



THEMBELIHLE

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
U-MASIPALA WASEKUHALENI

DRAFT ANNUAL REPORT

2024/2025

FINANCIAL YEAR

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER’S OVERVIEW

Thembelihle Local Municipality’s 2024/2025 Annual Report provides a comprehensive assessment of our performance in governance, service delivery, financial management, and organizational development. This report highlights both our achievements and challenges, emphasizing the need for strategic interventions and implementation to enhance municipal operations and sustainability.

Governance and Institutional Performance

The municipality faced governance challenges, including leadership vacancies, which impacted decision-making and service delivery. Despite these setbacks, we remained committed to fulfilling our legislative mandate by improving governance structures, strengthening intergovernmental relations, and enhancing public participation.

Service Delivery and Infrastructure Development

Service delivery remains a core focus, with progress made in maintaining essential services such as water, sanitation, electricity, and road infrastructure. However, significant infrastructure challenges persist, including aging water and electrical networks, poor road conditions, and waste management inefficiencies. Efforts to address these issues require grants to fund capital projects and infrastructure upgrades.

Financial Health and Sustainability

The municipality’s financial position remains fragile with a collection rate of 63%, which is a slight increase compared to the 54% collection rate of the previous financial year; however, it still performed below the National Treasury norm of 95%. Expenditure on critical services often exceeds available revenue, leading to cash flow constraints. While grant funding has supported key capital projects, a more sustainable revenue enhancement strategy is required to ensure long-term financial viability.

Organizational Development

Staff vacancies, particularly in senior management, have affected operational efficiency. Although progress was made in workforce development, challenges in performance management and compliance with statutory reporting requirements remain. The completion and implementation of key strategic plans will be critical in addressing these concerns.

Conclusion and Way Forward



Thembelihle Local Municipality acknowledges the challenges it faces with regard to basic service delivery. However, an improvement in governance and the filling of senior positions with the Technical services has birthed plans that promises to ensure basic service delivery and restore the dignity of our communities.

restore public confidence in the municipality and provides hope to our communities. financial and infrastructural constraints continue to pose significant challenges. Moving forward, our focus will be on improving revenue collection, accelerating infrastructure maintenance, stabilizing leadership, and enhancing community engagement. With collective effort and strategic planning, we remain committed to building a more efficient, accountable, and service-driven municipality.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Thembelihle Local Municipality is in the heart of the Karoo in the Northern Cape Province. The municipality is situated in the Pixley Ka Seme District Municipality, in the eastern part of the province, bordering with the Free State. The Municipality is accessible via the National infrastructure through the N12 which links the Northern Cape Province to the Western Cape in the southwest. Thembelihle is a Xhosa word that means “a place of hope.” The municipality spans over approximately 8,023km², most of which is agricultural landscape. The municipality is rich in natural resources, with the first diamond having been found in Hopetown.

The two main towns in the Municipality are Strindberg and Hopetown. Although Orania is included in the borders of the Municipality it is not governed by the Local Authority. Hopetown was founded in 1850 when Sir Harry Smith extended the northern frontier of the Cape Colony to the Orange River. A handful of settlers

claimed ground where there was a natural ford over the Orange River, by 1854 a frontier town had developed. The name Hopetown was given to me by William Hope, Auditor-General and Secretary of the Cape Colony Government. Hopetown is identified as the administrative center of the Municipality and Strydenburg as an Urban Satellite Centre according to the Pixley Ka Seme District SDF.

The largest town of the municipality with a total population of about 22 542 is Hopetown which is zoomed in on the map below and has the greatest part where the municipality supplies electricity to its communities with new areas, Phase 1 (Goutrou) and Phase 2 (Hillside) having been added to the



distribution network as shown in Figure 2. Hopetown has businesses and light industrial sections that are supplied electricity by the municipality apart from the residential supply.

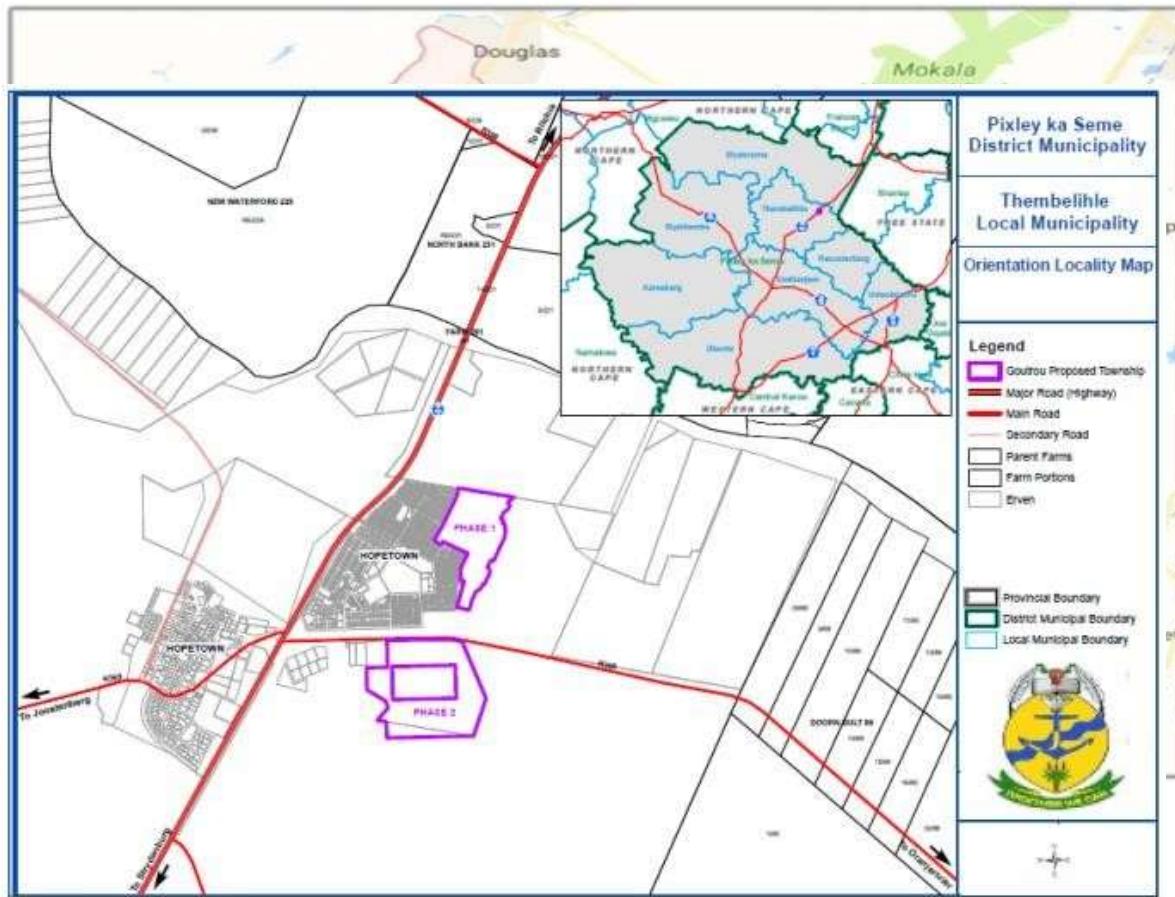


Figure 1 – Map of Thembelihle Local Municipality

Figure 2 - Map Showing Hopetown

Chapter 1

1.3. Demographics

The demographic profile detailed below provides an economic overview of the Thembelihle Local Municipality (NC076) in respect of the sectoral composition (GVA) and employment trends, the population, and households as well as household income. The information contained in sections 1.2.2.1 to 1.2.2.3 is based on the Thembelihle Integrated Development Plan (2021 – 2022), the Pixley Ka Seme District Spatial Development Framework, 2013 – 2018 and Stats SA.

2001			2011			2016			2022		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
7 193	7 275	14 467	7 976	7 724	15 701	8 297	7 933	16 230	10 807	11 735	22 542

Figure 3 Source: Stats SA: Population by Sex

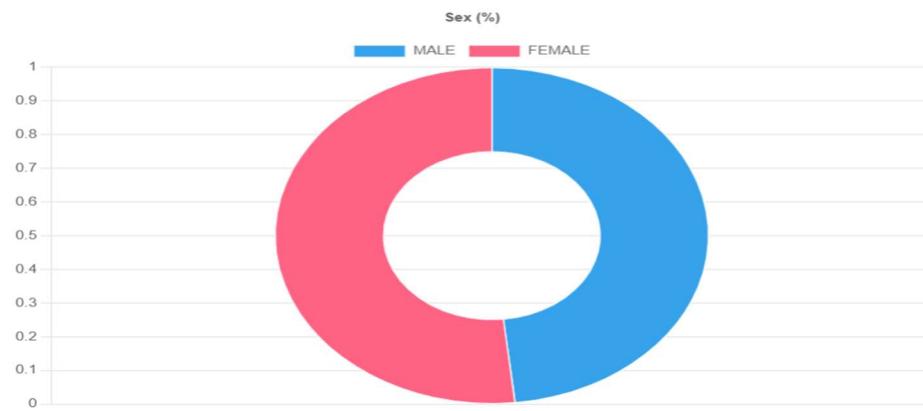




Figure 4 (The age and sex distribution of Thembelihle Local Municipality) reveals a rapidly growing, youthful population with specific gender imbalances in certain age cohorts.

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Population Structure: The "Youth Bulge"

Thembelihle's population pyramid is characteristic of a developing region, with a wide base indicating a high proportion of children and young adults.

- **Children (0–14 years):** This group makes up **29.2%** of the population (6,584 individuals). The high number of residents under the age of 10 (4,478) suggests continued population growth in the coming decade.
- **Working Age (15–64 years):** This is the largest segment at **62.8%** (14,149 individuals). However, a significant portion of this group falls into the "youth" category (15–34), placing immense pressure on the local economy to create entry-level jobs.
- **Elderly (65+ years):** This group represents a smaller **8.0%** (1,807 individuals) of the total population.

Sex Distribution and Ratios

The gender balance in Thembelihle has shifted noticeably over the last decade. While women make up the majority of the total population, the "Sex Ratio" (males per 100 females) has fluctuated due to economic migration and local industry needs.

- **Total Gender Breakdown:**
 - **Females:** 52.1% (11,735)
 - **Males:** 47.9% (10,807)
- **The 2022 Sex Ratio:** There are **92.1 males for every 100 females.** This is a significant drop from the 2016 ratio (104.6), suggesting a possible out-migration of working-age men or a localized surge in the female population.
- **Life Expectancy Trends:** Similar to national trends, women in Thembelihle tend to outlive men. In the oldest age brackets (**75+ years**), women significantly outnumber men, highlighting the need for gender-specific elderly care and social support.



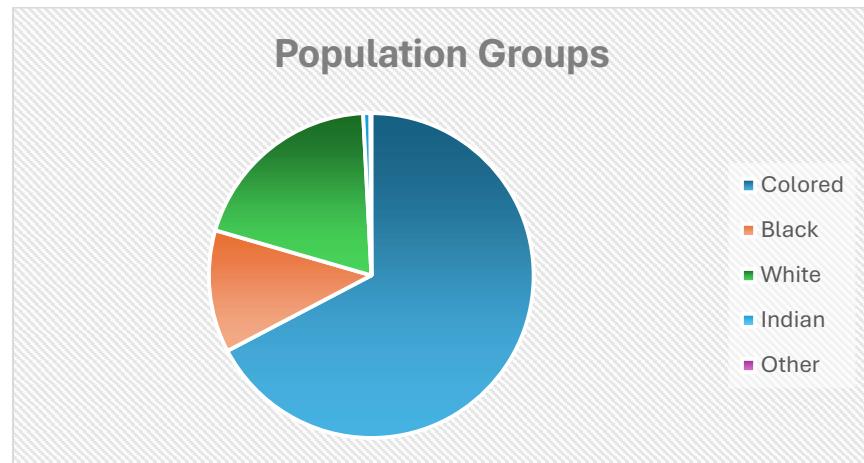
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Key Implications

The combination of a high dependency ratio (**59.3**) and a youthful population means that for every 100 working-age people, there are nearly 60 dependents (children and elderly) to support. This narrative underscores the municipality's need to focus on **Early Childhood Development (ECD)** and **youth employment** to capitalize on its "demographic dividend" rather than facing a "demographic burden."

According to the 2022 data, the Thembelihle Local Municipality has a population of approximately 22,542 residents. This reflects an increase from the 2011 Census, which reported a population of 15,701. The municipality covers an area of 8,023 square kilometers, resulting in a population density of approximately 2.8 persons per square kilometer. The principal town is Hopetown.

The demographic composition includes 67.3% Colored, 12.2% Black African, and 19.7% White residents and Indian and other 0.7 and 0.1 respectively.



Chapter 1

Employment and Statistical Services

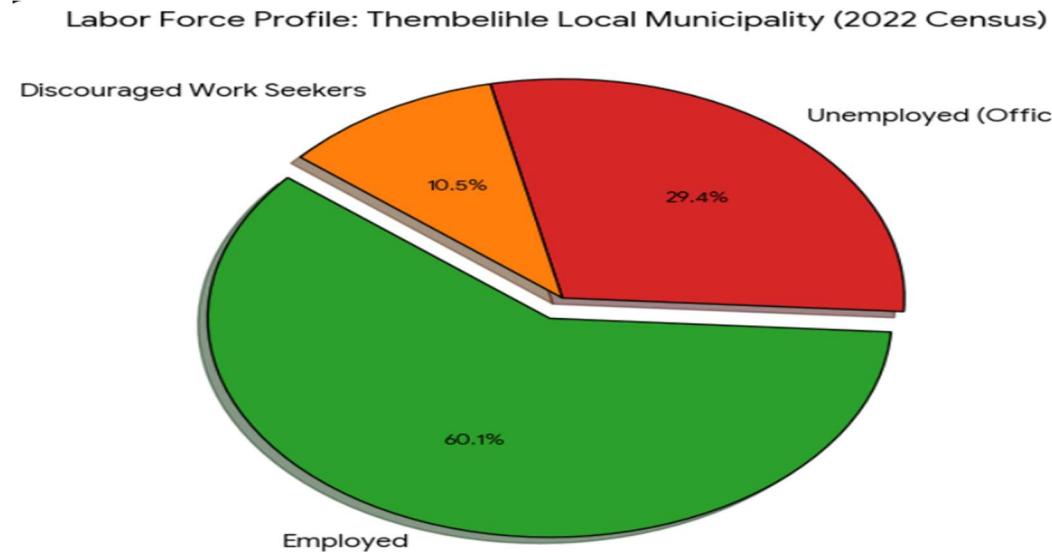


Figure 1 Stats SA: Employment Levels

Figure 5 illustrates the labor force status of Thembelihle Local Municipality based on the 2022 Census data.

Breakdown of the Labor Market (Expanded Labor Force)

- **Employed (60.1%)**: Represents approximately **3,930** individuals currently working in the formal or informal sectors.
- **Unemployed (29.4%)**: Represents **1,920** individuals who are actively seeking work but remain unemployed. This corresponds to the **32.8% official unemployment rate** (calculated as a percentage of those actively seeking work).
- **Discouraged Work Seekers (10.5%)**: Represents **687** individuals who have given up looking for employment due to a lack of available opportunities or previous failures in the job market.

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Key Insight: When combining the officially unemployed with discouraged work seekers, nearly **40%** of the individuals who are willing and able to work in the municipality are without a job. This high level of economic inactivity places significant strain on the municipality's ability to collect revenue and provide services to its residents.

1.4. Household Income and Food Security

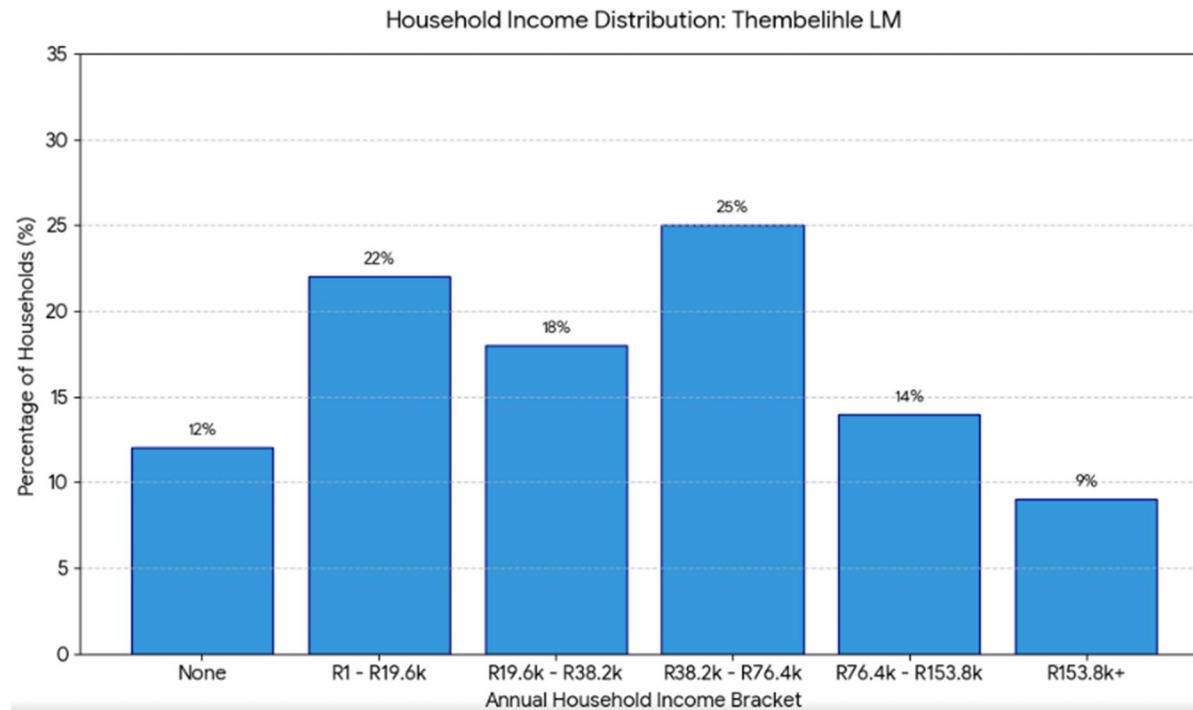


Figure 6 STATS SA: Average Household Income

Figure 5 illustrates a significant economic challenge for Thembelihle: a **heavy concentration of low-income households**.

Key Takeaways:

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The "Poverty Trap": More than half of the population (52%) falls into the lowest three categories, earning less than **R38,200 per year**. This group is highly vulnerable to food insecurity and rising utility costs.

- **Peak Category:** The largest single group (25%) earns between **R38.2k and R76.4k**. While these households are above the absolute poverty line, they often struggle to move into the true "middle class" due to high dependency ratios.
- **Economic Inactivity:** A concerning 12% of households report **no income at all**, indicating a total reliance on social grants, community support, or subsistence activities.
- **Small High-Income Base:** Only 9% of households earn above **R153.8k** annually. This small "tax base" is responsible for a disproportionate amount of the municipality's service revenue, which explains why the municipality faces financial distress when payment rates dip.

In summary, the graph shows an "**hourglass**" **economy** that lacks a broad middle-income cushion, leaving the municipality highly dependent on government grants to fund basic service delivery.

Ran out money to buy food in the 12 months preceding the survey	Number	Percent (%)
Yes	1 139	24.0
No	3 597	76.0
Total	4 736	100.0

Table 30 Stats SA 2016: Ability to buy food.

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Table 30 shows that 76.0% (3 597) of the households in Thembelihle have ran out of money to buy food in the 12 months preceding the survey in 2016. This is slightly higher than people who are living below the poverty line based on an income of R9 600,00 per annum.

Ran out of money to buy food for 5 or more days in the past 30 days	Number	Percent (%)
Yes	549	48.2
No	590	51.8
Total	1 139	100.0

Table 31 shows that from the total households that reported having run out of money to buy food in Thembelihle, 51.8% (590) have ran out of money to buy food for 5 or more days in the past 30 days preceding the survey in 2016. This shows that the community should be encouraged to create a culture of budgeting according to their need as almost 50% lives from hand to month.

These figures are likely to be linked to the influx of job seekers to the area and the inability of all of them to secure work. This is also likely to result in an increasing number of individuals and households who are likely to be dependent on social grants. The low- income levels also result in reduced spending in the local economy and less tax and rates revenue for the district and local municipality.



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Energy sources

Main source of energy used for lighting, 1996-2022.

	Electricity	Gas	Paraffin	Candles	Solar	Other	Total
1996	64.8	0.3	13.3	21.7	0.0	0.0	100.0
2001	67.2	0.2	9.0	22.1	0.8	0.7	100.0
2011	75.5	0.2	2.4	20.7	1.1	0.0	100.0
2016	85.6	0.3	0.9	10.3	2.2	0.6	100.0
2022	86.8	0.6	0.9	8.5	2.7	0.1	100.0

Table 29 Stats SA: Energy Services

Electrical Losses

The municipality gets its bulk electrical supply from Eskom and sells to its consumers that include residential, industries, businesses. Total losses experienced by the municipality have two components: technical and non-technical. Technical losses occur naturally and consist of power dissipation in electricity system components such as transmission and distribution lines, transformers, and measurement systems whereas non-technical losses are caused by actions external to the power system and consists primarily of electricity theft and non-payment by customers. These losses have significant impact on the municipality's ability to offer viable electrical services to its community. The challenges that the municipality is facing that result in huge electrical losses, ***which have remained the same and increasing to worse*** over the years are:



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- Lack of consistent revenue collection from electricity consumers
- Failure of maintenance of electrical infrastructure due to unfunded budget year on year in the electrical section of the municipality. The municipality is unable to provide the electrical section with the regulated budget.
- Shortage of qualified electrical personnel who should run the electrical section.
- Unavailability of equipment such as a Cherry Picker
- No seclusion of losses into technical and commercial losses
- Faulty energy meters/ unmetered supply
- Errors and delay in meter (Conventional) reading and billing.
- No transparency in meter reading and billing.
- Lack of adequate investment in system modernization
- The municipality is nearing its NMD allocation, which hampers development.
- Electricity theft and meter tempering
- Non maintenance of trees along overhead conductors which result in earthing leakage due to budget constraints.
- Failure to implement workable debt collection on electricity sales.
- Noncompliance with License Requirements and Electricity Distribution Regulations
- Non availability of bulk meters to verify the ESKOM meter reading.



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The municipality is also losing as most customers who have the capacity to pay for electricity are migrating to alternative sources of energy such as Solar. The municipality council is still to adopt the bylaws and policies that include SSEG so that through these, curbing of electrical losses can be done.

1.5. Solution and Recommendation

Due to the unhealthy financial situation of the municipality, the council has sought assistance from DBSA for the following services:

- i. Application was made to DBSA to assist with drafting electrical master plan.
- ii. Application for Smart Metering Grant for both water and electricity.
- iii. The municipality successfully applied for EEDSM Grant for 2024/25 FY that will assist in the replacement of high voltage bulbs on the high mast and streetlights with energy saving bulbs.

Further, with the limited budget given to the electrical section, cutting of trees that interfere with overhead conductors is an ongoing exercise though at a small pace. The municipality must enforce its policies and bylaws regarding electricity distribution. The municipality is being assisted by DBSA through a project for revenue enhancement, which will positively affect the maintenance of electrical infrastructure.



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1.6. SERVICE DELIVERY OVERVIEW

Topic	Description	Challenges	Action Proposed/Taken
Infrastructure	The formalization and installation of internal services in the Goutrou and Hillside areas has been done without considering the bulk services for water and wastewater as the existing infrastructure does not have capacity.	Replacement of asbestos cement pipes in the water network needs to be expedited to prevent pipe bursts and lost water as well as disruption of service to residents. This will be achieved through the WSIG grant in the future funding allocations	Assistance with funding to replace the A/C network was applied for and the Business Plan was approved under WSIG, however the project could not start due to limited funding from DWS. The Municipality is in the process of upgrading/completing the WWTW phase 2. MEC's office was informed about the insufficient bulk infrastructure for water and wastewater.
	Water network in poor condition due to old asbestos cement pipe network	Replacement of water and electrical meters needs to be done as the water losses are at 78%.	Funding for sustainable sanitation to areas without sanitation is being addressed through WSIG grant as per the projects report attached. Funding for upgrading of roads and their rehabilitation was applied for through EPWP. A portion of EPWP grant funding is being utilized



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Topic	Description	Challenges	Action Proposed/Taken
	<p>Sanitation supply problematic with basic services to informal areas in Strydenburg and Hopetown. The emptying of VIP toilets proves to be a very expensive operation considering that the municipality has only 1 Honey Sucker which is currently un-roadworthy.</p> <p>Road networks are in poor condition in both towns.</p> <p>Poor stormwater drainage systems.</p>	<p>Informal areas in Strydenburg need to be serviced with basic sanitation.</p> <p>Sector Master Plans to identify areas of maintenance and development are still outstanding, including the Spatial Development Framework that should guide the preparation of the Master Plans</p>	<p>for rehabilitation of Wiid and Church Streets through paving.</p> <p>Applications were submitted to DBSA, and they appointed a Service Provider to deal with the development of the SDF and the development of the Master Plans. The Master Plans were completed and approved by Council.</p>



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Topic	Description	Challenges	Action Proposed/Taken
	<p>Electricity supply system operational but very little is being done regarding maintenance as the municipality currently does not allocate the gazette budget to the electrical section on a yearly basis. Rotten electrical poles are falling down and there is no replacement being done due to non-availability of money</p>		



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Topic	Description	Challenges	Action Proposed/Taken
Indigent Policy		Consumers are reluctant to register. The Municipality doesn't have smart metering solution to limit water supply to indigent consumers.	The number of registered indigents is 923 which is not accurate when compared to the material conditions and is affecting revenue generation in Thembelihle. With the installation of the smart meters, the municipality will design a system to properly register and manage indigents.
Free Basic Services	Free basic water provided to 923 households. Approximately 879 households not benefiting (although they have access to street taps) Waterborne sanitation to 923 households.	Basic sanitation needs to be provided for all residents. Many require this service to not accept VIP technology. These technologies are also expensive for the municipality to maintain (Thembelihle has only one vacuum tanker to service both Strydenburg and Hopetown).	Funding required for sanitation and waste removal plant and equipment Review of minimum sanitation services (VIP latrines not socially acceptable) and the costs of pit emptying are extremely high and taxing on the municipality) Pour-flash and Dry Sanitation units have been considered and are being constructed through the WSIG grant funding.



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Topic	Description	Challenges	Action Proposed/Taken
	<p>Minimum sanitation is provided to 923 households.</p> <p>479 households not benefiting (informal).</p> <p>923 households receiving free basic electricity</p> <p>923 households benefiting from waste removal services</p>		



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Topic	Description	Challenges	Action Proposed/Taken
Payment for services	Low percentage of payment for services	<u>Payment Contribution Margins</u> Property rates – 24% Electricity – 59% Water – 7% Waste Water – 7% Waste – 3%	Political intervention to assist with implementing the Credit Control Policy The municipality should pursue the replacement of the current water and electricity meters with smart metering solutions.
Refuse Removal & Landfill Sites	Hopetown & Strydenburg Landfill Sites	Hopetown and Strydenburg Landfill Sites do not comply with legal requirements. Fencing of Strydenburg Landfill Site was done but the fencing was vandalized and stolen. Hopetown does not have a legal landfill-site. The land fill site that was constructed in Hopetown around 2010 still lies idle since it could not be	The municipality is in the process to appoint consulting engineers to source funds for the Upgrading of the unlicensed landfill site.



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Topic	Description	Challenges	Action Proposed/Taken
		<p>registered as it does not meet the minimum requirements for registration.</p> <p>There is no staff component for landfill sites.</p> <p>There is no budget allocation towards landfill sites. The budget is always unfunded</p>	
Staffing Challenges	Hopetown and Strydenburg	<p>The Technical department lacked capacity for the first 9 months of the financial year due to the vacancy of the senior manager technical services.</p> <p>The Roads and Stormwater section do not have any staff component at all.</p>	<p>The municipality undertook work study to guide the review of the staff establishment in order to ensure that it is fit for purpose.</p> <p>Currently use of CWP and EPWP workers is being made to make sure that maintenance works are being done.</p>



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Topic	Description	Challenges	Action Proposed/Taken
		<p>The Water Treatment Works Employees are all termed as Senior Supervisor despite differing qualifications and work experience, and this poses a serious threat on the management of water services.</p>	<p>A Qualifying Plant Supervisor must be appointed from amongst the current Process Controllers through additional duties being delegated.</p> <p>Training and refresher courses were given to employees with the potential of being appointed as process controllers.</p>
Budget Allocation	Technical Department	<p>The budget allocations to sectors are always unrealistic and if realistic budget is drafted, it will be disregarded as it will be unfunded. The Electrical section has a legislated budget but has never got the money due to the fact that the municipality is running on unfunded budget year in year out</p>	<p>The Technical Department assisted in identifying prime pieces of land that belong to the municipality that can either be sold or rented to generate income. The council was shown the errors and plots but there seems to be complacence in implementing these income generating projects</p>



Chapter 1

1.7. ORGANISATIONAL DEVELOPMENT OVERVIEW

The mbelihle Local Municipality's Annual Report for 2024/2025 reflects its ongoing efforts in organizational development across key areas, including institutional transformation, governance, and service delivery. While notable progress has been made in certain areas, persistent challenges hinder overall performance and target achievement.

Key Achievements:

- **Municipal Transformation:** Finalization of the organogram for council review and improved alignment of roles and structures.
- **Employee Engagement:** Successful convening of Local Labor Forum meetings and progress in compiling critical reports, such as the Workplace Skills Plan (WSP) and Annual Training Report.
- **Basic Service Delivery:** Incremental progress on road maintenance, and compliance with water quality standards.

Key Challenges:

- **Service Delivery Constraints:** High water and electricity losses, inadequate infrastructure maintenance, and budgetary limitations hinder service delivery improvements.

Recommendations:

1. Enhance infrastructure development and maintenance through targeted funding and resource allocation.

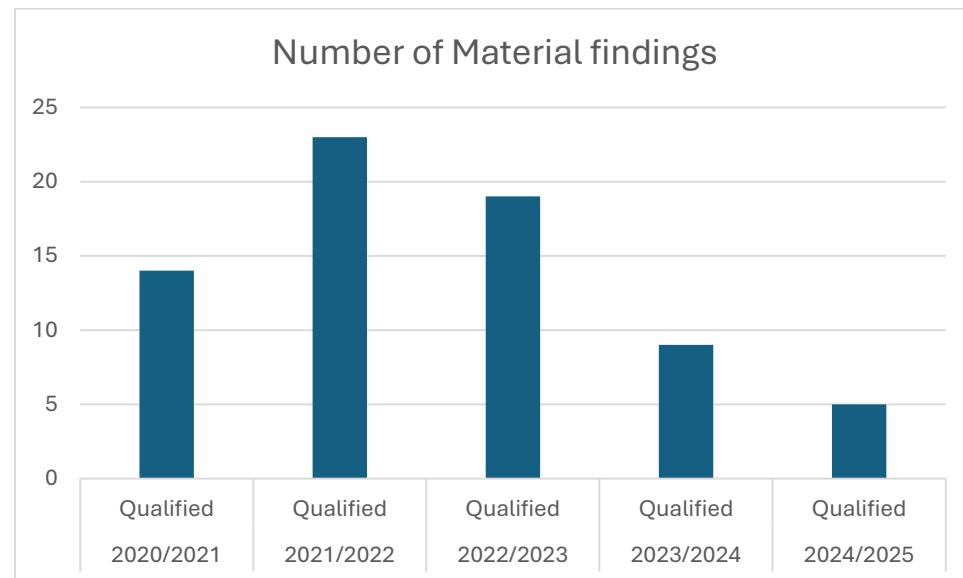
This overview underscores the municipality's progress in strengthening institutional frameworks while highlighting areas requiring urgent intervention for sustained development and improved service delivery outcomes.



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1.8. AUDITOR GENERAL REPORT: 2024/2025

The audit opinion has been stagnant for the past 5 years. Below is the illustration of the number of material findings over the past five years.



Audit outcome status

Description	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Audit outcome status	Qualified	Qualified	Qualified	Qualified	Qualified
Number of Material findings	14	23	19	9	5

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Material findings	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Property Plant and equipment		X	X		X
Investment property		X	X		
Unauthorized Expenditure	X	X	X	X	
Irregular Expenditure	X	X	X	X	X
Payables from exchange transactions	X	X	X	X	X
Service charges				X	
Revenue from exchange transactions	X	X	X		
Receivables from exchange transactions		X	X		
Provision for impairments adjustment				X	
Inventory			X	X	
Expenditure	X				X
Employee related costs		X			
Segment information	X	X	X		
Provisions	X	X	X		
Receivables from non-exchange transactions	X	X	X		
Vat Statutory receivable	X	X			
Commitments		X			
Cash and cash equivalents	X	X			
Cash flow statements		X	X	X	X
Distribution losses	X	X	X	X	
Budget Statement	X	X	X		
Other financial liabilities			X		



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Weaknesses in performance planning and reporting

Findings: Completeness of relevant indicators

- The Service Delivery and Budget Implementation Plan did not include indicators or targets to measure the provision, access and delivery of key basic services despite these being core municipal functions.

Impact

- The absence of monthly projections for revenue and expenditure in the SDBIP reduces transparency and accountability, limits effective monitoring of financial performance, and may hinder timely decision-making, ultimately affecting service delivery and compliance with MFMA requirements
- We identified material findings on the overall presentation of performance information in the annual performance report. The Annual Performance Report did not include prior-year comparisons or disclose measures taken to improve performance, as required by section 46 of the Municipal Systems Act. This omission makes it difficult to assess progress against planned objectives, reducing transparency and accountability
- We identified material misstatements in the reported performance information in the annual performance report submitted for auditing. Some of these misstatements were reported in the prior years.



Achievement of planned targets

Basic service delivery and infrastructure development

<p>Targets achieved: 40%</p> <p>Budget spent: 66%</p>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Report monthly on drinking water as per SANS241 requirements for all water sampling points	12	10
Report on the maintenance of streetlights	4	3
Report on the upgrading of the Wastewater Treatment Works-phase 2	3	1



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Non – compliance areas

Subject matter	Non – compliance
Annual financial statements, performance reports and annual reports	<ul style="list-style-type: none">• The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.• The oversight report adopted by the council on the 2023/24 annual report was not made public, as required by section 129(3) of the MFMA.
Asset management	<ul style="list-style-type: none">• Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services as required by section(s) 14(2)(a) of the MFMA.
Human resources management	<ul style="list-style-type: none">• Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.
Procurement and contract management	<ul style="list-style-type: none">• One contract was extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5. Similar non-compliance was also reported in the prior year.
Utilization of conditional grants	<ul style="list-style-type: none">• Performance in respect of programmed funded by the Municipal Infrastructure Grant, Water Services Infrastructure grant and Energy Efficiency and Demand Side Management was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 24 of 2024).• The Municipal Infrastructure Grant, Water Services Infrastructure grant and Energy Efficiency and Demand Side



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	<p>Management was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 24 of 2024).</p>
Governance and Oversight	<ul style="list-style-type: none">• I was unable to obtain sufficient appropriate audit evidence that the Internal Audit unit audited the results of performance measurements, as required by MSA 45(a).• The audit committee did not submit an audit report on the review of the performance management system to the council at least twice during a financial year required by regulation 14(4)(a)(iii) on Municipal Planning and Performance Management.
Strategic planning and performance management	<ul style="list-style-type: none">• The SDBIP for the year under review did not include monthly revenue projections by source of collection and monthly operational and capital expenditure by vote as required by section 1 of the MFMA.• No key Performance Indicators were set in respect of the provision of basic water, sanitation, electricity, and solid waste removal services, as required by section 43(2) of the MSA municipal planning and performance management regulation 10(a).• The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement process should be conducted, as required by municipal planning and performance management regulation 7 (1).
Expenditure management	<ul style="list-style-type: none">• Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.• Reasonable steps were not taken to prevent irregular expenditure as required by section 62 (1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.



Chapter 1

	<ul style="list-style-type: none">• Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 587 372, as disclosed in note 57 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on late payment to suppliers.• Reasonable steps were not taken to prevent unauthorised expenditure amounting to R8 004 795, as disclosed in note 56 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by over expenditure being incurred by municipal departments on their operating budgets.
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Chapter 1

STATUTORY ANNUAL REPORT PROCESS

No .	Activity	Timeframe
1	Finalise the 4th quarter Report for previous financial year	October
2	Commence with the preparation of the annual report utilizing financial and non-financial information first reviewed as part of the budget and IDP analysis	
3	Municipal entities submit draft annual reports to MM	
4	Finalise first draft of the annual report incorporating finance and non-financial information on performance, audit reports and annual financial statements	December
5	Table in council the annual report of the municipality for the year ended 30 June	
6	Make public the annual report and invite comments from the local community, submit report to the Auditor General, provincial treasury and provincial department responsible for local government	January
7	Place the annual report on the municipal website	
8	Consider and approve, reject or refer back the annual report at a council meeting	February
9	Adopt the oversight report providing comments on the annual report	
10	Discuss and respond to question on the annual report in council and committee meetings	
11	Submit minutes of meetings where the annual report was discussed to the provincial treasury and the department responsible for local government	March
12	Make public the oversight report	
13	Submit the annual report and the oversight report to the provincial legislature	
14	Report to council on the status of next three year budget, previous year's annual report and summarise overall findings of previous year's annual performance report	April
		T1.7



CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Introduction to Political Governance

The Thembelihle Local Municipality, situated in the Northern Cape Province, operates under a political governance structure defined by South Africa's local government legislation. The municipality is classified as a Category B municipality, indicating that it shares municipal collective and legislative authority with the district municipality within which it resides.

Municipal Council Composition

The municipal council comprises eleven members elected through a mixed-member proportional representation system:

- **Ward Councilors:** Six councilors are elected directly in six wards through a first-past-the-post voting system.
- **Proportional Representation Councilors:** Five councilors are selected from party lists to ensure that the overall composition of the council reflects the proportion of votes each party received in the election.

In the municipal election held on 1 November 2021, the African National Congress (ANC) secured five seats, losing its previous majority but remaining the largest party in the council. The Economic Freedom Fighters (EFF) holds three seats, the Democratic Alliance (DA) holds one seat, one seat held by Siyathemba Community Movement and the last seat held by Freedom Front Plus.

Leadership Positions

The key leadership positions within the municipality are:

- **Mayor:** Mr. Marnus S. Visser

- **Speaker:** Mr. Lifa J Mkosana
- **Chief Whip:** Mr. T Yola
- **Municipal Manager:** Ms. KG Gaborone

2.2. ADMINISTRATIVE GOVERNANCE

Administrative Leadership

- **Municipal Manager:** Ms. Kealeboga G. Gaborone was appointed effective 1 January 2025. Her duties include implementing council decisions, managing municipal staff, and ensuring compliance with relevant legislation and policies.
- **Chief Financial Officer (CFO):** This department was overseen by Mr. Radiile J Shuping as appointed CFO. Mr. Shuping resigned effective 31 December 2024. The council then appointed Mr. Lwazi B. Khapha as acting CFO who acted until the end of the financial year, his responsibilities include budgeting, financial reporting, and ensuring the municipality's financial sustainability.
- **Senior Manager Corporate Services:** Mr. Trevin R. Oliphant holds this position and is responsible for corporate governance and council affairs he was appointed 1 November 2019
- **Senior Manager Technical Services:** Mr. S. Marufu was appointed to this position. He resigned effective 30 September 2024. The position was filled from the 1 May 2025 by Mr. Mbulelo Z Duba who is responsible for infrastructure development and planning and the day-to-day running of the department

Administrative Departments

The municipality's administration is organized into various departments, each led by a senior manager. These departments are tasked with specific functions to ensure efficient delivery service:



- **Corporate Services:** Manages human resources, legal services, and administrative support to the council and other departments.
- **Technical Services:** Responsible for infrastructure development and maintenance, including water, sanitation, roads, and electricity.
- **Community Services:** Oversees community development initiatives, health services, and recreational facilities.
- **Financial Services:** Handles all financial matters, including revenue collection, expenditure management, and financial reporting.

Integrated Development Plan (IDP)

The municipality's strategic planning is guided by the Integrated Development Plan (IDP), which outlines development priorities and objectives over a five-year period. The IDP serves as a blueprint for sustainable development and service delivery, ensuring alignment with community needs and legislative requirements.

Legislative Framework

The administrative functions of the Thembelihle Local Municipality are governed by several key pieces of legislation, including:

- **Municipal Structures Act, No. 117 of 1998:** Defines the structures and functions of municipalities.
- **Municipal Systems Act No. 32 of 2000:** Provides the core principles, mechanisms, and processes necessary for municipalities to function effectively.
- **Municipal Finance Management Act, No. 56 of 2003:** Establishes the principles and framework for financial management within municipalities.



These legislative instruments ensure that the municipality operates within the legal parameters set by the South African government, promoting transparency, accountability, and good governance.

2.2 COMPONENT B:

2.2.1 INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality actively participated in the following District intergovernmental structures:

- District Political Intergovernmental Forum which is attended by Mayors of all municipalities within the District;
- District Technical Intergovernmental Forum which is attended by Senior managers of all municipalities within the District;
- District Technical Infrastructure Forum which is attended by Senior managers responsible for Basic Services and Infrastructure of all municipalities within the District;
- District Development Model Meetings

2.2.2 NATIONAL INTERGOVERNMENTAL STRUCTURES

National Treasury: Provides support for the preparation of annual financial statements, annual reports, and SDBIP.

Department of Water Affairs: Provides support for water services development plan.

COGHSTA: Providing continuous support in IDP training, LGTAS, development of National Key Performance Indicators for local government.

Department of Environmental Affairs: Provides support for all environmental issues and tourism.



Department of Minerals & Energy: Providing support on broad based socio-economic empowerment charter for South African Mining (Social and Labor Plans).

2.2.3 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipality actively participated in the following provincial intergovernmental structures:

- Premier's Intergovernmental Forum;
- Municipal Managers; and
- Chief Financial Officers Forums.

These meetings are held on a quarterly basis and are attended by political and administrative leadership of all provincial departments and municipalities.

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

There are systems in place to promote and enforce accountability, transparency and participation like public participation meetings which aim at consulting the community and involving them in decision making of the municipality.

The Municipality has the following responsibilities in terms of Accountability:

1. Frequent Engagements with communities
 - 1.1. At the start of each financial year the Municipal Council adopts a year plan.
 - 1.2. There are monthly ward committee meetings,
 - 1.3. Quarterly block meetings
 - 1.4. Ward Councilors Forum and
 - 1.5. Scheduled Council Meetings. (One General Council meeting per Quarter and Special Council Meetings as the need arise)
2. Managing Service Delivery Complaints



- 2.1. Structures such as Community Development Workers were established to assist the Municipality in dealing with this.
- 2.2. Municipality also have complaints registers at the different offices where the community can write it. Those registers are compiled into one and forwarded to the district and province department of COGHSTA.

3. Resolution Process

- 3.1. Complaints are referred to the relevant departments and portfolios within the Municipality.
- 3.2. Sector and Stakeholder briefing sessions are held.
- 3.3. Ward committees assist in the facilitation of processes and reporting.

4. Feedback Mechanisms

This is done in terms of the formation and systems within the municipality.

Due to political instability and vacancies in strategic positions the municipality could meet their responsibilities

2.3.2 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Council meets the people was held and was not attended as expected but the meeting was held in good spirit and the members present behaved unlike the previous meeting.

Five out of the 6 ward committees were established and functional. Plans in place to establish ward 6 committee in early 2025/2026 financial year.

Name and purpose of meeting	Date	Community attendance
Council meets the people	17-20 March 2025	316 Over all wards

1. Public Communication and Participatory Initiatives

- 1.1. At the beginning of each financial year the municipality approves the IDP/Budget Process Plan.

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1.2. The Office of the Mayor embarks on the IDP/Budget Public Participation Process- focus is on the Community needs and account for the priorities and commitments made in the previous financial year.

1.3. The Office of the Mayor liaises with other Stakeholders formations on the IDP/Budgetary Processes- establishment of the IDP Forum, Representative Forum etc.

2. Planning for Public Meetings

2.1. There are designated staff in the office of the Speaker to support and coordinate activities at the Ward level.

2.2. All meetings are held after normal working hours and over weekends unless so determined by extraordinary circumstances.

2.3. SDBIP – there is need for improvement

2.4. Is to be improved by 70%

2.5. Community Structure which often participate in the processes are political parties, NGO's

2.6. Efficiency and Effectiveness of the Forums is enhanced through improved coordination, planning, mobilization, support, report and feedback.

IDP Participation and Alignment Criteria	Yes / No
Does the municipality have impact income input output indicators	Yes
Does the IDP have priorities, objectives KPI's, development strategies	Yes
Does the IDP have multi-year targets	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPI's in the strategic plan	No
Do the IDP KPI's align to the Section 56 Managers	Yes



Do the IDP KPI lead to functional area KPI as per the SDBIP	Yes
Were the indicators communicated to the public	No
Were the four quarter aligned reports submitted within stipulated timeframe?	No

3. Municipal Website

- 3.1. All Departments and Portfolio submit reports, programme, events and activities to the marketing and corporate communications department are to be posted on the website immediately after adoption and approval.

2.4 COMPONENT D: CORPORATE GOVERNANCE

2.4.1 OVERVIEW OF CORPORATE GOVERNANCE

During the 2024/2025 financial year the municipality appointed a Risk and Compliance Officer that needs to attend to Risk Management, Compliance Fraud related matters, and the municipality are in the process to ensure that this will be addressed. It will unfold as follows.

2.4.2 RISK MANAGEMENT

Risk Management at Thembelihle Local Municipality is a critical component of good governance and corporate accountability. It involves identifying, assessing, and mitigating risks that could impact the municipality's ability to deliver on its mandate of providing quality services to its residents. In the period under review the municipality have appointed a Risk and Compliance Officer to deal with issues relating to Risk. Below is an overview of the municipality's risk management practices:

Risk Management Framework



Thembelihle Local Municipality employs a structured Risk Management Framework aligned with the guidelines of the Municipal Finance Management Act (MFMA) and other applicable legislation. This framework ensures a consistent approach to risk identification, assessment, monitoring, and mitigation.

Key Elements of Risk Management

- **Risk Identification:** The municipality identifies potential risks that could affect its strategic, operational, and financial objectives. These risks are categorized into areas such as financial, operational, compliance, environmental, and reputational risks.
- **Risk Assessment:** Identified risks are analyzed based on their likelihood and potential impact, prioritizing those that pose the greatest threat to the municipality's objectives.
- **Risk Mitigation:** Strategies are developed to minimize or eliminate risks, including implementing controls, policies, and procedures.

Governance Structures

- **Risk Management Committee (RMC):** Thembelihle is in the process to establish this committee. It will oversee the municipality's risk management processes and ensure integration into all operations.
- **Internal Audit Unit:** Conducts audits to assess the effectiveness of risk management practices and compliance with policies. This is done through the Pixley ka Seme District Municipality shared service agreement. Assessments for all four quarters as per internal audit plan were undertaken.
- **Audit and Performance Committee (APC):** Provides independent oversight of risk management and internal controls. This committee is functional and met during all four quarters under the leadership of Mr. Snyders.

Top Risks Identified



The municipality regularly identifies and updates its list of top risks. Typical risks may include:

- Financial constraints and budget shortfalls.
- Service delivery backlogs.
- Compliance with legislative mandates.
- Roads are in poor condition because of poor delivery service.
- No proper machinery and resources (human and otherwise) available for the maintenance of roads and stormwater.
- Non-compliant Land fill sites.
- Environmental challenges and climate change impacts.

Monitoring and Reporting

Risk management activities are continuously monitored, with regular reports submitted to the Council and Internal Audit. This function is in the office of the Municipal Manager and is dealt with by new newly appointed Risk and Compliance ` officer.

By proactively managing risks, Thembelihle Local Municipality aims to safeguard resources, enhance operational efficiency, and maintain public trust.

2.4.3 LEGAL SERVICES

INTRODUCTION TO LEGAL SERVICES

LEGAL SERVICES

The Municipality does not have a separate division with personnel to attend to legal services. The Legal Services division/function delivers a supporting function to all directorates in the municipality. The division forms part of the Office of the Municipal Manager. This office handles all requests for legal advice and legal aid in respect of municipal matters. Some of these services are also outsourced or contracted.



Chapter 2

This office is also responsible for the contracts of the municipality. A number of new contracts were concluded and contracts that expired were renewed.

2.5 COMPONENT E: CORPORATE GOVERNANCE

2.5.1 SUPPLY CHAIN MANAGEMENT

The SCM related Policies has been developed and has been adopted by the council. It is reviewed annually. There have been improvements in the implementation of the SCM policy as per the SCM implementation checklist. Of the 21 compliance items listed on the SCM implementation checklist. All term contracts entered into, except for Banking, do not exceed a period of three years which is in line with MTREF of the Municipality.

The Municipality has amended the Supply Chain Management Policy to comply with the Revised Preferential Procurement Regulations of 2022 that were implemented from 16 January 2023.

Procedures, processes and documentation were reviewed and amended to comply with all the legal requirements. All officials were required to meet the minimum competency levels and have completed their training. Audit findings related SCM, drastically reduced as only one finding, relating the Banking Contract, were raised. The finding raised are currently being reviewed on the Audit Action Plan and measures have been put in place to resolve it.

2.5.2 BY-LAWS

The following by-laws were passed during the year under review

- Land Use Scheme
- Spatial Development Framework

2.5.3 WEBSITES

The municipal website **www.thembelihlemunicipality.gov.za** came online during July 2013 and is an integral part of a municipality's communication infrastructure and strategy.



It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

2.5.4 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality did not in this financial year do a formal public satisfaction survey

Satisfaction Surveys Undertaken during: 2023/24 and 2024/25				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*)
Overall satisfaction with:	No survey has been done	N/A	N/A	N/A
(a) Municipality	No survey has been done	N/A	N/A	N/A
(b) Municipal Service Delivery	No survey has been done	N/A	N/A	N/A
(c) Mayor	No survey has been done	N/A	N/A	N/A
Satisfaction with:				
(a) Refuse Collection	No survey has been done	N/A	N/A	N/A
(b) Road Maintenance	No survey has been done	N/A	N/A	N/A
(c) Electricity Supply	No survey has been done	N/A	N/A	N/A
(d) Water Supply	No survey has been done	N/A	N/A	N/A
(e) Information supplied by municipality to the public	No survey has been done	N/A	N/A	N/A
(f) Opportunities for consultation on municipal affairs	No survey has been done	N/A	N/A	N/A
<i>* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory</i>				T2.11.2

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

3.1 Municipal Functions

Thembelihle Local Municipality operates under the mandates outlined in the Municipal Structures Act, No.117 of 1998, which assigns specific powers and functions to local governments.

These functions include:

- **Service Delivery:** Provision of basic services such as water, electricity, sanitation, and waste management to residents.
- **Infrastructure Development:** Maintenance and development of local roads, public facilities, and community amenities.
- **Local Economic Development (LED):** Implementation of strategies to promote economic growth and development within the municipality.
- **Spatial Planning and Land Use Management:** Development and enforcement of spatial development frameworks and land use schemes in accordance with the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).
- **Environmental Management:** Ensuring sustainable environmental practices and compliance with environmental legislation.



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2024/25**

3.3 COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.3.1 INTRODUCTION TO CORPORATE SERVICES

Corporate services provide support services to all departments and employees, as well as political offices, i.e., the office of the speaker and the office of the executive mayor.

It provides needed support services based on specialized knowledge, best practices, to advise and serve internal directorates on issues of governance and external clients.

3.3.2 SERVICE DELIVERY AND PERFORMANCE ANALYSIS

CREATING A CULTURE OF PERFORMANCE

PERFORMANCE FRAMEWORK

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by Council.

IMPLEMENTATION OF PERFORMANCE MANAGEMENT

The IDP for 2024/25 was compiled and approved by the council with the budget for 2024/25 Council on 29 May 2024. The Organisational performance is evaluated by means of a municipal scorecard at Organisational which is linked to the SDBIP at Departmental level.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

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MONITORING OF PERFORMANCE

The SDBIP was as the source document for the departmental scorecards, these scorecards formed part of the performance agreements of the senior managers of the municipality. The municipality then monitors the progress on execution of these scorecards on a quarterly basis, of which two, the mid-term and final evaluation are formal, the other two are informal.

OVERALL SERVICE DELIVERY PERFORMANCE



Total number of targets:	58
Achieved	40
Not achieved	18

3.3.3. SUMMARY AND CHALLENGES

The early indications are that the performance against the output of the departments as captured in the Service Delivery Budget Implementation Plan is not on track but will be achieved. The Municipality are still struggling with insufficient funding to address backlogs such as sanitation and housing.

Attached as Appendix B 1- 4 is the audited scorecard of the departments. The Municipality has three departments:

- Municipal Manager
- Technical and Infrastructure Development
- Corporate and Community Services
- Finance

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The Municipality is preparing an adjustment budget, and this indicates that the SDBIP will also be adjusted. The Municipality will then consider the revision of the KPI's that are of the list of "not on track and will not be achieved" in the scorecard. This process will be completed by 28 February 2026.

3.4 FINANCIAL PERFORMANCE ANALYSIS

3.4.1 FINANCIAL SERVICES

INTRODUCTION

The Municipal Manager, as the Accounting Officer of the Municipality is required by Section 72 of the Municipal Finance Management Act to submit a report in a prescribed format to the Mayor, National Treasury as well as Provincial Treasury of the Municipality by 25 January each year, reviewing the financial performance of the Municipality for the first six months of the financial year.

This mid-year report is an accounting tool in the in-year reporting cycle. As part of the review, in terms of Section 72(3), the Accounting Officer needs to make recommendations as to whether the SDBIP and annual budget (both capital and operational) need to be adjusted.

Section 54(f) of the MFMA requires the mayor to consider and submit the mid-year report to Council.

A Special Council Meeting will be held in January 2025 to consider the Mid-Year Budget and Performance Assessment Report, and the following resolution was taken on this matter:

3.4.2 FINANCIAL HEALTH OVERVIEW

In terms of budget implementation, the municipality also performed poorly. Total actual operating expenditure for the year amounted to 128% of the budgeted amount, whilst the. The actual revenue received represents 89% of the budgeted figure. The spending on the capital budget for the year amounted to 69% of the total capital budget. This reflects negatively on the municipality's ability to 100% produce a realistic, credible and funded budget.

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The main area of concern during this financial year remained the collection rate, which stood at 63% at year end, against a National Treasury norm of 95%. Specific and focused efforts are required to improve the collection rate in the next financial periods in order to ensure the financial sustainability of the municipality.

The cash flow situation of the Municipality on 30 June 2025 reflected that cash and cash equivalents were reduced when compared to the balance at the end of 2023/24 financial year.

Thembelihle Local Municipality

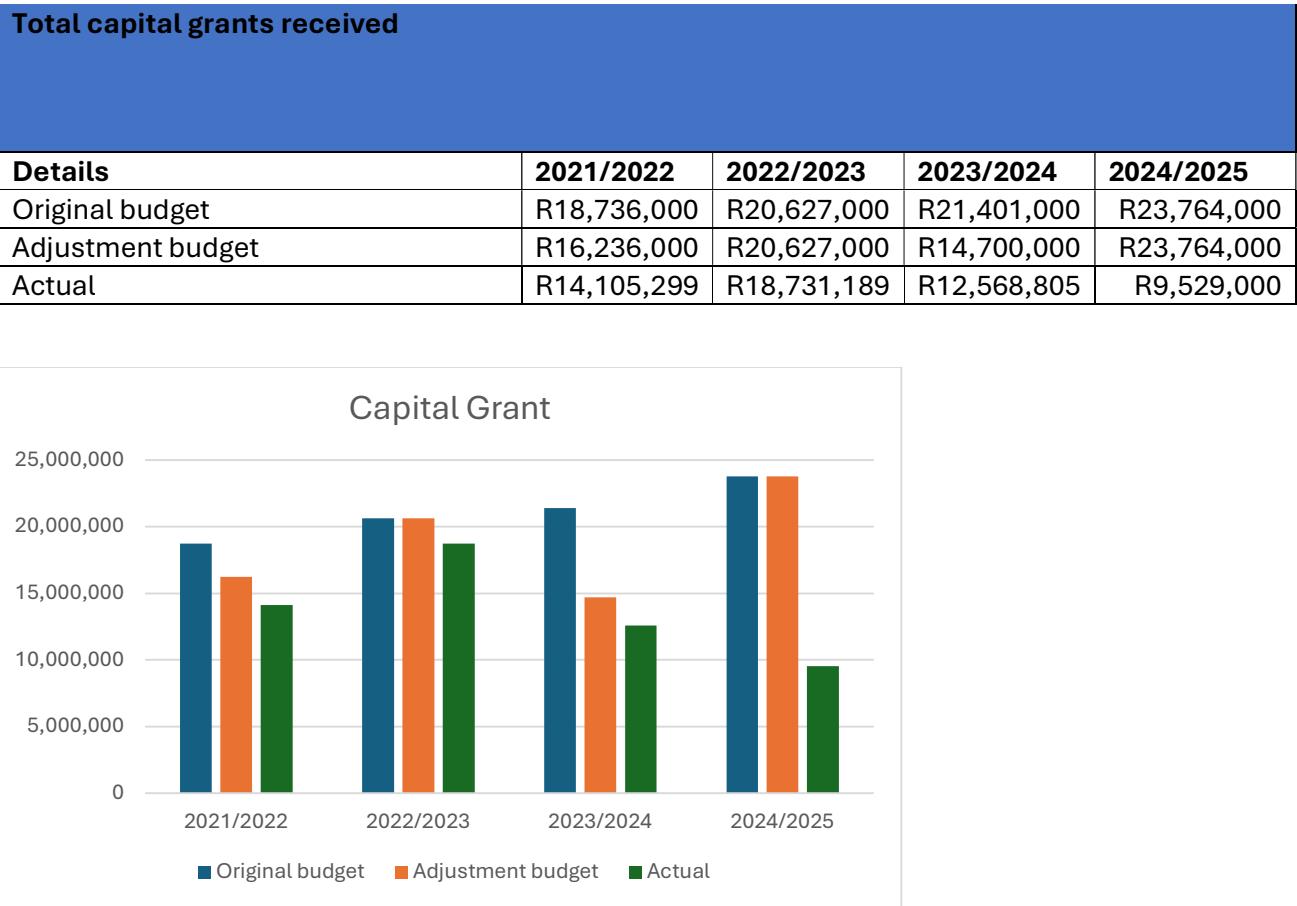
(Registration number NC076)
 Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates		14,415,271	8,142,261
Sale of goods and services		1,664,732	145,217,379
Grants		49,591,288	56,142,805
Interest income		8,654,815	6,426,857
		<u>74,326,106</u>	<u>215,929,302</u>
Payments			
Employee costs		(48,315,540)	(43,846,238)
Suppliers		(15,477,537)	(145,763,781)
Finance costs		(4,704,338)	(17,917,237)
		<u>(68,497,415)</u>	<u>(207,527,256)</u>
Net cash flows from operating activities	47	5,828,691	8,402,046
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(5,720,172)	(12,129,225)
Proceeds from sale of property, plant and equipment	10	-	219
Purchase of other intangible assets	11	(59,995)	-
Net cash flows from investing activities		(5,780,167)	(12,129,006)
Cash flows from financing activities			
Finance lease payments		(216,450)	(331,521)
Net increase/(decrease) in cash and cash equivalents		(167,926)	(4,058,481)
Cash and cash equivalents at the beginning of the year		219,806	4,278,287
Cash and cash equivalents at the end of the year	8	51,880	219,806

Expenditure Trends: In the 2024/2025 FY financial year, audited employee costs reached R42,551,688 (49% of total revenue), compared to R39,120,180 (34% of total revenue), in 2023/2024 FY. Remuneration for councilors was reported at R5,945,408 for 2024/2025 FY and R6,011,393 for 2023/2024 FY.

Thembelihle Local Municipality Final-year Budget and Performance Report: 2024/25



The municipality expensed 69% on its capital budget that was funded from National Fund. Cash management needs to improve. Conditional grant funding should be used for its intended purpose.

CASH MANAGEMENT

Revenue is collected when it is due and banked promptly.

- Payments are made, including transfers, no earlier than necessary, with due regard for efficient, effective and economical delivery and the municipality's normal terms for account payments.
- Debtors are perused with appropriate sensitivity and rigor to ensure that amounts receivable by the municipality are collected and banked promptly.
- Bank reconciliation is performed on a monthly basis to detect any unauthorized entries.

**Thembelihle Local Municipality Final-year Budget and Performance Report:
2024/25**

OUTSTANDING DEBTORS

As per the outstanding debtor balances below the outstanding debtors as 30 June 2025, analyzing age of debtors by income source and number of days outstanding.

Outstanding debtors to the amount of R 132 187 775 is a serious concern for the municipality. It is evident that the debt collection measures must be instituted as a matter of urgency

CONSUMER DEBTORS – EXCHANGE

Gross balances	2025	2024
Electricity	12,955,354	12,644,312
Water	40,430,047	40,663,428
Waste management	18,506,146	18,354,212
Waste water management	31,575,053	31,474,379
Other arrears	3,969,690	4,368,577
Housing rental	2,267,674	2,107,619
Other receivables	762,433	762,433
	110,466,397	110,374,960

CONSUMER DEBTORS – NON-EXCHANGE

Gross balances	2025	2024
Consumer debtors - Rates	21,721,378	19,951,312

PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	92,128,305	63,688,704
Advance payments	2,207,197	2,086,530
Eskom Debt Relief	-	33,923,576
Other payables	4,576,733	4,328,928
Retentions	4,472,711	4,592,008
	103,384,946	108,619

Thembelihle Local Municipality Final-year Budget and Performance Report:
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Adjustment Budget

After the 2024/2025 Mid-year assessment and performance (Section 72) outcomes, it was depicted that an adjustment budget was necessary. Therefore, the following adjustments on operating Revenue and Expenditure were performed:

Nature	Original Budget	Adjustments	Final Budget
Operating Revenue	140,167,740	(28,331,930)	111,835,810
Operating Expenditure	(117,815,437)	3,548,513	(114,266,924)

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

The main purpose of Organization Development is to provide training and development interventions with the aim of increasing the competencies of officials so that services can be rendered effectively

COMPONENT G: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Name	EMPLOYEES				
	2023/2024	2024/2025			
	Employees No.	Approved Posts	Employees No.	Vacancies No.	Vacancy %
Speakers Office	-	2	1	1	50%
Mayoral Office	5	5	5	0	0.00%
Municipal Managers Office	5	9	5	4	44%
Finance Department	19	32	17	15	46.88%
Corporate Services Department	28	26	12	16	61.00%
Technical Department	45	51	26%	25	49.02%
		22	19	3	13.64%

Community Services					
Total	102	148	101	47	31.76

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in Chapter 3 employee. Employee and Approved posts numbers are on 30 June 2025.

Vacancy Rate 2024/2025 Financial Year (Senior and Middle Management)			
Designations	Total Approved Post No	Vacancies (Total time that vacancies exist using fulltime equivalent) No	Vacancies
Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Managers (Excluding Finance Posts) Senior Manager Corporate Services and Senior Manager Technical Services)	3	0	1
	0	0	0

Other S57 Managers (Finance Posts)			
Traffic Officers	4	0	0
Fire Fighters	0	0	0
Middle Management Level 13-15 (Excluding Finance Post)	6	0	8
Highly Skilled Supervision Supervision Level 9 - 12 (Excluding Finance Posts)	2	0	0
Highly Skilled Supervision Level 9- 12 (Finance Posts)	5	0	0
Total	23	0	10
Turn-over Rate			
Details	Total appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-Over Rate
2024/2025	19	9	75%

COMMENT ON VACANCIES AND TURNOVER

The position of Municipal Manager became vacant as of January 2022. The municipality has since advertised the position to be filled in the 2023/2024 financial year and officially filled the completed the recruitment and selection process and appointed the Municipality with effect from 1 January 2025.

The position of Senior Manager Technical Services became vacant on the 30 September 2024 and the municipality completed the recruitment and selection process on the 30 April 2025 and the appointment for the new Senior Manager Technical services were affected from 1 May 2025.

The position of Chief Financial Officer became vacant on the 31 December 2024 and the Municipality appointed an Acting Chief Financial Officer for a period of three months. The acting appointment was extended for another three months while the recruitment and selection process was ongoing. The Municipality officially completed the recruitment and selection process and appointed the Chief Financial Officer with effect from 1 July 2025.

Because Thembelihle Local Municipality is a rural municipality, it is difficult to obtain the appropriate internal staff to fill Senior Management vacancies. The position of Chief Financial Officer and Senior Manager Technical Services has been vacant for longer than six months.

The vacancies are recorded on a software system and the rate has no reason for concern. Finally, the organogram was approved by Council on the 28 August 2025 and refer to the Office of the Member of Executive (MEC) for review and the municipality is still waiting for feedback.

This will mean that once the organogram is approved it will have to be reloaded onto the software system and carefully monitored with our software system (pay-roll system) to ensure that there are no discrepancies.

4.2 COMPONENT H: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The primary objective of Human Resource Management is to render an innovative Human Resource service that addresses both skills development and administrative function as approved in the staff establishment.

4.2.1 POLICIES

The Human Resource Section regularly reviews existing policies and procedures in addressing all human resource related matters and any challenges faced by the Municipality. One of our biggest challenges remains the recruitment and retention of skilled technical staff in order to meet the Municipality's objectives as set out in the IDP.

Recruitment includes headhunting technical staff based on the provisions of the recruitment and selection policy.

COMMENT ON WORKFORCE POLICY DEVELOPMENT

Municipalities fall under the scope of the South African Local Government Association (SALGA); accordingly, the policy environment for municipalities, including Thembelihle Local Municipality, is regulated by the South African Local Government Bargaining Council (SALGABC) agreements. Given that municipalities exercise legislative and executive authority in terms of Chapter 7 of the Constitution of the Republic of South Africa (1996, as amended), read in conjunction with the legislative framework on co-operative governance, municipalities adopt policies and procedures to regulate the policy lacuna of the SALBC framework, for instance section 151(3) of the Constitution

provides that “a Municipality has the right to govern on its own initiative, the local affairs of its community, subject to national and provincial legislation...”. Accordingly, the policy schedule referred to under 4.2.1 reflects this dialectical interrelationship between policies adopted by the SALBC and the municipality for the applicable period. The local government legislative framework, including but not limited to the following legislation regulates other policies:

- Constitution of the Republic of South Africa (Act No. 108 of 1996, as amended)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (referred to hereafter as the MFMA)
- Local Government: Municipal Structures Act (Act No. 117 of 1998)
- Local Government: Municipal Systems Act (Act No. 32 of 2000, as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Basic Condition of Employment Act (Act No. 75 of 1997, as amended)
- Labor Relations Act (Act No 66 of 1995, as amended)
- Occupational Health and Safety Act (Act No. 85 of 1993, as amended)
- Skills Development Act (Act No. 97 of 1998, as amended)

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	100%	
2	Attraction and Retention	Draft	100%	
3	Code of Conduct for employees	100%	100%	
4	Delegations, Authorisation & Responsibility	100%	100%	
5	Disciplinary Code and Procedures	100%	100%	
6	Essential Services		100%	
7	Employee Assistance / Wellness	100%	100%	
8	Employment Equity	100%	100%	
9	Exit Management		100%	
10	Grievance Procedures	100%	100%	
11	HIV/Aids	100%	100%	
12	Human Resource and Development	Draft	Draft	
13	Information Technology		100%	
14	Job Evaluation	100%	100%	
15	Leave	100%	100%	
16	Occupational Health and Safety	Use the Act	Use the Act	
17	Official Housing			
18	Official Journeys	100%	100%	
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100%	100%	
21	Organisational Rights	Collective Agreement	100%	
22	Payroll Deductions	Collective Agreement	Collective Agreement	
23	Performance Management and Development	100,00%	100%	
24	Recruitment, Selection and Appointments	100%	100%	
25	Remuneration Scales and Allowances	Collective Agreement	Collective Agreement	
26	Resettlement			
27	Sexual Harassment	Draft	Draft	
28	Skills Development	100%	100%	
29	Smoking		100%	
30	Special Skills		100%	
31	Work Organisation		100%	
32	Uniforms and Protective Clothing	Use Act	Use Act	
33	Asset Management	100%	100%	
34	Ward Committee	100%	100%	
Use name of local policies if different from above and at any other HR policies not listed.				

T4.2.1

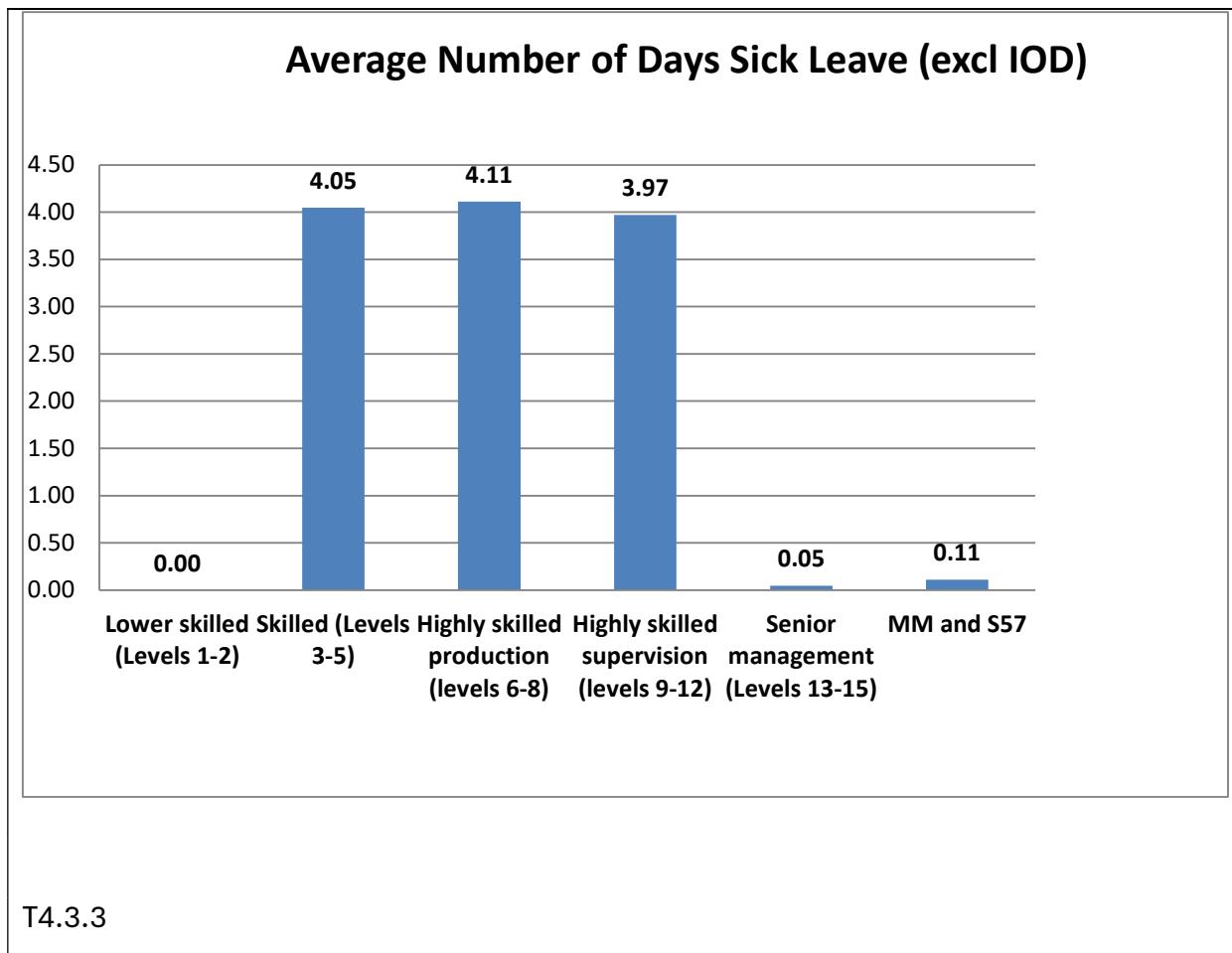
4.3 INJURIES, SICKNESS AND SUSPENSIONS

In terms of injury on duty SPM is unable to prematurely calculate injuries on duty (IOD) for any future injuries.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	0	0%	0	0	0,00	
Skilled (Levels 3-5)	510	95%		77	4,05	
Highly skilled production (levels 6-8)	518	65%		35	4,11	
Highly skilled supervision (levels 9-12)	500	55%		10	3,97	
Senior management (Levels 13-15)	6	0%		1	0,05	
MM and S57	14	10%		3	0,11	
Total	1548	38%	0	126	12,29	0

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T4.3.2



COMMENT ON INJURY AND SICK LEAVE

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Occupational injury will influence the loss of man hours according to the seriousness of the injury/disease and can be costly to the municipality based on the financial and productivity performance. The number of days of sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

4.4 SUSPENSION AND DISCIPLINARY MATTERS

Number and Period of Suspensions and Disciplinary Matters				
Position	Nature of Alleged Misconduct	Date of	Details of disciplinary action taken or status of Case and Reasons why not finalized	Date Finalized
Senior Supervisor: Water	Absent from duty without permission for leave	14-Jun-24	Twelve months final written warning	May-25

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

There is a tendency by the accused employees to contest their cases in the SALGBC and Labor Court. No disciplinary cases of financial misconduct took place in the municipality according to Section 171 – 173 of the MMFA.

4.5 PERFORMANCE REWARDS

The performance of the year 2024/2025 did not take place due to no policy in place.

Designations	Performance Rewards By Gender				
	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	0	0	0	
	Male	0	0	0	
Skilled (Levels 3-5)	Female	0	0	0	
	Male	0	0	0	
Highly skilled production (levels 6-8)	Female	0	0	0	
	Male	0	0	0	
Highly skilled supervision (levels 9-12)	Female	0	0	0	
	Male	0	0	0	
Senior management (Levels 13-15)	Female	0	0	0	
	Male	0	0	0	
MM and S57	Female	0	0	0	
	Male	0	0	0	
Total					
Has the statutory municipal calculator been used as part of the evaluation					Yes/No
<p>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>					

T4.4.1

COMMENT ON PERFORMANCE REWARDS

The municipality does not budget for performance awards; however, the Reward and Incentive Policy are under review. After thorough consultation and finalization, the policy will be presented to committees of Council for approval.

4.6 COMPONENT I: CAPACITATING THE MUNICIPAL WORKFORCE

4.6.1 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipal Systems Act, 2000 Section 68 (1) requires the municipality to develop human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

During this year the relationship with LGSETA has improved, however, the major challenge is with the implementation of training and development in the inability of the LGSETA to communicate the amount of grant payments to be received as well as when such payments will be made which hampers the effective planning and implementation of training.

This indirectly affects the perception and attitude of the officials towards training. The problem of employees not attending training once being nominated was discussed on several occasions. The trend however remains unchanged. The emphasis on future training is still to implement PIVOTAL training that is aimed at participants receiving fully accredited qualifications relevant to the work they are doing.

4.6.2 SKILLS DEVELOPMENT AND TRAINING

E2. Total Planned Training Beneficiaries for 1 May 2025 - 30 April 2026

LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	To improve performance and compromised service delivery thereby targeting low skills base within the municipality by developing and implementing a vibrant work skills plan.	2	12	14	40	40	80
Enhancing Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To improve operations and maintenance capacity of the municipality and its infrastructure through planning and implementation by ensuring 100% alignment of O & M Budgeting and implementation	10	25	35	30	30	60
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	To strengthen service delivery budget by sourcing extra funds.	10	10	20	10	10	20
Enhancing	Municipal	To improve poor	5	5	10	5	5	10

D1. Employee Movement Between 1 May 2025 - 30 April 2026

Occupational Category	OFO Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	> 55	Total	Non-South Africans	Never Worked	Graduates	
			1	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0	1	0	1	0
2021-1 -	2021-111203-5	MANAGERS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	1	0
2021-1 -	2021-134702-9	MANAGERS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	1	1	0
MANAGERS Totals			2	0	0	0	0	0	0	0	2	0	0	0	0	0	1	1	0	2	0	0	0	2
2021-2 -	2021-213205-7	PROFESSIONALS	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0	1	1	0
2021-2 -	2021-213105-11	PROFESSIONALS	0	1	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	1	1	0
PROFESSIONALS Totals			0	1	0	0	1	0	0	0	2	0	0	0	0	0	2	0	0	2	0	0	0	2
2021-3 -	2021-311201-4	TECHNICIANS AND ASSOCIATE PROFESSIONALS	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0	1	1	0
2021-3 -	2021-311301-6	TECHNICIANS AND ASSOCIATE PROFESSIONALS	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0	1	1	0
2021-3 -	2021-325201-9	TECHNICIANS AND ASSOCIATE PROFESSIONALS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	1	1	0
2021-3 -	2021-311801-11	TECHNICIANS AND ASSOCIATE PROFESSIONALS	1	0	0	0	1	0	0	0	2	0	0	0	0	0	1	1	0	2	0	2	2	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS Totals			2	0	0	0	3	0	0	0	5	0	0	0	0	0	3	2	0	5	0	0	0	5

E3. Total Actual Adult Education and Training beneficiaries to be trained from 1 May 2025 - 30 April 2026

AET Level	Female LGSETA funded - Employed	Female Other funded - Employed	Male LGSETA funded - Employed	Male Other funded - Employed	Total	Female LGSETA funded - Unemployed	Female Other funded - Unemployed	Male LGSETA funded - Unemployed	Male Other funded - Unemployed	Total
AET Level 1	0	0	0	0	0	0	0	0	0	0
AET Level 2	0	0	0	0	0	0	0	0	0	0
AET Level 3	0	0	0	0	0	0	0	0	0	0
AET Level 4	0	0	0	0	0	0	0	0	0	0
National Senior Certificate	1	0	0	0	1	0	0	4	0	4
Totals	1	0	0	0	1	0	0	4	0	4

E4. Total Planned Workplace Training systems beneficiaries from 1 May 2025 - 30 April 2026

Type	Female Beneficiaries	Male Beneficiaries	Total	Total number of training interventions	Total number of training interventions funded by LGSETA
Skills Development Facilitator	0	1	1	1	1
Local Labour Forum	5	5	10	1	1
Training Committee	0	0	0	1	1
Totals	5	6	11	3	3

**E5. NUMBER OF PLANNED TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE
for 1 May 2025 - 30 April 2026 - EMPLOYED**

Occupational Category	OFO Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	<35	35 to 55	>55	Total
2021-1	2021-111101-8	MANAGERS	2	0	0	1	4	2	0	1	10	0	0	0	0	0	2	8	0	10
2021-1	2021-111101-9	MANAGERS	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
2021-1	2021-111203-5	MANAGERS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1
2021-1	2021-112101-3	MANAGERS	1	0	0	0	1	0	0	0	2	0	0	0	0	0	0	2	0	2
2021-1	2021-121201	MANAGERS	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	1	0	1
2021-1	2021-134702-9	MANAGERS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1
MANAGERS Totals			5	0	0	1	6	3	0	1	16	0	0	0	0	0	3	13	0	16
2021-2	2021-213105-11	PROFESSIONALS	0	1	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1
2021-2	2021-213205-7	PROFESSIONALS	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1
2021-2	2021-216401-3	PROFESSIONALS	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1
2021-2	2021-	PROFESSIONALS	1	1	0	0	1	2	0	0	5	0	0	0	0	0	0	5	0	5

Occupational Category	OFO Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	<35	35 to 55	>55	Total
	831313	OCCUPATIONS																		
2021-8	2021-831313-2	ELEMENTARY OCCUPATIONS	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	1	0	1
2021-8	2021-861101-3	ELEMENTARY OCCUPATIONS	0	0	0	0	4	7	0	0	11	0	0	0	0	0	0	11	0	11
2021-8	2021-861301-2	ELEMENTARY OCCUPATIONS	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	1	0	1
ELEMENTARY OCCUPATIONS Totals			2	0	0	0	7	11	0	0	20	0	0	0	0	0	1	16	3	20
Totals			17	9	0	1	23	28	0	1	79	0	0	0	0	0	18	54	7	79

E6. List of learning interventions by name - Employed

LGSETA Strategic Focus Area	Municipal Key Performance Area	Skills Gap	Type of learning intervention	Programme Name	Programme Code	OFO Code	Occupational Category	Name of learning intervention (Other)	Work Experience	NQF Level	Funded By	Number trained in this learning intervention
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Public Administration	Qualifications	Postgraduate Diploma in Public Management	115924	2021-111101-8 Councillor	2021-1 MANAGERS	None	3 Years	NQF Level 8	Discretionary Grant	1
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Public Management	Bursaries	Bachelor of Public Management	15397	2021-111101-8 Councillor	2021-1 MANAGERS	None	5 Years	NQF Level 7	Discretionary Grant	1
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Public Management	Bursaries	Bachelor of Public Administration	62151	2021-111101-8 Councillor	2021-2 PROFESSIONALS	None	3 Years	NQF Level 7	Discretionary Grant	1
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Public Administration and Management	Bursaries	Master of Public Administration	72808	2021-111203-5 Municipal Manager	2021-1 MANAGERS	None	23 Years	NQF Level 9	Discretionary Grant	1
Enhancing Good Governance, Leadership and Management Capabilities	Good Governance and the linking of democracy	Public Administration	Qualifications	BACHELOR OF ARTS HONOURS IN PUBLIC ADMINISTRATION	114183	2021-121902 Corporate Services Manager	2021-1 MANAGERS	None	9 Years	NQF Level 8	Discretionary Grant	1
Enhancing Municipal Planning	Municipal Transformation and Institutional Development	Financial auditing for Internal Auditors - Public Sector	Bursaries	Certificate: Municipal Financial Management	48965	2021-132102-2 Plant Superintendent	2021-4 CLERICAL SUPPORT WORKERS	None	3 Years	NQF Level 6	Discretionary Grant	5
Promoting Sound Financial Management & Financial Viability	Municipal Financial Viability and Management	Budgeting and Reporting	Bursaries	BACHELOR OF COMMERCE HONOURS (ACCOUNTING)	113740	2021-241102-3 Budget Accountant	2021-2 PROFESSIONALS	None	2 Years	NQF Level 7	Discretionary Grant	3
Enhancing Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	Water Reticulation	Learnership	Water Process Controller	32Q320192171813	2021-711201-37 Plant Operator	2021-7 PLANT AND MACHINE OPERATORS AND ASSEMBLERS		10 Years	NQF Level 4	Discretionary Grant	5

E7. NUMBER OF PLANNED TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE
for 1 May 2025 - 30 April 2026 - UNEMPLOYED

COMMENT ON SKILLS' DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipality recently completed the recruitment and selection process for the interns in the finance department and this means that all interns are required to complete the municipal finance management programme before their contracts of employment can complete.

All staff that are indicated as in progress shall complete the MFMP training, ahead of the expiry date of the exemption. The municipality provides all the necessary resources to ensure that staff complete the training on time.

4.7 COMPONENT J: MANAGING THE WORKFORCE EXPENDITURE

4.7.1 INTRODUCTION TO WORKFORCE EXPENDITURE

The employee expenditure is based on the approved Organisational structure in terms of Council Resolution. Vacant funded positions were identified Organisational structure. Unfunded vacant positions were not considered in the Organisational structure except in a case where vacancy rate had to be calculated. Positions in the organogram were not funded. Employee benefits are determined through the Recruitment and Selection Policy. The municipality remunerates its employees using the Tuned Assessment of Skills and Knowledge (TASK).

The total remuneration is determined by the level of the position. It can be seen from the table below that the spending on employee costs had increased significantly from 2023 to 2024 and 2024 and 2025 as a result of the above.

COMMENT ON WORKFORCE EXPENDITURE:

The realization of the vision of the municipality, that of offering affordable services to the people depends on the optimal usage of human resource capital as employed by the municipality.

For the type and quality of work performed, strong supervisory controls are a prerequisite to successful delivery of service in a cost-effective manner. Further to this, management has realized that consequence management is integral to the gains needed in as far as quality, turnaround time and serving people. Employee earnings have significantly improved, and this contributes to attraction and retention of skills. To ensure consistency and cost containment, it is becoming imperative that the municipality develops a remuneration policy for Senior Managers, professionals and Engineers.

The policy must also cover employee benefits that are being offered to all staff and councilors of the municipality. Due to liquidity constraints, management implemented controls in the filling of vacancies in the organization. This has seen better control over the growth of the employee budget for the period. In implementing this strategy, a differentiation is made amongst critical managerial, critical professional and service delivery related positions to ensure that we meet the needs of the customers and fulfil our mandate of providing access to basic services

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of</i>		T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A				
T4.6.3				

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/A				
T4.6.4				

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

The municipality does not upgrade positions. The level of positions changes due to the outcome of the Job Evaluation process. The municipality has no employees who were appointed in positions that are not on the approved staff establishment of the municipality. The municipality does not upgrade posts as it is not normal practice

Accessibility indicators	Explore whether the intended beneficiaries can access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by the council or a provincial or national executive.
Baseline	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.

Basic municipal service	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 public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

Inputs	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.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries 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".
Outputs	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.

Performance Indicator	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 output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic terms for non-financial information about municipal services and activities. It can also be used interchangeably with performance measures.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and their 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.
Service Delivery Budget Implementation Plan	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.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriate for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriate for the purposes of the department or functional area concerned</i></p>

APPENDIX A1: STATEMENT OF FINANCIAL POSITION: JUNE 2025

Thembelihle Local Municipality

(Registration number NC076)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand

	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	78,924	52,774
Loans to directors, managers and employees		24,906,828	22,343,514
Receivables from non-exchange transactions	4&5	3,567,736	9,881,673
Receivables from exchange transactions	6	21,568,407	20,640,892
VAT receivable	7	30,028,221	24,951,940
Prepaid expenses	64	286,738	-
Cash and cash equivalents	8	51,880	219,806
		80,488,734	78,090,599
Non-Current Assets			
Investment property	9	22,969,996	22,727,011
Property, plant and equipment	10	232,147,969	238,188,779
Intangible assets	11	83,049	42,621
		255,201,014	260,958,411
Total Assets		335,689,748	339,049,010
Liabilities			
Current Liabilities			
Other financial liabilities	12	2,181,651	1,448,242
Payables from exchange transactions	13	103,384,946	108,619,746
Employee benefit obligation	14	5,042,827	5,337,282
Unspent conditional grants and receipts	15	5,774,033	5,656,046
Provisions	16	912,753	912,753
Consumer deposits	17	842,570	815,817
		118,138,780	122,789,886
Non-Current Liabilities			
Other financial liabilities	12	1,286,410	1,817,487
Finance lease obligation	18	225,382	445,209
Employee benefit obligation	14	6,628,011	6,770,000
Provisions	16	3,377,224	4,563,766
Trade and other payables from exchange transactions	19	124,286,286	78,508,445
		135,803,313	92,104,907
Total Liabilities		253,942,093	214,894,793
Net Assets		81,747,655	124,154,217
Accumulated surplus		56,840,827	101,810,703
Total Net Assets		56,840,827	101,810,703

APPENDIX A2: STATEMENT OF FINANCIAL PERFORMANCE: JUNE 2025

Thembelihle Local Municipality

(Registration number NC076)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	26,720,741	24,962,593
Sale of goods and rendering of services	21	178,019	137,440
Commission received	22	817,421	386,379
Interest received - exchange transactions	23	6,891,522	6,426,857
Rental of facilities and equipment	24	715,660	641,789
Operational revenue	25	1,318,877	2,175,356
Total revenue from exchange transactions		36,642,240	34,730,414
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	8,101,334	7,467,322
Eskom Debt Relief	27	-	30,074,825
Electricity and water availability charges		219,156	198,674
Interest - Property rates	28	1,763,293	1,254,037
Transfer revenue			
Government grants and subsidies	29	49,473,301	52,889,611
Licences and permits	30	415,702	393,047
Donation in kind	31	3,258,331	3,941,857
Fines, penalties and forfeits	32	35,395	97,150
Total revenue from non-exchange transactions		63,266,512	96,316,523
Total revenue		99,908,752	131,046,937
Expenditure			
Audit fees			
Professional and consulting fees	33	(5,128,313)	(4,058,654)
Employee related costs	34	(10,310,404)	(9,015,673)
Remuneration of councillors	35	(42,551,688)	(39,102,180)
Depreciation and amortisation	36	(5,945,408)	(6,011,393)
Finance costs	37	(11,417,100)	(11,882,497)
Inventory consumed	38	(18,062,891)	(18,094,665)
Bulk purchases	39	(1,876,681)	(3,808,857)
Provision for impairments adjustment	40	(19,435,051)	(17,233,486)
Repairs and maintenance	41	(8,077,094)	(16,027,898)
General Expenses	42	(1,613,968)	(651,933)
Bad debts written off	43	(8,652,822)	(5,676,597)
Total expenditure	41	(14,796,617)	-
(147,868,037)		(131,563,833)	
Operating deficit			
Loss on disposal of assets and liabilities	44	(47,959,285)	(516,896)
Fair value adjustments	45	(1,136,224)	(62,849)
Actuarial gains/losses	14	450,391	(702,896)
Reversal of impairments (Impairment loss)	46	1,544,000	(34,585)
		2,131,242	(3,168,059)
2,989,409		(3,968,389)	
Deficit for the year		(44,969,876)	(4,485,285)

Thembelihle Local Municipality

(Registration number NC076)

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	116,088,519	116,088,519
Adjustments	(9,792,531)	(9,792,531)
Correction of errors 61		
Balance at 01 July 2023 as restated*	106,295,988	106,295,988
Changes in net assets	(4,485,285)	(4,485,285)
Surplus for the year		
Total changes	(4,485,285)	(4,485,285)
Restated* Balance at 01 July 2024	101,810,703	101,810,703
Changes in net assets	(44,969,876)	(44,969,876)
Surplus for the year		
Total changes	(44,969,876)	(44,969,876)
Balance at 30 June 2025	56,840,827	56,840,827

APPENDIX A 4: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: JUNE 2025

Thembelihle Local Municipality

(Registration number NC076)

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	36,318,036	(600,462)	35,717,574	26,720,741	(8,996,833)	Note 59
Rental of facilities and equipment	1,119,564	(449,700)	669,864	715,660	45,796	Note 59
Sale of goods and rendering of services	372,588	(47,316)	325,272	178,019	(147,253)	Note 59
Commission received	2,730,792	(2,000,004)	730,788	817,421	86,633	Note 59
Operational revenue	2,020,968	163,872	2,184,840	1,318,877	(865,963)	Note 59
Interest received - exchange transactions	10,111,752	(731,064)	9,380,688	6,891,522	(2,489,166)	Note 59
Total revenue from exchange transactions	52,673,700	(3,664,674)	49,009,026	36,642,240	(12,366,786)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	16,033,044	(6,518,756)	9,514,288	8,101,334	(1,412,954)	Note 59
Interest, Dividends and Rent on Land	-	-	-	219,156	219,156	
Interest - Property rates	3,185,052	-	3,185,052	1,763,293	(1,421,759)	Note 59
Transfer revenue						
Government grants and subsidies	67,662,012	(18,034,068)	49,627,944	49,473,301	(154,643)	Note 59
Licences and permits	351,240	85,572	436,812	415,702	(21,110)	Note 59
Donation in kind	-	-	-	3,258,331	3,258,331	Note 59
Fines, penalties and forfeits	262,692	(200,004)	62,688	35,395	(27,293)	Note 59
Total revenue from non-exchange transactions	87,494,040	(24,667,256)	62,826,784	63,266,512	439,728	
Total revenue	140,167,740	(28,331,930)	111,835,810	99,908,752	(11,927,058)	
Expenditure						
Employee related costs	(40,200,300)	(3,480,684)	(43,680,984)	(42,551,688)	1,129,296	Note 59
Remuneration of councillors	(5,031,192)	(1,547,820)	(6,579,012)	(5,945,408)	633,604	Note 59
Inventory consumed	(11,015,340)	7,903,788	(3,111,552)	(1,876,681)	1,234,871	Note 59
Depreciation and amortisation	(10,836,004)	5,836,004	(5,000,000)	(11,417,100)	(6,417,100)	Note 59
Impairment loss	-	-	-	2,131,242	2,131,242	Note 59
Finance costs	(3,710,304)	(6,500,004)	(10,210,308)	(18,062,891)	(7,852,583)	Note 59
Debt Impairment	-	-	-	(8,077,094)	(8,077,094)	Note 59
Audit fees	(532,560)	-	(532,560)	(5,128,313)	(4,595,753)	Note 59
Professional and consulting fees	(8,247,987)	(2,371,161)	(10,619,148)	(10,310,404)	308,744	Note 59
Bulk purchases	(16,346,196)	(2,471,268)	(18,817,464)	(19,435,051)	(617,587)	Note 59
Repairs and maintenance	(3,784,671)	(1,108,293)	(4,892,964)	(1,613,968)	3,278,996	Note 59
General Expenses	(18,110,883)	7,287,951	(10,822,932)	(8,652,823)	2,170,109	Note 59
Bad debts written off	-	-	-	(14,796,616)	(14,796,616)	Note 59
Total expenditure	(117,815,437)	3,548,513	(114,266,924)	(145,736,795)	(31,469,871)	



Thembelihle Local Municipality

(Registration number NC076)

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Operating deficit	22,352,303	(24,783,417)	(2,431,114)	(45,828,043)	(43,396,929)	
Loss on disposal of assets and liabilities	1,930,932	-	1,930,932	(1,136,224)	(3,067,156)	Note 59
Fair value adjustments	-	-	-	450,391	450,391	Note 59
Actuarial gains/losses	-	-	-	1,544,000	1,544,000	
	1,930,932	-	1,930,932	858,167	(1,072,765)	
Surplus	24,283,235	(24,783,417)	(500,182)	(44,969,876)	(44,469,694)	

APPENDIX B 1: SCORECARD MUNICIPAL MANAGER

National KPA	Strategic Objective	Programme	Performance Indicator (KPI)	Baseline as at June 2024	Annual Target	Annual Overall Target Achieved	Deviation	Reason for deviation	Evidence
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Attend quarterly Intergovernmental Forums	4 Meetings	4	4	0	NA	Invitation to Intergovernmental Forums, Agenda and Attendance Register
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Convene Quarterly Council meets the people meetings	1 Council meets the people meetings	4	5	+1		Attendance Register of All Councillors, Programme, List of findings and Plan of action
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Report quarterly on the functioning of Ward Committee's	0	4	4	0		Quarterly Reports
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Ward Councillors' community Feedback Meeting	New	4	0	0	No schedule and monitoring provided	Not achieved

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve the communication and liaison with communities and stakeholders in order to improve service delivery and harmony in the municipality	Public Participation	Provide an overview Report on the functioning of Council during the current term of council	0	1	1	0	NA	Overview Report
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Support the section 79 Portfolio Committee convenes quarterly meetings	0	4	4	0	NA	Section 79 Reports/minutes Submitted
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Convene Strategic Session by 30 March 2025	New	1	1	0	NA	Resolutions.
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Report quarterly to Council on the functioning of all Departments	0	4	4	0	NA	Quarterly Reports

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Establish ITC Steering Committee Meeting	New	1	1	0	NA	Names of Committee Members.
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Convene ITC Steering Committee Meeting	New	4	1	-3	The committee was established late and the first meeting to be convened in July 2025.	Not achieved
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	IDP Steering committee	0	4	1	-3	IDP issues were discussed within management meetings	Minutes of the meeting
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and	Monitoring and Reporting	Budget Committee Meeting	0	4	0	-4	Budget committee to be established	Not achieved

	selection strategy of the municipality								
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APPENDIX B 2: SCORECARD TECHNICAL AND INFRASTRUCTURE DEVELOPMENT SERVICES

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Base line as at 30 June 2024	Annual Target	Annual Overall Target Output	deviation	Reason for deviation	Portfolio of Evidence
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced	To improve water quality and continuity of water services to residents	Report monthly on drinking water as per SANS 241 requirements for all water sampling points	0	12	10	-2	Non-payment for lab test results for March and April	Test Lab Results
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced	To improve road quality and continuity of services to residents	Report on the maintenance of Road & Stormwater channels	0	1 Quarterly report	1 Report	0	None	Close-out Report
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To ensure 100% service delivery planning within the municipality by developing all (100%) sector plans and thereby ensuring that the residents of the municipality are well serviced	To improve the electrical infrastructure and related services of the municipality	Report on the maintenance of streetlights	0	4	3	-1	Delayed procurement	Quarterly Reports attached
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To provide a spatial framework for future developmental purposes.	To provide a spatial framework for future developmental purposes.	Develop a SPLUMA Bylaw	0	1	1	0	None	Land Use scheme available

KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	To provide fully functional sanitation system and reduce pollution	Report on the upgrading of the Wastewater Treatment Works- Phase 2	0	3	1	-2	Due to delay in funding approval.	Appointment letter and minutes.
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	State of the Department Report	0	4	3	-1	The Technical Manager position was vacant	The position of Technical Manager was filled
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS, and recruitment and selection strategy of the municipality	To regulate, review, and enforce compliance	Review the validity of existing Bylaws by 30 June 2025	0	1	0	-1	The position was vacant	By-laws reviewed
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Improvement of discipline among staff	Report on all JOB Creation Activities	0	4	4	0	None	Report on Job Creation

APPENDIX B 3: SCORECARD CORPORATE SERVICES DEPARTMENT

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2024	Annual Target	Annual Overall Target Output	Deviation	Reason for deviation	Portfolio of Evidence
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Improvement of discipline among staff	Develop the Employment Equity Plan	No Employment Equity Plan was developed.	1	0	-1	Delays with consultation on the draft document	Approved employment equity plan
		Improvement of discipline among staff	Quarterly Reports on Legal & Labour Related Cases	A report with all labour related cases was submitted to the Municipal Manager	4	4			Updated report on Labour Related Cases

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Employee Wellness	Convene 4 x Local Labour Forum meetings	8	10	6	-4	Unavailability of members	Invitation, Agenda and attendance register
		Monitoring and Reporting	Submission of Quarterly Report	4 Reports submitted to the office of the MM	4	4	0	NA	Reports submitted to MM's office
			Submission of monthly reports on law enforcement activities	6 reports were submitted in the previous FY.	12	12	0	NA	Monthly Reports
			Submission of the Workplace Skill Plan (WSP) Report by 30 April	Work Skills Plan (WSP) was signed by employer and union reps and submitted.	1	1	0	NA	Workplace Skill Plan 25/26

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting.	Review the IDP by 31 May 2025	Reviewed IDP approved by council on the 21 June 2024	1	1	0	NA	Council resolution and draft IDP
KPA 2: LOCAL ECONOMIC DEVELOPMENT	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Management of commonage, parks, gardens and open spaces	Biannual Report on Commonage land	2 Commonage report submitted.	2	4	0	Report of Commonage Land	
KPA 4: MUNICIPAL TRANSFORMATIO N & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Annually Review the Organogram and submit to council	0	1	1	0	1 Reviewed Organogram and council resolution	

KPA 4: MUNICIPAL TRANSFORMATIO N & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	State of the Department Report	0	4	0	NA	Signed departmental reports to the Municipal Manager.
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Conduct monthly visits to the Satellite office	12 satellite visits	0	-12		Not achieved.
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Skills Development and Training	Submit Annual Training Report to the Municipal Manager	1		1	0	1 Annual Training Report

KPA 4: MUNICIPAL TRANSFORMATIO N & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Convene 4 x Training committee meetings	0	4	0	NA	Not achieved
KPA 4: MUNICIPAL TRANSFORMATIO N & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Convene 3 x IDP Representative forum meetings per annum	2 IDP Representative forum meetings held	1	-2		Attendance registers and notice.
KPA 2: LOCAL ECONOMIC DEVELOPMENT	Contribution to the creation of communities where residents and visitors can work, live and play without threat to	Sport & Recreation	Develop a Library Business Plan	Library Business Plan	1	0	NA	Developed Library Business plan

APPENDIX B 4: SCORECARD FINANCE SERVICES DEPARTMENT

National KPA	Strategic Objective	IDP Programme	Key Performance Indicator (KPI)	Baseline as at 30 June 2024	Annual Target	Annual Overall Target Output	Deviation	Reason for deviation	Portfolio of Evidence
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Data String Submission to NT Portal	4	4	12	None	None	NT submission status report
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Timeously submission of Mid-year report to Council, National & Provincial Treasury, Mayor as per MFMA requirement	1	1	1	None	None	Mid-Year report and Council Resolution Approving the Mid-Year Performance Report
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Report on progress made in implementing the audit action plan	2	2	2	None	None	Progress Report
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Provide a register of all indigent households with access to free basic services	4	4	12	None	None	Indigent register
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Quarterly Report on Spending of Conditional Grants	4	4	4	None	None	

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Draft the Annual Budget and review the Financial Policies by 31 March 2025	1	1	1	None	None	1 Draft Budget to Council and Financial Policies
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Timeously approval of Annual Budget per MFMA requirement.	1	1	1	None	None	Final Annual budget and Council Resolution by end of May 2024
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Prepare and submit an Adjustment Budget to Council by 28 February 2025	1	1	1	None	None	Adjustment Budget and Council Resolution
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Submit an application for approval of electricity tariffs to NERSA	1	1	1	None	None	Application submitted to NERSA and Approval letter
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Draft Audit Action plan and submit for approval	1	1	1	None	None	1 Audit Action Plan
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Develop the schedule of key deadlines as per the MFMA and submit to council	1	1	1	None	None	

KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Compilation and submission of Legislatively Compliant Annual Financial Statement	1	1	1	None	None	Proof of submission of AFS to the Auditor General and Compiled AFS
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Submission of Preliminary Annual Financial Statements to the Audit Committee	1	1	1			Draft AFS submitted to the Audit Committee
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Submit Annual Financial Statement to Council for Adoption	1	1	0			
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Provide a monthly reconciliation on all Agency Fees Received	12	12	12			Monthly Reconciliations
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Budget Funding Plan	New	4	1			None
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	To ensure that the municipality is self-sustainable and accountable financially by attaining a clean audit.	Budget and Financial Reporting	Submit Monthly Recons for Salaries and Wages	New	12	12			Salaries & Wages Reconciliations

KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Reduce 20% of Irregular Expenditure Per Year	New	20%	Irregular 12.2%	Deviations 7.8%		SCM Quarterly reports.
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Reconciliations on the cost of Distribution losses (Water & Electricity)	4	4	12	None	None	Reconciliation on distribution losses (Water & Electricity)
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Achieve a collection rate of 70% per	0	70% collection rate	52%			Calculation report on the collection rate
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Budget Control & monitoring	Report on Revenue Enhancement	0	2	0			Not achieved
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	State of the Department Report	0	3	3			
KPA 4: MUNICIPAL TRANSFORMATI ON & INSTITUTIONAL DEVELOPMENT	To ensure a municipality that is stable and has organisational discipline through the review of the organisational structure, staff establishment, PMS and recruitment and selection strategy of the municipality	Monitoring and Reporting	Conduct monthly visits to the Satellite office	0	12	5			