46 308 500
Fair Value	47 271 925	46 308 500
Fair Value Adjustment	1 605 675	963 425
Impairment	(272 000)	-
Disposal	(208 500)	-
<b>Closing Carrying Value</b>	<u>48 397 100</u>	<u>47 271 925</u>
Fair Value	48 397 100	47 271 925

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The valuations of Investment Properties were performed by DDP Valuers and the valuer was Ms Tanya du Plessis, a professional valuer with registration number 6662. Properties were valued on the Comparable Sales Method of Valuation and Accrued Depreciation Method of Valuation sales method of valuation, based on the active market values in the area.

Rental revenue earned from Investment Properties	1 793 232	1 425 867
--	-----------	-----------

## 9 PROPERTY PLANT AND EQUIPMENT

30 JUNE 2024	Cost R	Accumulated Depreciation R	Carrying Value R
Land and Buildings	179 509 998	-	179 509 998
Infrastructure	445 736 829	160 012 915	285 723 914
Community Assets	72 439 172	16 435 288	56 003 884
Other Assets	86 447 565	45 322 882	41 124 682
	<u>784 133 564</u>	<u>221 771 085</u>	<u>562 362 479</u>
<b>30 JUNE 2023</b>			
Land and Buildings	155 172 498	-	155 172 498
Infrastructure	409 112 284	149 715 307	259 396 977
Community Assets	65 111 540	14 454 091	50 657 448
Other Assets	66 382 777	42 695 781	23 686 997
	<u>695 779 099</u>	<u>206 865 179</u>	<u>488 913 920</u>
Balance previously reported			488 518 280
Prior period adjustment - Note 44.2			395 640
Restated Balance			<u>488 913 920</u>



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

The valuations of Land and Buildings were performed by DDP Valuers and the valuer was Ms Tanya du Plessis, a professional valuer with registration number 6662. Properties were valued on the Comparable Sales Method of Valuation and Accrued Depreciation Method of Valuation sales method of valuation, based on the active market values in the area

No assets were pledged as security for liabilities.

The municipality have 59 assets that are fully depreciated which are still in use. These assets are immaterial in value and will be replaced once funding is made available.

Refer to note 43 for the disclosure of repairs and maintenance per asset class as required by GRAP 17.

#### 9.1 Effect of changes in accounting estimates

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed and adjusted accordingly. The effect on the current and future periods are as follow:

	2024	2025
	R	R
Increase / (Decrease) in Depreciation and Amortisation	(2 220 843)	2 220 843
Increase / (Decrease) in Accumulated Surplus	2 220 843	(2 220 843)
Increase / (Decrease) in Property, Plant and Equipment	2 220 843	(2 220 843)

#### 9.2 Work in Progress projects taking a significant longer period to complete

The following projects (included in Work in Progress) is taking a significant longer period to complete:

Project	Reason for delays	2024 Carrying value
Sterkspruit Landfill Site	Alternative location needs to be identified	1 215 195
Rossouw - Solid Landfill Site	Contract to be terminated	10 880 838
Rhodes - Solid Landfill Site	Site was converted to a transfer station and waiting on record of decision for exemption from doing EIA process	566 527
Renovation town hall Barkly East	Variation order to be finalised for contractor to complete the project	9 036 736

#### 9.3 Work in Progress balances

The following work in progress balances are included in PPE. No Depreciation charge is recognised against these amounts.

	2024	2023
	R	R
Buildings	27 204 002	9 983 151
Infrastructure - Roads	34 289 852	9 738 460
Infrastructure - Waste Management	12 662 560	23 733 729
Infrastructure - Electricity	865 200	-
Sports Fields	7 215 253	310 448
Cemetery	216 420	-
Community Assets - Other	1 222 928	196 605
<b>Total Work in Progress (WIP)</b>	<b>83 676 215</b>	<b>43 962 394</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 June 2024	Cost						Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Disposals	Gain on Fair Value Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Revaluation	Loss on Fair Value Revaluation	Transfers to Cost		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R		R
<b>Land and Buildings</b>	<b>155 172 498</b>	<b>17 220 851</b>	-	<b>7 954 096</b>	<b>(837 447)</b>	<b>179 509 998</b>	-	<b>1 410 378</b>	<b>(1 410 378)</b>	<b>837 447</b>	<b>(837 447)</b>	-	<b>179 509 998</b>
Land	30 185 175	-	-	1 989 200	-	32 174 375	-	-	-	-	-	-	32 174 375
Buildings	124 987 323	17 220 851	-	5 964 896	(837 447)	147 335 623	-	1 410 378	(1 410 378)	837 447	(837 447)	-	147 335 623
<b>Infrastructure</b>	<b>409 112 284</b>	<b>36 715 082</b>	<b>(90 537)</b>	-	-	<b>445 736 829</b>	<b>149 715 307</b>	<b>10 319 344</b>	<b>(21 736)</b>	-	-	<b>160 012 915</b>	<b>285 723 914</b>
Roads	232 924 374	31 129 703	-	-	-	264 054 078	115 150 232	6 057 757	-	-	-	121 207 989	142 846 089
Stormwater	67 154 586	552 123	-	-	-	67 706 709	18 555 583	1 182 840	-	-	-	19 738 423	47 968 287
Solid Waste	64 223 314	4 075 998	-	-	-	68 299 313	3 992 266	1 438 149	-	-	-	5 430 415	62 868 898
Electricity	32 293 578	957 258	(90 537)	-	-	33 160 298	8 541 641	1 254 502	(21 736)	-	-	9 774 406	23 385 892
Taxi Ranks	12 516 431	-	-	-	-	12 516 431	3 475 585	386 096	-	-	-	3 861 682	8 654 750
<b>Community Assets</b>	<b>65 111 540</b>	<b>8 147 548</b>	<b>(819 916)</b>	-	-	<b>72 439 172</b>	<b>14 454 091</b>	<b>2 181 885</b>	<b>(200 688)</b>	-	-	<b>16 435 288</b>	<b>56 003 884</b>
Sports Fields	26 441 844	6 904 805	-	-	-	33 346 649	6 341 745	835 390	-	-	-	7 177 135	26 169 514
Node Development	9 548 529	-	(819 916)	-	-	8 728 613	2 766 916	311 243	(200 688)	-	-	2 877 471	5 851 142
Parks & Gardens	7 829 419	-	-	-	-	7 829 419	494 243	182 686	-	-	-	676 929	7 152 490
Cemetery	19 679 420	216 420	-	-	-	19 895 840	3 516 631	811 711	-	-	-	4 328 341	15 567 499
Other	1 612 327	1 026 323	-	-	-	2 638 650	1 334 557	40 855	-	-	-	1 375 411	1 263 239
<b>Other Assets</b>	<b>66 382 777</b>	<b>20 435 544</b>	<b>(370 756)</b>	-	-	<b>86 447 565</b>	<b>42 695 781</b>	<b>2 981 348</b>	<b>(354 247)</b>	-	-	<b>45 322 882</b>	<b>41 124 682</b>
Motor Vehicles	14 030 120	787 505	-	-	-	14 817 625	9 377 536	193 199	-	-	-	9 570 735	5 246 890
Plant & Equipment	31 280 086	33 908	(230 630)	-	-	31 083 364	16 322 135	1 070 634	(223 727)	-	-	17 169 042	13 914 322
Office Equipment	2 448 089	-	(657)	-	-	2 447 431	2 297 475	38 133	(656)	-	-	2 334 951	112 480
Furniture & Fittings	5 302 375	499 619	(7 451)	-	-	5 794 543	4 455 831	245 782	(6 578)	-	-	4 695 035	1 099 507
Loose Equipment	405 296	-	-	-	-	405 296	397 760	2 124	-	-	-	399 884	5 411
Computer Equipment	8 835 434	1 800 576	(132 017)	-	-	10 503 993	6 572 503	749 019	(123 285)	-	-	7 198 236	3 305 756
Specialised Vehicles	4 081 378	17 313 935	-	-	-	21 395 314	3 272 541	682 458	-	-	-	3 954 998	17 440 315
<b>Total</b>	<b>695 779 099</b>	<b>82 519 025</b>	<b>(1 281 209)</b>	<b>7 954 096</b>	<b>(837 447)</b>	<b>784 133 564</b>	<b>206 865 179</b>	<b>16 892 955</b>	<b>(1 987 049)</b>	<b>837 447</b>	<b>(837 447)</b>	<b>221 771 085</b>	<b>562 362 479</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2023	Cost						Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Disposals	Gain on Fair Value Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Revaluation	Loss on Fair Value Revaluation	Transfers to Cost		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R		R
<b>Land and Buildings</b>	<b>143 532 156</b>	<b>7 539 937</b>	-	<b>4 100 405</b>	-	<b>155 172 498</b>	-	<b>1 311 256</b>	<b>(1 311 256)</b>	-	-	-	<b>155 172 498</b>
Land	29 776 275	-	-	408 900	-	30 185 175	-	-	-	-	-	-	30 185 175
Buildings	113 755 881	7 539 937	-	3 691 505	-	124 987 323	-	1 311 256	(1 311 256)	-	-	-	124 987 323
<b>Infrastructure</b>	<b>389 446 362</b>	<b>19 914 423</b>	<b>(248 500)</b>	-	-	<b>409 112 284</b>	<b>138 992 528</b>	<b>10 804 692</b>	<b>(81 912)</b>	-	-	<b>149 715 307</b>	<b>259 396 977</b>
Roads	224 382 726	8 558 015	(16 366)	-	-	232 924 374	108 259 830	6 891 631	(1 229)	-	-	115 150 232	117 774 142
Stormwater	67 154 586	-	-	-	-	67 154 586	17 359 498	1 196 085	-	-	-	18 555 583	48 599 004
Solid Waste	52 997 228	11 226 086	-	-	-	64 223 314	2 921 580	1 070 686	-	-	-	3 992 266	60 231 048
Electricity	32 395 390	130 321	(232 134)	-	-	32 293 578	7 362 131	1 260 194	(80 684)	-	-	8 541 641	23 751 937
Taxi Ranks	12 516 431	-	-	-	-	12 516 431	3 089 489	386 096	-	-	-	3 475 585	9 040 846
<b>Community Assets</b>	<b>59 837 958</b>	<b>5 323 029</b>	<b>(49 448)</b>	-	-	<b>65 111 540</b>	<b>12 605 464</b>	<b>1 849 345</b>	<b>(717)</b>	-	-	<b>14 454 091</b>	<b>50 657 448</b>
Sports Fields	26 131 395	310 448	-	-	-	26 441 844	5 506 354	835 390	-	-	-	6 341 745	20 100 099
Node Development	9 548 529	-	-	-	-	9 548 529	2 455 673	311 243	-	-	-	2 766 916	6 781 613
Parks & Gardens	7 829 419	-	-	-	-	7 829 419	433 792	60 452	-	-	-	494 243	7 335 176
Cemetery	14 912 892	4 815 976	(49 448)	-	-	19 679 420	2 918 574	598 773	(717)	-	-	3 516 631	16 162 790
Other	1 415 723	196 605	-	-	-	1 612 327	1 291 070	43 486	-	-	-	1 334 557	277 771
<b>Other Assets</b>	<b>65 458 756</b>	<b>2 539 739</b>	<b>(1 615 718)</b>	-	-	<b>66 382 777</b>	<b>40 731 285</b>	<b>2 962 439</b>	<b>(997 943)</b>	-	-	<b>42 695 781</b>	<b>23 686 997</b>
Motor Vehicles	13 953 714	646 492	(570 087)	-	-	14 030 120	9 192 434	353 852	(168 749)	-	-	9 377 536	4 652 584
Plant & Equipment	31 812 273	147 243	(679 430)	-	-	31 280 086	15 479 314	1 323 115	(480 295)	-	-	16 322 135	14 957 951
Office Equipment	2 342 888	111 592	(6 391)	-	-	2 448 089	2 249 190	54 647	(6 362)	-	-	2 297 475	150 614
Furniture & Fittings	5 254 798	180 146	(132 569)	-	-	5 302 375	4 284 903	289 254	(118 325)	-	-	4 455 831	846 544
Loose Equipment	525 917	-	(120 621)	-	-	405 296	507 886	9 996	(120 122)	-	-	397 760	7 535
Computer Equipment	7 487 788	1 454 265	(106 619)	-	-	8 835 434	5 970 822	705 770	(104 089)	-	-	6 572 503	2 262 931
Specialised Vehicles	4 081 378	-	-	-	-	4 081 378	3 046 736	225 805	-	-	-	3 272 541	808 837
<b>Total</b>	<b>658 275 232</b>	<b>35 317 128</b>	<b>(1 913 666)</b>	<b>4 100 405</b>	-	<b>695 779 099</b>	<b>192 329 276</b>	<b>16 927 731</b>	<b>(2 391 828)</b>	-	-	<b>206 865 179</b>	<b>488 913 920</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

10	INTANGIBLE ASSETS	2024 R	2023 R
	Intangible Assets - Carrying Value	<u>47 570</u>	<u>77 642</u>
	The movement in intangible assets is reconciled as follows:		
	<b>Opening Carrying Value</b>	77 642	128 193
	Cost	968 300	986 096
	Accumulated Amortisation	(890 658)	(857 903)
	Acquisitions	-	-
	Balance previously reported	-	262 261
	Prior period adjustment - Note 44.3	-	(262 261)
	Disposal	(1 333)	(6)
	Cost	(433 214)	(17 796)
	Amortisation	431 881	17 790
	Amortisation for the year	(28 739)	(50 545)
	Balance previously reported	-	(60 881)
	Prior period adjustment - Note 44.3	-	10 336
	<b>Closing Carrying Value</b>	47 570	77 642
	Cost	535 086	968 300
	Accumulated Amortisation	(487 516)	(890 658)

Intangible Assets consist only of software.

No intangible assets were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

11	CAPITALISED RESTORATION COST (PPE)	2024 R	2023 R
	Capitalised Restoration Cost - Carrying Value	<u>1 044 183</u>	<u>1 553 817</u>
	The movement in capitalised restoration cost is reconciled as follows:		
	<b>Opening Carrying Value</b>	1 553 817	424 597
	Cost	10 115 484	8 618 378
	Accumulated Depreciation	(8 247 649)	(8 193 781)
	Accumulated Impairments	(314 017)	-
	Additions	429 596	1 837 731
	Disposal	(171 847)	(340 625)
	Depreciation for the year	(767 383)	(53 868)
	Impairments for the year	-	(314 017)
	<b>Closing Carrying Value</b>	1 044 183	1 553 817
	Cost	10 373 232	10 115 484
	Accumulated Depreciation	(9 015 032)	(8 247 649)
	Accumulated Impairments	(314 017)	(314 017)

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>11</b>	<b>CAPITALISED RESTORATION COST (PPE) (CONTINUED)</b>	<b>2024</b> R	<b>2023</b> R
	A gain on disposal is recognised as a result of the actual calculated disposal being bigger than the carrying value of the specific landfill site.		
	Gain on Disposal of Capitalised Restoration Cost (PPE)	<u><b>612 268</b></u>	<u><b>-</b></u>
	The municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Senqu Municipality.		
	Although this item is accounted for under the Property Plant and Equipment Standard (GRAP 17), the characteristics and nature of this item does not resemble that of normal PPE (such as the tangible nature of assets normally associated with PPE). Based on the aforementioned and in line with the requirements of GRAP 1, Capitalised Restoration Cost is disclosed as a separate item on the face of the Statement of Financial Position.		
	Refer to note 18 for more detail relating to this asset financed by way of a provision		

<b>12</b>	<b>BORROWINGS</b>	<b>2024</b> R	<b>2023</b> R
	Annuity Loans	5 920 813	6 843 349
	<b>Sub-Total</b>	<u><b>5 920 813</b></u>	<u><b>6 843 349</b></u>
	Less: Current portion	942 652	922 862
	Annuity Loans	<u>942 652</u>	<u>922 862</u>
	<b>Total Non-current Borrowings</b>	<u><b>4 978 161</b></u>	<u><b>5 920 487</b></u>

Borrowings were fully utilised to purchase property plant and equipment. No loans were unspent and no cash were set aside to finance future instalments.

Borrowings consist out of the following agreements:

Nr	Institution	Interest Rate	Redemption Date
1	Development Bank of Southern Africa (DBSA)	floating	30-Sep-29
2	Development Bank of Southern Africa (DBSA)	6.75%	30-Sep-30

Annuity loans are payable as follows:	<b>2024</b> R	<b>2023</b> R
Payable within one year	1 417 968	1 466 362
Payable within two to five years	4 968 683	5 171 131
Payable after five years	1 035 274	2 201 527
<b>Total amount payable</b>	<u><b>7 421 925</b></u>	<u><b>8 839 020</b></u>
<b>Less:</b> Outstanding Future Finance Charges	(1 501 111)	(1 995 671)
<b>Present value of annuity loans</b>	<u><b>5 920 814</b></u>	<u><b>6 843 349</b></u>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

13	CONSUMER DEPOSITS	2024 R	2023 R
	Electricity	1 948 713	1 884 698
	<b>Total</b>	<b>1 948 713</b>	<b>1 884 698</b>

No guarantees held in lieu of Electricity Deposits

The carrying value of consumer deposits are in line with its fair value. Outstanding balances do not attract any interest.

Consumer deposits are paid by consumers on application for new and electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.

### 14 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	9 475 852	6 404 890
Other Payables	582 575	434 173
Balance previously reported	-	454 061
Prior period adjustment - Note 44.4	-	(19 888)
Payments received in advance	1 244 951	489 450
Retentions	6 661 324	4 510 326
DBSA Interest Accrual	137 750	151 239
<b>Total</b>	<b>18 102 451</b>	<b>11 990 078</b>

Payables are being recognised net of any discounts received.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of payables approximates its fair value.

### 15 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

#### Unspent Conditional Government Grants

National Government	2 010 056	6 960 955
Provincial Government	25 914 636	20 113 776
<b>Total</b>	<b>27 924 692</b>	<b>27 074 731</b>

Detail reconciliations of all grants received and grant conditions met are included in note 21. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

Due to the short-term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

16	CURRENT EMPLOYEE BENEFITS	2024 R	2023 R
	Post Retirement Medical Benefits - Note 17	430 000	307 000
	Long Service Awards - Note 17	337 000	414 000
	Bonuses	3 979 875	3 505 416
	Performance Bonuses	8 707 628	11 105 426
	Compensation for injuries on duty contribution	7 264 292	6 320 833
	Staff Leave	6 815 114	5 348 378
	<b>Total</b>	<b>27 533 908</b>	<b>27 001 053</b>

The movement in current employee benefits are reconciled as follows:

### Bonuses

Opening Balance	3 505 416	3 500 159
Contribution during the year	6 822 189	6 025 268
Payments made	(6 347 730)	(6 020 010)
Balance at end of year	<b>3 979 875</b>	<b>3 505 416</b>

Bonuses are paid in November of each year to permanent employees and contract employees structuring the package to provide for 13th cheque.

### Performance Bonuses

Opening Balance	11 105 426	7 044 679
Contribution during the year	4 355 065	4 060 747
Payments made	(6 752 863)	-
Balance at end of year	<b>8 707 628</b>	<b>11 105 426</b>

Performance bonuses are being paid to Municipal Manager, Directors, Managers and Below-Managers after an evaluation of performance by the Council. The provision at 30 June 2023 includes the Performance bonuses for the 2020/21, 2021/22 and the 2022/23 financial years. The performance Evaluation for 2020/2021 and 2021/2022 were done at the beginning of August 2023 and were paid in December 2023.

### Compensation for injuries on duty contribution

Opening Balance	6 320 833	5 376 486
Contribution during the year	943 458	944 347
Balance at end of year	<b>7 264 292</b>	<b>6 320 833</b>

The balance on the compensation for injuries on duty contribution represents the current liability of the municipality that has not yet been paid over to the relevant authorities.



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

16	CURRENT EMPLOYEE BENEFITS (CONTINUED)	2024	2023
		R	R
	<b>Staff Leave</b>		
	Opening Balance	5 348 378	5 002 478
	Contribution during the year	4 012 643	3 222 348
	Payments made	(2 545 906)	(2 876 449)
	Balance at end of year	<u><u>6 815 114</u></u>	<u><u>5 348 378</u></u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

17	EMPLOYEE BENEFITS		
	Post Retirement Medical Benefits	19 278 000	17 231 000
	Long Service Awards	2 938 000	2 518 000
	<b>Total</b>	<u><u>22 216 000</u></u>	<u><u>19 749 000</u></u>

### 17.1 POST RETIREMENT MEDICAL BENEFITS

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	17 538 000	18 332 000
Contribution during the year	3 859 000	3 902 000
Current Service Cost	1 670 000	1 748 000
Interest Cost	2 189 000	2 154 000
Payments made	(324 428)	(288 449)
Actuarial Loss/(Gain)	(1 364 572)	(4 407 551)
Change in Financial Assumptions	(467 000)	(3 217 000)
Experience Adjustments	(897 572)	(1 190 551)
Total balance at year-end	19 708 000	17 538 000
Less: Current Portion - Note 16	(430 000)	(307 000)
<b>Total</b>	<u><u>19 278 000</u></u>	<u><u>17 231 000</u></u>

The liability in respect of past service has been estimated to be as follows:

In-service members	15 815 000	13 766 000
In-service non-members	1 491 000	1 490 000
Continuation members	2 402 000	2 282 000
<b>Total Unfunded Liability</b>	<u><u>19 708 000</u></u>	<u><u>17 538 000</u></u>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2024	2023
In-service members	209	202
In-service non-members	76	74
Continuation members	3	3
<b>Total</b>	<b>288</b>	<b>279</b>

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

#### Last Valuation and Actuarial Valuation Method

The last valuation was performed in July 2024. The Projected Unit Credit Method has been used to value the liabilities.

#### Characteristics of defined benefit plans and risks associated with them

The municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- The post-employment subsidies are not limited to a maximum Rand value/subsidy.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- Inflation: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- Longevity: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- Volatility of open-ended, long-term Defined-Benefit Obligation: The risk that the Defined-Benefit Obligation may
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the Defined-Benefit Obligation for the Municipality.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Significant Actuarial Assumptions

	2024	2023
<b>i) Financial Assumptions</b>		
- Medical aid contribution inflation rate	7.81%	8.19%
- Discount rate	12.34%	12.59%
<b>ii) Demographic Assumptions</b>		
- Post-Employment Mortality	PA(90)	PA(90)
The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound		
- Average Retirement Age		
Males	62 years	62 years
Females	59 years	59 years
- Membership continuation	75%	75%

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

The Defined-Benefit Obligation are based on a number of assumptions as indicated above. The extent to which the actual Defined-Benefit Obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

Assumption	Eligible Employees (Rm)	Continuation members (Rm)	Total liability (Rm)	% change
Liability	17.306	2.402	19.708	
Medical aid contribution inflation rate				
+ 1%	20.861	2.547	23.408	19%
- 1%	14.487	2.270	16.757	-15%
Discount rate				
+ 1%	14.609	2.276	16.885	-14%
- 1%	20.736	2.542	23.278	18%
Post-employment mortality				
+ 1 year	16.904	2.297	19.201	-3%
- 1 year	17.702	2.509	20.211	3%
Average retirement age				
- 1 year	19.101	2.402	21.503	9%
Membership continuation				
- 10%	15.062	2.402	17.464	-11%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the municipality which aims to ensure that the cash position of the municipality remains sufficient to cover all working capital requirements (which includes contributions to the relevant medical schemes).

Maturity analysis of expected benefits to be paid in respect of the current eligible employees and continuation members can be illustrated as follows (Undiscounted):

Future years	Expected Benefit	% contribution of bracket
	Payments R m	
Future year 1 to 10	12.151	1%
Future year 11 to 20	65.729	5%
Future year 21 to 30	190.324	13%
Future year 30 to 40	326.343	23%
Future year 40 to 50	382.934	27%
Future year 50 to 60	301.734	21%
Future year 60 to 70	131.252	9%
Future year 70 to 80	21.438	1%
<b>Total</b>	<b>1 431.905</b>	

The contributions subsequent 80 years (relating to current eligible employees and continuation member) is considered insignificant to be included in the analysis.

#### 17.2 LONG SERVICE AWARDS

The movement in Long Service Awards are reconciled as follows:

	2024 R	2023 R
Opening Balance	2 932 000	3 134 000
Contribution during the year	690 000	674 000
Current Service Cost	389 000	379 000
Interest Cost	301 000	295 000
Payments made	(367 207)	(612 022)
Actuarial Loss/(Gain)	20 207	(263 978)
Change in Financial Assumptions	(36 000)	(178 000)
Experience Adjustments	56 207	(85 978)
Total balance at year-end	<b>3 275 000</b>	<b>2 932 000</b>
Less: Current Portion - Note 16	(337 000)	(414 000)
<b>Total</b>	<b>2 938 000</b>	<b>2 518 000</b>

The following members are eligible for long service bonuses:

	2024	2023
In-service members	285	276

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

#### Last Valuation and Actuarial Valuation Method

The last valuation was performed in July 2024. The Projected Unit Credit Method has been used to value the liabilities.

#### Characteristics of defined benefit plans and risks associated with them

The municipality provides a long service award benefits as follows:

- The Municipality offers employees Long Service Awards for every five years of service completed, from five years of service to 25 years of service, inclusive.
- In the month that each "Completed Service" milestone is reached, the employee is granted a Long Service Award.
- "Completed Service" milestone reached (ie 5 years) up to 6% of total annual earnings for the last "Completed Service" milestone reached (ie 25 years).
- Earnings relates to the officials basic salary.
- The Municipality does not pay any pro-rata Long Service Awards.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- Inflation: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.
- Termination of service: The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.
- Volatility of open-ended, long-term Defined-Benefit Obligation: The risk that the Defined-Benefit Obligation may
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- Future changes in legislation: The risk that changes to legislation with respect to long service awards may increase the DBO for the Municipality.

#### Significant Actuarial Assumptions

	2024	2023
<b>i) Financial Assumptions</b>		
- General Earnings Inflation Rate	5.94%	6.44%
- Discount Rate	10.75%	11.01%

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

	2024	2023
<b>ii) Demographic Assumptions</b>		
- Average Retirement Age		
Males	62 years	62 years
Females	59 years	59 years

- Termination of Services

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined-Benefit Obligation in respect of that employee ceases. The following termination rates are as follows:

Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 39	5.00%	5.00%
Age: 40 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

The Defined-Benefit Obligation are based on a number of assumptions as indicated above. The extent to which the actual Defined-Benefit Obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The impact of the significant assumptions are disclosed below:

Assumption	Total liability R	% change
Liability	3 275 000	
General earnings inflation rate		
+ 1%	3 431 000	5%
- 1%	3 130 000	-4%
Discount rate		
+ 1%	3 126 000	-5%
- 1%	3 438 000	5%
Average retirement age		
+ 2 years	3 403 000	4%
- 2 years	3 148 000	-4%
Rates of termination of service		
x 2	2 661 000	-19%
x 0.5	3 668 000	12%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the municipality which aims to ensure that the cash position of the municipality remains sufficient to cover all working capital requirements (which includes long service awards when it becomes due).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees can be illustrated as follows:

Future years	Expected Benefit Payments R m	% contribution of bracket
Future year 1 to 10	7.281	51%
Future year 11 to 20	6.148	43%
Future year 21 to 30	0.839	6%
Future year 30 to 40	-	0%
<b>Total</b>	<b>14.268</b>	

The benefits vesting subsequent 40 years (relating to current eligible employees) is considered insignificant to be included in the analysis.

#### 17.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2024 R	2023 R
SALA Pension Fund	1 322 826	972 278
SAMWU National Provident Fund	84 423	92 561
National Fund Municipal Workers	471 996	62 234
Consolidated Retirement Fund	11 536 344	10 443 119
<b>Total</b>	<b>13 415 589</b>	<b>11 570 193</b>

The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

The municipality previously assessed the Consolidated Retirement Fund (Cape Joint Retirement Fund) to be Multi-Employer Defined-Benefit Plans. This assessment was incorrect as the municipality is only liable for the required contributions to the fund and will not be liable for any shortfall in the fund. This is in contrast to the former funds (Cape Joint Retirement Fund) which were deemed to be Defined-Benefit Plans. Accordingly, any contributions previously disclosed as Defined-Benefit Plans are now included as part of the Defined Contributions Plans. All disclosures previously made in relation to Defined-Benefit Plans were also removed.

Defined-Benefit Plan contributions previously disclosed	2023 R 10 443 119
Defined-Benefit Plan contributions reallocated to Defined Contribution Plans contributions	(10 443 119)
<b>Restated disclosure relating to Defined-Benefit Plan contributions</b>	<b>-</b>



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

18	NON-CURRENT PROVISIONS	2024 R	2023 R
	Rehabilitation Provision - Landfill Sites	<u>27 186 480</u>	<u>24 971 393</u>
	The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
	Opening Balance	24 971 393	21 148 007
	Contribution during the year	2 215 087	3 823 386
	Increase/(Decrease) in estimate	(354 520)	1 497 105
	Interest Cost	2 569 607	2 326 281
	<b>Total</b>	<u><b>27 186 480</b></u>	<u><b>24 971 393</b></u>

It is expected that outflows of economic benefits in respect of the provision for rehabilitation of landfill sites will occur beyond the 3-Year Medium Term Revenue and Expenditure Framework period.

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

Site	Expected Closure Date		
Barkly East	2031	7 174 725	6 278 819
Lady Grey	2028	3 764 092	3 853 594
Sterkspruit	2025	5 248 779	4 948 746
Rhodes	2025	7 969 203	7 042 018
Rossouw	2016	3 029 681	2 848 217
<b>Total</b>		<u><b>27 186 480</b></u>	<u><b>24 971 393</b></u>

The Rossouw Landfill site reached maximum capacity in 2016 and the provision was made for the cost of the rehabilitation of the Landfill site.

19	COMMUNITY WEALTH	2024 R	2023 R
	<b>19.1 RESERVES</b>		
	Revaluations Reserve	100 386 876	91 022 401
	<b>Total</b>	<u><b>100 386 876</b></u>	<u><b>91 022 401</b></u>

The Revaluation Reserve is treated in accordance with the requirements of GRAP 17. See Statement of Changes in Net Assets for detail on the movement in the Revaluations Reserve.

### 19.2 ACCUMULATED SURPLUS

The following internal funds and reserves are ring-fenced within the Accumulated Surplus:

Capital Replacement Reserve	203 391 447	225 678 807
Employee Benefits Reserve	49 749 909	46 750 054
Valuation Roll Reserve	2 973 437	2 202 815
Accumulated Surplus due to the results of operations	669 124 984	579 430 838
<b>Total</b>	<u><b>925 239 777</b></u>	<u><b>854 062 514</b></u>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 19 COMMUNITY WEALTH (CONTINUED)

The Capital Replacement Reserve is created in order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources.

The aim of the Employee Benefits Reserve is to ensure that sufficient cash resources are available for the future payment of employee benefits.

The Valuation Roll Reserve is to ensure that sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

20	PROPERTY RATES	2024 R	2023 R
	Total Property Rates	24 799 040	25 032 443
	Less: Rebates	(6 195 695)	(7 701 727)
	<b>Total</b>	<b>18 603 345</b>	<b>17 330 716</b>

Property rates levied are based on the following rateable valuations:

Residential Property	863 446 500	782 488 000
Commercial Property	404 627 000	450 245 000
Public Benefits Organisations	73 413 000	79 540 500
Public Service Infrastructure	2 072 000	4 727 000
Agricultural Purposes	2 469 242 000	2 455 387 000
State - National / Provincial Services	748 537 000	767 946 000
Municipal Property	436 773 000	431 744 000
Vacant Property	72 303 000	117 568 500
Industrial Property	13 029 000	14 203 000
<b>Total Valuation</b>	<b>5 083 442 500</b>	<b>5 103 849 000</b>

Valuations on land and buildings are performed every five years. The effective date for the valuation is 1 July 2017.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

	2024	2023
The following rates are applicable to the valuations above:		
Residential	0.8859c/R	0.8373c/R
Commercial	1.1516c/R	1.0885c/R
Public Service Infrastructure	0.0000c/R	0.0000c/R
Agricultural	0.2215c/R	0.2093c/R
State - National / Provincial Services	1.1516c/R	1.0885c/R
Vacant Property	1.3288c/R	1.2559c/R

Rates are levied monthly and payable by the end of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

21	TRANSFERS AND SUBSIDIES	2024 R	2023 R
	<b>Unconditional Grants - National Government</b>	<b>186 760 000</b>	<b>177 125 000</b>
	Equitable Share	186 760 000	177 125 000
	<b>Conditional Grants - National Government</b>	<b>45 336 899</b>	<b>44 025 506</b>
	Municipal Finance Management	1 700 000	1 650 000
	Municipal Infrastructure Grant	42 442 899	40 717 506
	EPWP (Expanded Public Works Program)	1 194 000	1 658 000
	<b>Conditional Grants - Provincial Government</b>	<b>10 985 617</b>	<b>2 066 804</b>
	Libraries	1 500 000	1 500 000
	EPWP (Expanded Public Works Program)	-	566 804
	Municipal Disaster Relief Grant	9 485 617	-
	<b>Total</b>	<b>243 082 516</b>	<b>223 217 310</b>
	Disclosed as:		
	Transfers and Subsidies - Capital	43 309 971	34 365 765
	Transfers and Subsidies - Operating	199 772 545	188 851 545
	<b>Total</b>	<b>243 082 516</b>	<b>223 217 310</b>
	Grants per Vote (MFMA Sec 123 (c)):		
	Equitable share	186 760 000	177 125 000
	Budget & Treasury	1 700 000	1 650 000
	Planning & Development	7 381 290	6 918 545
	Community & Social Services	1 500 000	1 500 000
	Road Transport	45 741 225	36 023 765
	<b>Total</b>	<b>243 082 516</b>	<b>223 217 310</b>

The movements per grant can be summarised as follows:

### 21.01 Equitable Share

Grants Received	186 760 000	177 125 000
Transferred to Revenue - Operating	(186 760 000)	(177 125 000)
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

### 21.02 Financial Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	1 700 000	1 650 000
Transferred to Revenue - Operating	(1 700 000)	(1 650 000)
Closing Unspent Balance	-	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

21	TRANSFERS AND SUBSIDIES (CONTINUED)	2024	2023
		R	R
	<b>21.03 Municipal Infrastructure Grant (MIG)</b>		
	Opening Unspent Balance	4 950 899	8 283 405
	Grants Received	42 443 000	37 385 000
	Transferred to Revenue - Capital	(35 061 609)	(34 365 765)
	Transferred to Revenue - Operating	(7 381 290)	(6 351 741)
	Funds returned to NT	(4 951 000)	-
	Closing Unspent/(Unpaid) Balance	-	4 950 899
	The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.		
	<b>21.04 NDPG (Neighbourhood Development Partnership Grant)</b>		
	Opening Unspent Balance	2 010 056	2 010 056
	Closing Unspent Balance	2 010 056	2 010 056
	The NDPG is utilised to attract private and community investment to unlock the social and economic potential within the Senqu area.		
	<b>21.05 EPWP (Expanded Public Works Program) - National</b>		
	Opening Unspent Balance	-	-
	Grants Received	1 194 000	1 658 000
	Transferred to Revenue - Operating	(1 194 000)	(1 658 000)
	Closing Unspent Balance	-	-
	The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
	<b>21.06 Prov Gov - Housing (Hillside)</b>		
	Opening Unspent Balance	232 651	232 651
	Closing Unspent Balance	232 651	232 651
	The grant was received from Provincial Government to be utilised for housing projects within the Senqu area.		
	<b>21.07 Herschel People's Housing</b>		
	Opening Unspent Balance	12 722 578	11 950 704
	Current year receipts - Interest	1 020 477	771 874
	Closing Unspent Balance	13 743 055	12 722 578
	The grant was received from Provincial Government to be utilised for housing projects within the Senqu area.		
	<b>21.08 Libraries</b>		
	Opening Unspent Balance	-	-
	Grants Received	1 500 000	1 500 000
	Transferred to Revenue - Operating	(1 500 000)	(1 500 000)
	Closing Unspent Balance	-	-
	The Libraries grant was utilised for the upkeep and operational cost for libraries.		

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

21	TRANSFERS AND SUBSIDIES (CONTINUED)	2024	2023
		R	R
	<b>21.09 EPWP (Expanded Public Works Program) - Provincial</b>		
	Opening Unspent Balance	-	566 804
	Transferred to Revenue - Operating	-	(566 804)
	Closing Unspent Balance	-	-
	The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
	<b>21.10 Greenest Municipality</b>		
	Opening Unspent Balance	758 545	458 545
	Grants Received	-	300 000
	Closing Unspent Balance	758 545	758 545
	The grant was received for 'greening' the environment as well as proactively preserving it for future generations.		
	<b>21.11 Municipal Disaster Relief Grant</b>		
	Opening Unspent Balance	6 400 000	-
	Grants Received	14 266 000	6 400 000
	Transferred to Revenue - Capital	(8 248 362)	-
	Transferred to Revenue - Operating	(1 237 254)	-
	Closing Unspent Balance	11 180 383	6 400 000
	The grant was received from Provincial Government to be utilised for flood intervention measures within the Senqu area.		
	<b>21.12 Total Transfers and Subsidies</b>		
	Opening Unspent Balance	27 074 730	23 502 166
	Grants Received	247 863 000	226 018 000
	Current year receipts - Interest	1 020 477	771 874
	Transferred to Revenue - Capital	(43 309 971)	(34 365 765)
	Transferred to Revenue - Operating	(199 772 544)	(188 851 545)
	Funds returned to NT	(4 951 000)	-
	Closing Unspent Balance	27 924 691	27 074 730
	<b>22 FINES, PENALTIES AND FORFEITS</b>		
	Fines: Pound Fees	51 904	44 248
	Fines: Traffic	252 800	248 300
	Penalties	624 036	213 900
	Forfeits: Retentions	-	408 946
	<b>Total</b>	<b>928 740</b>	<b>915 394</b>
	In terms of the requirements of GRAP 23 and IGRAP1, all Traffic fines issued during the year less any cancellations or reductions identified are recognised as revenue.		
	Retentions forfeited are recognised as revenue for the construction contracts that were terminated.		

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	2024	2023
	R	R
<b>23 SERVICE CHARGES</b>		
Electricity Revenue	56 838 127	44 526 191
Refuse Removal Revenue	8 638 950	9 116 869
<b>Total</b>	<b>65 477 077</b>	<b>53 643 060</b>
<p>The costs associated with the Free Basic Services provided to indigents are disclosed under operating expenditure projects. It is disclosed in various other expenditure line items as stated below:</p>		
Cost of Free Basic Services: Electricity	7 181 155	7 561 712
Bulk Purchases	5 173 502	5 600 253
Operational Cost	2 007 653	1 961 459
<b>Total - Restated 2023</b>	<b>7 193 954</b>	<b>7 561 712</b>
<b>24 RENTAL FROM FIXED ASSETS</b>		
Investment Property	1 793 232	1 425 867
Buildings	18 518	43 082
Machinery and Equipment	2 038	6 786
<b>Total</b>	<b>1 813 788</b>	<b>1 475 736</b>
<b>25 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Interest earned on Investment - Standard Bank 388489162/0	31 723 501	24 887 802
Interest earned on Investment - Standard Bank 388489731/0	10 036 814	7 320 726
Interest earned on Investment - Standard Bank 388486066/3	1 307 442	-
<b>Total</b>	<b>43 067 757</b>	<b>32 208 528</b>
<b>26 INTEREST EARNED - OUTSTANDING DEBTORS</b>		
Interest Earned - Service Debtors	5 815 409	4 751 626
Interest Earned - Penalty Interest on Property Rates	2 000 203	1 720 263
<b>Total</b>	<b>7 815 612</b>	<b>6 471 889</b>
<b>27 LICENCES AND PERMITS</b>		
Drivers Licence Application	967 917	1 058 801
Learner Licence Application	225 762	240 138
Business Licenses	32 295	1 794
<b>Total</b>	<b>1 225 974</b>	<b>1 300 733</b>
<b>28 AGENCY SERVICES</b>		
Vehicle Licencing and Registration	1 046 830	1 204 135
<b>Total</b>	<b>1 046 830</b>	<b>1 204 135</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	2024	2023
	R	R
<b>29 SALES OF GOODS AND RENDERING OF SERVICES</b>		
Advertisements	5 009	-
Building Plan Clause Levy	187 470	34 694
Cemetery and Burial	24 044	21 351
Clearance Certificates	17 435	24 781
Entrance Fees	45 671	3 014
Library Fees	9 906	5 284
Photocopies and Faxes	10 561	2 607
Sale of Agricultural Products	86 003	14 844
Sub-division and Consolidation Fees	12 600	-
Valuation Services	5 175	3 803
<b>Total</b>	<b>403 874</b>	<b>110 377</b>
<b>30 OPERATIONAL REVENUE</b>		
Commission	300 296	315 585
LG Seta	250 855	202 211
Road Worthy Certificate Application	-	1 304
Staff Recoveries	-	30 187
<b>Total</b>	<b>551 150</b>	<b>549 287</b>
<b>31 EMPLOYEE RELATED COSTS</b>		
Basic Salary	83 367 025	81 143 980
Pension and UIF Contributions	14 045 688	12 445 964
Medical Aid Contributions	7 530 619	6 568 343
Bonuses	6 822 189	6 025 268
Performance Bonus	4 355 066	4 060 747
Telephone allowance	1 233 145	1 164 877
Housing Allowances	417 096	389 049
Other benefits and allowances	39 032	36 151
Acting and Post Related Allowances	1 020 487	717 000
Overtime	3 063 192	2 734 883
Standby Allowance	881 305	744 110
Travel allowance	3 698 867	3 235 929
Leave Contributions	4 012 643	3 222 348
Long service awards	389 000	379 000
Post Retirement Medical Benefits	1 670 000	1 748 000
<b>Total</b>	<b>132 545 352</b>	<b>124 615 650</b>
<b>Remuneration of Key Personnel</b>		
Key management personnel are all appointed on 5-year fixed contracts.		
<b>Municipal Manager - MM Yawa (Resigned February 2023)</b>		
Annual Remuneration	-	1 597 664
Ex Gracia	-	3 370 277
Performance Bonus - 2020/21	454 383	-
Performance Bonus - 2021/22	470 287	-
Travel Allowance	-	51 456
Telephone allowance	-	41 793
UIF Contributions	-	1 417
<b>Total</b>	<b>924 670</b>	<b>5 062 608</b>



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

31	EMPLOYEE RELATED COSTS (CONTINUED)	2024	2023
		R	R
	<b><i>Municipal Manager - T Mawonga (Appointed July 2023)</i></b>		
	Annual Remuneration	2 244 517	-
	Travel Allowance	144 000	-
	Telephone allowance	68 825	-
	UIF Contributions	2 125	-
	<b>Total</b>	<b>2 459 468</b>	<b>-</b>
	<b><i>Director Financial Services - Mr K Fourie (Contract expired April 2023; Re-appointed November 2023)</i></b>		
	Annual Remuneration	1 044 441	1 742 467
	Performance Bonus - 2020/21	329 477	-
	Performance Bonus - 2021/22	363 175	-
	Travel Allowance	96 000	120 153
	Telephone allowance	-	46 068
	UIF Contributions	1 417	1 948
	<b>Total</b>	<b>1 834 510</b>	<b>1 910 636</b>
	<b><i>Director Technical Services - R Ruiters</i></b>		
	Annual Remuneration	1 489 631	1 506 325
	Performance Bonus - 2020/21	266 291	-
	Performance Bonus - 2021/22	330 734	-
	Travel Allowance	336 368	336 368
	Telephone allowance	52 696	56 814
	UIF Contributions	2 125	2 125
	<b>Total</b>	<b>2 477 846</b>	<b>1 901 632</b>
	<b><i>Director Community and Social Services - N Nyezi</i></b>		
	Annual Remuneration	1 861 548	1 940 006
	Performance Bonus - 2021/22	330 734	-
	Telephone allowance	53 225	56 534
	UIF Contributions	2 125	2 125
	<b>Total</b>	<b>2 247 632</b>	<b>1 998 666</b>
	<b><i>Director Corporate and Support Services - Z Koyana</i></b>		
	Annual Remuneration	1 773 107	1 777 289
	Performance Bonus - 2020/21	266 291	-
	Performance Bonus - 2021/22	330 734	-
	Travel Allowance	60 000	60 000
	Telephone allowance	53 225	56 534
	UIF Contributions	2 125	2 125
	<b>Total</b>	<b>2 485 482</b>	<b>1 895 948</b>
	<b><i>Director Development and Town Planning Services - K Chapfi</i></b>		
	Annual Remuneration	1 600 237	1 608 724
	Performance Bonus - 2020/21	266 291	-
	Performance Bonus - 2021/22	330 734	-
	Travel Allowance	232 870	232 870
	Telephone allowance	53 225	56 534
	UIF Contributions	2 125	2 125
	<b>Total</b>	<b>2 485 482</b>	<b>1 900 254</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

32	REMUNERATION OF COUNCILLORS	2024 R	2023 R
	Mayor	1 003 681	934 685
	Speaker	812 867	756 149
	Chief Whip	448 803	418 999
	Executive Committee Members	1 795 212	1 671 196
	Councillors	8 600 918	8 019 733
	Other Councillors' contributions and allowances	1 248 788	1 175 200
	<b>Total</b>	<b>13 910 269</b>	<b>12 975 962</b>
	<b>In-kind Benefits</b>		
	The Mayor and Speaker are full-time Councillors and each is provided with an office and shared secretarial support at the cost of the Municipality. The Mayor and Speaker may utilise official Council transportation when engaged in official duties. The packages are set out below:		
	<b>Mayor</b>		
	Annual Remuneration	957 111	890 885
	Telephone allowance	46 570	43 800
	<b>Total</b>	<b>1 003 681</b>	<b>934 685</b>
	<b>Speaker</b>		
	Annual Remuneration	766 297	712 349
	Telephone allowance	46 570	43 800
	<b>Total</b>	<b>812 867</b>	<b>756 149</b>
	<b>Chief Whip</b>		
	Annual Remuneration	402 233	375 199
	Telephone allowance	46 570	43 800
	<b>Total</b>	<b>448 803</b>	<b>418 999</b>
	<b>Executive Committee Members</b>		
	Annual Remuneration	1 608 932	1 495 996
	Telephone allowance	186 280	175 200
	<b>Total</b>	<b>1 795 212</b>	<b>1 671 196</b>
	<b>Councillors (Section 79)</b>		
	Annual Remuneration	1 952 565	1 820 335
	Telephone allowance	232 850	219 000
	<b>Total</b>	<b>2 185 415</b>	<b>2 039 335</b>
	<b>Councillors (Ordinary)</b>		
	Annual Remuneration	6 648 353	6 199 398
	Telephone allowance	1 015 938	956 200
	<b>Total</b>	<b>7 664 291</b>	<b>7 155 598</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	2024	2023
	R	R
<b>33 DEBT IMPAIRMENT</b>		
Receivables from exchange transactions - Note 3	13 503 088	12 748 695
Receivables from non-exchange transactions - Note 4	4 897 721	4 709 308
<b>Total Contribution to Debt Impairment Provision</b>	<b>18 400 808</b>	<b>17 458 003</b>
Movement in VAT included in debt impairment - Note 5	(936 520)	(816 900)
<b>Total</b>	<b>17 464 288</b>	<b>16 641 103</b>
Debt Impairment consists out of the following:		
Debt Impairment	12 744 209	14 496 729
Bad Debts Written off	4 720 079	2 144 374
<b>Total</b>	<b>17 464 288</b>	<b>16 641 103</b>
<b>34 DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	16 892 955	16 927 731
Intangible Assets	28 739	50 545
Capitalised Restoration Cost (PPE)	767 383	53 868
<b>Total - Restated 2023</b>	<b>17 689 077</b>	<b>17 032 144</b>
<b>35 IMPAIRMENT LOSS</b>		
Buildings	837 447	-
Investment Property	272 000	-
<b>Sub-Total</b>	<b>1 109 447</b>	-
Capitalised Restoration Cost (PPE)	-	314 017
<b>Total</b>	<b>1 109 447</b>	<b>314 017</b>
<b>36 FINANCE CHARGES</b>		
Annuity Loans	586 079	598 130
Rehabilitation Provision - Landfill Sites	2 569 607	2 326 281
Post Retirement Medical Benefits	2 189 000	2 154 000
Long Service Awards	301 000	295 000
Overdue accounts	-	24 042
<b>Total</b>	<b>5 645 685</b>	<b>5 397 454</b>
<b>37 BULK PURCHASES</b>		
Electricity	48 678 878	45 498 755
<b>Total</b>	<b>48 678 878</b>	<b>45 498 755</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	2024	2023
	R	R
<b>38 CONTRACTED SERVICES</b>		
Consultants and Professional Services	12 842 969	11 012 298
Business and Advisory	9 670 178	7 750 886
Infrastructure and Planning	260 870	258 165
Legal Cost	2 911 921	3 003 247
Contractors	7 710 046	7 886 901
Electrical	177 599	-
Employee Wellness	-	254 400
Event Promoters	1 270 651	1 033 287
Interior Decorator	15 000	4 740
Maintenance of Buildings and Facilities	807 549	1 304 926
Maintenance of Equipment	711 854	1 018 991
Maintenance of Unspecified Assets	4 645 001	4 176 073
Pest Control and Fumigation	-	28 510
Transportation	82 392	65 973
Outsourced Services	17 966 226	12 351 898
Burial Services	65 800	28 800
Catering Services	1 037 135	849 126
Cleaning Services	29 000	12 661
Personnel and Labour	7 077 945	5 860 437
Project Management	378 807	290 000
Security Services	9 377 540	5 310 873
<b>Total</b>	<b>38 519 241</b>	<b>31 251 097</b>
<b>39 TRANSFERS AND SUBSIDIES</b>		
Tourism Support	36 321	42 055
<b>Total</b>	<b>36 321</b>	<b>42 055</b>
<b>40 OPERATING LEASES</b>		
Buildings	367 835	268 369
Furniture and Office Equipment	14 185	-
Machinery and Equipment	24 300	204 012
Transport Assets	2 174	77 822
<b>Total</b>	<b>408 494</b>	<b>550 203</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

41	OPERATIONAL COST	2024 R	2023 R
	Advertising, Publicity and Marketing	605 817	854 495
	Assets less than the Capitalisation Threshold	100 963	38 228
	Bank Charges, Facility and Card Fees	418 025	319 146
	Bursaries (Employees)	112 417	304 222
	Communication	137 923	391 476
	Commission: Prepaid Electricity	223 073	439 289
	Consumables	2 405 477	2 036 742
	Deeds	19 835	14 238
	Entertainment	24 402	66 098
	External Audit Fees	4 263 711	5 277 163
	External Computer Service	3 770 641	3 672 147
	Fuel and Oil	5 013 524	5 920 938
	Insurance Underwriting	900 531	4 219 406
	Learnerships and Internships	511 982	335 013
	Maintenance Materials	3 368 048	2 181 299
	Motor Vehicle Licence and Registrations	302 587	297 308
	Municipal Services	191 252	50 644
	Printing, Publications and Books	74 833	23 362
	Professional Bodies, Membership and Subscription	1 497 428	1 351 205
	Registration Fees	1 336 263	1 288 137
	Remuneration to Ward Committees	2 554 000	1 953 000
	Seating Allowance for Traditional Leaders	174 714	153 800
	Skills Development Fund Levy	1 275 525	1 063 866
	Transport Provided as Part of Departmental Activities	490 091	972 363
	Travel Agency Fees	466 154	297 293
	Travel and Subsistence	7 050 197	5 258 558
	Uniform and Protective Clothing	1 780 912	1 435 971
	Workmen's Compensation Fund	943 459	944 347
	<b>Total - Restated 2023</b>	<b>40 013 784</b>	<b>41 159 753</b>
42	DISPOSAL OF NON-MONETARY ASSETS		
42.1	Gain on Disposal of Investment Property		
	Proceeds	557 391	-
	Less: Fair value of Investment Property disposed	(208 500)	-
	<b>Total</b>	<b>348 891</b>	<b>-</b>
42.2	Loss on Disposal of Assets		
	Less: Carrying value of Property, Plant and Equipment disposed	704 538	833 093
	Less: Carrying value of Intangible Assets	1 333	6
	<b>Total</b>	<b>705 871</b>	<b>833 099</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

43	<b>REPAIRS AND MAINTENANCE</b>	<b>2024</b>	<b>2023</b>
		R	R
	Repairs and Maintenance is removed as a line item from the Statement of Financial Performance with the implementation of mSCOA as it does not reflect the nature of the expense. It is disclosed in various other expenditure line items as stated below:		
	The following expenditure relating to Repairs and Maintenance projects were identified by the municipality:		
	Contracted Services	6 929 826	7 231 460
	Contractors - Electrical	177 599	-
	Contractors - Maintenance of Buildings and Facilities	807 549	1 304 926
	Contractors - Maintenance of Equipment	711 854	1 018 991
	Contractors - Maintenance of Unspecified Assets	4 643 701	4 176 073
	Contractors - Transportation	82 392	65 973
	Outsourced Services - Personnel and Labour	506 731	665 497
	Operational Cost	3 977 402	4 678 348
	Consumables	149 461	144 011
	Fuel and Oil	1 069 269	2 223 373
	Maintenance Materials	2 499 803	2 181 299
	Uniform and Protective Clothing	258 870	129 665
	<b>Total</b>	<b>10 907 228</b>	<b>11 909 808</b>
	GRAP 17 requires disclosure of repairs and maintenance per asset class:		
	Buildings and other structures	2 051 417	2 836 088
	Tools and equipment	501 079	452 199
	Furniture and office equipment	245 802	337 075
	Vehicles and Implements	5 235 574	2 934 176
	Roads and stormwater	2 274 349	4 776 974
	Electricity Reticulation	221 862	85 818
	Streetlights	377 144	462 479
	Solid Waste Sites	-	25 000
	<b>Total</b>	<b>10 907 228</b>	<b>11 909 808</b>
44	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		<b>2023</b>
			<b>R</b>
	Certain errors were detected which relates to prior years and were restated retrospectively. The effects of these restatements are listed below.		
44.1	<b>RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
	<b>Balance previously reported</b>		<b>7 581 115</b>
	Overpayment to supplier previously not recognised - 1 July 2022 - Notes 4 and 44.5		1 090
	<b>Restated Balance on 30 June 2023</b>		<b>7 582 205</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

44	CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)	2023 R
<b>44.2 PROPERTY PLANT AND EQUIPMENT</b>		
	<b>Balance previously reported</b>	<b>488 518 277</b>
	Recognise BMW previously disposed - Cost 1 July 2022 - Notes 9 and 44.5	835 086
	Recognise Accumulated Depreciation on BMW previously disposed - 1 July 2022 - Notes 9 and 44.5	(389 054)
	Recognise Depreciation on BMW previously disposed - 2022/23 - Notes 9 and 44.5	(50 392)
	<b>Restated Balance on 30 June 2023</b>	<b>488 913 917</b>
<b>44.3 INTANGIBLE ASSETS</b>		
	<b>Balance previously reported</b>	<b>329 567</b>
	Correction of Computer software incorrectly capitalised 2022/23 - Notes 10 and 44.6	(262 261)
	Correction of Depreciation on Computer software incorrectly capitalised 2022/23 - Notes 10 and 44.6	10 336
	<b>Restated Balance on 30 June 2023</b>	<b>77 642</b>
<b>44.4 PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
	<b>Balance previously reported</b>	<b>12 009 966</b>
	Travel and Subsistence expenditure incorrectly excluded from Salary Control account for 2022/23 - Notes 14 and 44.6	(19 888)
	<b>Restated Balance on 30 June 2023</b>	<b>11 990 078</b>
<b>44.5 ACCUMULATED SURPLUS</b>		
	Recognise BMW previously disposed - Cost 1 July 2022 - Note 44.2	835 086
	Recognise Accumulated Depreciation on BMW previously disposed - 1 July 2022 - Note 44.2	(389 054)
	Overpayment to supplier previously not recognised - 1 July 2022 - Note 44.1	1 090
	<b>Restated Balance on 30 June 2023</b>	<b>447 122</b>
<b>44.6 STATEMENT OF FINANCIAL PERFORMANCE</b>		
	<b>Balance previously reported</b>	<b>48 030 114</b>
	Recognise Depreciation on BMW previously disposed - 2022/23 - Note 44.2	(50 392)
	Effect on Depreciation and Amortisation	(50 392)
	Correction of Computer software incorrectly capitalised 2022/23 - Note 44.3	(251 925)
	Effect on Depreciation and Amortisation	10 336
	Effect on Operational Cost	(262 261)
	Travel and Subsistence expenditure incorrectly excluded from Salary Control account for 2022/23 - Note 44.4	19 888
	Effect on Operational Cost	19 888
	Reclassification of Employee Related Cost line items for 2022/23 - Note 31	-
	Effect on Basic Salary	(7 431 923)
	Effect on Acting and Post Related Allowances	717 000
	Effect on Overtime	2 734 883
	Effect on Standby Allowance	744 110
	Effect on Travel allowance	3 235 929
	<b>Restated Balance on 30 June 2023</b>	<b>47 747 685</b>



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

45	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
	Net Surplus for the year	71 177 263	47 747 685
	Adjusted for:		
	Non-Cash Items	38 140 982	33 963 832
	Debt Impairment	17 464 288	16 641 103
	Depreciation and Amortisation	17 689 077	17 032 144
	Impairments	1 109 447	314 017
	Gain on Fair Value Adjustments of Investment Property	(1 605 675)	(963 425)
	Gain on Disposal of Capitalised Restoration Cost (PPE)	(612 268)	-
	Actuarial Gains	(1 364 572)	(4 671 529)
	Actuarial Losses	20 207	-
	Finance Charges	5 059 607	4 775 281
	Loss on disposal of PPE	705 871	833 099
	Inventory Loss	23 892	3 142
	Gain on Disposal of Investment Property	(348 891)	-
	Contributions - Provisions and Employee Benefits	18 192 355	16 379 710
	Post Retirement Medical Benefits	1 670 000	1 748 000
	Long Service Awards	389 000	379 000
	Performance Bonuses	4 355 065	4 060 747
	Bonuses	6 822 189	6 025 268
	Compensation for injuries on duty	943 458	944 347
	Staff Leave	4 012 643	3 222 348
	Expenditure - Provisions and Employee Benefits	(16 338 135)	(9 796 930)
	Post Retirement Medical Benefits	(324 428)	(288 449)
	Long Service Awards	(367 207)	(612 022)
	Performance Bonuses	(6 752 863)	-
	Bonuses	(6 347 730)	(6 020 010)
	Staff Leave	(2 545 906)	(2 876 449)
	Other adjustments	(4 770 465)	(2 148 950)
	Bad Debts Written Off	(4 720 079)	(2 144 374)
	Movement on Operating Lease Asset	(50 387)	(359)
	Movement on Operating Lease Liability	-	(4 217)
	Operating Surplus before changes in working capital	106 402 000	86 145 347
	Movement in working capital	(14 700 811)	(10 157 021)
	Receivables from exchange and non-exchange transactions	(22 867 057)	(15 320 534)
	Inventory	(89 801)	140 136
	Payables from exchange transactions	6 098 883	3 500 559
	Payables from non-exchange transactions	849 961	3 572 565
	Taxes	1 307 203	(2 049 747)
	<b>Cash Flow from Operating Activities</b>	<b>91 701 189</b>	<b>75 988 326</b>
		<hr/>	<hr/>
46	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and Cash Equivalents comprise out of the following:		
	Primary Bank Account	47 195 296	520 449
	Call and short-term Investments Deposits	459 530 354	497 310 676
	Cash Floats	700	700
	<b>Total</b>	<b>506 726 350</b>	<b>497 831 825</b>
		<hr/>	<hr/>

Refer to note 2 for more details relating to cash and cash equivalents.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 47 BUDGET COMPARISONS

#### 47.1 COMPARABLE BASIS

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats

The following items are affected by these classification differences:

##### **Statement of financial position**

Capitalised Restoration Cost is incorporated under the Property, plant and equipment line item in the budget

Employee Benefits (Current and Non-Current) are included under the provisions line item in the budget statements.

##### **Statement of financial performance**

The statement of financial performance is comparable on a line by line basis except for the following items:

Depreciation, Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance

The budget statements do not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for are incorporated under the line item Operational Costs in the budget statement. Operational Costs per budget statement consist out of the following line items - Operating Leases and Operational Cost. Inventory Consumed are also included under Operational cost in the annual financial statements and not as a separate item on the Statement of financial performance as per the budget schedules. The reason for this is that the current detail provided in mSCOA does not provide the nature of the expense which could be problematic from a GRAP point of view.

##### **Cash Flow Statement**

The Cash Flow Statement is presented on a comparable basis.

#### 47.2 MATERIAL VARIANCES

Refer to the Statements of comparison of budget and actual amounts in pages 8 to 13 of this document.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

48	<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>	<b>2024</b>	<b>2023</b>
		R	R
<b>48.1 UNAUTHORISED EXPENDITURE</b>			
Unauthorised expenditure can be reconciled as follow:			
	Opening balance	-	-
	Unauthorised expenditure current year - capital	2 049 931	-
	<b>Unauthorised expenditure awaiting Council consideration</b>	<b>2 049 931</b>	<b>-</b>

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	<b>2024 (Actual)</b>	<b>2024 (Final Budget)</b>	<b>2024 (Unauthorised)</b>
	R	R	R
<b>Unauthorised expenditure - Operating</b>			
Executive & Council	39 880 691	46 999 457	-
Planning & Development	21 935 751	27 897 483	-
Corporate Services	43 592 305	48 622 014	-
Budget & Treasury	42 996 098	49 457 503	-
Road Transport	31 170 719	39 925 691	-
Waste Water Management	3 913 647	5 376 993	-
Community & Social Services	19 546 264	21 303 904	-
Sport & Recreation	2 399 969	2 759 987	-
Public Safety	1 614 809	1 890 061	-
Electricity	69 043 658	85 684 365	-
Waste Management	40 676 895	50 072 658	-
<b>Total</b>	<b>316 770 806</b>	<b>379 990 115</b>	<b>-</b>
<b>Unauthorised expenditure - Capital</b>			
Executive & Council	209 205	215 000	-
Corporate Services	899 282	5 470 000	-
Budget & Treasury	1 775 114	2 960 850	-
Road Transport	43 872 744	87 242 837	-
Waste Water Management	1 615 675	2 230 404	-
Community & Social Services	3 834 778	5 804 889	-
Sport & Recreation	6 904 805	4 854 874	2 049 931
Public Safety	1 026 323	1 080 000	-
Electricity	991 166	1 265 000	-
Waste Management	21 389 934	21 789 264	-
<b>Total</b>	<b>82 519 025</b>	<b>132 913 118</b>	<b>2 049 931</b>

The unauthorised expenditure relates to payment of invoices for the Construction of the Blue-gums Sports Field which exceeded the budget allocated only for the 2023/24 financial year. The aggregate 2023/24 MTREF budget of the project and the contract amount has not been exceeded.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>48.2 FRUITLESS AND WASTEFUL EXPENDITURE</b>	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
Fruitless and wasteful expenditure consist of the following:		
Opening balance	2 023 681	160 553
Fruitless and wasteful expenditure incurred - current year	10 524	1 863 127
Fruitless and wasteful expenditure incurred - prior year	50 283	-
<b>Fruitless and wasteful expenditure awaiting Council consideration</b>	<b>2 084 488</b>	<b>2 023 681</b>

Details of Fruitless and wasteful expenditure incurred:

Penalties paid to Department of Transport	-	23 665
Interest paid to SARS	59 104	15 420
Interest paid to SALA Pension Fund	-	24 042
Advance payment to contractor	-	1 800 000
Lithaba Travels (Accommodation)	1 703	-
<b>Total</b>	<b>60 807</b>	<b>1 863 127</b>

The Fruitless and Wasteful expenditure for the year under review relates to interest charged on employment taxes (SARS) and accommodation booking that was not cancelled upon cancellation of the related trip.

The amount for 2022/23 includes the interest on overdue roadworthy certificates and licences, interest charged on employment taxes (SARS) as well as interest charged on employer's pension contribution. An Advance payment was made to a contractor during 2022/23, but the contract was terminated before the work was completed. The municipality is in the process of recovering the advance payment.

The Council has referred the amounts disclosed above to MPAC for investigation, except for those that were recently identified during the AFS preparation process which will be reported in the next council meeting.

### 48.3 IRREGULAR EXPENDITURE

Irregular expenditure consist of the following:

Opening balance	59 548 156	38 236 811
Irregular expenditure incurred - current	5 778 289	21 012 942
Irregular expenditure incurred - prior period	-	298 403
<b>Irregular expenditure awaiting Council consideration</b>	<b>65 326 446</b>	<b>59 548 156</b>

Details of Irregular expenditure incurred :

Deviations from Supply Chain Regulations and Policies	5 778 289	21 311 345
<b>Total</b>	<b>5 778 289</b>	<b>21 311 345</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

48	<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)</b>	<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
	Breakdown of Irregular expenditure incurred:		
1.	Expenditure incurred without following SCM prescripts	21 714	1 516 274
2.	Deviation in terms of regulation 36 (1)(a)(v) of the Municipal Supply Chain Management Regulations	-	5 872 318
3.	Non-compliance with Section 217 of the RSA Constitution and Regulation 20 of the Municipal Supply Chain Management Regulations.	5 553 548	6 584 199
4.	Non-compliance with MFMA Circular No. 62 and the Supply Chain Management Policy	203 028	298 403
5.	Non-compliance with SCM regulation 13( c )	-	7 040 151
	<b>Total</b>	<b>5 778 289</b>	<b>21 311 345</b>
	Number of incidents:	<b>2024</b>	<b>2023</b>
1.	Expenditure incurred without following SCM prescripts	3	7
2.	Deviation in terms of regulation 36 (1)(a)(v) of the Municipal Supply Chain Management Regulations	-	2
3.	Non-compliance with Section 217 of the RSA Constitution and Regulation 20 of the Municipal Supply Chain Management Regulations.	10	4
4.	Non-compliance with MFMA Circular No. 62 and the Supply Chain Management Policy	1	1
5.	Non-compliance with SCM regulation 13( c )	-	1
	<b>Total</b>	<b>14</b>	<b>15</b>

Amounts of R4 932 682 for 2020/21, R7 390 028 for 2021/22 and R5 872 318 for 2022/23 identified as Deviations from Supply Chain Regulations and Policies, relates to procurement that did not follow the supply chain prescripts, but was detected via the municipal internal control system.

Included in the 2022/23 opening balance is an amount of R25 047 868 which was identified as non-compliance with the BBEEE Act. This relates to an award that was made to a contractor that was not in compliance with the BBEEE act, read with the Preferential Procurement Regulations. The irregular expenditure was identified in October 2019 and the total amount of R25 047 868 represents the expenditure up to the date the irregularity was identified. No further payments were done after the identification of the irregularity. The project was halted pending legal action.

Subsequent to 30 June 2024, irregular expenditure amounting to R34 651 097.39 was written off by the council through a council resolution in a meeting held on 31 July 2024.

The classification, validation and recoverability of all remaining irregular expenditure will be determined by Council in terms of section 32 of MFMA and section 14 of the PPPFA 2017.

The Council has referred the amounts disclosed above to MPAC for investigation, except for those that were recently identified during the AFS preparation process which will only be reported in the next council meeting.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 48 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

48.4 MATERIAL LOSSES	2024	2023
<b>Electricity distribution losses</b>		
- Units purchased (Kwh)	23 242 554	22 142 594
- Units sold (Kwh)	18 369 707	18 002 192
- Units lost during distribution (Kwh)	4 872 847	4 140 402
- Units cost (Kwh)	1.9986	1.7359
- Percentage lost during distribution	20.97%	18.70%
- Units lost considered material losses above a 12.5% (2023: 10%) norm	2 548 592	3 918 976
- Cost of units lost considered as material losses	5 093 627	6 802 973

### 49 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

	2024 R	2023 R
<b>49.1 Salga Contributions [MFMA 125 (1)(b)]</b>		
Opening balance	-	-
Expenditure incurred	1 482 308	1 328 399
Payments	(1 482 308)	(1 328 399)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>
<b>49.2 Audit Fees [MFMA 125 (1)(c)]</b>		
Opening balance	7 346	-
Expenditure incurred	4 903 268	6 068 738
External Audit - Auditor-General	4 903 268	6 068 738
Payments	(4 910 614)	(6 061 391)
<b>Outstanding Balance</b>	<b>-</b>	<b>7 346</b>
<b>49.3 VAT [MFMA 125 (1)(c)]</b>		
Opening balance	10 289 170	9 340 623
Amounts received - previous year	(2 672 177)	(1 723 630)
Amounts received - current year	(15 579 232)	(6 440 855)
Amounts claimed - current year (payable)	15 579 232	9 113 031
<b>Vat Receivable</b>	<b>7 616 993</b>	<b>10 289 170</b>
<b>Vat in suspense due to cash basis of accounting</b>	<b>(8 261 160)</b>	<b>(6 956 338)</b>
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
<b>49.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
Payments due to SARS	25 042 848	23 036 949
Payments	(25 042 848)	(23 036 949)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

49	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)	2024 R	2023 R
	<b>49.5 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]</b>		
	Payments due to pension fund and medical aid	36 168 042	29 805 417
	Payments	(36 168 042)	(29 805 417)
	<b>Outstanding Balance</b>	<u>-</u>	<u>-</u>
	<b>49.6 COUNCILLORS ARREAR ACCOUNTS [MFMA 124 (1)(b)]</b>		
	No Councillors had arrear accounts outstanding for more than 90 days at year end.		
	<b>49.7 QUOTATIONS AWARDED - DEVIATIONS FROM SCM</b>		
	During the year under review the municipality procured goods and services in accordance with the requirements of the supply chain management policy and all deviations from the policy and its related regulations were noted, approved by the Municipal Manager.		
	Approved deviations from Supply Chain Management Regulations were identified on the following categories:		
	Emergencies	21 783 873	-
	Goods and services are available from a Single provider only	68 186	6 500
	Other exceptional cases where it is impractical or impossible to follow the official procurement processes.	-	1 464 825
	<b>Total</b>	<u>21 852 059</u>	<u>1 471 325</u>
	Deviations per vote:		
	Executive & Council	-	423 416
	Corporate Services	43 553	361 909
	Budget & Treasury	24 633	686 000
	Road Transport	21 499 204	-
	Electricity	284 669	-
	<b>Total</b>	<u>21 852 059</u>	<u>1 471 325</u>
	Expenditure incurred on deviations from Supply Chain Management Regulations that are Rates-based	<u>4 808 090</u>	<u>971 967</u>
	<b>49.8 OTHER NON-COMPLIANCE [MFMA 125(2)(e)]</b>		
	No non-compliance in terms of Regulation 9(1) of the Preferential Procurement Regulations were identified. This Regulation relates to the awarding of bids with reference to local production and content.		



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 49 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 49.9 AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN SERVICE OF THE STATE

During the year under review, the municipality engaged with the following entities where spouses of suppliers are in service of the state (SCM 45). These transactions were at arms-length, interests were declared and employees played no part in procurement.

<u>Entity</u>	<u>Staff Member</u>	<b>2024</b> R	<b>2023</b> R
Lady Grey Joinery and Construction (Spouse is Director)	M A Theron	-	43 525
Copper Leaf Trading CC (Spouse is Director)	M A Theron	-	12 837
Kwa Jola & Trading (Mangali - Sister is Owner; Bhunguzana - Spouse is Owner)	IL Mangali RS Bhunguzana	-	22 454
Work Dynamics (Sister is Director)	Z. Koyana	-	7 287
January Tours and Projects (Brother is owner)	ClIr N January	124 148	22 950
<b>Total - Restated 2023</b>		<b>124 148</b>	<b>109 054</b>

The amount for 30 June 2023 was restated from R86 104 to R109 054 due to the "January Tours and Projects" amount that was previously not included

### 50 CAPITAL COMMITMENTS

#### Commitments in respect of capital expenditure:

Approved and contracted for:	191 675 566	63 087 748
Land & Buildings	32 519 059	47 245 281
Infrastructure	134 961 507	14 867 167
Community	24 195 000	975 300
<b>Total</b>	<b>191 675 566</b>	<b>63 087 748</b>

This expenditure will be financed from:

Capital Replacement Reserve	96 162 811	6 267 975
Government Grants - MIG	87 734 800	56 819 773
Government Grants - Disaster Relief Grant	7 777 956	-
<b>Total</b>	<b>191 675 566</b>	<b>63 087 748</b>

The Capital Commitments balance increased significantly from 30 June 2023 to 30 June 2024 due to the appointment of three major road construction projects during the 2023/2024 financial year.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 51 FINANCIAL RISK MANAGEMENT

The municipality is potentially exposed to the following risks:

#### 51.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

	2024	2023
	R	R
The following financial assets are exposed to credit risk:		
Cash and Cash Equivalents	506 726 350	497 831 825
Receivables from exchange transactions	24 313 874	13 955 160
<b>Total</b>	<b>531 040 224</b>	<b>511 786 985</b>

#### Cash and Cash Equivalents

Deposits of the municipality are only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

#### Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors, the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

51	FINANCIAL RISK MANAGEMENT (CONTINUED)	2024	2023
		R	R
	The following service receivables are past due, but not impaired:		
	Electricity	12 572 671	5 260 372
	Refuse	1 017 808	984 006
	Other Services	248 883	232 017
	<b>Total</b>	<b>13 839 363</b>	<b>6 476 396</b>
	These receivables can be aged as follows:		
	1 Month past due	2 059 053	1 378 467
	2 Month past due	1 526 801	778 163
	3 Month past due	1 059 210	460 702
	> 3 Months past due	9 194 299	3 859 064
	<b>Total</b>	<b>13 839 363</b>	<b>6 476 396</b>

### 51.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the municipality is not directly exposed to any currency risk.

### 51.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (Excluding Cash on Hand)	506 725 650	497 831 125
Borrowings (Including Current Portion)	(5 920 813)	(6 843 349)
<b>Net balance exposed</b>	<b>500 804 836</b>	<b>490 987 776</b>

Although the non-current provision is not defined as a financial instrument, the potential effect of changes in interest rates used to discount this balance over time, is included for the benefit of the user of the annual financial statements.

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2023 - 1%) increase in interest rates	5 008 048	4 909 878
0% (2023 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 51 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 51.4 Liquidity risk

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

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

30 JUNE 2024	PAYABLE		
	Within 1 Year	Two to five years	After five years
Annuity Loans	1 417 968	4 968 683	1 035 274
Payables from exchange transactions	16 857 500	-	-
<b>Total</b>	<b>18 275 468</b>	<b>4 968 683</b>	<b>1 035 274</b>
30 JUNE 2023	PAYABLE		
	Within 1 Year	Two to five years	After five years
Annuity Loans	1 466 362	5 171 131	2 201 527
Payables from exchange transactions	11 500 628	-	-
<b>Total - Restated</b>	<b>12 966 991</b>	<b>5 171 131</b>	<b>2 201 527</b>

The rehabilitation provision does not meet the definition of a financial instrument (due to the absence of a contracted counterparty for the balance).

#### 51.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The municipality is not exposed to any other price risk.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<b>52</b>	<b>FINANCIAL INSTRUMENTS</b>	<b>2024</b>	<b>2023</b>
		R	R
	The municipality recognised the following financial instruments (All balances are recognised at amortised cost.)		
	<u>Financial Assets</u>		
	Cash and Cash Equivalents	506 726 350	497 831 825
	Receivables from exchange transactions	23 068 924	13 465 711
	<b>Total</b>	<b>529 795 273</b>	<b>511 297 535</b>
	<u>Financial Liabilities</u>		
	Current Portion of Borrowings	942 652	922 862
	Payables from exchange transactions	16 857 500	11 500 628
	Borrowings	4 978 161	5 920 487
	<b>Total</b>	<b>22 778 314</b>	<b>18 343 977</b>

<b>53</b>	<b>STATUTORY RECEIVABLES</b>		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	<b>Receivables from Non-Exchange Transactions</b>		
	Rates	32 229 078	28 873 797
	Fines	1 987 900	1 735 300
	<b>Total</b>	<b>34 216 978</b>	<b>30 609 097</b>

Refer to note 4 for more detail relating to the fines and rates receivables, including any provision for impairment raised against the gross amounts disclosed above

<b>54</b>	<b>PRINCIPAL-AGENT ARRANGEMENTS</b>		
	The Municipality has assessed that the following significant principal-agent arrangements exists:		
	<b>54.01 Department of Transport and Public Works</b>		
	The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission.		
	The following transactions were undertaken as part of the principal-agent arrangement:		
	Collections payable to the Department at the beginning of year	155 383	193 336
	Revenue collected from third parties	8 765 964	6 272 331
	Commission earned on collections	(2 996 137)	(2 053 287)
	Collections paid over to The Department	(5 545 528)	(4 256 997)
	<b>Collections payable to the Department at year-end</b>	<b>379 682</b>	<b>155 383</b>

Minimal risk was transferred from the Department of Transport, as the principal, to Senqu Municipality, as the agent, beyond the cash collected on behalf of the principal.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 55 EVENTS AFTER REPORTING DATE

None

### 56 IN-KIND DONATIONS AND ASSISTANCE

None

### 57 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The municipality did not enter into any PPP's in the current and prior year.

### 58 CONTINGENT LIABILITIES

2024  
R

2023  
R

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

#### 58.01 Dibanani Consulting CC

The CC has instituted action in the High Court, Grahamstown during December 2019 for the recovery of professional consulting engineering fees for road construction projects in Tienbank and Herschel. The Municipality has defended the action and filed an exception to the particulars of claim inter alia based on the fact that the claims are based on variation orders of the original contract that did not comply with the regulatory framework.

640 369

640 369

Dibanani wanted to settle this matter out of court but the Municipality has been advised against doing so. The Municipality will compel Dibanani to respond to its notice in terms of rule 35 by launching an application to compel it to do so.

#### 58.02 RT Civils CC ("The contractor")

The contractor has submitted a claim for the unlawful termination of the contract for Bid number: 03/2018, the Upgrading of the Lady Grey Solid Waste Site.

8 141 903

8 141 903

The Municipality's position is that the contractor abandoned the works and that the termination was lawful. The contractor has demanded payment of R8 141 903.40 on 20 April 2020 but no statement of claim has been submitted.

The dispute was referred to arbitration in terms of clause 10.7.1 of the GCC and an arbitrator was nominated who subsequently withdrew. The arbitration has been set down for hearing on 21 to 23 August 2023. The Municipality has submitted a statement of defence and a counter claim for R3 800 000. The contractor has not filed a statement of defence.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

58	CONTINGENT LIABILITIES (CONTINUED)	2024 R	2023 R
<b>58.03</b>	<b><u>Mr D Tsembeyi</u></b>  Mr Tsembeyi instituted action in the High Court, Mthatha during March 2020 for the market value of the top structures of houses that he allegedly constructed on municipal land. The Municipality has defended the action but the matter has not progressed.  The claimant is unable to produce documents that show he built those top structures. It is highly likely that they do not exist. The Mthatha High Court is likely to issue a judgement in favour of the Municipality.  Discussion have been held between the parties in an effort to finalise the matter. As at end of quarter 3 the parties have proposed a settlement, however the proposal is at this point being deliberated upon.	700 000	700 000
<b>58.04</b>	<b><u>DCB van Zyl N.O. &amp; 4 Others</u></b>  The plaintiffs have issued summons in the Barkly East Magistrate's Court for the recovery of the costs of erecting a boundary fence in the amount of R166 538.56.  The Municipality has filed a special plea that the plaintiffs have not complied with the Fencing Act. It is likely that the claim will be dismissed with costs if the special plea succeeds.  The Municipality is, however, liable as an adjacent landowner for half of the reasonable costs of the fence if the claim is properly	166 539	166 539
<b>58.05</b>	<b><u>Mvenya Auto &amp; Towing Services (Pty) Ltd</u></b>  The plaintiff has issued summons in the Lady Grey Magistrate's Court for damages of R150 431.61 as a result of damages to the plaintiff's vehicle due to a pothole near Botha and Murray Street, Lady Grey.  The investigation by the Municipality has shown that there was no pothole at the time and it is likely that the claim will be dismissed with costs.	150 432	150 432
<b>58.06</b>	<b><u>New Beginnings Projects CC</u></b>  The applicant brought a two-part application on 7 November 2023. In the first part of the application, Part A, which was brought as a matter of urgency, the applicant essentially sought to interdict the municipality from continuing with the implementation of a contract which it had awarded to a third party. Part B, is to obtain an order reviewing and setting aside the municipality's decision to award the contract.  Part A of the application was dismissed by court on the grounds that it lacked urgency and costs were awarded to the municipality. Part B is currently being addressed an interlocutory application has been brought on behalf of the municipality.	300 000	-
<b>58.07</b>	<b><u>Silindokhle May</u></b>  S May instituted action in the High Court for injuries suffered after she allegedly fell from a roundabout in a playground in Barkly East. The municipality is defending the matter and the matter is pending.	500 000	-



# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

58	CONTINGENT LIABILITIES (CONTINUED)	2024	2023
		R	R
	<b>58.08 <u>B Tsotso</u></b>		
	Application in the Labour Court for the reinstatement of Ms Tsotso as a result of the alleged unlawful termination of her services, alternatively for the payment of compensation of R17 771 332.40 as damages.	1 091 515	-
	The Municipality filed its statement of defence on 17 October 2023 but the litigation has not advanced.		
	It is unlikely that the application for the reinstatement will succeed. In the unlikely event of the Labour Court awarding compensation such award will not exceed 12 months' salary.		
	The quantum of the claim for back-pay for reinstatement has not been quantified by Ms Tsotso. If an award is made for compensation its expected to be not more than 12 months' salary of R1 091 515.10.		
	<b>58.09 <u>Mr T Wonga</u></b>		
	Mr Wonga has claimed compensation for the value of the remainder of his contract of employment as a senior manager. Mr Wonga was re-employed by the Municipality with effect from the termination of his contract in an acting capacity as a senior manager at a lower rate of remuneration. He was subsequently re-employed by the Municipality as a bargaining unit employee and remained in this position until he was medically boarded.	-	-
	If the SALGBC agrees with Mr Wonga, it is likely to make an award of compensation for the value of the contract less any amounts paid during the period when he acted in the post and was re-employed as a bargaining unit employee until he was medically boarded or when his contract would have expired, whichever is the earlier date.		
	The claim has not been quantified by Mr Wonga and his attorney has been requested to calculate and submit the quantum of the claim based on what is recorded in the adjacent column.		
	<b>58.10 <u>Landfill Sites</u></b>		
	The municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of section 24G of the Environmental Conservation Act.	-	-
	<b>58.11 <u>Land Invasion</u></b>		
	The municipality is currently engaged in litigation in respect of various land invasion cases in the Senqu Municipal Area.	-	-

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 59 RELATED PARTIES

Related parties are defined in note 1.34

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

Remuneration of related parties are disclosed in notes 31 and 32

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge has been recognised in respect of amounts owed by related parties.

Year ended 30 June 2024	Rates - Levied 1 Jul 23 - 30 June 2024	Service Charges - Levied 1 Jul 23 - 30 June 2024
<b>Councillors</b>	<b>1 597</b>	<b>7 369</b>
LN Mgojo	425	3 028
PM Mnisi	-	620
MA Mshasha	959	620
NC Stokwe	-	620
N Lose	81	620
NL Dumzela	40	620
M Phuza	92	620
SN Mfisa	-	620
<b>Municipal Manager and Section 56 Employees</b>	<b>37</b>	<b>413</b>
AK Fourie (1 Nov 2023 - 30 June 2024)	37	413

### 60 B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Information.

### 61 SEGMENT REPORTING

#### 61.01 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 61 SEGMENT REPORTING (CONTINUED)

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Community Services	Community Halls, Cemeteries, Libraries, Parks and Sports fields
2	Public safety	Traffic control, Animal pounds, Public Nuisances, Fencing, Licensing and Control of Animals
3	Planning and development	Town Planning, Economic Development, Corporate Planning, Billboards and Project Management Unit
4	Roads	Construction and maintenance of Roads, Taxi Ranks, Road and Traffic Regulation
5	Electricity	Electricity related services
6	Waste water management	Storm Water Management and Public Toilets
7	Waste management	Solid Waste Removal, Landfill Sites, Recycling and Street Cleaning

No	Non-Reportable Segment	Goods and/or services delivered
1	Other	Supply of overall Governance and Internal Audit function; Administrative, Corporate and Finance services to the segments above; Tourism, Markets, Licensing and Regulation

The Non-Reportable Segment is added to reconcile back to the Statement of Financial Position and the Statement of Financial Performance as required by GRAP 18.

#### 61.02 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

#### 61.03 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

#### 61.04 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 61 SEGMENT REPORTING (CONTINUED)

2024

#### REVENUE

##### REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-Reportable Segments	Other	Community Services	Public safety	Planning and development	Roads	Electricity	Waste water management	Waste management	Total
	210 669 423	1 500 000	304 504	7 381 290	45 741 225	1 364 572	-	1 236 304	268 197 319
Property Rates	18 603 345	-	-	-	-	-	-	-	18 603 345
Government Grants and subsidies	188 460 000	1 500 000	-	7 381 290	45 741 225	-	-	-	243 082 516
Actuarial Gains	-	-	-	-	-	1 364 572	-	-	1 364 572
Fines, Penalties and Forfeits	200	-	304 504	-	-	-	-	624 036	928 740
Interest Earned - Penalty Interest on Property Rates	2 000 203	-	-	-	-	-	-	-	2 000 203
Gain on Fair Value Adjustments of Investment Property	1 605 675	-	-	-	-	-	-	-	1 605 675
Gain on Disposal of Capitalised Restoration Cost (PPE)	-	-	-	-	-	-	-	612 268	612 268

##### REVENUE FROM EXCHANGE TRANSACTIONS

Service Charges	-	67 026	2 626 808	762 470	(206 462)	58 135 346	-	13 146 706	119 750 750
Rental from Fixed Assets	1 742 845	-	-	-	2 038	-	-	8 638 950	65 477 077
Interest Earned - external investments	43 067 757	18 518	-	-	-	56 838 127	-	50 387	1 813 788
Interest Earned - Service Debtors	60 820	-	-	-	-	1 297 220	-	4 457 369	5 815 409
Licences and Permits	32 295	-	1 193 679	-	-	-	-	-	1 225 974
Agency Services	-	-	1 046 830	-	-	-	-	-	1 046 830
Sales of Goods and Rendering of Services	64 284	48 508	86 003	205 079	-	-	-	-	403 874
Operational Revenue	250 855	-	300 296	-	-	-	-	-	551 150
Gain on Disposal of Investment Property	-	-	-	557 391	(208 500)	-	-	-	348 891

#### TOTAL REVENUE

**255 888 278**    **1 567 026**    **2 931 312**    **8 143 760**    **45 534 764**    **59 499 918**    **-**    **14 383 010**    **387 948 069**

#### EXPENDITURE

Employee related costs	54 959 213	16 005 855	5 046 061	16 809 312	12 702 504	7 988 489	2 699 934	16 333 985	132 545 352
Remuneration of Councillors	13 910 269	-	-	-	-	-	-	-	13 910 269
Debt Impairment	4 927 114	-	252 600	-	-	2 733 361	-	9 551 213	17 464 288
Depreciation and Amortisation	3 129 082	2 238 063	164 635	115 739	6 820 533	1 628 717	1 182 840	2 409 468	17 689 077
Impairment Loss	1 109 447	-	-	-	-	-	-	-	1 109 447
Actuarial Losses	20 207	-	-	-	-	-	-	-	20 207
Finance Charges	710 300	-	-	-	-	2 365 779	-	2 569 607	5 645 685
Bulk Purchases	-	-	-	-	-	48 678 878	-	-	48 678 878
Contracted services	24 679 781	958 493	199 608	970 130	3 039 421	1 450 108	-	7 221 701	38 519 241
Transfers and Subsidies	36 321	-	-	-	-	-	-	-	36 321
Operating Leases	331 853	52 341	-	-	-	-	-	24 300	408 494
Operational Cost	25 403 978	1 839 537	1 243 651	2 120 150	2 610 647	4 198 326	30 874	2 566 622	40 013 784
Loss on Disposal of Assets	-	-	-	-	705 871	-	-	-	705 871
Inventory Loss	23 892	-	-	-	-	-	-	-	23 892

#### TOTAL EXPENDITURE

**129 241 458**    **21 094 290**    **6 906 554**    **3 913 647**    **40 676 895**    **316 770 806**

#### SURPLUS FOR THE YEAR

**126 646 820**    **(19 527 263)**    **(3 975 242)**    **(3 913 647)**    **(26 293 885)**    **71 177 262**

#### CAPITAL EXPENDITURE

**2 883 601**    **10 739 583**    **14 628 816**    **-**    **30 270 251**    **991 166**    **1 615 675**    **21 389 934**    **82 519 025**

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 61 SEGMENT REPORTING (CONTINUED)

	Reportable Segments							Total	
	Non-Reportable Segments	Other	Community Services	Public safety	Planning and development	Roads	Electricity		Waste water management
<b>2023</b>									
<b>REVENUE</b>									
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>									
Property Rates	17 330 716	-	-	-	-	-	-	-	17 330 716
Government Grants and subsidies	179 341 804	1 500 000	-	6 351 741	36 023 765	-	-	-	223 217 310
Actuarial Gains	263 978	-	-	-	-	4 407 551	-	-	4 671 529
Fines, Penalties and Forfeits	2 100	-	290 448	-	-	-	-	622 846	915 394
Interest Earned - Penalty Interest on Property Rates	1 720 263	-	-	-	-	-	-	-	1 720 263
Gain on Fair Value Adjustments of Investment Property	963 425	-	-	-	-	-	-	-	963 425
Gain on Disposal of Capitalised Restoration Cost (PPE)	-	-	-	-	-	-	-	-	-
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>	<b>33 943 769</b>	<b>68 479</b>	<b>2 829 389</b>	<b>34 694</b>	<b>6 786</b>	<b>45 705 938</b>	<b>-</b>	<b>12 654 428</b>	<b>95 243 482</b>
Service Charges	-	-	-	-	-	44 526 191	-	9 116 869	53 643 060
Rental from Fixed Assets	1 425 957	36 223	-	-	6 786	-	-	6 769	1 475 736
Interest Earned - external investments	32 208 528	-	-	-	-	-	-	-	32 208 528
Interest Earned - Service Debtors	41 089	-	-	-	-	1 179 747	-	3 530 789	4 751 626
Licences and Permits	1 794	-	1 298 939	-	-	-	-	-	1 300 733
Agency Services	-	-	1 204 135	-	-	-	-	-	1 204 135
Sales of Goods and Rendering of Services	28 584	32 255	14 844	34 694	-	-	-	-	110 377
Operational Revenue	237 816	-	311 471	-	-	-	-	-	549 287
<b>TOTAL REVENUE</b>	<b>233 566 056</b>	<b>1 568 479</b>	<b>3 119 837</b>	<b>6 386 435</b>	<b>36 030 551</b>	<b>50 113 489</b>	<b>-</b>	<b>13 277 274</b>	<b>344 062 119</b>
<b>EXPENDITURE</b>									
Employee related costs	50 541 235	14 342 332	5 108 265	16 251 491	9 163 954	7 287 619	5 945 341	15 975 414	124 615 650
Remuneration of Councillors	12 975 962	-	-	-	-	-	-	-	12 975 962
Debt Impairment	4 592 252	-	246 200	-	-	2 878 018	-	8 924 633	16 641 103
Depreciation and Amortisation	2 695 010	2 013 126	43 394	107 306	7 775 195	1 747 596	1 196 085	1 454 433	17 032 144
Impairment Loss	-	-	-	-	-	-	-	314 017	314 017
Actuarial Losses	-	-	-	-	-	-	-	-	-
Finance Charges	722 941	-	-	-	-	2 348 232	-	2 326 281	5 397 454
Bulk Purchases	-	-	-	-	-	45 498 755	-	-	45 498 755
Contracted services	18 941 767	1 523 270	166 412	1 366 638	3 083 792	718 341	184 140	5 266 737	31 251 097
Transfers and Subsidies	42 055	-	-	-	-	-	-	-	42 055
Operating Leases	309 330	36 861	-	-	-	-	-	204 012	550 203
Operational Cost	24 187 976	2 195 414	1 269 165	1 280 135	3 668 908	6 005 366	28 089	2 524 702	41 159 753
Loss on Disposal of Assets	-	-	-	-	681 635	151 464	-	-	833 099
Inventory Loss	3 142	-	-	-	-	-	-	-	3 142
<b>TOTAL EXPENDITURE</b>	<b>115 011 669</b>	<b>20 111 003</b>	<b>6 833 437</b>	<b>19 005 569</b>	<b>24 373 484</b>	<b>66 635 390</b>	<b>7 353 654</b>	<b>36 990 230</b>	<b>296 314 434</b>
<b>SURPLUS FOR THE YEAR</b>	<b>118 554 387</b>	<b>(18 542 524)</b>	<b>(3 713 599)</b>	<b>(12 619 134)</b>	<b>11 657 067</b>	<b>(16 521 901)</b>	<b>(7 353 654)</b>	<b>(23 712 956)</b>	<b>47 747 685</b>
<b>CAPITAL EXPENDITURE</b>	<b>2 854 762</b>	<b>9 342 038</b>	<b>3 058 661</b>	<b>-</b>	<b>7 787 026</b>	<b>130 321</b>	<b>770 989</b>	<b>11 373 329</b>	<b>35 317 127</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 62 NATIONAL TREASURY APPROPRIATION STATEMENT

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>Financial Performance</b>						
Property rates	17 048 155	-	17 048 155	18 603 345	1 555 190	17 330 716
Service charges	71 789 271	(1 974 184)	69 815 087	65 477 077	(4 338 010)	53 643 060
Investment revenue	23 819 430	9 347 751	33 167 182	43 067 757	9 900 575	32 208 528
Transfers recognised - operational	200 984 435	878 222	201 862 657	199 772 545	(2 090 113)	188 851 545
Other own revenue	11 931 186	1 605 105	13 536 292	17 717 374	4 181 082	17 662 505
<b>Total Operating Revenue</b>	<b>325 572 478</b>	<b>9 856 895</b>	<b>335 429 373</b>	<b>344 638 098</b>	<b>9 208 725</b>	<b>309 696 355</b>
Employee costs	130 324 351	9 194 510	139 518 861	132 545 352	(6 973 508)	124 615 650
Remuneration of councillors	17 054 665	(3 115 246)	13 939 419	13 910 269	(29 150)	12 975 962
Debt impairment	14 562 404	2 659 162	17 221 566	17 464 288	242 722	16 641 103
Depreciation & asset impairment	18 833 179	(140 104)	18 693 076	17 689 077	(1 003 999)	17 032 144
Finance charges	3 802 278	1 673 819	5 476 097	5 645 685	169 588	5 397 454
Materials and bulk purchases	80 357 052	2 714 594	83 071 646	48 678 878	(34 392 768)	45 498 755
Contracted services	59 044 233	(50 801)	58 993 432	38 519 241	(20 474 191)	31 251 097
Transfers and grants	36 450	10 001	46 451	36 321	(10 130)	42 055
Other expenditure	36 682 404	4 347 162	41 029 566	40 422 278	(607 288)	41 709 956
Losses	2 000 000	-	2 000 000	1 859 417	(140 583)	1 150 258
<b>Total Expenditure</b>	<b>362 697 016</b>	<b>17 293 097</b>	<b>379 990 113</b>	<b>316 770 806</b>	<b>(63 219 307)</b>	<b>296 314 434</b>
<b>Surplus/(Deficit)</b>	<b>(37 124 538)</b>	<b>(7 436 202)</b>	<b>(44 560 741)</b>	<b>27 867 292</b>	<b>72 428 032</b>	<b>13 381 921</b>
Transfers recognised - capital	37 574 565	6 773 943	44 348 509	43 309 971	(1 038 538)	34 365 765
<b>Surplus/(Deficit) for the year</b>	<b>450 027</b>	<b>(662 259)</b>	<b>(212 232)</b>	<b>71 177 262</b>	<b>71 389 495</b>	<b>47 747 685</b>

# SENQU LOCAL MUNICIPALITY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 62 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	82 881 350	50 031 768	132 913 118	82 519 025	(50 394 094)	35 317 128
Transfers recognised - capital Internally generated funds	37 574 565 45 306 785	6 773 943 43 257 825	44 348 509 88 564 610	43 309 971 39 209 054	(1 038 538) (49 355 556)	29 883 274 5 433 854
<b>Total sources of capital funds</b>	82 881 350	50 031 768	132 913 118	82 519 025	(50 394 094)	35 317 128
<b>Cash flows</b>						
Net cash from (used) operating	20 876 898	5 303 652	26 180 550	91 701 189	65 520 639	75 988 326
Net cash from (used) investing	(82 881 350)	(49 931 768)	(132 813 118)	(81 961 633)	50 851 485	(35 317 128)
Net cash from (used) financing	(802 188)	(7 592)	(809 780)	(845 031)	(35 251)	(852 417)
Net Cash Movement for the year	(62 806 640)	(44 635 709)	(107 442 348)	8 894 525	116 336 874	39 818 781
Cash/cash equivalents at beginning of year	396 785 160	101 046 665	497 831 824	497 831 825	0	458 013 042
<b>Cash/cash equivalents at the year end</b>	<b>333 978 520</b>	<b>56 410 956</b>	<b>390 389 476</b>	<b>506 726 350</b>	<b>116 336 874</b>	<b>497 831 823</b>

Refer to Appendix F for more detail relating to the National Treasury Appropriation Statements

# SENQU LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2024

INSTITUTION	LOAN NUMBER	RATE	REDEMPTION DATE	OPENING BALANCE 1 JULY 2023	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2024
				R	R	R
<b><u>ANNUITY LOANS</u></b>						
DBSA loan	103126/1	Floating	2029	4 107 091	631 860	3 475 231
DBSA loan	103126/2	Fixed	2030	2 736 258	290 675	2 445 582
<b>Total Annuity Loans</b>				<b>6 843 349</b>	<b>922 535</b>	<b>5 920 813</b>
<b>Total Borrowings</b>				<b>6 843 349</b>	<b>922 535</b>	<b>5 920 813</b>



# SENQU LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS AS AT 30 JUNE 2024

	Opening Balance			Cost/Revaluation			Accumulated Depreciation			Closing Balance			Carrying Value		
	R		R	Revaluation	Disposals	Balance	Revaluation	Disposals	Balance	Revaluation	Disposals	Balance	Revaluation	Disposals	Balance
Executive & Council	6 169 761	209 205	-	-	-	6 378 966	-	-	-	-	-	4 393 239	-	-	1 985 727
Planning & Development	4 267 432	-	-	(11 683)	(11 683)	4 255 749	-	(11 683)	(11 679)	(11 679)	(11 679)	3 707 681	(11 679)	(11 679)	548 068
Corporate Services	173 989 562	899 282	7 631 031	(215 120)	(215 120)	182 304 756	7 631 031	(215 120)	(307 541)	(307 541)	(307 541)	3 827 744	(307 541)	(307 541)	178 477 011
Budget & Treasury	23 425 318	1 775 114	-	(520 101)	(520 101)	24 680 332	-	(520 101)	(509 929)	(509 929)	(509 929)	18 968 350	(509 929)	(509 929)	5 711 981
Road Transport	331 230 524	45 488 418	-	-	-	376 718 942	-	-	-	-	-	151 788 896	-	-	224 930 046
Community & Social Services	67 690 133	3 834 778	1 863 181	(821 393)	(821 393)	72 566 699	1 863 181	(821 393)	(201 971)	(201 971)	(201 971)	10 561 865	(201 971)	(201 971)	62 004 833
Sport & Recreation	15 702 145	6 904 805	65 559	-	-	22 672 509	65 559	-	-	-	-	3 625 811	-	-	19 046 698
Public Safety	6 686 562	1 026 323	-	-	-	7 712 885	-	-	-	-	-	492 186	-	-	7 220 699
Electricity	43 715 627	991 166	-	(350 944)	(350 944)	44 355 848	-	(350 944)	(274 684)	(274 684)	(274 684)	15 380 390	(274 684)	(274 684)	28 975 459
Waste Management	71 142 261	21 389 934	-	(3 682)	(3 682)	92 528 513	-	(3 682)	(3 678)	(3 678)	(3 678)	10 621 886	(3 678)	(3 678)	81 906 626
<b>Total</b>	<b>744 019 325</b>	<b>82 519 025</b>	<b>9 559 771</b>	<b>(1 922 923)</b>	<b>(1 922 923)</b>	<b>834 175 198</b>	<b>9 559 771</b>	<b>(1 922 923)</b>	<b>(1 309 482)</b>	<b>(1 309 482)</b>	<b>(1 309 482)</b>	<b>223 368 049</b>	<b>(1 309 482)</b>	<b>(1 309 482)</b>	<b>610 807 149</b>

# SENQU LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2024

VOTE	30 JUNE 2024			30 JUNE 2023		
	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R
Executive & Council	-	39 880 691	(39 880 691)	263 978	34 284 598	(34 020 620)
Planning & Development	8 180 425	21 935 751	(13 755 326)	6 953 238	21 238 611	(14 285 373)
Corporate Services	3 665 203	43 592 305	(39 927 101)	2 662 870	36 705 796	(34 042 926)
Budget & Treasury	252 154 115	42 996 098	209 158 016	230 070 610	41 292 817	188 777 794
Road Transport	48 328 168	31 170 719	17 157 449	39 091 295	30 999 496	8 091 799
Waste Water Management	-	3 913 647	(3 913 647)	-	7 353 654	(7 353 654)
Community & Social Services	1 599 022	19 546 264	(17 947 242)	1 569 222	19 143 989	(17 574 767)
Sport & Recreation	299	2 399 969	(2 399 670)	1 050	1 462 430	(1 461 380)
Public Safety	137 908	1 614 809	(1 476 902)	59 093	207 424	(148 331)
Electricity	59 499 918	69 043 658	(9 543 739)	50 113 489	66 635 390	(16 521 901)
Waste Management	14 383 010	40 676 895	(26 293 885)	13 277 274	36 990 230	(23 712 956)
<b>Total</b>	<b>387 948 069</b>	<b>316 770 806</b>	<b>71 177 262</b>	<b>344 062 119</b>	<b>296 314 434</b>	<b>47 747 685</b>

# SENQU LOCAL MUNICIPALITY

## APPENDIX D (UNAUDITED)

### ACTUAL VERSUS BUDGET- CAPITAL AND OPERATING EXPENDITURE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2024

Refer to Note 48.1 for disclosure of Unauthorised expenditure

	ACTUAL R	BUDGET R	VARIANCE R
<b>OPERATING EXPENDITURE</b>			
Executive & Council	39 880 691	46 999 457	(7 118 766)
Planning & Development	21 935 751	27 897 483	(5 961 732)
Corporate Services	43 592 305	48 622 014	(5 029 709)
Budget & Treasury	42 996 098	49 457 503	(6 461 404)
Road Transport	31 170 719	39 925 691	(8 754 972)
Waste Water Management	3 913 647	5 376 993	(1 463 346)
Community & Social Services	19 546 264	21 303 904	(1 757 640)
Sport & Recreation	2 399 969	2 759 987	(360 018)
Public Safety	1 614 809	1 890 061	(275 252)
Electricity	69 043 658	85 684 365	(16 640 707)
Waste Management	40 676 895	50 072 658	(9 395 763)
<b>Total</b>	<b>316 770 806</b>	<b>379 990 115</b>	<b>(63 219 309)</b>
<b>CAPITAL EXPENDITURE</b>			
Executive & Council	209 205	215 000	(5 795)
Corporate Services	899 282	5 470 000	(4 570 718)
Budget & Treasury	1 775 114	2 960 850	(1 185 736)
Road Transport	43 872 744	87 242 837	(43 370 094)
Waste Water Management	1 615 675	2 230 404	(614 730)
Community & Social Services	3 834 778	5 804 889	(1 970 111)
Sport & Recreation	6 904 805	4 854 874	2 049 931
Electricity	991 166	1 265 000	(273 834)
Waste Management	21 389 934	21 789 264	(399 330)
<b>Total</b>	<b>82 519 025</b>	<b>132 913 118</b>	<b>(50 394 094)</b>

# SENQU LOCAL MUNICIPALITY

## APPENDIX E (UNAUDITED)

### DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

	OPENING BALANCE (RESTATED) R	GRANTS RECEIVED R	INTEREST ON INVESTMENTS R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	FUNDS RETURNED TO NT R	CLOSING BALANCE R
<b>NATIONAL GOVERNMENT</b>							
Equitable Share	-	186 760 000	-	186 760 000	-	-	-
Municipal Finance Management Grant	-	1 700 000	-	1 700 000	-	-	-
Municipal Infrastructure Grant	4 950 899	42 443 000	-	7 381 290	35 061 609	4 951 000	- *
NDPG (Neighbourhood Development Partnership Grant)	2 010 056	-	-	-	-	-	2 010 056
EPWP (Expanded Public Works Program)	-	1 194 000	-	1 194 000	-	-	-
<b>Total</b>	<b>6 960 955</b>	<b>232 097 000</b>	<b>-</b>	<b>197 035 290</b>	<b>35 061 609</b>	<b>4 951 000</b>	<b>2 010 056</b>
<b>PROVINCIAL GOVERNMENT</b>							
Prov Gov - Housing (Hillside)	232 652	-	-	-	-	-	232 652
Herschel People's Housing Libraries	12 722 579	-	1 020 477	-	-	-	13 743 055
Greenest Municipality	758 545	1 500 000	-	1 500 000	-	-	758 545
Municipal Disaster Relief Grant	6 400 000	14 266 000	-	1 237 254	8 248 362	-	11 180 383
<b>Total</b>	<b>20 113 776</b>	<b>15 766 000</b>	<b>1 020 477</b>	<b>2 737 254</b>	<b>8 248 362</b>	<b>-</b>	<b>25 914 636</b>
<b>ALL SPHERES GOVERNMENT</b>							
	<b>27 074 731</b>	<b>247 863 000</b>	<b>1 020 477</b>	<b>199 772 544</b>	<b>43 309 971</b>	<b>4 951 000</b>	<b>27 924 692</b>

\* The Municipal Infrastructure Grant rollover application for R4 951 000 was declined by National Treasury.

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (1) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024 R		2024 R		2024 R		2024 R		2024 R		2023 R	
<b>REVENUE</b>												
<b>Governance and administration</b>	<b>161 187 766</b>		<b>9 239 128</b>		<b>170 426 894</b>		<b>255 814 309</b>		<b>85 387 415</b>		<b>232 997 458</b>	
Executive and council	7 167 230	-	-	-	7 167 230	-	-	-	(7 167 230)	-	263 978	-
Finance and administration	154 020 536		9 239 128		163 259 664		255 814 309		92 554 646		232 733 480	
<b>Community and public safety</b>	<b>5 277 957</b>		<b>17 124</b>		<b>5 295 081</b>		<b>1 755 320</b>		<b>(3 539 760)</b>		<b>1 627 931</b>	
Community and social services	1 663 508		17 124		1 680 632		1 566 727		(113 905)		1 567 429	
Sport and recreation	1 800	-	-	-	1 800	299	299		(1 501)		1 050	
Public safety	3 612 648	-	-	-	3 612 648	188 294	188 294		(3 424 354)		59 452	
<b>Economic and environmental services</b>	<b>48 336 306</b>		<b>7 768 234</b>		<b>56 104 541</b>		<b>56 471 928</b>		<b>367 388</b>		<b>45 477 730</b>	
Planning and development	9 556 108		(398 744)		9 157 364	8 143 760	8 143 760		(1 013 604)		6 386 435	
Road transport	38 780 198		8 166 978		46 947 176	48 328 168	48 328 168		1 380 992		39 091 295	
<b>Trading services</b>	<b>148 013 616</b>		<b>(107 647)</b>		<b>147 905 969</b>		<b>73 832 542</b>		<b>(74 073 427)</b>		<b>63 390 403</b>	
Energy sources	98 670 762		(1 974 184)		96 696 578	59 499 918	59 499 918		(37 196 660)		50 113 489	
Waste management	49 342 854		1 866 537		51 209 391	14 332 623	14 332 623		(36 876 768)		13 276 914	
<b>Other</b>	<b>331 398</b>		<b>(286 000)</b>		<b>45 398</b>	<b>73 969</b>	<b>73 969</b>		<b>28 571</b>		<b>568 597</b>	
<b>Total Revenue - Standard</b>	<b>363 147 043</b>		<b>16 630 839</b>		<b>379 777 882</b>	<b>387 948 069</b>	<b>387 948 069</b>		<b>8 170 186</b>		<b>344 062 119</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (1) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024		2024		2024		2024		2024		2023	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>EXPENDITURE</b>												
<b>Government and administration</b>	<b>136 516 827</b>		<b>8 539 284</b>		<b>145 056 111</b>		<b>127 597 735</b>		<b>(17 458 375)</b>		<b>113 005 030</b>	
Executive and council	35 985 225		2 148 138		38 133 363		36 279 203		(1 854 160)		31 053 113	
Finance and administration	97 009 097		6 132 562		103 141 659		87 717 044		(15 424 615)		78 720 432	
Internal audit	3 522 504		258 585		3 781 089		3 601 488		(179 601)		3 231 485	
<b>Community and public safety</b>	<b>28 870 172</b>		<b>1 690 472</b>		<b>30 560 644</b>		<b>22 625 698</b>		<b>(7 934 946)</b>		<b>20 265 262</b>	
Community and social services	18 976 993		1 060 786		20 037 779		18 610 920		(1 426 860)		18 595 408	
Sport and recreation	1 651 557		1 108 431		2 759 987		2 399 969		(360 018)		1 462 430	
Public safety	8 241 622		(478 745)		7 762 877		1 614 809		(6 148 068)		207 424	
<b>Economic and environmental services</b>	<b>57 951 809</b>		<b>3 115 171</b>		<b>61 066 980</b>		<b>51 269 451</b>		<b>(9 797 529)</b>		<b>50 058 229</b>	
Planning and development	25 727 112		1 231 700		26 958 812		20 015 330		(6 943 482)		19 005 569	
Road transport	32 039 861		2 013 014		34 052 875		31 170 719		(2 882 156)		30 999 496	
Environmental protection	184 836		(129 544)		55 293		83 401		28 108		53 165	
<b>Trading services</b>	<b>137 710 193</b>		<b>3 423 823</b>		<b>141 134 016</b>		<b>113 634 200</b>		<b>(27 499 816)</b>		<b>110 979 274</b>	
Energy sources	88 735 197		(3 050 832)		85 684 365		69 043 658		(16 640 707)		66 635 390	
Waste water management	8 319 232		(2 942 239)		5 376 993		3 913 647		(1 463 346)		7 353 654	
Waste management	40 655 764		9 416 894		50 072 658		40 676 895		(9 395 763)		36 990 230	
<b>Other</b>	<b>1 648 017</b>		<b>524 349</b>		<b>2 172 365</b>		<b>1 643 722</b>		<b>(528 643)</b>		<b>2 006 639</b>	
<b>Total Expenditure - Standard</b>	<b>362 697 016</b>		<b>17 293 099</b>		<b>379 990 115</b>		<b>316 770 806</b>		<b>(63 219 309)</b>		<b>296 314 434</b>	
<b>Surplus/(Deficit) for the year</b>	<b>450 027</b>		<b>(662 260)</b>		<b>(212 233)</b>		<b>71 177 262</b>		<b>71 389 495</b>		<b>47 747 685</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (2) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024 R		2024 R		2024 R		2024 R		2024 R		2023 R	
<b>REVENUE</b>												
Executive & Council	7 167 230	-	-	-	7 167 230	-	-	-	(7 167 230)	-	263 978	-
Planning & Development	9 874 217	(688 744)	(688 744)		9 185 473	8 180 425	8 180 425	8 180 425	(1 005 048)	(1 005 048)	6 953 238	
Corporate Services	1 873 989	(110 311)	(110 311)		1 763 677	3 665 203	3 665 203	3 665 203	1 901 526	1 901 526	2 662 870	
Budget & Treasury	152 158 438	9 349 439	9 349 439		161 507 878	252 154 115	252 154 115	252 154 115	90 646 237	90 646 237	230 070 610	
Road Transport	42 309 416	8 091 981	8 091 981		50 401 396	48 328 168	48 328 168	48 328 168	(2 073 228)	(2 073 228)	39 091 295	
Community & Social Services	1 664 906	21 124	21 124		1 686 030	1 599 022	1 599 022	1 599 022	(87 008)	(87 008)	1 569 222	
Sport & Recreation	1 800	-	-		1 800	299	299	299	(1 501)	(1 501)	1 050	
Public Safety	83 431	75 001	75 001		158 432	137 908	137 908	137 908	(20 524)	(20 524)	59 093	
Electricity	98 670 762	(1 974 184)	(1 974 184)		96 696 578	59 499 918	59 499 918	59 499 918	(37 196 660)	(37 196 660)	50 113 489	
Waste Management	49 342 854	1 866 537	1 866 537		51 209 391	14 383 010	14 383 010	14 383 010	(36 826 381)	(36 826 381)	13 277 274	
<b>Total Revenue by Vote</b>	<b>363 147 043</b>	<b>16 630 843</b>	<b>16 630 843</b>		<b>379 777 886</b>	<b>387 948 069</b>	<b>387 948 069</b>	<b>387 948 069</b>	<b>8 170 183</b>	<b>8 170 183</b>	<b>344 062 119</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (2) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

#### REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024	R	2024	R	2024	R	2024	R	2024	R	2023	R
<b>EXPENDITURE</b>												
Executive & Council	44 364 820		2 634 637		46 999 457		39 880 691		(7 118 766)		34 284 598	
Planning & Development	26 599 059		1 298 424		27 897 483		21 935 751		(5 961 732)		21 238 611	
Corporate Services	45 278 198		3 343 816		48 622 014		43 592 305		(5 029 709)		36 705 796	
Budget & Treasury	46 910 846		2 546 657		49 457 503		42 996 098		(6 461 404)		41 292 817	
Road Transport	39 201 711		723 980		39 925 691		31 170 719		(8 754 972)		30 999 496	
Waste Water Management	8 319 232		(2 942 239)		5 376 993		3 913 647		(1 463 346)		7 353 654	
Community & Social Services	19 900 862		1 403 042		21 303 904		19 546 264		(1 757 640)		19 143 989	
Sport & Recreation	1 651 557		1 108 431		2 759 987		2 399 969		(360 018)		1 462 430	
Public Safety	1 079 772		810 289		1 890 061		1 614 809		(275 252)		207 424	
Electricity	88 735 197		(3 050 832)		85 684 365		69 043 658		(16 640 707)		66 635 390	
Waste Management	40 655 764		9 416 894		50 072 658		40 676 895		(9 395 763)		36 990 230	
<b>Total Expenditure by Vote</b>	<b>362 697 016</b>		<b>17 293 099</b>		<b>379 990 115</b>		<b>316 770 806</b>		<b>(63 219 309)</b>		<b>296 314 434</b>	
<b>Surplus/(Deficit) for the year</b>	<b>450 027</b>		<b>(662 256)</b>		<b>(212 229)</b>		<b>71 177 262</b>		<b>71 389 492</b>		<b>47 747 685</b>	



# SENQU LOCAL MUNICIPALITY

## APPENDIX F (3) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE	ORIGINAL BUDGET 2024		BUDGET ADJUSTMENTS 2024		FINAL BUDGET 2024		ACTUAL OUTCOME 2024		BUDGET VARIANCE 2024		RESTATED OUTCOME 2023	
	R		R		R		R		R		R	
<b>REVENUE BY SOURCE</b>												
Exchange Revenue												
Service charges	71 789 271		(1 974 184)		69 815 087		65 477 077		(4 338 010)		53 643 060	
Sale of Goods and Rendering of Services	127 646		149 108		276 755		403 874		127 119		110 377	
Agency services	1 539 889		(74 999)		1 464 890		1 046 830		(418 060)		1 204 135	
Interest earned from Receivables	4 419 292		1 022 306		5 441 598		5 815 409		373 811		4 751 626	
Interest earned from Current and Non Current Ass	23 819 430		9 347 751		33 167 182		43 067 757		9 900 575		32 208 528	
Rent on Land	2 530		-		2 530		-		(2 530)		-	
Rental from Fixed Assets	1 777 875		(110 309)		1 667 566		1 813 788		146 222		1 475 736	
Licence and permits	1 432 609		4 000		1 436 609		1 225 974		(210 635)		1 300 733	
Operational Revenue	766 518		-		766 518		551 150		(215 368)		549 287	
<b>Non-Exchange Revenue</b>												
Property rates	17 048 155		-		17 048 155		18 603 345		1 555 190		17 330 716	
Fines, penalties and forfeits	74 098		515 000		589 098		928 740		339 642		915 394	
Transfer and subsidies - Operational	200 984 435		878 222		201 862 657		199 772 545		(2 090 113)		188 851 545	
Interest	1 790 728		-		1 790 728		2 000 203		209 474		1 720 263	
Gains	-		100 000		100 000		3 931 406		3 831 406		5 634 954	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>325 572 478</b>		<b>9 856 895</b>		<b>335 429 373</b>		<b>344 638 098</b>		<b>9 208 725</b>		<b>309 696 355</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (3) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024	R	2024	R	2024	R	2024	R	2024	R	2023	R
<b>EXPENDITURE BY TYPE</b>												
Employee related costs	130 324 351		9 194 510		139 518 861		132 545 352		(6 973 508)		124 615 650	
Remuneration of councillors	17 054 665		(3 115 246)		13 939 419		13 910 269		(29 150)		12 975 962	
Bulk purchases - electricity	61 537 072		-		61 537 072		48 678 878		(12 858 194)		45 498 755	
Inventory consumed	18 819 980		2 714 594		21 534 574		-		(21 534 574)		-	
Debt impairment	14 562 404		2 659 162		17 221 566		17 464 288		242 722		16 641 103	
Depreciation and amortisation	18 833 179		(140 104)		18 693 076		17 689 077		(1 003 999)		17 032 144	
Interest	3 802 278		1 673 819		5 476 097		5 645 685		169 588		5 397 454	
Contracted services	59 044 233		(50 801)		58 993 432		38 519 241		(20 474 191)		31 251 097	
Transfers and subsidies	36 450		10 001		46 451		36 321		(10 130)		42 055	
Operational costs	36 682 404		4 347 162		41 029 566		40 422 278		(607 288)		41 709 956	
Losses on disposal of Assets	2 000 000		-		2 000 000		705 871		(1 294 129)		833 099	
Other Losses	-		-		-		1 153 546		1 153 546		317 159	
<b>Total Expenditure</b>	<b>362 697 016</b>		<b>17 293 097</b>		<b>379 990 113</b>		<b>316 770 806</b>		<b>(63 219 307)</b>		<b>296 314 434</b>	
<b>Surplus/(Deficit)</b>	<b>(37 124 538)</b>		<b>(7 436 202)</b>		<b>(44 560 741)</b>		<b>27 867 292</b>		<b>72 428 032</b>		<b>13 381 921</b>	
Transfers and subsidies - capital (monetary allocations)	37 574 565		6 773 943		44 348 509		43 309 971		(1 038 538)		34 365 765	
<b>Surplus/(Deficit) for the year</b>	<b>450 027</b>		<b>(662 259)</b>		<b>(212 232)</b>		<b>71 177 262</b>		<b>71 389 495</b>		<b>47 747 685</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (4) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATE D OUTCOME 2023 R
<b>CAPITAL EXPENDITURE (VOTE)</b>						
<b>Multi-year expenditure</b>						
Corporate Services	-	-	-	-	-	-
Road Transport	30 000 000	10 522 620	40 522 620	30 309 474	(10 213 146)	10 649 082
Waste water management	7 200 000	(4 969 596)	2 230 404	1 615 675	(614 730)	770 989
Community & Social Services	9 340 000	(3 535 111)	5 804 889	3 834 778	(1 970 111)	9 031 589
Sport & Recreation	-	4 854 874	4 854 874	6 904 805	2 049 931	310 448
Public safety	1 080 000	-	1 080 000	1 026 323	(53 677)	196 605
Waste Management	5 400 000	(944 237)	4 455 763	4 075 998	(379 765)	11 226 086
<b>Total Multi-year expenditure</b>	<b>53 020 000</b>	<b>5 928 550</b>	<b>58 948 550</b>	<b>47 767 053</b>	<b>(11 181 497)</b>	<b>32 184 800</b>
<b>Single-year expenditure</b>						
Executive & Council	2 605 000	(2 390 000)	215 000	209 205	(5 795)	775 813
Corporate Services	11 580 500	(6 110 500)	5 470 000	899 282	(4 570 718)	1 033 879
Budget & Treasury	1 560 850	1 400 000	2 960 850	1 775 114	(1 185 736)	1 045 070
Road Transport	380 000	46 340 217	46 720 217	13 563 270	(33 156 948)	-
Community & Social Services	100 000	(100 000)	-	-	-	-
Public safety	400 000	(400 000)	-	-	-	-
Electricity	1 865 000	(600 000)	1 265 000	991 166	(273 834)	130 321
Waste Management	11 370 000	5 963 501	17 333 501	17 313 935	(19 565)	147 243
<b>Total Single-year expenditure</b>	<b>29 861 350</b>	<b>44 103 218</b>	<b>73 964 568</b>	<b>34 751 972</b>	<b>(39 212 596)</b>	<b>3 132 327</b>
<b>Total Capital Expenditure by Vote</b>	<b>82 881 350</b>	<b>50 031 768</b>	<b>132 913 118</b>	<b>82 519 025</b>	<b>(50 394 094)</b>	<b>35 317 127</b>

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (4) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATED OUTCOME	
	2024	R	2024	R	2024	R	2024	R	2024	R	2023	R
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>												
<b>Governance and administration</b>	<b>15 746 350</b>		<b>(7 100 500)</b>		<b>8 645 850</b>		<b>2 883 601</b>		<b>(5 762 249)</b>		<b>2 854 762</b>	
Executive and council	535 000		(320 000)		215 000		209 205		(5 795)		775 813	
Finance and administration	13 861 350		(5 430 500)		8 430 850		2 674 396		(5 756 454)		2 078 949	
Internal audit	1 350 000		(1 350 000)		-		-		-		-	
<b>Community and public safety</b>	<b>20 470 000</b>		<b>11 045 265</b>		<b>31 515 265</b>		<b>11 765 906</b>		<b>(19 749 360)</b>		<b>9 538 642</b>	
Community and social services	9 340 000		(3 535 111)		5 804 889		3 834 778		(1 970 111)		9 031 589	
Sport and recreation	-		4 854 874		4 854 874		6 904 805		2 049 931		310 448	
Public safety	11 130 000		9 725 502		20 855 502		1 026 323		(19 829 179)		196 605	
<b>Economic and environmental services</b>	<b>20 730 000</b>		<b>46 737 335</b>		<b>67 467 335</b>		<b>43 872 744</b>		<b>(23 594 591)</b>		<b>10 649 082</b>	
Road transport	20 730 000		46 737 335		67 467 335		43 872 744		(23 594 591)		10 649 082	
<b>Trading services</b>	<b>25 835 000</b>		<b>(550 332)</b>		<b>25 284 668</b>		<b>23 996 774</b>		<b>(1 287 894)</b>		<b>12 274 640</b>	
Energy sources	1 865 000		(600 000)		1 265 000		991 166		(273 834)		130 321	
Waste water management	7 200 000		(4 969 596)		2 230 404		1 615 675		(614 730)		770 989	
Waste management	16 770 000		5 019 264		21 789 264		21 389 934		(399 330)		11 373 329	
<b>Other</b>	<b>100 000</b>		<b>(100 000)</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
<b>Total Capital Expenditure - Standard</b>	<b>82 881 350</b>		<b>50 031 768</b>		<b>132 913 118</b>		<b>82 519 025</b>		<b>(50 394 094)</b>		<b>35 317 127</b>	

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (4) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE	ORIGINAL	BUDGET	FINAL	ACTUAL	BUDGET	RESTATE
	BUDGET	ADJUSTMENTS	BUDGET	OUTCOME	VARIANCE	OUTCOME
	2024	2024	2024	2024	2024	2023
	R	R	R	R	R	R
<b>CAPITAL EXPENDITURE (FUNDING SOURCES)</b>						
National Government	37 574 565	(2 512 957)	35 061 608	35 061 609	0	29 883 274
Provincial Government	-	9 286 899	9 286 899	8 248 362	(1 038 537)	-
<b>Transfers recognised - capital</b>	<b>37 574 565</b>	<b>6 773 942</b>	<b>44 348 508</b>	<b>43 309 971</b>	<b>(1 038 537)</b>	<b>29 883 274</b>
Internally generated funds	45 306 785	43 257 825	88 564 610	39 209 054	(49 355 556)	5 433 853
<b>Total Capital Funding</b>	<b>82 881 350</b>	<b>50 031 767</b>	<b>132 913 117</b>	<b>82 519 025</b>	<b>(50 394 093)</b>	<b>35 317 127</b>

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (5) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CASH FLOWS	ORIGINAL	BUDGET	FINAL	ACTUAL	BUDGET	RESTATED
	BUDGET	ADJUSTMENTS	BUDGET	OUTCOME	VARIANCE	OUTCOME
	2024	2024	2024	2024	2024	2023
	R	R	R	R	R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	13 028 581	2 756 720	15 785 301	16 011 309	226 007	13 342 325
Service charges	54 862 964	6 593 362	61 456 326	49 800 546	(11 655 781)	48 290 229
Other revenue	5 301 983	603 296	5 905 278	3 550 108	(2 355 170)	5 605 946
Government - operating	199 394 435	1 001 739	200 396 174	200 396 174	-	184 102 250
Government - capital	37 574 565	9 892 261	47 466 826	42 515 826	(4 951 000)	41 915 750
Interest	30 029 451	3 137 731	33 167 182	44 088 233	10 921 052	32 980 402
<b>Payments</b>						
Suppliers and employees	(315 476 352)	(16 997 638)	(332 473 989)	(264 025 117)	68 448 872	(249 596 460)
Finance charges	(3 802 278)	(1 673 819)	(5 476 097)	(599 568)	4 876 529	(610 062)
Transfers and Grants	(36 450)	(10 001)	(46 451)	(36 321)	10 130	(42 055)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	20 876 898	5 303 652	26 180 550	91 701 189	65 520 639	75 988 326
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	100 000	100 000	557 391	457 391	-
<b>Payments</b>						
Capital assets	(82 881 350)	(50 031 768)	(132 913 118)	(82 519 025)	50 394 094	(35 317 128)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(82 881 350)	(49 931 768)	(132 813 118)	(81 961 633)	50 851 485	(35 317 128)

# SENQU LOCAL MUNICIPALITY

## APPENDIX F (5) (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CASH FLOWS	ORIGINAL	BUDGET	FINAL	ACTUAL	BUDGET	RESTATED
	BUDGET	ADJUSTMENTS	BUDGET	OUTCOME	VARIANCE	OUTCOME
	2024	2024	2024	2024	2024	2023
	R	R	R	R	R	R
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Increase (decrease) in consumer deposits	120 917	(7 835)	113 082	64 015	(49 067)	64 090
<b>Payments</b>						
Repayment of borrowing	(923 106)	244	(922 862)	(909 046)	13 816	(916 507)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(802 188)	(7 592)	(809 780)	(845 031)	(35 251)	(852 417)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	(62 806 640)	(44 635 709)	(107 442 348)	8 894 525	116 336 874	39 818 781
Cash/cash equivalents at the year begin:	396 785 160	101 046 665	497 831 824	497 831 825	0	458 013 042
Cash/cash equivalents at the year end:	333 978 520	56 410 956	390 389 476	506 726 349	116 336 873	497 831 825