



**VICTOR KHANYE LOCAL MUNICIPALITY –  
PLAASLIKE MUNISIPALITEIT  
UHULUMENI WASEKHAYA**

**FINAL INTEGRATED DEVELOPMENT PLAN  
2025-2026 FINANCIAL YEAR**

# INTERGRATED DEVELOPMENT PLAN

## WE ARE PLEASED TO PRESENT THE VICTOR KHANYE LOCAL MUNICIPALITY FINAL REVIEWED INTEGRATED DEVELOPMENT PLAN FOR 2025/2026 FY.

The preparation of Integrated Development Plan (IDP) is a legislative requirement as entailed in terms of Section 25 of the Municipal Systems Act (MSA) Act (No 32) of 2000. An IDP is one of the key tools for Local Government to cope with its new developmental role. Furthermore, it seeks to facilitate strategic decisions on issues of Municipal budgets, Land Use Management Systems, Local Economic Development and Institutional transformation in a consultative, transparent and systematic manner.

The report focuses on the financial and operational plans for 2025/2026, documenting our milestones against the 2024/2025 performance and our progress against our Five-Year Delivery Plan. This report includes a shot of our performance and an overview of our outlook for the future, including our plans to ensure the sustainable delivery of services to our people. Furthermore, reflecting on Council's commitment to social, economic, environmental and sound governance principles that are important to our community.

The Municipality would never achieve this alone hence it strives in maintaining strong relationships with state agencies, businesses and key stakeholders, in order to plan and shape the Municipal future. Thus, remaining focus during 2025/2026 will be the primary objective.

This report intends to provide important information to a broad range of stakeholders including Victor Khanye residents and ratepayers, local businesses, non-government organizations, our partners and other government departments and agencies. It also provides information on how well we have performed over the year and what to expect in the next coming year.

## ACCESSING THIS REPORT

This report is available on the Municipal Website at:

[www.vklm.gov.za](http://www.vklm.gov.za).

You can also access copies of this document at our Municipal Offices located at Corner: Samuel Road and Van Der Walt Street.

Tell us what you think

**Telephone**

Call the IDP Manager on **013-004-1354**

Or

**Post**

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For the Attention of Municipal Manager

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## TABLE OF CONTENTS

Foreword by the Executive Mayor: Councillor KV Buda .....	12
Overview by the Municipal Manager: Mr. TM Mashabela .....	13
Acronyms.....	14
<b>CHAPTER 1: AN OVERVIEW OF THE IDP PROCESS .....</b>	
1. Introduction .....	17
1.1. The Scope of the IDP.....	18-19
1.2. The IDP Process.....	19
1.2.1. Phase 1: Analysis .....	20-21
1.2.2. Phase 2: Strategies.....	21
1.2.3. Phase 3: Projects.....	21-22
1.2.4. Phase 4: Integration .....	22
1.2.5. Phase 5: Approval.....	22
1.3. The IDP Governance & Institutional Arrangement .....	23-24
<b>CHAPTER 2: MUNICIPAL ENVIRONMENTAL PROFILE .....</b>	25
2. Introduction .....	25
2.1. Environmental Profile .....	25
2.1.1. Geographical Location .....	25-26
2.2. Physical Environment Space .....	26
2.3. Topology and Climate .....	26
2.5. Biodiversity & Vegetation .....	26-27
2.6. Soil & Air Quality .....	28
2.7. Demographic Indicators .....	28
2.8. Early Childhood Development.....	28-37
2.9. Level of Education .....	38-40
2.10. Household Infrastructure Index .....	41-44
2.11. Housing .....	45-49
2.12. Access to basic Services .....	50-51
2.12.a) Water and Sanitation .....	51
2.12.b). Electricity and lighting .....	51
2.12.c) Roads and Storm Water System .....	51-52
2.4. Environmental and Waste Management .....	52
2.4.1. Public Facilities: Cultural, Sports and Recreation .....	53
2.4.2. Primary Health Care and HIV and Aids .....	53-54
2.3.6.11. Roads and Storm Water System .....	55-57
2.4. Environmental and Waste Management .....	57-58
2.4.1. Public Facilities: Cultural, Sports and Recreation Centre .....	59
2.4.2. Primary Health Care and HIV and Aids .....	59-60
2.4.3. Traffic, Safety and Law Enforcement .....	61-63
2.4.4. Emergency Services .....	63-64
2.4.5. Cemeteries and Crematoria .....	64
2.4.6. Land Invasion .....	65
2.4.7. Monitoring of Land Invasion Activities .....	65
2.4.8. Measures taken by the Municipality to Prevent Unlawful Occupation of Land and Mitigating mushrooming of Informal Settlements.....	66
2.4.7.9. Areas prone for Land Invasion .....	67
2.5. Rural Development Strategic Framework.....	68-69
2.6. Different Projects and Priorities .....	58
2.7. Transversal Programmes under Implementation.....	59-68
2.8. Institutional Profile .....	69

2.8.1. Legislative arm.....	69
2.8.2. Executive arm .....	70
2.8.3. Key Roles & Responsibilities of Council Committees .....	70-72
2.8.4. Establishment and Functionality of Ward Committees .....	72
2.8.5. Administrative Arrangement/Structure.....	73-123
2.8.6. Vacancy Rate .....	124
2.8.7. Skills Development Planning.....	124-125
2.8.8. By-Laws & Policies Status Quo.....	126-134
2.8.9. Information Communication and Technology (ICT) .....	135-138
2.8.9. Risk Management and Fraud Prevention .....	138
2.8.10. Fraud and Corruption.....	139
2.8.11. Business Continuity Management.....	139

### **CHAPTER 3: MUNICIPAL DEVELOPMENT STRATEGIES AND IDP ACTIVITIES ..... 140**

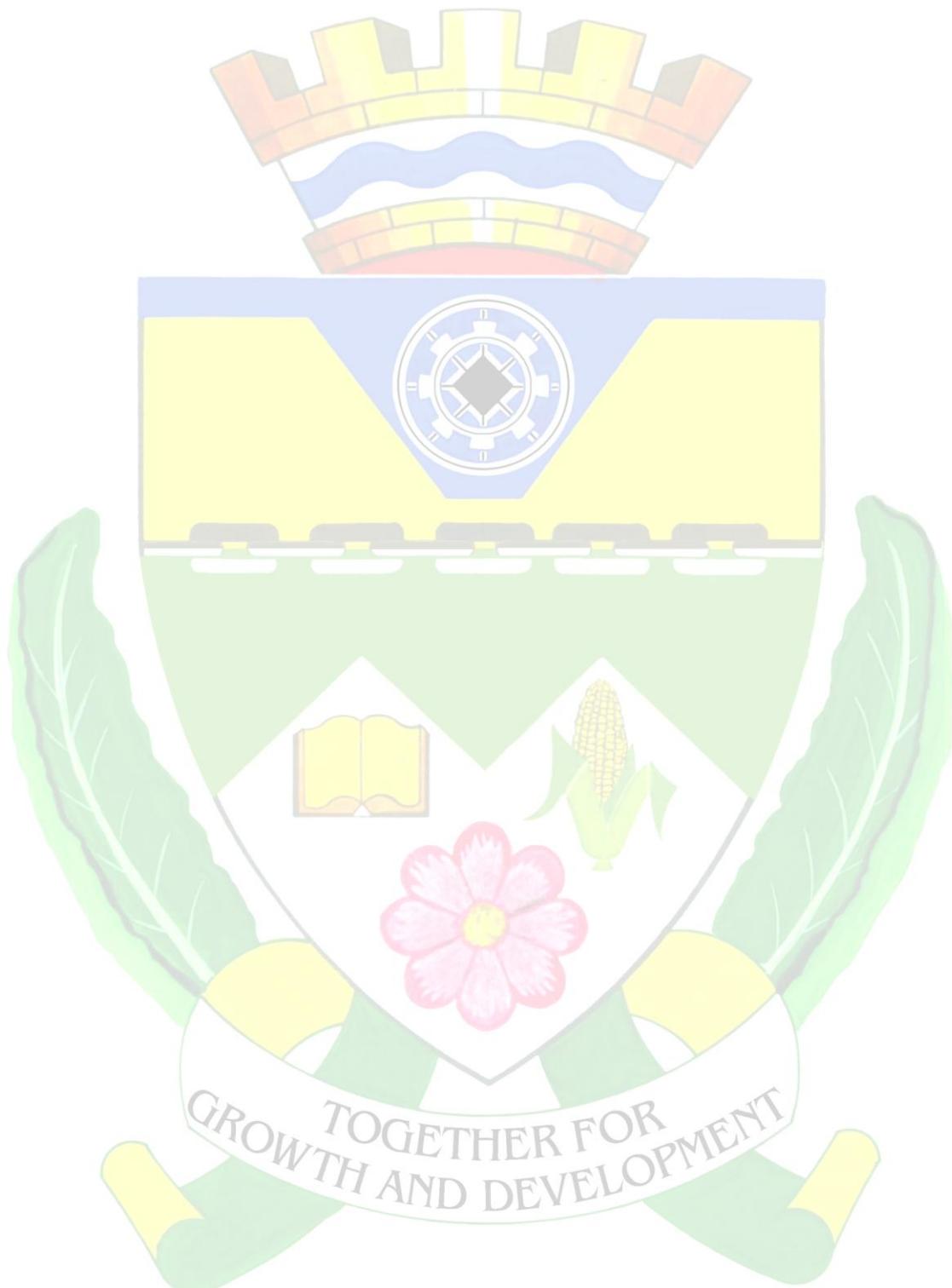
3. Introduction .....	141
3.1. Strategical positioning .....	141
3.1.1. Vision.....	141
3.1.2. Mission statement.....	141
3.1.3. Core values.....	141-142
3.2. Process Plan.....	142-143
3.3. Assessing the Level of Development .....	143
3.4. Development Priorities .....	143-144
3.5. Strategic Focus Areas.....	144
3.6. Development of Indicators, Objectives, Strategies and Targets for 2023-2027 .....	145
3.6.1. Adherence to the Adopted Process Plan.....	145
3.6.2. Evaluation of responses to Key Service Delivery Priorities.....	145-148
3.6.3. Implementation of Municipal Staff Regulations and Public Participation.....	148
3.6.4. Core Components - Key Performance Areas .....	149-155
3.7. VKLM's Development objectives and Strategies aligned to KPAs.....	156-186
3.7.1. <b>KPA 1: Basic Service Delivery and Infrastructure Development .....</b>	156-186
3.7.2. <b>KPA 2: Financial Viability and Financial Management .....</b>	187-191
3.7.3. <b>KPA 3: Municipal Transformation and Organisational Development.....</b>	192-200
3.7.4. <b>KPA 4: Good Governance and Public Participation .....</b>	201-207
3.7.5. <b>KPA 5: Spatial Development .....</b>	<b>208</b>
<b>3.7.6. KPA 6: Local Economic Development.....</b>	<b>209-210</b>
3.8. <b>Spatial Rationale Vision.....</b>	210
3.9. <b>Spatial Objectives.....</b>	211
3.10. Key Elements for Victor Khanye Local Municipality – SDF .....	212
3.11. Land Use Management.....	212
3.12. Spatial Development Framework.....	212-213
3.13. Upgrading Plan of Informal Settlements.....	214-215
3.14. Mpumalanga Provincial Spatial Development Framework.....	215-216
3.15. District Development Model.....	216-219
3.16. District Rural Development Plan.....	219
3.17. Objectives of the Victor Khanye Housing Sector Plan.....	220-221
3.18. Informal Settlements Resource Team.....	221-

### **CHAPTER 4: AUDITOR GENERAL (AG) REPORT AND MEC'S COMMENTS ..... 222**

4. Introduction .....	222
4.1. Auditor General's (AG) Report .....	222
<b>4.2. Section 1 .....</b>	<b>223-224</b>
<b>4.3. Material Irregularities .....</b>	<b>224-225</b>
<b>4.4. SECTION 2- SIGNIFICANT MATTERS .....</b>	<b>225-226</b>

<b>4.5. INTERNAL CONTROLS .....</b>	<b>226-228</b>
4.6. Financial management and performance.....	228-229
4.7. Budget management .....	229-
4.8. Financial assessment and compliance .....	229-233
4.9. Performance Planning, Management And Reporting .....	233-235
4.10. Audit Results - KPA 1.....	235-236
4.11. Other Information In The Annual Report.....	236-237
4.12. Delivery of Key Services .....	237-241
4.13. Human Resource Management .....	241-242
4.14. Municipal Council and Oversight Mechanism .....	242-245
4.15. Recommendations .....	246-247
4.16. Conclusion .....	248
4.17. Audit Action Plan 2023-2024 & 2023-2024.....	249-260
4.18. MEC Comments .....	261-275
 <b>CHAPTER 5: FINANCIAL PLAN .....</b>	 275
5. Introduction .....	275
5.1. Budget Assumptions and Objectives.....	275
5.2. Budget Preparation Focus Areas.....	275
5.3. Budget Assumptions - Macro Economic Indicators.....	276
5.4. Revenue Assumption: Collections Rate (Payment Level).....	276
5.5. Budget Operating Revenue (Tariffs) .....	277
5.6. Approved Grants and Subsidies Budget.....	277
5.7. Final 2024/2025 – 2026/2027 Budget and Medium-Term Revenue and Expenditure Framework.....	277
5.8. Detailed Final Operating Revenue Budget .....	278
5.9. Detailed Cashflow Statement .....	279
5.10. Detailed Final Capital Budget .....	280
5.11. Budgeted Financial position.....	281
5.12. Budget Related policies .....	282
5.13. Budget Policy .....	282
5.13.1. Virement Policy .....	282
5.13.2. Credit control and debt collection policy.....	282
5.13.3. Tariffs policy .....	283
5.13.4. Property Rates policy .....	284
5.13.5. Supply chain management policy .....	284
 <b>CHAPTER 6: PERFORMANCE MONITORING AND EVALUATION .....</b>	 285
6. Introduction .....	285
6.1. Legislative Framework for Performance Management.....	285
6.2. Service Delivery & Budget Implementation Plan.....	286-287
6.3. Monitoring and Evaluation of the Municipal and Individual Performance.....	287-288
6.4. Role Players in the Management of Performance Management .....	289-290
6.5. Performance Management Reporting .....	290-292
6.6. Organizational Performance .....	293-294
 <b>CHAPTER 7: MUNICIPAL PROJECTS .....</b>	 295
7. Introduction .....	295
7.1. Municipal Projects.....	296
7.2. New Proposed Projects.....	296-297
7.3. Sector Departments COGHSTA.....	298
7.4. Agriculture .....	298-299
7.5. Water and Sanitation .....	299

7.5.1. DARDLEA .....	300-301
7.5.2. Identified DDM Catalytic Projects .....	301-303
7.5.3. Summary of Community Needs .....	368



## FIGURES

**Map 1:** Locality Map of the Municipality.....

**Figure 01:** Sustainable Development.....

**Figure 02:** Population number per municipal area, 2011 & 2022.....

**Figure 03:** Annual Population Growth Rate in VKLM, 1996-2022.....

**Figure 04:** Municipal Share to District Population.....

**Figure 05:** Municipal Share to Provincial Population.....

**Figure 06:** Age-Sex Composition.....

**Figure 07:** Sex Composition in VKLM.....

**Figure 08:** Age Composition in VKLM.....

**Figure 09:** ECD Attendance by Children 0-4 in VKLM.....

**Figure 10:** Proportion of Difference Age Groups to Total Population.....

**Figure 11:** Victor Khanye Population by Broad Age Group .....

**Figure 12:** Victor Khanye Population by Gender .....

**Figure 13:** Victor Khanye Population Composition by Gender and Ward .....

**Figure 14:** Attendance at an Educational Institution.....

**Figure 15:** Highest Level of Education.....

**Figure 16:** Contribution by Local Municipality's areas to Nkangala District Municipality.....

**Figure 17:** Indicators: Sector Employment.....

**Figure 18:** Employment by Industry in VKLM.....

**Figure 19:** Indicators: Sector Contribution, (Period 2016 – 2019).....

**Figure 20:** Indicators: Unemployment by Gender.....

**Figure 21:** Indicators: Youth unemployment by Gender.....

**Figure 22:** Share of Municipal Households to the District.....

**Figure 23:** Annual Growth Rate of Households by Local Municipality in Nkangala.....

**Figure 24:** Average Household Sizes by Local Municipality in Nkangala District .....

**Figure 25:** Sex of Head of Households by Local Municipality in Nkangala District.....

**Figure 26:** Youth Population .....

**Figure 27:** HIV Prevalence by District Municipality in MP.....

**Figure 28:** HIV Prevalence amongst 15-24 Year Olds by LMs.....

**Figure 29:** Teenage Deliveries in MP Health Facilities.....

**Figure 29 (b):** Teenage Deliveries in MP Health Facilities.....

**Figure 29 (c):** Teenage Deliveries in MP Health Facilities.....

**Figure 30:** Deliveries by Children aged 10-14 Years in MP Health Facilities by LM.....

**Figure 31:** Deliveries by Children aged 10-19 Years in Nkangala District.....

**Figure 32:** Organogram.....

## TABLES

**Table 01:** Public Consultation Meetings.....

**Table 02:** Composition and Roles of IDP Process within Victor Khanye Municipality.....

**Table 03:** Ranking of Municipalities by Population Size.....

**Table 04:** Population Growth Rate.....

**Table 05:** Population Composition by Age and Gender .....

**Table 06:** Population Composition (per Ward and Gender).....

**Table 07:** Household number per municipal area, 2011 & 2022.....

**Table 08:** Educational Indicators .....

**Table 09:** Basic education data & performance per municipal area .....

**Table 10:** Number of Households by Income Level .....

**Table 11:** Distribution of Average Household Income (2001-2016) .....

**Table 12:** Development and Income Indicators.....

**Table 13:** Average Household Income.....

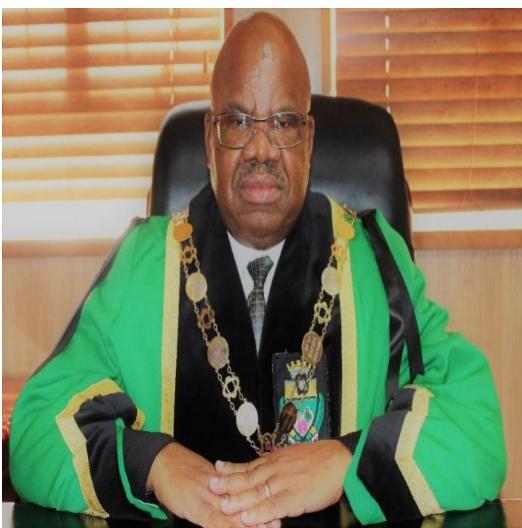
**Table 14:** Poverty and Inequality .....

**Table 15:** Economic Indicators.....

<b>Table 17:</b> Contribution by Local Municipality's areas to Nkangala District Municipality.....
<b>Table 18:</b> Tourism Contribution by Local Municipal areas to Nkangala District Municipality.....
<b>Table 19:</b> District Comparative Advantage.....
<b>Table 20:</b> Labour Indicators .....
<b>Table 21:</b> Labour Indicators .....
<b>Table 22:</b> Number of Households by Local Municipality.....
<b>Table 23:</b> Age of Head of Households by Local Municipality in Nkangala District.....
<b>Table 24:</b> Migration Status by Province/Area of Previous Residence.....
<b>Table 25:</b> Age Composition of Migrants in the Municipality.....
<b>Table 26:</b> Type of Main Dwelling in Nkangala District by Local Municipality.....
<b>Table 27:</b> Distribution of Households with Access to Piped Water .....
<b>Table 28:</b> Population Size Per Service: Sanitation .....
<b>Table 29:</b> Population Size Per Service: Electricity.....
<b>Table 30:</b> Population Size Per Service: Waste Removal.....
<b>Table 31:</b> Serious Crimes Reported by Local Municipalities to Mpumalanga Province .....
<b>Table 32:</b> Type and Extent of Disability in VKLM.....
<b>Table 33:</b> Use of Assistive Devices by People with Disabilities in VKLM.....
<b>Table 34:</b> Key Roles & Responsibilities of Council Committees .....
<b>Table 35(a):</b> Status Quo Analysis of Organogram.....
<b>Table 35(b):</b> ICT Projects.....
<b>Table 35(c):</b> List of By-Laws and Policies.....
<b>Table 36:</b> Adopted Process Plan Adherence .....
<b>Table 37:</b> Evaluation of Responses to Key Service Delivery Priorities.....
<b>Table 38:</b> Implementation of Municipal Staff Regulations .....
<b>Table 39:</b> Core Components – KPA.....
<b>Table 40:</b> Proposed Strategy to achieve Revenue Collection: Water Metering.....
<b>Table 41:</b> Revenue Generation Strategies.....
<b>Table 42:</b> Basic Service Delivery Strategic Goals.....
<b>Table 43:</b> Provision of Basic Services in a Sustainable Manner.....
<b>Table 44:</b> Financial Viability and Financial Management Strategic Goals.....
<b>Table 45:</b> Statement and Measurement of Financial Viability Financial.....
<b>Table 46:</b> Municipal Transformation and Organizational Development Strategies.....
<b>Table 47:</b> Planning Statement and KPI for Good Governance.....
<b>Table 48:</b> Good Governance & Public Participation Strategic Goal.....
<b>Table 49:</b> Spatial Development Projects .....
<b>Table 50:</b> Victor Khanye Formalisation Strategy Informal In Situ SDA's .....
<b>Table 51:</b> KPA 5: Spatial Rationale Planning Statement.....
<b>Table 52:</b> Spatial Development Strategic Goals.....
<b>Table 53:</b> KPA 6: Statement and Measurement of Local Economic Development.....
<b>Table 54:</b> Local Economic Development Strategic Goals.....
<b>Table 55:</b> Sectoral Plans.....
<b>Table 56:</b> Basis for the Qualified Audit Opinion .....
<b>Table 57:</b> 2022/23 Audit Action Plan.....
<b>Table 59 :</b> MEC's Comments on the IDP.....
<b>Table 60:</b> Medium Term Economic Indicator Projection.....
<b>Table 61:</b> 2024-2027 Collection Rate.....
<b>Table 62:</b> Grants and Subsidies Budget.....
<b>Table 63:</b> Budget-Financial Performance.....
<b>Table 64:</b> Operating Revenue and Expenditure Budget 2024/25- 2026/27.....
<b>Table 65:</b> Operating Projects Per Department.....
<b>Table 66:</b> TABLE A7 – Projected Cash-flow Statement.....
<b>Table 67:</b> TABLE A8 Budgeted Cash and Cash Equivalents.....
<b>Table 68:</b> TABLE A5 Final Capital Budget per funding source.....
<b>Table 69:</b> Capital Budget per funding.....
<b>Table 70:</b> TABLE A6 Budgeted Financial Position.....
<b>Table 71:</b> Reports to be developed by the Municipality.....
<b>Table 72:</b> Performance per KPA 2022/23.....

<b>Table 73:</b> Water Projects.....	
<b>Table 74:</b> Electricity Projects.....	
<b>Table 75:</b> Road Maintenance Project.....	
<b>Table 76:</b> Financial Projects.....	
<b>Table 77:</b> Municipal Transformation Projects.....	
<b>Table 78:</b> Communication Projects.....	
<b>Table 79:</b> Public Participation Projects.....	
<b>Table 80:</b> Good Governance Projects.....	
<b>Table 81:</b> Spatial Projects.....	
<b>Table 82:</b> Economic Growth and Development Projects.....	
<b>Table 83:</b> Youth Development Projects.....	
<b>Table 84:</b> Priority Projects 2024/2025 - Roads .....	
<b>Table 85:</b> Priority Projects 2023/2024 – Water.....	
<b>Table 86:</b> Priority Projects 2024/2025 –Sanitation.....	
<b>Table 87:</b> Priority Projects 2023/2024 –Solid Waste/Environment.....	
<b>Table 88:</b> Priority Projects 2023/2024 – Sports.....	
<b>Table 89:</b> Community Safety, Security & Liaison Projects.....	283
<b>Table 90:</b> Social Development Projects for VKLM.....	285
<b>Table 91:</b> Agriculture, Land Reform and Rural Development Projects.....	285
<b>Table 92:</b> Water and Sanitation Projects.....	287
<b>Table 93:</b> Infrastructure Development Support Agent Projects.....	287
<b>Table 94:</b> Education Projects For Victor Khanye Local Municipality.....	288
<b>Table 95:</b> Dardlea Infrastructure Development Projects.....	291
<b>Table 96:</b> Masibuyele Esibayeni Projects.....	291
<b>Table 97:</b> Phezukomkhono Mlimi Projects.....	292
<b>Table 98:</b> Department of Public Works, Roads and Transport Projects.....	292
<b>Table 99:</b> Department of Human Settlement Projects.....	296
<b>Table 100:</b> DDM Catalytic Projects and Programmes.....	298
<b>Table 101:</b> Community Needs Ward 01: Cllr. BLO Mbalati (23/04/2024).....	299
<b>Table 102:</b> Community Needs - Ward 2: Cllr BD Yeko (24/04/2024).....	299
<b>Table 103:</b> Community Needs Ward 03: Cllr T Malomane (17/04/2024) .....	300
<b>Table 104:</b> Community Needs Ward 4: Cllr ES Lebatsi (29/04/2024).....	301
<b>Table 105:</b> Community Needs Ward 5 Cllr H Ngoma (29/04/2024) .....	302
<b>Table 106:</b> Community Needs Ward 06: Cllr S Ngcobo (11/10/2023) .....	303
<b>Table 107:</b> Community Needs Ward 07: Cllr Z Ndlovu (28/04/2024).....	305
<b>Table 108:</b> Community Needs Ward 08: Cllr D Bath (04/05/2024).....	306
<b>Table 109:</b> Community Needs Ward 09: Cllr. E Masilela (14/10/2023).....	307
<b>Table 110:</b> Community Issues as per Municipal Function.....	309
<b>Table 111:</b> Identified Community Needs per Ward.....	312

## FOREWORD BY EXECUTIVE MAYOR COUNCILLOR KV BUDA



It is my pleasure to present the reviewed Integrated Development Plan (IDP) for Victor Khanye Local Municipality for the 2025/2026 financial year. This document is compiled in terms of the Municipal Systems Act No. 32 of 2000, Chapter 4 and 5. It is a Strategic document for all planning, development and decisions by the Municipality in driving service delivery.

The document is compiled in accordance to the adopted process plan, which includes thorough public consultation with all Stakeholders to inform the final document that is before us.

The programmes and projects contained in this IDP document will only be possible if as a Municipality we are able to maximise our revenue collection rate. This can only be possible if our community members can fulfil their side of the bargain by paying their accounts on a monthly basis without failure.

The Municipality will not be able to fulfil all the projects on its own hence we have to continue to engage sector departments and the private sector for their support in making sure that this document does not become a wish list, but is implemented to the latter.

From time to time, community priorities change as material conditions and the economy changes; we have aligned our planning to be able to respond to those changes. We take into consideration the rapid increase in the population of our town, which needs adequate planning and servicing, and maintenance of our infrastructure, which is taking strain.

This will be coupled by a very resourced administrative team that has the required skills and technical knowledge. The administration of the municipality will play a crucial role in making sure that all the programmes and projects that are on this document are implemented in an effective and efficient manner. Ours is to play an oversight role in the execution of the strategic plans of the institution and making sure that we full fil our constitutional mandate guided by the principles and policies of the Municipality.

We hope that the views of the anticipated outcome of the implementation of this IDP represent all people of this wonderful town called Victor Khanye Local Municipality (Delmas), we will continue to give feedback to our communities concerning the milestones that we have achieved and the challenges we are facing.

Through the budget consultation processes, we will also identify the programmes that we have prioritised with the limited resources at our disposal.

Improving the lives of our communities for the better remains our main objective and we will never detour from this strategic and fundamental goal.

---

**CLLR. KV BUDA  
EXECUTIVE MAYOR**

## OVERVIEW BY THE MUNICIPAL MANAGER – MR TM MASHABELA



Firstly, I would like to thank the staff, Councillors, members of the communities and stakeholders for the support and commitment shown in the 2024/25 financial year. As we prepare for the 2025/26 financial year, it is my great pleasure to present the Municipality's Draft Integrated Development Plan (IDP) for the 2025/26 review.

Section 34 of the Municipal Systems Act 32 of 2000 mandates that the Victor Khanye Local Municipality review and amend the Integrated Development Plan every year. The communities have reaffirmed their needs through public engagement activities, and these needs include access to facilities, employment opportunities, SMME support, water, roads, energy, health, and educational resources.

In order to ensure that the needs of local communities are met, the Municipality must ensure that its planning activities are appropriately coordinated and integrated with the provincial and national spheres of government.

To achieve the goal of attaining expediency in service delivery to our communities, the Integrated Development Plan should be viewed and, in fact, grow into the principal planning instrument for the three spheres of government.

Through this review, the Municipality will be tracking the projects included in this IDP attentively and evaluating each directorate's performance. The essential parties will work together to implement some of these projects. Our top priority will be to fortify our ties and alliances with the corporate community and other important Municipal stakeholders. The Municipality will investigate the economic prospects that might be unlocked in collaboration with the pertinent stakeholders as part of its duty to advance economic growth.

This document guides and provides information for all planning and development activities. It also forms the basis for the Medium Term Revenue & Expenditure Framework (MTREF). This is to ensure that development is implemented in a coordinated manner. The IDP must provide guidance to the MTREF budget, which must be linked to specific Service Delivery & Budget Implementation Plan (SDBIP) objectives.

Section 26(h) of the Municipal Systems Act, No. 32 of 2000 (MSA), indicates that "*a financial plan, which must include a budget projection for at least the next three years*" is a core component of the IDP, hence the Municipality ensures that there is alignment between the IDP, Budget and SDBIPS at a Strategic level.

---

**TM MASHABELA**  
**MUNICIPAL MANAGER**

## ACRONYMS

ABET	Adult Based Education and Training
AIDS	Acquired Immune Deficiency Syndrome
COGHSTA	Corporative Government and Human Settlement and Traditional Affairs
CBO's	Community Based Organisations
CETA	Construction Education and Training Authority
CHBC	Community Home Base Care
CIP	Comprehensive Infrastructure Plan
CMIP	Consolidated Municipal Infrastructure Programme
CPTR	Current Public Transport Record
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DAC	District AIDS Council
DARDLA	Department of Agriculture, Rural Development and Land Administration
DDM	District Development Model
DRDLR	Department of Rural Development and Land Reform
DCOGTA	Department of Corporative Government and Traditional Affairs
DoH	Department of Human Settlements
DTI	Department of Trade and Industry
DM	District Municipality
DMA	District Management Area
DME	Department of Minerals and Energy
DoE	Department of Education
DoE	Department of Energy
DPWR&T	Department of Public Works, Roads and Transport
DWA	Department of Water Affairs
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EHS	Environmental Health Services
EMP	Environmental Management Plan
EMS	Environmental Management System
EPWP	Expanded Public Works Programme
FBS	Free Basic Services

FBE	Free Basic Electricity
FPA	Fire Protection Association
GIS	Geographic Information System
HDI	Human Development Index
HOD	Head of Department
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IEM	Integrated Environmental Management
IMEP	Integrated Municipal Environmental Programme
IWMP	Integrated Waste Management Plan
INEPBPU	Integrated National Electrification Programme Business Planning Unit
IS	Information System
IT	Information Technology
ITP	Integrated Transport Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LM	Local Municipality
LRAD	Land Redistribution for Agricultural Development
LTO	Local Tourism Organisation
LUMS	Land Use Management System
MAM	Multi-Agency Mechanism
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MPCC	Multi-Purpose Community Centre
MSIG	Municipal Systems Improvement Grant
MSP	Master Systems Plan
NEMA	National Environmental Management Act

NEPAD	New Partnership for Africa's Development
NER	National Electricity Regulator
NGO	Non-Governmental Organization
NSDP	National Spatial Development Perspective
NWMS	National Waste Management Strategy
OLS	Operating Licence Strategy
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PMS	Performance Management System
PPP	Public Performance Areas
REDS	Regional Electricity Distribution System
RSC	Regional Service Council
RTO	Regional Tourism Organisation
SABS	South Africa Bureau of Standards
SACOB	South Africa Chamber of Business
SALGA	South Africa Local Government and Administration
SANAC	South African National AIDS Council
SANCO	South Africa National Civic Organization
SANRAL	South African National Roads Agency
SAPS	South African Police Service
SETA	Sector Education Training Authority
SDF	Spatial Development Framework
SLA	Service Level Agreement
SOER	State of the Environment Report
TSC	Thusong Services Centres
WSA	Water Services Authorities
IWSDP	Integrated Water Services Development Plan

# CHAPTER 1: AN OVERVIEW OF THE IDP PROCESS

## 1. INTRODUCTION

Section 34 of the MSA prescribes that a municipality –

- a) must review its integrated development plan-
  - annually in accordance with an assessment of its performance measurements in terms of section 41; and
  - to the extent that changing circumstances so demand;
- b) may amend its IDP in accordance with a prescribed process.

The review process serves as an institutional learning process where stakeholders can meet to discuss the successes and frustrations of the previous year. It is not designed to interfere with the long-term Strategic objectives of the municipality. The review process is a strategic process to ensure the institution remains in touch with their intentions, informed of the varying needs of residents and up to date with the changing environment within which it functions.

The priorities and actions identified in this IDP will seek to better inform the municipality's budget and streamline service delivery initiatives. This will ensure that the Victor Khanye Local Municipality remains on course to attain its strategic objectives.

Local municipalities in South Africa have to use "integrated development planning" as a method to plan future development in their areas. Apartheid planning left us with cities and towns that:

- Have racially divided business and residential areas
- Are badly planned to cater for the poor - with long travelling distances to work and poor access to business and other services.
- Have great differences in level of services between rich and poor areas
- Have sprawling informal settlements and spread out residential areas that make cheap service delivery difficult.

Rural areas were left underdeveloped and largely not serviced. The new approach to local government has to be developmental and aims to overcome the poor planning of the past.

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

## 1.1. THE SCOPE OF THE IDP

The 2025-2026 IDP comprised of seven (7) interlinked chapters that are mandatory for a credible IDP, in terms of the Department of Cooperative Governance and Traditional Affairs (DCOG) IDP framework and guidelines.

### CHAPTER 1

1. Provides an introductory overview of the process followed in compiling the IDP and the reviewing of the IDP annually.
2. The Process Plan will unfold in various phases which includes:
  - the preparation phase,
  - analysis,
  - strategies,
  - projects,
  - integration; and
  - Finally, approval phase of the IDP.

### CHAPTER 2

1. The second chapter is a situational analysis, aiming to give the reader a better understanding of the context in which the IDP has been developed.
2. It outlines the municipal development profile in terms of the institutional and external environmental scan.
3. It captures the socio-economic indicators which comprises amongst others;
  - Demographics,
  - Social analysis,
  - Economic analysis, and
  - Spatial analysis.

### CHAPTER 3

1. The third chapter details the municipal Development Strategies that will be employed by the Municipality to respond to its legislative mandate and its developmental and transformation needs. In this chapter, the Municipality's vision, mission, development objectives, development priorities, development strategies and five-year performance targets are clearly articulated.
2. The alignment between the IDP and the municipal long-term strategy is explained, together with the Municipal Budget and SDBIPS. Included herewith, there will be a briefing on some of the policies and priorities at various governmental levels, which have a bearing on the implementation of the IDP.

### CHAPTER 4

The fourth chapter provides a brief summary of the Auditor-General (AG) audit findings and Audit Action Plan. MEC Comments for the Department of Cooperative Governance and Human Settlement and Traditional Affairs (COGHSTA) IDP assessment findings, and

subsequent remedial measures taken to address these findings in compliance with statutory obligations.

## CHAPTER 5

The fifth chapter is the financial plan of the Municipality over the next Medium-Term Revenue and Expenditure Framework (MTREF).

Items covered under this chapter includes;

- *inter alia* estimate of revenue,
- capital expenditure,
- revenue enhancement,
- Cash-flow statement for the medium-term as well as a brief explanation of policies that support the municipal budget.
- It also includes how this MTREF is linked to the Municipality's IDP.

## CHAPTER 6

The sixth chapter provides an outline of the performance management framework that guides how the municipality will monitor the progress made towards the achievement of the set IDP targets.

Topics covered in this chapter include;

- the legislative framework for performance management,
- role players in performance management,
- and the types of reports that are produced as a result of the performance management process.

## CHAPTER 7

The last chapter (chapter seven) provides an outline of the Municipality's planned and budgeted projects to be implemented by the Municipality, and those that will be implemented by provincial and national sector departments.

It also include the projects that are implemented and funded by the private sector such as DMRE as part of their Social Labour Plans and Corporate Social Investment. Most of these projects span out for the duration of the medium-term period (3 years). The planned projects form part of the municipal strategy to respond to the five-year development priorities of the Municipality.

## 1.2. THE IDP PROCESS

According to the MSA, every new Council that comes into office after the local government elections has to prepare its own IDP that will be a Strategy to guide Council for a period of five years in office. The IDP is therefore linked to the five-year term of Councillors. This however, does not restrict all proposals in the IDP for five years.

Before starting the implementing IDP process, an **IDP Process Plan** must be drawn up. This plan is meant to ensure the proper management of the planning process.

This plan should outline:

- The structures that will manage the planning process
- How the public can participate and structures that will be created to ensure participation
- Time schedule for the planning process
- Who is responsible for what;
- How will the process be monitored.

A clear distinction must also be drawn between the main IDP which is compiled every five years (or if a new council comes into power within the five-year period and does not accept the previous council's IDP) and the annual review of the IDP. The annual review is not a replacement of the five-year IDP and its purpose is not to interfere long-term strategic orientation of the IDP. The annual review reflects and reports on progress made with respect to the five-year strategy (and strategic goals) and proposes adjustments to the strategy, if necessary, because of changing internal and external circumstances that affect the appropriateness of the IDP.

Once the IDP is drawn up all municipal planning and projects should happen in terms of the IDP. The annual council budget should be based on the IDP. Other government departments working in the area should consider the IDP when making their own plans. It should take 6 to 9 months to develop an IDP. During this period service delivery and development continue. The IDP has to be drawn up in consultation with forums and stakeholders. The Council must approve the final IDP document, which must be submitted on the 31 May of every year.

The process undertaken to produce the IDP's five (5) phases which are all critical and they are as follows:

### 1.2.1. PHASE 1: ANALYSIS

During this phase, information will be gathered on the existing conditions within the municipality from all Municipal Wards. It focuses on the types of problems faced by people of VKLM and the causes of these problems. Public Consultation meetings, assist the municipality to draw up situational analysis.

Local Government: Municipal Systems Act (Act 32 of 2000) states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for the local community to participate in the affairs of the municipality,

including in the preparation, implementation and review of its integrated development plan. The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit located in the Office of the Speaker.

Public Participation Consultations were held as per the following schedule:

**Table 1: Public Consultation Meetings**

WARD	COUncILLOR	DATE OF MEETING
WARD 01	Cllr B Mbalati	08 May 2025
WARD 02	Cllr BD Yeko	22 May 2025
WARD 03	Cllr T Malomane	09 April 2025
WARD 04	Cllr ES Lebatse	11 April 2025
WARD 05	Cllr. HM Ngoma	20 May 2025
WARD 06	Cllr S Ngcobo	21 May 2025
WARD 07	Cllr Z Ndlovu	10 May 2025
WARD 08	Cllr D Bath	24 May 2025
WARD 09	Cllr E Masilela	25 May 2025

## 1.2.2. PHASE 2: STRATEGIES

During this phase, the municipality worked on finding solutions to the problems assessed in phase one.

- **Defining development objectives**

Development objectives are clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in phase one.

For example: *Provide access to clean water for all residents including those living in the informal settlement.*

- **Development strategies**

Once the municipality has worked out where it wants to go and what it needs to do to get there, it needs to work out how to get there. A development strategy is about finding the best strategies for the municipality to meet developmental objectives.

- **Project Identification**

Once the municipality has identified the best methods of achieving its development objectives it leads to the identification of specific projects. In this way, the Municipality is able to come up with a priority Lists of Projects that will consider first the basic service delivery matters.

### **1.2.3. PHASE 3: PROJECTS**

During this phase, the municipality worked on the design and content of projects identified during Phase 2.

Clear details for each project has to be worked out in terms of:

- Who is going to benefit from the project?
- How much is it going to cost?
- How is this project going to be funded?
- How long would it take to complete?
- Who is going to manage the project?

Clear targets were set and key performance indicators were worked out to measure performance as well as the impact of individual projects.

### **1.2.4. PHASE 4: INTEGRATION**

Once all projects are identified, the municipality has to check again if they contribute to meeting the objectives outlined in Phase 2. These projects will provide an overall picture of the development plans.

All the development plans now had to be integrated in this phase. The municipality should also have overall strategies for issues like dealing with AIDS, poverty alleviation and disaster management.

### **1.2.5. PHASE 5: APPROVAL**

The IDP both DRAFT and Final, are tabled before Council for consideration and adoption during the final stage. The Council on its sittings every March of each year for adopting the draft IDP. During this period, the Community is encouraged to make and submit their comments before the approval of the Final IDP. The Final IDP is normally tabled and adopted at the end of May every year.

### 1.3. THE IDP GOVERNANCE & INSTITUTIONAL ARRANGEMENT

The following institutional structures have been identified in the municipality's public participation strategy as key structures in the development of the IDP. These structures represent a wider audience of stakeholders, which include organised business, labour, civil society, ward committees, Traditional Leaders, NGOs, CBOs, as well as members of the public.

Table 2: Composition and Roles of IDP Process within Victor Khanye Municipality

STRUCTURE/ STAKEHOLDER	COMPOSITION	ROLES AND RESPONSIBILITIES
<b>Mayoral Committee</b>	Executive Mayor Members of the Mayoral Committee	Decide on the Process Plan and make firm recommendations to Council. Chair meetings of IDP Forum.
<b>Council</b>	All Councillors	Approve the Process Plan and the IDP.
<b>IDP Technical Committee</b>	Municipal Manager IDP/PMS Manager LED Manager PMU Manager G&SD Manager Four Executive Managers Communications Manager Departmental Heads	Assess the level of development by among others, conducting the community and stakeholder issue analysis; In-depth analysis of priority issues through assessing context, causes, dynamics, resources and potential related to those issues; Provide technical expertise in the consideration and finalization of strategies and identification of projects; Make preliminary budget projections for the capital and operational budget allocations, Design project proposals and set project objectives, targets and indicators; Contribute to the integration of projects and sector programmes;
<b>IDP/Budget Steering Committee</b>	Chaired by: Municipal Manager Secretariat: IDP Manager <b>Composition:</b> Members of the Mayoral Com Ward Councillors Municipal Heads of Departments/Designated officials Deputy Chief Financial Officer Manager: Strategic Support Manager: Service Delivery Deputy Manager: M&E (PMS)	Facilitate discussions and resolutions of issues pertinent to specific municipal key focus areas Consider and make recommendations on items submitted. Facilitate discussions of pertinent issues affecting governments and stakeholders. Determine methodology to be followed in order to meet the deadlines of the process plan. Commissioning of research studies where applicable. Consider and commenting on inputs from sub-committees, study teams and consultants. Consider inputs and commenting from Provincial sector departments and support provided. Process, summaries and document output. Conduct an in-depth analysis of all surroundings that affect the planning within the municipality. Determine the strength, weakness, opportunities and threats in relation to the key focus area under consideration. Identify, invite and engage all stakeholders (sector departments, interest groups, municipal officials, NGO's,

		<p>individuals, etc.) that are relevant to key focus areas under consideration and constitute working committee to be chaired by the director.</p> <p>Formulate strategic objectives, key performance indicators and projects in a manner that will respond to the development gaps as outlined in a problem statement.</p> <p>Commissioning of research studies, formulation of study teams, thinking tanks, and some committees and consideration of inputs as they come.</p> <p>Revise and integrate all sector plan, strategies and policies pertinent to specific municipal key focus area under consideration.</p>
<b>IDP Forum</b>	<p>Executive Mayor IDP Technical Committee members. Members of Mayoral Committee Councillors Ward Committees Community Development workers Government Departments Representatives of organized Groups Stakeholder representatives</p>	<p>Represent interests of their constituents in the IDP process. Provide organizational mechanism for discussion, negotiation and decision-making between the stakeholders. Ensure communication between Stakeholder representatives including municipal government Monitor the performance of the planning and implementing process</p>
<b>Community Stakeholders</b>	<p>Unofficial Groups Mining Companies NGOs/ CBOs Agricultural Organizations Parastatal Organizations</p>	<p>Offer input from their perspective – from a business, community and welfare point of view.</p>
<b>Municipal Manager</b>	Municipal Manager	Oversee the whole IDP process and to take responsibility.
<b>IDP Manager</b>	IDP Manager	Manage the process of developing and revising the IDP.
<b>Ward Committees</b>	Members of Ward Committees	Assist in the organizing of public consultation and participation engagements.

## CHAPTER 2: MUNICIPAL ENVIRONMENTAL PROFILE

### 2. INTRODUCTION

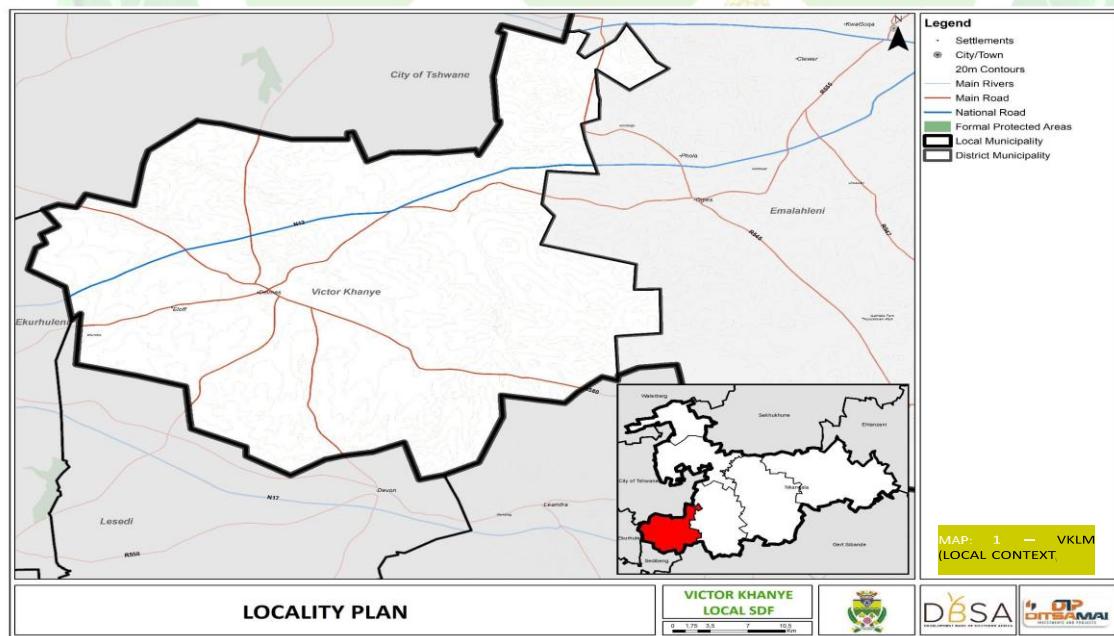
This chapter provides a detailed summary of the municipality's development profile or situation analysis and is divided into two sections, namely, the environmental profile and institutional profile.

#### 2.1. ENVIRONMENTAL PROFILE

This section provides a situational analysis of Victor Khanye Local Municipality. The analysis ranges from demographic, social, economic, spatial, environmental as well as service delivery assessment. The aim of this Chapter is to provide detailed information on the status quo of all the various facets or conditions that make up and found within the VKLM municipal area. The results of these analyses are then used to devise means of intervention with a view to overcome the hindrance to development. This implies that the findings are used to inform future planning and address the challenges and problems that exist within the communities in the municipal area. Own research, field studies within Victor Khanye Local Municipality – Final IDP Review 2024-2025, statistical resources such as Stats`-SA Census, Surveys and Annual Performance Reports were used in conducting the analysis (situation).

##### 2.1.1. GEOGRAPHICAL LOCATION

Map 1: Locality Map of the Municipality



Source: 2022 SDF Map

Victor Khanye Local Municipality is strategically located in the provincial context, as it is located between Johannesburg in Gauteng and Nelspruit in Mpumalanga Province. It is also

located close to the economically thriving metropolitan municipalities in Gauteng namely, Ekurhuleni and Tshwane. It is 10km from the N12 Highway, which joins the N4 Maputo corridor, the main link between Gauteng Province, Mpumalanga Province and Mozambique. According to the Stats-SA, (2022 Census), the total population of Victor Khanye Local Municipality is approximately 106 149 persons, which amounts to 5.8% of the total Nkangala District Municipality population 1 445 624, and 1.9% of the Mpumalanga province population of 4 335 964.

The Municipality is very rural in nature and is a major maize producing area. The local towns and residential areas have developed as service centres to agricultural sector. These areas are; Delmas, Arbor, Argent, Botleng, Eloff and Sundra. The Municipal headquarters is in Delmas, which is the CBD of the town.

The Municipality is currently characterised by an increase in coal mining and related activities, the mining of silica sand is also done at large scale, and other important sectors in this area are agriculture, agricultural product processing, industrial and manufacturing. Natural resources make a significant and direct contribution to the municipality's economy.

The Spatial Development perspective of the municipality translates the IDP of the Municipality into spatial principles and strategies, and thus constitutes the spatial implementation of the IDP. The Spatial Development perspective focuses on integrating the fragmented spatial structure of the municipality with the emphasis of ensuring that all communities have equitable access to sustainable services. It also ensures that economic, cultural, recreational and educational activities and opportunities, reach communities in dispersed rural areas in an efficient manner.

## **2.3. PHYSICAL ENVIRONMENT SPACE**

### **2.3.1. Topology and Climate**

The most prominent natural feature of the Victor Khanye Local Municipality is the vast underground water reserves and amazing soil quality, rich in coal reserves. The topography of the area does not pose any significant obstacles to development. The landscape of the Victor Khanye LM is characterized by flat to gentle topography of grassland and cultivated land. Steeper slopes are found on the north part of Delmas in the direction towards Bronkhorstspruit route. The climate is typical Highveld with a mean annual rainfall of between 600 and 800 mm. Average maximum temperature ranges between 25°C and 29°C and the mean minimal temperature between -1.9°C and 2.0°C.

### **2.3.2. Geology**

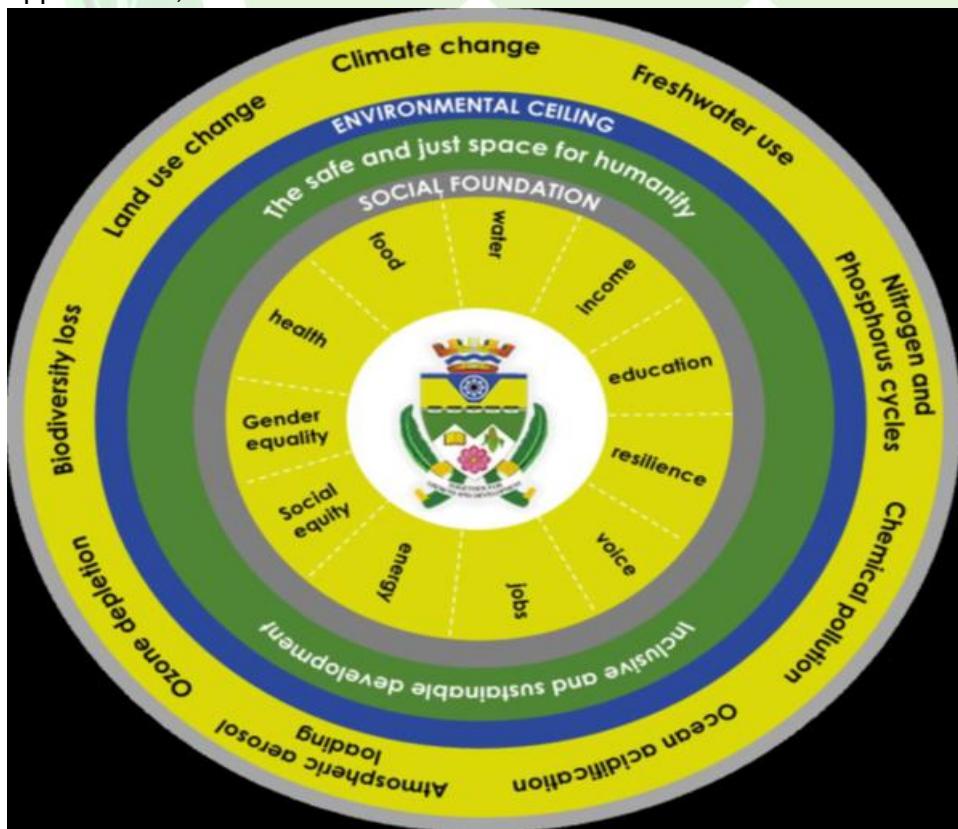
The Victor Khanye Local Municipality (previously Delmas Local Municipality) is a Category B municipality strategically located within the Nkangala District Municipality in the Highveld of the Mpumalanga Province. It is situated on the border of the Gauteng Province, less than 100km from Pretoria, Johannesburg, and Emalahleni. It is one of the smallest of six municipalities in the District. The municipality is linked by a major freeway, which is N12 that was declared as Maputo Corridor where it enjoins N4 Freeway to Maputo. There is a railway

line running through to the inner part of Mpumalanga and Mozambique. The municipality is regarded as a gateway to the Mpumalanga Province.

Victor Khanye Local Municipality is situated on the Western Highveld of Mpumalanga Province, covering a geographic area of approximately 1,567 square kilometres. The prominent towns and settlements in the Municipality include Delmas, Botleng, Sundra, Eloff and Delpark. Victor Khanye Local Municipality is well connected to both Gauteng and Mpumalanga. Regional access is provided via the N12, R555, R50 and R42.

The Municipality is strategically located in the sense that it borders the metropolitan areas of Tshwane and Ekurhuleni respectively to the west and which is an advantage in terms of transporting of agricultural and mining products to processing facilities and markets. The main centre of the Municipality is situated in the CBD of Delmas Town. The Municipality is currently characterized by coal mining and related activities, the mining of silica sand is also done at large scale and other important sectors in this area are agriculture, agricultural product processing, industrial and manufacturing.

Natural resources make a significant and direct contribution to the Municipality's economy. The Municipality forms part of the Nkangala District Municipality, which is a Category C District Municipality in the Province. It is the smallest District of the three in the province, making up 22% of its geographical area. Nkangala is at the economic hub of Mpumalanga and is rich in minerals and natural resources. A strength of the district is the Maputo Corridor, which brings increased potential for economic growth and tourism development. The proximity to Gauteng opens up opportunities for a larger market, which is of benefit to the district's agricultural and manufacturing sectors. The further potential inherent in exporting goods, which provides opportunities, that need to be investigated.



**Figure 01:** Sustainable Development

### 2.3.3. Biodiversity & Vegetation

Victor Khanye Local Municipality does not host much-threatened flora, with only five Red Data plant species having been recorded in the municipal area. A number of small isolated pockets considered being significant, and important biodiversity value is found throughout the municipality area.

Notably, there are no 'irreplaceable' hotspots in Victor Khanye Municipality. However, there are 'highly significant' patches - in terms of biodiversity, namely the north-eastern corner of the Municipality, the north-western corner, around Delmas, and finally a patch in the south of the municipal area.

There are concentrations of 'important and necessary' biodiversity, namely the north-western block, the north-eastern block, the area east of Argent, and the area along the southern municipal boundary. Conserving these areas is of extreme importance, as Victor Khanye LM is particularly threatened with the ecosystem collapsing.

### 2.3.4. Soil & Air Quality

In November 2007, the Highveld was declared a priority area, referred to as the Highveld Priority Area, in terms of Section 18(1) of the National Environmental Management: Air Quality Act 2004 (Act No. 39 of 2004).

This implies that the ambient air quality within the Highveld Priority Area exceeds, or may exceed ambient air quality standards. Alternatively, if a situation exists within the Highveld Priority Area, which is causing or may cause a significant negative impact on air quality in the area, that area will require specific air quality mitigation strategy to rectify the situation. The areas declared as such includes the entire area of Victor Khanye, Emalahleni and Steve Tshwete Municipalities, all these LMs fall under Nkangala District Municipality.

### 2.3.5. Demographic Indicators

It is important to analyse the size, spatial distribution, and composition and growth patterns of a municipality, in order to indicate future trends and to explain past occurrences.

When compiling the socio-economic analysis or overview, national census data is used received from Stats-SA. The objective of Statistics South Africa is to conduct a National Census Population conducted every ten years. On every five year cycle, and sometime within a period of between 2 -3 years, Stats-SA also conducts a number of surveys which provide data for aspects like education, health status, crime rate, households, employment status and many other data which forms a character profile of the South African population:

- The size of the population and growth rate
- The population group and broad age group
- The gender and urban-rural information

- Access to services such as water, sanitation and electricity
- The level of education
- Crime status
- The level of poverty and health status and other characteristics

The demographic characteristics of Victor Khanye Local Municipality will have various influences on the socio-economic conditions of the locality. The population increase has both current and future implications. Forward planning for basic infrastructure and Community amenities to sustain the inhabitants of the area and is very much key in the Municipal planning. Every area has its own different dynamics, leading to none development in the same manner.

**Figure 2: Population number per municipal area, 2011 & 2022**

Local Municipal Area	Population number		Female population share	Youth (0-34 years) share	Elderly (60+ years) share	Average annual population growth	Average annual economic growth
	2011	2022					
Chief Albert Luthuli	186 010	247 664	53.2%	54.5%	5.8%	2.8%	1.1%
Msukaligwa	149 377	199 314	51.3%	51.8%	4.9%	2.8%	1.5%
Mkhondo	171 982	255 411	53.1%	49.1%	4.3%	3.8%	0.8%
Dr Pixley Ka Isaka Seme	83 235	115 304	52.0%	50.1%	6.1%	3.2%	3.5%
Lekwa	115 662	119 669	51.3%	63.0%	7.6%	0.3%	1.3%
Dipaleseng	42 390	35 980	51.0%	77.2%	10.4%	-1.6%	4.0%
Govan Mbeki	294 538	310 117	49.9%	63.0%	5.6%	0.5%	-0.2%
Victor Khanye	75 452	106 149	49.2%	46.7%	5.4%	3.3%	3.2%
Emalahleni	395 466	434 522	49.2%	59.7%	5.4%	0.9%	0.5%
Steve Tshwete	229 831	242 031	50.3%	60.5%	6.5%	0.5%	0.6%
Emakhazeni	47 216	50 165	51.6%	61.7%	8.2%	0.6%	1.6%
Thembisile Hani	310 458	431 248	52.2%	49.5%	5.5%	3.2%	1.6%
Dr JS Moroka	249 705	324 855	52.6%	51.4%	8.6%	2.6%	1.3%
Thaba Chweu	98 387	109 223	50.5%	57.4%	6.7%	1.0%	0.4%
Nkomazi	393 030	591 928	53.0%	50.1%	3.8%	4.0%	1.0%
Bushbuckridge	538 593	750 821	54.3%	53.1%	5.3%	3.2%	2.0%
City of Mbombela	658 604	818 925	51.7%	56.0%	5.1%	2.1%	1.0%
MPUMALANGA	4 039 938	5 143 324	50.5%	57.4%	6.7%	2.3%	0.9%

**Sources: Stats SA – Census 2011 & 2022 S&P Global – ReX, October 2023**

According to the information contained in figure no 2, which is about the Population growth of Victor Khanye LM from Stats SA 2011 & 2022 Census, issued in October 2023.

The Population growth in 2011 was at 75 452, whereas in the year 2022 the Population growth was at 106 149 according to Stats SA 2011 & 2022.

Now this indicated that the population growth was about 30 697 between the period 2011 and 2022 and in terms of percentage growth it was 3,3%.

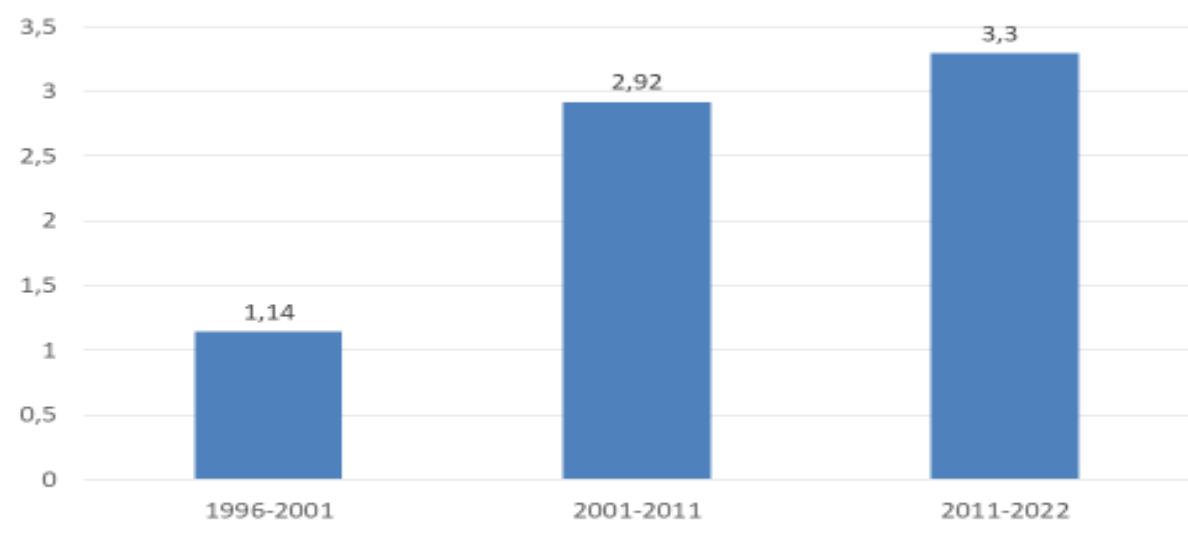
From the total population growth when we do the breakdowns in terms of population groups, Female share of the total population was 49,2%,

Youth was at 46,7% from the ages of 0 – 34 years and the Elderly growth was about 5,4% from the age of 60 years and more.

Finally, the above figure no 2, also reflects the annual economic growth of Victor Khanye LM shows an increase of about 3, 2%.

**Figure 03: Annual Population Growth Rate in VKLM, 1996-2022**

**Annual Population Growth Rate in Victor Khanye Local Municipality, 1996-2022**



Source: Stats SA: Censuses 1996, 2001, 2011 & 2022



Looking at the above figure, which illustrated the population growth rate in VKLM from the periods; 1996 – 2001. This shows that the growth rate was at 1.14. This means that people that were not staying in VKLM back then were somehow attracted to VKLM but not on a maximum pace.

Continue looking at the population growth from the period 2001 – 2011, the percentage growth shows an increase of about 2.92% this shows an increase in the population of VKLM.

From the period 2011 – 2022, the population growth increased with about 3.3% of which it shows a significant growth and VKLM was then regarded as a fast growing population area and a pulling environment based on the opportunities that are

existing within VKLM although VKLM was ranked at number 5 as a small growing Municipality in the Nkangala District Municipality.

Table 3: Ranking of Municipalities by Population Size

Ranking of Municipalities by Population Size, 2022		5
Local Municipality	Population Size	Ranking
Emalahleni	434 238	1
Thembisile Hani	431 248	2
Dr JS Moroka	324 855	3
Steve Tshwete	242 031	4
<b>Victor Khanye</b>	<b>106 149</b>	<b>5</b>
Emakhazeni	50 165	6

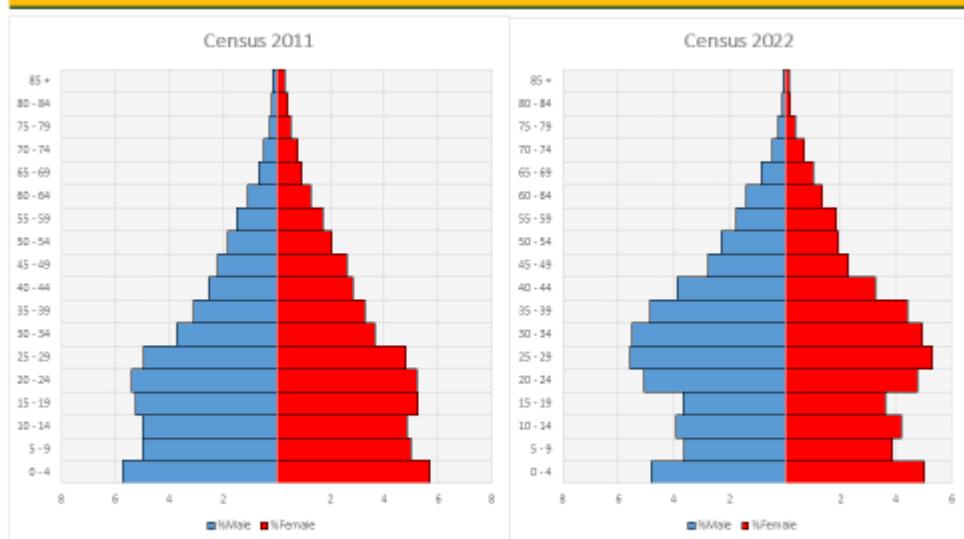


Source: Stats SA: Census 2022



Table 3 above indicate the ranking of Victor Khanye LM as number 5 in terms of the Population size.

Population Pyramids for Victor Khanye LM, 2011 & 2022



Source: Stats SA: Censuses 2011 & 2022



Figure: 04 Municipal Share to District Population

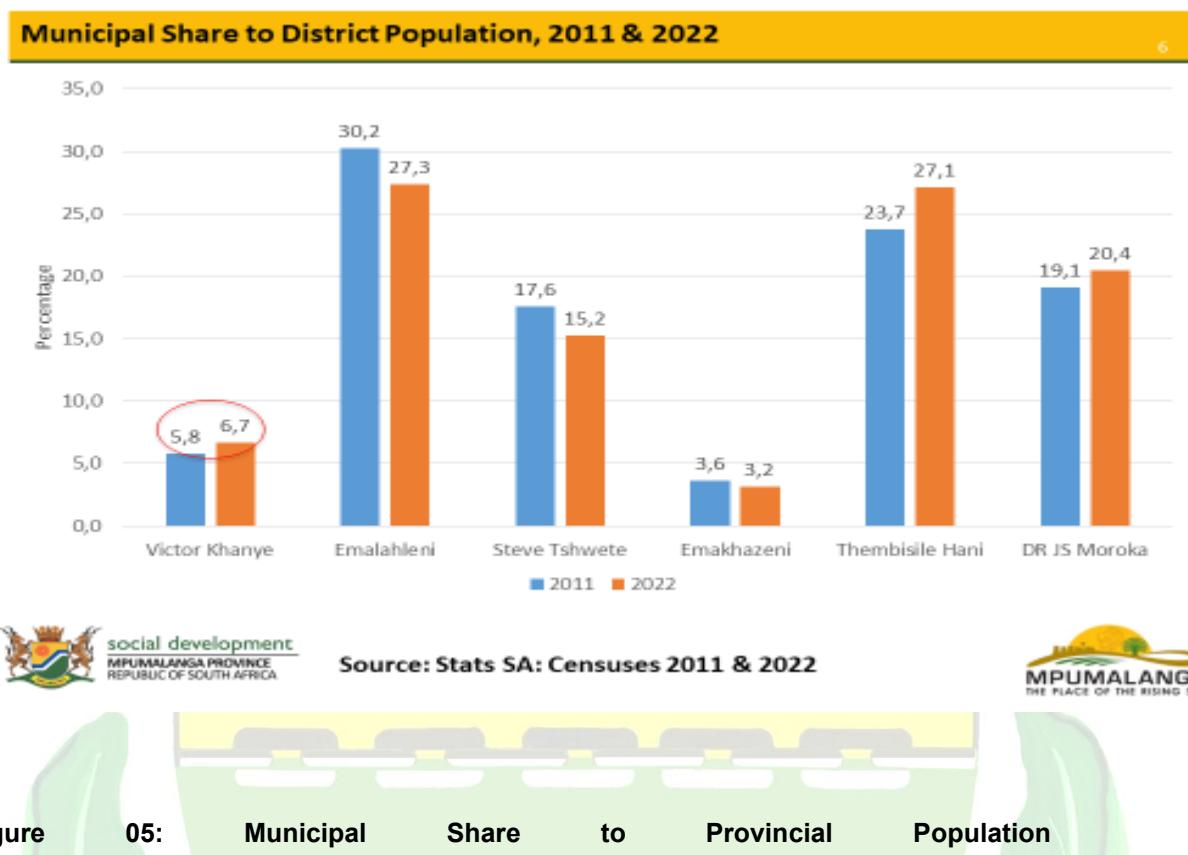


Figure 05: Municipal Share to Provincial Population

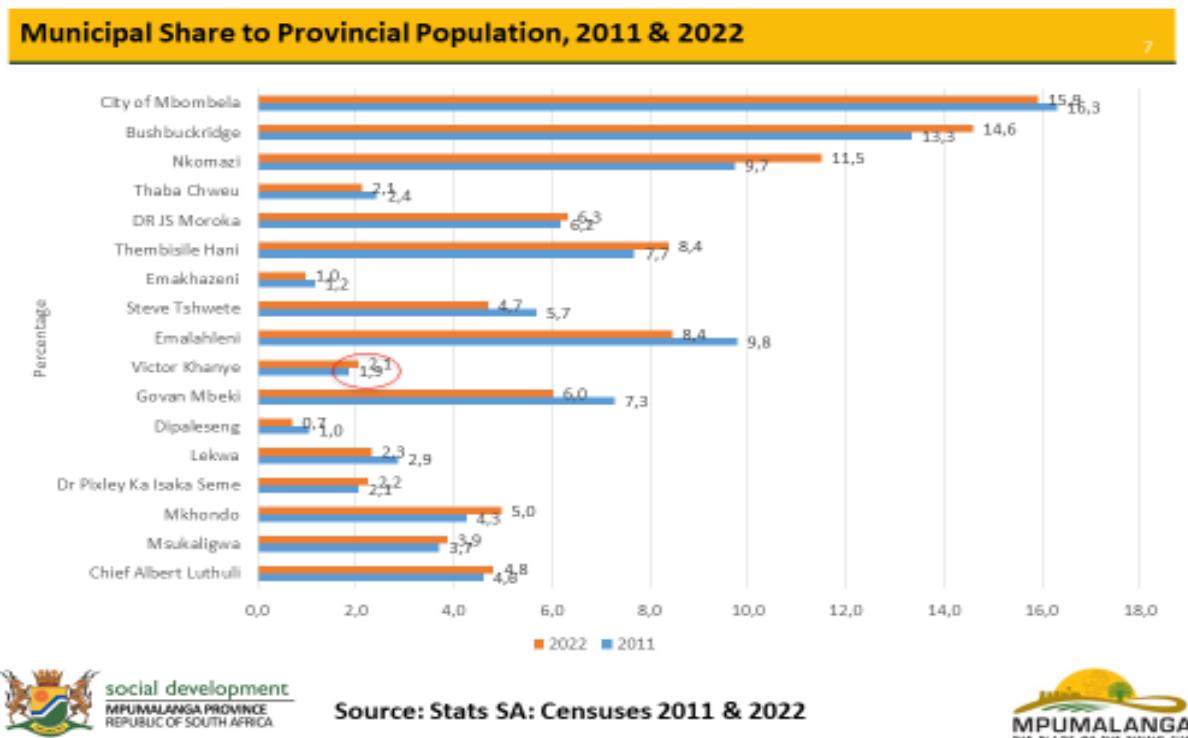
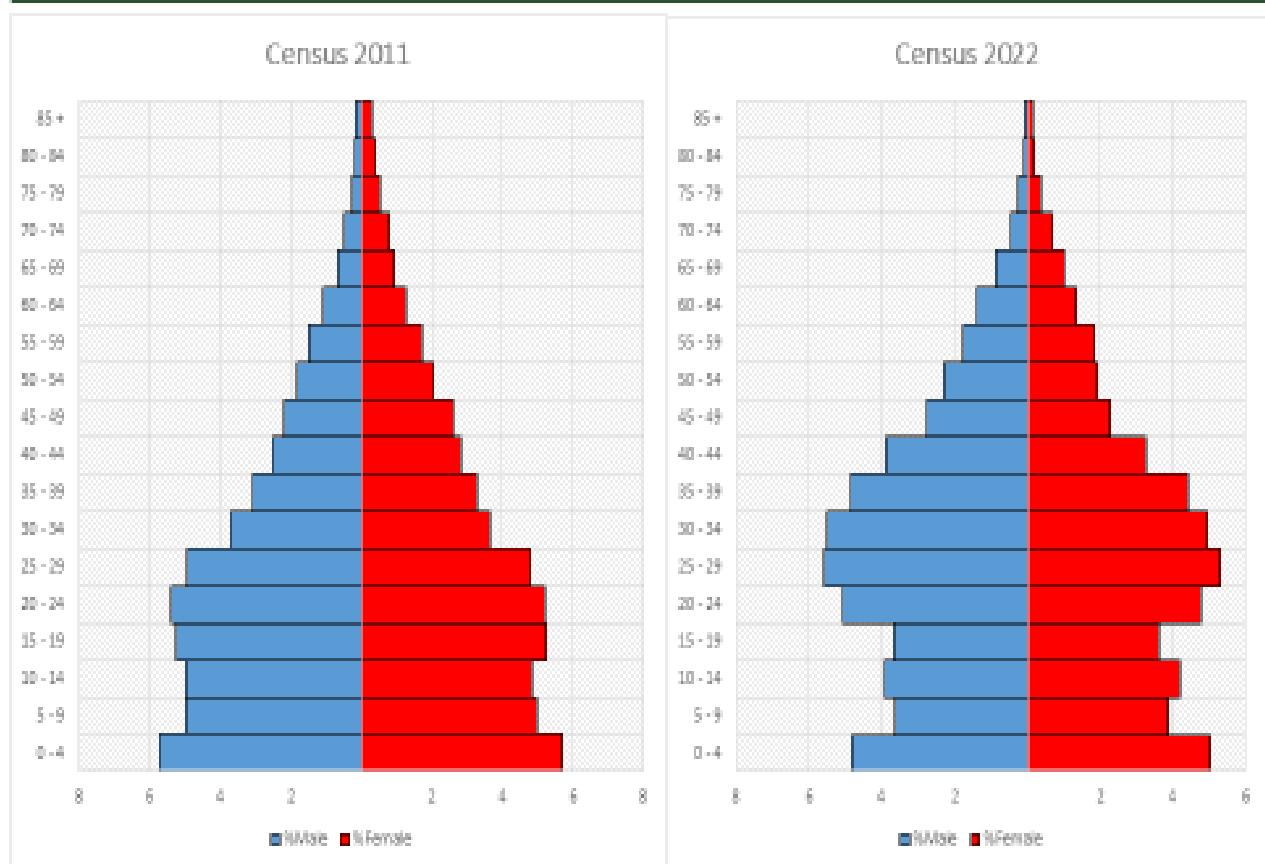


Table 05: Population Composition by Age and Gender

## Population Pyramids for Victor Khanye LM, 2011 & 2022

9



Source: Stats SA: Censuses 2011 & 2022



Table 04: Population Growth Rate

Demographic Indicators	Stats-SA Census	Stats-SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: Highest (1) – Lowest (17)
	2022	2030	2022	2030	
Population number	106 149	112 354	5.8%	1.9%	15
Number of households	33 786	24 270	5.8%	2.0%	14
2 Area size (km <sup>2</sup> )	1 589.9	1 589.9	9.4%	2.0%	17
2 Population per km	48	53			

The Community Census Survey 2022 indicated that the population growth was estimated to grow from 106 149 in 2022 to 112 354 by 2030.

According to Stats SA (2022 Community Survey), the 106 149 population growth recorded in 2022 for Victor Khanye LM makes up for 2, 3% of Nkangala's population.

Population increased by 30 697 between 2011 and 2022, a population growth rate of 3.3% per annum (p.a.), which was slightly higher than the annual average economic growth rate over the same period. It showed VKLM as the third highest population growth rate of the 17 municipal areas in Mpumalanga.

The number of households in Victor Khanye increased from **24 270 in 2016** to **33 786** households in **2022** – an increase of 9 516 households & a growth of 3.1% per annual (p.a.), the third highest in Mpumalanga.

The household size declined from 3.7 in 2016 to 3.1 in 2022. High population and household growth put more pressure on basic service delivery, education and health facilities and economic/employment opportunities.

Number of households 33 786 (3.5 people per household) which makes a 5.8% of Nkangala's households.

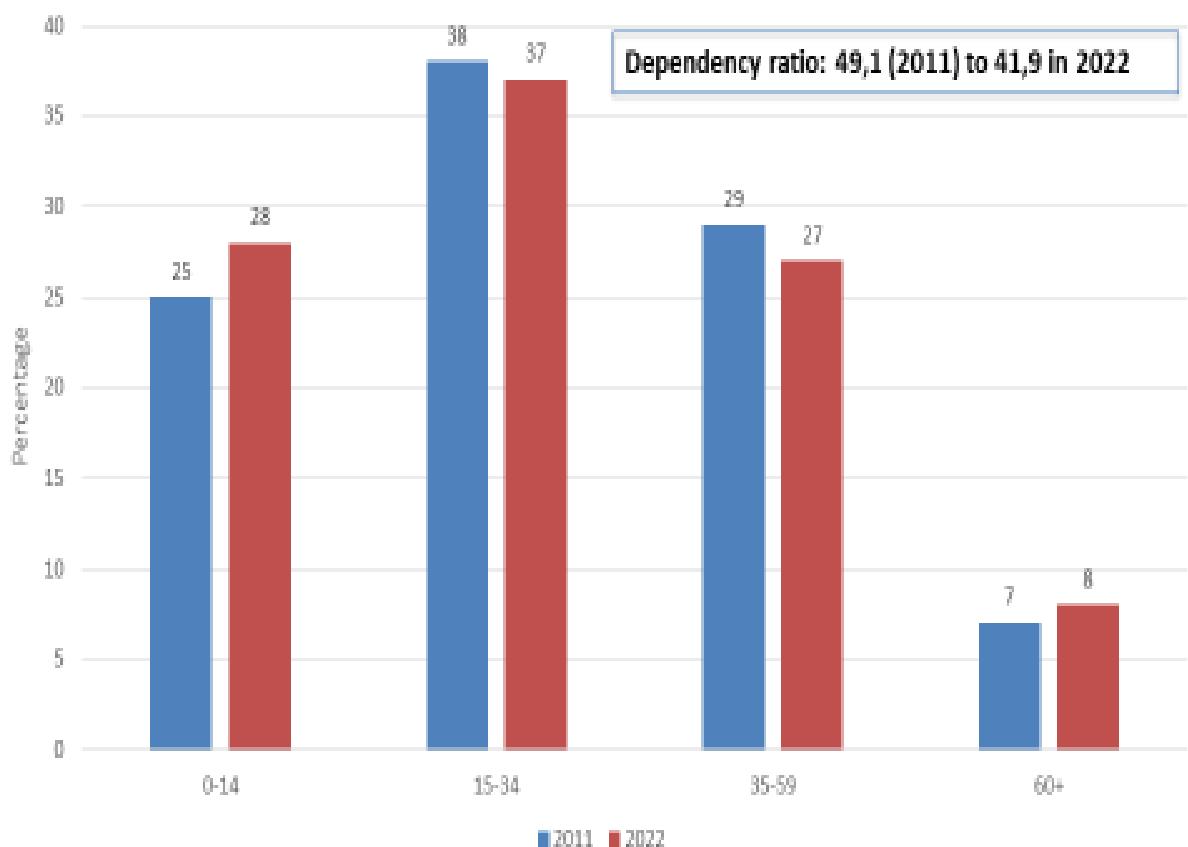
The population size is defined as the total number of households in a particular municipal area of which it also covers even the informal dwellers. This is key when determining service provision requirement and infrastructure needs of local inhabitants.

The growth rate of the population is of importance, in the sense that it enables the Municipality to do future projections. These projections are used to determine future needs and indicate

outward or inward migration, which in turn has an effect on job creation or availability and economic growth.



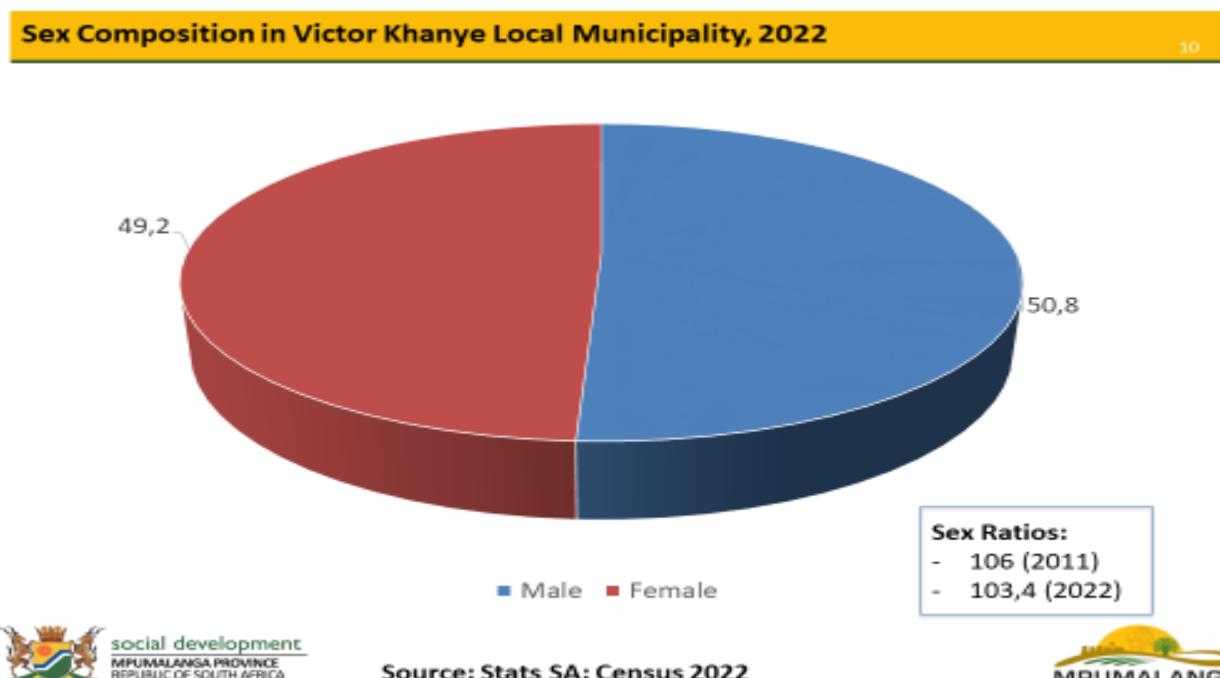
## Proportion of Different Age Groups to Total Population, 2011 & 2022



Source: Stats SA: Censuses 2011 & 2022

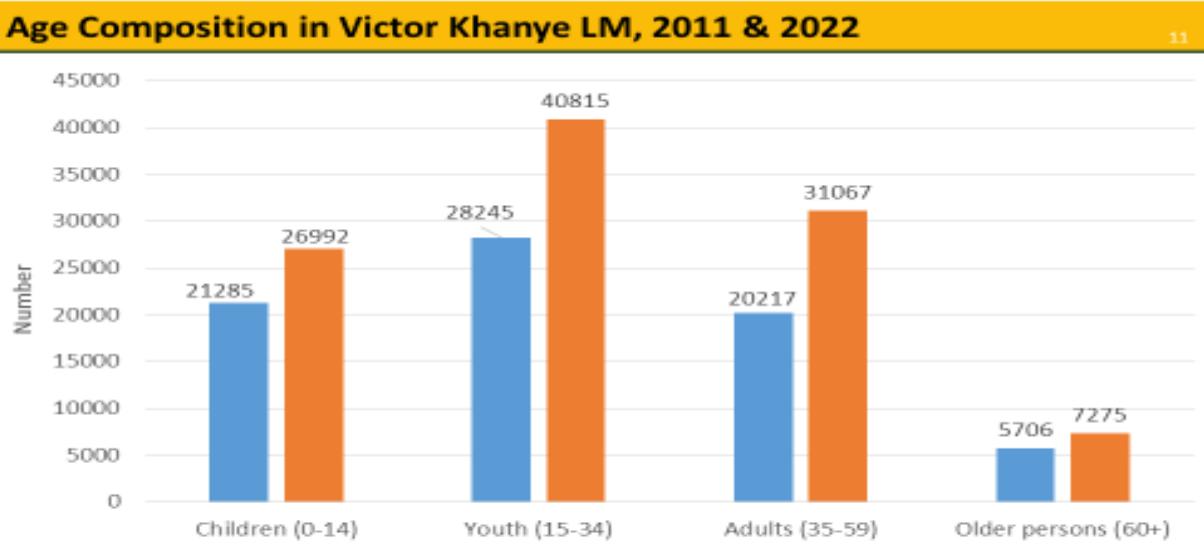


Figure 07: Sex Composition in VKLM



The figure above depicts that Victor Khanye Local Municipality has a higher male% population compared to the female% population, which differs from the normal gender ratio in most populations. This is a result of the influx of males who decided to live in Victor Khanye due to employment and job opportunities by Industries, Companies and Mining in the area.

Figure 08: Age Composition in Victor Khanye LM, 2011 & 2022



**Source:** Stats SA: Censuses 2011 & 2022

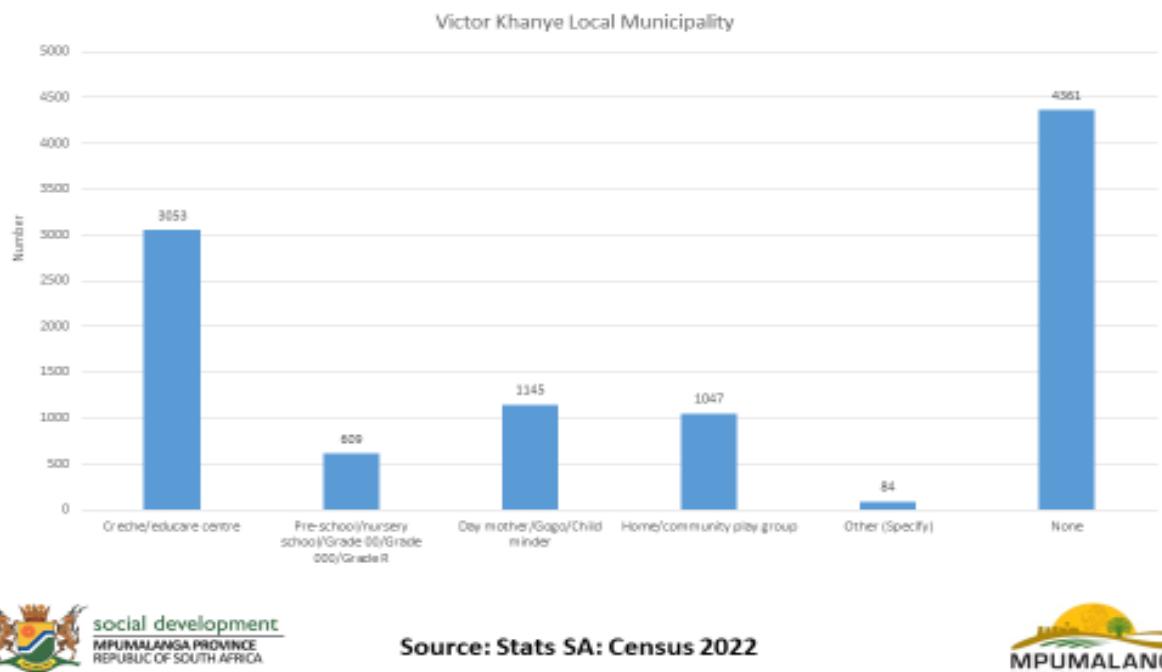


As depicted in the figure above, the overall population across all age groups increased between 2011 to 2022 in Victor Khanye, with the majority of the increase being from the youth age group, aged between 15 to 34, with a staggering 12 570 increase from 2011.

### 2.3.6. EARLY CHILDHOOD DEVELOPMENT

#### ECD Attendance by Children 0-4 Years of Age in Victor Khanye LM, 2022

14



Source: Stats SA: Census 2022



Figure 09: ECD Attendance by Children 0-4 in VKLM

In terms of early childhood development, as depicted above, Victor Khanye recorded a number of 3053 children attending crèche, while 4561 children do not have any type of Early Childhood Development.

### 2.3.6.1. LEVEL OF EDUCATION

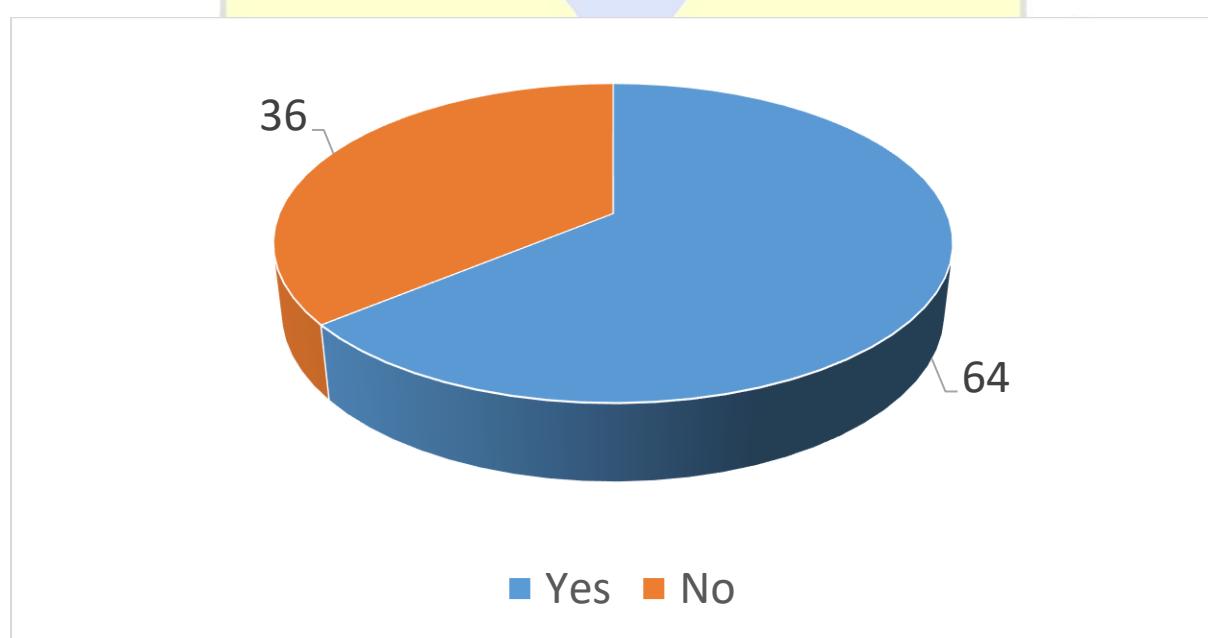
Education expands the range of options from which persons can choose, and provides the opportunity to develop one's life to the fullest.

Education not only satisfies the human needs for knowledge and development, it also provides a means to an end. Education and training provides the person with the needed skills to enter the labour market, or to become self-employed - leading to accelerated and sustainable development.

The baseline information employed to portray the educational profile of Victor Khanye Local Municipality is an indicative of those individuals in the area, aged above 20 years of age. These figures show that only 5.6% of residents in the municipality are educated on a level higher than Grade 12.

Moreover, it has to be mentioned that 11.1% of residents in Victor Khanye indicated that they had no formal form of schooling - this figure is relatively low in comparison to the 2001 and 2011 census.

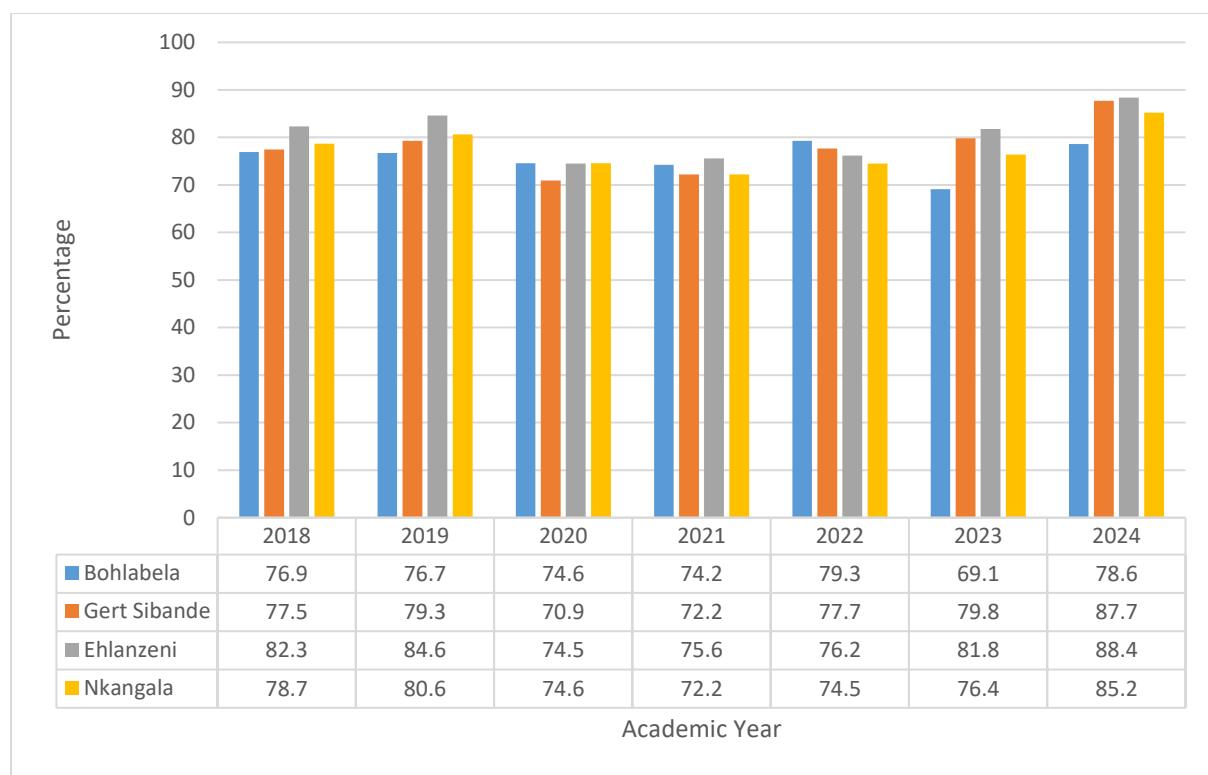
#### Attendance at an Educational Institution (5 to 24 Years) in Victor Khanye LM, 2022



Source: Stats SA: Census 2022

About 64% of the Youth attended in Educational Institution and about 36% of the Youth did not attend any Educational Institution during the Census released in 2022.

## GRADE 12 PERFORMANCE BY DISTRICT MUNICIPALITY, 2018 - 2024



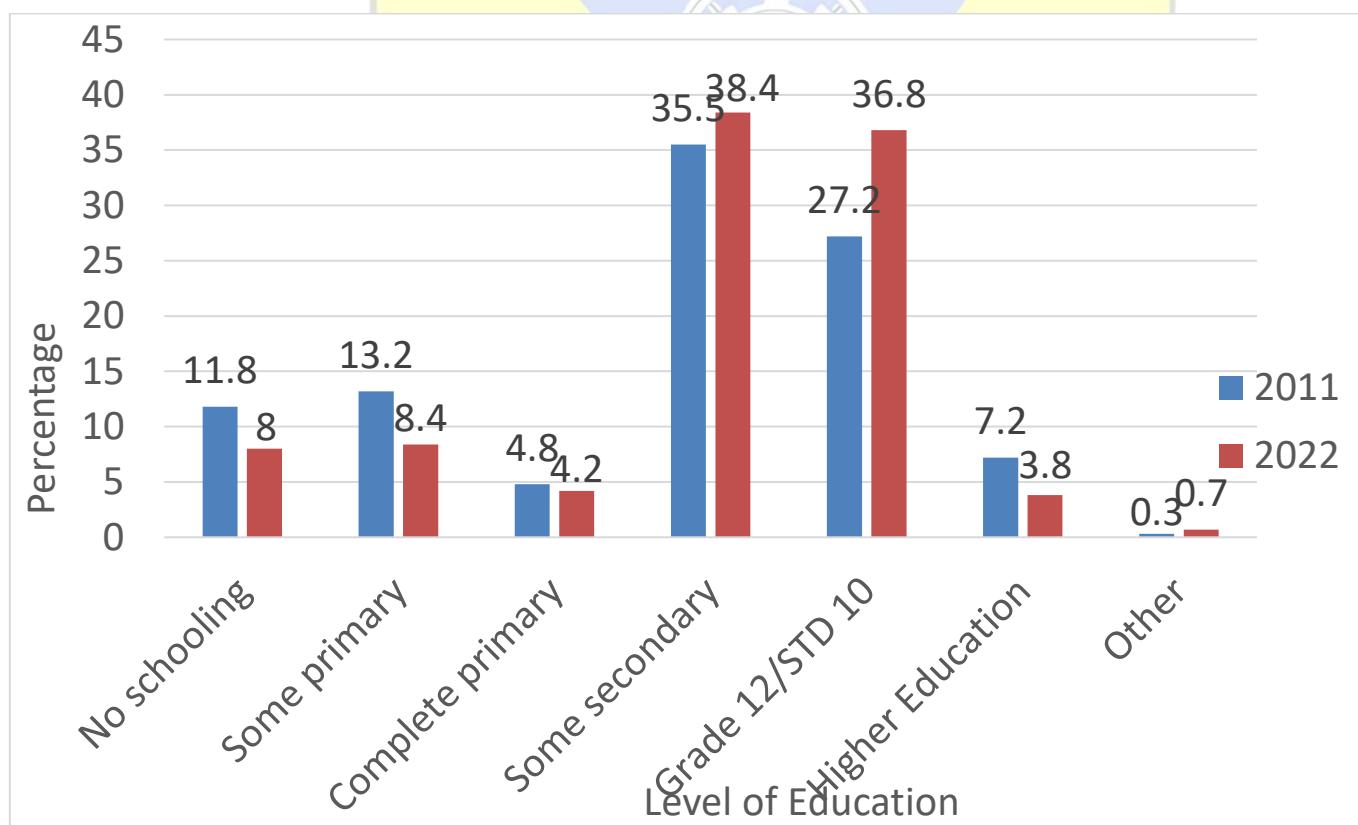
Source: Department of Education

## GRADE 12 PERFORMANCE BY LOCAL MUNICIPALITY, 2020 - 2024

Local Municipality	2020	2021	2022	2023	2024	% Change
Steve Tshwete	84,70%	82,2%	86,7%	89,50%	92,90%	3,40%
Msukaligwa	76,40%	71,1%	83,6%	84,80%	92,80%	8,00%
Dipaleseng	75,30%	76,6%	83,9%	88,10%	91,60%	3,50%
Thaba Chweu	81,90%	80,9%	82,2%	81,00%	90,50%	3,90%
Emalahleni	78,90%	79,6%	82,8%	82,00%	90,30%	8,30%
Chief Albert Luthuli	71,40%	78,0%	82,1%	84,20%	89,40%	5,20%
Nkomazi	74,10%	75,5%	73,5%	80,20%	89,40%	9,20%
Dr Pixley Ka Isaka Seme	65,90%	59,9%	69,7%	78,30%	89,40%	11,10%
Lekwa	74,80%	75,9%	80,5%	75,60%	89,40%	13,80%
City of Mbombela	75,00%	75,6%	78,6%	83,10%	87,70%	4,60%

Dr JS Moroka	66,00%	66.4%	70.3%	71,30%	85,50%	<b>14,20%</b>
Govan Mbeki	71,90%	73.7%	73.5%	75,30%	84,20%	<b>8,90%</b>
Victor Khanye	62,90%	52.8%	72.5%	78,80%	83,20%	<b>4,40%</b>
Mkhondo	63,50%	64.3%	72.7%	74,50%	81,20%	<b>6,70%</b>
Thembisile Hani	73,70%	71.6%	67.7%	69,90%	79,20%	<b>9,30%</b>
Bushbuckridge	74,00%	73.7%	79.1%	68,20%	77,70%	<b>9,50%</b>
Emakhazeni	88,00%	63.9%	69.2%	73,60%	69,60%	<b>-4,00%</b>

**Highest Level of Education (20+ Years) in Victor Khanye LM, 2011 & 2022**

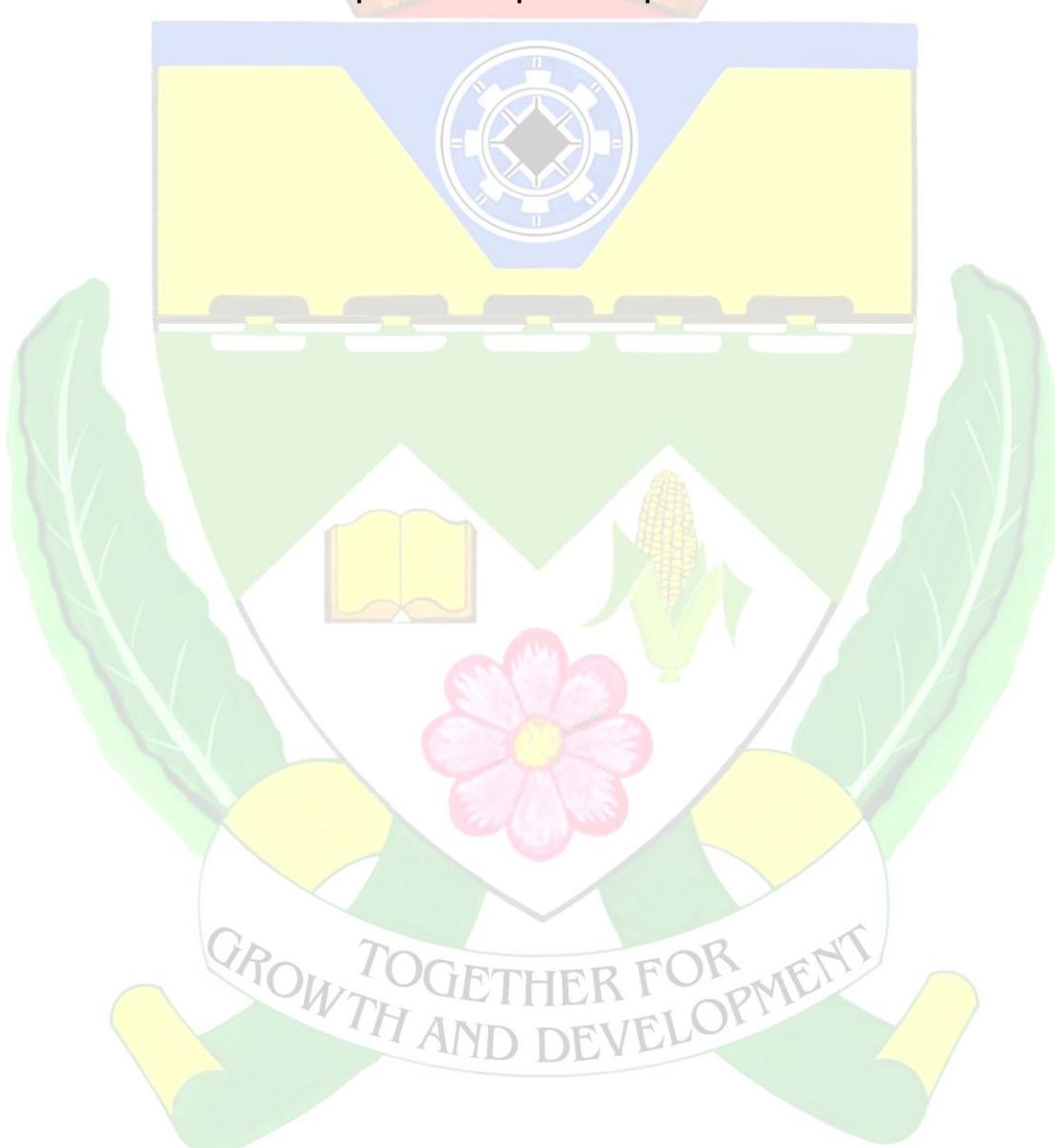


Source: Stats SA: Censuses 2011 & 2022

Education per district	Grade 12 Pass Rate			Trend	Admission to B degree studies
	2014	2021	2022		
Bohlabela	76.8%	74.6%	79.3%	😊	34.2%
Gert Sibande	77.1%	70.9%	77.7%	😊	34.5%
Ehlanzeni	82.9%	74.5%	76.2%	😊	34.4%
Nkangala	78.8%	74.6%	76.2%	😊	31.1%

Source: Mpumalanga Department of Education, 2023

Table 09: Basic education data & performance per municipal area



### 2.3.6.2. Household Index

Table 07: Household number per municipal area, 2011 & 2022

	Households number		Average household growth	Household	
	2011	2022	2011 - 2022	2011	2022
Chief Albert Luthuli	705	63303	2.8%	3.9	3.9
Msukalikwa	40932	67827	5.0%	3.6	2.9
Mkhondo	37433	58504	4.4%	4.6	4.4
Dr Pixley Ka Isaka Seme	19838	32972	5.0%	4.2	3.5
Lekwa	31071	38583	2.1%	3.7	3.1
Dipaleseng	12637	13129	0.4%	3.4	2.7
Govan Mbeki	83866	103864	2.1%	3.5	3.0
Victor Khanye	20548	33786	4.9%	3.7	3.1
Emalahleni	119873	164573	3.1%	3.3	2.6
Steve Tshwete	46966	80052	2.0%	3.5	3.0
Emakhazeni	13721	19613	3.5%	3.4	2.6
Thembisile Hani	75633	110563	3.7%	4.1	3.9
Dr JS Moroka	62162	74581	1.8%	4.0	4.4
Thaba Chweu	33352	43295	2.5%	2.9	2.5
Nkomazi	96202	134143	3.2%	4.1	4.4
Bushbuckridge	133559	167927	2.2%	4.0	4.5
City of Mbombela	181966	215004	1.6%	3.6	3.8
Mpumalanga	1075466	1421721	2.7%	3.8	3.6

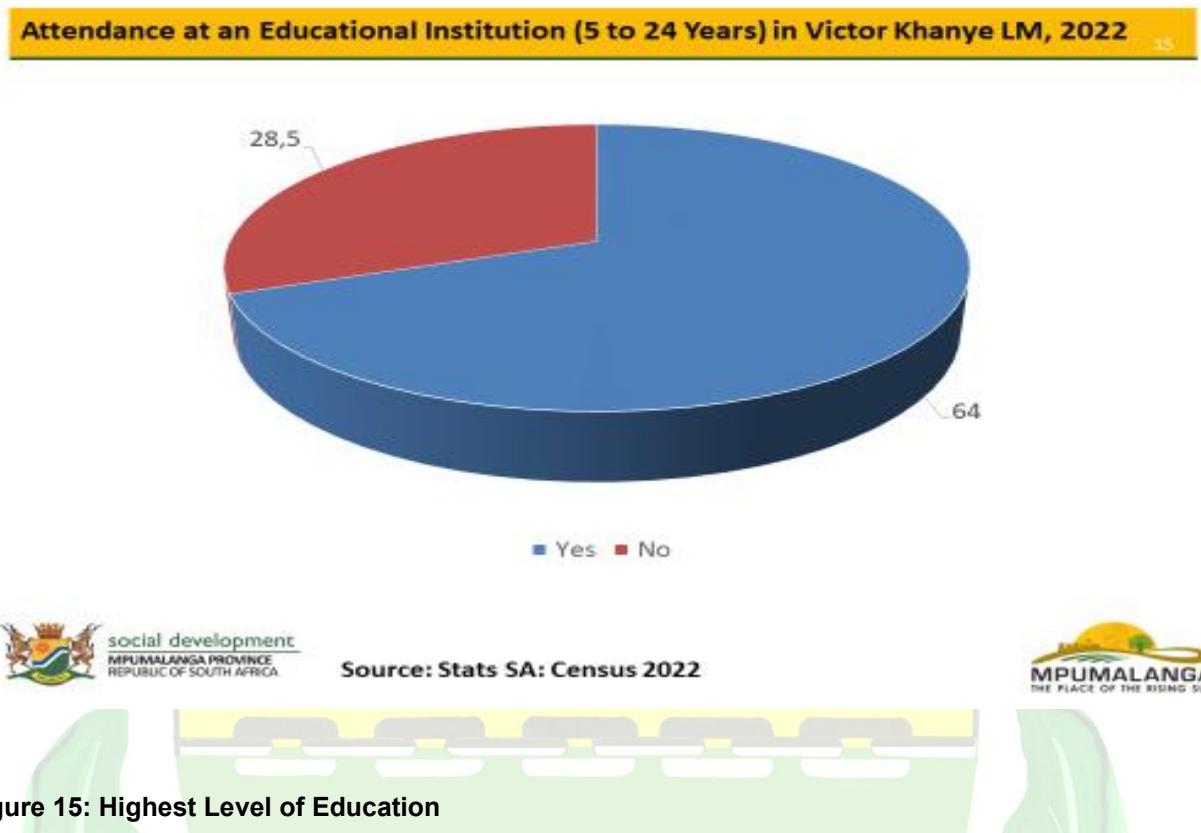
Source: Stats SA – 2016 – 2022

Source: Mpumalanga Department of Education, 2023

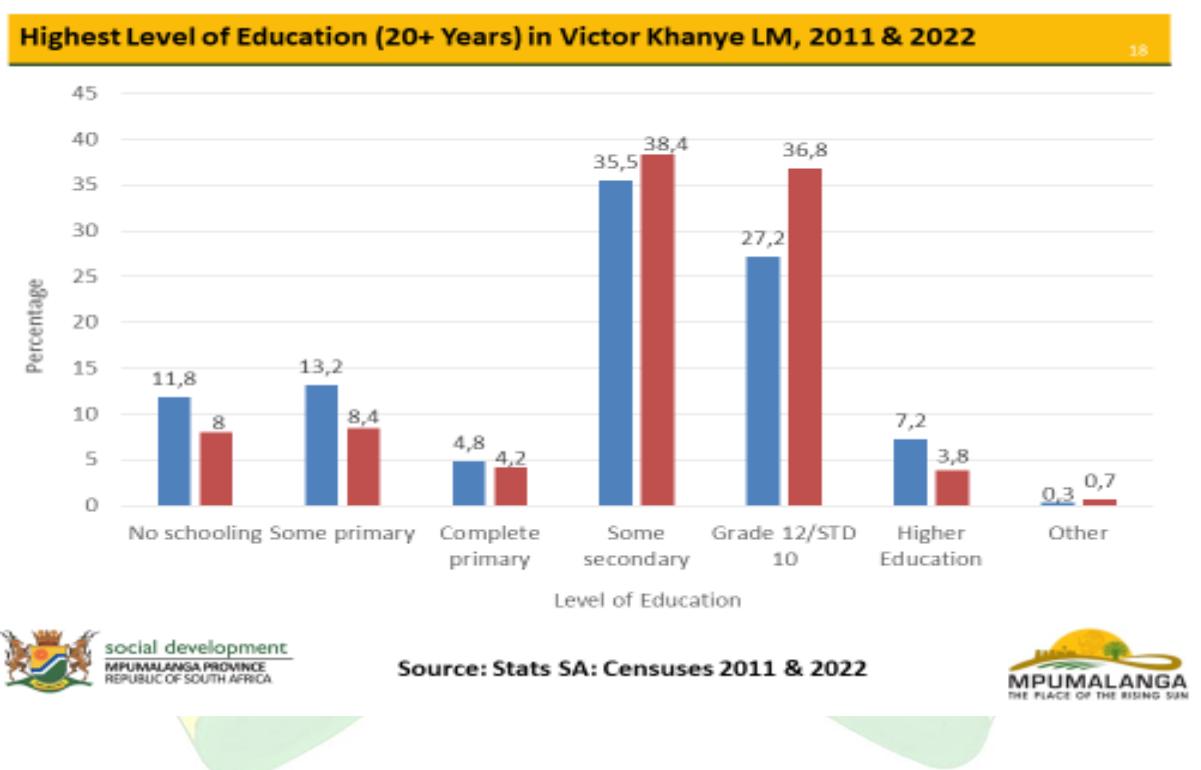
Local municipal area	Grade 12 Pass Rate			Trend	Admission to B degree studies
	2014	2021	2022		
Steve Tshwete	85.6%	82.2%	86.7%	😊	46.6%
Dipaleseng	81.4%	76.6%	83.9%	😊	37.8%
Msukaligwa	80.6%	71.1%	83.6%	😊	44.9%
Emalahleni	81.9%	79.6%	82.8%	😊	36.3%
Thaba Chweu	81.1%	80.9%	82.2%	😊	38.7%
Chief Albert Luthuli	80.1%	78.0%	82.1%	😊	37.3%
Lekwa	84.7%	75.9%	80.5%	😊	30.6%
Bushbuckridge	76.4%	73.7%	79.1%	😊	33.8%
City of Mbombela	80.5%	75.6%	78.6%	😊	36.6%
Govan Mbeki	76.3%	73.7%	73.5%	😊	31.2%
Nkomazi	86.0%	75.5%	73.5%	😊	32.0%
Mkhondo	70.9%	64.3%	72.7%	😊	33.3%
Victor Khanye	74.6%	52.8%	72.5%	😊	35.0%
Dr JS Moroka	73.8%	66.4%	70.3%	😊	25.5%
Dr Pixley Ka Isaka Seme	68.1%	59.9%	69.7%	😊	26.0%
Emakhazeni	85.7%	63.9%	69.2%	😊	18.8%
Thembisile Hani	77.1%	71.6%	67.7%	😊	26.1%



**Figure 14: Attendance at an Educational Institution**



**Figure 15: Highest Level of Education**



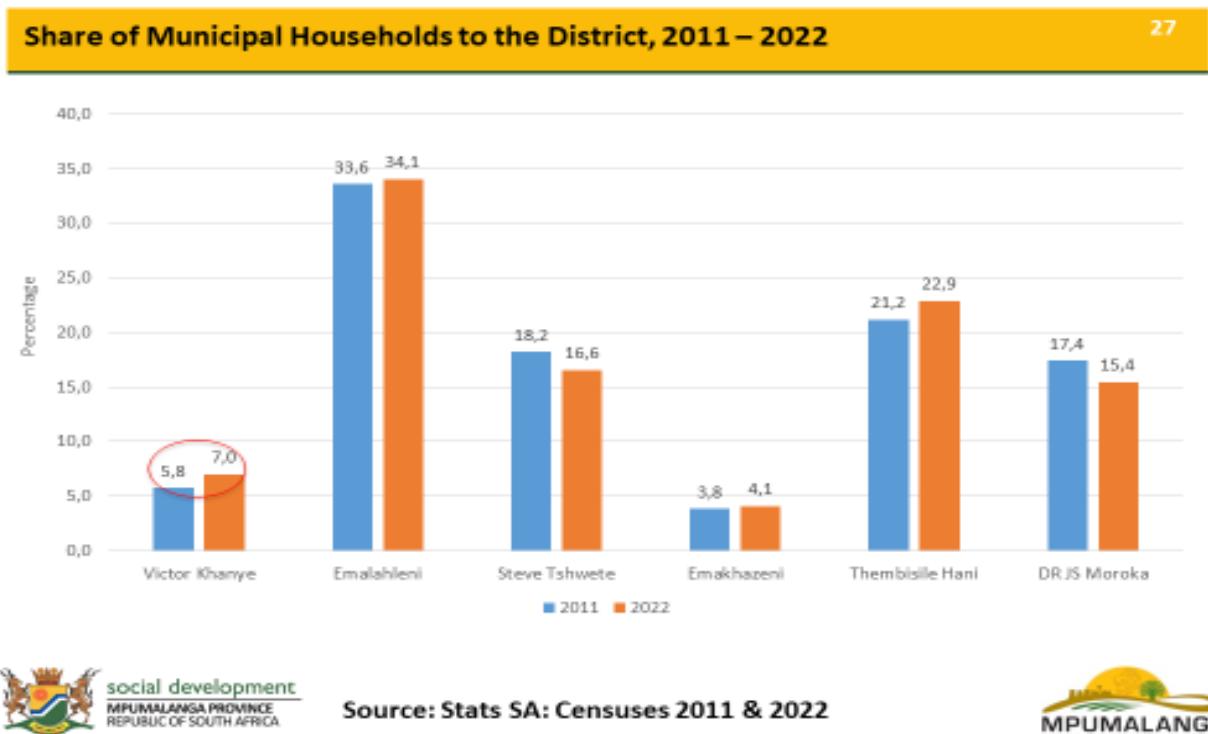
### 2.3.6.2. Number of Households by Local Municipality in Nkangala District, 2011 – 2022

**Table 22:** Number of Households by Local Municipality in Nkangala District

	2011	2022
<b>Victor Khanye Local Municipality</b>	20548	33786
<b>Emalahleni Local Municipality</b>	119873	164579
<b>Steve Tshwete Local Municipality</b>	64966	80052
<b>Emakhazeni Local Municipality</b>	13721	19619
<b>Thembisile Hani Local Municipality</b>	75633	110563
<b>Dr JS Moroka Local Municipality</b>	62162	74581

Source: Stats-SA: Census- 2011& 2022

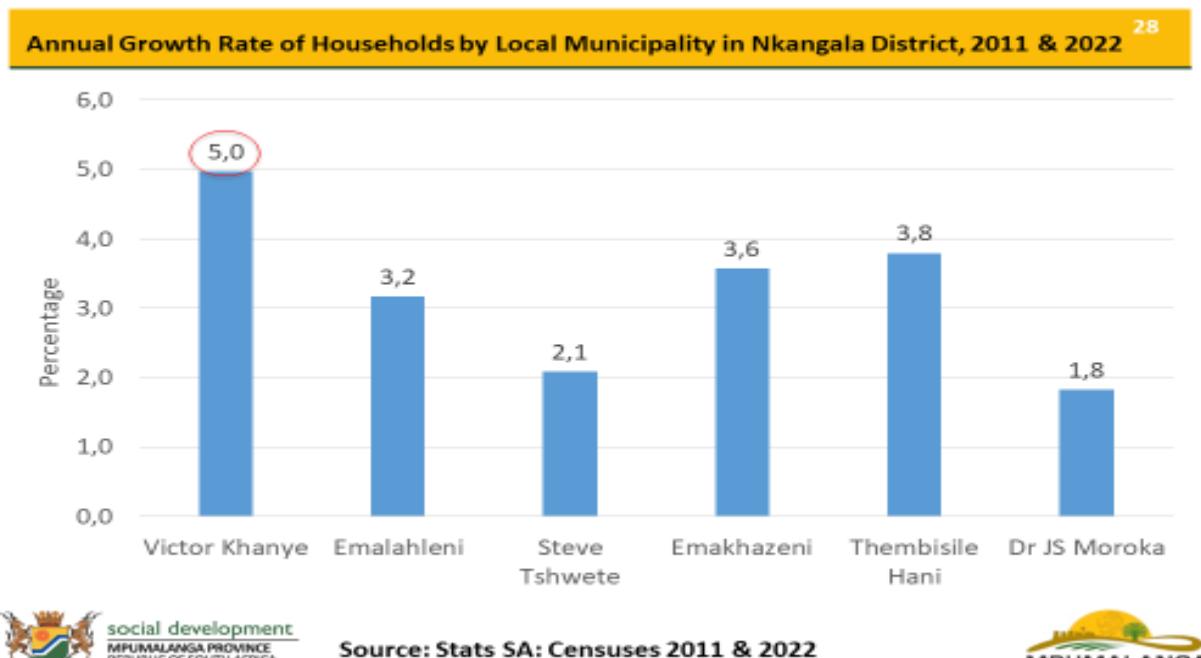
**Figure 22: Share of Municipal Households to the District**



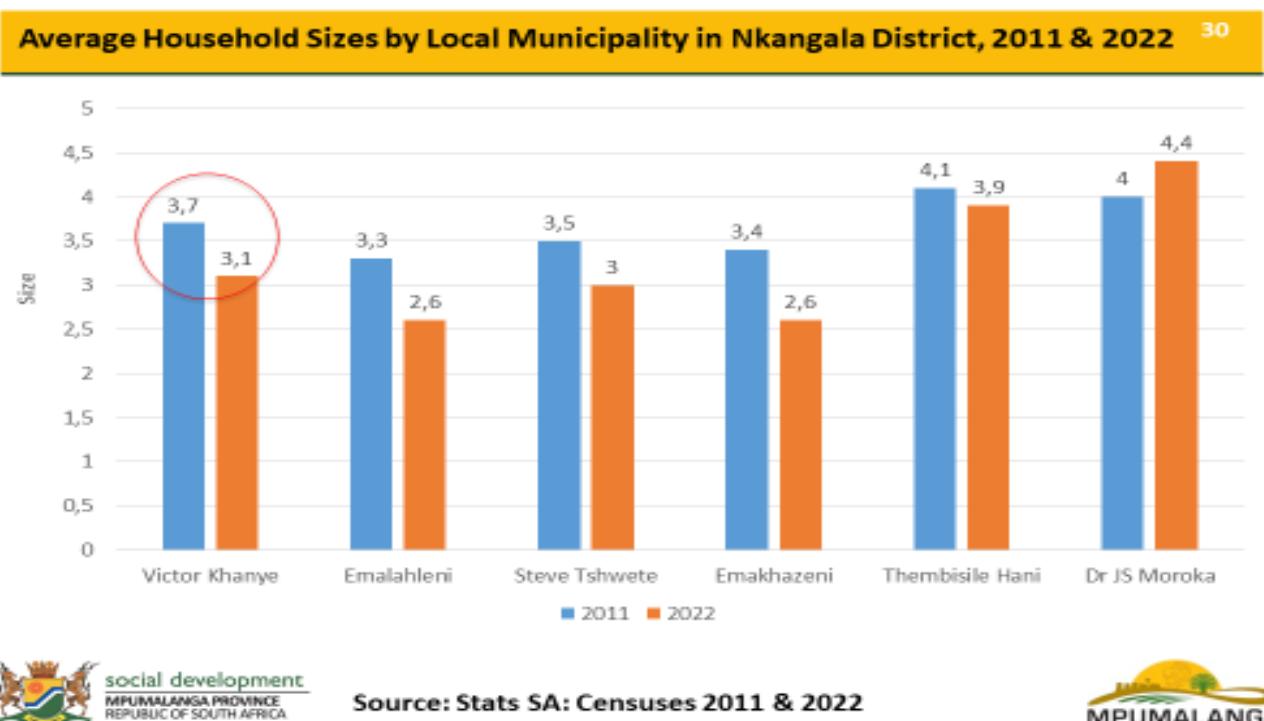
Source: Stats SA: Censuses 2011 & 2022



**Figure 23: Annual Growth Rate of Households by Local Municipality in Nkangala**



**Figure 24: Average Household Sizes by Local Municipality in Nkangala District**



**Figure 25: Sex of Head of Households by Local Municipality in Nkangala District**

**Sex of Head of Households by Local Municipality in Nkangala District, 2022**

31

Municipality	Number of Male-headed households	% of Male-headed households	Number of Female-headed households	% of Female-headed households	Total
Nkangala	260 673	54	222 495	46	483 169
Victor Khanye	18 876	56	14 910	44	33 786
Emalahleni	93 886	57	70 687	43	164 573
Steve Tshwete	45 138	56	34 914	44	80 052
Emakhazeni	10 185	52	9 428	48	19 613
Thembisile Hani	57 123	52	53 440	48	110 563
Dr JS Moroka	35 465	48	39 116	52	74 581



Source: Stats SA: Census 2022



**Table 23: Age of Head of Households by Local Municipality in Nkangala District**

Age of Head of Households by Local Municipality in Nkangala District, 2022							32
	12 - 17	18 - 24	25 - 34	35 - 59	60 +	Total	
<b>Nkangala</b>	<b>1 853</b>	<b>24 053</b>	<b>79 544</b>	<b>281 435</b>	<b>96 283</b>	<b>483 169</b>	
Victor Khanye Local Municipality	106	1 862	6 658	20 082	5 079	33 786	
Emalahleni Local Municipality	557	8 791	31 844	100 204	23 177	164 573	
Steve Tshwete Local Municipality	208	3 830	15 268	47 695	13 052	80 052	
Emakhazeni Local Municipality	37	1 296	3 983	10 862	3 435	19 613	
Thembisile Hani Local Municipality	561	4 926	13 415	64 852	26 809	110 563	
Dr JS Moroka Local Municipality	384	3 349	8 376	37 741	24 731	74 581	



Source: Stats SA: Census 2022



**Table 24: Migration Status by Province/Area of Previous Residence**

Migration Status by Province/Area of Previous Residence, 2022														
Municipality	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	MP	Limpopo	Outside South Africa	Do not know	N/A	Unspecified	
Nkangala	561	2249	312	1223	6550	1514	25657	148405	6	13404	12883	64	14267	26229
Victor Khanye Local Municipality	57	305	22	173	808	129	2034	98518		436	1581	-	495	1590
Emalahleni Local Municipality	245	1281	88	431	3472	388	4371	403142		4683	4891	26	5272	6231
Steve Tshwete Local Municipality	116	339	113	296	1350	203	1863	227847		2189	2132	22	1798	3762
Emakhazeni Local Municipality	15	47	7	28	95	51	320	46899		145	308	-	1498	750
Thembisile Hani Local Municipality	93	218	45	222	887	385	13527	399984		3315	2369	11	2971	7472
Dr JS Moroka Local Municipality	37	58	35	72	158	376	3543	307666		2636	1611	5	2233	6425



Source: Stats SA: Census 2022



### 2.3.6. Housing

The South African National Government places a great emphasis on the provision of formal housing, and it was identified as one of the key National priorities, concerning development. Due to this reason, the National Government evaluated and investigated the status of housing in Victor Khanye Local Municipality.

**Table 26:** Type of Main Dwelling in Nkangala District by Local Municipality

Type of Main Dwelling in Nkangala District by Local Municipality, 2011 – 2022									33
Municipality	Formal Dwelling		Traditional Dwelling		Informal Dwelling		Other		
	2011	2022	2011	2022	2011	2022	2011	2022	
Nkangala District	295344	441139	8645	4488	49514	36493	3399	1048	
Victor Khanye	16291	29066	521	156	3158	4505	578	59	
Ermalahleni	92595	144874	2721	800	23138	18489	1419	409	
Steve Tshwete	53924	72479	1102	479	9190	6955	750	138	
Thembisile Hani	11228	18621	736	196	1537	768	219	28	
Dr JS Moroka	64774	105260	2874	2024	7678	3056	307	223	
Emakhazeni	56531	70839	692	832	4813	2719	126	190	



Source: Stats SA: Censuses 2011 & 2022



**Table 28:** Population Size Per Service: Sanitation

	Mpumalanga	Nkangala	Victor Khanye
<b>Flush toilet connected to sewer system</b>	533 244	216 723	20 964
<b>Flush toilet connected to septic tank/conservancy</b>	33 147	9 622	1 020
<b>Chemical toilet</b>	40 691	7 439	330
<b>Pit toilet with ventilation (VIP)</b>	182 328	46 643	2 445
<b>Pit toilet without ventilation</b>	356 667	113 262	960
<b>Ecological toilet</b>	43 566	15 725	1 140
<b>Bucket toilet (collected by municipality)</b>	2 544	2 302	101
<b>Bucket toilet (emptied by HH)</b>	8 500	2 242	590

None	38 174	7 187	318
<b>Total</b>	<b>1 238 861</b>	<b>421 144</b>	<b>27 868</b>

**Source:** Community Survey, 2022

### 2.3.6.10. Electricity and Street Lighting

Approximately 93.5% of the households in the Victor Khanye Municipal area use electricity for lighting. The remaining 6. 5%, includes residents on the rural areas and informal settlements or farm dwellers. The electricity network within Victor Khanye Local Municipality is ageing and has become inefficient. The main electricity substation is under severe pressure, and needs to be upgraded - since the electricity demand is increasing, due to the following developments:

1. Newly proposed industrial developments are already implemented and operational e.g. Sephaku Cement Factory, a shopping Mall in Botleng Ext.3, and industrial expansions e.g. McCain Foods.
2. New residential development e.g. Botleng Ext. 5, Delmas Ext.14 and West Ridge Estates. The infrastructure for electricity within the area, supplied by Eskom (Eloff, Sundra, Botleng Ext.3 and rural areas) needs to be upgraded to ensure that communities receive uninterrupted services.

The advent of pre-paid electricity metering has significantly improved revenue collection. Coupled with the 60/40 system of credit and arrears payment through card purchases, this is enabling the municipality to reduce the outstanding debtor base.

Some of the key interventions to improve the electricity infrastructure include:

- Electrification of 1 270 households in Botleng
- Construction of Delmas 20MVA.
- Electrification of 267 households in seven farms completed.

### 2.3.6.11. Roads and Storm Water System

The road infrastructure was originally designed for the low volume traffic. However, the traffic volume has increased, due to growth within the mining and farming sector. About 85% of roads within the municipality are dilapidated because of the increased traffic volume, especially heavy coal haulage trucks. There is a backlog in terms of maintenance of gravel roads due to old equipment and shortage of staff.

The Municipality can resolve the above challenges by providing and ensuring an integrated and effective roads and storm water management including maintenance. The Municipality must also improve the state of existing roads to better and acceptable standard.

The various national and provincial roads run through the Victor Khanye Local Municipality, with many regional routes converging at Delmas, which lends it strategically significant. Consequently, the municipality features a well-developed regional road and rail infrastructure. The N12 National toll road that links Johannesburg with Nelspruit runs from east to west

through the northern part of the municipality. This road also links the municipality with the Maputo Development Corridor.

#### **The major provincial roads in the municipal area are:**

1. R50 that links Tshwane with Standerton;
2. R43 that links Delmas with Bronkhorstspruit;
3. R555 that links Springs with Witbank;
4. R548 that links with Balfour; and R42 that links with Nigel.

#### **Local Activity Corridors identified include:**

- Sarel Ciliers Street/ Witbank Road in Delmas (R555);
- The Avenue – Eloff Town;
- Main Road – Rietkloof Agricultural Holdings;
- Samuel Road and Van der Walt Street – Delmas; and Dr Nelson Mandela Drive – Bottleng.

#### **Interventions**

The implementation of the VKLM Roads and Storm Water Network Master Plan will assist the Municipality in maintaining its roads infrastructure and assist the development of Rural areas Road networks.

### **2.4. ENVIRONMENTAL AND WASTE MANAGEMENT**

#### **Other major challenges include:**

1. Inadequate old waste collection equipment,
2. Un-rehabilitated (illegal land mining) dongas that leads to dumping spots,
3. Poor access roads to informal settlements,

It is critical that the municipality provides an environment that is not detrimental to the health, mental and physical wellbeing of the community at large. The municipality should therefore provide an efficient, safe, and economical waste management and refuse disposal programme.

#### **Interventions:**

1. The implementation of the community works skills programme in all Wards;
2. Provision of dustbins to all communities;
3. Extended Public Works Programme beneficiaries assisted with the collection of waste;
4. Development and upgrading of the landfill site.

#### **2.4.1. Public Facilities: Cultural, Sports and Recreation Centre**

There are no archives, museums, or art galleries in the Municipality. There are three public libraries in the VKLM – however, there is a lack of usable books in the libraries. There are not

enough recreational facilities, and the existing facilities throughout the municipality are poorly maintained, because of a lack of security in these facilities. The Municipality needs to plan, construct, improve and maintain the public facilities.

The Simon Gondwe Sports Centre is in Botleng Location. There are few sports facilities for the youth that allows them to engage in sporting activities. The Municipality needs to create more recreation facilities and encourage participation in all sporting activities.

In rural areas, the Municipality assist the communities by grading the sports field for sporting activities to take place - including new developed residential settlements.

#### **2.4.2. Primary Health Care and HIV and AIDS**

Victor Khanye Local Municipality has one hospital, three primary health clinics, three mobile clinics (of which only one is operational), and six private doctors and one private clinic. There is a newly build clinic in Extension 5, that is operational for 24 hours. There are about 14 non-governmental organisations that are currently operating in the public health sector. There are seven trained volunteers working on HIV/AIDS counselling.

The main challenge is how to retain health workers in the public sector and maintain standards.

According to 2022 Stats-SA report, the HIV/AIDS status in Victor Khanye LM in April 2020-March 2021, the total number of the infected Youth between the ages of 15 – 24 years old was about 147.

The same Stats also revealed that the number of the same age group infected Youth, increased to 159 for the period 2021 April – March 2022. The increase in the number of affected reflected that there was growth in terms of the infection. This indicates that there was still a need for more HIV/AIDS awareness campaign in the Community targeting Youth. The new infection indicated that the Youth still ignore the usage of any form of protectives measures and they are not using safe sex practices.

The number of people living with HIV was recorded at 5.37m people nationally. The impact on local workforce is being felt within the municipality. A high prevalence of HIV/AIDS within Victor Khanye Community has numerous implications for LED.

Key implications include:

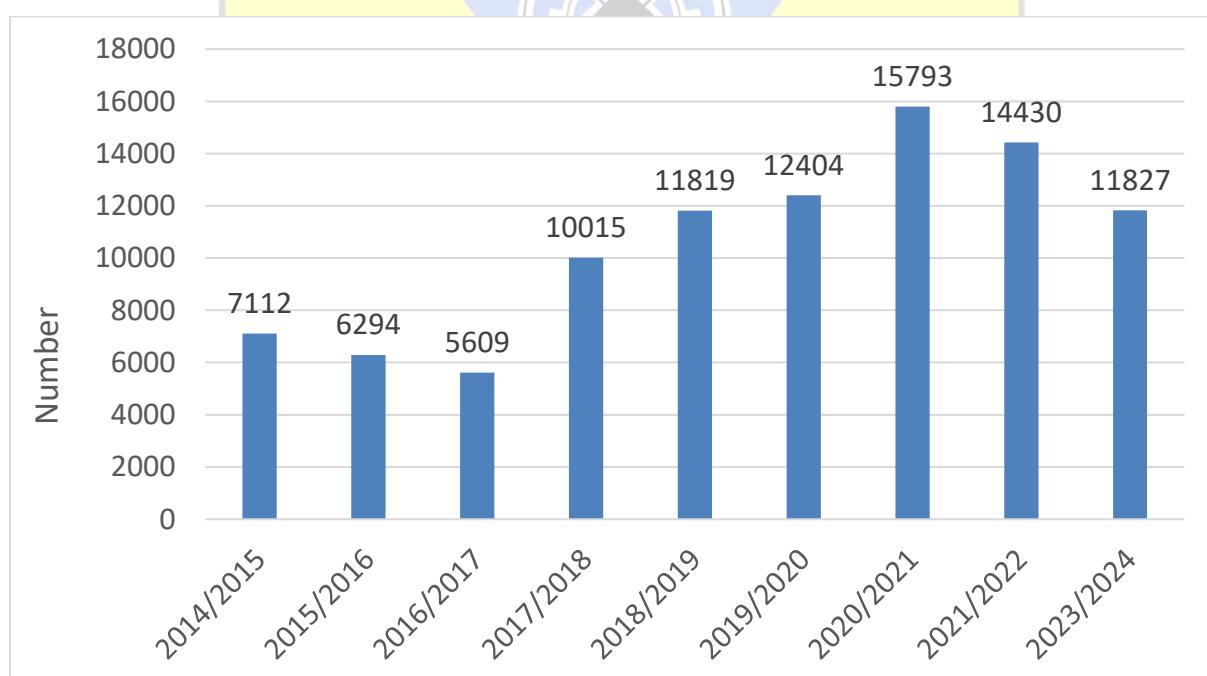
Loss of labour

- Cost to company for reduced labour performance (leave time for both affected and infected)

- Provision of additional municipal support services and infrastructure (clinics, crèches, orphanages, hospices, cemeteries, etc.)
- Loss of skills due to high rate of deaths.
- Emotional impact
- Deterrent to investment

The impact of HIV/AIDS on the economic development and growth of Victor Khanye Municipality cannot be minimised. Nkangala District Municipality has taken an active role in the formulating an HIV/AIDS Sector Plan. It should be noted that consideration must be given to the implications of the pandemic on all developmental related issues - such as socio-economic development, and the provision of infrastructure.

**Teenage Deliveries in MP Health Facilities, 2014/15 – 2023/24**



#### **Department of Health 2022**

##### **2.4.3. Traffic, Safety and Law Enforcement**

The Victor Khanye local municipality is strategically situated between major hubs. There are three major provincial roads, the R42, R50 and the R555 that run through the municipality, and the N12 National road, which forms part of the Maputo corridor running east/west. This causes a large traffic flow through the municipality.

There are also various mines that feed the power stations with coal, transported by road to the power stations. This also creates a heavy burden on the road infrastructure, causing an increase in road traffic, and the roads to degenerate faster - due to the heavy loads, creating

dangerous road conditions, which leads to an increase in vehicle collisions and fatalities. There is currently no weight bridge within the municipality to assist in the management of overloaded vehicles, which contributes to the road degeneration and bad conditions on the roads.

The Victor Khanye Local Municipality, in cooperation with the Mpumalanga Provincial government, deploys traffic officers for the enforcement of traffic laws. Both have traffic officers operating within the municipality. However, the municipal traffic services have a shortage of traffic officers, which limits their participation in traffic law enforcement, especially within the urban areas, creating a gap where traffic offenders take advantage of the situation.

The municipality have recently implemented the use of a traffic speeding camera on a roaming basis, and noted some good results. In order to perform the law enforcement function more effectively, additional traffic officers and equipment are needed to execute law enforcement throughout the Municipal areas effectively. A further challenge contributing to lawlessness is the ease in having traffic fines reduced or cancelled. This also results in a loss of revenue, and an increase in lawlessness.

In addressing the challenges, the following strategic objectives are identified:

- Traffic law enforcement on all roads and streets in the municipality would curb speeding, and illegal usage of roads and streets by unlicensed and reckless or negligent drivers, and heavy vehicles;
  - Gain control over trucks driving through and parking in residential and restricted areas;
  - Enforce the municipal by-laws;
  - Plan, develop and implement equitable and fair law enforcement efficient systems and public awareness programmes;
  - Train learners about road safety environment for all vehicles, drivers, commuters and pedestrians and cyclists;
  - Prevent damage to the road system by regulating the mass of heavy goods vehicles, travelling through the municipality; and
  - Implement the AARTO-system to increase the effectiveness of road traffic safety adherence.

Crime is increasing in the country; this is no different within Victor Khanye Local Municipality. Crime statistics shows that there is an increase in all Wards. Contact crime is also showing an increase together with violent crimes. Drug abuse have also been raised by communities as a concern and a contributing factor to crime.

Vandalism and "stripped" mining metals and copper are also creating a concern within the municipality. In an effort to curb crime, sectors have formed neighbourhood watch groups, which assist the police in crime prevention, as they are understaffed and under-resourced.

There is the challenge that some entities within these neighbourhood watch groups use vigilante methods, in an effort to curb crime. It was identified that this was the result of ineffective management of these groups, and a result of insufficient resources, and that the oversight body, the Community Safety Forum (CSF) is not effective.



## Poverty, inequality, HDI & crime indicators in Victor Khanye

- The share of population in Victor Khanye below the lower bound poverty line (LBPL) deteriorated from 40.0% in 2019 to 41.0% in 2022.
- In 2022, the number of people below the LBPL was 37 324, 4<sup>th</sup> lowest among municipal areas.
- In the calculation of the Local Government Equitable Share (LGES), National Treasury estimates that Victor Khanye had 17 407 poor households in 2023. That is roughly 52% of households.
- In 2022, Victor Khanye's poorest 40% of households shared 7.1% of total income, which was an improvement from the 6.6% share recorded in 2019.
- Victor Khanye's share of income of the poorest 40% of households was however, one of the lowest/worst of the 17 municipal areas, indicating that income inequality was more severe within the area compared with other areas in the province.
- In 2022, the Human Development Index (HDI) of 0.65 remained unchanged from 0.65 in 2019 – 5<sup>th</sup> highest among the municipal areas.
- In April 2023, there were 16 878 social assistance grant beneficiaries in Victor Khanye – 3<sup>rd</sup> lowest number in the province.
- Victor Khanye ranked 6<sup>th</sup> highest/worst in terms of the 17 serious crimes reported, however, it recorded an improvement between 2018/19 and 2022/23.

Slide | 12

Victor Khanye Municipality is ranked at 6<sup>th</sup> highest/ worst, in terms of the 17 serious crimes reported, but recorded a slight improvement between 2018/2019 and 2022/2023.

In addressing the challenges, the following strategic objectives were identified:

- Increase the police capacity in both human resources and vehicles to curb crime effectively; and
- Establish the Community Safety Forum and align all functions to the forum.

### 2.4.4. Emergency Services

The Victor Khanye Local Municipality has a Disaster Management Plan that is reviewed annually. There is a shortage of trained personnel and emergency response vehicles to attend

to emergencies. Equipment supplies are limited and expensive. Fortunately, the District Municipality is assisting with the procurement of other equipment needed.

Disaster management incorporates the Fire Services. There is a first response to incidents when life and property are under threat. The Municipality ensures that the Disaster Management Plan is fully implemented and monitored. An efficient, safe, prompt, and economical public protection, firefighting and rescue service, in line with the risks and needs of the community, is provided. Community awareness and related training on disaster are offered to the community.

#### **2.4.5. Cemeteries and Crematoria**

The Victor Khanye Local Municipality has six cemeteries located in Delmas, Botleng and Sundra. Approximately 800 burials take place in all the cemeteries per annum. There is no crematorium in the municipality currently. The Municipality is making sure that the main cemetery is upgraded and maintained. Due to the population rapid growth, and the increasing number of burials taking place in the area, a new land has been secured to accommodate new cemeteries.

#### **2.4.6. Land Invasion**

##### **2.4.6.1. Monitoring of Land Invasion activities in Victor Khanye Local Municipality**

Unlawful occupation or illegal land invasion is not significant within the Victor Khanye Local Municipality, but the Municipality is vigilant in preventing this. The municipality acknowledges that the orderly management of urbanization and development requires a wider approach, rather than only a reactive management of unlawful occupation of land, or land invasion. Without an appropriate and effective pro-action urbanization and settlement plan, the large housing and services shortage will become unmanageable, due to the ever-increasing competition for housing by the growing population.

The municipality has been privileged to benefit from the National Upgrading Support Programme (NUSP). The final report indicated how many informal settlements are within the municipality, their sizes, and where they are located.

The report advises on the feasibility of in-site development or relocation. Also attached to the report is a business plan to enable the formalization process and servicing of such settlements. In an attempt to deal with the unlawful occupation of land, the municipality has endorsed approximately 1200 erven in Abor Agri-village, and a subdivision of Portion 1202 in Delmas Ext.14.

#### **2.4.6.2. Measures Taken by the Municipality to Prevent Unlawful Occupation of Land and Mitigating Growth of Informal Settlements**

- The municipality has a database of all existing informal settlements.
- All structures on the informal database are marked and numbered.
- New invaders are given a notice to vacate property voluntarily with immediate effect.
- If unlawful land occupiers do not voluntarily vacate the property, all unregistered, incomplete and uninhabited structures are dismantled.
- The Municipality has developed a draft Land Invasion By-Law.
- Designated municipal officials and wardens keep constant surveillance.

#### **2.4.6.3. Areas Prone For Land Invasion**

**The areas prone for land invasion include the following:**

1. Union Forests Plantation Agricultural Holdings:
2. South of Delpark and route R555 up to the railway line.
3. Bottleng Ext.7
4. Delmas Ext.14
5. Mimosa area in Eloff

The Victor Khanye local municipality has developed Land Invasion by-laws to curb the spread of land invasion within its jurisdiction.

The municipality has already trained 40 traffic wardens as peace officers or law enforcers. Upon qualifying, the peace officers will assist the municipality with the prevention of land invasions through the enforcement of municipal by-laws, once funds are available.

### **2.5. Rural Development Strategic Framework**

The Comprehensive Rural Development Programme (CRDP) from July 2009 is a Strategic Priority Number 3 within the government's current Medium Term Strategic Framework.

The strategic objective of the CRDP is to facilitate integrated development and social cohesion, through participatory approaches in partnership, with all sectors of society.

The CRDP is aimed at being an effective response against poverty and food insecurity, by maximising the use and management of natural resources to create vibrant, equitable and sustainable rural communities.

A CRDP must improve the standards of living and welfare, but also rectify past injustices through rights-based interventions, and address skewed patterns of distribution and ownership of wealth and assets.

The vision of the CRDP is to create vibrant, equitable and sustainable rural communities including:

1. Contributing to the redistribution of 30% of the country's agricultural land;

2. Improving food security of the rural poor; creation of business opportunities, de-congesting and rehabilitation of over-crowded former homeland areas; and
3. Expanding opportunities for women, youth, people with disabilities and older persons who stay in rural areas.

The ultimate vision of creating vibrant, equitable and sustainable rural communities will be achieved through a three-pronged strategy based on:

- Coordinated and integrated broad-based agrarian transformation; strategically increasing rural development; and
- An improved land reform programme.

Rural development is about enabling rural people to take control of their destiny, and dealing effectively with rural poverty, through the optimal use and management of natural resources. It is a participatory process through which rural people learn over time, through their own experiences and initiatives, and how to adapt their indigenous knowledge to their changing world.

Land reform is a national priority and is further entrenched in Section 25 (4) of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996). A three-pronged land reform programme aiming at tenure reform, restitution and land redistribution, was launched in 1994.

In relation to the CRDP, the Land Reform Agenda will focus on reviewing the Restitution, Redistribution and Tenure Reform Programmes.

In relation to Restitution, the focus will be on expediting the processing of settled claims and the settlement of outstanding claims. In addition, the work of the Land Claims Commissions will be rationalized within the new Department of Rural Development and Land Reform.

## 2.6. Different Projects and Priorities on LED

There are different types of projects and priorities, which include agrarian transformation and more:

- **Livestock farming & related value chain development:** To explore all possible species for food and economic activity.
- **Cropping & related value chain development:** To explore all possible species, especially indigenous plants, for food & economic activity.
- **Establishment of business initiatives, agro-industries, cooperatives, cultural initiatives:** This encourages entrepreneurship and includes local markets in rural settings;
- **Empowerment of rural communities, especially women and the youth:** This can be facilitated through mediating strong organisational and institutional capabilities and abilities of the community, to take full charge of their collective destiny;
- **Capacity-building initiatives:** Rural communities can be trained in technical skills, combined them with indigenous knowledge to mitigate community vulnerability to, especially climate

change, soil erosion, adverse weather conditions and natural disasters, hunger and food insecurity; and

- **Revitalisation of old and creation of new economic, social and information communication infrastructure and public amenities and facilities:** This is crucial for the villages and small rural towns. (DEPT. of Rural Development and Land Reform, July 2009).

## 2.7. Transversal Programmes to be Implemented

VKLM developmental issues and the related challenges can be detrimental to the realizations of the vision of the Municipality. The need for the provision of facilities and services for the aged disabled and orphans. There are children living on the street, the vulnerable groups are generally adequate in the municipality.

The Constitution of the RSA affirms the commission and provision of the Welfare Service to be the responsibility of both National and Provincial spheres of Government. The VKLM in an effort to bring about improved quality of life and sustainable development to all its citizens through a welfare services, is responsible for coordination and provision of support to the Mpumalanga Department of Health and Social Development in fulfilling their mandate.

The issue of poverty, women and gender-based violence, disability, children, protection of children and elderly and the HIV/Aids are key areas of work located in the Welfare Services.

The Municipality has developed a fully-fledged Transversal Unit designed to tackle and address all issues affecting women, children, elderly, people with disabilities etc.

### Programmes that were implemented in 2024, Transversal Unity.

Programme Name	Date	Venue
HIV-Aids, STI & Condom Distribution Awareness.	16 February 2024.	Vukuzenzele Open Space
Launching of Civil Society.	06 March 2024	Botleng Ext 3 Community Hall
Advocacy on Older people and their right to care.	25 March 2024.	Delpark Tennis Court.
First Local Aids Council Sitting.	27 March 2024.	Council Chamber.
LGBTQI+MentalHealth Awareness Campaign	04 April 2024	Delpark Soccer Ground
Men's Dialogue Boys ND young Man Talk	16 April 2024 09 May 2024	Botleng Extension 3 Hall Extension 3 Hall
HIV AIDS & LGBTQI Awareness	22 May 2025	Community Hall Ext 3
Nkangala Golden Game for Elderly.	31 May 2024	Simon Gondwe Sport Centre.
Launching of Local Disability Forum.	20 June 2024.	Council Chamber.
Child protection week Awareness.	04 June 2024.	Mafa Max Motloung School.

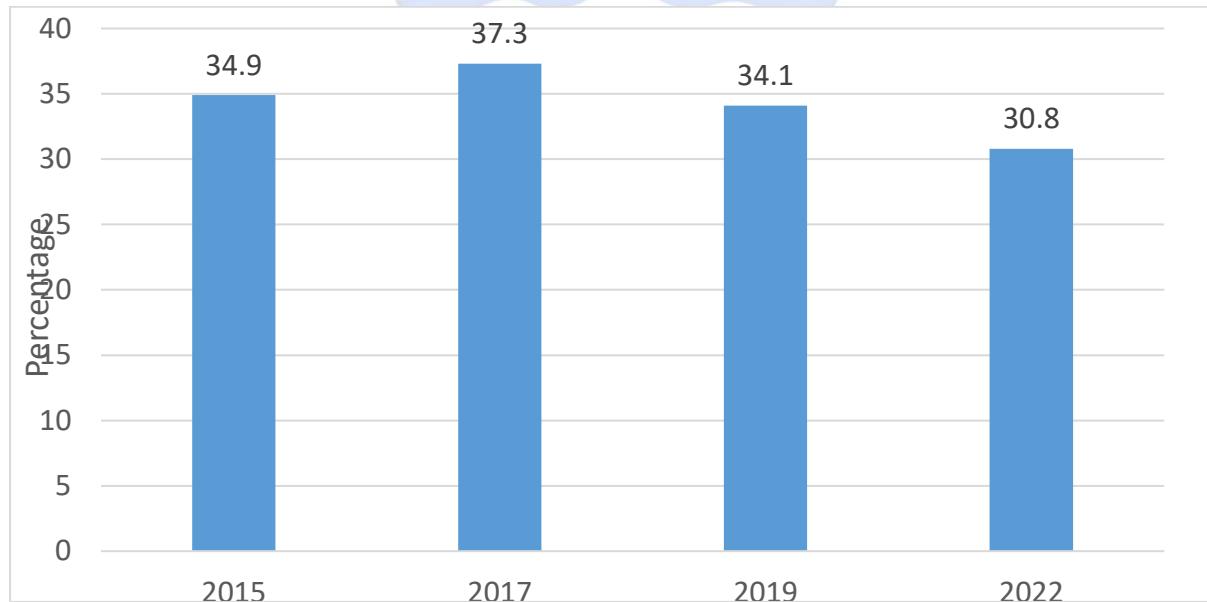
HIV AIDS, TB & STI Awareness Campaign.	27 June 2024.	Waaikraal Soccer ground.
LGBTQI+ STI, TB & HIV AIDS Awareness.	24 July 2024.	Mandela Soccer Ground.
Empowerment of Woman and Anti-Fraud Awareness.	12-16 August 2024.	Botleng Ext 3, Eloff Hall and Vukuzenzela Chinas Church.
Victor Khanye Women's Seminar	11 September 2024.	Eloff Plot 06
Older Persons '& Breast Cancer Awareness.	28 October 2024.	Sinethemba Community Hall.
Traditional Healers Workshop on HIV AIDS.	16-18 November 2024	Sinethemba Hall.
16 Days of Activism against the violence of women and children.	28 November 2024.	Municipal Ground.

**Planned Programme for February 2025 to May 2025.**

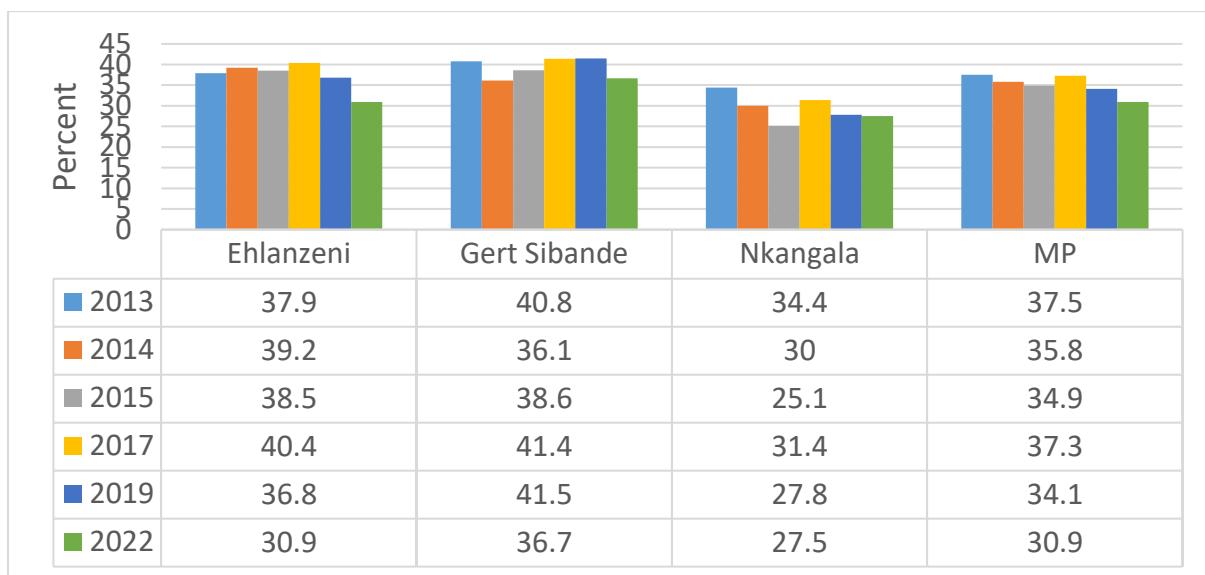
HIV/AIDS, STI & Condom distribution awareness. (For 100 people Vukuzenzele Open Space)	23 January 2025	30 January 2025	05 February 2025
Youth Indaba on HIV/AIDS, STI AND TB Awareness. (For 250 people at Mafa Max High school)	03 February 2025	10 February 2025	12 March 2025
LGBTQI+ HIV Aids Awareness (For 130 people at N12 Ext 5)	28 February 2025	03 March 2025	24 March 2025
Men's Dialog On GBV And HIV( For 100 people Botleng Ext 3 Community Hall)	31 March 2025	01 April 2025	16 April 2025
Awareness on people living with Disability as well as their	05 May 2025	12 May 2025	22 May 2025

rights. (For 100 people Sinethemba Community Hall)			
Child Protection Week Awareness	26 May 2025	28 May 2025	06 June 2025.

**Figure 27: HIV Prevalence by District Municipality in MP**



**Kufa-Chakezha, the 2022 National Antenatal Sentinel HIV Survey, South Africa, National Department of Health.**



Kufa-Chakezha, The 2022 National Antenatal Sentinel HIV Survey, South Africa, National Department of Health.

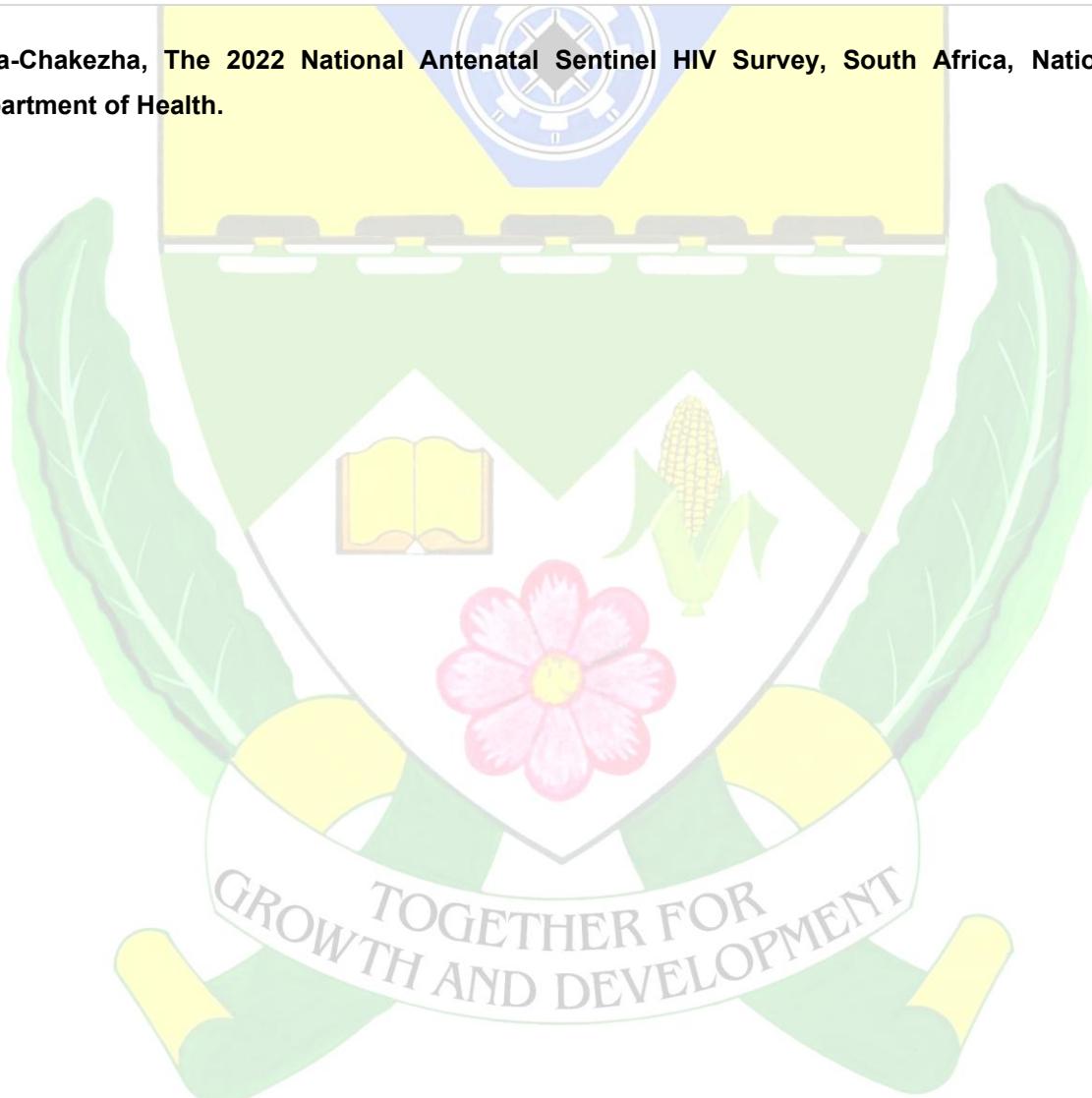
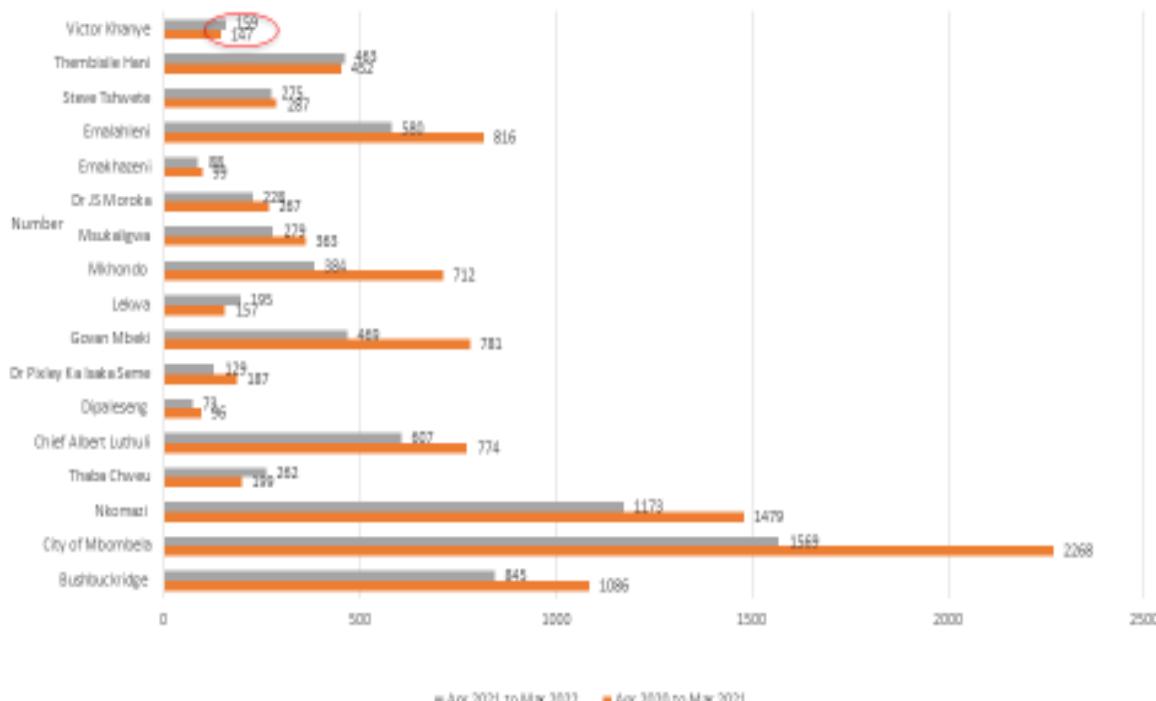


Figure 28: HIV Prevalence amongst 15-24 Year Old by LMs

## HIV Prevalence Amongst 15-24 Year Olds by LMs, 2020/21 and 2021/22



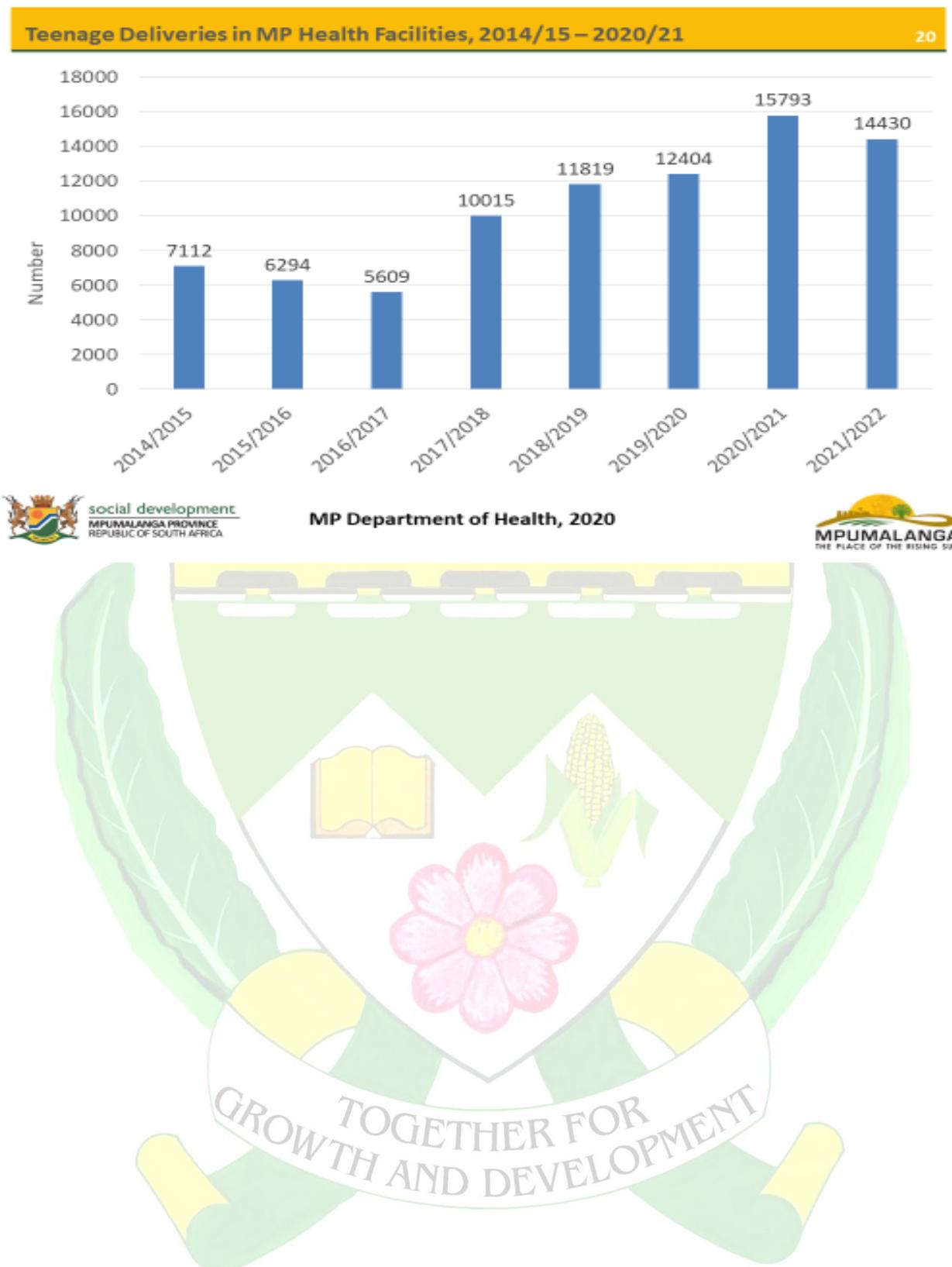
■ April 2021 to Mar 2022 ■ April 2020 to Mar 2021



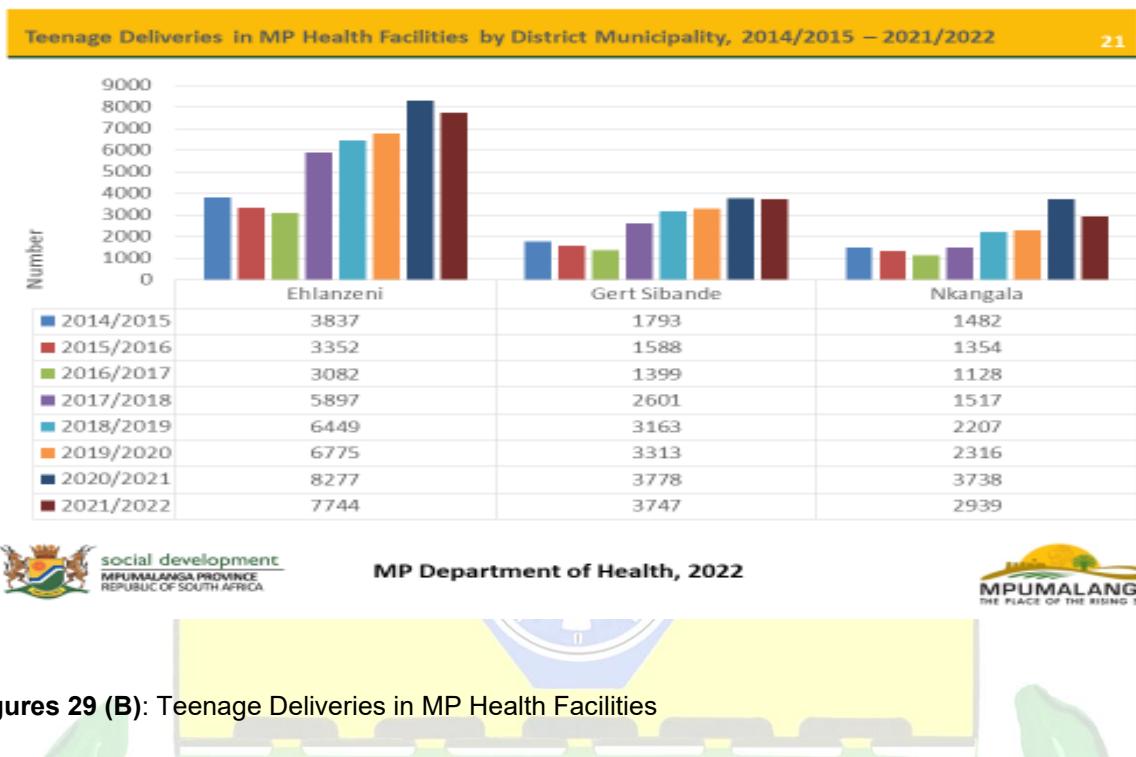
MP Department of Health, 2022



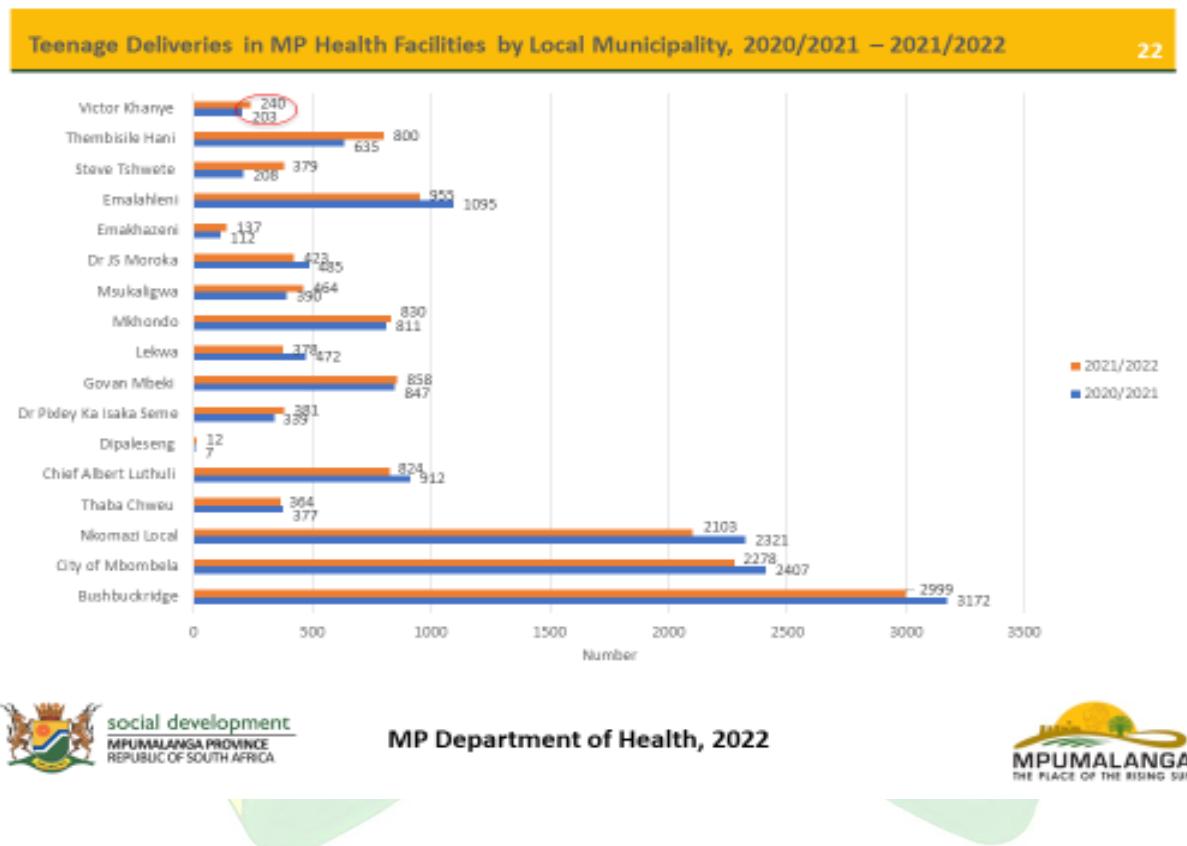
**Figures 29 (A): Teenage Deliveries in MP Health Facilities**



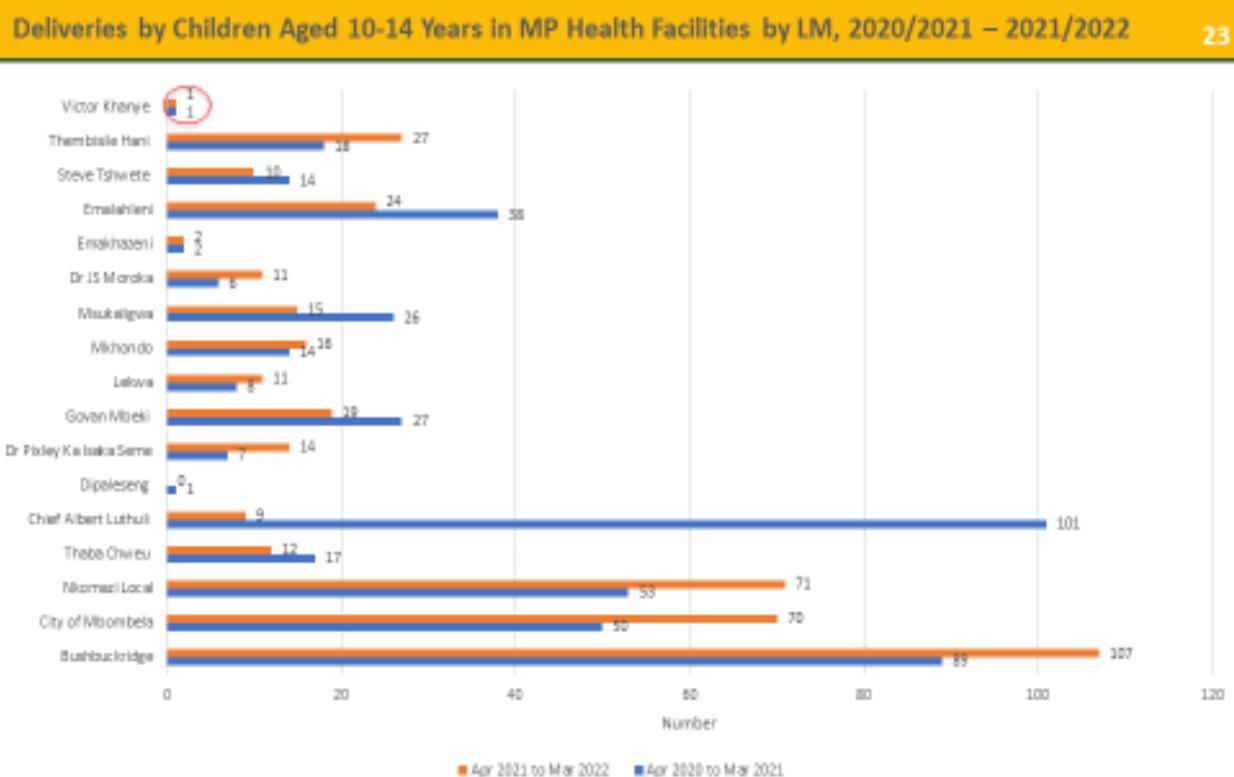
**Figures 29 (B): Teenage Deliveries in MP Health Facilities**



**Figures 29 (B): Teenage Deliveries in MP Health Facilities**



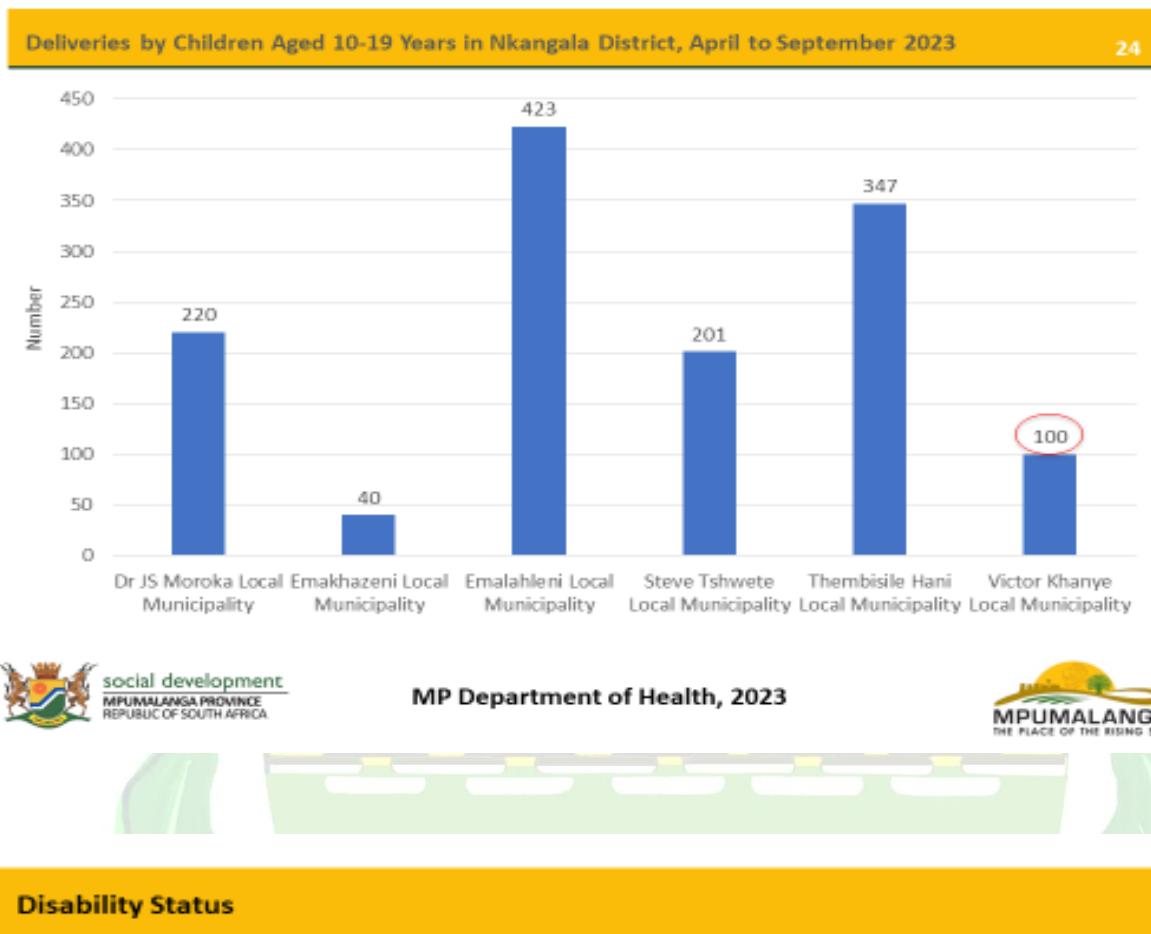
**Figure 30: Deliveries by Children aged 10-14 Years in MP Health Facilities by LM**



MP Department of Health, 2022



**Figure 31: Deliveries by Children aged 10-19 Years in Nkangala District**



#### Disability Status

- ❖ A person is regarded as having a disability if they reported any of the following degrees of difficulty in the six functional domains, namely seeing, hearing, communicating, walking/climbing stairs, remembering or concentrating and self-care:
  - A person who reported “some difficulty” in at least two domains of functioning.
  - A person who reported “a lot of difficulty” in any of the six domains of functioning.
  - A person who reported “cannot do at all” in any of the six domains of functioning.

**Table 32:** Type and Extent of Disability in VKLM

Type and Extent of Disability in Victor Khanye LM, 2022				
	Some difficulty	A lot of difficulty	Cannot do at all	Total
Seeing	6 795	1 460	74	8 329
Hearing	2 336	455	63	2 854
Communication	1 021	160	88	1 269
Walking	1 847	573	122	2 542
Remembering	1 896	408	64	2 368
Self-care	940	206	116	1 262



Stats SA. Census 2022



**Table 33:** Use of Assistive Devices by People with Disabilities in VKLM

Use of Assistive Devices by People with Disabilities in Victor Khanye LM, 2022	
Eye glasses	6397
Hearing aid	1153
Walking stick or frame	1509
A wheelchair	951
Prosthesis/artificial limb	941
Other assistive devices	790



Stats SA. Census 2022



## 2.8. INSTITUTIONAL PROFILE

Local government function in a highly sophisticated environment. To be successful in its endeavours to render quality, affordable and sustainable municipal services, it needs to be structured in the best possible way to facilitate effective governance as well as to ensure proper oversight and to measure performance.

### 2.8.1. Legislative Arm

- Council
- The Speaker
- The Chief Whip
- Chairperson of MPAC
- Section 79 Committees, namely; Local Geographical Names Committee. Planning, Infrastructure, Transport & Safety Monitoring Committee, Health & Social Services Monitoring Committee, Finance & Corporate Services Monitoring Committee, Local Labor Forum, Budget Steering Committee, Rules & Ethics Committee and Policy Development Committee.

### 2.8.2. Executive Arm

- Executive Mayor (Head of the Executive)
- Members of the Mayoral Committee with delegated powers.
- Mayoral Committee (MMC) comprising of MMC for Finance and Corporate; MMC Health, Social Services and MMC for Planning, Infrastructure, Transport and Safety.
- Section 80 Committees; Finance and Corporate Services Portfolio Committee, Planning, Infrastructure, Transport and Safety Portfolio Committee; Health, Social Services and Development Portfolio Committee,
- Administration with the Municipal Manager as Head. The incumbent is the Accounting Officer of the Municipality.

### 2.8.3. Key Roles & Responsibilities of Council Committees

The following constitutes Victor Khanye Council's Committees established in terms of Sections 79 & 80 of the Municipal Structures Act (Act no. 117 of 1998).

**Table 34: Key Roles & Responsibilities of Council Committees**

COMMITTEE NAME	KEY ROLES & RESPONSIBILITIES
<b>LEGISLATIVE ARM COMMITTEES (SECTION 79)</b>	
Municipal Public Accounts Committee (MPAC) Members:	<ul style="list-style-type: none"> <li>- Reviewing of the Annual Report and annual financial statements of the municipality.</li> <li>- Compiling an oversight report on the annual report.</li> <li>- Examining the municipality's financial statements.</li> <li>- Advising Council on how to address any matters pertaining to irregular, fruitless and wasteful expenditure.</li> <li>- Ensuring that all possible cases of fraud and corruption are being reported to the SA Police Services.</li> </ul>
<b>Other Section 79 Committees:</b> <ul style="list-style-type: none"> <li>- Local Geographical Names Committee</li> <li>- Planning, Infrastructure, Transport &amp; Safety Monitoring Committee</li> <li>- Health &amp; Social Services Monitoring Committee</li> <li>- Finance &amp; Corporate Services Monitoring Committee</li> <li>- Local Labor Forum</li> <li>- Budget Steering Committee</li> <li>- Rules &amp; Ethics Committee</li> <li>- Policy Development Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Mainly changing street names, buildings and municipality</li> <li>-</li> <li>- Ensure that service delivery happens in terms of the approved Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP).</li> <li>- Ensure that the Executive acts in compliance with applicable legislation, Council policies, accepted administrative standards, and good practice, as approved by Council and the Provincial and National government.</li> <li>- Employees' representatives to allow joint decision-making with management.</li> <li>- Ensure that service delivery happens in terms of the approved Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP).</li> <li>- Ensure that remedial action plans from the Office of the Auditor-General and the Audit Committee/Internal Audit</li> </ul>

	<p>Ensure that the Executive acts in compliance with applicable legislation, Council policies, accepted administrative standards, and good practice, as approved by Council and the Provincial and National government Unit are implemented.</p> <ul style="list-style-type: none"> <li>- Ensure that service delivery projects and services are indeed to the benefit of the community.</li> </ul>
<b>EXECUTIVE ARM COMMITTEES</b>	
<b>Mayoral Committee</b>	<ul style="list-style-type: none"> <li>- Present reports from the Administration to the Mayoral Committee.</li> <li>- Monitoring of implementation of service delivery strategies, with a view of rendering political support to the Administration to get things done.</li> <li>- Assist the Executive Mayor in the execution of his duties.</li> </ul>
<b>Other Section 80 Committees:</b> <ul style="list-style-type: none"> <li>- Planning, Infrastructure, Transport &amp; Safety Portfolio Committee</li> <li>- Health &amp; Social Services Portfolio Committee</li> <li>- Finance &amp; Corporate Services Portfolio Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Section 80 Committees are responsible for advising the Executive Mayor on:</li> <li>- All relevant information from applicable departments are included in the reports.</li> <li>- There are no conflicting information in the reports.</li> <li>- Funds are available on applicable budget votes.</li> <li>- Possible risks are identified and mitigation strategies are in place.</li> <li>- The content of the reports are factually correct.</li> </ul>

#### 2.8.4. Establishment and Functionality of Ward Committees

Public participation is a vital part of our democracy and allows citizens to get involved in how their communities are governed. At the local government level, the Local Government: Municipal Structures Act, 1998, requires, among others, that municipalities develop mechanisms to consult communities and community organisations in performing their functions and exercising their powers.

These structures are commonly known as Ward Committees and provide a vital link between Ward Councillors, the community and the municipality. They allow members of communities to influence municipal planning in a manner, which best addresses, their needs.

Ward committees are crucial in the local government system as they are the link between the councillor and the community. Victor Khanye Local Municipality has established 09 ward committees made up of 10 members each chaired by their respective Ward Councillors and are meeting as per schedule and are functional.

The ward committee system is also said to play a critical role in giving meaning to the notion of “the people shall govern”. This is so because local government is regarded as the level of government closest to the people and ward committees are just one way to ensure that citizens give input to the decisions that local councils make.

#### **2.8.5. Administrative Arrangement/Structure**

There is a significant relationship between the IDP and the Institutional arrangement. Human Resource play a crucial role in implementing the IDP, without a credible organisational structure, the IDP cannot be effectively implemented. The organisational structure was tabled before Council on 29 May 2025. The figure below illustrates the top layer of the final organisational structure of Victor Khanye Local Municipality and all the Directorates that currently exist within the Municipality.

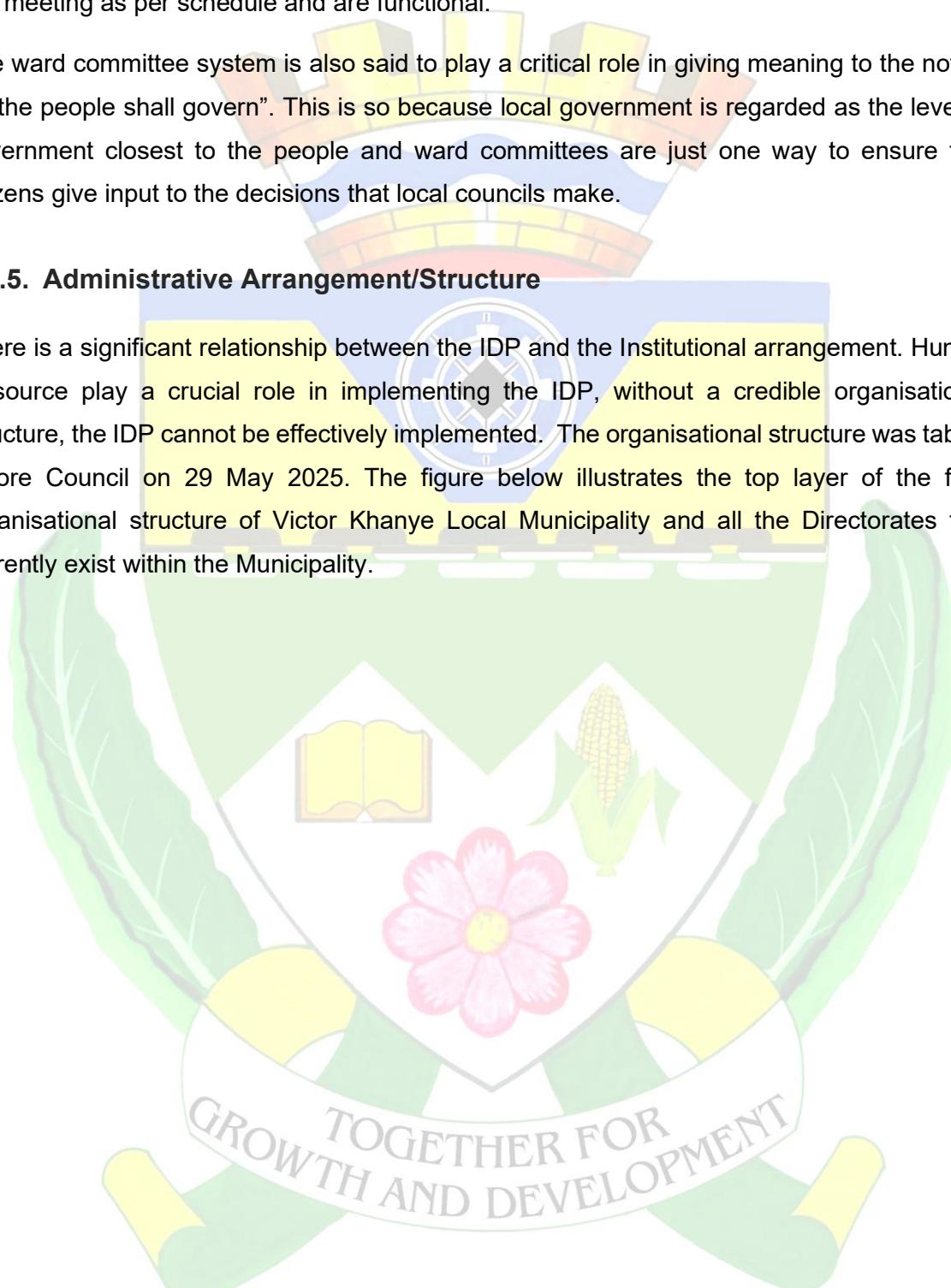
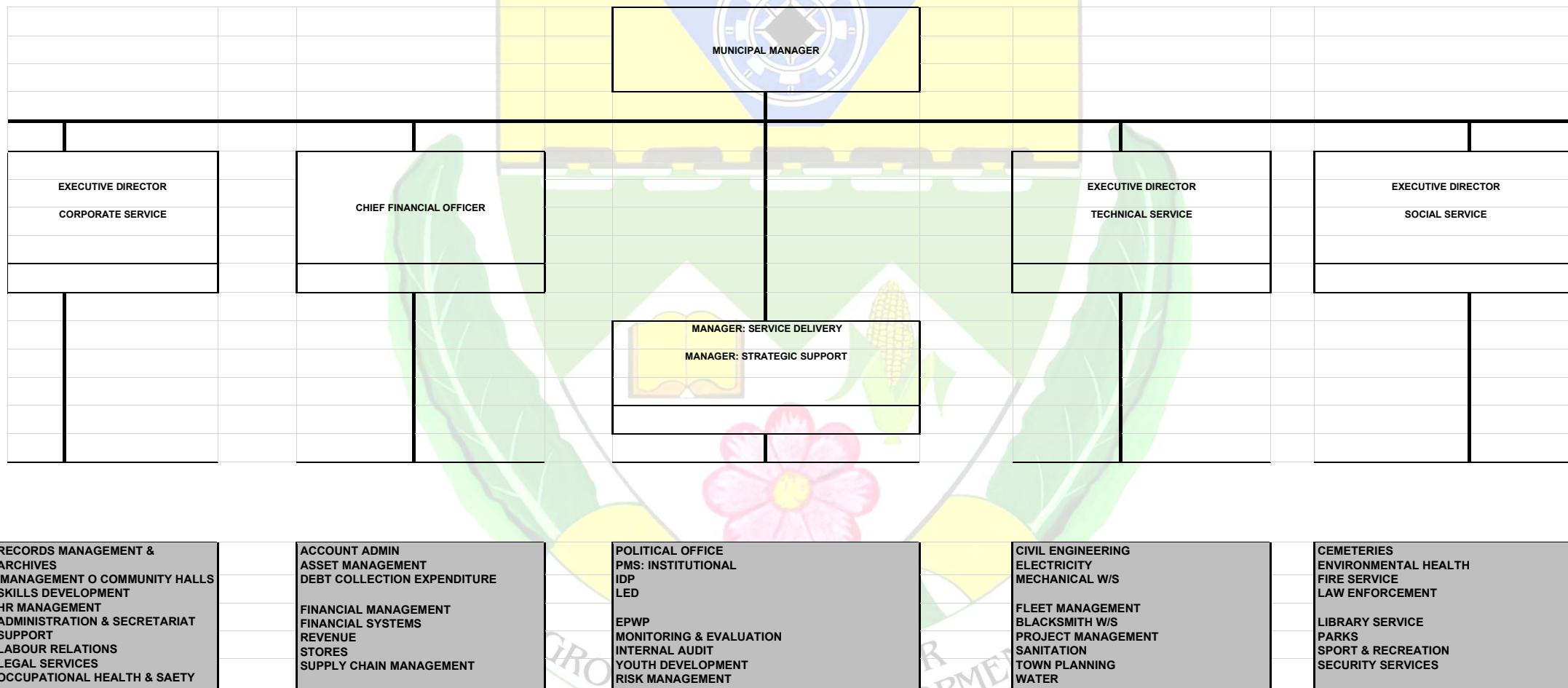


Figure: 32 Organogram

## VICTOR KHANYE LOCAL MUNICIPALITY APPROVED ORGANOGRAM FOR 2025/26 FY

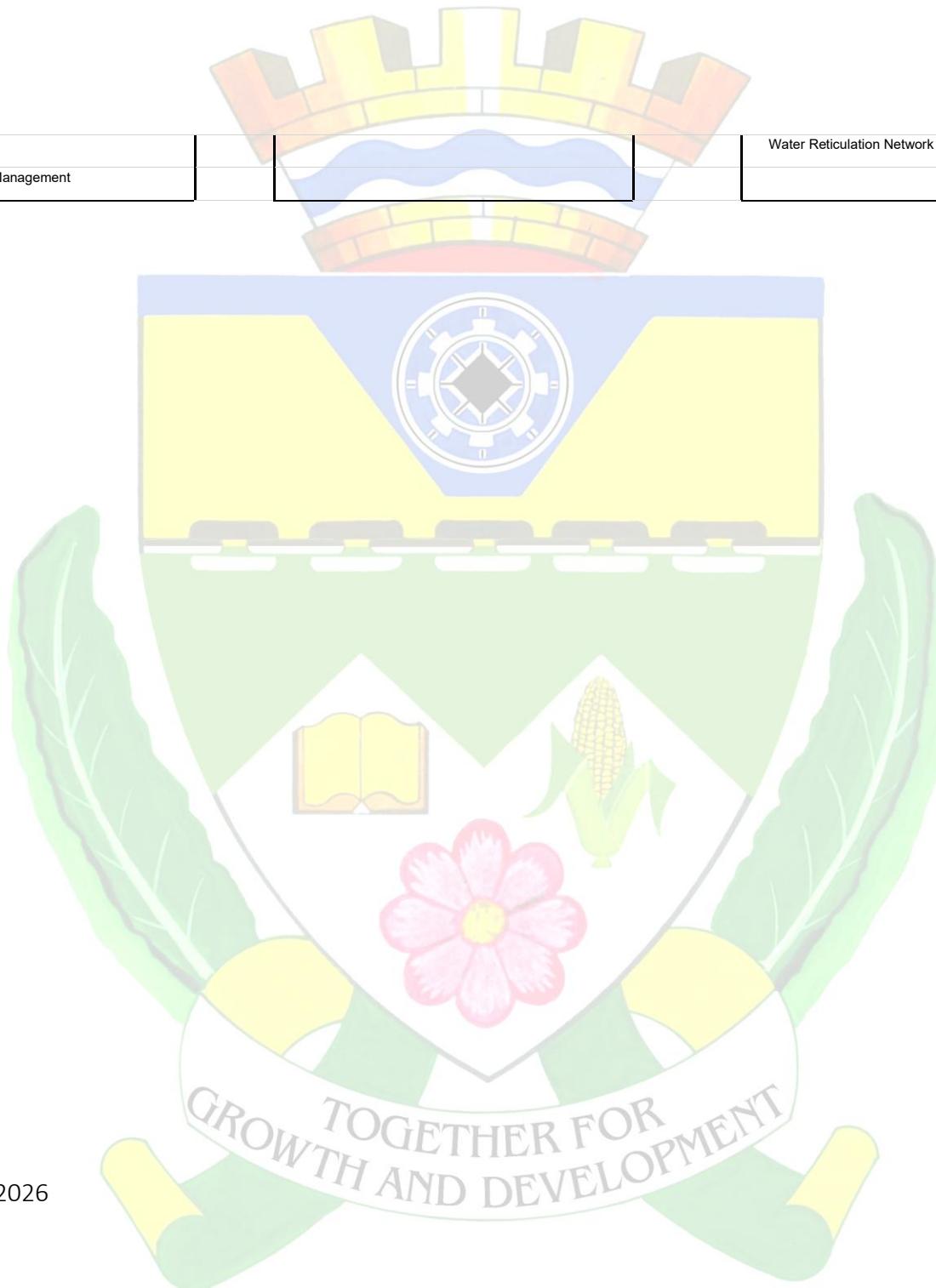


EMPLOYEE WELLNESS COMMUNICATIONS		ICT SERVICE DELIVERY CUSTOMER CARE BUILDING CONTROL			
1. Departmental Management	1. Departmental Management	1. Departmental Management	1. Departmental Management	1. Departmental Management	1. Departmental Management
2. Budget Process & Control	2. Budget Process & Control	2. Budget Process & Control	2. Budget Process & Control	2. Budget Process & Control	2. Budget Process & Control
3. Cash flow Management	3. Cash flow Management	3. Cash flow Management	3. Cash flow Management	3. Cash flow Management	3. Cash flow Management
4. General Administration	4. General Administration	4. General Administration	4. General Administration	4. General Administration	4. General Administration
5. Report Writing	5. Report Writing	5. Report Writing	5. Report Writing	5. Report Writing	5. Report Writing
6. Meetings: Council/Management	6. Meetings: Council/Management	6. Meetings: Council/Management	6. Meetings: Council/Management	6. Meetings: Council/Management	6. Meetings: Council/Management
7. Address public enquiries	7. Address public enquiries	7. Address public enquiries	7. Address public enquiries	7. Address public enquiries	7. Address public enquiries
8. Photocopying	8. Financial System Man	8. Integrated Development Planning	8. Building control	8. Estate Management	8. Estate Management
9. Archives	9. Financial Planning & Statistics	9. Performance Management	9. Land Use Management	9. Cleansing	9. Cleansing
10. Administration: EDMS	10. Financial Reporting	10. EPWP	10. Fleet management	10. Landfill Sites	10. Landfill Sites
11. Official Notices	11. Financial Year-end	11. Transversal Affairs	11. Mechanical Workshop	11. Environmental Health	11. Environmental Health
12. HR Management	12. Investment Management	12. LED	12. Town Planning	12. Traffic Services	12. Traffic Services
13. Leave Administration	13. Insurance Admin & Management	13. Internal Audit	13. Repair & Maintenance	13. Fire Services	13. Fire Services
14. Skills Development	14. Loan Management & Admin	14. Risk Management	Elec Reticulation Network	14. Licenses: Drivers & Vehicles	14. Licenses: Drivers & Vehicles
15. Occupational Health & Safety	15. Asset Management	15. Youth Development	14. Repair & Maintenance:	15. Library Service	15. Library Service
16. Employee Wellness	16. Liaison: External Auditors	16. Public Participation	Elec Installations & Equipment	16. Manage and control :	16. Manage and control :
17. Injury on Duty	17. Creditors Administration	17. Legal Compliance	15. Repair & Maintenance:	a) Parks division	a) Parks division
18. Support Services	18. Debtors Administration	18. Gazettes: Govern / Prov	Sewerage Network	b) Cemeteries	b) Cemeteries
19. Labour Relations	19. Credit Control:	19. Policies & Bylaws	16. Repair & Maintenance:	c) Sport fields	c) Sport fields
20. Legal Services	20. Indigent Policy:	20. ICT	Waste Water Care works	d) Open spaces	d) Open spaces
21. Communications	21. Meter Reading Function	21. Legal Matters	17. Repair & Maintenance:	e) Pavements	e) Pavements
	22. Municipal Stores	22. Communication	Water Care works	f) Municipal gardens	f) Municipal gardens
	23. Pay Office		18. Repair & Maintenance:		

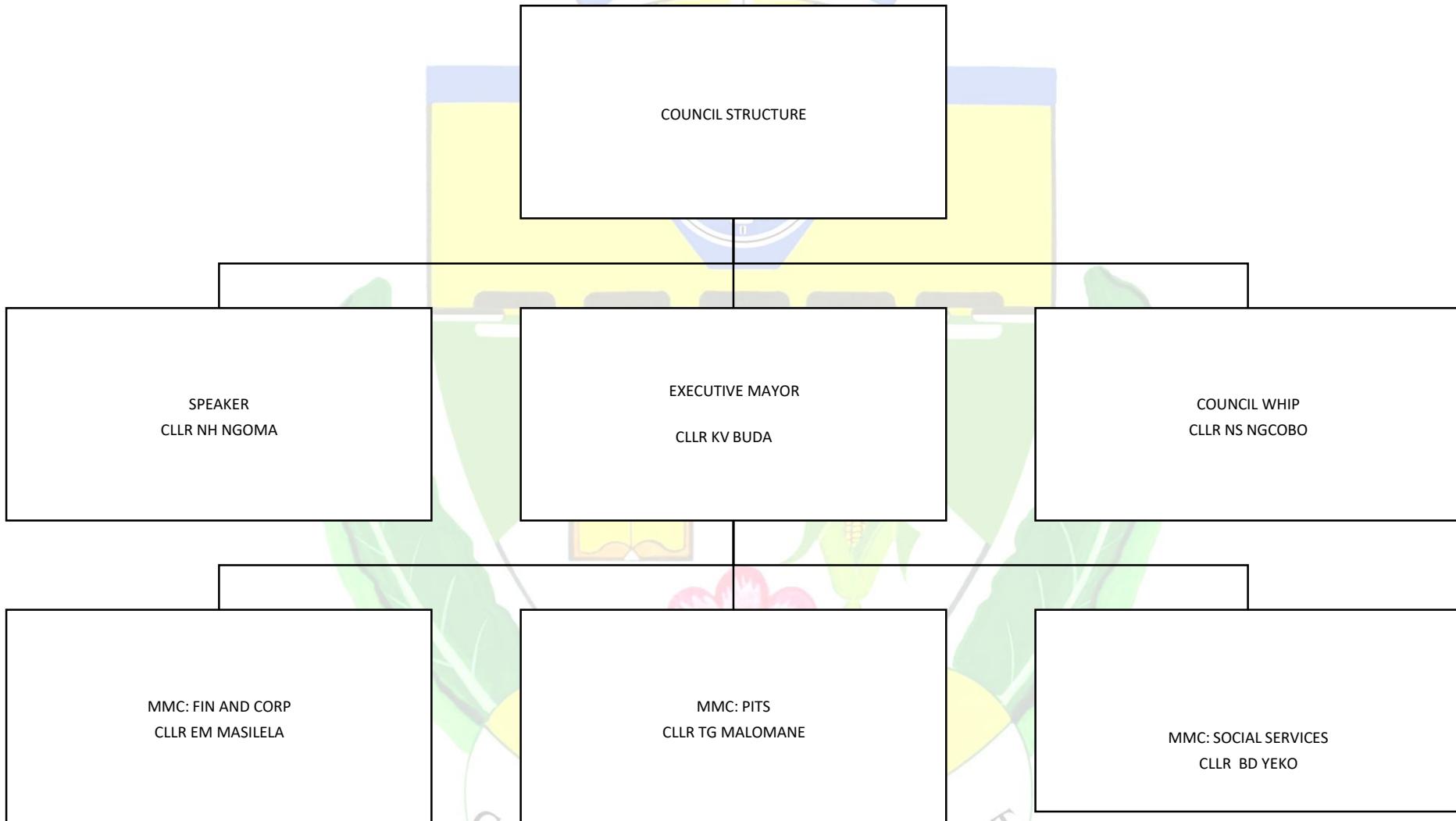
24. SCM

25. Contract Management

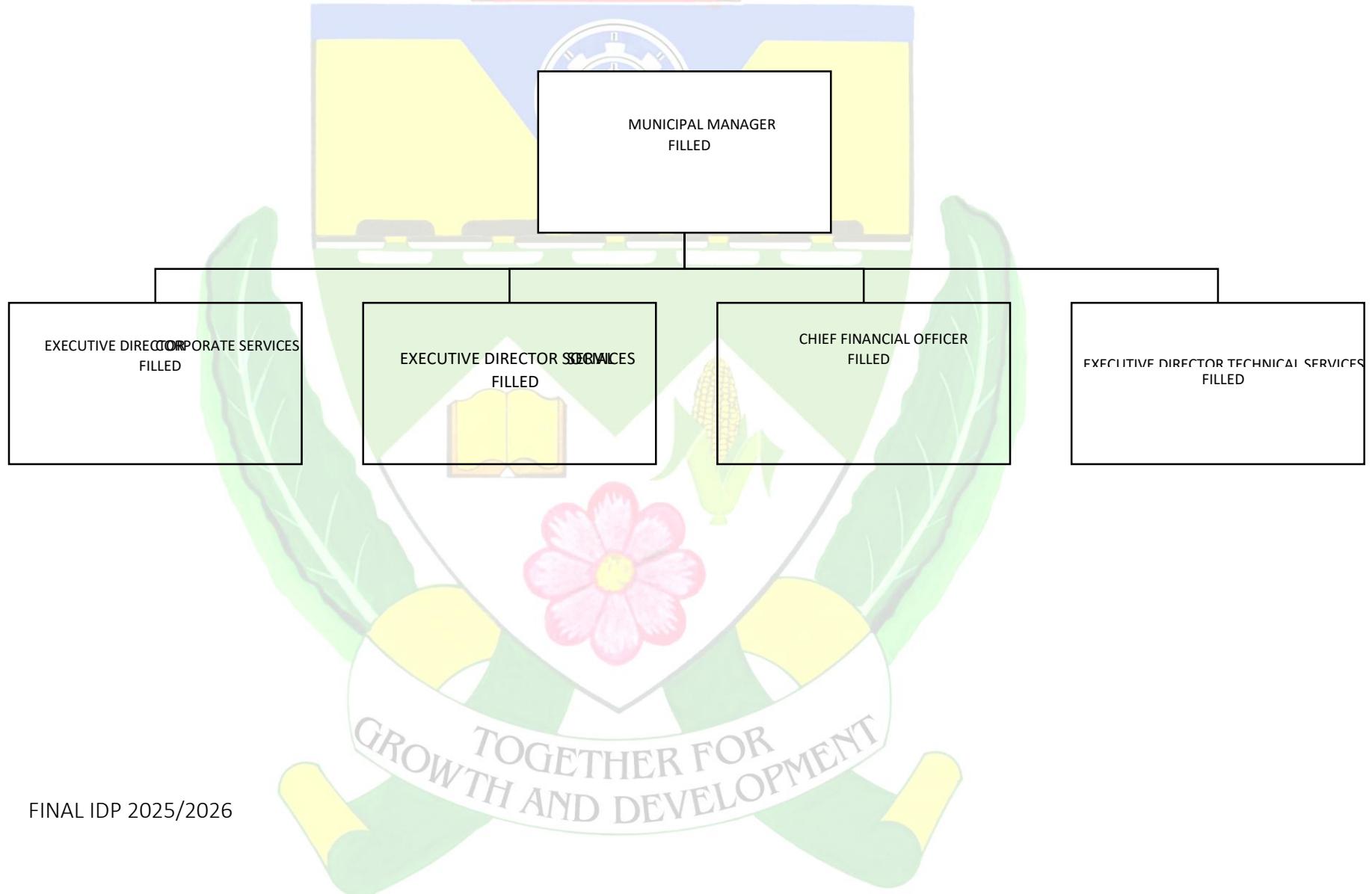
Water Reticulation Network

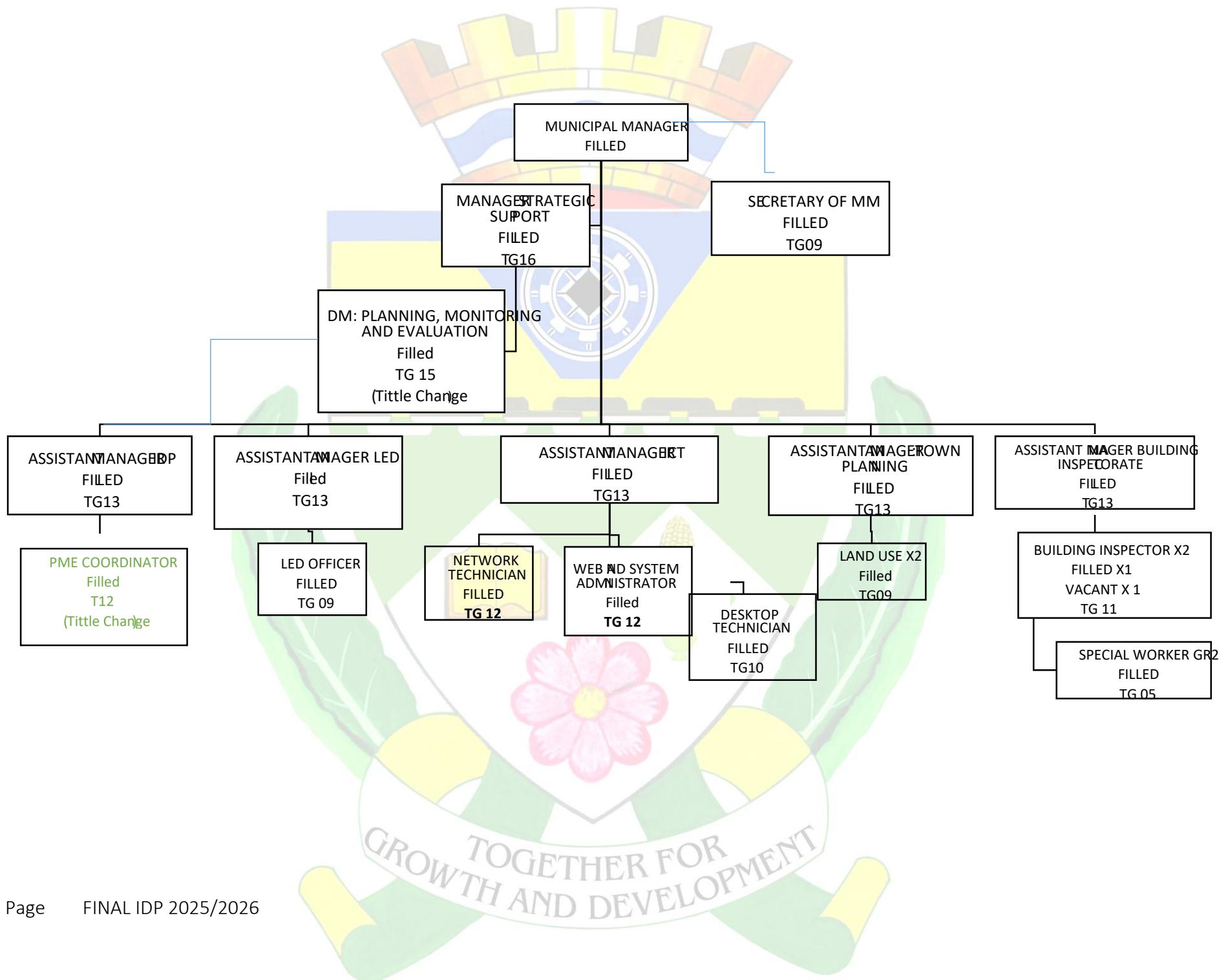


# EXECUTIVE OVERVIEW

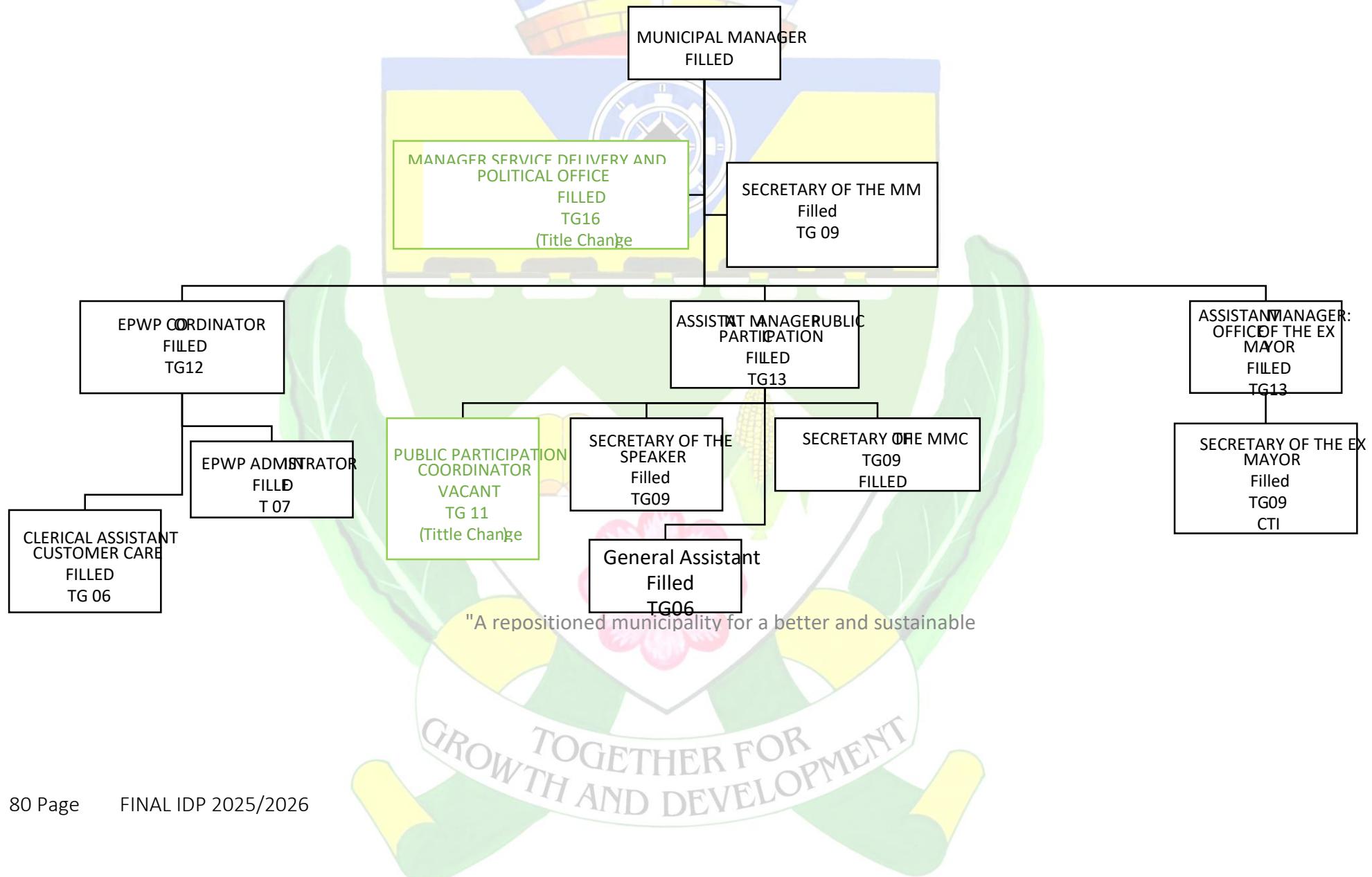


# SENIOR MANAGEMENT: STRATEGIC TEAM

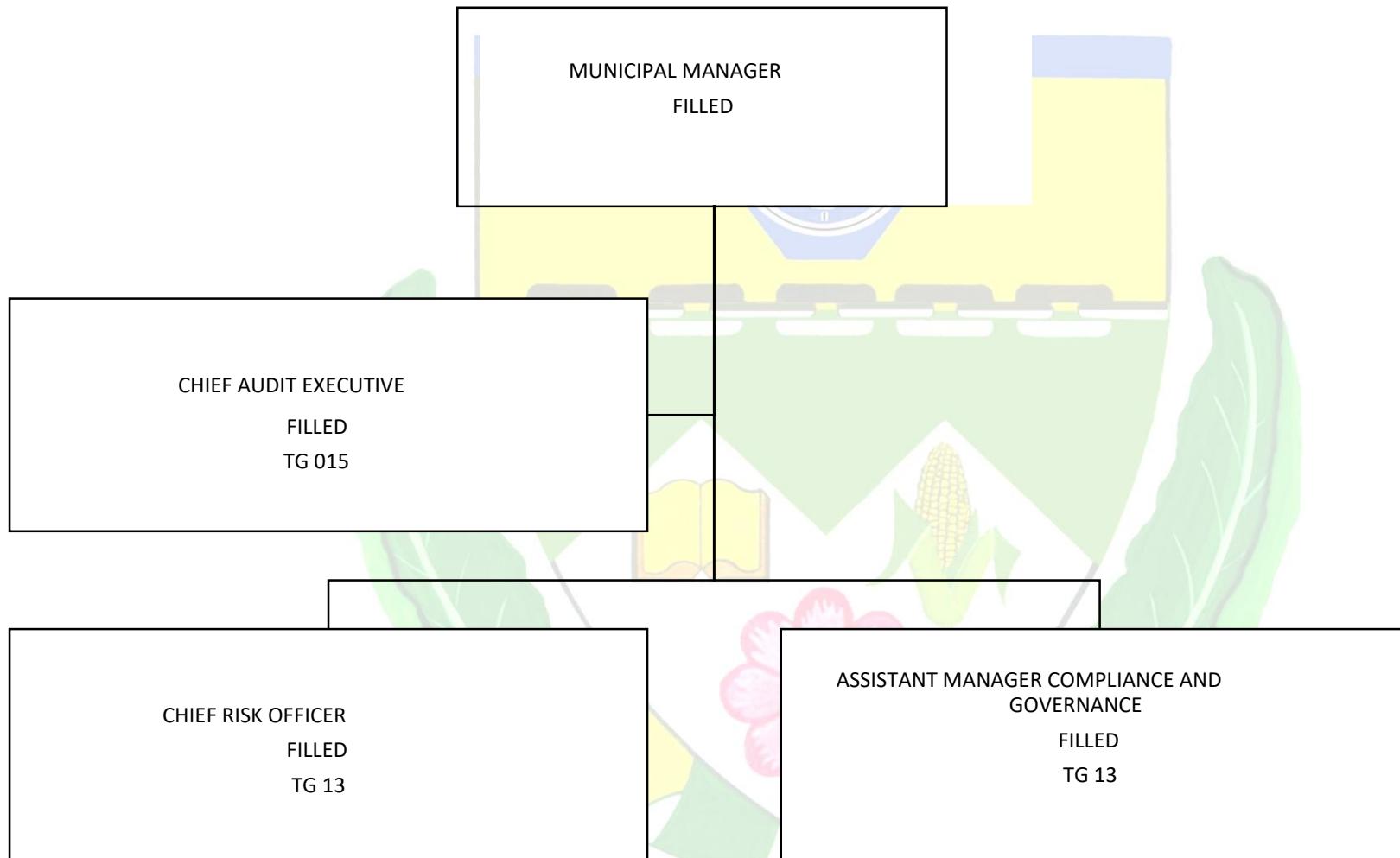




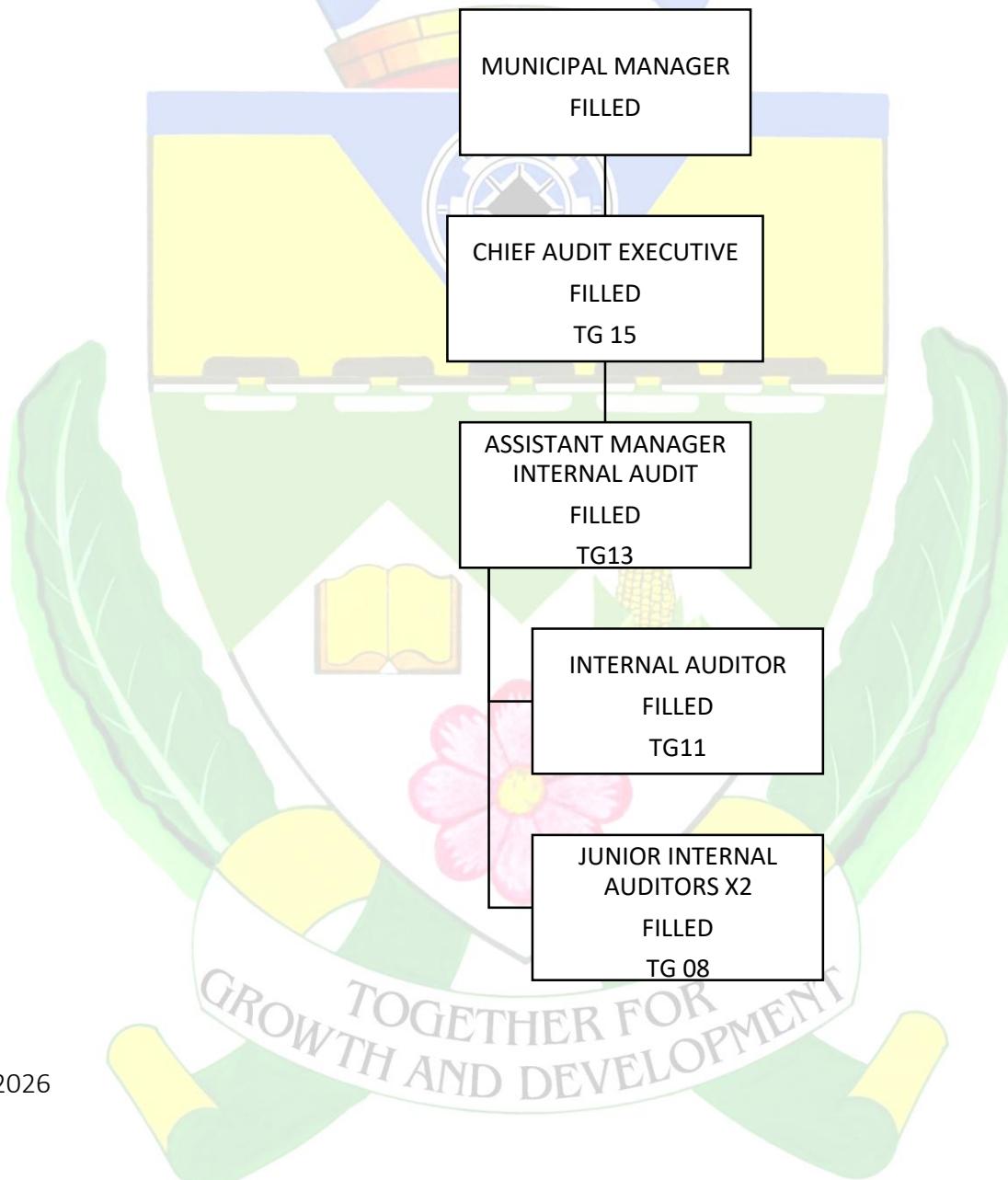
# MUNICIPAL MANAGER OFFICE: SERVICE DELIVERY



# MUNICIPAL MANAGER DIRECT SUPPORTIVE STRUCTURES

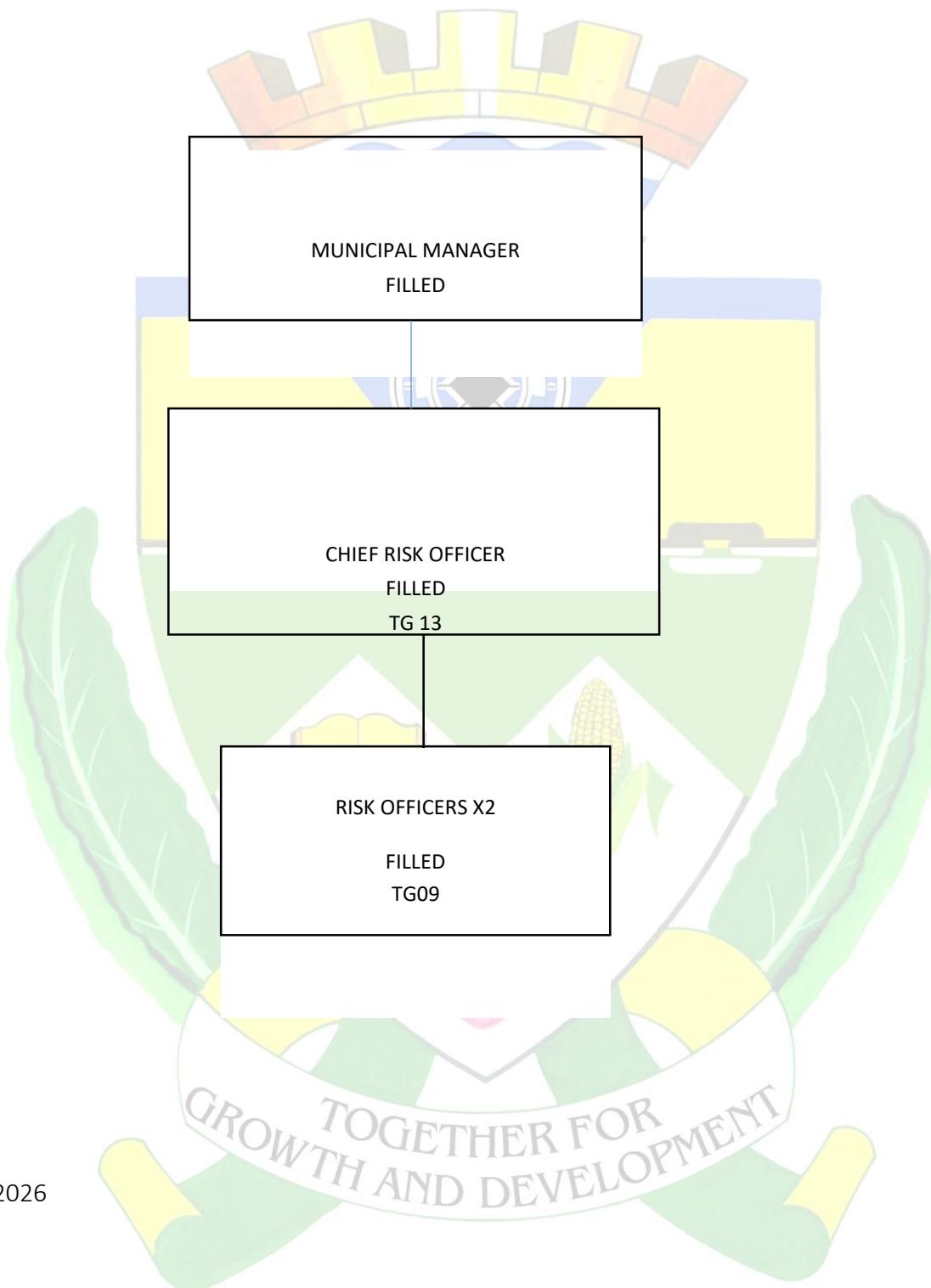


# MUNICIPAL MANAGER OFFICE: INTERNAL AUDIT UNIT

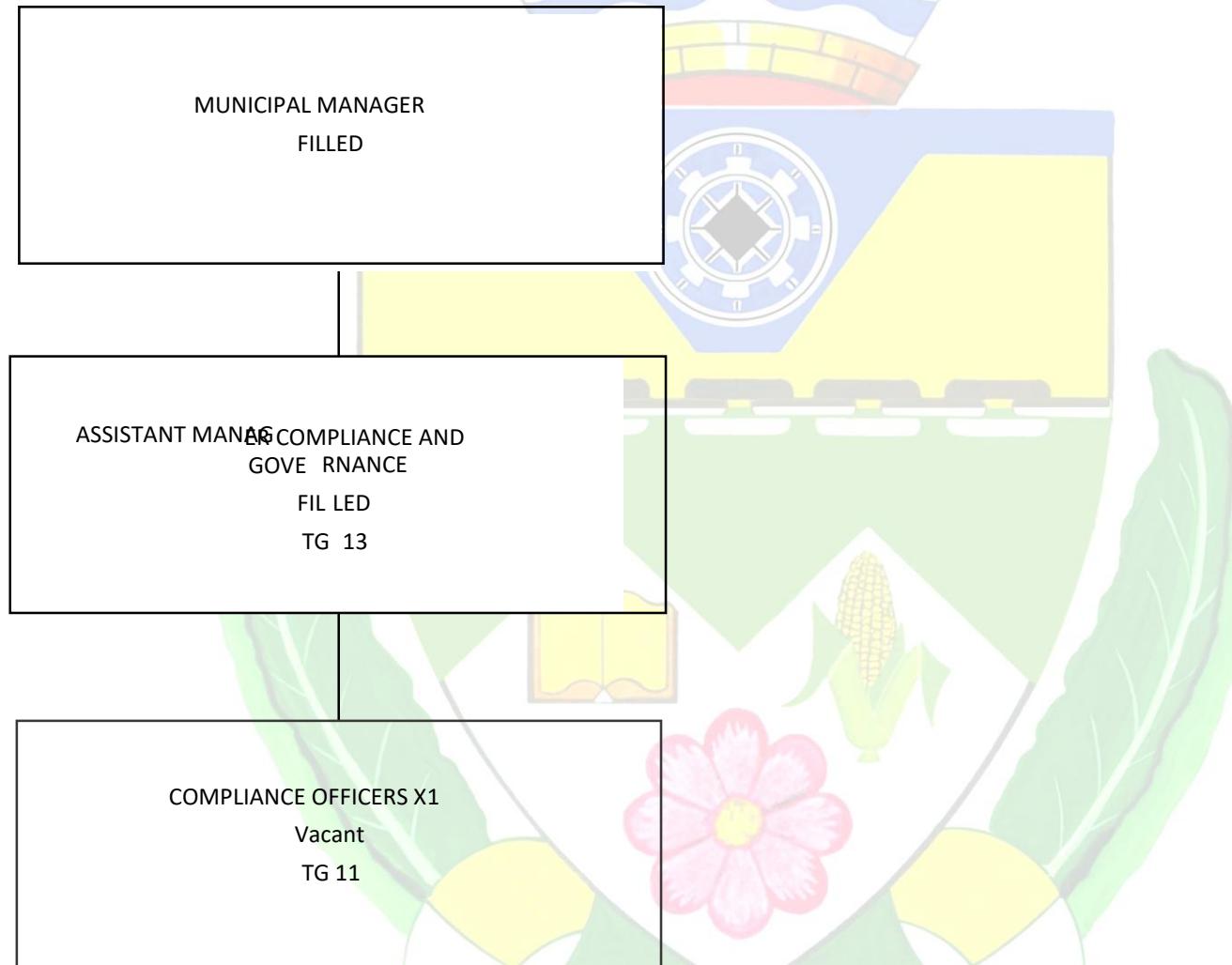


# MUNICIPAL MANAGER OFFICE: RISK UNIT





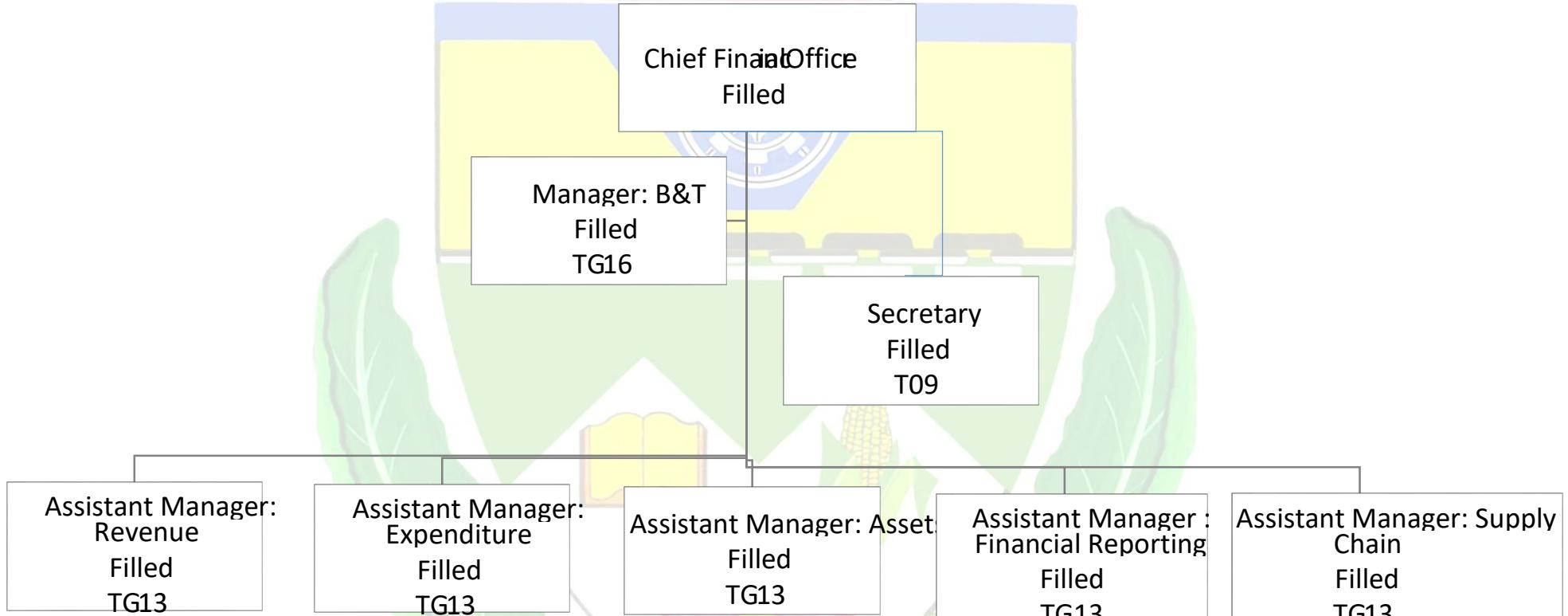
# MUNICIPAL MANAGER OFFICE: COMPLIANCE AND GOVERNANCE



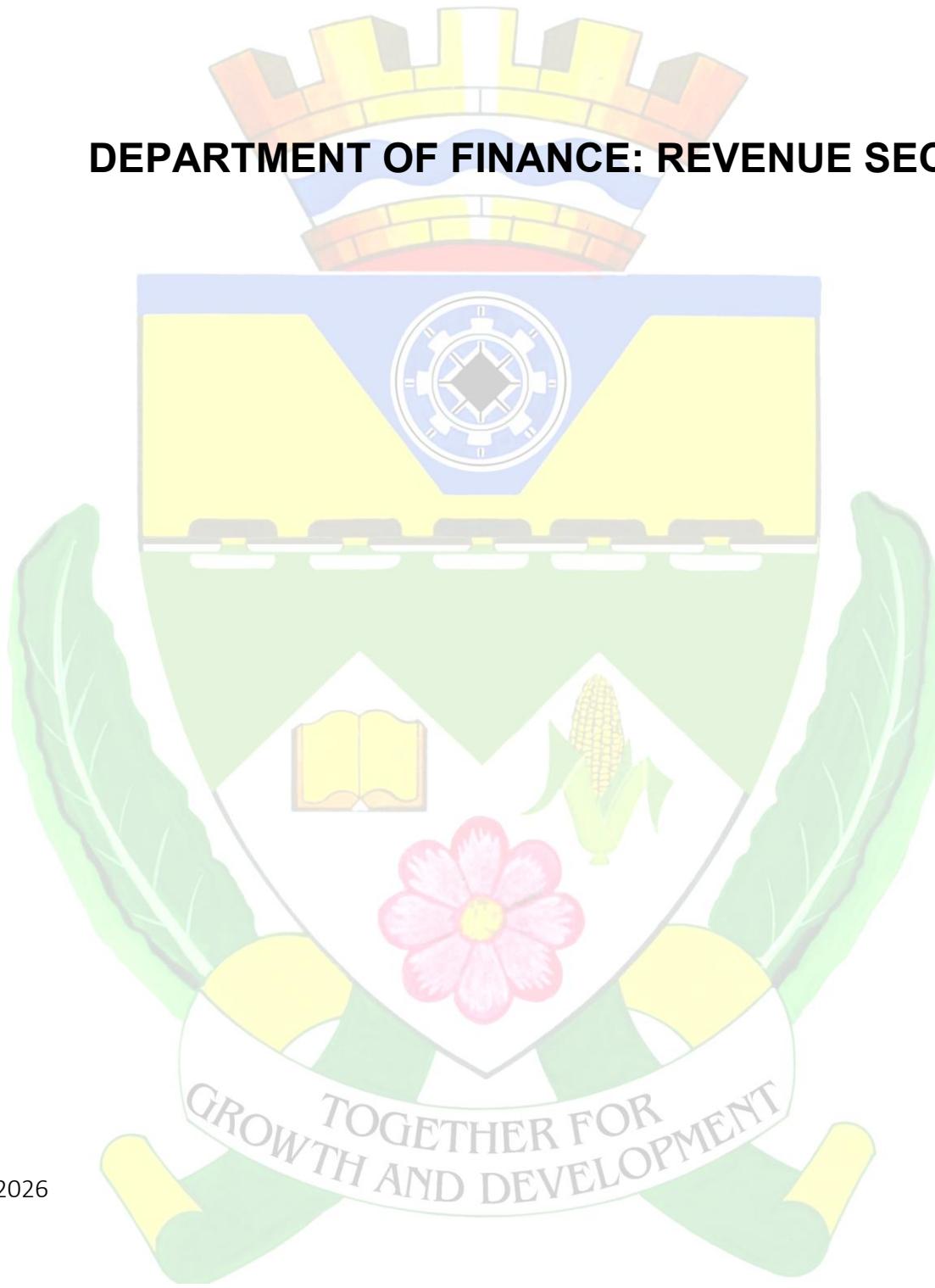


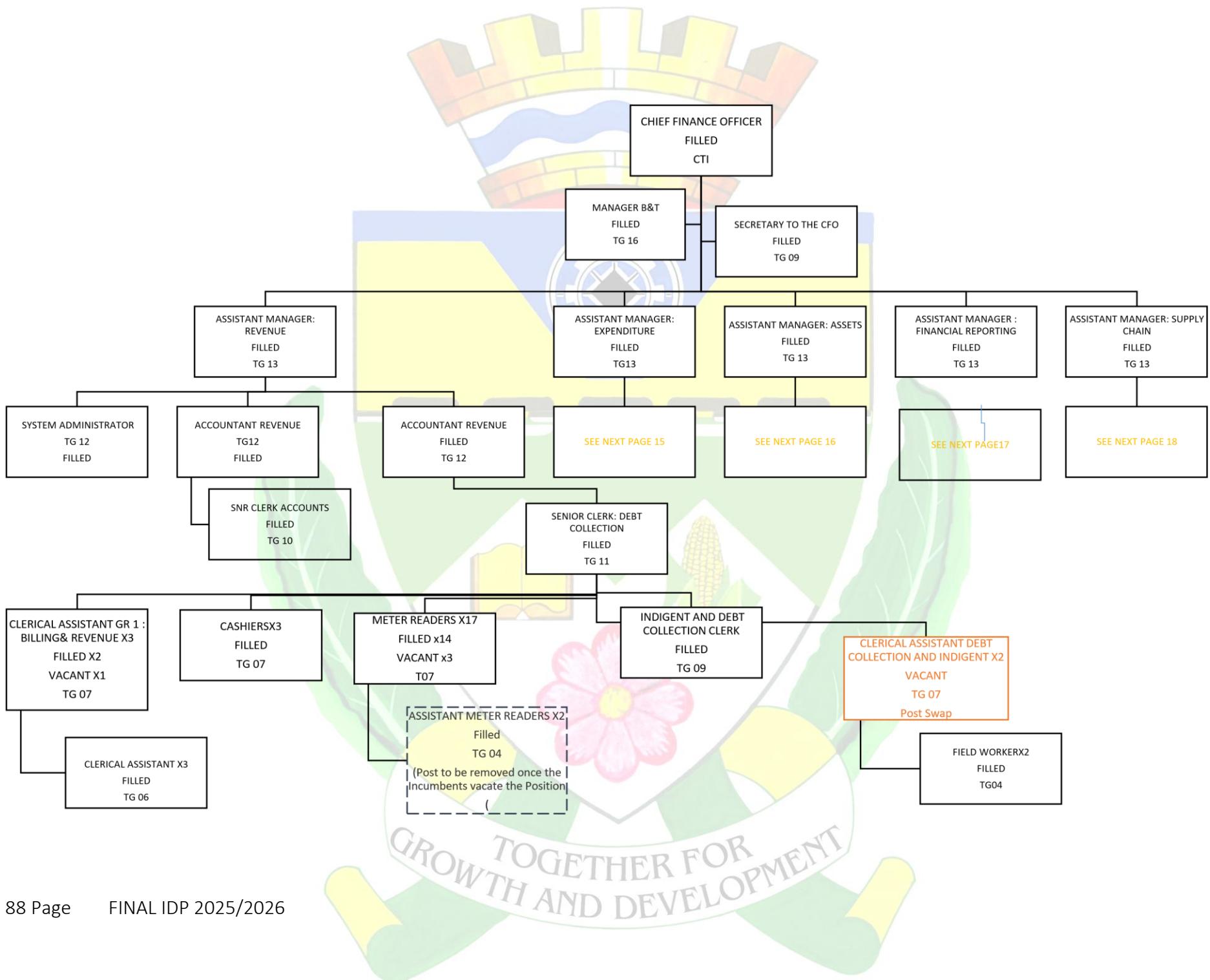
# FINANCE DEPARTMENT

## DEPARTMENT OF FINANCE: EXECUTIVE STRUCTURE

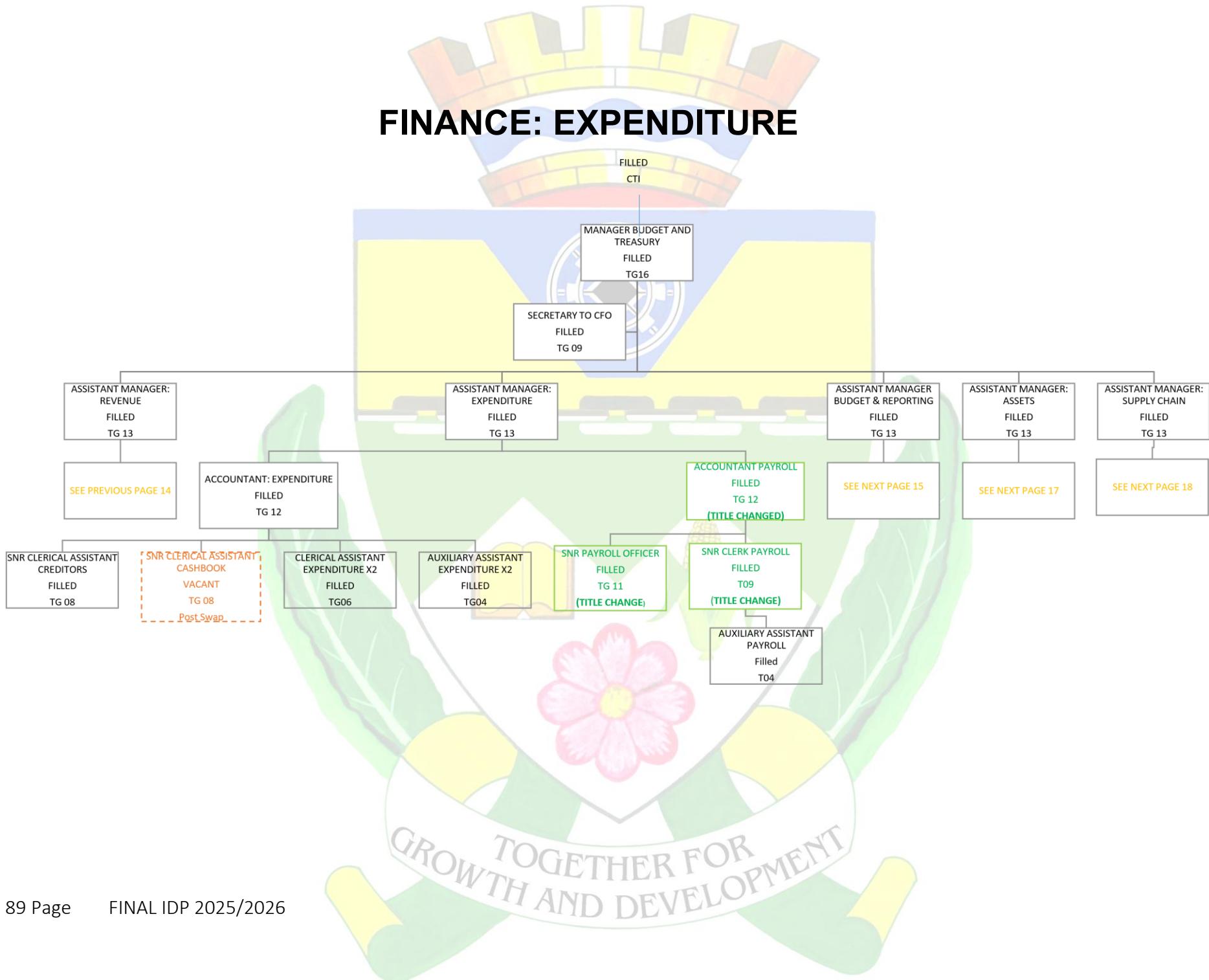


# DEPARTMENT OF FINANCE: REVENUE SECTION

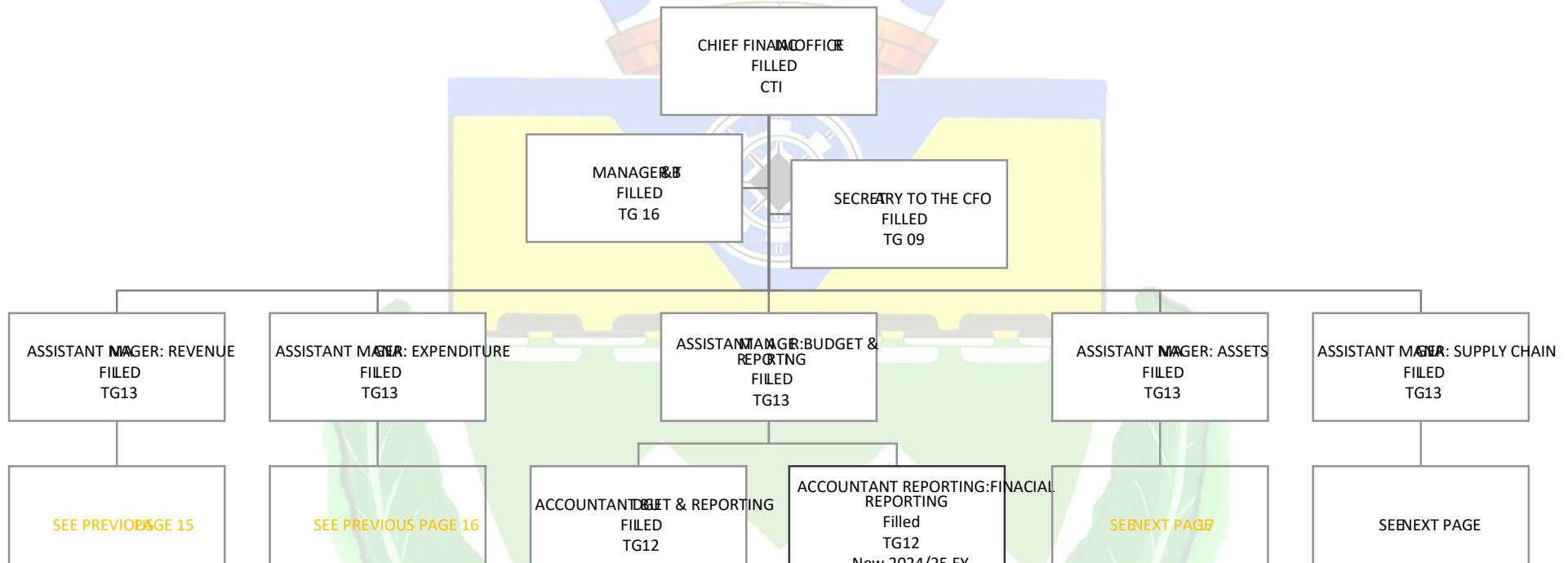




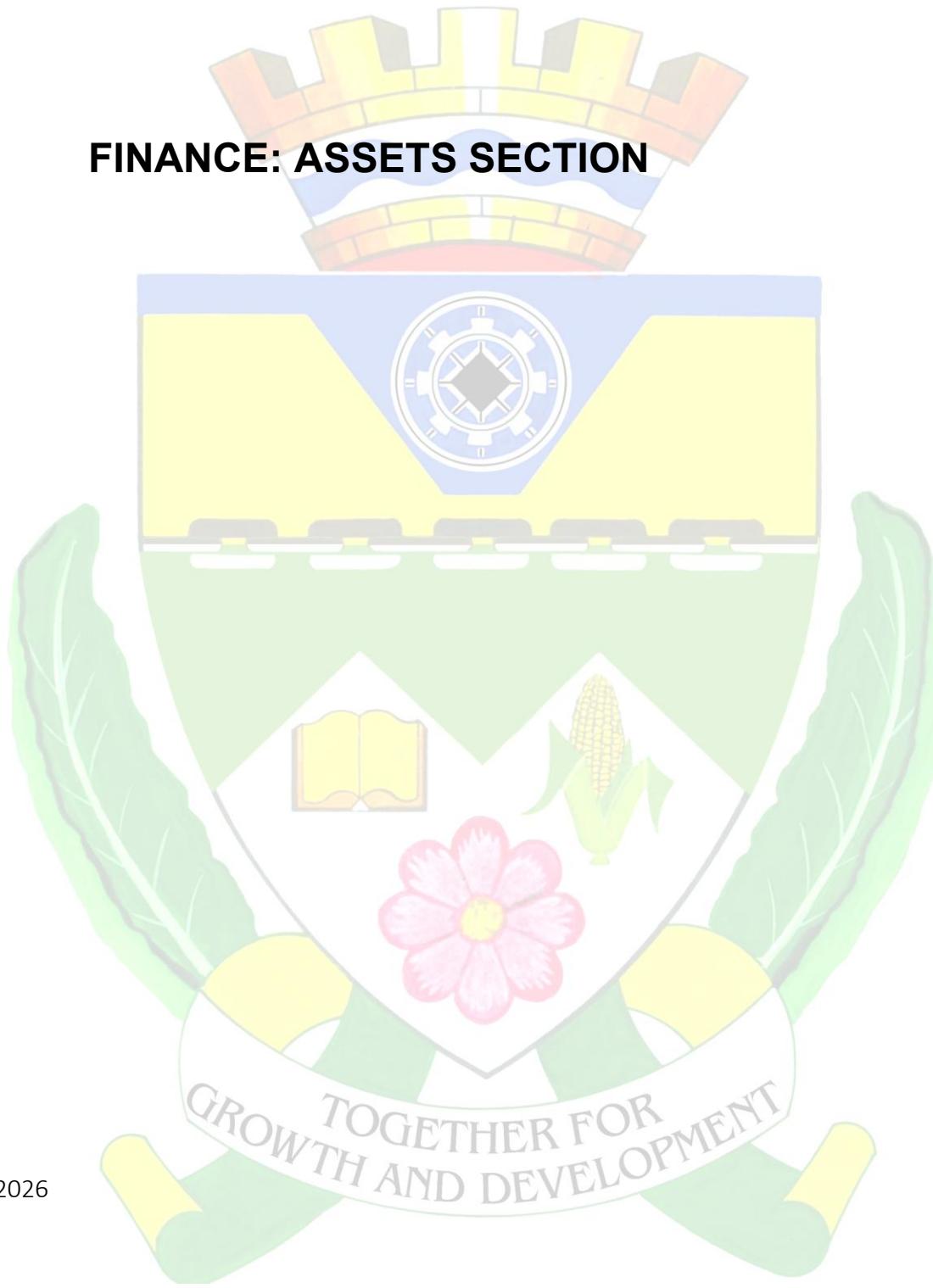
## FINANCE: EXPENDITURE

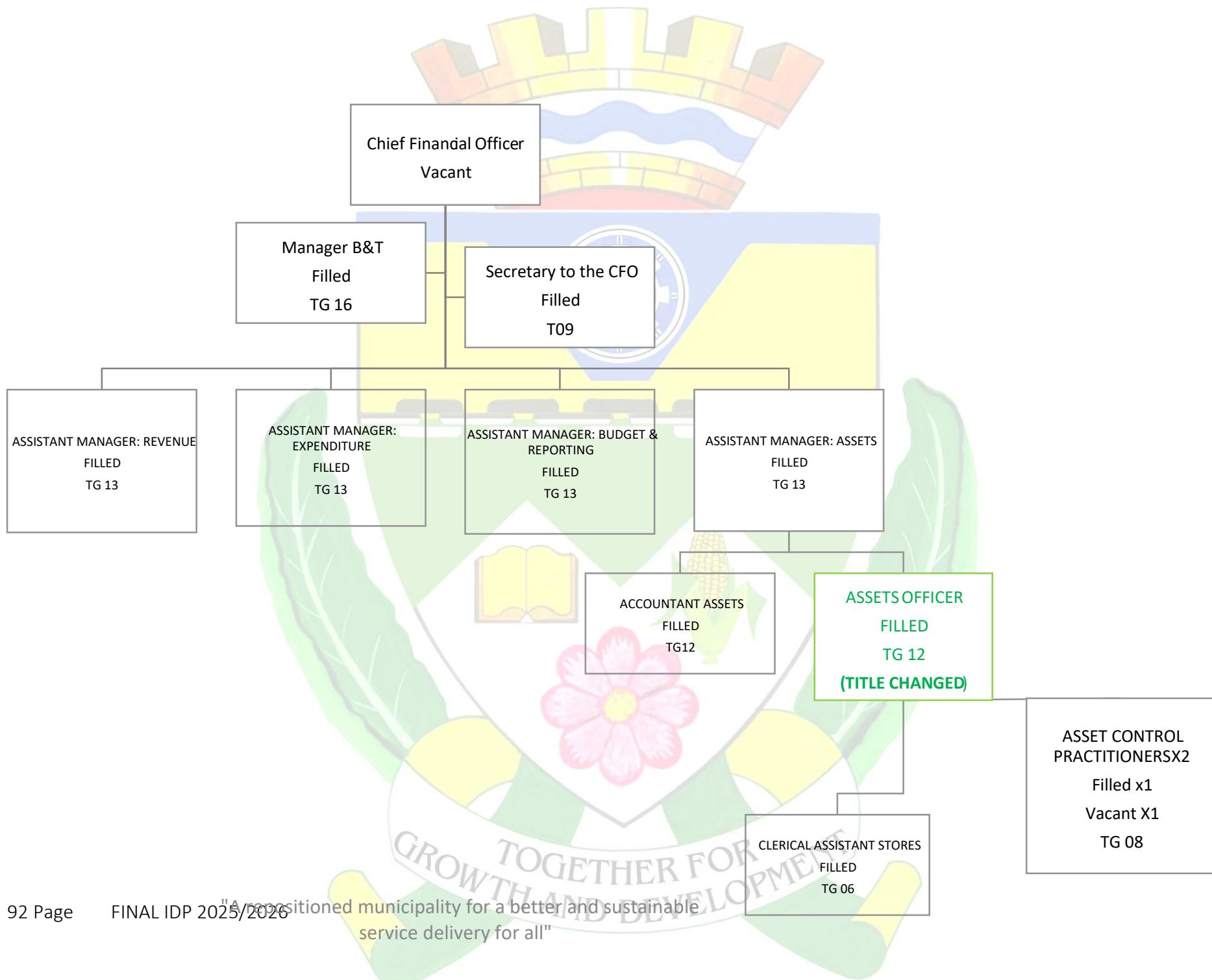


# FINANCIAL REPORTING SECTION



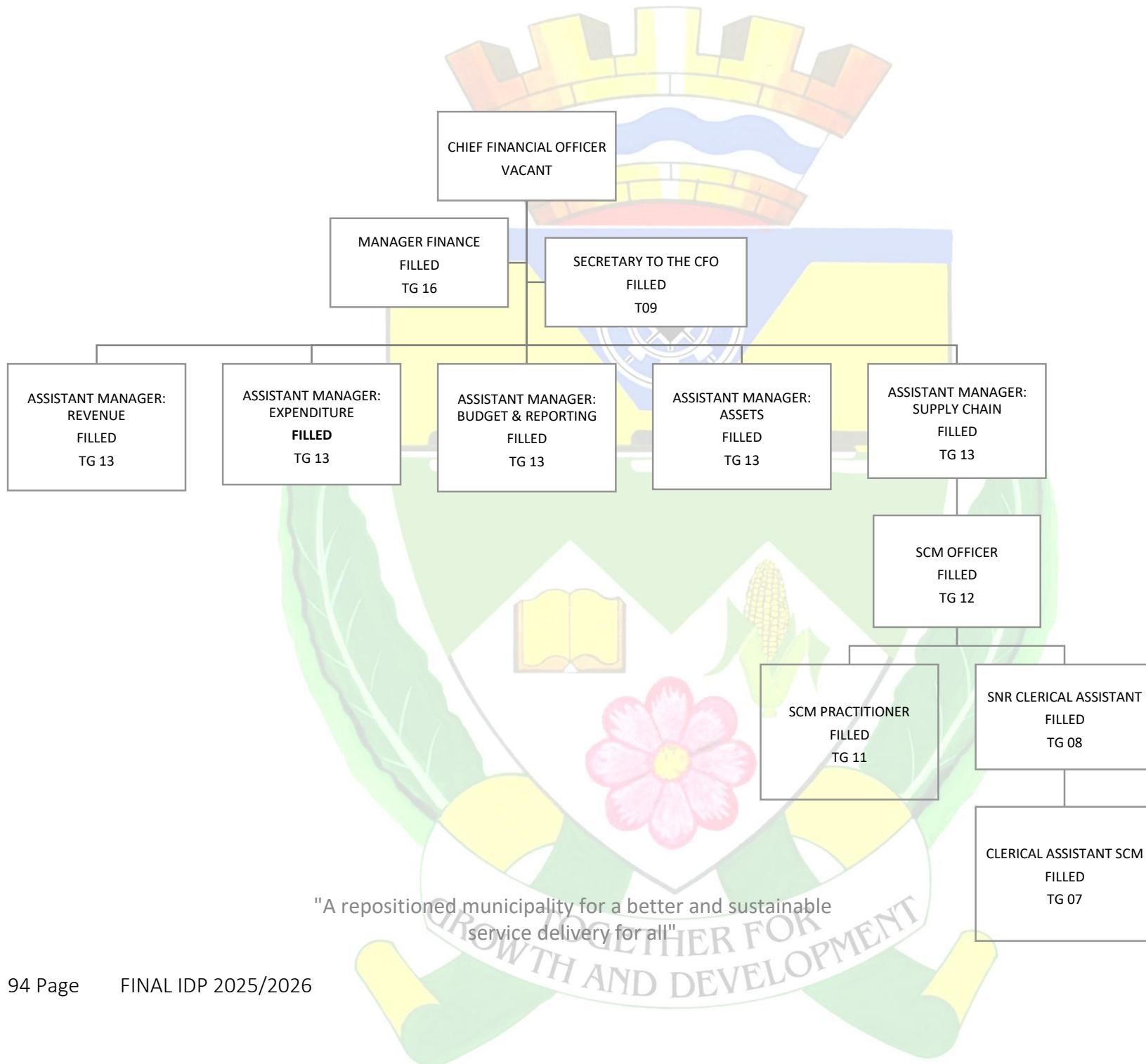
## FINANCE: ASSETS SECTION



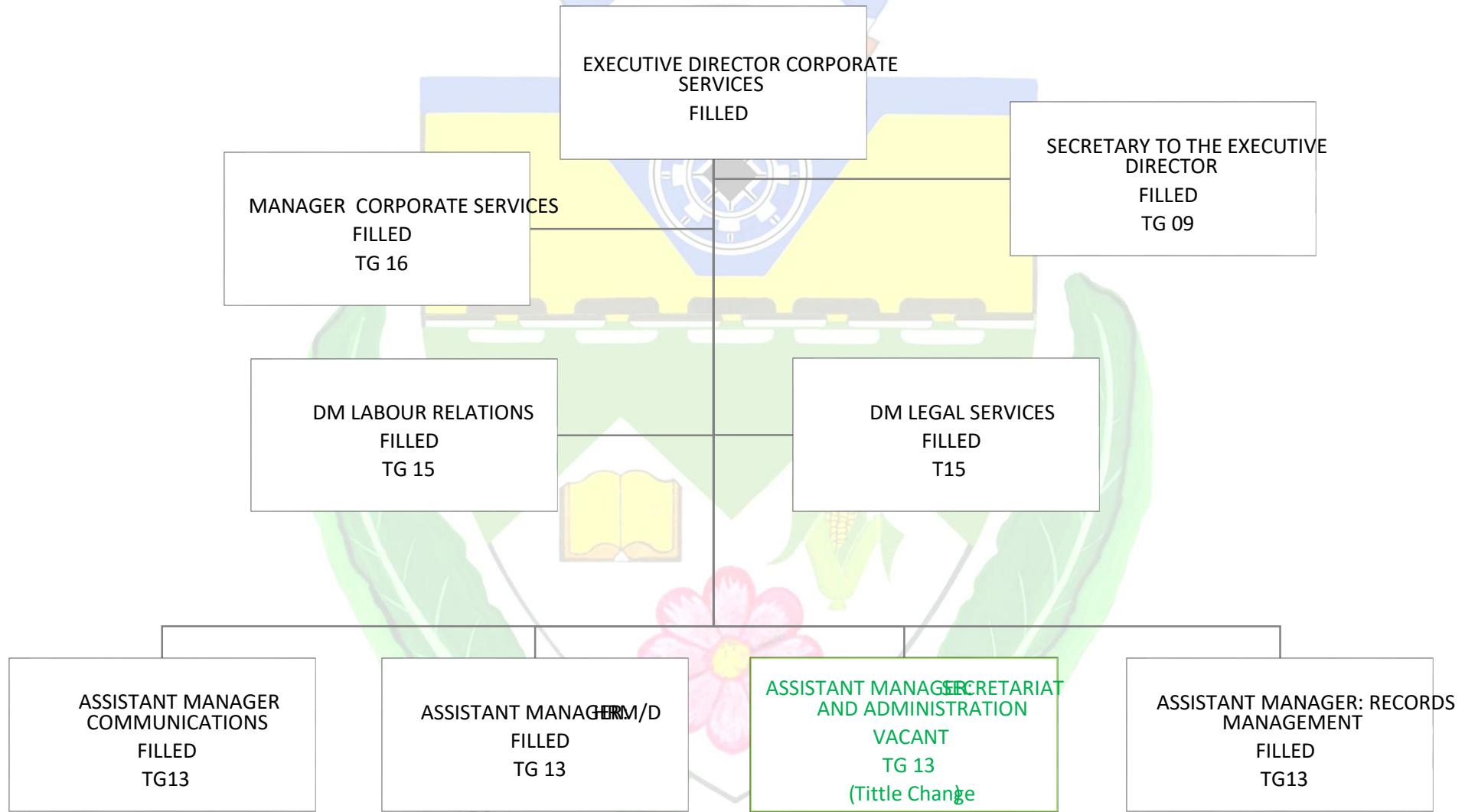


## FINANCE: SUPPLY CHAIN SECTION

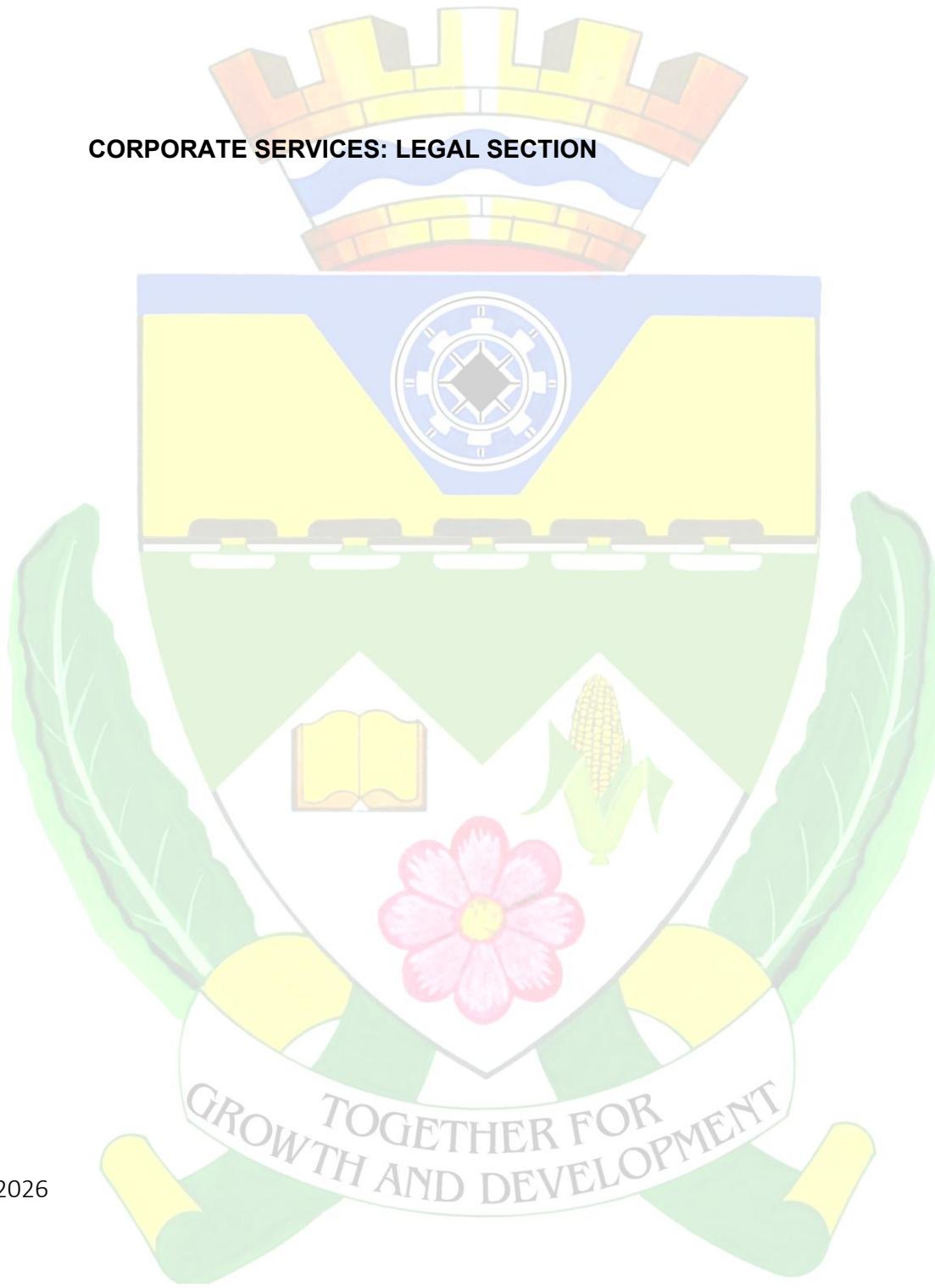


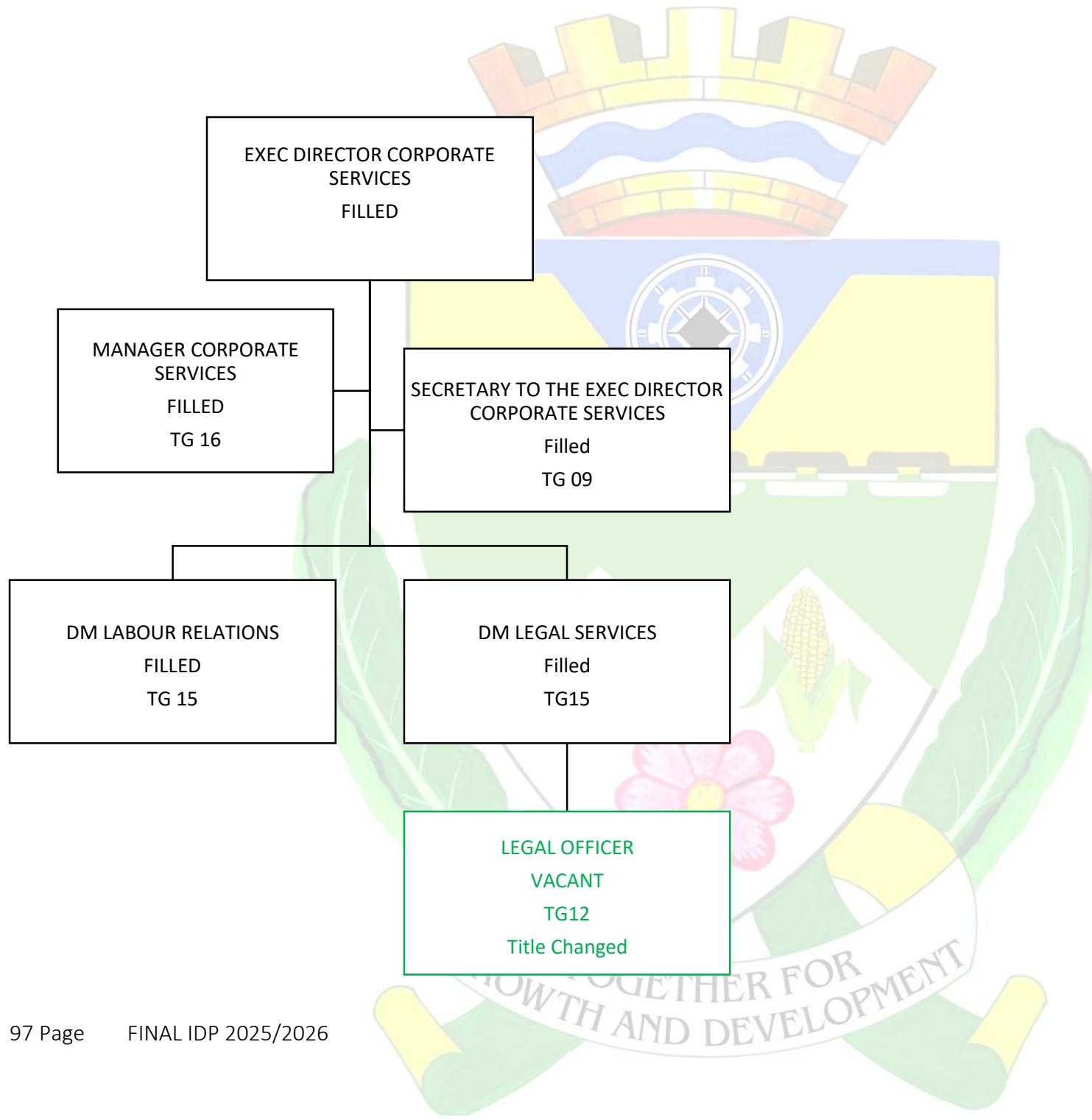


# CORPORATE SERVICES: EXECUTIVE STRUCTURE

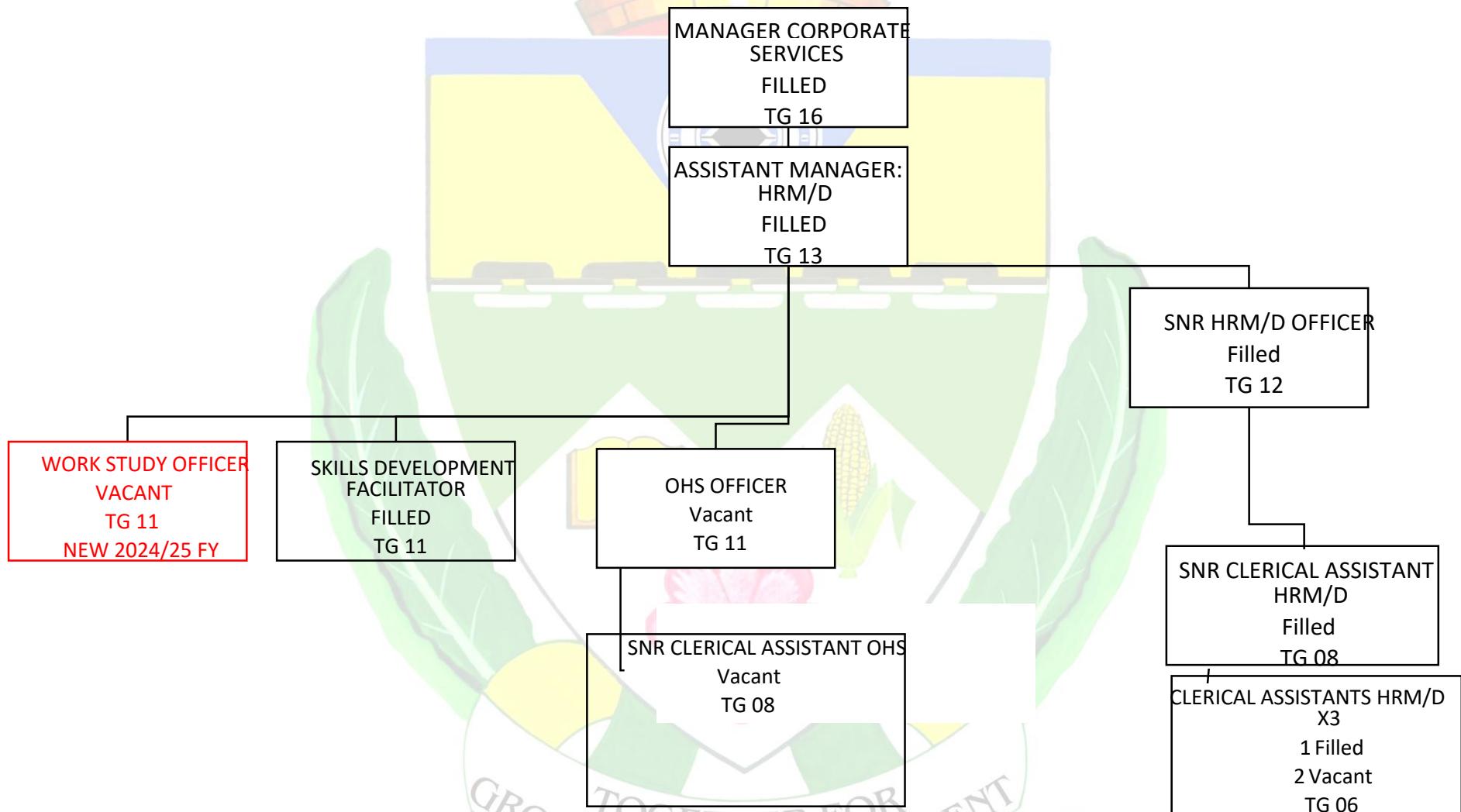


**CORPORATE SERVICES: LEGAL SECTION**

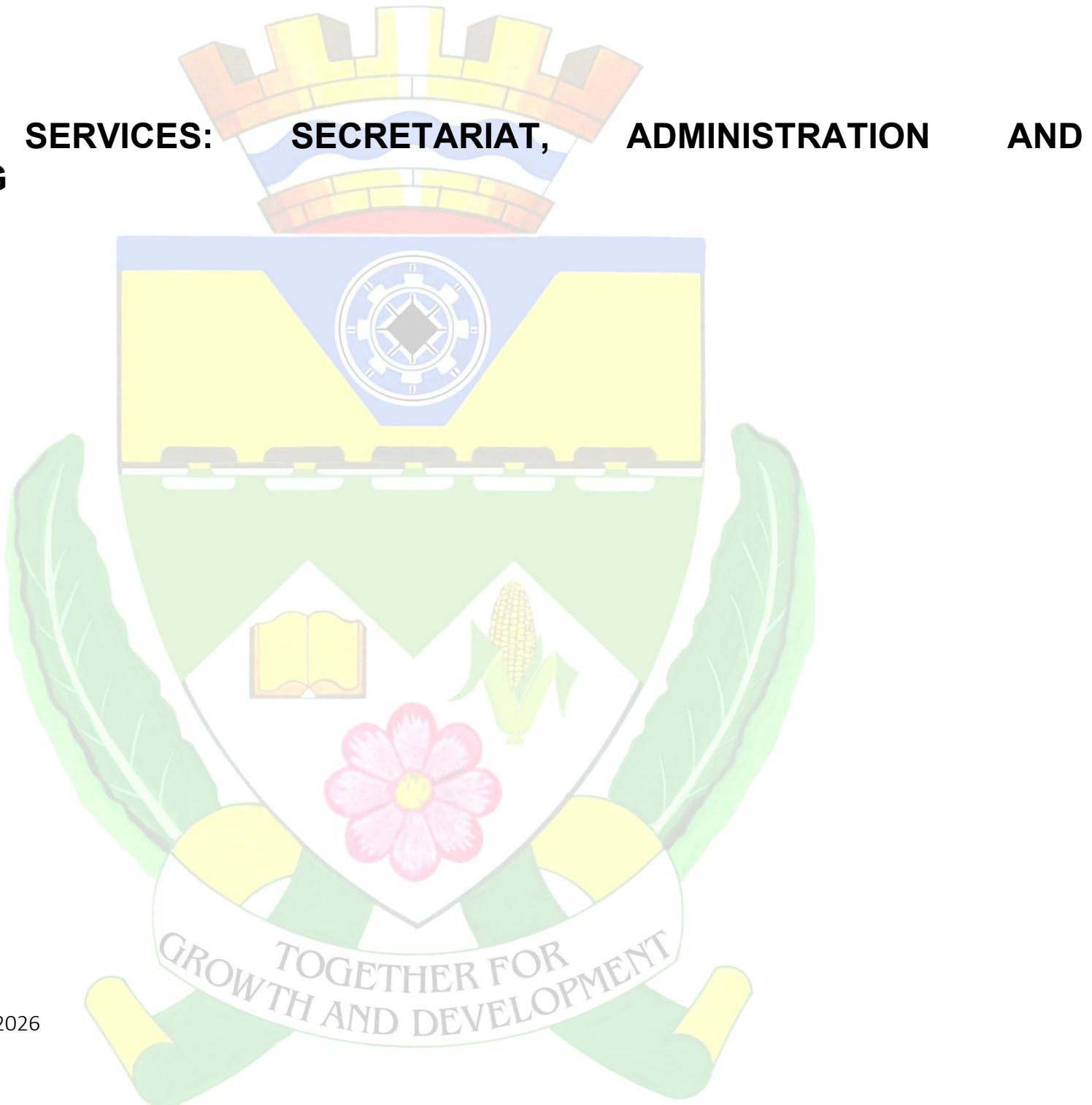


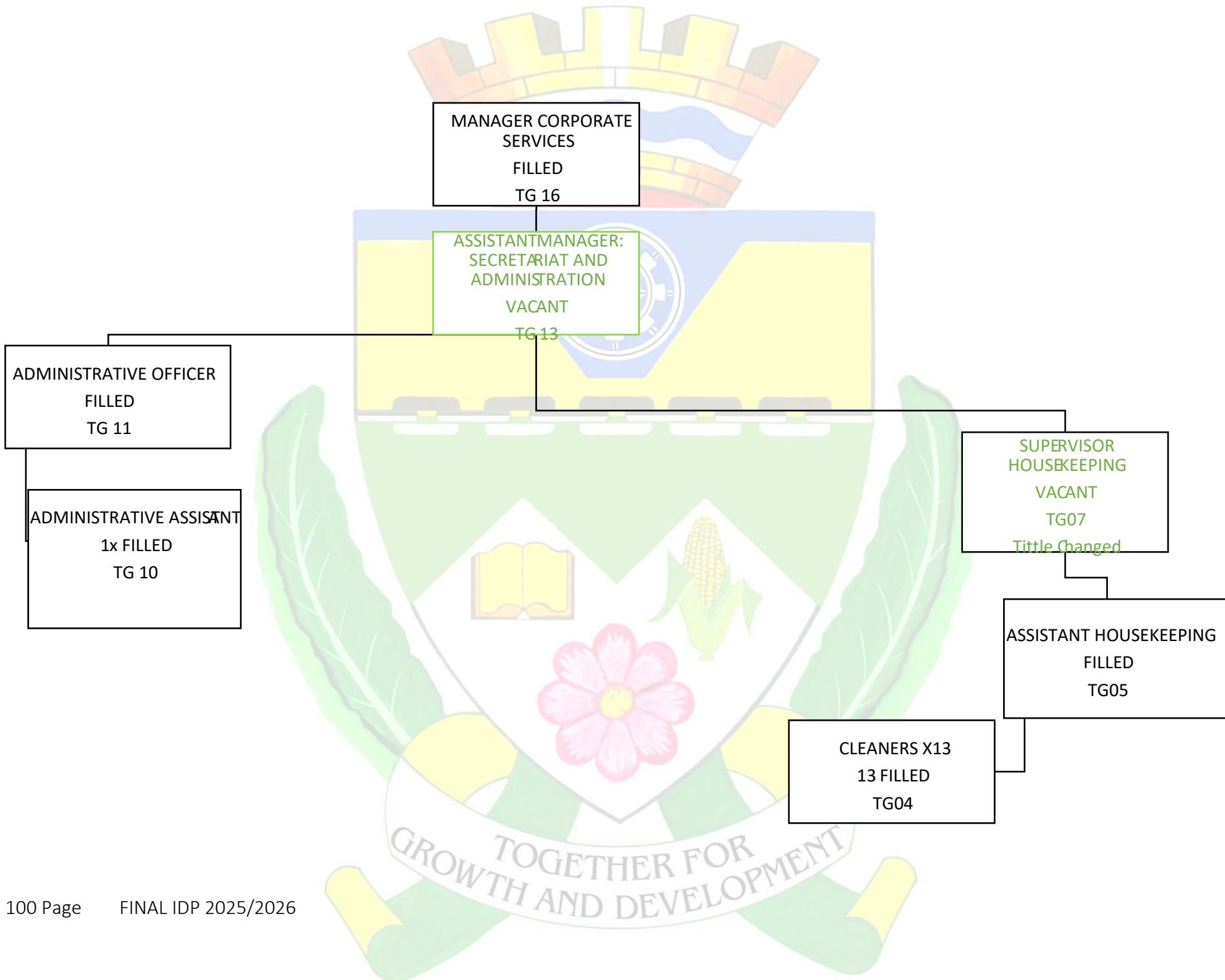


# CORPORATE SERVICES: HUMAN RESOURCE MANAGEMENT

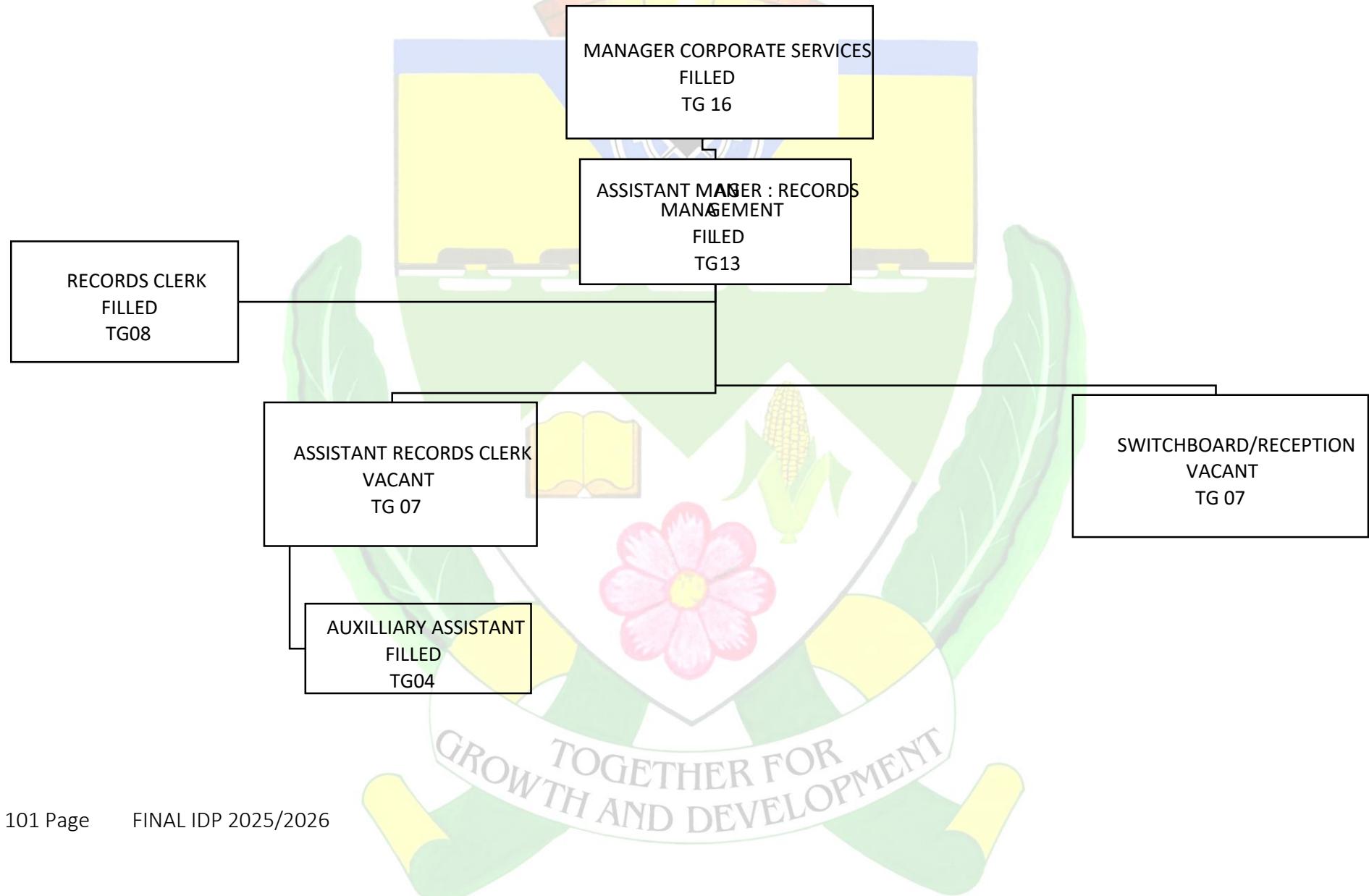


**CORPORATE SERVICES:  
HOUSEKEEPING**

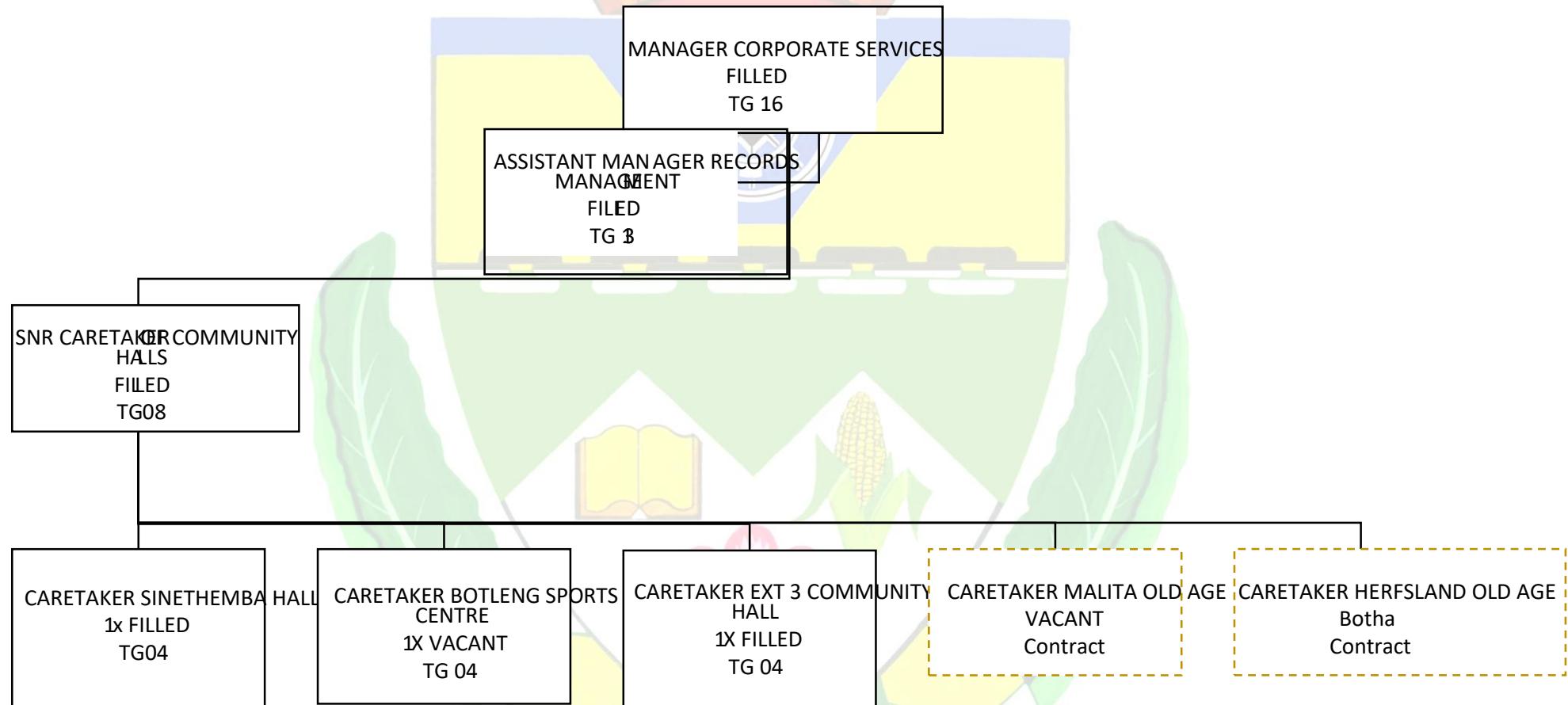




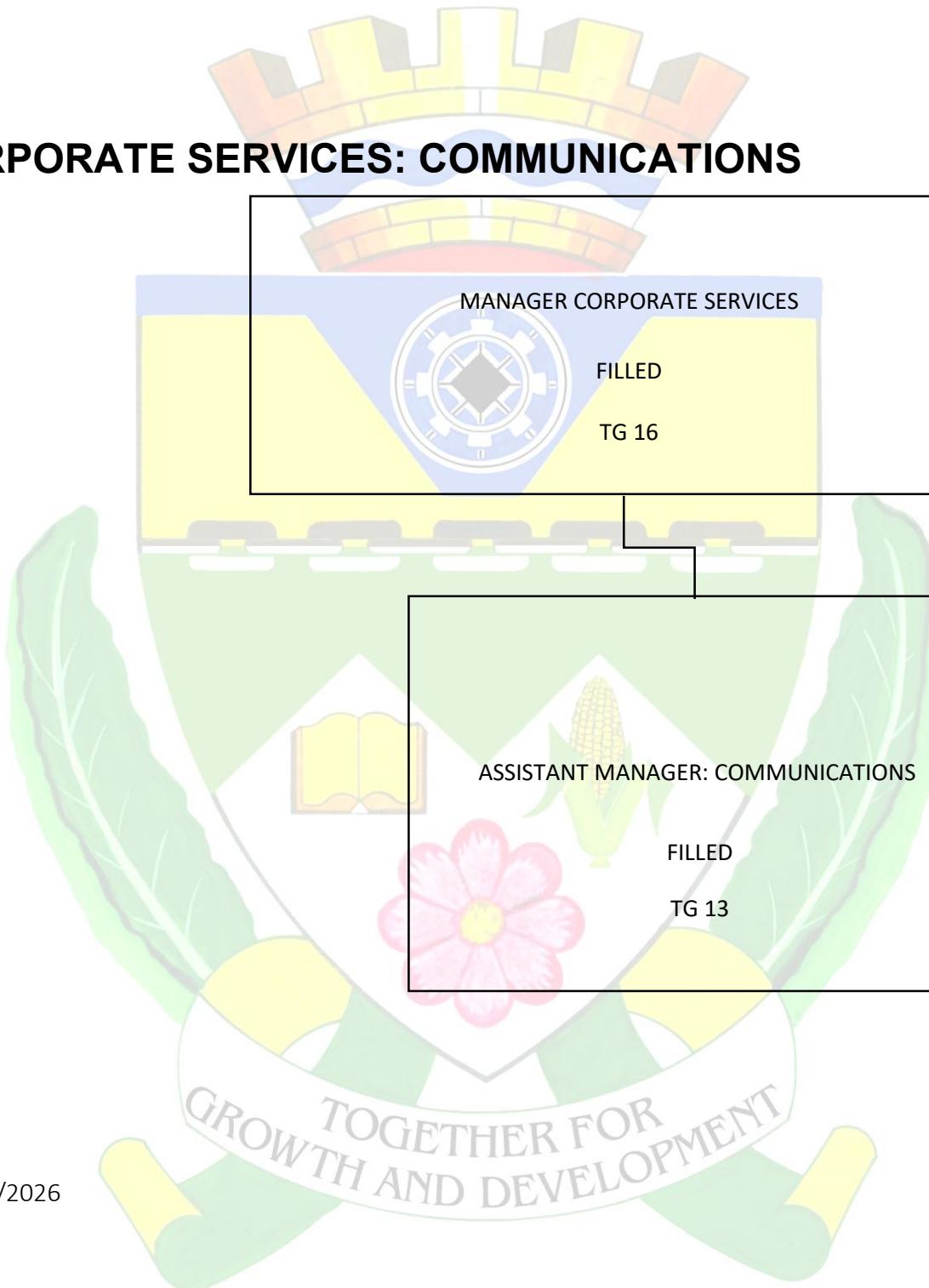
# CORPORATE SERVICES: CORPORATE ARCHIVES ADMIN AND COMMUNITY FACILITIES



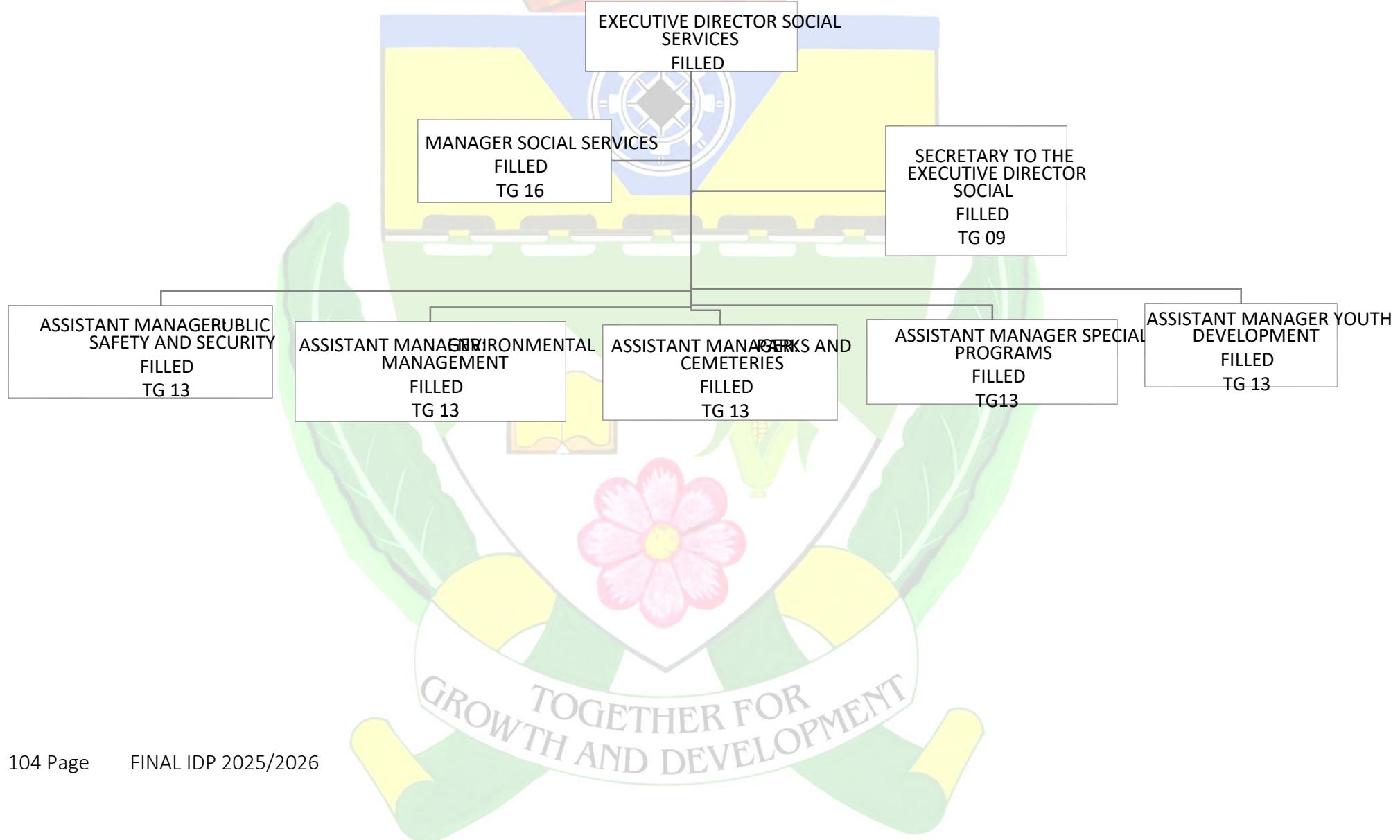
## CORPORATE SERVICES: CORPORATE ARCHIVES ADMIN AND COMMUNITY FACILITIES (CONTINUED)



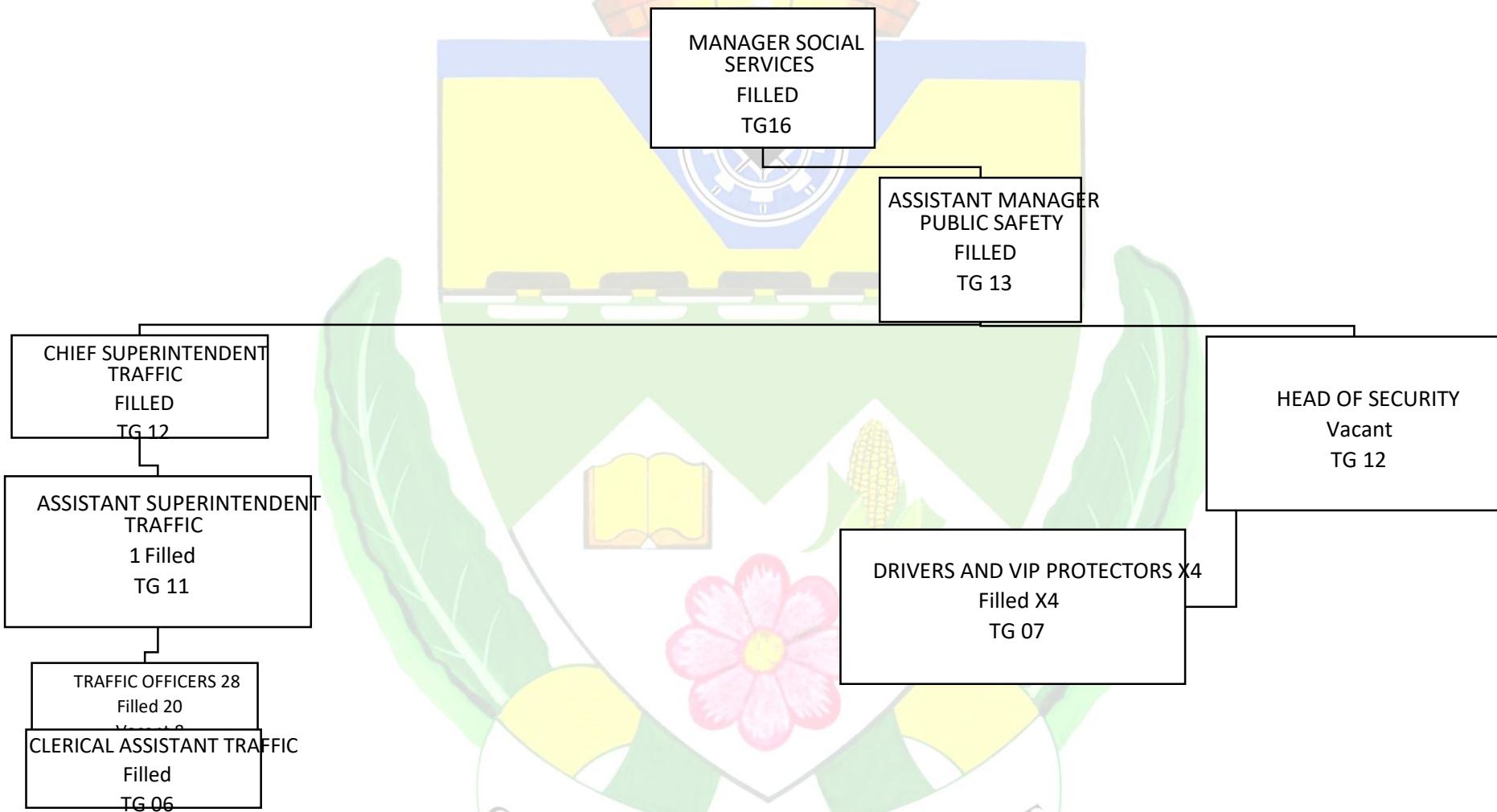
## CORPORATE SERVICES: COMMUNICATIONS



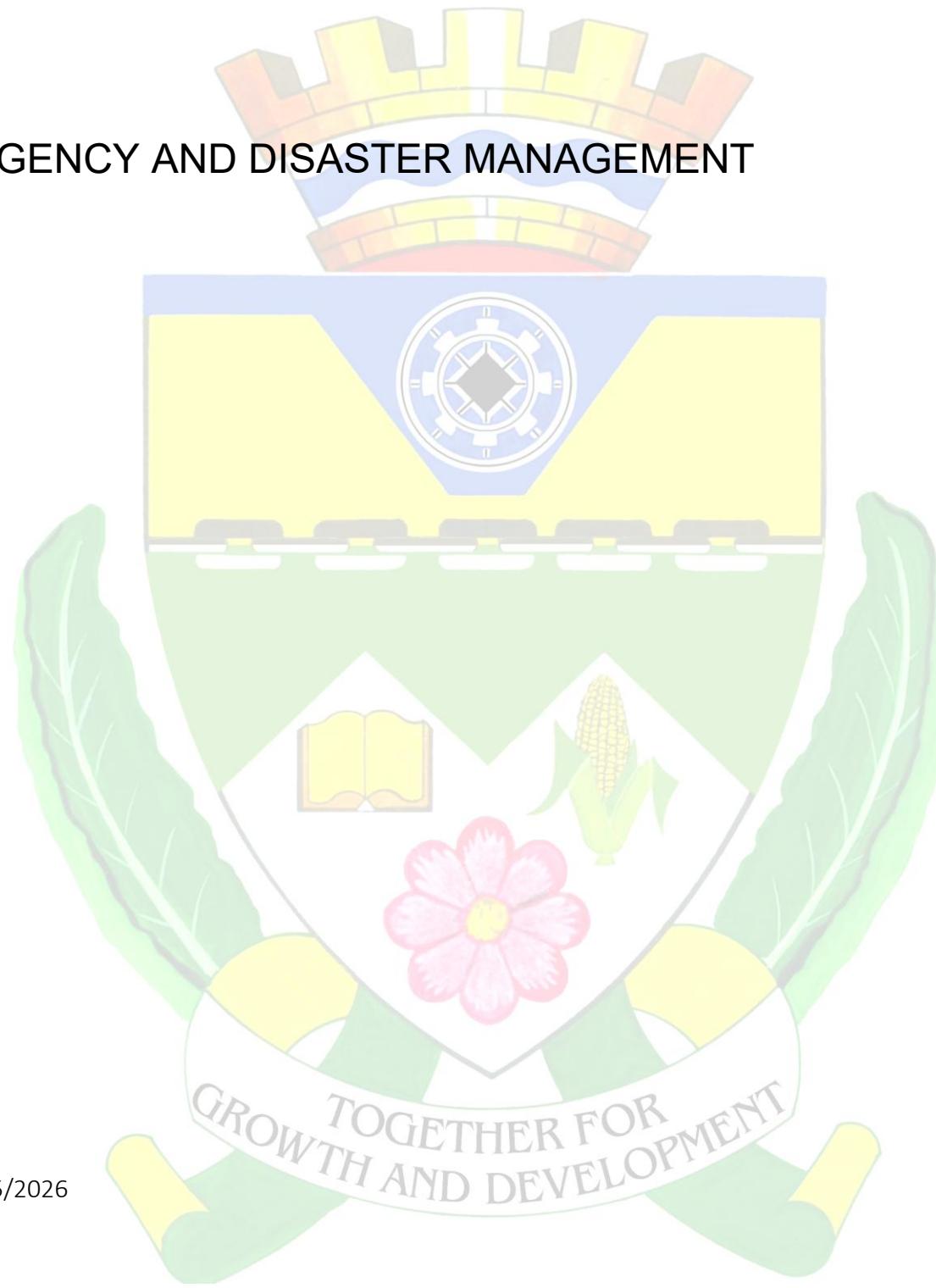
# SOCIAL SERVICES: EXECUTIVE STRUCTURE

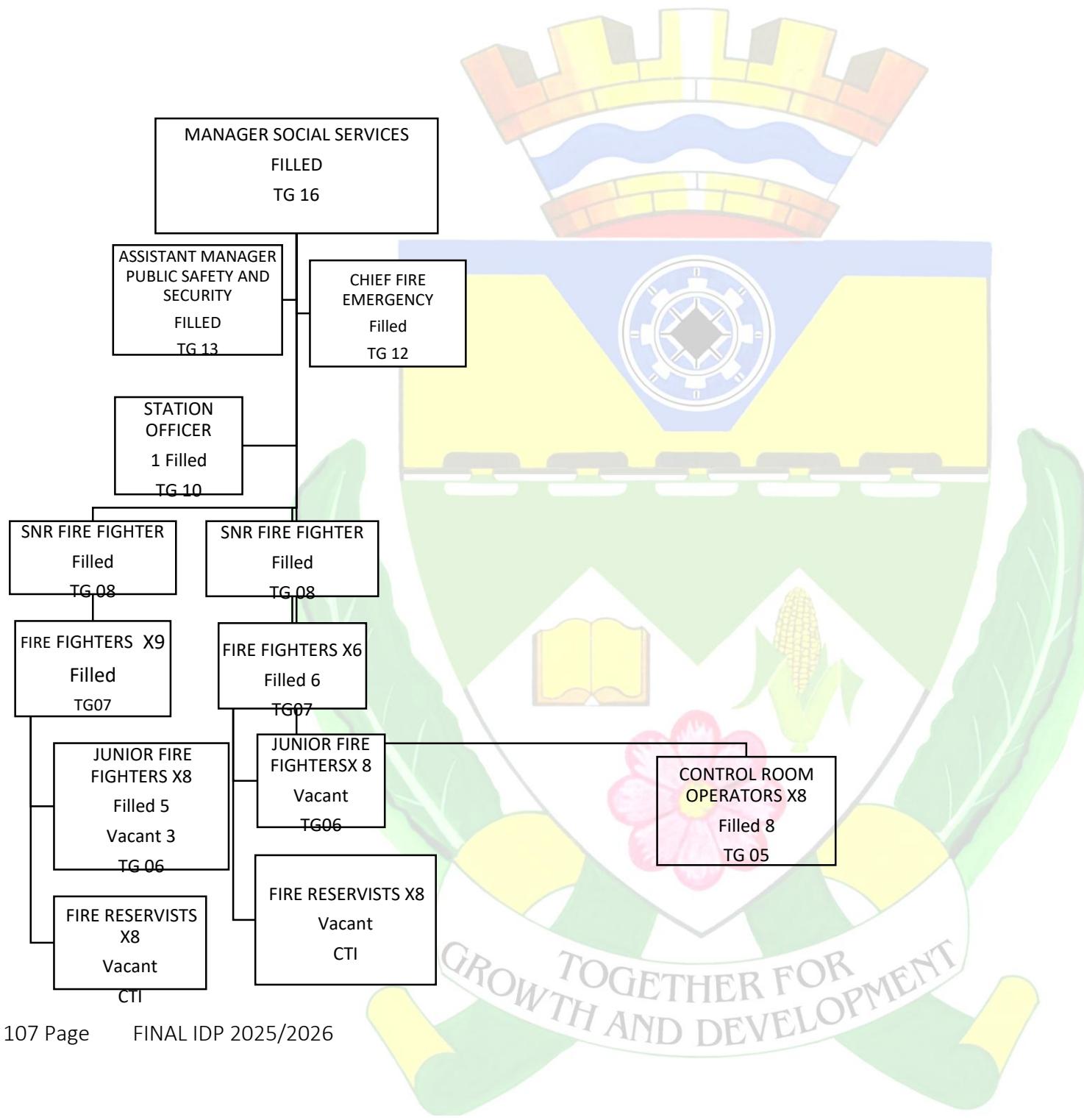


# SOCIAL SERVICES: PUBLIC SAFETY AND SECURITY MANAGEMENT



# EMERGENCY AND DISASTER MANAGEMENT





SOCIAL

SERVICES:

WASTE

MANAGEMENT

SERVICES



ASSISTANT MANAGER: WASTE  
MANAGEMENT &

FILLED  
TG 13

EWMOFFICER  
FILLED  
TG 12

ENVIRONMENTAL OFFICER  
FILLED  
TG 10  
(TITLE CHANGED)

WORKMAN X2  
FILLED  
TG 08

DRIVER HMV X4  
FILLED  
TG 06

CATERPILLAR DRIVER  
FILLED  
TG 08

TIPPER TRUCK DRIVER  
VACANT  
TG 08

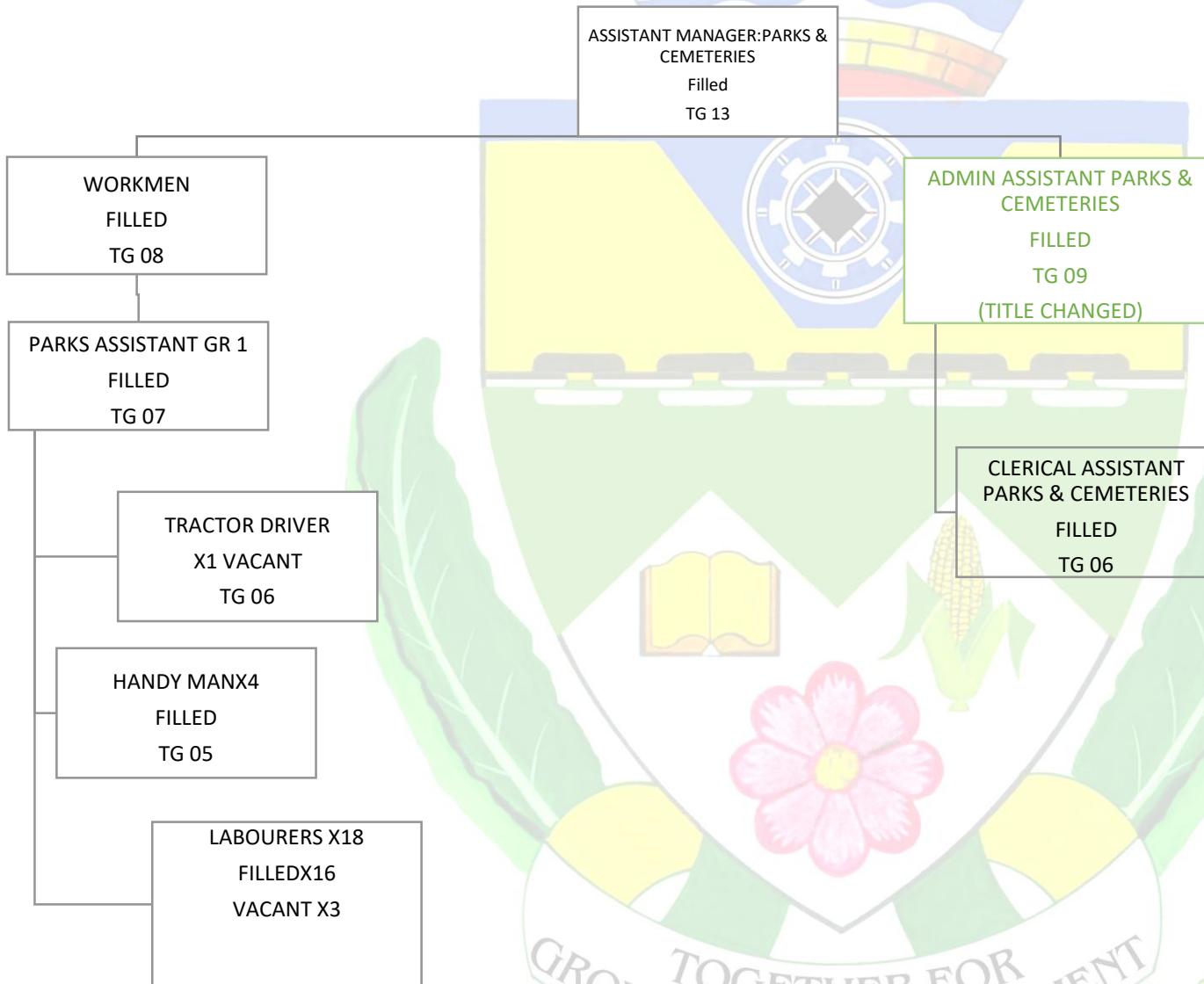
STREET CLEANERS X19  
FILLED 12  
VACANT 7  
TG 04

REFUSE REMOVERS X48  
42 FILLED  
4 VACANT  
TG 05

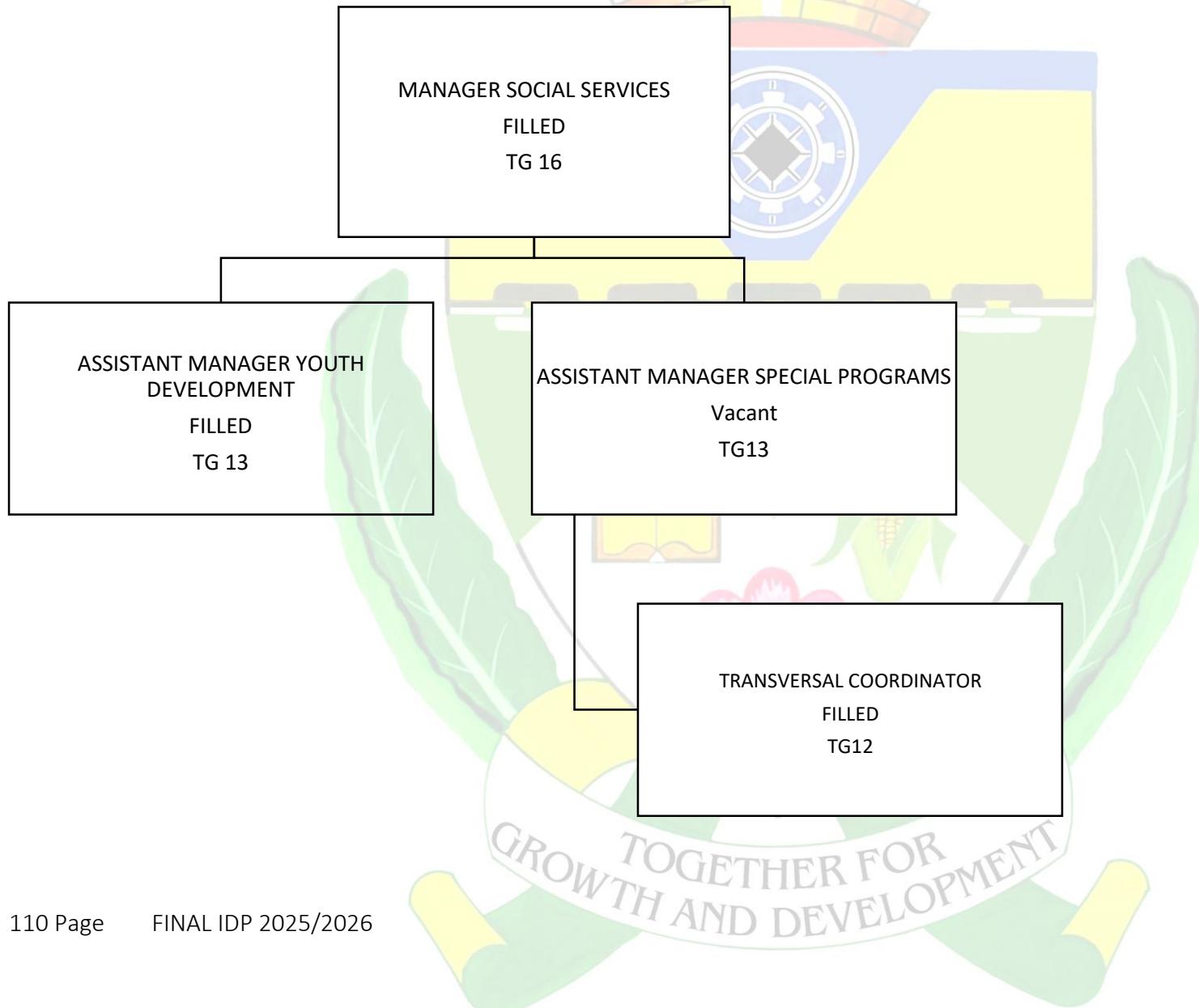
WATCHMEN X2  
FILLED  
TG 05

MASS CONTAINERS  
3 FILLED  
TG 05

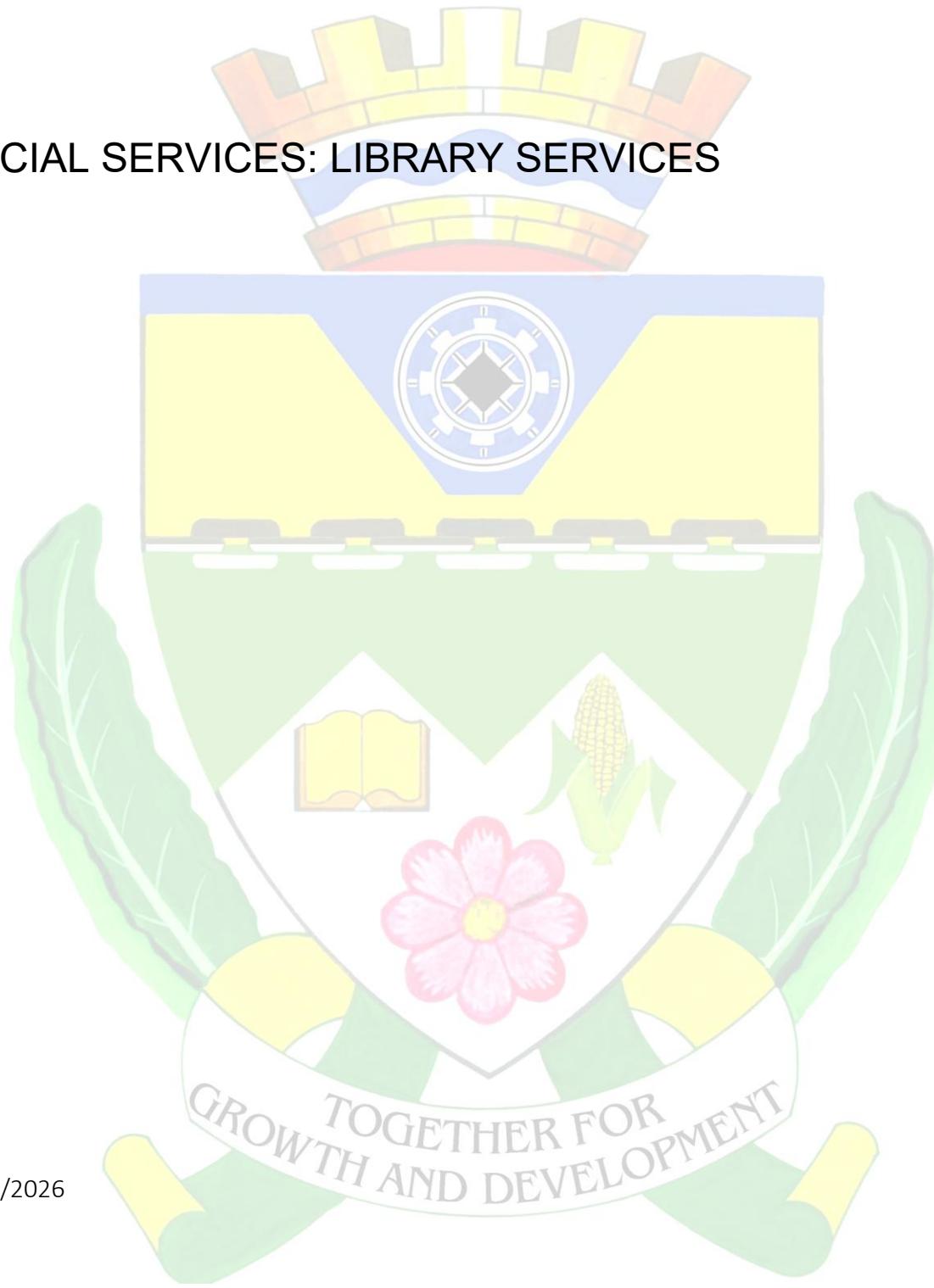
# SOCIAL SERVICES PARKS AND CEMETERIES SERVICES

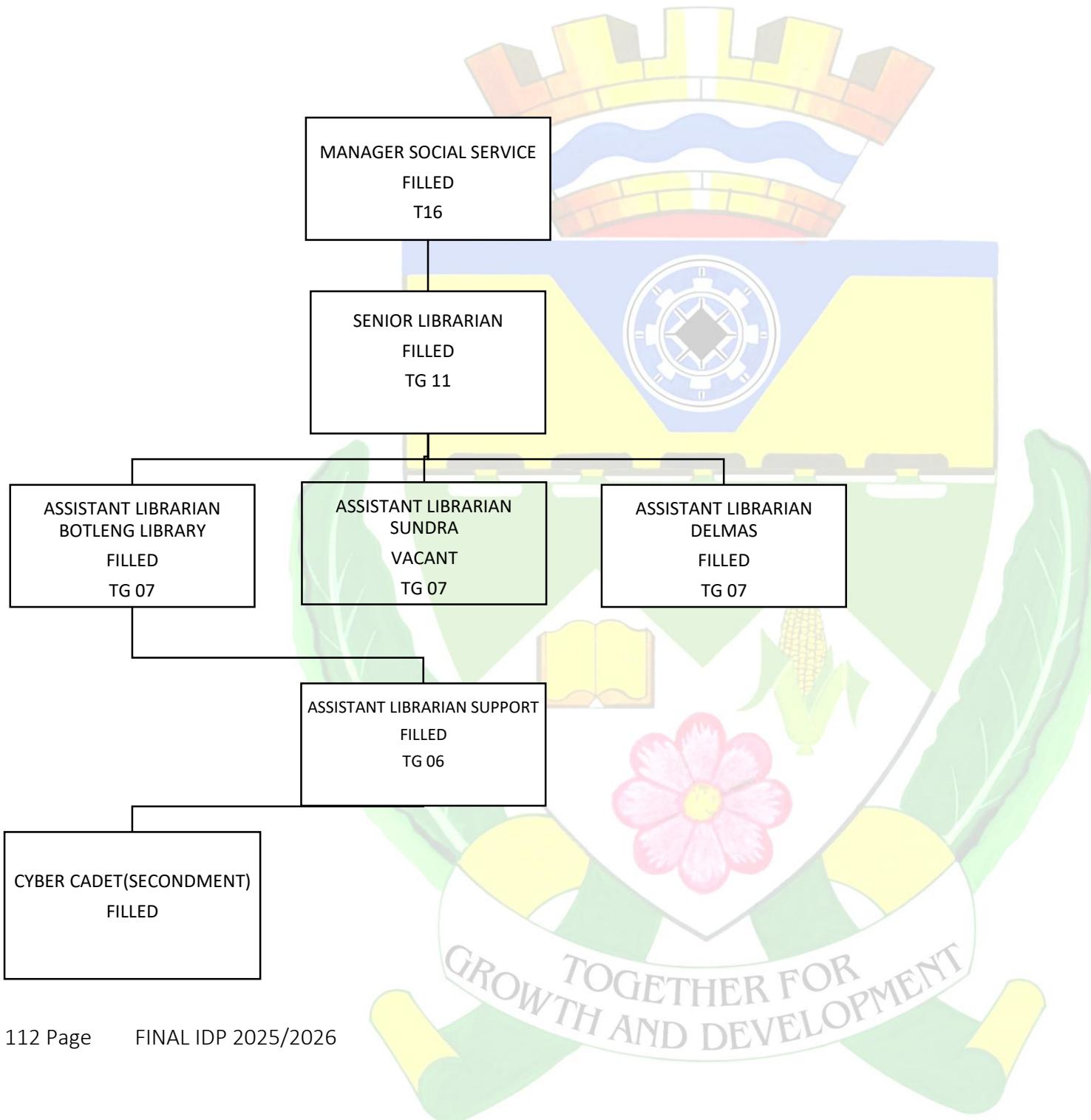


## SOCIAL SERVICES: SPECIAL PROGRAMMES



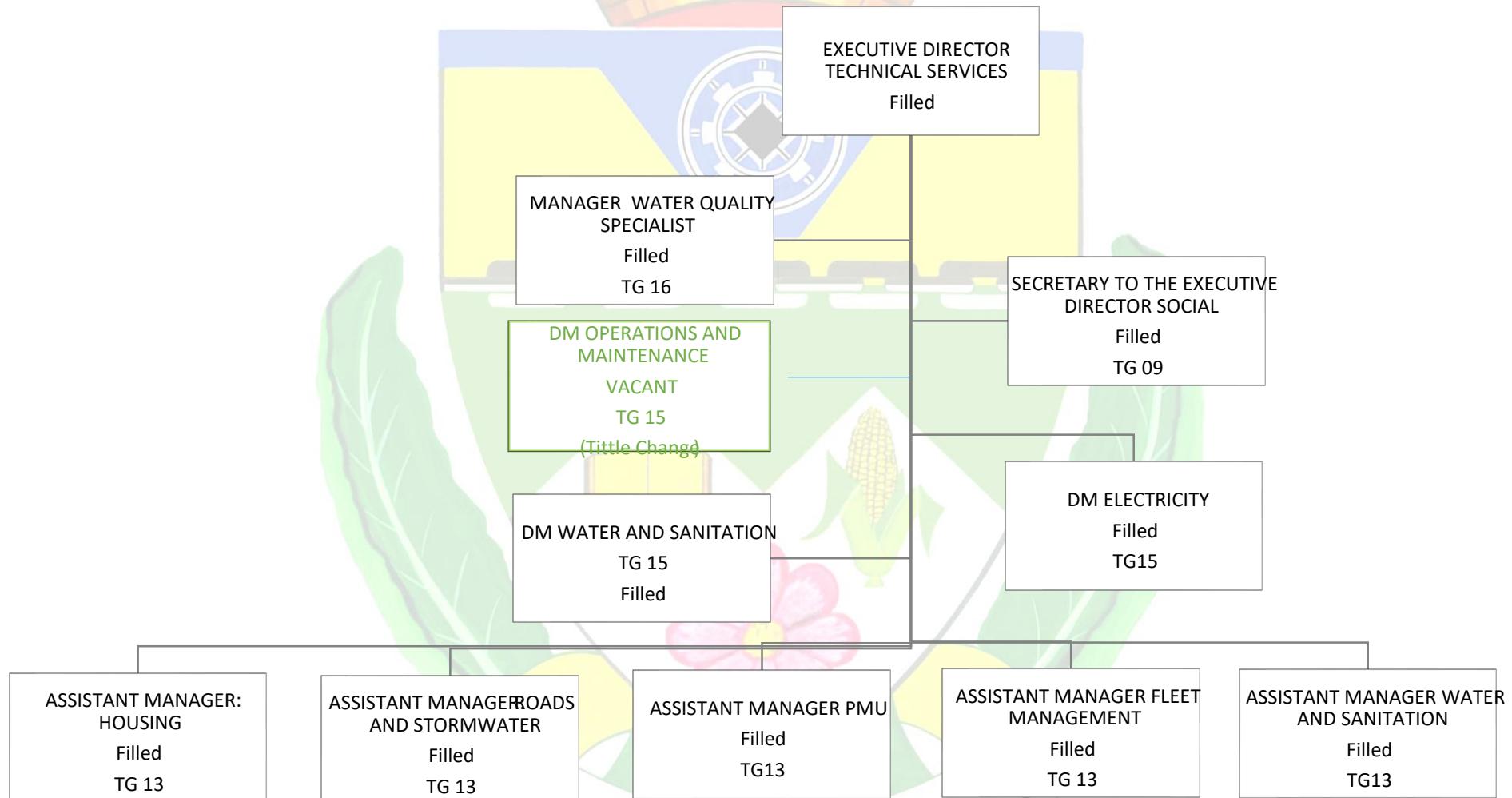
## SOCIAL SERVICES: LIBRARY SERVICES

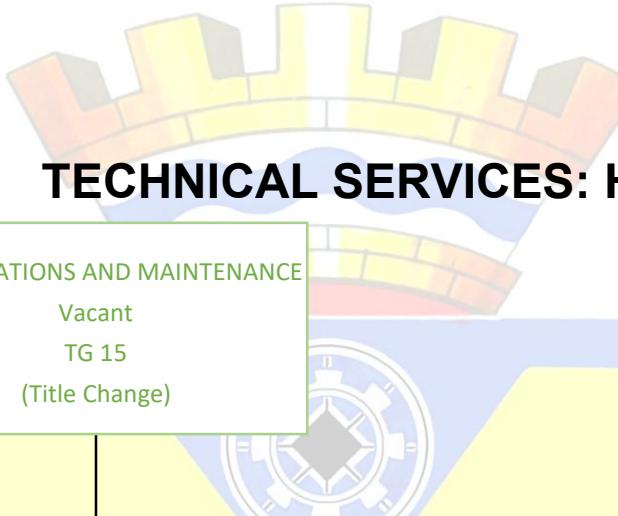




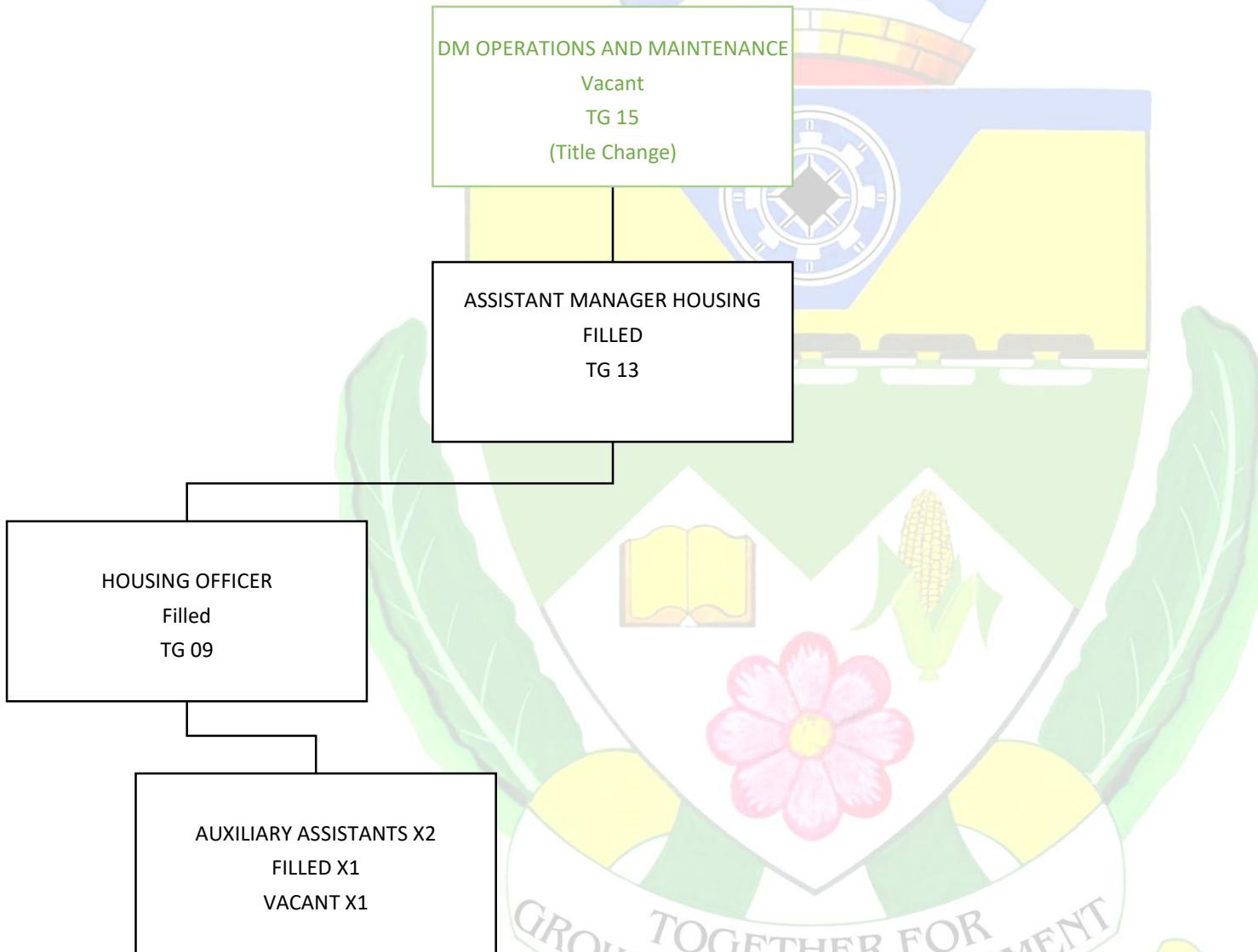
# TECHNICAL SERVICES DIRECTORATE

## TECHNICAL SERVICES: EXECUTIVE STRUCTURE

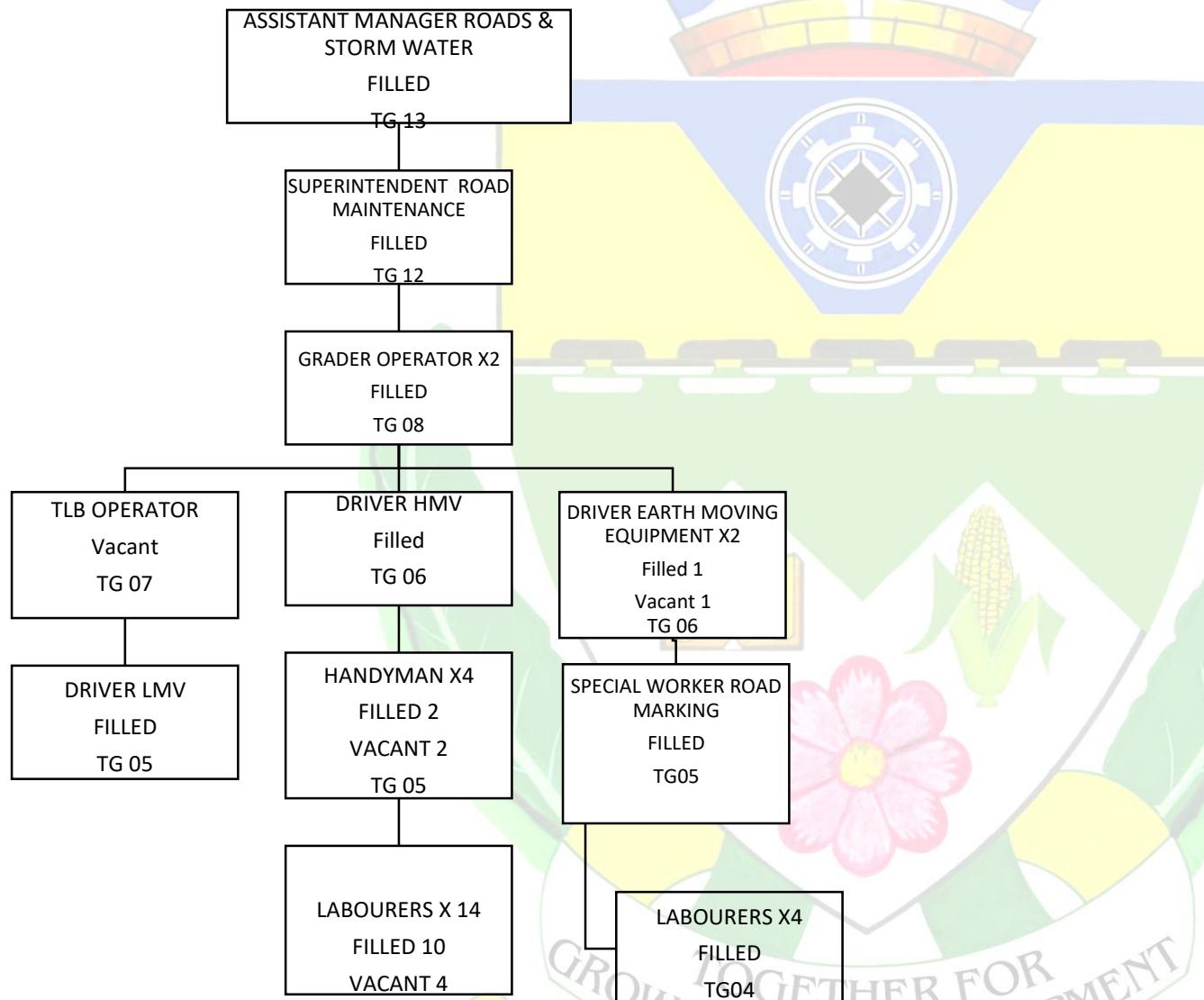




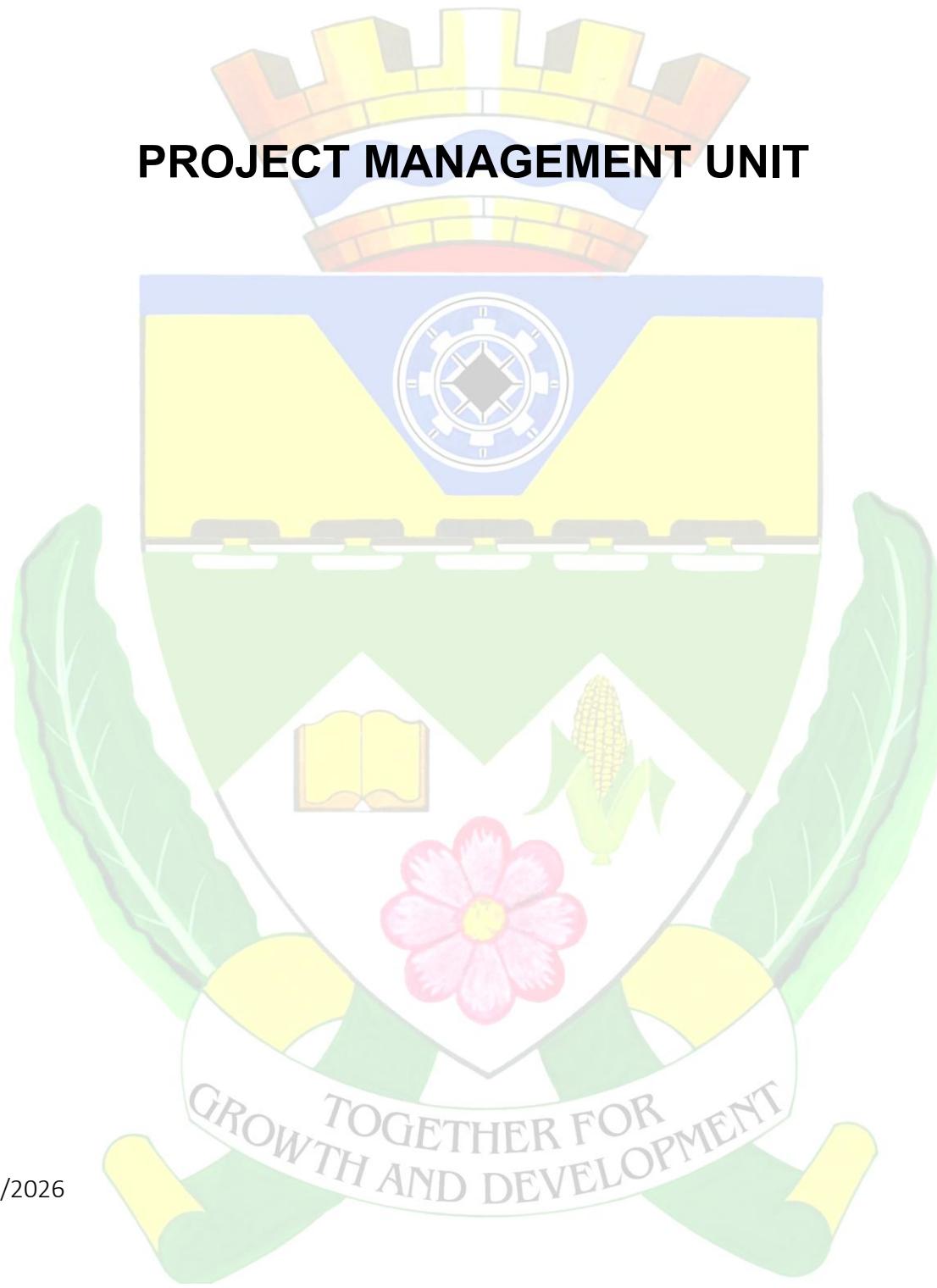
## TECHNICAL SERVICES: HOUSING SECTION

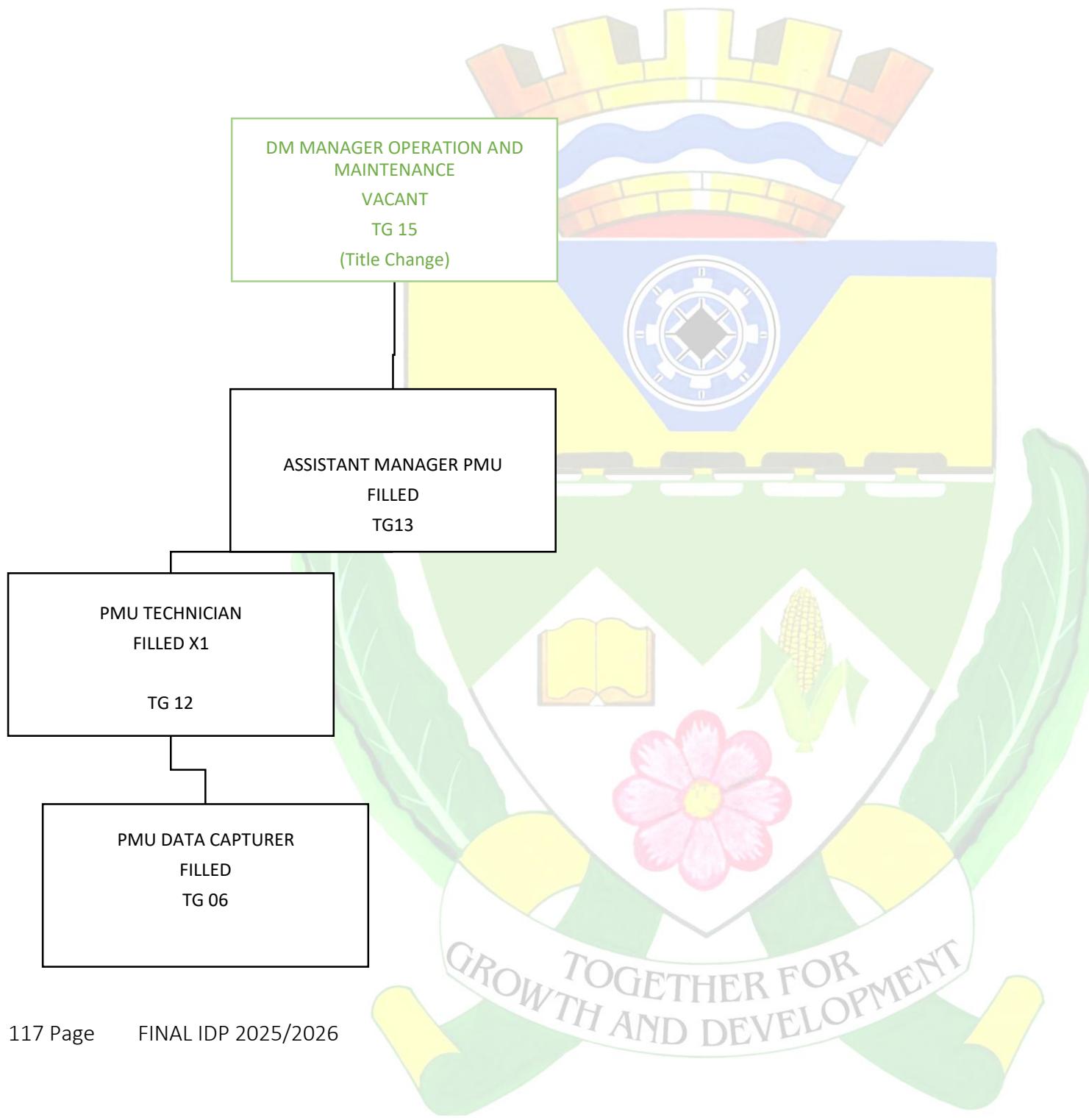


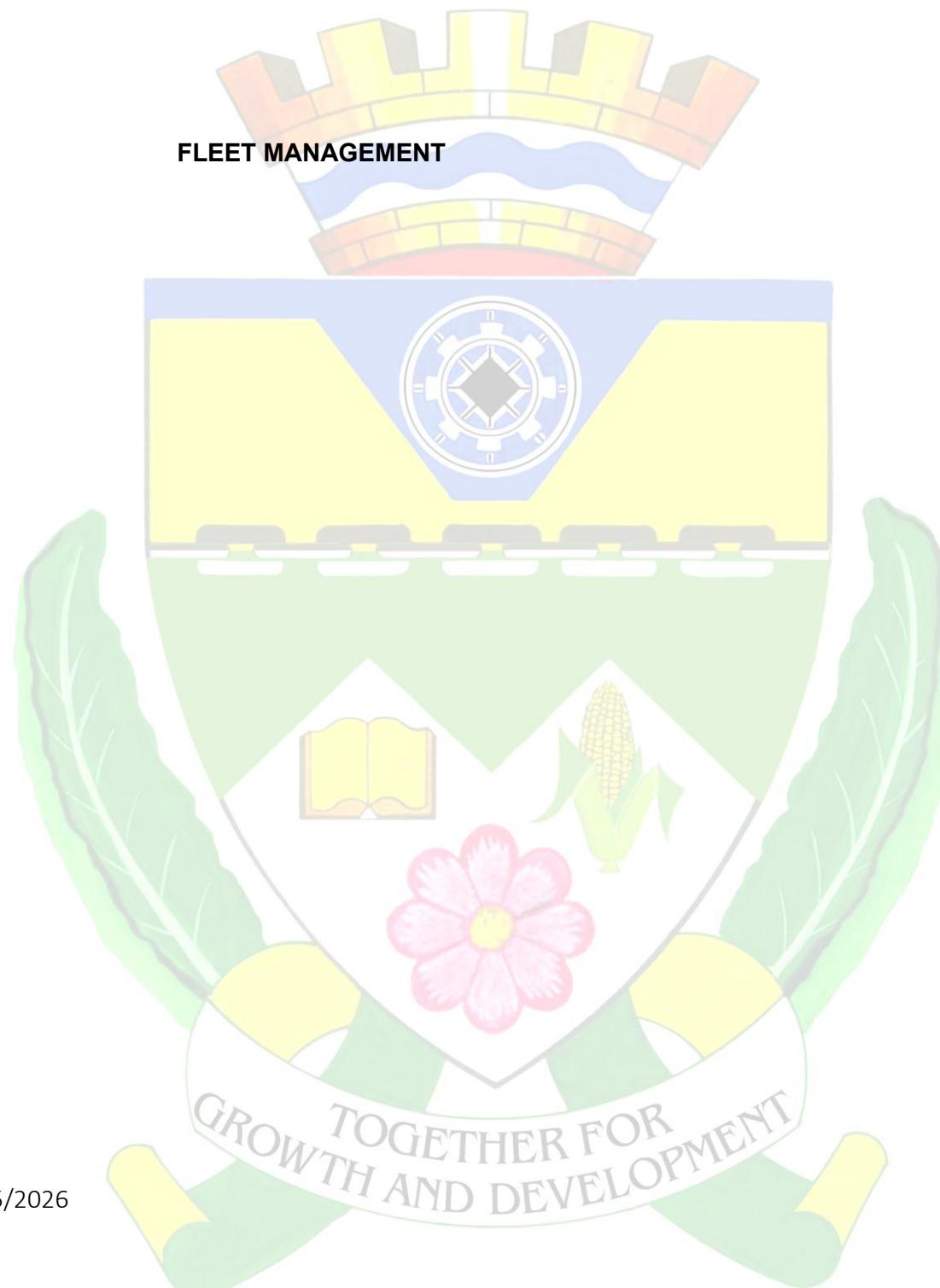
# TECHNICAL SERVICES: ROADS & STORMWATER

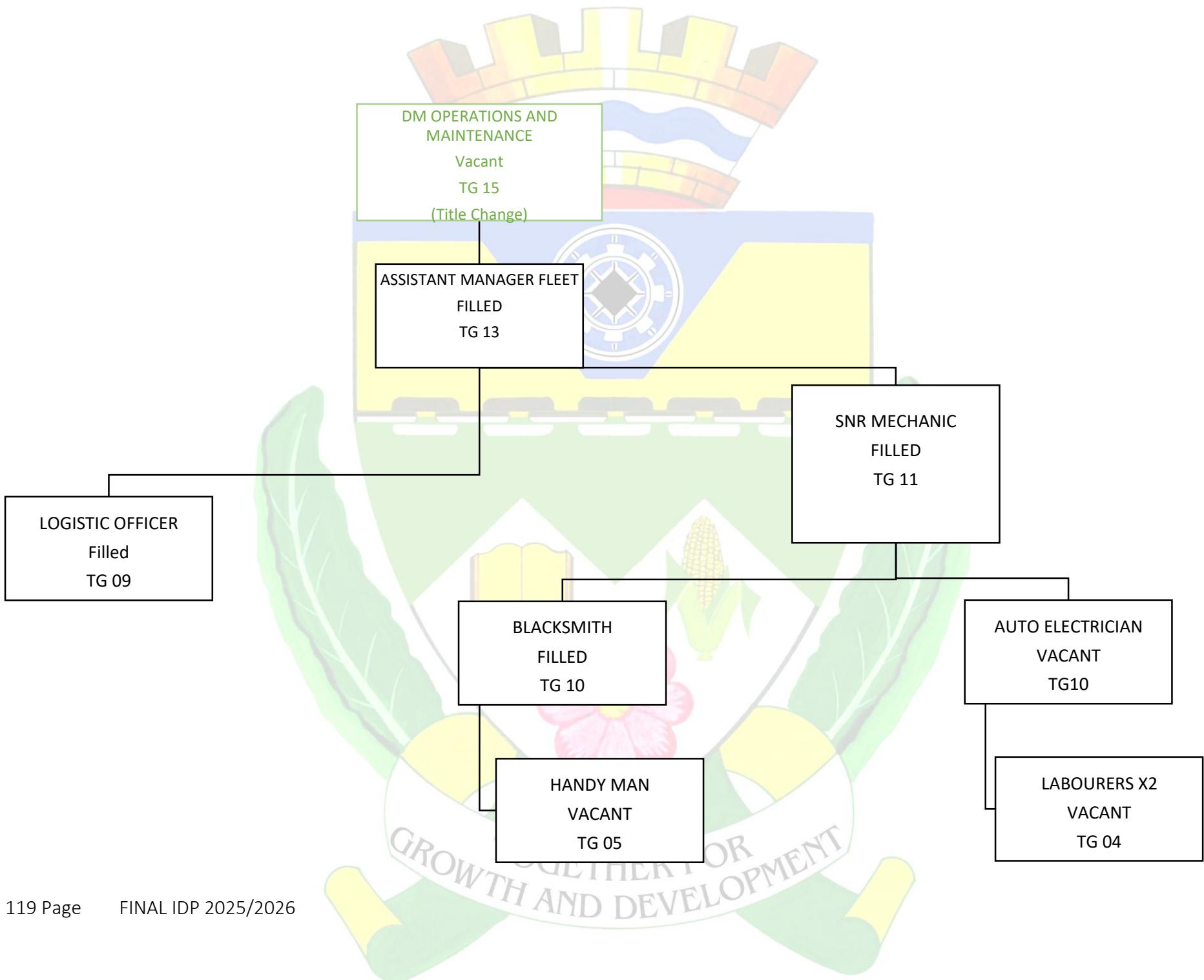


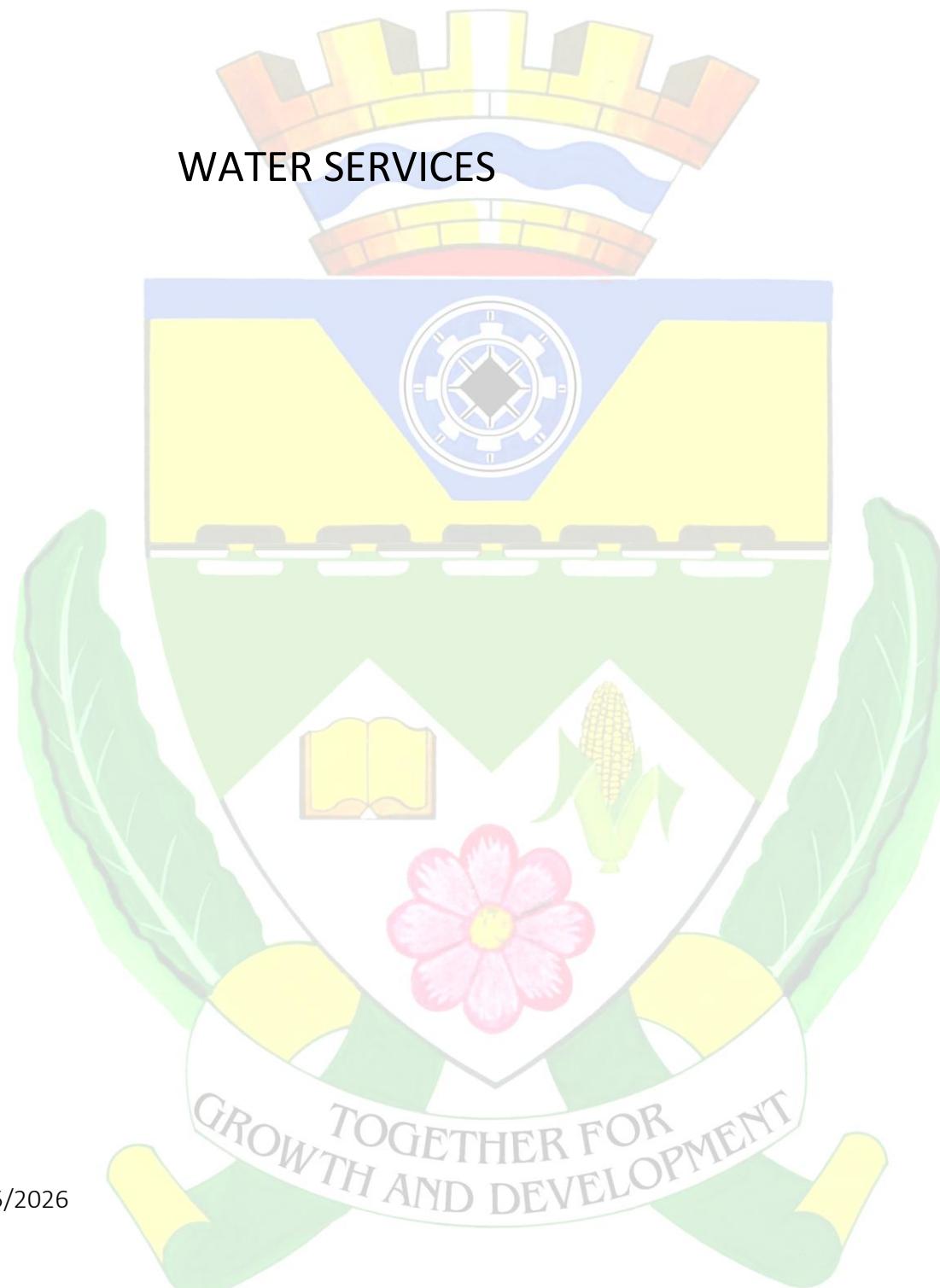
# PROJECT MANAGEMENT UNIT

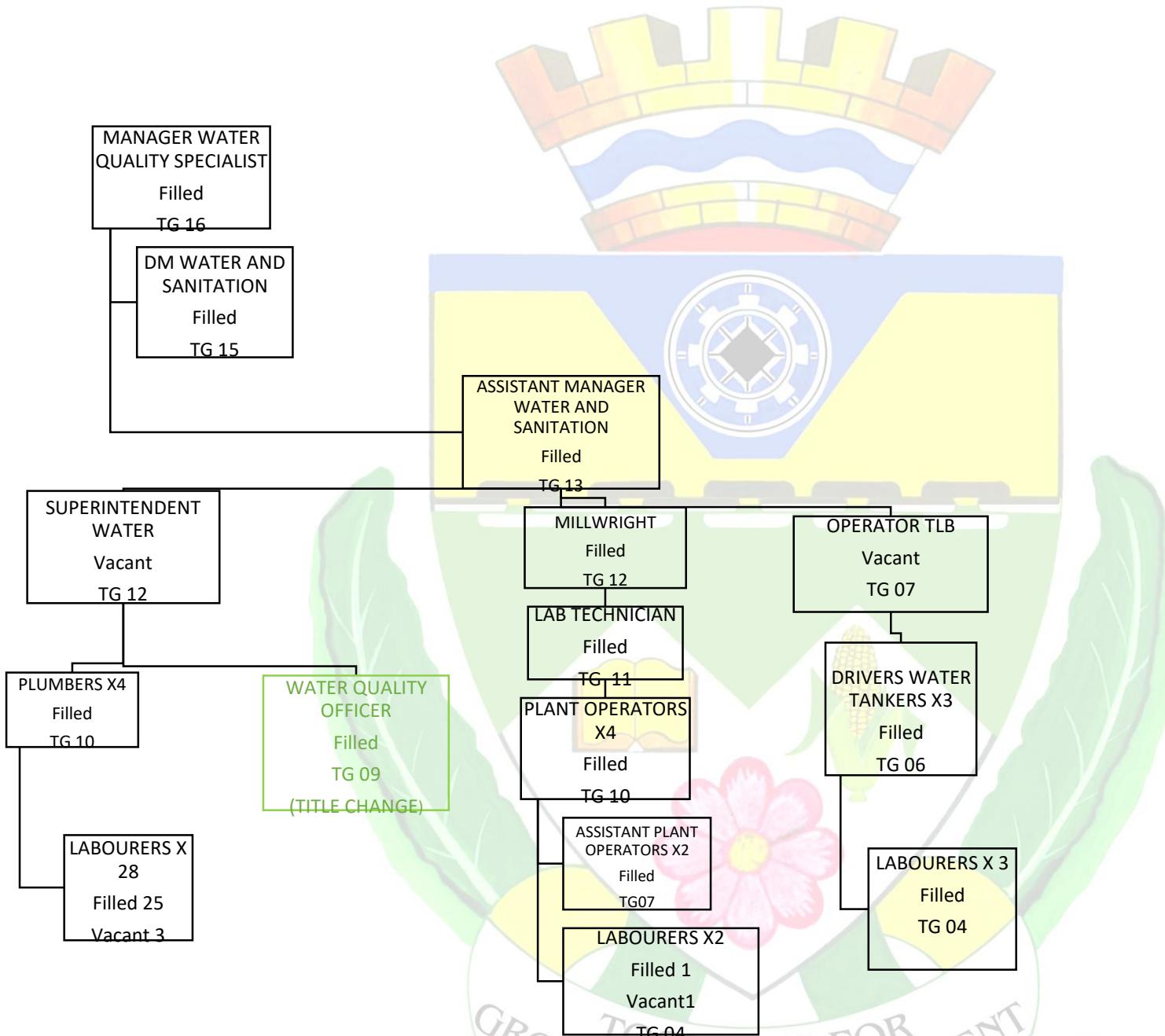




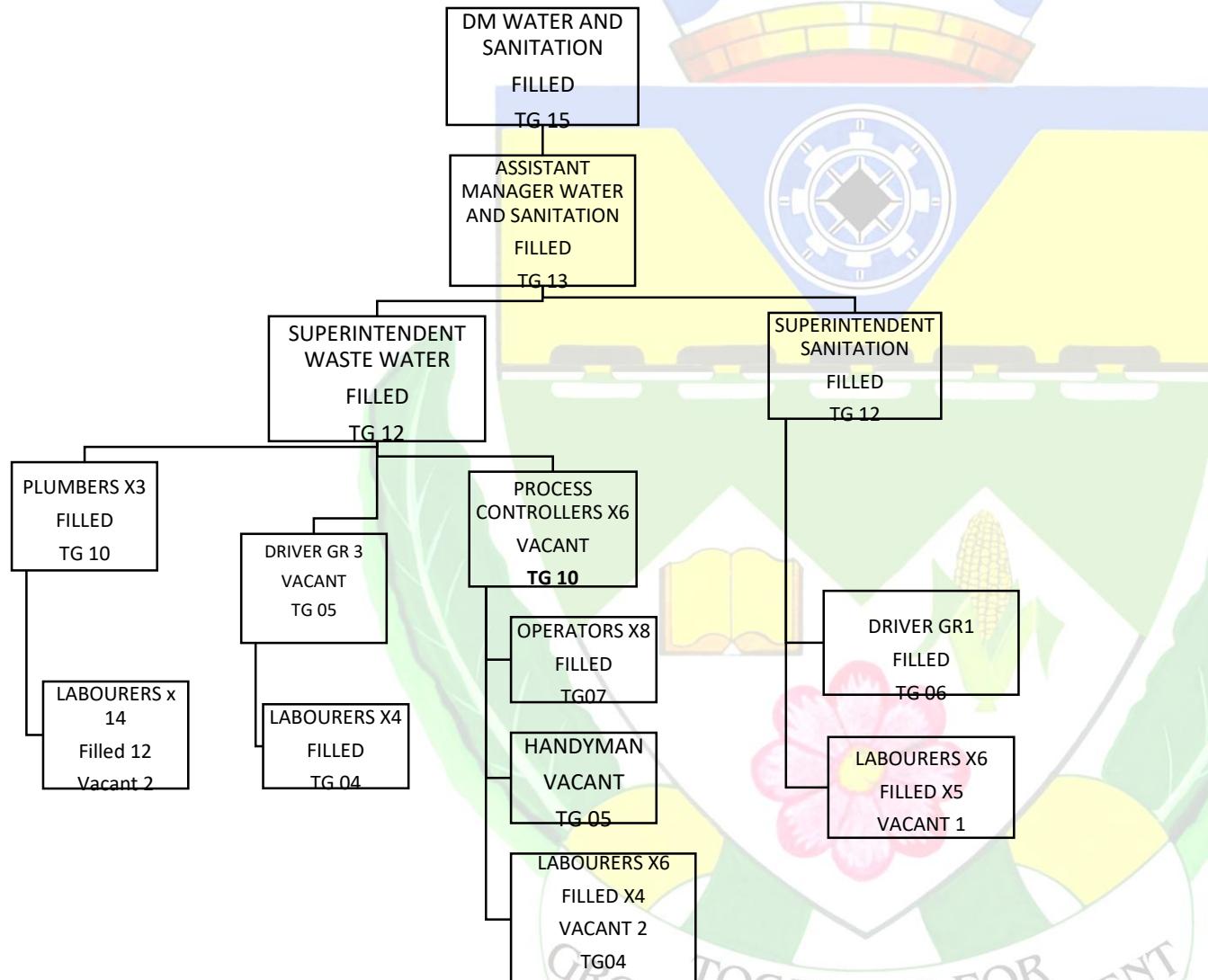




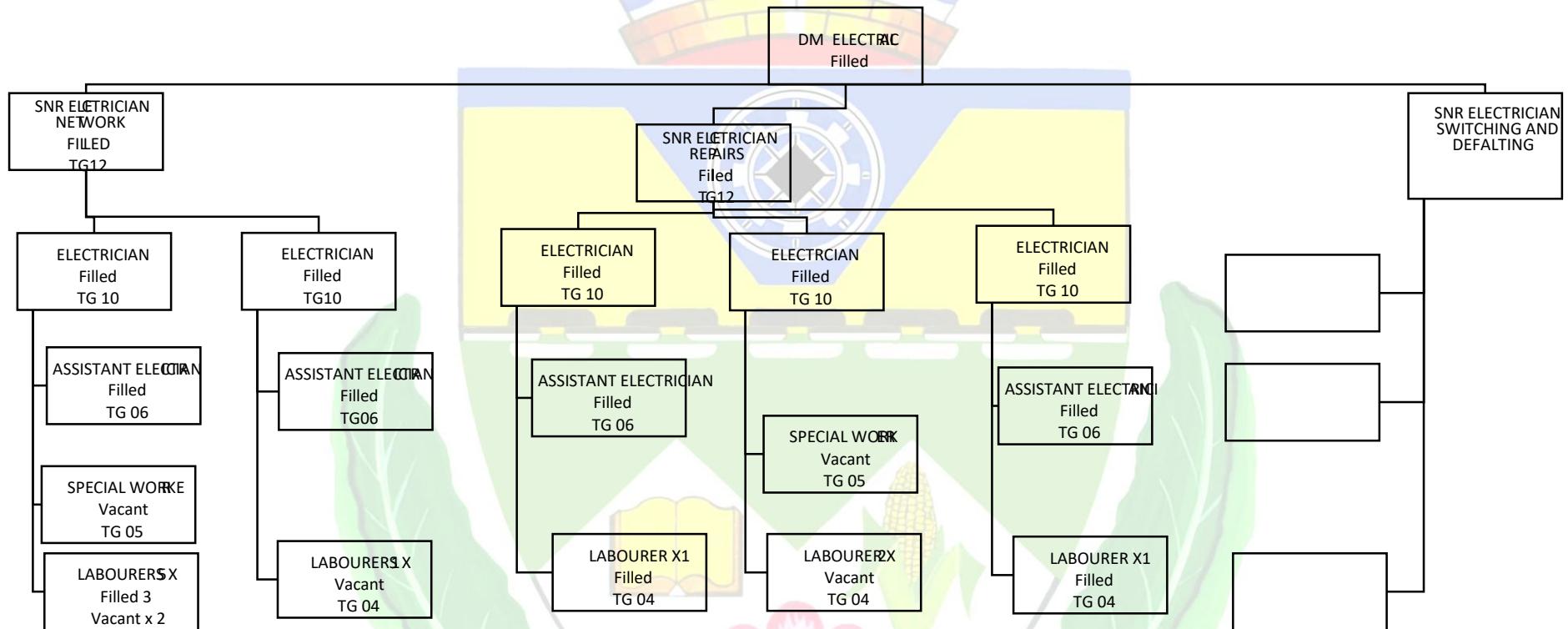




# SANITATION SERVICES



## TECHNICAL SERVICES: ELECTRICAL AND ENERGY



### 2.8.6. VACANCY RATE

The current vacancy rate in the municipality is 21.7% as depicted in the table below:

**Table 34: Status Quo Analysis of Organogram**

STATUS QUO ANALYSIS OF ORGANOGRAM: VICTOR KHANYE: MP 311			
DIRECTORATE	TOTAL # Posts	Filled	Vacant &Budgeted
Office of the Municipal Manager	47	41	6
Corporate Services	50	36	14
Budget & Treasury	74	64	10
Social Services	210	163	48
Technical Services	186	141	45
	<b>567</b>	<b>445</b>	<b>123</b>

Current vacancy rate is 21.7%

The following positions are intended to be filled within the 2025/2026 financial year:

- 18 Labourer Positions
- Head of Security
- Assistant Manager: Special Programmes
- Deputy Manager Operations
- Superintendent: Water
- OHS Officer
- Senior Clerk OHS
- Compliance Officer
- Accountant Revenue
- Secretary to the Executive Mayor
- Telephonist
- Caretaker: Simon Gondwe Sports Centre

### 2.8.7. Skills Development Planning

The Skills Development Act (Act No.97 of 1998), as amended, makes provision for all employers with an annual payroll in excess of R500 000 to pay a skills development levies and subsequently submit Workplace Skills Plan and Annual Training Report to the Local Government Sector Education and Training Authority (LGSETA). This is to ensure that employers are not only able to identify existing skills but also able to plan for new skills that are in short supply but needed in their organisations.

Victor Khanye Municipality Workplace Skills Plan has already been approved by Council and submitted on 30 April 2025 to the LGSETA for the 2025/2026 financial year. The following

training and skills development interventions will be implemented in the 2025/2026 financial year:

- National Diploma Fire Technology
- Certificate Fire Fighting Level 2 &3
- Certificate: Firearms Training
- National Diploma: Traffic and Safety
- Certificate: Cable Fault
- Certificate: TLB Operator
- Certificate: Basic Plumbing
- Certificate: Preparation and Trade Test Plumbing
- Certificate: Preparation and Trade Test Electrical Engineering
- Certificate: Electrical Engineering N4
- Certificate: Grade Operator
- Geographical Information System
- Certificate: Property Valuation
- Certificate: Municipal Property Assessment
- Certificate Occupation Health and Safety Compliance
- Certificate: Customer Care/client Services
- Advance Diploma: Business Administration
- Certificate: Project Management
- Drivers Licence K53
- National Senior Certificate: Adult
- Bachelor Degree: Law
- Postgraduate Diploma in Public Law
- Certificate: Policy Development and implementation
- Bachelor of Commerce: Financial Management
- Bachelor of Public Administration
- Certificate: Water and Waste Water NQF Level 4

## 2.8.8. By- Laws & Policies

Victor Khanye Local Municipality recognizes the critical role that municipal by-laws and policies play in guiding governance, administration, and service delivery. In compliance with Section 11(3)(m) of the Municipal Systems Act, 2000 (Act No. 32 of 2000), municipalities are empowered to pass by-laws and policies necessary for the effective administration of their functions and powers.

As of the current IDP review period, the Municipality continues to strengthen the development, review, and enforcement of its by-laws and internal policies to ensure alignment with evolving legislative requirements and strategic objectives. The municipality aims to improve policy coherence, legal compliance, and responsiveness to community needs.

The Corporate Services Department bears the responsibility to safeguard and maintain a comprehensive Policy and By-Law Register. This includes ensuring that policies and by-laws are centrally recorded, easily accessible, and up to date. In accordance with good governance practices and in line with the principles outlined in Section 195 of the Constitution of the Republic of South Africa, 1996, each Municipal Directorate is the designated custodian of its own sector-specific policies, with the duty to initiate policy reviews, ensure implementation, and maintain legislative alignment.

The development and review of policies and by-laws complies with the stipulations of Section 17 of the Municipal Systems Act, which emphasizes the need for community participation in policy-making processes. Furthermore, transparency and public consultation are prerequisites for the promulgation of municipal by-laws, as required under Section 12 of the Municipal Systems Act.

The Municipality is committed to conduct a comprehensive audit of all policies and by-laws during the IDP cycle to identify gaps, eliminate duplication, and ensure consistency with National and Provincial Legislation, such as the Promotion of Administrative Justice Act (PAJA), 2000 (Act No. 3 of 2000), and the Promotion of Access to Information Act (PAIA), 2000 (Act No. 2 of 2000).

The Municipality has recently developed and tabled the following policies; *Employment Equity Policy, Records Management Policy and the Sexual Harassment Policy*, which were adopted by Council. These policies align to the IDP and long-term vision of the Municipality. The objectives of the organisational review are as follows:

- **Employment Equity Policy** aims to broaden the diversity of its workforce whilst maintaining and improving its efficiency and competitiveness in the delivery of service to its people. Promoting equal opportunity and fair treatment in employment through the

elimination of fair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workplace.

- **Records Management Policy** aims to ensure that all records of the municipality receive proper care, are protected by appropriate security measures and are managed in terms of the records policy document of the Municipality. All records created and received by Victor Khanye Local Municipality shall be managed in line with records management principles contained in Section 13 of the National Archives and Records Service Act, 1996.
- **Sexual Harassment Policy** aims at ensuring that employees are not subjected to any form of sexual harassment. Persistent, unsolicited and unwanted sexual advances or suggestions made by one employee to another, regardless of gender and/or sexual orientation will not be tolerated. Violations of this policy will lead to disciplinary action, which will include dismissal, and/or criminal charges. All managers at the Municipality have a responsibility for addressing all reports of harassment. In dealing with cases of sexual harassment, the Municipality shall be guided by the Code of Good Practice as contained in Schedule 8 of the Labour Relations Act, 1995 and the NEDLAC Code of Good Practice on the Handling of Sexual Harassment Cases.

A Performance Management System (PMS) for non-section 56/57 employees was developed and is currently cascaded to lower employees on levels 1-3, where Managers and Assistant Managers signed Performance Agreements which included Performance Plans and Personal Development Plans. PMS will be further cascaded to the remaining levels in the next financial years using a phased approach to ensure recognition of good performance and to establish development gaps which might exist.

The Municipality through the Training and Skills Development Section has the Workplace Skills plan in place. The plan is aimed at responding to the capacity challenges of the Municipality. The Municipality has planned to train 70 employees in this financial year in line with the approved 2023/24 WSP.

No.	Policy Name	Policy No.	Approval Date	Review Date	Department	Status
<b>SOCIAL SERVICES</b>						
1.	Security Management Policy	A031/05/2017	06/06/2017	31/10/2024	Social Services	Active
2.	Security Management Plan	A013/10/2024	31/10/2024	As in when legislation changes	Social Services	Active
3.	Waste Management By-law	A029/05/2017	06/06/2017	06/06/2027	Social Services	Active
4.	Cemeteries and Crematoria By-law	A028/05/2013	30/04/2013	As in when legislation changes	Social Services	Active
5.	Parks and Public Open Space Policy	A026/06/2019	02/07/2019	As in when legislation changes	Social Services	Active
6.	Indigent and Pauper Burial Policy	A001/06/2023	29/06/2023	As in when legislation changes	Social Services	Active
7.	Air Quality Management By-law	A008/07/2018	17/07/2018	31/01/2026	Social Services	Active
8.	Air quality Management Plan	A014/10/2023	26/10/2023	26/10/2028	Social Services	Active
<b>CORPORATE SERVICES</b>						
1.	Employment Equity	A53/07/2013	01/08/2013	28/03/2024	Corporate Services	Active
2.	Employment Practice	A37/07/2012	07/10/2012	30/11/2023	Corporate Services	Active
3.	Human Resource Strategy	A46/07/2013	01/08/2023	01/06/2021	Corporate Services	Active

4.	Language Policy	S23/08/2016	30/08/2016	01/06/2021	Corporate Services	Active
5.	Bereavement Policy	A50/07/2013	01/08/2013	01/06/2021	Corporate Services	Active
7.	Bursary Scheme Policy	A35/07/2013	01/08/2013	03/12/2019	Corporate Services	Active
8.	Employees & Councillors Wellness Programme	S06/08/2012	07/10/2012	As in when legislation changes	Corporate Services	Active
9.	Attraction and Retention Policy	A47/07/2013	01/06/2013	01/06/2021	Corporate Services	Active
10.	Smoking Policy	A05/10/2010	01/11/2010	01/06/2021	Corporate Services	Active
11.	External Study Bursary Policy	A05/10/2010	01/11/2010	As in when legislation changes	Corporate Services	Active
12.	Exit Policy	A52/07/2013	01/08/2013	03/11/2020	Corporate Services	Active
13.	Overtime Policy	S04/08/2012	07/10/2012	29/06/2023	Corporate Services	Active
14.	Dress Code Policy	A48/07/2013	01/08/2013	06/06/2017	Corporate Services	Active
15.	Danger Allowance, Risk Assessment matrix Policy	A026/09/2022	04/11/2022	As in when legislation changes	Corporate Services	Active
16.	Transport Allowance Policy	A43/05/2014	05/06/2014	03/11/2020	Corporate Services	Active
17.	Succession Planning and Career Pathing Policy	A45/07/2013	01/08/2013	01/06/2021	Corporate Services	Active
18.	Hospitality, Gifts, Appreciation and	A28/09/2012	31/10/2012	01/06/2021	Corporate Services	Active

	Staff Farewell Function Policy					
19.	Municipal Property Policy	A039/09/2022	04/10/2022	As in when legislation changes	Corporate Services	Active
20.	Occupational health and Safety Policy	A37/07/2013	01/08/2013	04/10/2022	Corporate Services	Active
21.	Termination of Service Policy	A001/10/2020	03/11/2020	As in when legislation changes	Corporate Services	Active
22.	Internship Policy	A037/09/2022	04/10/2022	As in when legislation changes	Corporate Services	Active
23.	Incapacity: Due to poor work performance policy	A36/07/2013	01/08/2013	01/06/2021	Corporate Services	Active
24.	Subsistence and travel Policy	A46/05/2014	05/06/2014	As in when legislation changes	Corporate Services	Active
25.	Job Evaluation Policy	A001/11/2022	08/12/2022	As in when legislation changes	Corporate Services	Active
26.	Leave Policy	A001/10/2020	03/11/2020	29/06/2023	Corporate Services	Active
27.	Placement, Transfer and Deployment Policy	A001/10/2020	03/11/2020	04/10/2022	Corporate Services	Active
28.	Acting Allowance Policy	A001/10/2020	03/11/2020	04/10/2022	Corporate Services	Active
29.	Private work and Declaration of interest Policy	A001/10/2020	03/11/2020	As in when legislation changes	Corporate Services	Active

30.	Employee Assistance Programme	A001/10/2020	03/11/2020	As in when legislation changes	Corporate Services	Active
31.	Attendance and Punctuality Policy	A001/10/2020	03/11/2020	As in when legislation changes	Corporate Services	Active
32.	Records Management Policy	A41/10/2013	31/10/2013	28/03/2024	Corporate Services	Under review
33	Records Management Procedure Manual	A21/01/2015	29/01/2015	28/03/2024	Corporate Services	Under review

### OFFICE OF THE MUNICIPAL MANAGER

1.	ICT Firewall Policy	A46/06/2015	23/06/2015	08/12/2022	OMM	Active
2.	ICT Business continuity Plan	A44/06/2015	23/06/2015	17/12/2020	OMM	Active
3.	ICT Access Policy	A18/01/2014	23/01/2014	17/12/2020	OMM	Active
4.	Disaster Recovery Plan	A43/06/2015	23/06/2015	17/12/2020	OMM	Active
5.	Key Performance Indicators	A009/10/2024	31/10/2024	As in when legislation changes	OMM	Active
6.	Business Continuity Management framework	A008/10/2024	31/10/2024	As in when legislation changes	OMM	Active
7.	Business Continuity Management Policy	A007/10/2024	31/10/2024	As in when legislation changes	OMM	Active
8.	Risk Management Strategy	A002/10/2024	31/10/2024	As in when legislation changes	OMM	Active
9.	Risk Management Anti-fraud & Anti-	A005/10/2024	31/10/2024	As in when legislation changes	OMM	Active

	corruption committee charter					
10.	Risk Appetite and tolerance framework	A010/10/2024	31/10/2024	As in when legislation changes	OMM	Active
11.	Risk Management Policy	A001/10/2024	31/10/2024	As in when legislation changes	OMM	Active
12.	Fraud prevention Policy	A003/10/2024	31/10/2024	As in when legislation changes	OMM	Active
13.	Fraud Prevention Strategy	A004/10/2024	31/10/2024	As in when legislation changes	OMM	Active
14.	Whistleblowing Policy	A006/10/2024	31/10/2024	As in when legislation changes	OMM	Active
15.	Compliance Management Charter	A006/03/2024	28/03/2024	31/10/2024	OMM	Active
16.	Compliance Management Policy	A004/03/2024	28/03/2024	31/10/2024	OMM	Active
17.	Standard Operating Procedure for Compliance Management & Governance	A005/03/2024	28/03/2024	31/10/2024	OMM	Active
18.	Audit and Performance Committee Charter	A019/10/2024	31/10/2024	As in when legislation changes	OMM	Active
19.	Combined Assurance Framework	A018/10/2024	31/10/2024	As in when legislation changes	OMM	Active

20.	Internal Audit Charter	A016/10/2024	31/10/2024	As in when legislation changes	OMM	Active
21.	Performance Management System Policy	A008/06/2023	01/06/2021	29/06/2023	OMM	Active
22.	Performance Management & Development System Framework	A008/06/2023	01/06/2021	29/06/2023	OMM	Active
23.	Victor Khanye land Use Management Scheme 2020		2020	2025	OMM	Active
24.	By-law on Spatial Planning and Land use Management: the Victor Khanye Local Municipality 2015		2015	TBC	OMM	
25.	Victor Khanye Local Municipality Spatial Development framework		2015	Under review	OMM	Under review
26.	VKLM Trading By-law	A006/11/2018	27/11/2018	Under review	OMM	Under review
27.	Public Participation Strategy	A020/10/2024	31/10/2024	As in when legislation changes	OMM (Service Delivery)	Active

#### TECHNICAL SERVICES

1.	Fleet management Policy	A012/10/2024	31/10/2024	As in when legislation changes	Technical Services	Active
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#### BUDGET & TREASURY

1.	Supply Chain Management Policy	S01/05/2012	28/05/2012	28/03/2024	B&T	Active
2.	Contract Management Policy	S002/05/2017	31/05/2017	31/05/2024	B&T	Active
3.	Debt Collection and Credit Control Management Policy	S01/05/2012	28/05/2012	31/05/2024	B&T	Active
4.	Creditors and Staff Payment Policy- Payday	S002/05/2017	31/05/2017	28/03/2024	B&T	Active
5.	Rates Policy	S01/05/2012	28/05/2012	31/05/2024	B&T	Active
6.	Tariff Policy	S01/05/2012	28/05/2012	31/05/2024	B&T	Active
7.	Tariff By-law	A01/05/2014	29/05/2014	31/05/2024	B&T	Active
8.	Credit Control & Debt Collection By-law	A01/05/2014	29/05/2014	31/05/2024	B&T	Active
9.	Petty Cash Policy	S002/05/2024	31/05/2024	Annually	B&T	Active
10.	Asset Management Policy	S0/05/2012	28/05/2012	31/05/2024	B&T	Active
11.	Unauthorized, Irregular, Fruitless and Wasteful Expenditure	S018/11/2021	23/11/2021	Annually	B&T	Active
12.	Cash Management & Investment Policy	S01/05/2012	28/05/2012	31/05/2024	B&T	Active
13.	Indigent Policy	S01/05/2012	28/05/2012	28/03/2024	B&T	Active
14.	Inventory Management Policy	S02/05/2015	28/05/2015	31/05/2024	B&T	Active
15.	Loss Control Policy	S02/04/2016	28/04/2016	31/05/2024	B&T	Active
16.	Provision for Doubtful Debt and Debt write off Policy	S002/05/2020	05/05/2020	31/05/2024	B&T	Active

## 2.8.9. Information Communication and Technology (ICT)

The municipality has an Information Communication Technology (ICT) Unit, which is responsible for assisting the Municipality in providing innovative solutions, a stable information technology infrastructure and optimal functioning of internal application systems to meet the service delivery needs of the community. The key functional areas of the ICT Division are:

- Corporate IT Governance and Strategy.
- Servers, Network Systems & Desktop Maintenance.
- ICT Infrastructure and Application Management.
- ICT Disaster Recovery and Business Continuity.
- ICT Security, and
- Records management.

One of the initiatives to improve the standard and level of service delivery relates to the promotion of the image and use of Information and Communication Technology (ICT) within the municipality, through the drafting and development of an ICT Strategy that will provide a roadmap for the extensive adoption of ICT solutions within the municipality.

Similar to other local municipalities, Victor Khanye Local Municipality utilizes ICT in the normal operations of the municipality. However, the municipality and its executive and administrative management has resolved to adopt other ways to utilize technology solutions to deal and manage other business-related risks, in addition to improving the efficiency and effectiveness of the municipality in its service delivery functions.

As a first step for developing a sound ICT strategy, a detailed analysis of the municipality's current business processes was concluded.

The primary objective for the development of the ICT strategy is to ensure that Victor Khanye Local Municipality is able to define and establish its ICT Unit to enable the municipality to become a focused and structured organization, such that it could leverage ICT to drive real change.

The objectives of the strategy development initiative are to ensure that there is:

- 1) A clearly defined role for the ICT unit.
- 2) Greater engagement and transparency with departments to remove technical barriers.
- 3) Strengthened governance and assurance of ICT function.
- 4) Measurable and well-defined service delivery goals.
- 5) Increased standardization and modularization of business processes and supporting technologies to create a platform from which the Victor Khanye Local Municipality can deliver against its mandate.
- 6) Effective spending controls to ensure that new ICT solutions comply with strategy objectives.
- 7) Effective sourcing and streamlined service provider management.
- 8) Strengthened partnerships with service providers.

The objectives should be to enable the Victor Khanye Local Municipality ICT unit to become an effective support base to the broader Victor Khanye Local municipality organization.

#### **2.8.9.1. Victor Khanye Local Municipality ICT Strategy**

One of the initiatives to improve the standard and level of service delivery relates to the promotion of the image and use of Information and Communication Technology (ICT) within the municipality by providing infrastructure and resource management to the area of governance in order to enhance service delivery on land and spatial issues, community development and economic and social issues.

It is vitally important that ICT in VKLM provide a service of high quality to all relevant stakeholders, at affordable rate and within reasonable period.

Thus, a need for computerization of systems in VKLM is crucial and pertinent in an effort to meet the imperatives of the Fourth Industrial Revolution (4IR) such as *inter alia* Cloud Computing, Internet of Things (IoT), and the remote connection.

It is therefore the unit's primary objective to serve the immediate needs of the municipality concerning the application and operation of its computer systems and access to information on local networks and the public internet by the relevant stakeholders.

Therefore, the existence of the ICT unit within VKLM entails the followings objectives:

- Management of information systems in line with the vision and mission of the municipality
- Provide the necessary support to all the municipality' stakeholders
- Management of all current and proposed systems
- Management and maintenance of hardware, networks, infrastructure, website, and provision of general ICT support.

#### **Challenges**

- Aged infrastructure which hampers compatibility with new technology
- Inadequate procurement processes for ICT equipment and services (e.g. repairs and maintenance)
- Inability to cope with the technology trends
- Understaffing
- Reliance of external service providers
- Lack of funding.

In order for the Municipality to be able to overcome challenges mentioned above, the Municipality will implement the following:

**Table 34b – ICT Projects**

<b>Project name</b>	<b>Urgency (Low, Medium, High)</b>	<b>Current status</b>
Cloud Computing	High	<p>NDM is currently deploying DRAAS Solution (Cloud Computing) in order to strengthen the security of the networks, systems and mainly disaster recovery.</p> <p>The project is underway however, VKLM, due to its obsolete ICT infrastructure, is lacking behind in the implementation of the aforementioned.</p>
Server-Room and DR Infrastructure upgrade	High	<p>The servers are operational however due to 4IR technologies that are becoming more prevalent , they are struggling to support newer technologies and compatibility</p>
Generator Upgrade	High	<p>The generator is currently operational, however its capacity is insufficient to cater for all the departments in the municipality during load shedding therefore production is often interrupted</p>
Microsoft Server Operating System and End user( Laptops and Desktops) Operating system upgrade	High	<p>Servers are currently running on Windows Server 16 and 2012 R2 that are reaching end of life in the coming year,</p> <p>For Windows Server 16 - extended support lasts until 11-01-2027.</p> <p>Windows Server 2012 R2 –ended October 10,2023 extended security update ending in 2026</p>
Employee self service	Medium	<p>Service Provider (PayDay) currently working on the module for employees to able to perform self-services</p>
Muncomp Training	Medium	<p>Ongoing, new recruits' are often trained on the system; However, the system is not utilized to its full capacity. E.g. Electronic Signature, Digitized documents etc.</p>
ICT Panel for procurement of equipment and licence renewals	High	<p>The ICT to embark on Advertising the tender</p>
Public Wi-Fi rollout	Medium	<p>The ICT unit to do a feasible study and prioritize youth center office.</p>

		Furthermore, Nkangala District Municipality is also embarking on District Wide Public Wi-Fi project.
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### 2.8.10. Risk Management and Fraud prevention

To successfully mitigate risks that may prevent VKLM to reach its IDP objectives, a Risk Management Policy and Strategy are in place. Risk management forms part of management's core responsibilities and it is an integral part of the internal processes of the Municipality. Risk management is seen as a systematic process to identify, evaluate, and mitigate risks on a continuous basis before the risks impact negatively on the institution's service delivery capacity. It is believed that when properly executed, risk management provides a reasonable, but not absolute assurance, that the Municipality will be successful in achieving its goals and objectives. Thus, it should be embedded into the systems and culture of the Municipality.

The Municipality has in place a Risk Management Unit that plays a central role in risk management. The strategic objective of this Unit is to add value by assisting Council, Municipal Manager and Management to ensure that all risks facing the Municipality are identified, rated, tolerance levels established, mitigating strategies formulated and action plans compiled to manage all risks. The primary role of the Risk Management Unit includes the following:

- To act as champions of risk management in the Municipality
- To facilitate the establishment of effective and efficient risk management structures in the Municipality
- To advise management on all matters pertaining to risk management
- To continually advise management about possible new risks.

The Risk Management Unit however serves as an advisory unit and is not responsible for the mitigation of risks. The mitigation of risks is the responsibility of the Risk Owners, Risk Champions and finally the Accounting Officer. Furthermore, a Risk Management, Anti-Fraud & Anti-Corruption Committee with an external chairperson has been established and is functional and Risk Champions were appointed in every department.

Victor Khanye Local Municipality maintains a zero-tolerance stance concerning fraud and corruption. To execute the approved Fraud Prevention Policy and Strategy and a Disciplinary Board has been established with regards financial misconduct in line with the new regulations.

### **2.8.11. Fraud and Corruption**

The Municipality has approved a policy to curb fraud and corruption from occurring within the institution on the 27<sup>th</sup> July 2023 under Council Resolution A027/07/2023. The purpose of this Policy The policy provides a framework to enable the municipality to prevent, limit, reduce and detect losses due to fraud and corruption such as bribery, embezzlement, fraud, extortion, abuse of power, nepotism, and misuse of privileged information, favouritism and conflict of interest. VKLM hopes to achieve the following objectives with its Fraud & Corruption Prevention and Detection Policy:

- Prevent and/or minimize losses due to misconduct by means of corrupt and/or fraudulent activities.
- To create internal control systems of prevention and early detection of any corrupt and/or fraudulent activities.
- To enable management to investigate any possible case of corrupt and/or fraudulent activity. To enable management to implement consequence management measures to act against any guilty party.
- To closely cooperate with other spheres of government to eradicate the scourge of fraud and corruption that is sabotaging government service delivery.
- Encouraging a culture within the Municipality where all employees, the public and other stakeholders continuously behave ethically in their dealings with, or on behalf of the Municipality.

### **2.8.12. Business Continuity Management**

Business Continuity Management (BCM) is a holistic management process that identifies potential threats and impact to the business operations of Victor Khanye Local Municipality (VLK) referred to as the “Municipality”. IT provides a framework for building Organisational Resilience and Sustainability with the capability for an agile and effective response that safeguards the interests of key stakeholders, reputation, brand and value-creating activities.

This BCM framework is developed to assist with the implementation of the Municipality BCM programme by providing guidance on the requirements defined in the BCM policy. It further provides a structure for the development, implementation, review, maintenance and improvement of the Business Continuity Plan of the Municipality.

The aim is to guide the development of the Municipality's ability to proactively detect, prevent and minimize where necessary the impact of a disruptive event and ensure emergency response, resumption and recovery, restoration and permanent recovery of critical business operations and activities following a disruptive event. In the aftermath of a disruptive incident,

it will enable the priority business units of the critical Directorates to continue and aid the Municipality to recover fully, in a short to a longer term, and return to business as usual. The Municipality has approved both Business Management Framework and the Policy on 27 July 2023 (Council resolution no. A 030/07/2023 & A 31/07/2023)

The Municipality has a total of 114 policies and 14 by-laws that have been approved by Council; the total number of Budget related policies is 23, 38 for the Human Resources related, Service Delivery Programmes related has 13 policies, Risk/Internal Audit/Performance and ICT related policies are at 20 and 20 respectively.



## CHAPTER 3: MUNICIPAL DEVELOPMENT STRATEGIES AND IDP ACTIVITIES

### 3. INTRODUCTION

In terms of the Local Government: Municipal Systems Act of 2000, it states that each Municipal Council must within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan, which is known as Integrated Development Plan. Precisely, IDP must guide and inform all planning, development, budgeting decisions of the Municipality. Section 26 (a) requires that the IDP must reflect the Municipal Council's vision for the long-term development of the municipality. The following information will clearly outline the Municipal vision, mission, development objectives and priorities.

#### 3.1. STRATEGICAL POSITIONING

##### 3.1.1. VISION

A vision statement is a written document that describes a vision where an organization intends to be in future and the mechanisms that should be applied by the organization. VKLM vision ***“Repositioned municipality for a better and sustainable service delivery for all”***

##### 3.1.2. MISSION STATEMENT

Providing quality and sustainable services to the diverse community in a responsive and efficient way for optimum economic growth in order to enhance prosperity; Inspired by desire to be positioned on the global map of attractive cities resulting in a positive impact on investment, jobs, inhabitants, visitors and events through quality service provision.

##### 3.1.3. CORE VALUES

As a Municipality, we adhere to the following values in all of our daily dealings and interactions with the community and all our stakeholders we believe in the following:

**Integrity:** As public servants, we pledge to carry out the municipality's functions and operations in an honest and ethical way.

**Professionalism:** We commit to employ professionals with particular competencies and capabilities and to enforce the code of conduct and code of ethics.

**Resilience:** As custodians of hope, we commit to develop strategies for dealing with the future shocks and stresses and to be able to adapt and thrive in the face of these challenges.

**Openness:** We will continuously work together with communities to ensure the public trust and establish a system of transparency, public participation, and collaboration.

**Impact and Outcomes:** We undertake to maintain healthy living conditions and improving the quality of life for communities.

### 3.2. IDP PROCESS PLAN

In order to ensure certain minimum quality standards of the IDP process and proper coordination between and within spheres of government, municipalities need to prepare a new five-year IDP Cycle Process Plan at the beginning of the newly elected Council. The preparation of a Process Plan, which in essence is the IDP Process, is set in writing, and requires adoption by the Council.

This plan has to include the following:

1. A programme specifying key-deadlines and time-frames for the different planning steps;
2. The appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP process; and;
3. Cost estimates for the IDP process.

Preparing the Process plan for the **Five-Year IDP Cycle** started in **2022/2023 Financial Year** and ends on **2026/2027 Financial Year**, and the time schedule of the Budget and PMS process has been integrated with IDP Process to ensure greater alignment, efficient, effective and cost-saving processes.

Section 28 of the Local Government: Municipal Systems Act states “*Each Municipal Council within a prescribed period after the start of its elected term must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan*”.

Section 29 provides process to be followed, the process followed by a municipality to draft its Integrated Development Plan, including its consideration and adoption of the draft plan, should:

- a) *Be in accordance with a predetermined programme specifying time frames for the different steps through appropriate mechanisms, processes and procedures established, in terms of Chapter 4, allow for –*  
*The local community to be consulted on its development needs and priorities;*  
(i) *Organs of the state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan provide for*

*the identification of all plans and planning requirements, binding on the municipality in terms of national and provincial legislation; and be consistent with any other matters that may be prescribed by regulation*

Section 34 of the Municipal Systems Act, states that a municipal council –

- a) *Must review its integrated development plan – annually, in accordance with an assessment of its performance measurements in terms of Section 4; and to the extent that changing circumstances so demand; and*
- b) *May amend its integrated development plan, in accordance with a prescribed process.*

### **3.3. ASSESSING THE LEVEL OF DEVELOPMENT**

The Community Survey 2019 and the revised municipal structure came as the two main driving forces that steered the municipality to provide changes due to change of circumstances in planning for community development.

For these reasons, the municipality orchestrated the strategic planning session, which involved the municipal administration management, the political office-bearers and the representatives from the labour movements.

1. Interpretation of the 2011, 2016, 2019 and 2022 statistics, attributed to the planning dynamics,
2. Presentation of the municipal fiscal state,
3. Articulation of priority issues, by highlighting the issue analysis, challenges, achievements and interventions.

### **3.4. DEVELOPMENT PRIORITIES**

The Municipality has adopted the following priorities to be implemented within the period of 5 years (2022 – 2027):

- 1 Water supply and sanitation
- 2 Road infrastructure development and storm water
- 3 Electricity supply and management
- 4 Local Economic Development & Tourism
- 5 Waste and Environment Management
- 6 Financial Management and viability
- 7 Integrated Human Settlement
- 8 Good governance and Public participation

## 9 Community development and Public Safety

### 3.5. STRATEGIC FOCUS AREAS

In line with our Vision and Mission of the Victor Khanye Local Municipality, the Municipality has adopted the following goals summarized as:

**Goal 1:** Improve provision of basic services to the residents of Victor Khanye Local Municipality.

**Goal 2:** Improve social amenities and education for the Community.

**Goal 3:** To strengthen the delivery of sustainable integrated human settlement and environmental management

**Goal 4:** To initiate a strong and sustainable economic development.

**Goal 5:** To build a strong good governance and institutional development.

**Goal 6:** To ensure legally sound financial viability and management

**Goal 7:** To strengthen the economic activities and job creation.





### 3.6. DEVELOPMENT OF INDICATORS, OBJECTIVES, STRATEGIES AND TARGETS FOR 2023-2027

Inputs from other spheres of Government that were received through the CoGTA IDP evaluation framework, were also considered during the IDP Technical Committee meeting.

## SECTION 28 – 29: ADOPTION OF THE PROCESS PLAN AND PROCESS FOLLOWED

### 3.6.1. ADHERENCE TO THE ADOPTED PROCESS PLAN

Table 36 – Adopted Process Plan Adherence

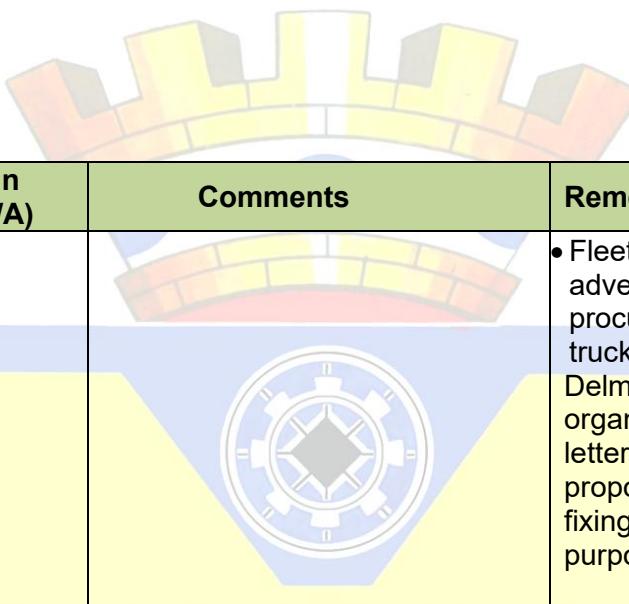
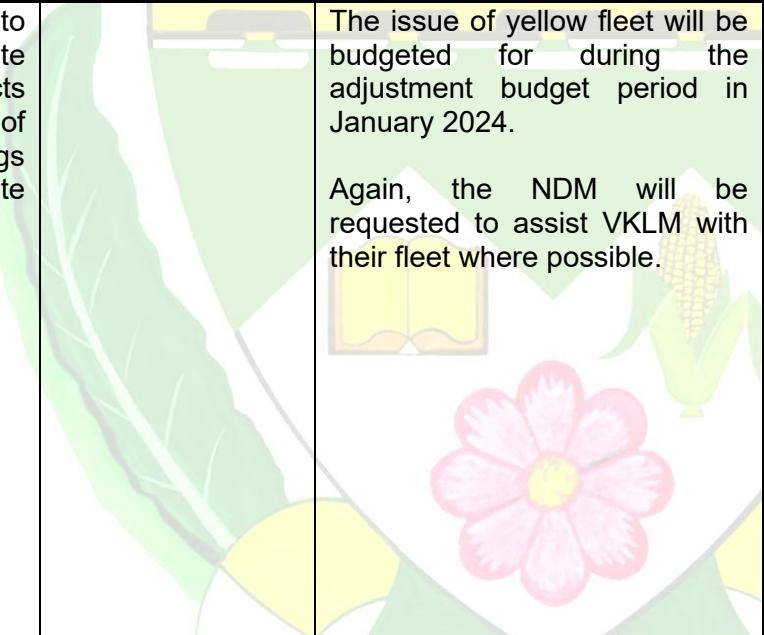
Adherence to the adopted Plan	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
1. The Municipality did not adhere to the adopted process as the strategy planning session was convened after the adoption of the draft IDP		The Strategy will be held on the 26 March 2025.	The Municipality to hold its Strategy before the adoption of Draft IDP	26 March 2025
2. The Municipality to at least consider convening two strategic planning sessions at a Technical and Political level.		The Municipality managed to hold its DP Technical Strategic Session and the Main Strategic Session will be held on the 26 March 2025.	The Municipality will hold two session of Strategic Meetings which is Technical Strategic Lekgotla and the Main Strategic Lekgotla which will involve also External Stakeholders	This has been achieved 2024/2025.

### 3.6.2. EVALUATION OF RESPONSES TO KEY SERVICE DELIVERY PRIORITIES

Table 37 – Evaluation of Responses to Key Service Delivery Priorities

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
The Municipality must fast-track the process to develop		Technical Deputy Manager was working on developing the		01July 2025

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
and review infrastructure sector plans		Infrastructure Plan of the Municipality that will be aligned with the Provincial Infrastructure Sector Plan.		
The Municipality to incorporate Rural Roads Asset Management System in the IDP to assist with quantifying the backlogs and planning and budgeting existing and future priorities.		This matter will be addressed with the Infrastructure Master Plan although the issue of Rural Roads development is included in this IDP.	The matter has been addressed and included in the 2025-2026 FINAL IDP	29 May 2025
The Municipality is currently having a backlog of 1 585 households with no access to electricity. The Municipality should submit the INEP application for the 2024/2025 Financial Year and source more funds to address these backlogs		PMU will make an application for the projects related to the electrification of houses with no electricity.	The Municipality will be accommodated in the INEP Plan during the 2026-2027.	
The Municipality is advised to incorporate the strategies to comply with the conditions of Municipal Debt Relief as set out in the MFMA Circular No. 124 in the reviewed IDP.		The Municipality has applied and the application was approved		1 October 2023
The Municipality is having backlogs of waste removal estimated to be 5 213 households. The Municipality to			• Funding letters submitted to mining industries in and around VKLM	Implemented and on-going

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
revise its budget to replace old waste collection equipment.			<ul style="list-style-type: none"> <li>Fleet management has advertised a tender for the procurement of a skip loader truck</li> <li>Delmas Herlewe (private organization) submitted a letter to the municipality proposing to assist the with fixing 2 tractors for the purpose of service delivery</li> </ul>	
The Municipality is advised to implement solid waste management projects including the procurement of yellow fleet to reduce backlogs on access to solid waste removal.		<p>The issue of yellow fleet will be budgeted for during the adjustment budget period in January 2024.</p> <p>Again, the NDM will be requested to assist VKLM with their fleet where possible.</p> 	<ul style="list-style-type: none"> <li>Funding letters submitted to mining industries in and around VKLM</li> <li>Fleet management has advertised a tender for the procurement of a skip loader truck</li> <li>Delmas Herlewe (private organization) submitted a letter to the municipality proposing to assist the Municipality with fixing 2 tractors for the purposes of service delivery.</li> <li>A request to be submitted to technical services for assistance through the MIG grant</li> </ul>	Update: 1 tractor fixed and is working and they are fixing the other 1 (12/2024)
The Municipality to include GBVF programmes with clear measurable indicators that		The Municipality had some activities around awareness programmes like HIV-AIDS	Programmes like Drug Abuse Awareness are being conducted in the Community	These programmes are implemented by

must be monitored through the Municipality's performance management system.		programmes, Cancer Awareness programme and more activities will be added on the Municipal IDP during the review. GBVF programmes will be added.		the Social Services Directorate since 2024-2025 FY and on-going.
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### 3.6.3. IMPLEMENTATION OF MUNICIPAL STAFF REGULATIONS AND PUBLIC PARTICIPATION (PMS, HR & MM)

**Table 38:** Implementation of Municipal Staff Regulations

	Included in IDP (Y/N)	Comments	Remedial Action	Due date
The Municipality to cascade Performance Management Development System to all employees with effect from 01 July 2023.		The cascading of IPMS has been cascaded up to the level of Assistant Manager. The cascading to T12 up to T8 will commence on the second quarter of the 2025/2026 financial year.	The cascading of IPMS is ongoing. The performance assessments will resume on quarter 4 of the 2024/2025 financial year.	1 July 2025
The Municipality to review its Strategy to align with Provincial Public Consultation Strategy during the IDP review.		The Municipality has an approved Strategy by Council and is currently working on aligning it with Provincial Public Consultation Strategy	Implemented	01 March 2024
<b>LOCAL GOVERNMENT SUMMIT</b> The Municipality to implement the Local Government Summit Resolutions and ensure that the private sector business plans are incorporated in the IDP and Spatial Plans.		The Municipality will include the LGS Resolutions in the IDP during the process of IDP review. The issues of private sector business plan will be added in the Municipal IDP and they are included in the SPATIAL Plans.	Summit Resolutions will be incorporated in the IDP during the review period	01 July 2025

### 3.6.4. CORE COMPONENTS- KEY PERFORMANCE AREAS

Table 39: Core Components - KPA

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
<b>Basic Service Delivery and Infrastructure Development.</b>		<ul style="list-style-type: none"> <li>➤ The Municipality to prioritise more water projects to address the water losses and reticulation.</li> <li>➤ Municipality to source more funds to address the solid waste removal backlogs, roads and storm water and review the roads and storm water master plan</li> </ul>	<p>The Municipality was assisted by the Department of Water and Sanitation to fix all challenges related to water issues and appointed a service provider, which is currently finalizing the project.</p> <p>The Municipality requested the DWS for funding and the Municipality was allocated an amount of R30 m specifically for water projects.</p>	<p>This intervention is on-going basis</p> <p>This an on-going process since our Municipality is experiencing a rapid population growth.</p>
<b>Local Economic Development</b>		<ul style="list-style-type: none"> <li>➤ The Municipality to incorporate information on existing strategic partnerships on planned engagement in economic growth and development.</li> <li>➤ The Municipality should focus on Agricultural sector plan to increase productivity in this sector.</li> <li>➤ Municipality to implement the green economy to create green</li> </ul>	<p>The Municipality is working with the Department of Agriculture to address every aspect related to growth.</p> <p>This is also covered in the new LED Strategy.</p>	<p>Implemented</p> <p>Achieved</p> <p>Adopted 2024</p>

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<p>jobs and mitigate pollution from Mining Products.</p> <ul style="list-style-type: none"> <li>➤ LED Strategy to include economy by-laws to support the growth and prosperity of informal businesses.</li> <li>➤ To include informal business-friendly by-laws to support growth and prosperity.</li> <li>➤ The Municipality to source more support for SMME/Cooperatives, growth and development initiatives/ programmes and the informal economy from DSB, SEFA and business opportunities brought about the Mining Sector.</li> <li>➤ Ensure LED catalytic projects such as the establishment of Fly Ash, fresh produce market and agricultural projects including the SLP's Projects from Mines are implemented by all stakeholders involved to grow the economy of the Municipality and create new jobs.</li> <li>➤ Municipality to ensure that all SLP Projects from the 19 Mining Houses are integrated into IDP to match the number of Mining Houses within the Municipality.</li> </ul>	<p>Trading by-law and Informal Traders-By-law.</p> <p>Yes, the Municipality has allocated a budget to support SMMEs as well as the NDM.</p> <p>They are included in the new LED Strategy</p> <p>Included in the new LED Strategy.</p> <p>The Municipality normally issues a supporting letter to the DMRE with identified SLP.</p> <p>Same as above statement.</p>	<p>2024</p> <p>2025-2026 new FY.</p> <p>On-going</p> <p>Adopted 2024</p> <p>On-going</p> <p>On-going</p>

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>➤ Marketing campaign for the Municipal area to highlight development opportunities, with a specific focus on Agri-processing industries.</li> <li>➤ Branding of the N12 Development Corridor and establishment of the School of Excellence</li> <li>➤ Branding and development of the Delmas Tourism Precinct and Cultural Historic Sites</li> <li>➤ Facilitating planning process associated with the envisaged Nkangala International Airport.</li> </ul>	<p>The Municipality is in partnership with the Department of Agriculture to implement such programmes.</p> <p>There will be painting of the N12 bridge reflecting cultural heritage of the Municipality.</p> <p>It is part of the newly adopted Final DRAFT Report submitted to Council for approval.</p>	<p>Implemented</p> <p>Adopted 2024/2025 FY.</p> <p>Covered</p>
<b>KPA</b>				
<b>SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE</b>		<p>The SDF priorities should be translated into IDP projects:</p> <ul style="list-style-type: none"> <li>➤ Prepare precinct plans for Elof, Sundra, Sundale, Springs and Rietklof Agricultural Holdings</li> <li>➤ The Municipality to identify land required for Human settlements</li> <li>➤ IDP to indicate personnel available for human settlements and prioritise the filling of the GIS position.</li> </ul>	<p>SDF is still under review all SPATIAL projects are included. All plans are included in DRAFT</p> <p>Land has been identified, feasibility study has been conducted and the Council considered the report.</p> <p>The matter will be considered during the adjustment budget.</p>	<p>During 2024/2025</p> <p>2025/2026 FY</p> <p>01 January 2024</p>

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>➤ Human resources required to implement SPLUMA</li> <li>➤ Policy on Land Use Enforcement</li> <li>➤ Illegal land use Strategy</li> <li>➤ Compilation of a Land Audit and the acquisition of land for Human Settlement development.</li> </ul>	<p>2 Land use Officers are appointed.</p> <p>The Municipality does have the 2 Policies.</p> <p>Covered under 2 Policies</p> <p>NDM to assist financially with the review of Land Audit</p>	<p>During the first quarter 2024-2025</p> <p>2024/2025 FY.</p> <p>During the 2<sup>nd</sup> quarter of 2025/2026.</p>
<b>MUNICIPAL TRANSFORMATION and INSTITUTIONAL DEVELOPMENT</b>		HR applicable Policies, Organizational structure, a list of vacant funded posts to be filled in the new FY. A plan to cascade PMDS/IPMS to lower levels and be incorporated in the IDP.	<ul style="list-style-type: none"> <li>➤ The Cascading of PMDS to lower levels is currently being implemented in phases and the next phase will be employees from task grade 8-12.</li> <li>➤ HR Policies:32 Policies</li> <li>➤ Organizational Structure is attached and the list of vacant funded posts.</li> </ul>	February and March 2024
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	Yes, this information was or is included in the IDP	Council sittings, Section 80 Committees and Fraud Prevention Strategy be included in the Municipal IDP.	<ul style="list-style-type: none"> <li>➤ Council Sittings are sitting as per the approved Calendar of events and Section 80 which is attached as proof</li> </ul>	01 February 2024
<b>CROSS – CUTTING ISSUES</b>				
<b>DISASTER MANAGEMENT</b>		<ul style="list-style-type: none"> <li>➤ Review and update its Disaster Management Plan taking into account risk reduction projects that are responsive to climate</li> </ul>	The disaster management plan is currently being reviewed and aligned with the National	June 2024

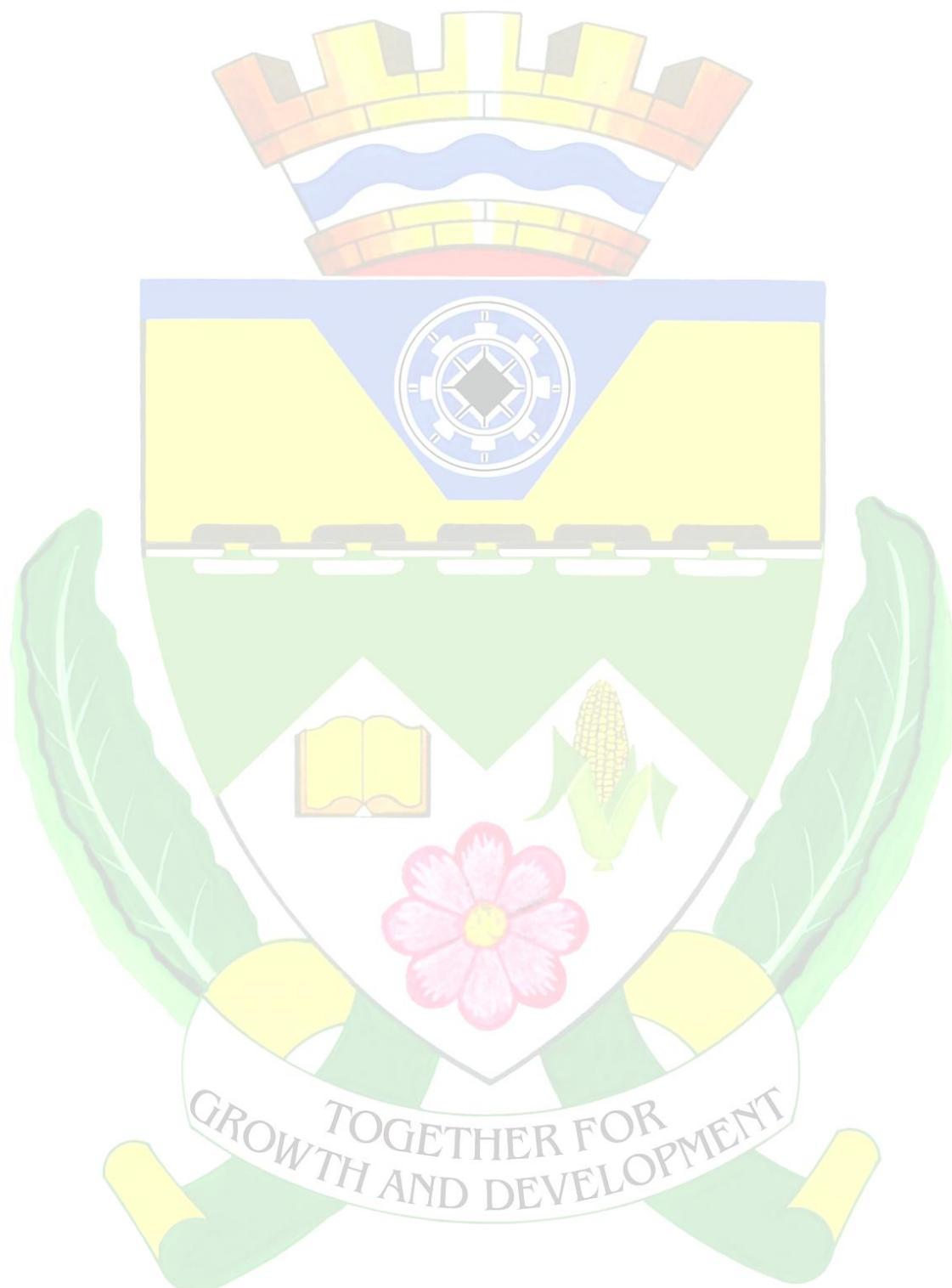
KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<p>change and outbreaks of pandemics.</p> <ul style="list-style-type: none"> <li>➤ DMP review process to take into account the risk profile at Ward level and cross-border and vulnerabilities applicable to the Municipality.</li> <li>➤ All projects to should consider disaster risk reduction projects that are responsive to the impacts of climate change</li> <li>➤ Address issues of storms, air quality and issues of equipping fire services.</li> </ul>	<p>Disaster Management guidelines</p> <ul style="list-style-type: none"> <li>➤ As part of the re-draft, Ward-based risk assessments are to be included within Chapter 4 "Risk Assessments).</li> <li>➤ The alignment of Disaster Risk Reduction projects addressing climate change considerations will be linked/included as part of the IDP</li> </ul> <p>Storms, Air Quality have been identified as risks, during review; these items would be assessed on vulnerabilities and impacts for better response. The equipping of the fire services as response phase of the Disaster management cycle will also be incorporated under the KPA "preparedness" and "Response.</p>	June 2025 June 2025 June 2025
<b>ENVIRONMENTAL MANAGEMENT</b>	No	Municipality to improve the situational analysis on environmental management and include a brief overview of the cover and soils, status of air quality, climate change,	<ul style="list-style-type: none"> <li>➤ The municipality is currently drafting an Environmental Management Chapter, which will incorporation in the IDP once completed.</li> </ul>	During the 2025/2026 FY.

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<p>the wetlands and sensitive ecosystems, and provision of waste services in rural areas.</p> <ul style="list-style-type: none"> <li>➤ Air Quality Management Plan be developed and be implemented since the Municipality falls under High priority area.</li> <li>➤ Municipality to develop Air Quality Management By-laws to manage air quality in the municipality.</li> <li>➤ Biodiversity and conservation functions be developed and be budgeted for these programmes.</li> <li>➤ Municipality must develop and implement the Climate Change Response Strategy/Plan (Mitigation and Adaptation).</li> <li>➤ Climate Change must be mainstreamed into all municipal plans, strategies, projects, procedures and systems.</li> </ul>	<p>The Chapter will include the situational analysis as per the comment forwarded here and include other environmental management programmes that the municipality is planning to implement as per the comment from the MEC office stipulated in the document.</p> <p><b>Waste Management</b> Programmes that include compliance and enforcement in relation to waste collection, disposal, clearing of illegal dumping spots, education and awareness, clean up campaigns.</p> <ul style="list-style-type: none"> <li>➤ Environmental Management budgeting will also be stipulated in the chapter to enhance implementation that is supported or informed by availability or sourcing of funds for environmental management programmes.</li> </ul> <p>The draft Environmental Chapter will be completed and be included in the review of the IDP for 2024-2025 financial year</p>	



KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
			➢	
			➢	





## KPA 1 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

**Table 42:** Basic Service Delivery Strategic Goals.

### 1. BASIC SERVICE DELIVERY

In addition to the various household characteristics that need to be evaluated in a socio-economic analysis, it is also essential to review the level of accessibility to basic municipal services. This section provides an overview of the status quo about service delivery in Victor Khanye Local Municipality. This overview is undertaken in such a manner that an indication of the municipal level infrastructure backlog is presented, and where service delivery is done effectively and efficiently.

#### 1.1 Provision of water services

##### Access to water service

The following table depicts the data on access to water services based to Stats-SA Survey.

Description	2016	2022
Total HH with Access to water	20548	25 657
Total HH without Access to water	17 100	8 129

Source: Stats SA: Censuses: 2016 & 2022

##### Problem statement

The municipal council has provided the majority of the households in rural areas with borehole water, with the balance serviced by water tanker. There is currently lack of water security and alternative reliant source of water for supply.

##### Current Status quo

Victor Khanye Local municipality is experiencing inadequate water supply due of lack of alternative bulk water supply. Current main water supply is Rand Water Bulk water supply and Delmas Water treatment plant intended to supply Bottleng Ext 3-7 whereby the raw water is sourced from borehole system only. The rural areas, other informal settlement and farm areas are supplied with water through water tankers and boreholes.

The gap between water demand and supply within the region is widening. At an aggregate level, it is forecast to get steadily worse, indicating increasing water shortages. The crisis is multidimensional. Accessible freshwater in the region has become scarce, as more consumers are demanding water under conditions of climatic change. Water is an essential resource to sustaining life and with no viable substitute, the topic of water security becomes vital. Water security is central to economic growth and development, energy generation and food security.

## Strategic Challenges

- Lack of alternative bulk water supply and water security
- Ageing infrastructure
- Water losses
- Illegal connection
- Theft and Vandalism
- Inadequate water storages

## Strategic intervention

- Identify alternative bulk water supply
- Source funding for upgrading and refurbishment of infrastructure
- Meter auditing, disconnections and enforcing water bylaws
- Source funding for addition water storage

## PROVISION OF ACCESS TO SANITATION

### Access to Sanitation

Description	2011	2022
Total Household with Access to Sanitation	20 548	20 568
Total household with no Access to Sanitation		3 702

### Problem statement

Overflow of sewer is affecting the effective operation of sewer system with limited budget to upgrade the infrastructure system. Sewer pump stations require upgrading. The Delmas WWTW is currently being upgraded from capacity of 4.5 ML to 12 ML by NDM and DWS.

## **Status quo**

All households in the urban areas of Delmas and Bottleng utilize waterborne systems, whilst parts of Eloff are connected to the municipal (water borne) sewerage line. Rural settlements are utilizing VIP toilets and biochemical toilets. It is the intention of the municipality to eradicate these methods of sanitation where possible, but the terrain and accessibility of many of the rural settlements prohibits an accelerated cost effective approach to this major problem.

There are three Waste Water Treatment Works (WWTWs) currently in operation. The Delmas WWTW is hydraulically overloaded and needs to be upgraded due to its aging infrastructure, as it also does not comply with accepted effluent standards. The Bottleng WWTW is also overloaded and requires upgrade: the capacity of the Delmas Sewer Plant is 5MI and the Bottleng 4MI; the two plants receive almost 7-8MI and 5-6MI respectively per day. The overload is mainly caused by new residential and industrial developments.

The aging infrastructure associated with these sanitation schemes result in significant costs increases with respect to maintenance and refurbishment. An ongoing programme to replace the sewer pipelines in the worst affected areas is jointly funded by the Victor Khanye Local Municipality and Nkangala District municipality. The residents of Sundra, Eloff, Rietkloof, Leeupoort and Modder East Orchard are still making use of septic tanks and pit latrines, which have potential to contaminate ground water.

The lack of provision of minimum standards of water negatively impacts on environmental issues associated with inadequate levels of sanitation infrastructure, as most households without potable water are still reliant on pit latrines or septic tanks.

The provision of sanitation services by Ward is illustrated in the following table.

### **Strategic challenges**

The following are strategic challenges in provision of basic sanitation

- Overloading of existing municipal sewer line
- Mushrooming of informal settlement and backroom dwellers
- Increase in population

- High capacity demand in operation of Delmas wastewater treatment plant
- Environmental pollution due to infrastructure breakdown and overflow of Delmas WWTP
- Ageing infrastructure, vandalism and theft in pump station
- Financial constraints for operations and upgrading

### Strategic Intervention

- Upgrade sewer pump stations
- Upgrade sewer pipelines to eradicate backflow
- Complete upgrading of Delmas WWTP
- Source funding for upgrading and new connection for proposed developments
- Maintain sanitation in informal settlements



## Access to Energy services

Description	2016	2022
Total HH with Access to Electricity	24 270	22 716
Total HH without Access to Electricity	22 355	1554
% access	92%	64, 1

## Problem statement

The demand for electricity at Victor Khanye LM is has been increasing rapidly due to mushrooming of informal settlement, increasing backroom dwellers, servicing commercial and industries which contributes to socio economic stability within municipal jurisdiction. Illegal connection is one of the contributing factors to electricity losses. Electricity Infrastructure and capacity initiatives or innovations are critical to attract investment

## Status quo

Victor Khanye Local Municipality is one of the licensed municipalities in Mpumalanga Province. Electricity is one of the main basic services that the municipality is offering to 80% Victor Khanye residence, and 20% areas supplied by Eskom regulated by NERSA. VKLM is not affected by load reduction; consumption is within Eskom contractual Notified Demand (NMD). VKLM is supplied by Eskom from two-incomer substation namely Delmas Main (B1) and Delmas North.

The Delmas Main (B1) substation has a contracted NDM of 20 MVA, at the current loading of 17 MVA which is at 85% of the contractual NDM. The Delmas North substation has a contracted NDM of 12 MVA, at the current loading of 9.4 MVA which ia at 78% of the contractual NMD. The source of supply is solely reliant on Eskom where the municipality entered into purchase agreement with the entity. As other social and economic activities increase in the municipal area, the demand has also been increasing towards in maximum usage. The following table illustrate the capacity and demand of electricity;

SUBSTATION	DESIGN CAPACITY	OPERATION	ADDITIONAL REQUIRED
Delmas North	12MVA	9.4MVA	8MVA
Delmas Munic B1	20MVA	17MVA	12MVA

Substation			
------------	--	--	--

Delmas and parts of Botleng and Extensions are serviced by the Victor Khanye Local Municipality. The other areas of Eloff, Sundra, Rietkol, Botleng Ext. 3 and the rural areas receive electricity directly from Eskom and therefore do not fall under the municipalities billing system, but require to be upgraded to ensure that communities receive uninterrupted services.

The electricity network within Victor Khanye Local Municipality is ageing and has become inefficient. The main electricity substation is under severe pressure and needs to be upgraded since the electricity demand is increasing due to developments both in the residential, commercial and industrial sectors. These developments include the following

- Proposed industrial developments e.g. Sephaku Cement Factory, Shopping Mall Botleng Ext.3
- Industrial expansions e.g. McCain Foods
- New residential development e.g. Botleng Ext. 5, Delmas Ext.17 and West ridge Estates

The advent of Pre-paid electricity metering has significantly improved revenue collection and this coupled with the 50/50 system of credit and arrears payment through card purchases is enabling the municipality to reduce the outstanding debtor base. Other initiatives being explored include the introduction of “smart” meters which eliminate the possibility of illegal connections being effected by community members.

A programme was initiated and funded by Eskom; currently on hold, with respect the installation of solar panels in all wards, which would not only address the problem of illegal connections, but further the strategy encompassed in fostering a green economy. It is interesting to note the energy dependency levels by Ward for various domestic applications as illustrated in the following tables.

### Strategic challenges

The following are key challenges facing the municipality;

- High energy demand due industries , informal settlement and backroom dwelling
- Theft and vandalism
- Ageing infrastructure
- Financial constraints for operations and upgrading
- Inadequate energy security
- Illegal connections
- Limited resources

## Strategic interventions

- Source funding for upgrading of the ageing infrastructure
- Sought additional capacity from Eskom and IPP
- Meter audit and removal of illegal connections
- Installation of zonal meters and Smart meter
- Install prepaid meter in Eskom serviced areas
- Audit commercial and industrial customers for correction of billing
- Revise bulk distribution losses strategy and action plan
- Account for all usage from free basic service for indigents, public buildings and informal settlements

### ROADS AND STORM WATER

#### Access to Roads and storm water services

The following is the Road Network Infrastructure within VKLM

Road Surface	Length (km)
Bituminous	229.70
Concrete or block surface	5.33
Gravel	63.89

#### Problem statement

The road infrastructure was originally designed for the low volume traffic. However, the traffic volume has increased, due to growth within the mining and farming sector. About 85% of roads within the municipality are dilapidated because of ageing infrastructure, and increased traffic volume, especially heavy coal haulage trucks. There is a backlog in terms of maintenance of gravel roads due to old equipment, inadequate roads repairs and maintenance due to financial constraints and shortage of staff. The Municipality can resolve the above challenges by providing and ensuring an integrated and effective roads and storm water management including maintenance.

The Municipality must also improve the state of existing roads to better and acceptable standard. There is a backlog in terms of roads and storm water maintenance because of inadequate resources and the level of old infrastructure that accrues significant maintenance costs. The roads have deteriorated to the point where patching is not a feasible option, but

rehabilitation is required.

### **Status quo**

The various national and provincial roads run through the Victor Khanye Local Municipality, with many regional routes converging at Delmas, which lends it strategically significant. Consequently, the municipality features a well-developed regional road and rail infrastructure. The N12 National toll road that links Johannesburg with Nelspruit runs from east to west through the northern part of the municipality. This road also links the municipality with the Maputo Development Corridor.

### **The major provincial roads in the municipal area are:**

5. R50 that links Tshwane with Standerton;
6. R43 that links Delmas with Bronkhorstspruit;
7. R555 that links Springs with Witbank;
8. R548 that links with Balfour; and R42 that links with Nigel.

### **Local Activity Corridors identified include:**

- Sarel Ciliers Street/ Witbank Road in Delmas (R555);
- The Avenue – Eloff Town;
- Main Road – Rietkloof Agricultural Holdings;
- Samuel Road and Van der Walt Street – Delmas; and Dr Nelson Mandela Drive – Botleng.

### **Strategic Challenges**

- Financial constraints for upgrading and rehabilitation
- Dilapidated infrastructure
- Inadequate yellow fleet
- Insufficient budgets for materials
- High backlog for upgrading of roads
- Lack of master plans

### **Strategic interventions required.**

- Procure critical yellow fleet

- Budget and Procure bulk materials
- Acquire funding for upgrading of roads
- Develop and approve roads and storm water master plan

## Housing

### Access to Housing

The following table illustrates the range of household units to be found within the VKLM demarcated ward boundaries.

Dwelling Type	No Off	%
House or brick/concrete block structure on a separate stand or yard or on a farm	15522	75.50%
Traditional dwelling/hut/structure made of traditional materials	521	2.50%
Flat or apartment in a block of flats	202	1.00%
Cluster house in complex	40	0.20%
Townhouse (semi-detached house in a complex)	30	0.10%
Semi-detached house	111	0.50%
House/flat/room in backyard	244	1.20%
Informal dwelling (shack; in backyard)	906	4.40%
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	2252	11.00%
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	142	0.70%
Caravan/tent	57	0.30%
Other	521	2.50%
<b>Total</b>	<b>20548</b>	

### Problem statement

VKLM is still experiencing backlog of approximately 10000 according to National Housing Need Register (NHN) database for the municipality

### Current status quo

Municipalities must develop database, conduct Housing Consumer Education (HCD), identification of potential beneficiaries through National Housing Need Register (NHN) allocates site for development and facilitate registration and handover of title deeds. The Victor Khanye Local Municipality is cognizant that phrase "housing" is much broader than a "house". Housing encapsulates the physical structure, which is the house, as well as the services that go with it, water and sanitation infrastructure, electricity, roads and storm water. Thus, accelerated provision and facilitation of

access to housing can potentially provide a holistic approach to alleviate the service delivery backlog. It must be taken into account that any housing programme has both a social and economic imperative. With that realization, creation of sustainable human settlements will be achieved.

The issue of lack of low-income housing was highlighted as one the factors that lead to the increasing backlog. There are members of the community who are currently employed but cannot afford to purchase a house in the free market. Emanating from the community outreach meetings, communities have identified the need for government intervention and the forging of Public Private Partnerships (PPPs) in supporting those who cannot afford their own housing and do not qualify for the RDP and other low income housing schemes. The following map illustrates the areas where low cost housing projects (RDP) are in various stages of planning and/or construction:

The appointment of consultants, contractors etc., remain the responsibility of DoHS and limit the municipality to the role of overseer with no management control of progress, quality and related costs. Land for housing development and land reform is a challenge due to lack of available land and dolomite conditions. Only the following land may be taken into consideration for development:

- Remainder of the Farm Leeupoort 205 IR earmarked as mixed land uses
- Remainder of the Farm Middelburg 231 IR: (Botleng X7) 1200 stands established and the pegging of the erven is in progress
- Portion of Erf 675 Eloff
- Erf 676 Eloff (52 Erven)
- Delmas Ext 17

With respect to land reform there are no serious issues regarding outstanding land claims in the area. The only outstanding claim currently is in respect of the Farm Straffontein 252 IR (Portion 15 and Portion 16).

## FLEET MANAGEMENT SERVICES

### ACCESS TO FLEET

The following is a list of Municipal vehicles

FLEET REGISTER					
ITEM	VEHICLE MAKE	CAR REGISTRATION	YEAR MODEL	DESCRIPTION	DEPARTMENT
1	Toyota Corolla 1.8	DCT 484 MP	2005	Sedan	Finance
2	Toyota 1.6	BFD 772 MP	1986	Bakkie	Fleet
3	Toyota	CYK 288 MP	2004	Bakkie	Roads
4	Toyota	CYK 290 MP	2004	Bakkie	Halls

5	Nissan Hardbody	DVV 381 MP	2008	Bakkie	Roads
6	Nissan Hardbody	DVV 389 MP	2008	Bakkie	Roads
7	Ford Range 2.7D	FBL 329 MP	2009	Bakkie	Fire
8	Isuzu KB350	FKF 971 MP	2010	Bakkie	Fire
9	Nissan Hardbody 2.0	FNF 560 MP	2011	Bakkie	Public Participation
10	Nissan Hardbody 2.0	FNF 561 MP	2011	Bakkie	Water
11	Nissan Hardbody 2.0	FNF 567 MP	2011	Bakkie	Road marking
12	Nissan Hardbody 2.0	FNF 578 MP	2011	Bakkie	Finance
13	Toyota Land Cruiser 70	FTB 379 MP	2012	Bakkie	Fire
14	Toyota Land Cruiser 70	FTB 384 MP	2012	Bakkie	Fire
15	Isuzu	KDF 912 MP	2020	Bakkie	Parks
16	Isuzu	KDF 914 MP	2020	Bakkie	Water
17	Isuzu	KDF 915 MP	2020	Bakkie	Electrical
18	Isuzu	KDF 916 MP	2020	Bakkie	Electrical
19	Isuzu	KDF 917 MP	2020	Bakkie	Sanitation
20	Isuzu	KDF 918 MP	2020	Bakkie	Sanitation
21	Isuzu	KDF 919 MP	2020	Bakkie	Cleansing
22	Isuzu	LCS 332 MP	2024	Bakkie	Water
23	Isuzu	LCS 373 MP	2024	Bakkie	Roads
24	GMC Topkick	BXD 383 MP	1993	Fire Tanker	Fire
25	Hino (SUPER F)	DJG 652 MP	2005	Tipper Truck	Cleansing
26	Toyota	DRN 258 MP	2007	Cherry Picker	Electrical
27	Toyota Hino	DSG 831 MP	2007	Refuse Compactor	Cleansing
28	Toyota	FDH 829 MP	2008	Dropside	Roads
29	Nissan UD350	FFS 373 MP	2009	Fire Tanker	Fire
30	Toyota	FGL 855 MP	2009	Water Tanker	Water
31	Nissan (UD 300)	FHF 746 MP	2008	Refuse Compactor	Cleansing
32	Isuzu HC300	FPN 107 MP	2011	Refuse Compactor	Cleansing
33	Toyota Hino 500	FRZ 463 MP	2011	Fire Tanker	Fire
34	Isuzu	FTG 387 MP	2012	Water Tanker	Water
35	Tata LPK 1518	FVK 207 MP	2012	Tipper Truck	Roads
36	Nissan (UD G300)	HBH 002 MP	2012	Sewer Truck	Sanitation
37	Nissan UD40	HGG 054 MP	2013	Cherry Picker	Electrical
38	MAN	HGZ 703 MP	2012	Fire Tanker	Fire
39	Mercedes Benz	HZK 030 MP	2016	Fire Tanker	Fire
40	Nissan (UD Quester)	JCY 649 MP	2017	Water Tanker	Water
41	Nissan (UD Quester)	JCY 647 MP	2017	Water Tanker	Water
42	Nissan UD	JSZ 654 MP	2018	Refuse Compactor	Cleansing
43	Nissan UD	KGP 047 MP	2020	Combination Truck	Sanitation
44	Nissan UD	LDM 138 MP	2024	Skip Loader Truck	Cleansing
45	Toyota Quantum 2.5D	DVN 844 MP	2010	Minibus	Fleet

46	IVECO	HGX 331 MP	2017	Hazmat	Fire
47	Toyota Fortuner	LGN 954 MP	2025	SUV	MM's Office
48	Toyota Quantum	JWN 082 MP	2019	Minibus	Traffic
49	Toyota Quantum	JWN 086 MP	2019	Minibus	Traffic
50	Ford 6610	BSB 648 MP	1983	Tractor	Parks
51	Ford	BWN 281 MP	1992	Tractor	Roads
52	FIAT	CDH 991 MP	2009	Tractor	Parks
53	John Deere	CDH 990 MP	2009	Tractor	Fleet
54	John Deere 6320	CSL 634 MP	2002	Tractor	Cleansing
55	Massey Ferguson	DDK 516 MP	2005	Tractor	Cleansing
56	Bomag BW212	BRS 199 MP	1981	Roller	Roads
57	JCB LOADER	DLX 041 MP	2006	TLB	Fleet
58	LUGONG CLG422	FDV 712 MP	2010	Grader	Roads
59	Komatsu	JJG 487 MP	2017	Grader	Roads
60	JCB LOADER	KSR 890 MP	2022	TLB	Fleet
61	Isuzu	LFP 353 MP	2024	Bakkie	Fleet
62	Isuzu	LFP 359 MP	2024	Bakkie	Fleet

## PROBLEM STATEMENT

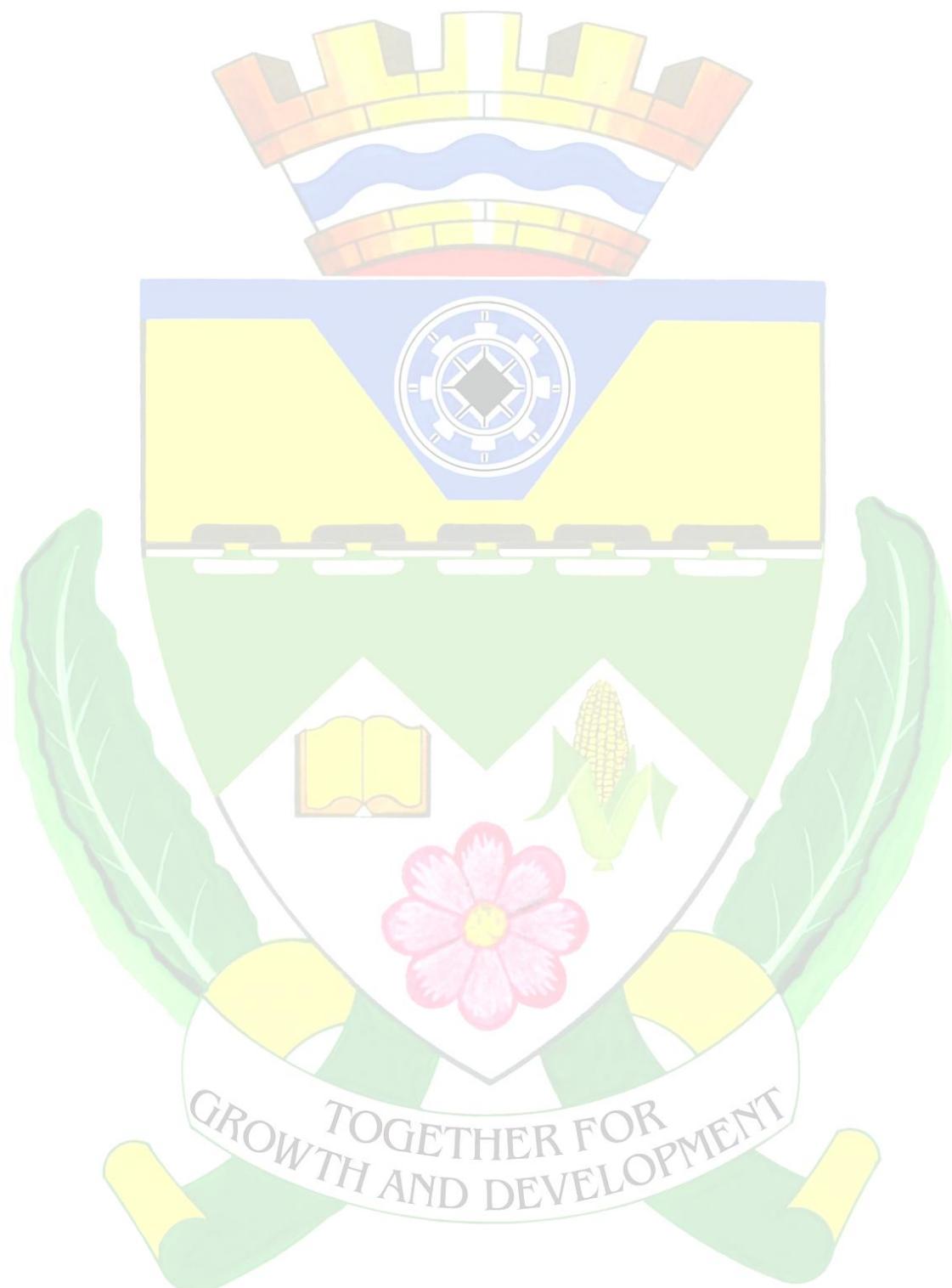
Majority of municipal vehicles are old and experience frequent breakdown and equipment are insufficient and under maintained for delivering municipal services.

## STRATEGIC CHALLENGES

- Frequent breakdown of fleet
- Insufficient funding for repairs and maintenance
- Inadequate availability of fleet and yellow
- Inadequate tools of trade

## STRATEGIC INTERVENTION

- Procure additional fleet
- Source funding
- Appoint all vacant post
- Store sufficient material



**TABLE A**

Municipal KPA - 01	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Ageing and dilapidated Infrastructure</li> <li>2. Insufficient funding for upgrading infrastructure and new development</li> <li>3. Insufficient funding for operation and maintenance of existing infrastructure</li> <li>4. Lack of water security, intermediate water supply and unsustainable boreholes</li> <li>5. High water losses or unaccounted water losses</li> <li>6. Sewer spillages</li> <li>7. Lack of master plans (Water and Electricity)</li> </ol>								
One Plan Transformation Area: DDM									
2024-29 MTDP Priority	Build a capable, ethical and developmental State (WATER PROVISION)								
Municipal Priority	Improved provision of basic services to the residents of VKLM								
Impact statement: Accessible services to communities				MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal					
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme DDM Interventions	ANNUAL TARGETS			
2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs					
Improved provision of basic services to the residents of VKLM	Infrastructure Development and Improving Service Delivery.		Ageing and dilapidated Infrastructure and Insufficient funding for upgrading infrastructure and new development	Improved Infrastructure	Completion of all the MIG funded projects within the agreed time.  Repairing and maintenance of potholes in all wards	100%	100%	100%	100%

Municipal KPA - 01 <b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>									
Problem statement and root causes per KPA:	1. Ageing and dilapidated Infrastructure 2. Insufficient funding for upgrading infrastructure and new development 3. Insufficient funding for operation and maintenance of existing infrastructure 4. Lack of water security, intermediate water supply and unsustainable boreholes 5. High water losses or unaccounted water losses 6. Sewer spillages 7. Lack of master plans (Water and Electricity)								
One Plan Transformation Area: DDM									
2024-29 MTDP Priority	Build a capable, ethical and developmental State (WATER PROVISION)								
Municipal Priority	Improved provision of basic services to the residents of VKLM								
Impact statement: Accessible services to communities				MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal					
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme DDM Interventions	ANNUAL TARGETS			
					Graveling of roads graded				
Improved access to basic services	% increase of households with access to basic services		Lack of water security, intermediate water supply and unsustainable boreholes  High water losses or	100%	Ensuring that all paid applications for new water connections are made.  Ensuring that water quality is compliant with SANS 241	100%	100%	100%	100%



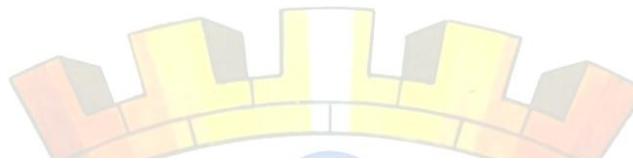
Municipal KPA - 01 <b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
Problem statement and root causes per KPA:	1. Ageing and dilapidated Infrastructure 2. Insufficient funding for upgrading infrastructure and new development 3. Insufficient funding for operation and maintenance of existing infrastructure 4. Lack of water security, intermediate water supply and unsustainable boreholes 5. High water losses or unaccounted water losses 6. Sewer spillages 7. Lack of master plans (Water and Electricity)									
One Plan Transformation Area: DDM										
2024-29 MTDP Priority	Build a capable, ethical and developmental State (WATER PROVISION)									
Municipal Priority	Improved provision of basic services to the residents of VKLM									
Impact statement: Accessible services to communities				MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme DDM Interventions	ANNUAL TARGETS				
			unaccounted water losses  Lack of a Water Master Plan		drinking water quality standards  Development of the Water Services and WSDP Master Plan.	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs



Municipal KPA - 01 <b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>									
Problem statement and root causes per KPA:	1. Ageing and dilapidated Infrastructure 2. Insufficient funding for upgrading infrastructure and new development 3. Insufficient funding for operation and maintenance of existing infrastructure 4. Lack of water security, intermediate water supply and unsustainable boreholes 5. High water losses or unaccounted water losses 6. Sewer spillages 7. Lack of master plans (Water and Electricity)								
One Plan Transformation Area: DDM									
2024-29 MTDP Priority	Build a capable, ethical and developmental State (WATER PROVISION)								
Municipal Priority	Improved provision of basic services to the residents of VKLM								
Impact statement: Accessible services to communities				MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal					
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme DDM Interventions	ANNUAL TARGETS			
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs
			Sewer spillages, lack of water borne,	100%	Ensuring that all paid applications for new sewer connections are made.	100%	100%	100%	100%
			Regular power cuts, poor maintenance, high Eskom	100%	Ensuring that all applications for the electrification of households are made.	100%	100%	100%	100%

Municipal KPA - 01 <b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
Problem statement and root causes per KPA:	1. Ageing and dilapidated Infrastructure 2. Insufficient funding for upgrading infrastructure and new development 3. Insufficient funding for operation and maintenance of existing infrastructure 4. Lack of water security, intermediate water supply and unsustainable boreholes 5. High water losses or unaccounted water losses 6. Sewer spillages 7. Lack of master plans (Water and Electricity)									
One Plan Transformation Area: DDM										
2024-29 MTDP Priority	Build a capable, ethical and developmental State (WATER PROVISION)									
Municipal Priority	Improved provision of basic services to the residents of VKLM									
Impact statement: Accessible services to communities				MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme DDM Interventions	ANNUAL TARGETS				
			debt, illegal connections		Disconnection of all illegal connections. Development of the Electricity Master Plan	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs

<b>Municipal KPA - 01</b> <b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
<b>Problem statement and root causes per KPA:</b>	<ol style="list-style-type: none"> <li>1. Ageing and dilapidated Infrastructure</li> <li>2. Insufficient funding for upgrading infrastructure and new development</li> <li>3. Insufficient funding for operation and maintenance of existing infrastructure</li> <li>4. Lack of water security, intermediate water supply and unsustainable boreholes</li> <li>5. High water losses or unaccounted water losses</li> <li>6. Sewer spillages</li> <li>7. Lack of master plans (Water and Electricity)</li> </ol>									
<b>One Plan Transformation Area: DDM</b>										
<b>2024-29 MTDP Priority</b>	<b>Build a capable, ethical and developmental State (WATER PROVISION)</b>									
<b>Municipal Priority</b>	<b>Improved provision of basic services to the residents of VKLM</b>									
<b>Impact statement: Accessible services to communities</b>				<b>MTDP Target: 100% access to piped water, sanitation, electricity and 75% to weekly waste removal</b>						
<b>Outcome (Strategic Goals)</b>	<b>Outcome indicator (Strategic Objectives)</b>	<b>Baseline</b>	<b>Situational analysis</b>	<b>5 year IDP target</b>	<b>Intervention/ Programme DDM Interventions</b>	<b>ANNUAL TARGETS</b>				
			Illegal dumping which translates to air pollution .	75%	Enhance waste collection  Coordinate public awareness on illegal dumping and air pollution.	<b>2022/23 Outputs</b>	<b>2023/24 Outputs</b>	<b>2024/25 Outputs</b>	<b>2025/26 Outputs</b>	<b>2026/27 Outputs</b>



**TABLE B: INTEGRATED DEVELOPMENT PLAN**

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Improved provision of basic services to the residents of VKLM	Improved sanitation provision through infrastructure	% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications
	Improved water supply through infrastructure	% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
1. Improved service delivery	Improved portable water supply	Percentage of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards.	95% of water samples compliant with SANS 241 drinking water quality standards.	95% of water samples compliant with SANS 241 drinking water quality standards.	95% of water samples compliant with SANS 241 drinking water quality standards.	95% of water samples compliant with SANS 241 drinking water quality standards.	95% of water samples compliant with SANS 241 drinking water quality standards
		Development of the Water Services Master Plan and WSDP	1 Water Services and WSDP developed.	-	-	-	-	Water Services Masterplan and WSDP developed.
	Improved service delivery	Number of Capital projects (infrastructure) completed in terms of agreed WSIG funding	10 Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding
		Number of Capital projects (infrastructure) completed in terms of agreed MIG Funding.	36 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding
	Reduction on littering	Number of community awareness campaigns held in terms of waste management	15 community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	A Clean and healthy living environment	Number of times refuse collection services rendered per week at Ward 1,2,3,4,5,6,7,8 and 9 (GKPI)	260 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9
	Improved lighting infrastructure	% of new households connections with basic levels of electricity as per received (GKPI) (excluding Eskom licenced areas)	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications
	Energy availability	Development of the Electricity Master Plan	1 Electricity Master Plan developed	-	-	-	-	1 Electricity Master Plan developed.
	Improved road network	Number of m <sup>2</sup> of potholes repaired and maintained in all wards	375 m <sup>2</sup> of potholes repaired and maintained in all wards	50m <sup>2</sup> of potholes repaired and maintained in all wards	60m <sup>2</sup> of potholes repaired and maintained in all wards	75m <sup>2</sup> of potholes repaired and maintained in all wards	90m <sup>2</sup> of potholes repaired and maintained in all wards	100m <sup>2</sup> of potholes repaired and maintained in all wards
	Improved road	Number of kilometres of gravel roads graded	1070 km of gravel roads graded	160 km of gravel roads graded	200 km of gravel roads graded	220 km of gravel roads graded	240 km of gravel roads graded	250 km of gravel roads graded

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	and storm-water infrastructure	Number of meters of storm-water drainage systems cleaned	960m of storm-water drainage systems cleaned per quarter.	120M of storm-water drainage systems cleaned.	150M of storm-water drainage systems cleaned.	200M of storm-water drainage systems cleared.	240M of storm-water drainage systems cleaned.	250M of storm-water drainage systems cleaned.
	Efficient response to disaster and emergency services	% availability of emergency response vehicles per quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)
	Efficient response to disaster and emergency services	% response time normal hours (5 min) with respect to the request for emergency services received per month to vehicles out the gate	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours (5 min) with respect to the request for emergency services received

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
		% response time after hours (10 min) with respect to the request for emergency services received per month to vehicles out the gate	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received
		Number of new households earning less than R5400 per month provided with access to free basic services by 30 June 2026 (GKPI)	1900 new households earning less than R5400 per month provided with access to free basic services	200 new households earning less than R5400 per month provided with access to free basic services	250 new households earning less than R5400 per month provided with access to free basic services	400 new households earning less than R5400 per month provided with access to free basic services	500 new households earning less than R5400 per month provided with access to free basic services	550 new households earning less than R5400 per month provided with access to free basic services
		Number of learners provided with financial support (Mayoral community programme)	370 learners provided with financial support (Mayoral community programme)	50 learners provided with financial support (Mayoral community programme)	65 learners provided with financial support (Mayoral community programme)	75 learners provided with financial support (Mayoral community programme)	80 learners provided with financial support (Mayoral community programme)	100 learners provided with financial support (Mayoral community programme)

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	Improved wellbeing of community	Number of events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	30 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children
	Improve lifestyle amongst the youth	Number of educational initiatives implemented in terms of the Youth	30 educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth
		Number of Youth Imbizo held	15 Youth Imbizo held	3 Youth Imbizo held				
		Number of HIV/AID's educational awareness campaigns held	20 HIV/AID's educational awareness campaigns held	4 HIV/AID's educational awareness campaigns held				

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	To promote healthy environment	Number of Compliance inspections conducted to monitor facility performance in terms of Air Quality Act	20 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

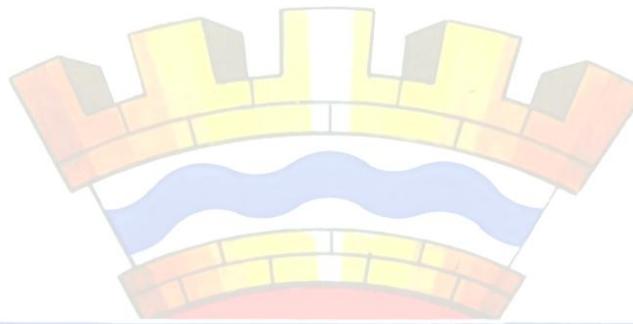
5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% of households sanitation connections made for all new paid-up applications	% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications	100% of households sanitation connections made for all new paid-up applications
100% of households water connections made for all new paid-up applications	% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications	100% of households water connections made for all new paid-up applications

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
95% of water samples compliant with SANS 241 drinking water quality standards.	Percentage of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards	95% of water samples compliant with SANS 241 drinking water quality standards
10 Capital projects (infrastructure) completed in terms of agreed WSIG funding by 30 June 2026	Number of Capital projects (infrastructure) completed in terms of agreed WSIG funding	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding by 30 June 2026	N/A	N/A	N/A	2 Capital projects (infrastructure) completed in terms of agreed WSIG funding by 30 June 2026
36 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	Number of Capital projects (infrastructure) completed in terms of agreed MIG Funding.	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding	N/A	N/A	N/A	6 of Capital projects (infrastructure) completed in terms of agreed MIG Funding
15 community awareness campaigns held in terms of waste management	Number of community awareness campaigns held in terms of waste management	3 community awareness campaigns held in terms of waste management	1 community awareness campaigns held in terms of waste management		1 community awareness campaigns held in terms of waste management	1 community awareness campaigns held in terms of waste management
260 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	Number of times refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9 (GKPI)	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9	52 weekly reports on refuse collection services rendered per week at Ward 1, 2, 3, 4, 5, 6, 7, 8 and 9

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% of new households connections with basic levels of electricity as per received applications	% of new households connections with basic levels of electricity as per received (GKPI) (excluding Eskom licenced areas)	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications	100% of new households connections with basic levels of electricity as per received applications
375 m <sup>2</sup> of potholes repaired and maintained in all wards	Number of m <sup>2</sup> of potholes repaired and maintained in all wards	360m <sup>2</sup> of potholes repaired and maintained in all wards by 30 June 2026	90m <sup>2</sup> of potholes repaired and maintained in all wards	90m <sup>2</sup> of potholes repaired and maintained in all wards	90m <sup>2</sup> of potholes repaired and maintained in all wards	90m <sup>2</sup> of potholes repaired and maintained in all wards
1070 km of gravel roads graded	Number of kilometres of gravel roads graded	240 km of gravel roads graded	60 km of gravel roads graded	60 km of gravel roads graded	60 km of gravel roads graded	60 km of gravel roads graded
960m of storm-water drainage systems cleaned per quarter.	Number of meters of storm-water drainage systems cleaned	240M of storm-water drainage systems cleaned.	60 of storm-water drainage systems cleaned per quarter.	60m of storm-water drainage systems cleaned per quarter.	60m of storm-water drainage systems cleaned per quarter.	60m of storm-water drainage systems cleaned per quarter.
80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	% availability of emergency response vehicles per quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles quarter to comply to the codes of practice (SANS 10090)	80% availability of emergency response vehicles			
80% response time normal hours (5 min) with respect to the request for emergency services received	% response time normal hours (5 min) with respect to the request for emergency services received per month to vehicles out the gate	80% response time normal hours (5 min) with respect to the request for emergency services received	80% response time normal hours	80% response time normal hours	80% response time normal hours	80% response time normal hours emergency services received

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
85% response time after hours (10 min) with respect to the request for emergency services received	% response time after hours (10 min) with respect to the request for emergency services received per month to vehicles out the gate	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received	85% response time after hours (10 min) with respect to the request for emergency services received
1900 new households earning less than R6000 per month provided with access to free basic services	Number of new households earning less than R6000 per month provided with access to free basic services by 30 June 2026 (GKPI)	500 new households earning less than R6000 per month provided with access to free basic services	125 new households earning less than R6000 per month provided with access to free basic services	125 new households earning less than R6000 per month provided with access to free basic services	125 new households earning less than R6000 per month provided with access to free basic services	125 new households earning less than R6000 per month provided with access to free basic services
370 learners provided with financial support (Mayoral community programme)	Number of learners provided with financial support (Mayoral community programme) by 31 March 2026	80 learners provided with financial support (Mayoral community programme)	N/A	N/A	80 learners provided with financial support (Mayoral community programme)	N/A
30 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	Number of events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	6 events scheduled and held in terms of mainstreaming of gender (man and woman & LGBTQI+), disabled, elderly and children	2 events scheduled and held	2 events scheduled and held	N/A	2 events scheduled and held
30 educational initiatives implemented in terms of the Youth	Number of educational initiatives implemented in terms of the Youth	6 educational initiatives implemented in terms of the Youth	1 educational initiative implemented in terms of the Youth	1 educational initiative implemented in terms of the Youth	3 educational initiatives implemented in terms of the Youth	1 educational initiative implemented in terms of the Youth

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
15 Youth Imbizo held	Number of Youth Imbizo held	3 Youth Imbizo held	1 Youth Imbizo held	N/A	1 Youth Imbizo held	1 Youth Imbizo held
20 HIV/AID's educational awareness campaigns held	Number of HIV/AID's educational awareness campaigns held	4 HIV/AID's educational awareness campaigns held	HIV/AID's educational awareness campaigns held	1 HIV/AID's educational awareness campaigns held	1 HIV/AID's educational awareness campaigns held	1 HIV/AID's educational awareness campaigns held
20 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	Number of Compliance inspections conducted to monitor facility performance in terms of Air Quality Act	4 compliance inspections conducted to monitor facility performance in terms of Air Quality Act	1 compliance inspections conducted	1 compliance inspections conducted	1 compliance inspections conducted	1 compliance inspections conducted

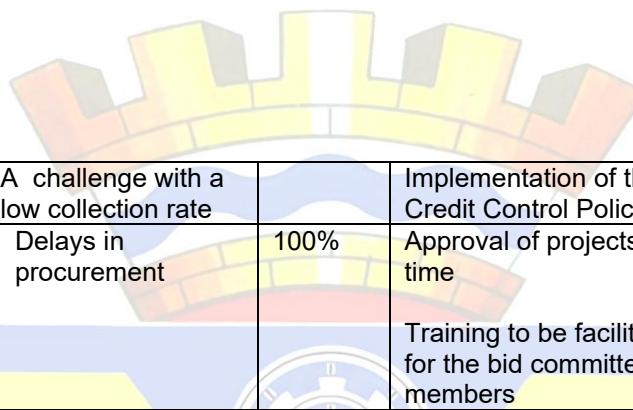


### 3.7.2. KPA 02: FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

TABLE A:

TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 02 FINANCIAL VIABILITY AND MANAGEMENT										
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Non-payment of Creditors within 30 days</li> <li>2. Low Collection Rate</li> <li>3. Increase on UIFW</li> <li>4. Unfunded Budget</li> </ol>									
One Plan Transformation Area	Governance and Administration									
2019-24 MTDP Priority	Build a capable, ethical and developmental State									
Municipal Priority	Improved compliance to MFMA and VKLM policy Framework									
Impact statement:										
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
Improved financial status.	Having a Funded Budget	Unfunded Budget	The Municipality has an unfunded budget	100%	Implementation of a Budget Funding Plan.	100%	100%	100%	100%	100%



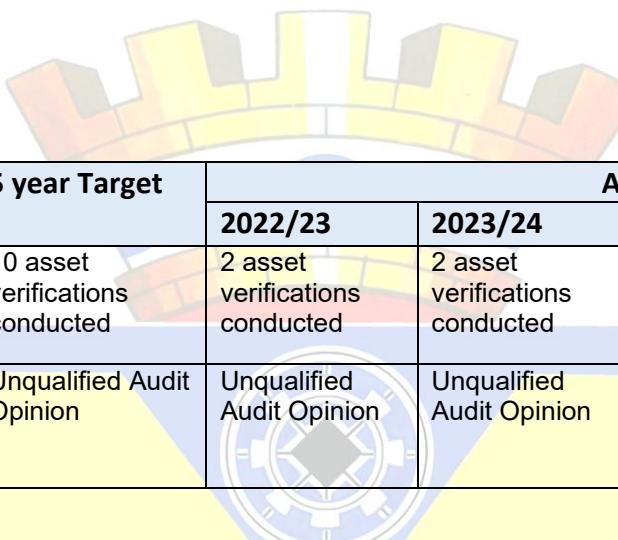
			A challenge with a low collection rate		Implementation of the Credit Control Policy						
Improved conditional grant spending	% of conditional grant spending	80%	Delays in procurement	100%	Approval of projects on time Training to be facilitated for the bid committee members	100%	100%	100%	100%	100%	100%

**TABLE B: INTEGRATED DEVELOPMENT PLAN**

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION					
				2022/23	2023/24	2024/25	2025/26	2026/27	
Improved compliance to MFMA and VKLM policy Framework	Ensuring that the budget is utilised efficiently and improving budget control.	Approval of MTREF Budget	5 Approved MTREF Budgets	1 Approval of MTREF Budget					
		% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget	95% spent of the total operational Budget
		% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget
		% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels
		Implementation of credit control and debt collection policy	100% Implementation of credit control	100% Implementation of credit control and debt	100% Implementation of credit control	100% Implementation of credit control	100% Implementation of credit control and	100% Implementation of credit control and	100% Implementation of credit control and



Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
			and debt collection policy	collection policy	and debt collection policy	and debt collection policy	debt collection policy	debt collection policy
		Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan
Improved compliance to MFMA and VKLM policy Framework	Achieve acceptable collection level of all amounts billed and increase revenue.	% of amounts of households billed collected per quarter	75% amounts of households billed collected					
		% of amounts of businesses billed collected per quarter	85% amounts of businesses billed collected					
	Compliance to legislation	Unaudited Annual Financial Statements (AFS) submitted	5 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA
	Compliance to MFMA Section 65	% of approved (compliant) invoices paid within 30 days	100% approved (compliant) invoices paid					
	Compliance to SCM regulations	Number of days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000
	Improved conditional grant spending	Percentage of conditional grants spent	100% of conditional grants spent	100% of conditional grants spent	100% of conditional grants spent	100% of conditional grants spent	100% of conditional grants spent	100% of conditional grants spent



Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Improve asset management controls	Updated assets register	Number of asset verifications conducted	10 asset verifications conducted	2 asset verifications conducted				
Good Governance	Improved Audit outcome	Obtain an improved audit opinion from the annual audit outcome from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5 Approved MTREF Budgets	Approval of MTREF Budget	1 Approval of MTREF Budget	N/A	N/A	N/A	1 Approval of MTREF Budget
95% spent of the total operational Budget	% spent of the total operational Budget	95% spent of the total operational Budget	25% spent of the total operational Budget	50% spent of the total operational Budget	75% spent of the total operational Budget	95% spent of the total operational Budget
<34% spent on employee costs in terms of the total operational Budget	% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget	<34% spent on employee costs in terms of the total operational Budget
0% of employees exceeding legislated overtime levels	% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels	0% of employees exceeding legislated overtime levels
100% Implementation of credit control and debt collection policy	Implementation of credit control and debt collection policy	100% Implementation of credit control and debt collection policy	100% Implementation of credit control and debt collection policy	100% Implementation of credit control and debt collection policy	100% Implementation of credit control and debt collection policy	100% Implementation of credit control and debt collection policy

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% Implementation of the budget funding plan	Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan	100% Implementation of the budget funding plan
75% amounts of households billed collected	% of amounts of households billed collected per quarter	75% amounts of households billed collected	75% amounts of households billed collected	75% amounts of households billed collected	75% amounts of households billed collected	75% amounts of households billed collected
85% amounts of businesses billed collected	% of amounts of businesses billed collected per quarter	85% amounts of businesses billed collected	85% amounts of businesses billed collected	85% amounts of businesses billed collected	85% amounts of businesses billed collected	85% amounts of businesses billed collected
5 Unaudited Annual Financial Statements (AFS) submitted to AGSA	Unaudited Annual Financial Statements (AFS) submitted	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	1 Unaudited Annual Financial Statements (AFS) submitted to AGSA	N/A	N/A	N/A
100% approved (compliant) invoices paid	% of approved (compliant) invoices paid within 30 days	100% approved (compliant) invoices paid	100% approved (compliant) invoices paid	100% approved (compliant) invoices paid	100% approved (compliant) invoices paid	100% approved (compliant) invoices paid
<90 days taken to conclude and award tenders above R300 000	Number of days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000	<90 days taken to conclude and award tenders above R300 000
100% spent on conditional MIG grant	% spent on conditional MIG grant	100% spent on conditional MIG grant	25% spent on conditional MIG grant	50% spent on conditional MIG grant	75% spent on conditional MIG grant	100% spent on conditional MIG grant
100% spent on conditional WSIG grant	% spent on conditional WSIG grant	100% spent on conditional WSIG grant	25% spent on conditional WSIG grant	50% spent on conditional WSIG grant	75% spent on conditional WSIG grant	100% spent on conditional WSIG grant
100% spent on conditional FMG grant	% spent on conditional FMG grant per quarter	100% spent on conditional FMG grant	25% spent on conditional FMG grant	50% spent on conditional FMG grant	75% spent on conditional FMG grant	100% spent on conditional FMG grant
10 asset verifications conducted	Number of asset verifications conducted	2 asset verifications conducted	1 Asset verification report submitted to Council	N/A	1 Asset verification report submitted to Council	N/A



5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Unqualified Audit Opinion	Obtain an improved audit opinion from the annual audit outcome from AGSA	Unqualified Audit Opinion	N/A	Unqualified Opinion	N/A	N/A



### 3.7.3. KPA 03: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

**Table 46:** Municipal Transformation and Organizational Development Strategies

## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 03 INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Problem statement and root causes per KPA:	1. Performance Management not cascaded to all employees, 2. Unstable ICT networking and programs, 3. Need to capacitate employees to improve performance, 4. Risk attached to municipal offices and employee health and safety, 5. Non-sitting of the Occupational Health and Safety Committee, 6. Outdated documentation that must be digitalized, 7. Non-sitting of the Occupational Health and Safety Committee.									
One Plan Transformation Area										
2019-24 MTDP Priority	<b>Implement reforms to the local government system to improve governance, institutional structures and fit-for-purpose funding models to achieve financial sustainability.</b>									
Municipal Priority	<b>Improved efficiency and effectiveness of the Municipal Administration</b>									
Impact statement:				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
Improved efficiency and effectiveness of the Municipal Administration	Improved service delivery and performance management	80%	Organisational targets (SDBIP) not being fully achieved.	100% Achievement of Targets	100% of KPIs attaining organisational targets  Conducting performance assessments for Snr Management	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs

## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 03 INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Problem statement and root causes per KPA:	1. Performance Management not cascaded to all employees, 2. Unstable ICT networking and programs, 3. Need to capacitate employees to improve performance, 4. Risk attached to municipal offices and employee health and safety, 5. Non-sitting of the Occupational Health and Safety Committee, 6. Outdated documentation that must be digitalized, 7. Non-sitting of the Occupational Health and Safety Committee.									
	One Plan Transformation Area									
2019-24 MTDP Priority	Implement reforms to the local government system to improve governance, institutional structures and fit-for-purpose funding models to achieve financial sustainability.									
Municipal Priority	Improved efficiency and effectiveness of the Municipal Administration									
Impact statement:				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
	50%	Performance Management not cascaded to all employees	100%	All levels 1-3 officials with signed performance agreements	100%	100%	100%	100%	100%	100%
	Workplace development	-	Need to upskill and capacitate employees to improve institutional performance	325 employees trained	Implement the Workplace Skills Plan by training employees	55	60	65	70	75

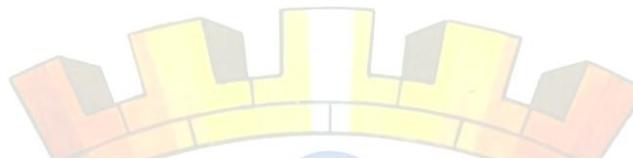
## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 03 INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Problem statement and root causes per KPA:	1. Performance Management not cascaded to all employees, 2. Unstable ICT networking and programs, 3. Need to capacitate employees to improve performance, 4. Risk attached to municipal offices and employee health and safety, 5. None-sitting of the Occupational Health and Safety Committee, 6. Outdated documentation that must be digitalized, 7. Non-sitting of the Occupational Health and Safety Committee.									
One Plan Transformation Area										
2019-24 MTDP Priority	Implement reforms to the local government system to improve governance, institutional structures and fit-for-purpose funding models to achieve financial sustainability.									
Municipal Priority	Improved efficiency and effectiveness of the Municipal Administration									
Impact statement:				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
	Smooth running of the Municipality's ICT networking and programs	-	Unstable ICT networking and programs	Installed Microsoft 365 programme	Installation of the Microsoft 365 programme	-	-	-	-	Installation of the Microsoft 365 programme for all employee
Improved efficiency and effectiveness of the Municipal Administration	Enhancing a safe workplace for employees	70%	Risk attached to municipal offices and employee health and safety  The none-sitting of the Occupational	100%	Conduct monthly workplace inspections  Facilitate the sitting of the	100%	100%	100%	100%	100%



## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 03 INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Problem statement and root causes per KPA:	1. Performance Management not cascaded to all employees, 2. Unstable ICT networking and programs, 3. Need to capacitate employees to improve performance, 4. Risk attached to municipal offices and employee health and safety, 5. Non-sitting of the Occupational Health and Safety Committee, 6. Outdated documentation that must be digitalized, 7. Non-sitting of the Occupational Health and Safety Committee.									
One Plan Transformation Area										
2019-24 MTDP Priority	Implement reforms to the local government system to improve governance, institutional structures and fit-for-purpose funding models to achieve financial sustainability.									
Municipal Priority	Improved efficiency and effectiveness of the Municipal Administration									
Impact statement:	MTDP Target:									
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
			Health and Safety Committee		Occupational Health and Safety Committee and produce reports	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
	Preservation of municipal records and Digitization of Physical Records	0	Outdated documentation at records that must be digitalized	800 paper based records digitized	Preservation of municipal records and Digitization of Physical Records	-	-	-	400 paper based records digitized	400 paper based records digitized



**TABLE B: INTEGRATED DEVELOPMENT PLAN**

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Improved efficiency and effectiveness of the Municipal Administration	Improve performance management	% of KPIs attaining organisational targets	100% KPIs attaining organisational targets	100% KPIs attaining organisational targets	100% KPIs attaining organisational targets	100% KPIs attaining organisational targets	100% KPIs attaining organisational targets	100% KPIs attaining organisational targets
		Mid-year and Annual Performance Reviews of Section 56 & 54A employees conducted	10 Performance Assessments conducted	2 Performance Reviews of Section 56 & 54A employees conducted	2 Performance Reviews of Section 56 & 54A employees conducted	2 Performance Reviews of Section 56 & 54A employees conducted	2 Performance Reviews of Section 56 & 54A employees conducted	2 Performance Reviews of Section 56 & 54A employees conducted
		100% of 1-3 officials with signed performance agreements	All levels 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements
	Workplace Development	Number of employees trained per quarter in line with the approved 2025/26 WSP	325 employees trained in line with the approved WSP	55 employees trained in line with the approved WSP	60 employees trained in line with the approved WSP	65 employees trained in line with the approved WSP	70 employees trained in line with the approved WSP	75 employees trained in line with the approved WSP

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Strategic Outcome 1: The Municipality's Information and Communication Technology (ICT) is effectively managed and utilized to support the delivery of services.	Smooth running of the Municipality's ICT networking and programs	Microsoft 365 programme installed and implemented	1 Microsoft 365 programme installed and implemented	-	-	-	Microsoft 365 programme installed and implemented	-
	Safe employees in a workplace	Number of monthly workplace inspections conducted and submitted to the MM	60 workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM
	Number of quarterly SHE-related reports submitted to the MM	20 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM	4 SHE related reports submitted to the MM
	Number of Occupational Health and Safety Committee meeting conducted	20 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted	4 Occupational Health and Safety Committee meeting conducted

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	Preservation of municipal records and Digitization of Physical Records	Number of paper-based records digitized and indexed into EDMS per quarter.	800 paper based records digitized	-	-	-	400 paper based records digitized	400 paper based records digitized

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% KPIs attaining organisational targets	% of KPIs attaining organisational targets by 30 June 2026 (Total organisation)	100% KPIs attaining organisational targets	75% KPIs attaining organisational targets	85% KPIs attaining organisational targets	90% KPIs attaining organisational targets	100% KPIs attaining organisational targets
10 Performance Assessments conducted for Section 56 & 54A employees.	2025/26 Mid-year and 2024/25 Annual Performance Reviews of Section 56 & 54A employees conducted by the 31st of March 2026	2025/26 Mid-year and 2024/25 Annual Performance Reviews of Section 56 & 54A employees conducted by the 31st of March 2026	N/A	N/A	2025/26 Mid-year and 2024/25 Annual Performance Reviews of Section 56 & 54A employees conducted by the 31st of March 2026	N/A
	% of levels 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	100% of 1-3 officials with signed performance agreements	N/A	N/A	N/A

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Number of employees trained per quarter in line with the approved 2025/26 WSP	68 employees trained per quarter in line with the approved 2025/26 WSP	22 employees trained in line with the approved 2025/26 WSP	21 employees trained per quarter in line with the approved 2025/26 WSP	10 employees trained per quarter in line with the approved 2025/26 WSP	15 employees trained per quarter in line with the approved 2025/26 WSP
Microsoft 365 programme installed and implemented	Microsoft 365 programme installed and implemented	Microsoft 365 programme installed and implemented by 31 May 2025.	N/A	N/A	N/A	Microsoft 365 programme installed and implemented
60 workplace inspections conducted and submitted to the MM	Number of monthly workplace inspections conducted and submitted to the MM	12 workplace inspections conducted and submitted to the MM	3 workplace inspections conducted and submitted to the MM	3 workplace inspections conducted and submitted to the MM	3 workplace inspections conducted and submitted to the MM	3 workplace inspections conducted and submitted to the MM
20 SHE related reports submitted to the MM	Number of quarterly SHE-related reports submitted to the MM	4 SHE related reports submitted to the MM	1 SHE related reports submitted to the MM	1 SHE related reports submitted to the MM	1 SHE related reports submitted to the MM	1 SHE related reports submitted to the MM
20 Occupational Health and Safety Committee conducted	Number of Occupational Health and Safety Committee conducted	4 Occupational Health and Safety Committee meeting conducted	1 Occupational Health and Safety Committee meeting conducted	1 Occupational Health and Safety Committee meeting conducted	1 Occupational Health and Safety Committee meeting conducted	1 Occupational Health and Safety Committee meeting conducted
	Number of paper-based records digitized and indexed into EDMS	400 paper based records digitized	100 paper based records digitized	100 paper based records digitized	100 paper based records digitized	100 paper based records digitized

### 3.7.4. KPA 04: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

**TABLE A: INTEGRATED DEVELOPMENT PLAN**

Municipal KPA - 04 <b>Good Governance and Public Participation</b>										
Problem statement and root causes per KPA:	1. Repeat same errors raised by Auditor General Findings, 2. Need for effective risk management, 3. Lack of full implementation of Council & MPAC resolutions, 4. Outdated youth development strategy, customer management.									
One Plan Transformation Area										
2019-24 MTDP Priority	Continue to implement and optimise public employment programmes (including the Presidential Employment Stimulus, the National Youth Service, Expanded Public Works) and prioritise work experience for young people									
Municipal Priority	Improved compliance to MFMA and VKLM policy Framework									
Impact statement:				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
Improve community confidence in the system of local government	An improved audit outcome.	5 Qualified AG's Outcomes	Repeat Auditor General Findings	Unqualified	Development and full Implementation of the Audit Action Plan.  Action Plan tabled to Council for monitoring  Resolve Internal Audit Findings to avoid repeat findings	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 04 Good Governance and Public Participation										
Problem statement and root causes per KPA:	1. Repeat same errors raised by Auditor General Findings, 2. Need for effective risk management, 3. Lack of full implementation of Council & MPAC resolutions, 4. Outdated youth development strategy, customer management.									
One Plan Transformation Area										
2019-24 MTDP Priority	Continue to implement and optimise public employment programmes (including the Presidential Employment Stimulus, the National Youth Service, Expanded Public Works) and prioritise work experience for young people									
Municipal Priority	Improved compliance to MFMA and VKLM policy Framework									
Impact statement:	MTDP Target:									
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
	Effective risk management	85%	Need for effective risk management and risk mitigation strategies	100% risk mitigation	Development and execution of the Risk Management Plan in line with detailed time schedule for the total organisation.	100%	100%	100%	100%	100%
	Implementation of resolutions	60%	Implementation of resolutions taken at Council and MPAC structures	100% Implementation of resolutions	100% of Council and MPAC meetings resolutions resolved	100%	100%	100%	100%	100%

## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA - 04 <b>Good Governance and Public Participation</b>									
Problem statement and root causes per KPA:	1. Repeat same errors raised by Auditor General Findings, 2. Need for effective risk management, 3. Lack of full implementation of Council & MPAC resolutions, 4. Outdated youth development strategy, customer management.								
One Plan Transformation Area									
2019-24 MTDP Priority	Continue to implement and optimise public employment programmes (including the Presidential Employment Stimulus, the National Youth Service, Expanded Public Works) and prioritise work experience for young people								
Municipal Priority	Improved compliance to MFMA and VKLM policy Framework								
Impact statement:	MTDP Target:								
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5-year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION			
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs
	Ensure the empowerment of youth	0	Outdated Youth Development Strategy	Approved Youth Development Strategy	Review and Adoption of the Youth Development Strategy	-	-	-	1 Youth Development Strategy developed.
	Improved service delivery and customer confidence		Turnaround time in addressing customer complaints and customer management	100%	Customer Complaint reports to be submitted to Council structures Conduct Customer satisfaction survey	1 Customer Satisfaction Survey			



## TABLE B: INTEGRATED DEVELOPMENT PLAN

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Improve community confidence in the system of local government	Improve the Audit Status of the Municipality	Action Plan on issues raised by the Auditor General compiled and tabled to Council by 31 January 2026	5 Action Plan on issues raised by the Auditor General compiled and tabled to Council	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council
		Review Risk Based Internal Audit Plan and submit to Audit Committee by 31 July 2025	5 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total Organization)	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan
	Improved service delivery and Customer Relationship Management	Number of quarterly Customer Complaint reports submitted to Council (inclusive of Presidential Hotline)	20 Customer Complaint reports submitted to Council	4 Customer Complaint reports submitted to Council	4 Customer Complaint reports submitted to Council	4 Customer Complaint reports submitted to Council	4 Customer Complaint reports submitted to Council	4 Customer Complaint reports submitted to Council
		Number of Customer satisfaction survey conducted	5 Customer satisfaction survey conducted	1 Customer satisfaction survey conducted				
	Improving the implementation of resolutions taken by	% of Council meetings resolutions resolved per quarter (Total organisation)	100% Council meetings resolutions resolved					

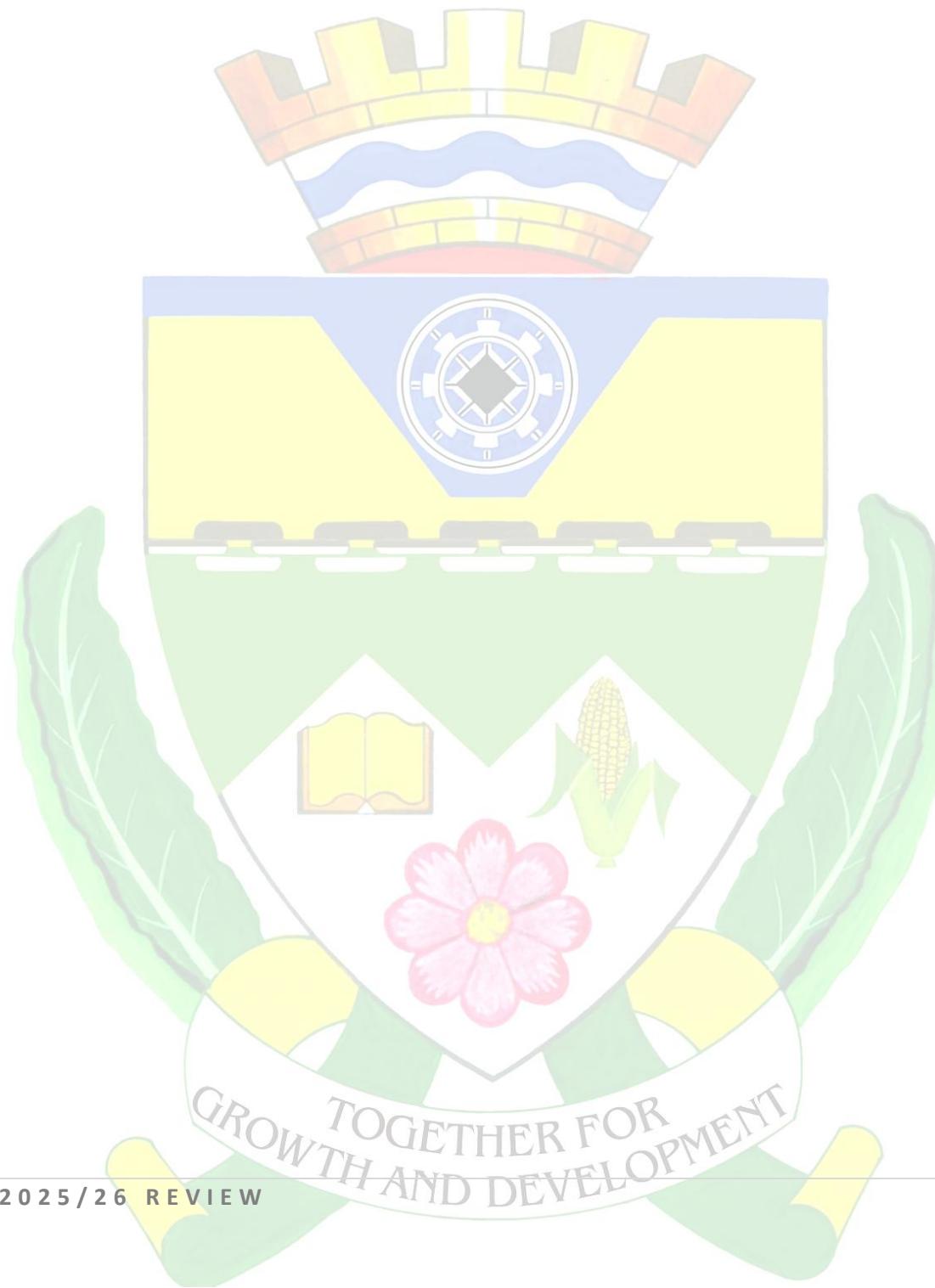


Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	Council structures	% of total MPAC resolutions raised and resolved per quarter	80% MPAC resolutions raised and resolved					
	Effective risk management	% execution per quarter of Risk Management Plan in line with detailed time schedule (total organisation)	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule
	Improving service delivery by implementing Lekgotla resolutions.	Strategic Planning Lekgotla report Submitted to Council	5 Strategic Planning Lekgotla reports Submitted to Council	1 Strategic Planning Lekgotla report Submitted to Council	1 Strategic Planning Lekgotla report Submitted to Council	1 Strategic Planning Lekgotla report Submitted to Council	1 Strategic Planning Lekgotla report Submitted to Council	1 Strategic Planning Lekgotla report Submitted to Council

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5 Action Plans on issues raised by the Auditor General compiled and tabled to Council	Action Plan on issues raised by the Auditor General compiled and tabled to Council by 31 January 2026	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	N/A	N/A	1 Action Plan on issues raised by the Auditor General compiled and tabled to Council	N/A
5 Review Risk Based Internal Audit Plans and submit to Audit Committee	Review Risk Based Internal Audit Plan and submit to Audit Committee by 31 July 2025	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	1 Review Risk Based Internal Audit Plan and submit to Audit Committee	N/A	N/A	N/A

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% Internal Audit Findings resolved as per the Audit Plan	% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total Organization)	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan	100% Internal Audit Findings resolved as per the Audit Plan
20 Customer Complaint reports submitted to Council	Number of quarterly Customer Complaint reports submitted to Council (inclusive of Presidential Hotline)	4 Customer Complaint reports submitted to Council	1 Customer Complaint reports submitted to Council	1 Customer Complaint reports submitted to Council	1 Customer Complaint reports submitted to Council	1 Customer Complaint reports submitted to Council
5 Customer satisfaction survey conducted	Number of Customer satisfaction survey conducted by 30 June 2026	1 Customer satisfaction survey conducted	N/A	N/A	N/A	1 Customer satisfaction survey conducted
5 Strategic Planning Lekgotla report Submitted to Council	Strategic Planning Lekgotla report Submitted to Council by 31 March 2026	1 Strategic Planning Lekgotla report Submitted to Council by 31 March 2026	N/A	N/A	1 Strategic Planning Lekgotla report Submitted to Council by 31 March 2026	N/A
100% Council meetings resolutions resolved	% of Council meetings resolutions resolved per quarter (Total organisation)	100% Council meetings resolutions resolved	100% Council meetings resolutions resolved	100% Council meetings resolutions resolved	100% Council meetings resolutions resolved	100% Council meetings resolutions resolved
80% MPAC resolutions raised and resolved	% of total MPAC resolutions raised and resolved per quarter	80% MPAC resolutions raised and resolved	80% MPAC resolutions raised and resolved	80% MPAC resolutions raised and resolved	80% MPAC resolutions raised and resolved	80% MPAC resolutions raised and resolved
85% execution of Risk Management Plan in line with detailed time schedule	% execution per quarter of Risk Management Plan in line with detailed time schedule (total organisation)	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule	85% execution of Risk Management Plan in line with detailed time schedule



### 3.7.5. KPA 5: SPATIAL RATIONALE

#### 3.7.5.1. Spatial Rationale Vision

The following is a summary of spatially related issues noted in the Victor Khanye IDP:

- Health risks and leaking of asbestos roofing, cracking houses, due to activities of the adjacent mines; and unauthorized occupation of RDP houses;
- Late registration of ID and birth certificates, slow pace of registration of orphans and access to grants, disabled people without IDs, lack of support for child-headed households, a dysfunctional local Home Affairs branch;
- Increasing demand for healthcare services, poor state of the local hospital, poor treatment of patients by emergency healthcare workers;
- Drugs and substance abuse, high crime rate and lack of visible policing in farm areas;
- High levels of unemployment, local people are not prioritized when employment opportunities arise, ensuring control of the Kusile Project by the local community, shorter working hours of the local Department of Labour;
- Inefficient and ineffective scholar transport particularly in farm areas, need for more schools, overcrowding in some cases, needed bridge to local school and inaccessibility of tertiary institutions;
- Existence of areas without access to clean water, water supply interruptions and lack of appropriate sanitation facilities;
- Areas without electricity and street lights;
- Bad conditions of local roads and a lack of stormwater in some areas;
- Inaccessibility of training opportunities for youth and lack of representation of youth in ward committees;
- Need for sports facilities; and
- Lack of basic service provision in farm areas and process of transferring land to communities is slow.

### 3.7.5.2. Spatial Objectives

The following are the main Spatial Development Objectives of the Victor Khanye Local Municipality which are supplementary to the achievement of the municipal vision:

- **Brand Victor Khanye as a gateway to Mpumalanga.**
- **Optimally use the economic development potential associated with the N12 Corridor:** This is in the vicinity of the R42 interchange (in line with Nkangala District Spatial Development Framework directives).
- **Provide land for housing** (in line with Breaking Ground principles): For the different socio-economic groups in appropriate locations.
- **Provide sufficient social facilities and services:** For all urban complexes in Victor Khanye, as well as the rural areas.
- **Promote the development of Thusong Centres/ Multi-Purpose Community Centres** in Victor Khanye area (in line with the Nkangala District Municipality SDF directives).
- **Enhance the tourism potential of the Victor Khanye area:** This should achieve a sustainable equilibrium between the land demands of the mining industry, agriculture, conservation and tourism.
- **Promote the establishment of agro-processing industries:** These are associated with agricultural activities in the municipal area as provided for in the Nkangala District SDF.

### 3.7.5.3. Long-term capital projects

- **Branding and development of the Delmas Tourism Precinct and associated**
- **Cultural Historic Sites.** VKLM/Mpumalanga Tourism
- **Develop the Rural Nodes:** This is at Waikraal and Brakfontein by VKLM/Dept. of Agriculture
- **Nkangala International Airport.** This is an anchor project that will be partnered between VKLM/NDM and Mpumalanga Province.
- **Establish and develop Township:** This is on all Strategic Development Areas earmarked for development. VKLM/NDM
- **Upgrade Waste Water Treatment Works** in Delmas. VKLM R60 million
- **Upgrade water, waste and electricity infrastructure in Botleng.** VKLM

- **Expand bulk water infrastructure in Delmas and Botleng:** This is to augment/replace underground water supply. VKLM
- **Road Access Management Plans along all the major activity routes:** This is in order to maintain the required mobility levels and provide sufficient access to surrounding land uses. VKLM/Mpumalanga Roads
- **Marketing campaign (and incentive programme) for municipal area:** This will highlight development opportunities, with specific focus on Agri-processing industries. VKLM In-house
- **Branding of the N12 Development Corridor.** VKLM In-house
- **Proper environmental management guidelines:** This is to conserve the natural assets of the municipal area (to promote tourism) and to prevent pollution, sinkhole formation etc. VKLM In-house
- **Establish the School of Excellence:** - Develop a new civic centre with new municipal buildings - Prepare a business plan and design concept - Market the concept to the private sector - Compile design concepts - Costing and implementation VKLM/Dept. of Education
- **Develop a Multi-Purpose Delivery Centre** - Draft a business plan, design concept, draft a services delivery plan with development controls, with costing and funding and implementation VKLM In-house
- **Prepare Precinct Plan for the following areas:** - Delmas - Eloff - Sundra, Sundale, Springs and Rietkol Agricultural Holdings - Botleng VKLM/NDM R200 000/area
- **Enter into negotiations with Mpumalanga Roads:** regarding southern bypass route VKLM/Mpumalanga Roads TBD
- **Identify and assess government- and parastatal-owned land:** VKLM/ National, Provincial and Local government, parastatals
- **Assess and finalize land claims within VKLM**

#### **3.7.5.4. Key Elements for Victor Khanye Local Municipality – SDF**

The spatial vision for the Victor Khanye Municipality evolves around the following key elements:

- To promote Delmas as a western gateway city;
- To promote and enhance especially the agricultural and energy sectors in the municipal area, leveraging opportunities such as proximity to Johannesburg and the proposed international airport near Delmas;
- To protect and promote the environment in a sustainable way;
- Reduce housing and infrastructure backlogs

#### **3.7.5.5. Land Use Management**

A new Land Use Scheme (Town Planning Scheme) for the VKLM was compiled and submitted IN 2014. The Scheme consists of three basic components:

- 1) Scheme Clauses and Schedules, detailing the working of the Scheme;
- 2) Development, regulations and administrative procedures;
- 3) Scheme maps, attaching a zone to each property in the Municipality; and A Register and Record of certain applications, containing the land use rights to all properties.

Essentially, the LUS covers the entire municipal area and is used to perform the following functions:

- To give effect to the Municipal SDF by translating the SDF on a local, detailed level to assist decision making and the interpretation of the SDF;
- To develop and guide the implementation of large-scale public sector projects and investments;
- To regulate the form and nature of development in a locality;
- To allocate and reserve land for municipal, public and social purposes,
- To provide a basis for performance management;
- To provide a basis for the forming of public-private partnerships;
- To function as a business plan in support of applications for funding and assistance.

### 3.7.5.6. Spatial Development Framework

Victor Khanye Local Municipality is located in the Nkangala District in Mpumalanga. It covers a geographic area of approximately 1 567 square kilometres. The Victor Khanye Local Municipality is well connected to both Gauteng and Mpumalanga. Regional access is provided via the N12, R555, R50 and R42. (CRDP) initiative spearheaded by the Department of Rural Development and Land Reform.

The SDF also creates a spatially based policy framework where change, needs and growth in the Victor Khanye Local Municipality is managed positively in a coordinated manner to the benefit of all stakeholders. It focuses on effective, optimised land usage within the broader context of protecting the existing values of the Victor Khanye Local Municipality environs, i.e. as a tourism destination and a rich historical and cultural area. The Spatial Development Framework also protects the functioning of the current environmental ecosystems, ensures that future developments take full cognisance of these factors, and incorporates them in the strategies developed.

The Spatial Development Framework also protects the functioning of the current environmental ecosystems, ensures that future developments take full cognisance of these factors, and incorporates them in the strategies developed. In essence, Delmas, Bottleng and Delpark are the main formal urban with the latter two predominantly residential areas and Delmas incorporating a residential area, central business district and industrial area.

To the west of Delmas are agricultural holding areas with the remainder of the municipal area characterised by commercial agriculture, mining, and associated small settlements. There are a number of other major projects and initiatives in the pipeline as per the approved Spatial Development Framework 5, some of which are in the process of implementation and others that, when implemented, will accelerate economic growth and contribute to the projected GDP target being achieved. Some of these projects already in the process of incubation include:

Others areas for consideration include the east of Bottleng and to the south of the Old Witbank Road including the Union Forest Plantation Agricultural Holdings. Also included are the north of Delmas Extension 4, to the southern portion of the Remainder of the farm Leeupoort and the portion 6 of the farm Middelburg (Bottleng Extensions 5, 6 etc.). In the medium to long-term pressure for residential expansion could also expand into the Leeupoort area and immediately to the north of the agricultural holdings to the west or route R42.

The area between Bottleng Proper and Bottleng Extensions 4 and 5, which is geologically unsuitable for residential development (dolomite), can be utilised for the future mixed low

intensity uses such as sports and recreation or urban/farmer training and/or individual industrial development on geologically stable pockets of land.

The land earmarked for residential purposes should be sufficient to deal with estimated housing backlog, which is currently estimated at 4,257 units 6. In the Eloff area and surrounds, the core residential component is located to the north and south of the railway line. The agricultural holdings areas will be used for rural residential purposes with a condition that the subdivision of holdings are restricted to a minimum size of 7,500m<sup>2</sup> with the necessary excision application, as per the approved Council policy.

Socio-economic activities must be accommodated as linear business developments adjacent to the R555 and the railway line as well as in the nodes within the residential area in the western parts of the Eloff Township, parallel to the Provincial Road, which bisects the town from north to south. Business rights will also be allowed and industrial uses must be concentrated and clustered together to the south of the railway.

A multi- purpose centre is proposed on the western boundary of Eloff Township close to the existing Shopping Centre. It should be noted that limited bulk services are available in this area and detailed studies pertaining to availability of the requisite bulk infrastructure need to be evaluated and submitted before any township establishment applications can be considered. The Sundra, Springs and Rietkol Agricultural Holdings are regarded as rural residential areas with limited small scale farming operations.

Throughout the area, numerous illegal land uses are also present. To alleviate this problem, Council has adopted a policy allowing certain economic activities within the area to cluster the economic activities and alleviate the pressure on maintenance of roads, etc. Certain areas have been identified as economic node points, namely the properties in the Rietkol Agricultural holdings fronting on to the N12 freeway and/or the areas - 37 - immediately to the south of and north thereof. It is important to manage land use change in the area due to a lack of bulk infrastructure services, which could result in excessive pollution.

It is also necessary to protect the rights of landowners in the area that use the area mainly for rural residential purposes and/or agricultural purposes. For the same reason, Council should not allow any further subdivision of agricultural land and larger farm portions, subdivided into agricultural holdings in the area.

### **3.7.5.7. Upgrading Plan of Informal Settlements**

The municipality embarked on feasibility study to identify all informal settlements within Victor Khanye local municipality. As a first step to this process, the project team will host an

information sharing/gathering meeting with the relevant stakeholders of each of the 12 informal settlements to discuss the scope of work to be conducted, and to confirm the existing state of planning and/or historic agreements already reached between the municipality and local community in each of these settlements. This is an important step towards establishing a working relationship with the stakeholders and ensuring that the project team builds on what already exists and do not reinvent the wheel.

Once the status quo is confirmed, the project team will conduct a technical analysis of the study area based on information gaps identified from existing plans, policies etc. informal settlements. The major development opportunities and constraints to be addressed as part of the Upgrading Plan will also be highlighted.

This information will be presented to the community representatives in a simplified manner (nontechnical) in such a way that they understand their current development situation. Through the consultative process, communities will then be guided to participate in the formulation of alternative options for future development and to express their own choices for future development. Based on these inputs, the project team will then formulate the Upgrading Plan for each of the 12 informal settlements.

In line with the study brief, it will comprise a proposed upgrading approach as agreed with the community, a layout plan and urban design framework for the specific area which incorporates the ideas and preferences (e.g. type of facilities to be provided, location etc.) as put forward by the community.

The project team will also compile an associated land use budget to verify the number of community facilities and services required in the area and the space required for such. Opportunities towards enhancing sustainable livelihoods of the various communities will be highlighted to the stakeholders. It is important that stakeholders recognise their inputs in the final product as this will ensure that they will take ownership of the area, and co-responsibility for the future development of the area.

In line with the above, the Upgrading Plan will also unpack the proposed multi-sector interventions and responsibilities of the community and/or line function departments of the municipality towards implementing the strategy. This includes an indication of possible partnership arrangements with the private sector and other spheres of government as well as the establishment of a Municipality Community Partnership Action Plan.

The Upgrading Plan will conclude with an Implementation Programme for the informal settlement that will comprise of a list of projects, cost estimates and proposed phasing as well as a Settlement Growth and Management Plan with a summary of the Institutional

Arrangements towards the implementation of the plan. It is envisaged that this process will take about 12 weeks to complete with the estimated time of completion around the end of Week 23. The ultimate objective is to develop land inversion strategy and by-law to restrict mushrooming of land inversion within Victor Khanye local municipality.

### 3.7.5.8. Mpumalanga Provincial Spatial Development Framework

#### Framework

Mpumalanga covers an area of 76 495km<sup>2</sup> and has a population of 4 335 964, making it one of the most populous provinces in the country. The province is rich in coal reserves and home to South Africa's major coal-fired power stations (eMalahleni is the biggest coal producer in Africa). Mpumalanga is known for its mining, manufacturing, and forestry and service sectors.

The tourism and agro processing sectors have shown major growth potential over the years. Agriculture in Mpumalanga is characterised by a combination of commercial and subsistence farming practices.

It is situated on the high plateau grasslands of the middle veld and characterised by large areas of mountain peaks and ridges in the low veld, which contributes to the scenic beauty and tourism destinations in the province.

The Provincial Spatial Development Framework (PSDF) shall serve the purpose of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration; integrating necessary functionalities and linkages within the spheres of government, delivering a multitude of services linked to an integrated development approach in the province.

The PSDF should include the new planning paradigm implementation and must integrate and sufficiently provide an economically and socially balanced fragmentation, which poses major developmental challenges in-spite of the existence of several initiatives and programmes.

The objectives of the PSDF are to cover the following aspects at provincial level:

- Integration of development policies, strategies and objectives at various levels;
- Prioritized land use development patterns;
- Translate developmental needs;
- Unpack spatial directives and objectives for implementation;
- Provide investment guidance and the mechanisms for implementation;
- Provide guidance on sectoral development needs, investments, integration and programme implementation.

SPLUMA further acknowledges the legal effect of the PSDF whereby it comes into operation by the approval by the Executive Council and the publication in the Provincial Gazette. The result is that all provincial development plans, projects and programmes must be consistent with the PSDF (Section 17 of the Act).

### **3.7.5.9. District Development Model**

In the 2019 Presidency Budget Speech (2019), the “*pattern of operating in silos*” was identified as a challenge, which led to “*lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult*”. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and unemployment.

In the Mpumalanga Province, the Mpumalanga Growth Path and Mpumalanga Vision 2030 Strategic Implementation Framework were compiled in response to the NDP. Over the 26 years of democracy, there have been several attempts at steering development towards communities in a coordinated manner, with a view of maximizing impact and delivering cohesive and sustainable communities. These have included the War on poverty, Urban Renewal Programme (URP), the Integrated Sustainable Rural Development Programme (ISRDP) and the Comprehensive Rural Development Programme (CRDP).

The President called for the rolling out of “*a new integrated district based approach to addressing our service delivery challenges [and] localise[d] procurement and job creation, that promotes and supports local businesses, and that involves communities.*” The new District Development Model aims to improve the coherence and impact of government service delivery with focus on 44 Districts and 8 Metros around the country as development spaces that can be used as centres of service delivery and economic development, including job creation.

It is against this backlog that the President further called for the rolling out of “*a new integrated District-based approach to addressing our service delivery challenges [and] localise[d] Procurement and job creation, that promotes and supports local businesses, and that involves Communities...*” The President is cognisant of the fact that such an approach will require that “*National departments that have district-level delivery capacity together with the provinces ... Provide implementation plans in line with priorities identified in the State of the Nation address*”.

In line with the above, the Nkangala District Municipality has embarked on the formulation of the District Development Plan (One Plan).

The guidelines and directives emanating from the National Development Plan (NDP); the National Medium Term Strategic Framework (MTSF); and Mpumalanga Growth Path and Vision 2030 will serve to set the framework for the Nkangala District Development Plan (One Plan).

The District Development Model has been approved by government structures, including Cabinet. The model will be piloted in two Districts (OR Tambo; Waterberg) and a Metro (EThekewini) that have elements of Rural, Mining and Urban.

- The new District Development Model offers a number of opportunities for the development of a #DisabilityInclusiveSA through strategic implementation of the White Paper on the Rights of Persons with Disabilities at community level.
- A new integrated planning model for Cooperative Governance
- The District/Metro spaces offer the appropriate scale and arena for intergovernmental planning coordination.
- The District Model provides both an Institutional Approach and Territorial Approach (geographical space) focus.
- The 44 Districts and 8 Metros are developmental spaces (IGR Impact Zones) can be the strategic alignment platforms for all three spheres of government where One Plan for each space guides and directs all strategic investments and projects for transparent accountability.
- The District Model aims to address service delivery challenges and speed up service delivery and economic development, including job creation
- All the 52 Plans will harmonise IDPs and create interrelated, interdependent as well as independent development hubs supported by comprehensive detailed plans. The new District Development Model is anchored in the current government legislations and policies
- The new District Development Model brings to action the Khawuleza approach, which is a call for accelerated service delivery.
- Under this model, District Municipalities will be properly supported and adequately resourced to speed up service delivery.
- The Model takes forward key government plans and reinforces the existing policies geared to ensuring service delivery.
- The new model contributes to the achievements of the seven Apex Priorities announced by the President in the SONA.
- The model signals a shift from using more 139 (1) to Section 154 of the constitution emphasizing closer support to Local Government by both National and Provincial spheres.
- The new model brings to life the realization of the ideal for Cooperative Governance Development will be pursued through single and integrated plans per district.
- The district-driven development model is directed at turning plans into action, and ensuring proper project management and tracking.
- District Development Model will be pursued through single and integrated plans per district which will be further synchronised with Integrated Development Plans in municipalities.

- The plans will elaborate the key transformation processes required to achieve long-term strategic goals and a desired future in each of the 44 districts and eight metros.
- Each district plan will outline the role of each sphere of government, prioritising the following:
  - Managing urbanisation, growth and development;
  - Supporting local economic drivers;
  - Accelerating land release and land development
  - Investing in infrastructure for integrated human settlement, economic activity and the provision of basic services; and addressing service delivery in municipalities. The plan is an inter and intra governmental society-wide Social Compact
- The model prioritises social partnerships and collaboration with all sectors of society and communities in addressing service bottlenecks.
- The model aims to strengthen community participation and advocates for cohesive communities. Together building South Africa inclusive of Disability Rights
- The model places communities at the heart of service delivery and mobilising citizens and civil society to support the implementation of long-term plans that outline how best to improve the lives.
- It will have considerable impact if members of the community become active participants and make use of the available opportunity to do things differently with the new model. • More importantly, citizens who have burning issues will be responded to immediately by municipalities. A more efficient government is our priority as a Municipality.
- The National Development Plan set course towards a developmental state motivated by 25 years of democracy experience in realising vision 2030 we require collaboration between all sections of society and strong leadership by government.
- If we are to address the triple challenges of poverty, inequality and unemployment we need a state that is capable of playing a transformative and developmental role.
- This requires well run and effectively coordinated state institutions staffed by skilled public servants who are committed to the public good and capable of delivering consistently high-quality services for all South Africans.
- This model aims to overcome barriers to service delivery in government and create capacity to meet increasing expectations.
- It will help government reverse the decline in state capacity and restructure service delivery so it best serves our citizens. The District Development Model will stimulate economic growth and benefit local entrepreneurs.
- The District Development Model is expected to develop, support and promote local entrepreneurs through prioritising local procurement of services and goods.

- Municipalities will be assisted to create an enabling environment for economic development and provide regulatory certainty in line with Back to Basic pillar of LED.
- By providing policy and regulatory certainty, municipalities will build public and business confidence in municipalities as places to live, work and invest. The much needed resources will be channelled to realise the plan
- As the model seeks to secure maximum coordination and cooperation among the national, provincial and local spheres of government.
- The coordination will require that with effect from the 2020/21 Budget cycle - that national budgets and programmes be spatially referenced across the 44 Districts and 8 Metros.
- Provincial government budgets and programmes will be spatially referenced to districts and metros in the respective provinces.
- Municipalities will express the needs and aspirations of communities through Integrated Development Plans for the 44 districts and 8 Metros.

### **3.7.5.10. District Rural Development Plan**

Looking at numerous national and international definitions of Rural Development, the following five common features are noted:

- 1) Improving the living standards of the subsistence population through the mobilisation and allocation of resources to reach a sustainable balance overtime between the welfare and productive services available to the subsistence rural sector.
- 2) Mass participation, which ensures that rural people take control of their environment and destiny.
- 3) Development of the appropriate skills and capacity of the communities involved.
- 4) Integrated / comprehensive approach involving economic, social, institutional and physical development.
- 5) The presence of institutions at the local, regional and national levels to ensure the effective use of existing resources and to foster the mobilisation of additional financial and human resources.

Rural development is therefore defined as: *A process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated area, through focused skills development, improvement of rural institutions and systems, expansion of rural infrastructure and growth in rural economic activities.* Acknowledging that traditionally rural development has centred on the exploitation of land-intensive natural resources - such as agriculture and forestry. This definition recognises that rural development is not just about agricultural activities but includes poverty alleviation, infrastructure provision, institutional structures and varied actions to uplift the economic status of people in rural areas.

### 3.7.5.11. Objectives of the Victor Khanye Housing Sector Plan

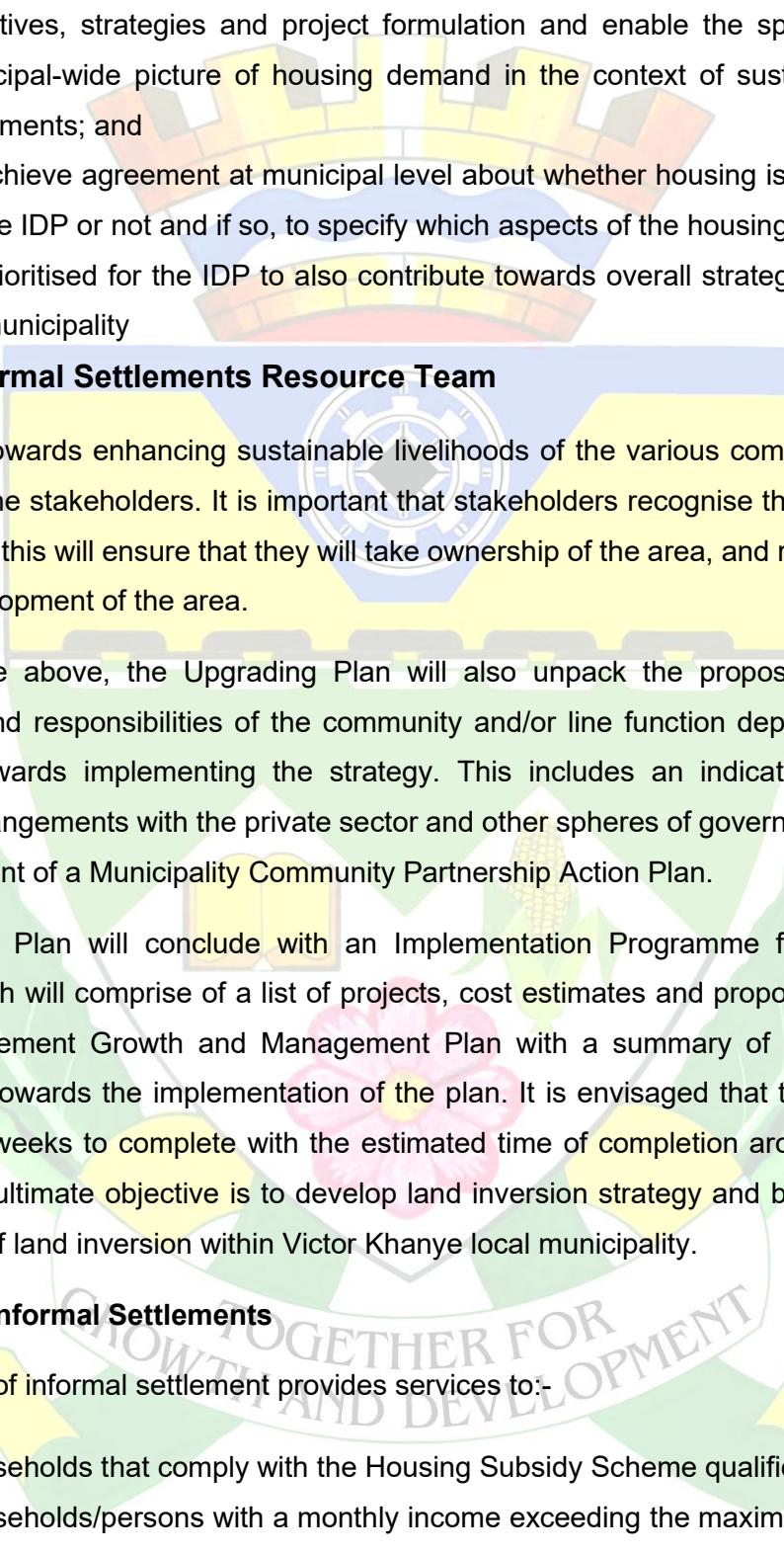
The Housing Act, 1997 (Act No. 107 of 1997) states in Section 9 (1) (f) that “*Every municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction*”. Importantly, this planning should include a local housing strategy and delivery target.

The National Housing Code, 2009 sets the underlying policy principles, guidelines and norms and standards, which apply to Government’s various housing assistance programmes introduced since 1994 and updated.

The Comprehensive Plan was approved in September 2004 as a framework for the development of sustainable human settlements over the next decade. The Comprehensive Plan is Government’s medium-term housing programme. It is based on the principles contained in the 1994 White Paper, such as providing citizens with a permanent residential structure with secure tenure, potable water, adequate sanitation facilities, and domestic energy supply, and outlines the strategies to achieve the Government’s overall housing aim. The goal is to address the housing needs of the people, within the context of the broader socioeconomic needs, resulting in sustainable human settlements

The objectives of the housing sector plan are:

- a) To support housing planning as a component and/or chapter of the IDP;
- b) To define the scope of the housing planning component of the IDP in relation to the Housing Act and housing policies;
- c) To outline and unpack clear roles and responsibilities of relevant stakeholders critical to achieving integration of housing planning with integrated development.
- d) planning;
- e) To guide vertical and horizontal sector alignment;
- f) To provide an institutional structure to give effect to demand-defined and supply negotiated approach to housing provision;
- g) To introduce systems and procedures to support and reward strategic and operational planning by enforcing plan-led budgeting and implementation;
- h) To inform multi-year housing development plans of the provincial sphere as the basis for vertical alignment;
- i) To ensure that the housing planning activities which occur as part of the IDP are able to draw on existing housing related documentation and data resources;
- j) To ensure that the housing planning activities which occur as part of the IDP reflect community level concerns about housing demand;
- k) IDP reflect community level concerns about housing demand;



- l) To ensure that the definition of housing demand as part of the IDP balances technical inputs with community-based inputs;
- m) To ensure the definition of housing demand is comprehensive and inform IDP objectives, strategies and project formulation and enable the specification of a municipal-wide picture of housing demand in the context of sustainable human settlements; and
- n) To achieve agreement at municipal level about whether housing is a priority issue for the IDP or not and if so, to specify which aspects of the housing demand are to be prioritised for the IDP to also contribute towards overall strategic objectives of the municipality

### **3.7.5.12. Informal Settlements Resource Team**

Opportunities towards enhancing sustainable livelihoods of the various communities will be highlighted to the stakeholders. It is important that stakeholders recognise their inputs in the final product as this will ensure that they will take ownership of the area, and responsibility for the future development of the area.

In line with the above, the Upgrading Plan will also unpack the proposed multi-sector interventions and responsibilities of the community and/or line function departments of the municipality towards implementing the strategy. This includes an indication of possible partnership arrangements with the private sector and other spheres of government as well as the establishment of a Municipality Community Partnership Action Plan.

The Upgrading Plan will conclude with an Implementation Programme for the informal settlement which will comprise of a list of projects, cost estimates and proposed phasing as well as a Settlement Growth and Management Plan with a summary of the Institutional Arrangements towards the implementation of the plan. It is envisaged that this process will take about 12 weeks to complete with the estimated time of completion around the end of Week 23. The ultimate objective is to develop land inversion strategy and by-law to restrict mushrooming of land inversion within Victor Khanye local municipality.

#### **Upgrading of Informal Settlements**

The upgrading of informal settlement provides services to:-

- Households that comply with the Housing Subsidy Scheme qualification criteria
- Households/persons with a monthly income exceeding the maximum income limit as approved by the Minister from time to time;
- Households headed by minors, who are not competent to contract in collaboration with the

Department of Social Development;

- Persons without dependants;
- Persons who are not first-time home owners persons who have previously received housing assistance and who previously owned and/or currently own a residential property. Assistance may be considered on condition that access to the benefits of the programme will be considered on a case-by-case basis to determine the facts and the approval of access in accordance with the provisions of the Implementation Guidelines of the programme.

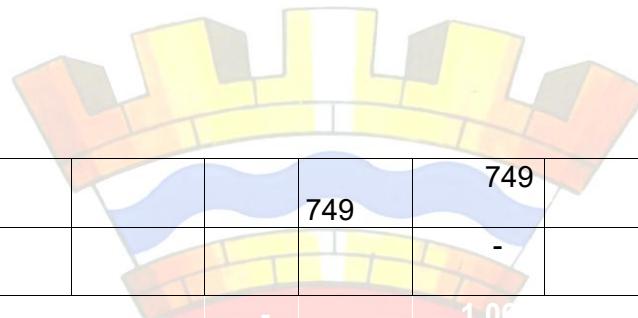




## VICTOR KHANYE INFORMAL SETTLEMENTS CATEGORISATION AND STRATEGY

Table 50: Victor Khanye Formalisation Strategy Informal In Situ SDA's

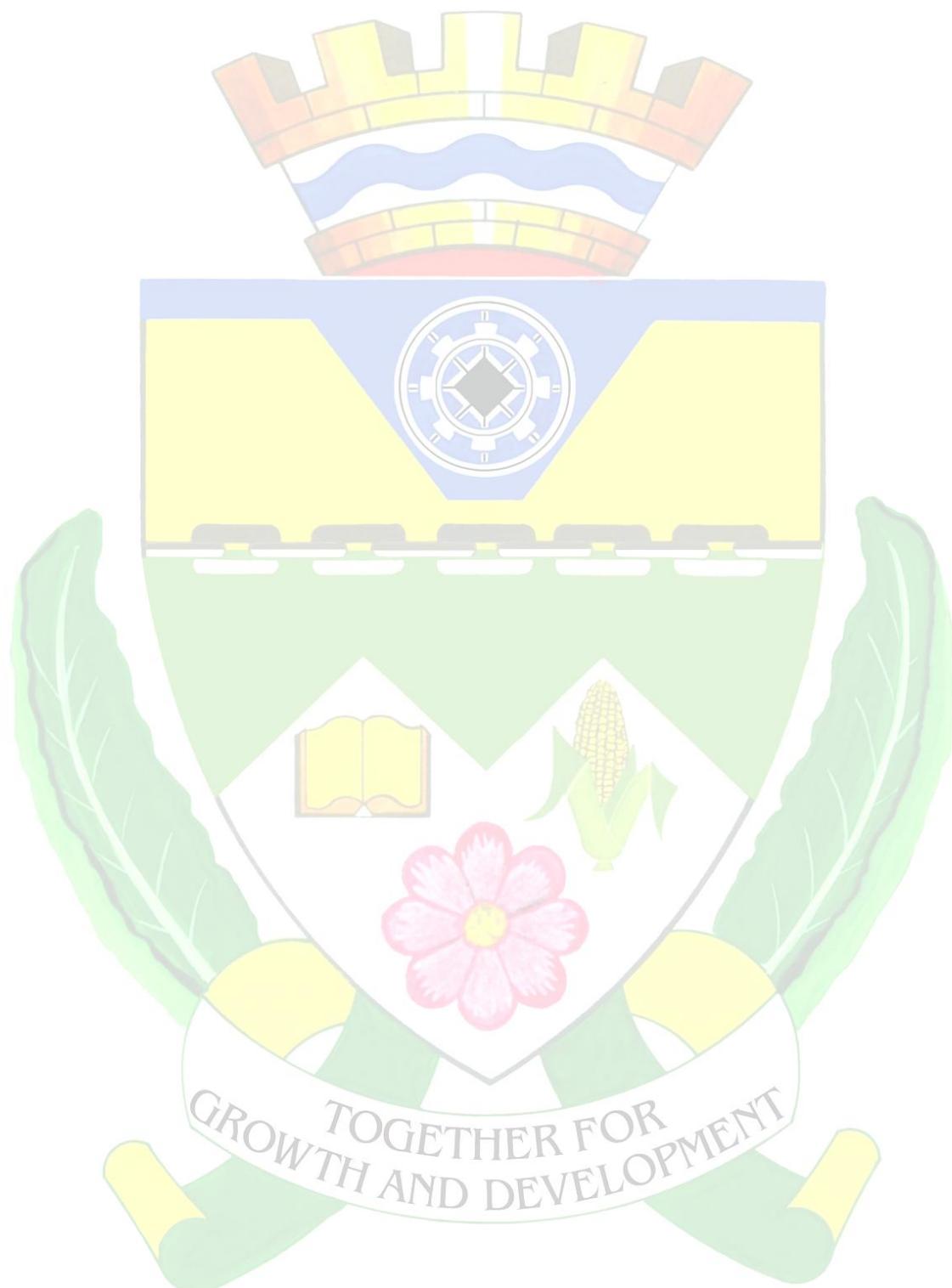
				Area (ha)	Mimosa 13,6	Waaikraal West 49,41	Groenfontein (N) 16,7	Groenfontein (S) 7,58	Argent 8,38	Arbour Village 53,1041	Subtotal In Situ 148,774	Ptn 13 Leeupoort 205 IR 47	Ptn 3 Hekpoort 207 IR 307	Eloff Receiving	Waaikraal East 48,4	Subtotal Relocation	Subtotal (Insitu +Relocation) 551,1741	Deficit
#	Settlement	Number of Units	NUSP Category	Potential Number of Units	750	2 500	32	49	400	749	4 480	1 060	7 300	275	2 500	11 135	15 615	
1.1 *	Mandela	1794	B2/C									824	970			1 794	1 794	-
1.2 *	Nkanini	236	C									236				236	236	-
1.3 *	Delpark x4	569	B2/C										569			569	569	-
1.4 *	Mawag	98	B2/C										98			98	98	-
1.5	Dryden Farm	146	B2										146			146	146	-
2.1	Mimosa	236	B1		236						236					-	236	-
2.2 *	Savanna	275	B2											275		275	275	-
3.1	Waaikraal	503	B2												503	503	503	-
3.2	Groenfontein (N)	32	FWH				32				32					-	32	-
3.3	Groenfontein (S)	49	FWH					49			49					-	49	-
3.4 *	Argent	177	B2													-	-	177



3.5	Arbor	799	A						749	749							749	-50
3.6	Delmas	52	B2						-	-						-	-	52
*	Coal																	-

32 49 749 060 783 1060







## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA 05 SPATIAL RATIONALE										
Problem statement and root causes per KPA:	1. Buildings that are in contravention with building regulations, 2. Illegal use of land and land invasion. 3. Outdated Land Audit. 4. Contravention of the Land-use scheme. 5. Delays in approval of land use applications.									
One Plan Transformation Area	Spatial Transformation									
2019-24 MTDP Priority	Spatial Integration, Human Settlements and Land Use Management									
Municipal Priority	Increase regularisation of built environment									
Impact statement:				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	ANNUAL IMPLEMENTATION				
Land Tenure and Spatial Development	Compliance to building regulations		High number of building contraventions not in compliant with regulations.	100% building compliance	% of new registered building plan applications received and approved (referred back) within agreed timeframes of 28 days.  Building Inspections to be conducted  Contravention notices to be issued	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs



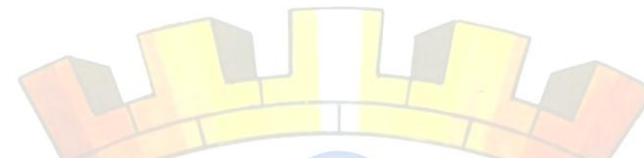
## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA 05 SPATIAL RATIONALE										
Problem statement and root causes per KPA:	1. Buildings that are in contravention with building regulations, 2. Illegal use of land and land invasion. 3. Outdated Land Audit. 4. Contravention of the Land-use scheme. 5. Delays in approval of land use applications.									
One Plan Transformation Area	Spatial Transformation									
2019-24 MTDP Priority	Spatial Integration, Human Settlements and Land Use Management									
Municipal Priority	Increase regularisation of built environment									
Impact statement:	MTDP Target:									
	Compliance with land use regulations		Land being utilized illegally.  Delays in the approval of land use applications.	100% compliance with Land Use	100% of all land Use applications received and processed within 90 days  Land Contraventions notices issued  Spatial Development Framework (SDF) reviewed and adopted by Council	100%	100%	100%	100%	100%



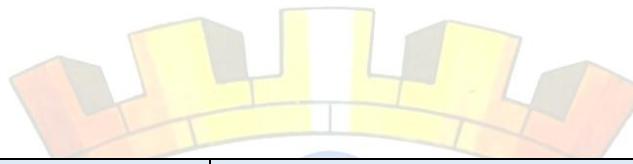
## TABLE A: INTEGRATED DEVELOPMENT PLAN

Municipal KPA 05 SPATIAL RATIONALE										
Problem statement and root causes per KPA:	1. Buildings that are in contravention with building regulations, 2. Illegal use of land and land invasion. 3. Outdated Land Audit. 4. Contravention of the Land-use scheme. 5. Delays in approval of land use applications.									
One Plan Transformation Area	Spatial Transformation									
2019-24 MTDP Priority	Spatial Integration, Human Settlements and Land Use Management									
Municipal Priority	Increase regularisation of built environment									
Impact statement:	Informed decisions on land availability for development None Land Audit is outdated									
	Approved Land Audit.	Development of the Land Audit.	-	-	-	-	-	-	-	Land Audit Developed and Submitted to Council



## TABLE B: INTEGRATED DEVELOPMENT PLAN

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Increase regularisation of built environment	Compliance to building regulations	% of new registered building plan applications received and approved (referred back) within agreed timeframes of 28 days.	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)
	Number of quarterly reports on building contraventions notices issued submitted to the MM	20 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM	4 Reports on building contraventions notices issued submitted to the MM
	Number of property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	1600 property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	-	-	-	600 property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	1000 property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	



Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Increase regularisation of built environment	Compliance to the SPLUMA by-law	% of land use applications received and processed within 90 days by authorised officer	100% land use applications received and processed	100% land use applications received and processed	100% land use applications received and processed	100% land use applications received and processed	100% land use applications received and processed	100% land use applications received and processed
		Number of Quarterly reports on Land Contraventions notices issued submitted to the MM	20 Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly reports on Land Contraventions notices issued submitted to the MM
	Created spatial base for land use and municipal growth	Spatial Development Framework (SDF) reviewed and adopted by Council	Spatial Development Framework (SDF) reviewed and adopted by Council	-	-	Spatial Development Framework (SDF) reviewed and adopted by Council	-	-
	Informed decisions on land availability for development	Development of the Land Audit	Development of the Land Audit	-	-	-	-	Development of the Land Audit

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
100% new registered building plan applications received and approved (referred back)	% of new registered building plan applications received and approved (referred back) within agreed timeframes of 28 days.	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)	100% new registered building plan applications received and approved (referred back)
<b>20 Quarterly Report on building contraventions notices issued submitted to the MM</b>	Number of quarterly reports on building contraventions notices issued submitted to the MM	4 Quarterly Report on building contraventions notices issued submitted to the MM	1 Quarterly Report on building contraventions notices issued submitted to the MM	1 Quarterly Report on building contraventions notices issued submitted to the MM	1 Quarterly Report on building contraventions notices issued submitted to the MM	1 Quarterly Report on building contraventions notices issued submitted to the MM
1600 property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	Number of property inspections conducted per quarter in terms of compliance to the Land scheme and Building Regulations	240 property inspections conducted per quarter	60 property inspections conducted per quarter	60 property inspections conducted per quarter	60 property inspections conducted per quarter	60 property inspections conducted per quarter
100% of land use applications received and processed within 90 days by authorised officer	% of land use applications received and processed within 90 days by authorised officer	100% of land use applications received and processed within 90 days by authorised officer	100% of land use applications received and processed within 90 days by authorised officer	100% of land use applications received and processed within 90 days by authorised officer	100% of land use applications received and processed within 90 days by authorised officer	100% of land use applications received and processed within 90 days by authorised officer
<b>20 Quarterly report on Land Contraventions notices issued submitted to the MM</b>	Number of Quarterly reports on Land Contraventions notices issued submitted to the MM	4 Quarterly report on Land Contraventions notices issued submitted to the MM	1 Quarterly report on Land Contraventions notices issued submitted to the MM	1 Quarterly report on Land Contraventions notices issued submitted to the MM	1 Quarterly report on Land Contraventions notices issued submitted to the MM	1 Quarterly report on Land Contraventions notices issued submitted to the MM

**Table 54: Local Economic Development Strategic Goals**

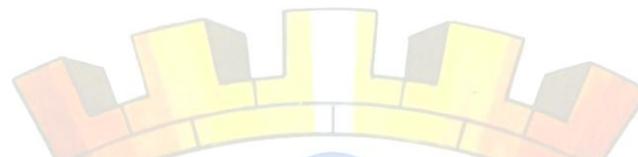
LOCAL ECONOMIC DEVELOPMENT										
<b>Municipal KPA - 06</b>	<b>LOCAL ECONOMIC DEVELOPMENT</b>									
<b>Problem statement and root causes per KPA:</b>	1. Demand for more support for SMMEs and Cooperatives, 2. Local Economic Development Forum not fully functional, 3. High number of unregistered business operations, 4. Lack of investors into the economy, 5. Tourism Committee not functional.									
<b>One Plan Transformation Area</b>										
<b>2024-29 MTDP Priority</b>	<b>Simplify and speed up planning and regulatory processes that can make it easier for business to invest and operate in a municipality.</b>									
<b>Municipal Priority</b>	<b>Job creation</b>									
<b>Impact statement: Reduced unemployment and poverty</b>				<b>MTDP Target:</b>						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	<b>ANNUAL TARGETS</b>				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
An economy that creates jobs/ Improved local economic performance	Increase in economic growth	None	Need for more support for SMMEs and Cooperatives.	10 SMME's and Cooperatives skills workshop held for local SMMEs and Cooperatives.	Capacitating local SMME's and Cooperatives through workshops and	2 workshops	2 workshops	2 workshops	2 workshops	2 workshops



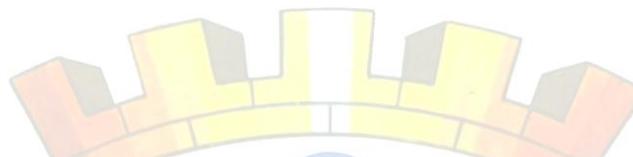
Municipal KPA - 06 LOCAL ECONOMIC DEVELOPMENT									
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Demand for more support for SMMEs and Cooperatives,</li> <li>2. Local Economic Development Forum not fully functional,</li> <li>3. High number of unregistered business operations,</li> <li>4. Lack of investors into the economy,</li> <li>5. Tourism Committee not functional.</li> </ol>								
One Plan Transformation Area									
2024-29 MTDP Priority	Simplify and speed up planning and regulatory processes that can make it easier for business to invest and operate in a municipality.								
Municipal Priority	Job creation								
Impact statement: Reduced unemployment and poverty				MTDP Target:					
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	ANNUAL TARGETS			
	None	No fully functional Local Economic Development Forum.	Having in place a capacitated and fully functional LED Forum that is functional.	Launching and capacitating a formal LED Forum	N/A	N/A	Local Economic Development Forum launched by 30 September 2024.	N/A	N/A
	None	A high number of unregistered businesses operations.	Registration of all businesses operating in VKLM.	Conducting business compliance inspections	-	-	-	4	4
		High level of unemployment especially for the youth.	Job Creation through social, culture, environment initiatives and	EPWP Full Time Equivalent (FTE's) created	200 Jobs Created	220 Jobs Created	269 Jobs Created	291 Jobs Created.	300 Jobs Created.



Municipal KPA - 06 LOCAL ECONOMIC DEVELOPMENT										
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Demand for more support for SMMEs and Cooperatives,</li> <li>2. Local Economic Development Forum not fully functional,</li> <li>3. High number of unregistered business operations,</li> <li>4. Lack of investors into the economy,</li> <li>5. Tourism Committee not functional.</li> </ol>									
One Plan Transformation Area										
2024-29 MTDP Priority	Simplify and speed up planning and regulatory processes that can make it easier for business to invest and operate in a municipality.									
Municipal Priority	Job creation									
Impact statement: Reduced unemployment and poverty				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	ANNUAL TARGETS				
				labour intensive programs and skills development initiatives co-ordinated for youth	through social, culture and environment initiatives per quarter, work opportunities created through labour intensive programmes and skills development initiatives scheduled and held in terms of the youth bi-annually	2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs

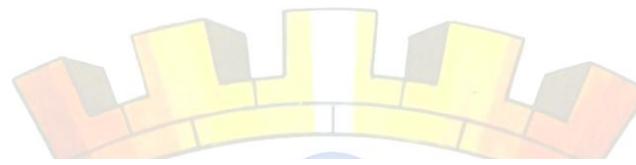


Municipal KPA - 06 LOCAL ECONOMIC DEVELOPMENT										
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Demand for more support for SMMEs and Cooperatives,</li> <li>2. Local Economic Development Forum not fully functional,</li> <li>3. High number of unregistered business operations,</li> <li>4. Lack of investors into the economy,</li> <li>5. Tourism Committee not functional.</li> </ol>									
One Plan Transformation Area										
2024-29 MTDP Priority	Simplify and speed up planning and regulatory processes that can make it easier for business to invest and operate in a municipality.									
Municipal Priority	Job creation									
Impact statement: Reduced unemployment and poverty				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	ANNUAL TARGETS				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
		None	Lack of investors in the VKLM area.	Creating employment by attracting new investments to the local economy.	2 new investments attracted into the local economy by 30 June 2025.	N/A	N/A	2 new investments attracted	N/A	N/A



Municipal KPA - 06 LOCAL ECONOMIC DEVELOPMENT										
Problem statement and root causes per KPA:	<ol style="list-style-type: none"> <li>1. Demand for more support for SMMEs and Cooperatives,</li> <li>2. Local Economic Development Forum not fully functional,</li> <li>3. High number of unregistered business operations,</li> <li>4. Lack of investors into the economy,</li> <li>5. Tourism Committee not functional.</li> </ol>									
One Plan Transformation Area										
2024-29 MTDP Priority	Simplify and speed up planning and regulatory processes that can make it easier for business to invest and operate in a municipality.									
Municipal Priority	Job creation									
Impact statement: Reduced unemployment and poverty				MTDP Target:						
Outcome (Strategic Goals)	Outcome indicator (Strategic Objectives)	Baseline	Situational analysis	5 year IDP target	Intervention/ Programme	ANNUAL TARGETS				
						2022/23 Outputs	2023/24 Outputs	2024/25 Outputs	2025/26 Outputs	2026/27 Outputs
			The Municipality doesn't have a functional Tourism Committee. A functional tourism committee will assist in the economic development of VKLM.	Launch the Tourism Committee by 30 September 2024.	Development of the local tourism economy	-	-	Launch of Local Economic Development (LED) Forum by 30 September 2024.	-	-





## TABLE B: INTEGRATED DEVELOPMENT PLAN

Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
Increased economic activity and job creation	Job Creation	Number of MOU's signed with respect to external Social Responsibility Programmes	10 MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes
		Number of bi-annual reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	10 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations
	Consultative process on Integrated Youth Development Strategy formulation	Number of Youth Development Summit held	1 Youth Development Summit held	-	-	1 Youth Development Summit held	-	-
	Skills initiative for Youth development.	Number of skills development initiatives scheduled and held in terms of the youth bi-annually	10 skills development initiatives held for the youth	2 skills development initiatives held for the youth	2 skills development initiatives held for the youth	2 skills development initiatives held for the youth	2 skills development initiatives held for the youth	2 skills development initiatives held for the youth
	Capacitation of SMMEs and Cooperatives.	Number of SMME's and Cooperatives capacity building skills workshops held	10 SMME's and Cooperatives skills workshop held	2 SMME's and Cooperatives skills workshop held				



Outcome	Outcome Indicator	KPI	5 year Target	ANNUAL IMPLEMENTATION				
				2022/23	2023/24	2024/25	2025/26	2026/27
	job creation and poverty alleviate.	Number of EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives per quarter	752 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	170 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	170 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	170 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	170 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	170 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).
	Creating conducive environment for economic growth	Launch of Local Economic Development (LED) Forum	1 Local Economic Development (LED) Forum launched	-	-	1 Local Economic Development (LED) Forum launched	-	-
	Development of the local tourism economy	Launch of the Local Tourism Committee (LRC)	Local Tourism Committee (LRC) launched	-	-	Local Tourism Committee (LRC) launched	-	-

**TABLE D: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TABLE**

5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6 MOU's signed with respect to external Social Responsibility Programmes	Number of MOU's signed with respect to external Social Responsibility Programmes	2 MOU's signed with respect to external Social Responsibility Programmes	N/A	N/A	N/A	2 MOU's signed with respect to external Social Responsibility Programmes
6 reports submitted to Council with respect to CSI and SLP Programme of both	Number of bi-annual reports submitted to Council with respect to CSI and SLP Programme of both	2 reports submitted to Council with respect to CSI and SLP Programme of both Business and Mining organisations	N/A	1 report submitted to Council with respect to CSI and SLP Programme of both Business and	N/A	1 report submitted to Council with respect to CSI and SLP Programme of



5 year Target	KPI	2025/26 Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Business and Mining organisations	Business and Mining organisations			Mining organisations		both Business and Mining organisations
1 Youth Development Summit held	Number of Youth Development Summit held	1 Youth Development Summit held by 30 June 2026.	N/A	N/A	N/A	1 Youth Development Summits held by 30 June 2026
10 skills development initiatives scheduled and held in terms of the youth bi-annually	Number of skills development initiatives scheduled and held in terms of the youth bi-annually	2 Skills development initiatives scheduled and held in terms of the youth bi-annually	N/A	1 skill development initiatives held for the youth	1 skill development initiatives held for the youth	N/A
10 SMME's and Cooperatives skills workshop held	Number of SMME's and Cooperatives capacity building skills workshops held	1 SMME's and Cooperatives skills workshop held	1 SMME's and Cooperatives skills workshop held	N/A	N/A	1 SMME's and Cooperatives skills workshop held
<b>850</b> EPWP Full Time Equivalent (FTE's) created	Number of EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives per quarter	170 EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives	40 EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives	40 EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives	40 EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives	50 EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives
605 total work opportunities created through labour intensive programmes	Number of total work opportunities created through labour intensive programmes by 30 June 2026 (GKPI).	121 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	30 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	31 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	30 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).	30 work opportunities created through labour intensive programme by 30 June 2026 (GKPI).

## CHAPTER 4: AUDITOR GENERAL (AG) REPORT AND MEC'S COMMENTS

### 4. INTRODUCTION

This chapter outlines the findings by the Auditor General on the Municipality's Annual Financial Statements for the 2023/2024 financial year and the comments by the MEC for Co-operative Governance and Traditional Affairs (COGTA) in relation to the Final IDP 2022-2027.

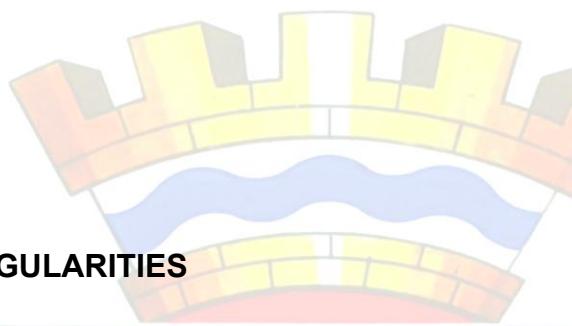
# MANAGEMENT REPORT

Victor Khanye Local Municipality

2023-24

*Date: 25 November 2024*

The purpose of this management report is to communicate the outcomes of the audit for the financial year ended 30 June 2024, as well as the insights and significant matters that require the attention of the accounting officer. The report should be read with the engagement letter, which sets out our responsibilities as well as the standards and processes we apply in performing our audits.



## SECTION 1: AUDIT OUTCOMES AND MATERIAL IRREGULARITIES

### OVERALL AUDIT OUTCOMES

The overall audit outcome of the municipality is qualified with findings. This is the same as the previous year's audit outcome.

*Audit results per outcome area.*

Outcome area	Movement	2023-24	2022-23	2021-22
Financial statements	▶			
<b>Annual performance report</b>				
<b>KPA 1: Basic Service Delivery and Infrastructure</b>				
• % of new households with access to basic levels of sanitation as per received applications by 30 June 2024		Green		
• % of new households with access to basic levels of water as per received applications by 30 June 2024		Green		
• Number of water samples tested per month		Green		
• Number of times refuse collection services rendered per week at wards 1,2,3,4,5,6,8, and 9		Green		
• % of new households with access to basic levels of electricity by 30 June 2024(GKPI) (excluding Eskom licensed areas)		Green		
• Number of Km of surfaced roads constructed by 30 June 2024		Green		
• % availability of emergency response vehicles per quarter to comply with the codes of practice (SANS 10090).		Green		
• % response time normal hours (5 min) with respect to the request for emergency services received per month to vehicles out the gate.		Green		
• % response time after hours (10 min) with respect to the request for emergency services received per month to vehicles out the gate		Green		

• Number of households earning less than R4220 per month provided with access to free basic services by 30 June 2024			
--	--	--	--

Compliance with legislation					
• Annual financial statements, performance reports, and annual reports	▶				
• Revenue management	▲				
• Expenditure management	▶				
• Asset Management	▶				
• Procurement and contract management	▶				
• Strategic planning and performance management	▲				
• Consequence management	▶				
• Human Resource Management	▶				
• Utilization of conditional Grant	▼				

Unqualified / No material findings	Qualified	Adverse	Disclaimer	Material findings	Not audited
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▲	Improvement	▼	Regression	▶	Unchanged
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6. The auditee has received the same outcome over the last three financial years as a result of uncorrected material misstatements in the financial statements, material findings on compliance, and improvement in predetermined objectives.
7. We provide further insight into the audit outcomes, the root causes of weaknesses, and our recommendations in the rest of this report.
8. **Annexure E** lists matters that will affect future financial statements, annual performance reports and compliance with legislation.

#### 4.3. MATERIAL IRREGULARITIES

9. Since the implementation of the material irregularity process, we have identified two material irregularities at the municipality.

10. *Status of material irregularities*

Year of notification	Total	Resolved	Appropriate actions	Following up actions taken	AGSA further actions	Notification response not yet due	Assessing response
2022	1	1	0	0	0	0	0
2023	1	0	0	0	0	0	1

## 4.4. SECTION 2: SIGNIFICANT MATTERS

### FINANCIAL STATEMENTS

#### Audit results

12. The financial statements were submitted to us for auditing on 31 August 2024.

13. We identified material misstatements in the financial statements submitted for auditing. The material misstatements constitute non-compliance with MFMA. The non-compliance will be reported as a material finding in the auditor's report.

#### Material misstatements not corrected.

Accounting standard/legislation	Nature	Value	Description	Prior-year misstatements	
				2023-24	2022-23
<b>Expenditure – bulk purchases</b>					
Bulk purchase MFMA	Limitation	R167 858	219 Expenditure incurred on bulk purchases could not be confirmed for the occurrence and accuracy as the supporting documents were not submitted.		
<b>Property plant and equipment</b>					
GRAP 17	Disagreement	(R7 948 552)	Prior period error adjustments to infrastructure depreciation and impairment were misstated.		

GRAP 17	Limitation	R18 071 809	Prior period error adjustment to community assets was not supported by completed and relevant supporting information.		
GRAP 17	Disagreement	(R54 661) 177	Prior year adjustments to movable assets depreciation and impairment were misstated.		
<b>Irregular expenditure</b>					
MFMA	Limitation	Unquantified	Prior year irregular expenditure completeness could not be confirmed.		

<span style="background-color: #f08080; border: 1px solid black; padding: 2px 5px;"></span>	Uncorrected	<span style="background-color: #ffd700; border: 1px solid black; padding: 2px 5px;"></span>	Corrected	<span style="background-color: #1a237e; border: 1px solid black; padding: 2px 5px;"></span>	No prior-year misstatement
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14. The material misstatements that were not corrected formed the basis for the modified opinion on the financial statements and will be reported in the auditor's report.

15. *Material misstatements corrected.*

Accounting standard/legislation	Nature	Value	Description	Prior-year misstatements	
				2023-24	2022-23
<b>Fruitless and wasteful expenditure</b>					
MFMA	Overstatement	R151 056 433	Difference between the supporting schedules of fruitless wasteful expenditures compared to the amount disclosed in the financial statements	<span style="background-color: #ffd700; border: 1px solid black; padding: 2px 5px;"></span>	<span style="background-color: #1a237e; border: 1px solid black; padding: 2px 5px;"></span>
<b>Unauthorised expenditure</b>					
MFMA	Overstatement	R49 406 965	Difference between the supporting schedules of unauthorized expenditures compared to the amount disclosed in the financial statements	<span style="background-color: #ffd700; border: 1px solid black; padding: 2px 5px;"></span>	<span style="background-color: #1a237e; border: 1px solid black; padding: 2px 5px;"></span>
<b>Unauthorised expenditure</b>					
MFMA	Understatement	R118 945 756	Difference between note 38 of the financial statements and the statement of budget and actuals regarding unauthorized expenditure	<span style="background-color: #ffd700; border: 1px solid black; padding: 2px 5px;"></span>	<span style="background-color: #1a237e; border: 1px solid black; padding: 2px 5px;"></span>

<b>Contingent liability</b>					
GRAP 19	Overstatement	R14 243 066	In note 46 of the financial statements, contingent liability is not continuously assessed to determine whether an outflow of resources is probable.		
<b>Contingent assets</b>					
GRAP 19	Overstatement	R10 215 406	The nature of the arrangement does not meet the contingent assets definition/recognition criteria.		
<b>Cash flow statement</b>					
GRAP 2	Overstatement	R9 475 896	During the audit of the cash flow statement, we observed that the cash flow balance reconciles; however, the individual line items within the cash flow are materially misstated.		
<b>Property, plant, and equipment</b>					
GRAP 17	Overstatement	R8 504 530	Donations of infrastructure assets were incorrectly capitalized at cost instead of fair value.		
<b>Receivables from the exchange transaction – Impairment provision</b>					
GRAP 104	Understatement	R93 491 824	Receivables from exchange transactions - No evaluation at the end of the reporting period determines if there is any objective evidence.		
<b>Trade payables</b>					
<b>Accounting standard/ legislation</b>	<b>Nature</b>	<b>Value</b>	<b>Description</b>	<b>Prior-year misstatements</b>	
				<b>2023-24</b>	<b>2022-23</b>
MFMA	Overstatement	R27 930 721	The creditors' listing does not agree with the financial statements		

	Uncorrected		Corrected		No prior-year misstatement
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The quality of the submitted annual financial statements is concerning given the material misstatements were identified, some of which management were able to address. Misstatement, which were not corrected, resulted in a qualified opinion. This opinion has not changed for the past three-year's lack of improvement in the internal control of the municipality.

16. **Impact:** The uncorrected misstatement resulted in a qualified opinion and material non-compliance.
17. Management should address the root causes of the internal control deficiencies that led to the material misstatement and implement the necessary improvements to strengthen these controls. Doing so will enhance the municipality's internal control environment, enabling the preparation and submission of financial statements that are free from material misstatements in the future.

#### **4.5. Internal control and recommendations**

18. We identified significant internal control deficiencies in financial statement preparation, which caused the misstatements.

##### ***Significant internal control deficiencies – financial statements***

Deficiency	Prior years reported	
	2022-23	2021-22
Management did not implement a process to enable them to prepare regular, accurate financial statements which are supported and evidenced by reliable information. This resulted in repeat material misstatements in the financial statements.	√	√
Management did not implement proper record-keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting. This resulted in misstatements in bulk purchases not being resolved and material misstatements in community assets	√	√

19. We made recommendations to improve the financial records and the financial statements preparation process for the management. Some of these recommendations were also made in prior years. A summary of the key recommendations and the responses received follows.

- **Key recommendations and responses – financial records and financial statements**

Recommendation and management response	Year originally recommended	Status of implementation

Recommendation: Ensure that there are sound preventive internal control measures to ensure that irregular expenditure is prevented from occurring  Response: In progress	2022-23	In process – behind schedule
Recommendation and management response	Year originally recommended	Status of implementation
Recommendation: Management should strengthen its review of the annual financial statements against the relevant source documents to ensure it is accurate and complete  Response: In progress	2022-23	In process – behind schedule
Recommendation: Management should monitor controls over daily and monthly processing and reconciling of transactions, further transactions processed in the GL should be reviewed against the GL.  Response: In progress	2022-23	In process – behind schedule
Recommendation: Management should ensure proper implementation and monitoring of the action plan is performed.  Response: In progress	2022-23	In process – behind schedule
Recommendation: Ensure that there is a GRAP compliance checklist for the disclosure items to ensure that there is compliance with GRAP requirements  Response: In progress	2022-23	In process – behind schedule

20. The recommendations made in the prior year are still relevant in the current year. There has been limited progress in implementing the recommendations from the prior year, this is evidenced by the recurring material misstatements on the AFS, although the auditee has formulated an adequate action plan, management needs to improve on its implementation to see an improvement in the audit opinion.

## 21. Key recommendations and responses – financial records and financial statements

Recommendation and management response	Year originally recommended	Status of implementation
Recommendation: Ensure that there are sound preventive internal control measures to ensure that irregular expenditure is prevented from occurring  Response: In progress	2022-23	In process – behind schedule
Recommendation and management response	Year originally recommended	Status of implementation

Recommendation: Management should strengthen its review of the annual financial statements against the relevant source documents to ensure it is accurate and complete  Response: In progress	2022-23	In process – behind schedule
Recommendation: Management should monitor controls over daily and monthly processing and reconciling of transactions, further transactions processed in the GL should be reviewed against the GL.  Response: In progress	2022-23	In process – behind schedule
Recommendation: Management should ensure proper implementation and monitoring of the action plan is performed.  Response: In progress	2022-23	In process – behind schedule
Recommendation: Ensure that there is a GRAP compliance checklist for the disclosure items to ensure that there is compliance with GRAP requirements  Response: In progress	2022-23	In process – behind schedule

### Information to be included in the auditor's report.

22. We will include an 'emphasis of matter' paragraph in the auditor's report to draw the attention of users of the financial statements to the following matters which we deem to be fundamental to their understanding of the financial statements:

- **Bulk purchases - Electricity losses**

As disclosed in note 29 to the financial statements, material electricity losses of R40, 4 million units (2022-2023: 33, 7 million units) were incurred, which represents 37% (2022-2023: 32%) of total electricity purchased. Technical losses amounted to R40, 4 million units (2022-2023: 33, 7 million units) and were due to energy that is lost in the transportation of the electricity from the point of supply to the point of distribution through evaporation.

- **Inventory consumed – Water losses.**

As disclosed in note 30 to the financial statements, material water losses of R46, 5 million (2022/2023: R42 million) were incurred, which represents 58% (2022-2023: 60%) of total water purchased. Technical losses amounted to R46, 5 million (2022-2023: R42 million) and were due to old and dilapidated infrastructure assets.

- **Material losses/impairments – consumer debtors**

As disclosed in note 10 to the financial statements, the consumer debtors' balance was significantly impaired. The total impairment of consumer debtors was R1,0 billion (2022-23: R783,0 million), which represented 89,5% (2022-23: 83,9%) of the total consumer debtors.

- **Restatement of corresponding figures**

As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

## FINANCIAL MANAGEMENT AND PERFORMANCE

### Going concern

22. We draw attention to the matter below. Our opinion is not modified in respect of this matter.
23. We agreed with the disclosures made in the financial statements on the material uncertainties and the events and conditions identified by management.
24. We draw attention to note 45 to the financial statements, which indicate that the municipality has a deficit of R 259,6 million (2023: R 135,7 million). The municipality's liabilities exceed its assets by R177,1 million (2022: R 82,5 million net asset position). The municipality had a net cash outflow position for the current year of R0,3 million (2022-23: R1,0 million cash inflow). This may cast significant doubt on the municipality's ability to continue as a going concern. As stated in note 45, these events or conditions, along with other matters as outlined in note 45, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.
25. The municipality has implemented some measures to improve its financial status. The impact of these measures are expected in the future.
26. **Impact:** Negative events or conditions on the municipality financial management directly impacts ability to provide quality service delivery and promotes the culture of non-payment and bailouts from governance structures.

We will include a 'material uncertainty related to going concern' paragraph in the auditor's report to draw the attention of users of the financial statements to the note included in the financial statements on the going concern material uncertainties.

### 4.7. Budget management

We tested compliance with the legislative requirements for budget management and performed tests to identify budget overspending or budgets not spent for their intended purpose. We identified findings to highlight in this area of financial management.

Nature	Description	Rand value		
		2023-24	2022-23	2021-22
Unfunded budget	The municipality has an unfunded budget, which has realised the expenditure as unauthorised for the year.	R 203 529 981	R 10 841 069	R802 468 583

**Findings on budget management**

Finding	Prior years reported	
	2022-23	2021-22
The adjustment budget was not made public by the municipal manager within 10 days after approval by the council as required by Municipal Budget and Reporting Regulation 26(1) / 52(1).	N/A	N/A

29. The municipality has a history of findings in this area as material amounts of unauthorised expenditure are incurred annually.
30. The municipality has implemented the recommendations from the provincial treasury as part of the implementation of its budget funding plan, however, has not had the desired results to date.
31. **Impact:** Overspending will negatively impact the completion of planned projects and service delivery, potentially forcing the municipality to make unexpected cuts in other areas to offset the excess expenditure
32. The unauthorised expenditure incurred constitutes non-compliance with legislation. The non-compliance will be reported as a material finding in the auditor's report.
33. The unauthorised expenditure incurred was disclosed in the financial statements as required.

**4.8. Financial assessment and compliance**

34. Our audit included a high-level assessment of the municipality's financial position and key financial ratios based on its financial results to assess its ongoing concerns and highlight issues that may require corrective action to maintain financial stability. The assessment is intended to complement, rather than substitute, the municipality's financial assessment.
35. We used the amounts and information in the financial statements to perform the assessment.
36. We concluded based on the assessment that the municipality's financial health is unfavourable, which is the same as the previous year.
37. Next, we summarise the key matters identified from the assessment.

**38. Financial assessment – key matters**

**Revenue management**

The average number of days taken for the municipality to receive payment from its debtors for services rendered by the municipality is 54 days (2023: 128 days), and this may directly impact the municipality's cash flows impeding its ability to provide adequate service delivery for the constituents of the municipality. This indicates that the implementation of the collections policy and revenue enhancement strategy has enhanced the quality of its cash flow and revenue management system Management report of Victor Khanye Local Municipality.

The debtor's impairment provision has deteriorated from the prior year increasing from 74% to 90%, this is trending in the wrong direction, and this indicates that the municipality's credit control systems are failing to collect the amounts due.

While the impairment amount of 90% remains high, the municipality needs to improve their debt collection.

#### Asset and liability management

The municipality's total debts in the current year exceed total assets with a ratio of 1.14 while in the prior year, the total assets exceeded the total liabilities with a ratio of 0.94. The total liabilities to total assets have thus deteriorated when compared to the prior year. The municipality needs to improve on their debt repayments.

#### Expenditure management

The average time it takes for the municipality to settle its obligations to creditors for services provided has risen from 1,022 days to 1,041 days. This extended payment period significantly impacts the municipality's financial health, leading to increased finance costs, such as interest or penalties, due to delayed payments. Additionally, it contributes to fruitless and wasteful expenditure, as funds are unnecessarily spent on costs that could have been avoided if payments were made promptly.

38. We identified non-compliance with legislation and other requirements applicable to the municipality on financial management. The findings on material non-compliance with legislation will be reported in the auditor's report.

#### Financial management – non-compliance

Finding	Material noncompliance	Prior years reported	
		2022-23	2021x-22
<b>Annual financial statements, performance reports, and annual reports</b>	Yes	[✓]	[✓]
The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current liabilities, and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.			
<b>Asset Management</b>	Yes	[✓]	[✓]
An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.			
<b>Expenditure Management</b>	Yes	[✓]	[✓]
Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.			
Reasonable steps were not taken to prevent unauthorised expenditure amounting to R252,9,2 million, as disclosed in note 38 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.			

Finding	Material noncompliance	Prior years reported	
		2022-23	2021x-22
Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.			
<b>Consequence Management</b>  Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.  Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	Yes	N/A	N/A
<b>Procurement and Contract Management</b>  Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).	Yes	N/A	N/A

39. There have been repeat findings on compliance as compared to the previous financial year. There were issues identified on seven compliance themes in the previous year and seven, which are also identified in the current financial year.

### Losses

40. It is crucial for the municipality to implement the necessary disciplines to ensure that value is derived from money spent and that assets and resources are safeguarded. We identified findings to highlight in this area of financial management. The findings on material non-compliance with legislation will be reported in the auditor's report.

#### *Disclosures on losses*

Nature	Description	Rand value		
		2023-24	2022-23	2021-22
Fruitless and wasteful expenditure	Interest charge	R215 220 615	R130 076 189	R103 509 072
Material losses - Electricity loss	Technical losses	R40 401 206	R33 736 761	R52 707 094
Inventory consumed – Water losses	Physical losses	R 46 454 112	R41 960 489	R51 097 251
Impairment	Impairment of Debtors	R 225 292 221	R 71 704 354	R109 344 069

**Findings on losses**

Finding	Material noncompliance	Prior years reported	
		2022-23	2021-22
Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R85,14 million, as disclosed in note 36 to the annual financial statements, in	Yes	[✓]	[✓]
Finding	Material noncompliance	Prior years reported	years
Contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditures were caused by interest charged due to over accounts.			

40. The fruitless and wasteful expenditure incurred constitutes non-compliance with legislation. The findings on material non-compliance with legislation will be reported in the auditor's report

**41. Grant management**

42. The municipality received grants totalling R201 million to fund its programmes and projects in the current year. We audited compliance with the Division of Revenue Act and the use of the Water Services Infrastructure Grant (WSIG) and Municipal Infrastructure Grant (MIG).

43. We identified findings to highlight in this area of financial management. The findings on material noncompliance with legislation will be reported in the auditor's report.

**44. Findings on MIG**

		Prior years reported	
		2022-23	2021-22
<b>Grant underspending</b>			
<b>Budget:</b> R201 019 000 N/A N/A			
<b>Underspending:</b> 0% and 0%			
<b>Material non-compliance</b>			
Performance in respect of programmes funded by the Municipal Infrastructure Grant 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 5 of 2023).		N/A	N/A

## 4.9. PERFORMANCE PLANNING, MANAGEMENT AND REPORTING

### Overall performance planning and management

44. We tested whether the municipality's performance planning and management processes integrated development plan (IDP), and service delivery and budget implementation plan (SDBIP) complied with the key requirements of the legislation.

45. We did not identify findings.

### 46. Findings on performance planning and management

Finding	Material noncompliance	Prior years reported	
		2022-23	2021-22
None Identified	N/A	✓	✓

### Audit of annual performance report

46. The SDBIP and annual performance report were submitted to us for auditing on 31 August 2024.

47. As detailed in the engagement letter, we undertook a findings engagement on specific indicators selected for auditing. We will report only the material findings in the auditor's report and not the audit opinion/conclusion as included in **section 1**.

48. We selected the following indicators for auditing:

- % of new households with access to basic levels of sanitation as per received applications by 30 June 2024 (GKPI).
- % of new households with access to basic levels of water as per received applications by 30 June 2024 (GKPI).
- Number of times refuse collection services rendered per week at Wards 1,2,3,4,5,6,8 and 9 (GKPI)
- % of new households with access to basic levels of electricity as per received applications by 30 June 2024 (GKPI) (excluding Eskom licenced areas).
- Number of KMs of surfaced roads constructed by 30 June 2024.
- Number of households earning less than R4220 per month provided with access to free basic services by 30 June 2024 (GKPI).
- Number of water samples tested per month.

- % availability of emergency response vehicles per quarter to comply with the codes of practice (SANS 10090)
- % response time normal hours (5 min) with respect to the request for emergency services received per month to vehicles out the gate
- % response time after hours (10 min) with respect to the request for emergency services received per month to vehicles out the gate
- Number of services of delivery reports compiled and submitted to the MM per quarter.

49. The indicators above relate to basic services which enhance the quality of life of citizens and increase their social and economic opportunities by promoting health and safety, facilitating access to work, education, and recreation and stimulating new productive activities.

50. We evaluated the reported performance information for the selected indicators against the criteria developed from the performance management and reporting framework. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users of the report on the municipality's planning and delivery of its mandate and objectives.

51. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- the indicators are well defined to ensure that they are easy to understand can be applied consistently and are verifiable so that we can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, timebound, and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures included that are taken to improve performance.

52. We also conducted procedures to test whether:

- the overall presentation of the performance information in the annual performance report is comparable and understandable.
- the indicators used for planning and reporting are complete by considering the core functions of the municipality as defined by its mandate, the prioritization for delivery of those core functions, and any applicable standardized indicators.

#### 4.10. Audit results – KPA 1: Basic service delivery and infrastructure development.

5. We did not identify findings on the completeness of the indicators.

##### *Findings on completeness of indicators*

Finding	Prior years reported	
	2022-23	2021-22
None Identified	N/A	N/A

6. We did not identify material findings on the overall presentation of performance information in the annual performance report.

7. We did not identify material misstatements in the reported performance information in the annual performance report submitted for auditing.

##### **Internal control and recommendations**

8. We did not identify significant internal control deficiencies in the performance planning, management and reporting processes as reported.

##### **Significant internal control deficiencies – performance planning, management, and reporting**

Deficiency	Prior years reported	
	2022-23	2021-22
None Identified	N/A	✓

#### **PLANNED TARGETS NOT ACHIEVED**

57. As disclosed in the annual performance report, not all the planned targets were achieved for the indicators we selected for auditing.

58. We will draw the attention of oversight to the non-achievement of key indicators by including the table that follows in the 'other matters' section in the auditor's report, with

reference to the pages in the annual performance report where the reasons for the non-achievement are included.

**Targets for key indicators not achieved – Basic service delivery and Infrastructure.**

Key indicators not achieved	Planned target	Reported achievement
% of new households with access to basic levels of sanitation as per received applications by 30 June 2024 (GKPI)	100%	0%
Water Services Master Plan and SDP developed and submitted to Council by 30 June 2024	1	0
% of new Capital projects started on time in terms of the appointment of consultants/contractors excluding NDM-funded projects by 30 Sept 2023	100%	0%
Electricity Master Plan developed and submitted to Council by 30 June 2024	1	0
Number of Kms of surfaced roads constructed by 30 June 2024	1km	0
% availability of emergency response vehicles per quarter to comply with the codes of practice (SANS 10090)	80%	58%
Number of households earning less than R4220 per month provided with access to free basic services by 30 June 2024 (GKPI)	500	277
Number of Sports and Arts and Culture events held by 30 June 2024	4	2

59. The municipality utilised 100% of its planned budget which translated into an achievement of 80% of planned targets. This shows significant overspending to achieve planned targets. The municipality has not met the target for the predetermined objectives for KPA1 while it has fully utilised the budget. The municipality should implement internal controls to ensure there is alignment between the expenditure and achievement of planned targets.

## OTHER INFORMATION IN THE ANNUAL REPORT

60. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

61. Our opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and we do not express an audit opinion or any form of assurance conclusion on it.

62. Our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

63. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and reissue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### 4.12. DELIVERY OF KEY SERVICE

##### Delivery of Waste Treatment

The audit included an assessment of the delivery of wastewater management.

###### Delmas Wastewater Treatment Works

The purpose of the audit was to assess the treatment, infrastructure, and effluent quality disposal practices at the treatment plant, pump stations and reticulation lines. The scope of work included selected visits to pre-identified risk sites or areas as well as the current line infrastructure and pollution noted.

###### *Findings on waste treatment work*

Finding	Material noncompliance	Prior years reported	
		2022-23	2021-22
The municipality achieved a Green Drop score of 37%, which rated it as "poor" for both 2021 and 2022. According to the CRR rating, Delmas WWTW also falls within the high-risk category at 76,5% according to the 2021 results.	No	No	No

<p>Delmas WWTWs, Delmas Golf-, Delpark- and Kuiken Wastewater Pump Stations were found to be in a critical condition based on the observations made:</p> <ul style="list-style-type: none"> <li>• Golf Wastewater Pump Station was found to be partially functional because one pump was non-functional whilst the other pump was in serious need of maintenance and repairs.</li> <li>• Access to Delpark Wastewater Pump Station was restricted however it was observed from the outside that the pump station was not/poorly functioning because of the blockages noted.</li> <li>• Kuiken Wastewater Pump Station was found to be completely vandalised and depleted. The interior and immediate surroundings are overflowed with untreated wastewater, polluting the area which includes communal and business activities.</li> <li>• The Primary Settling Tank (PST) at Delmas WWTP was totally clogged with solids and could not draw sludge which also subsequently moved into / clogged the BNR (Biological Nutrient Removal). The non-functional and clogged PST was also severely affecting the Anaerobic Tank because the sludge damaged the mechanical- and operational equipment (gearboxes etc.).</li> <li>• The four maturation ponds on site were completely overgrown (not maintained) with the dry beds not in use (resulting from the upgrades in process).</li> </ul>	No	No	No
<b>Finding</b>	<b>Material noncompliance</b>	<b>Prior years reported</b>	
		<b>2022-23</b>	<b>2021-22</b>
<ul style="list-style-type: none"> <li>• Secondary Settling Tanks showed serious sludge generation and clogging and therefore not functional. In addition, the wastewater flows from the Secondary Settling Tanks into an on-site stream, bypassing the Maturation ponds and into the immediate environment (down flow).</li> </ul> <p>The current Delmas Wastewater treatment plant is over-capacitated, receiving between 7,5 – 12 ml/day compared to the design capacity of 4.5 ml/day. The plant is in the process of being upgraded to a 12 ml/day plant since May 2022. The initial completion date of 13 May 2024 was however revised to 11 April 2025.</p> <p>The current progress as recorded in the 26 September 2024 progress report is 58%.</p>	No	No	No

- The poor and depleted wastewater infrastructure, non- or ineffective wastewater treatment and effluent quality disposals need to be addressed to maintain lower-risk wastewater systems.
- **Impact:** Untreated wastewater was flowing downstream from inside the plant into the down flow environment that could result in the following environmental impact and health hazards:
  - Wastewater pollution, which poses significant threats to rivers and their ecosystems. Most wastewater flows back into the environment untreated, which poses risks to downstream ecosystems and people relying on the rivers and streams as a water source. Organic pollution of rivers by untreated wastewater discharge from human

activities negatively impacts people and ecosystems. Without treatment, pollution control relies on a combination of natural degradation and dilution by natural run-off to reduce downstream effects.

- Health consequences and disease outbreaks are eminent where wastewater is not properly treated and disposed of.
- **Root cause:** A very old and depleted sewer treatment and line infrastructure, in serious need of refurbishment, upgrade (completion), maintenance and repairs. Resource constraints such as funding, required and skilled human resources, vehicles, and equipment, also hampered maintenance and repair efforts to maintain and improve wastewater treatment and effluent quality standards for disposals.

## Recommendations

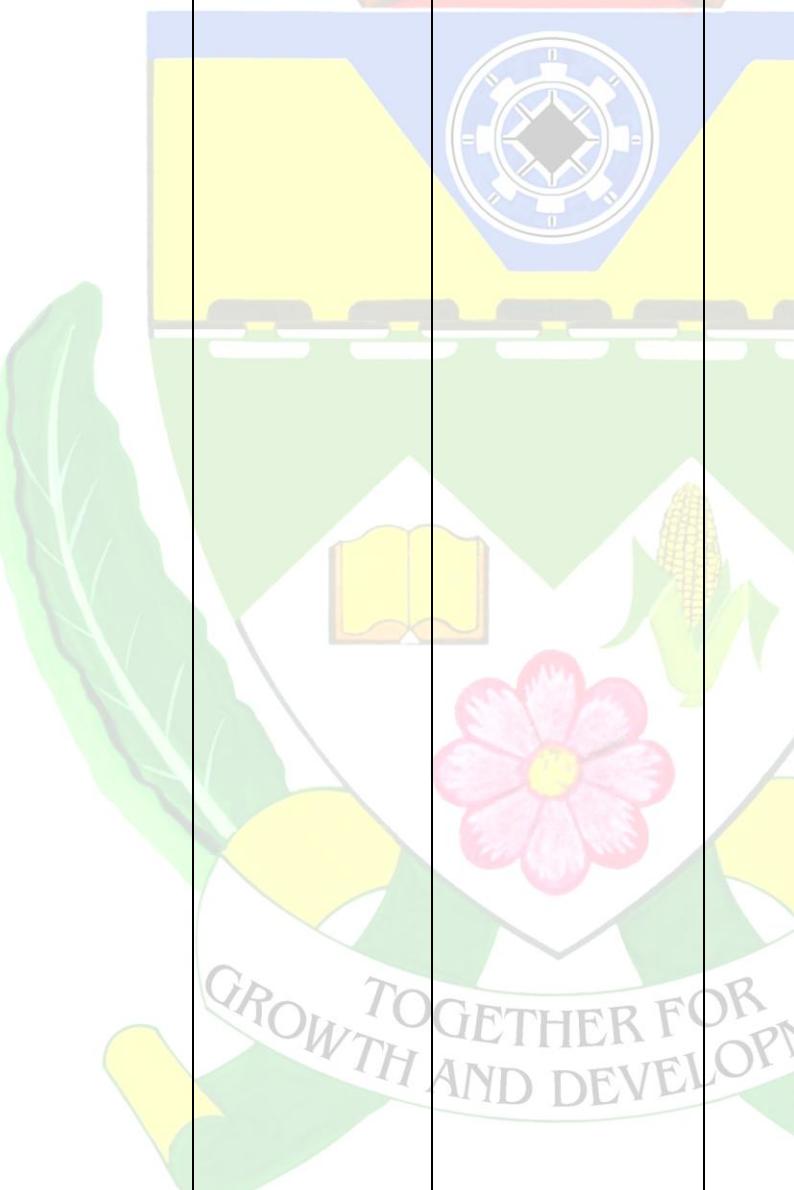
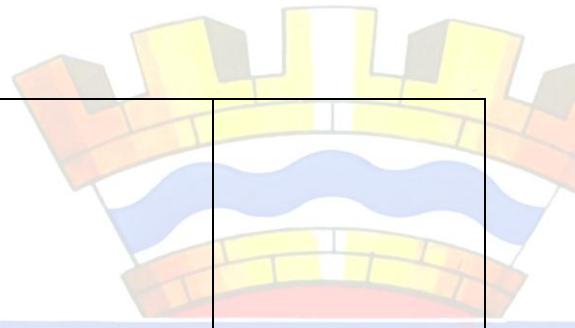
We made recommendations to improve the delivery processes to the position(s) in senior management

**Key recommendations and responses – Environmental Audit**

	Year originally recommended	Status of implementation
<b>Recommendation:</b> The municipality should: <ul style="list-style-type: none"> <li>• Perform routine maintenance and repairs at WWTWs, pump stations and related infrastructure lines to reduce the risk of mechanical failures and overflows.</li> <li>• The current upgrades need to be expedited to fast-track completion to limit further pollution of the water resources and environment. All areas within and next to the plant need to be assessed for rehabilitation and repair.</li> </ul>	2023-24	Not started
	Year originally recommended	Status of implementation

<ul style="list-style-type: none"> <li>Repair current non-functional mechanical- and operational equipment to ensure proper treatment and adherence to desired effluent quality disposal standards.</li> <li>Resource/establish and maintain alternatives and backup capabilities such as generators and emergency overflow holding ponds to address externalities such as load-shedding, natural disasters, vandalism, theft, and communal ignorance.</li> <li>Address the non-functioning pump stations (and excessive wastewater overflows) as a matter of urgency to limit further pollution and degradation of the receiving environment.</li> <li>Prioritise and implement infrastructure projects (with reference to the latest WSDP, contractual commitments) that would improve the quality of wastewater treatment and disposal.</li> <li>Prioritise funding for the needed upgrades, maintenance, repairs and or remedial action and improved operations required at failed infrastructure, plants, and pump stations.</li> <li>Inspect and assess the entire wastewater infrastructure to determine further upgrading needs, to curb the risk of failures and untreated- or improperly treated wastewater disposed into the immediate environment and or water resources.</li> <li>Adequately safeguard the assets (Plants, Pump Stations, and line infrastructure) to limit the severe impacts of vandalism and theft.</li> </ul> <p><b>Response:</b> Management agreed to most of the findings and indicated the following remedial action to be taken:</p> <p><i>Green drop status:</i></p> <ul style="list-style-type: none"> <li>Management to improve on all criteria prescribed to meet the minimum standard for green drop results.</li> <li>Management to provide training to process controllers and continuously update criteria for green drop requirements.</li> <li>Management to seek funding and upgrade pump stations to meet required water quality results.</li> <li>Management to continuously sample water quality results to monitor the level of water quality and implement mitigation measures.</li> </ul> <p><i>Wastewater pump stations:</i></p> <ul style="list-style-type: none"> <li>The Golf Course sewer pump station is currently under refurbishment and upgrade. VKLM and McCain Foods have signed an MOU whereby McCain is assisting the municipality with the refurbishment of the pump station.</li> <li>Municipality appointed a Millwright in February 2024 to ensure maintenance is carried out effectively.</li> <li>The municipality to fill -up the maintenance team to ensure regular maintenance is conducted.</li> <li>Management to review operation and maintenance plans to ensure effectiveness and efficiency.</li> <li>Management to seek funding externally to upgrade its infrastructure.</li> <li>Further training for operation and maintenance teams</li> <li>Municipality to enhance security to safeguard the pump station against theft and vandalism.</li> </ul>		
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WWTP and upgrading thereof: Management did not agree with the finding in totality because Nkangala District Municipality is responsible for the



	Year originally recommended	Status of implementation
<p>Upgrade of the plant. Management did however agree to the following remedial action:</p> <ul style="list-style-type: none"> <li>• VKLM to engage Nkangala DM and the project team, to develop an acceleration plan to complete the project by the revised due date.</li> <li>• Continuous monitoring of the project and engagements in project site meetings.</li> <li>• Explore other alternative measures or technologies to reduce environmental pollution at Delmas WWTP.</li> </ul>		

## 4.13. HUMAN RESOURCE MANAGEMENT

64. We audited compliance with legislation on human resource management and assessed the processes in place to ensure adequate and sufficiently skilled resources are in place.

65. We identified findings. The findings on material non-compliance with legislation will be reported in the auditor's report.

### 66. *Findings on Human Resource Management*

Finding	Material noncompliance	Prior years reported	
		2022-23	2021-22
66. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.	67. Yes	68. N/A	69. N/A

### Skills and capacity

70. Our audit included an assessment of the following:

- Vacancies: overall, as well as in the basic service delivery departments whether the municipality has the necessary skills and capacity to successfully operate and manage the selected WasteWater Treatment Works (WWTW)
- Whether the municipality has the necessary skills and capacity in their information systems department,

71. We have considered the impact of skills and capacity relating to the above focus areas and our observations, insights and recommendations are included in the annexure.

### USE OF CONSULTANTS

72. The municipality spent R4.6 million on consultants to support the current year's financial and performance management and reporting processes – an increase from the R4.2

million in the previous year. The municipality appointed consultants to assist in the preparation of financial statements.

73. Our audit included an assessment of the effective use of consultants and compliance with local government requirements for the appointment and management of consultants.

74. We did not identify findings on the use of consultants.

## **CO-ORDINATING MINISTRIES AND THEIR IMPACT ON LOCAL GOVERNMENT.**

75. The coordinating ministries within the province should maintain a role of oversight, coordination and guidance to the local government sector and its service delivery activities. The main role-players within the province are the Provincial Treasury (PT); the Department of Co-operative Governance and Traditional Affairs (COGTA); and the Member of Executive Council (MEC) for local government.

76. We considered the influence, support, capacitation, and interventions of these co-orientating departments as part of our audit. We also considered the role of the accounting officer, mayor, and the council, including the municipal public accounts committee (MPAC), internal audit and the audit and risk committee to better understand the discharge of their mandate and the effectiveness of their role.

77. Our insights are as follows:

### **Financial Management and Support**

78. The municipality submitted the mid-year budget and performance assessment to the Treasury which is a tool used to inform the treasury of the mid-year financial performance of the municipality. The in-year monitoring reports included remedial actions to assist the municipality in attaining sustainability. There is a budget funding plan in place to assist the municipality in improving from the financial distress it currently faces.

### **Municipal council and oversight mechanisms**

#### *Council*

79. The audit report and the annual report were also tabled to the council. Council monitored the progress of the audit action plan and the performance of the municipality on a quarterly basis.

#### *Municipal Accounts Committee (MPAC)*

80. MPAC did not investigate the unauthorized expenditure as well as the fruitless and wasteful expenditure, which resulted in a consequence management paragraph in the audit report.

#### *Consequence management*

81. MPAC did not investigate the unauthorized expenditure as well as the fruitless and wasteful expenditure, which resulted in a consequence management paragraph in the audit report which in turn means that there was no implementation of consequence management as investigations were not performed to identify officials responsible for the unauthorised expenditure as well as fruitless and wasteful expenditure.

### *The Executive Mayor*

82. The mayor concluded annual performance agreements that are linked to the measurable performance objectives and the service delivery and budget implementation plan.
83. A quarterly report on the budget and the financial state (Section 71 report) of the municipality was submitted to the council.
84. The municipality developed an audit action plan and the progress on the implementation of the action was tabled at the council on a quarterly basis.

### *Internal audit and audit committee*

85. Quarterly internal audit reports were submitted to the audit committee and the audit committee reviewed the audit action plan progress as well as the performance of the municipality on a quarterly basis.

### **Provincial oversight, transparency, institutional integrity, performance, and accountability**

Provincial oversight and departments should be diligently monitoring in accordance with the required legislation.

### *Oversight – MFMA*

87. The municipal manager submitted the annual report for the 2022/23 financial year to the Legislature within 7 days of approval by the council.
88. The mayor has ensured that the municipality develops an audit action plan to address issues raised by the Auditor-General however, not all findings have been addressed. This was due to slow response by management in implementing the recommendations issued in the previous audit cycle.

### *Reporting (Municipal Manager and Mayor) - MFMA*

89. The municipal manager submitted to the mayor and provincial treasury section 71 monthly reports, which outlined the state of the municipality's budget.
90. The mayor of the municipality submitted to the council a report on the implementation of the budget and financial state of affairs of the municipality within 30 days of the end of each quarter.
91. In these quarterly reports, the mayor was able to report on the municipality's implementation of the budget against the approved SDBIP and identify any potential financial issues that may arise.

## Performance agreements and appointments

92. The mayor ensured that a performance agreement was signed with the municipal manager and the municipal manager signed performance agreements with senior managers of the municipality.
93. New appointments were made for Executive Director Corporate Service and Executive Director Technical Services were made during the financial year.

## Positive insights on co-ordinating ministries support

94. There is currently no visible impact on the participation of the support of the various parties involved in the review processes for financial and performance reporting of the municipality due to the stagnation of audit outcomes and deficiencies identified in the internal control environment.

## Services to indigent households

95. The management of municipal indigents is key to appropriate service delivery and financial management within local government. Services to indigent households are encompassed within the Constitution of South Africa, as such it is important to ensure that funds budgeted for indigent households reach the intended beneficiaries through appropriate service delivery. Mismanagement of indigents can financially cripple municipalities and service delivery, while proper management of indigents will assist municipalities with financial health.

## Findings on services to indigent households

Finding	Number of instances identified (2023-24)	R-Value of instances identified (2023-24)	Prior years reported	
			2022-23	2021-22
Duplicate IDs tested in the indigent household listing and received indigent rebates.	90	R 307 631	N/A	N/A
Government employee ID testing in the indigent household listing and received indigent rebates.	34	R 205 440	N/A	N/A
The CIPC Director tested in the indigent household listing and received indigent rebates.	3	R 31121	N/A	N/A
Spouses of CIPS Directors tested in the indigent household listing and received indigent rebates.	2	R 24 992	N/A	[x]
Spouses of employees in other departments in the indigent household listing received indigent rebates.	4	R 34990	N/A	N/A

96. The municipality lacks systems to verify if current and new customers meet billing requirements.

97. Impact: Loss of revenue

## Recommendations

We made recommendations to improve the delivery processes to the accounting officer.

### ***Key recommendations and responses – services to indigent households***

Recommendation and management response	Year originally recommended	Status of implementation
<p>Recommendation: The municipality needs to investigate these cases to determine whether individuals qualify as indigent or should be charged for services.</p> <p>Effective management of municipal indigents is crucial for ensuring appropriate service delivery and sound financial management within local government. Services for indigent households are supported by the Constitution of South Africa, so it is essential to ensure that funds allocated for these households reach the intended beneficiaries through effective service delivery. Poor management of indigent services can financially burden municipalities and hinder service delivery, while proper management can enhance the financial health of these municipalities.</p> <p>Response: Management agrees with our findings and will update the indigent register manually, as they currently do not have a system in place.</p>	2023-24	In-process

The municipality needs to investigate these cases to determine whether individuals qualify as indigent or should be charged for services. Effective management of municipal indigents is crucial for ensuring appropriate service delivery and sound financial management within local government. Services for indigent households are supported by the Constitution of South Africa, so it's essential to ensure that funds allocated for these households reach the intended beneficiaries through effective service delivery. Poor management of indigent services can financially burden municipalities and hinder service delivery, while proper management can enhance the financial health of these municipalities.

## 4.15. RECOMMENDATIONS

133. We made recommendations to improve the overall control environment to senior management. Some of these recommendations were also made in prior years. A summary of the key recommendations and the responses received follows.

**Key recommendations and responses – control environment**

Recommendation and management response	Year originally recommended	Status of implementation
<p><b>Recommendation:</b> The controls over Annual Financial Statements and Compliance with legislation require to be assessed for implementation and design.</p> <p><b>Response:</b> To be implemented in the 2024-25 financial year</p> <p>In progress assessment due to recurring material findings in the current audit cycle</p>	2022-23	In process – behind schedule
<p><b>Recommendation:</b> The root causes of the non-compliance findings that recurred must be investigated and measures to address the root causes timeously must be implemented. The focus should also be expanded to understand the impact it has on the service delivery mandate of the municipality.</p> <p><b>Response:</b> To be implemented in the 2024-25 financial year</p> <p>In progress assessment due to recurring non-compliance in the current audit cycle</p>	2020-21	In process – behind schedule
<p><b>Recommendation:</b> An appropriate audit action plan addressing the root cause of the findings should be developed and the appropriate level of management should regularly monitor its implementation. Any deviation from the plan should be promptly addressed.</p>	2023-24	Not yet implemented

134. We noted that some recommendations and responses relate to the prior year. Similar issues were noted in the prior year audit outcomes and have recurred in the current year audit outcomes which confirms that the implementation of the recommendations to address the identified control deficiencies are still in progress.

## SECTION 4: OVERALL RECOMMENDATIONS

135. We provided recommendations to senior management to rectify the weaknesses identified in financial management and compliance with legislation. We commend management for implementing the recommendations on several material issues however in some areas such as expenditure management, there is slow progress on the implementation.

136. Our recommendation for the accounting officer is to focus on addressing the underlying root causes of these weaknesses, which stem from deficiencies in the overall control environment and failures in the accountability ecosystem.

137. In our view the main root causes that need attention are as follows:

- Management did not ensure that an appropriate level of monitoring was established over the compilation of financial statements and compliance with legislation in the expenditure

management, asset management, procurement, and contract management, AFS and Annual report management, Revenue management, HR management and consequence management areas which could have prevented material findings.

138. Addressing these root causes requires a focused and systematic approach. This would require an audit action plan that is focused on addressing root causes, with S.M.A.R.T targets and disciplined monitoring and implementation, is fundamental to success.

The following are our main recommendations to address the identified root causes. The preliminary recommendations will be further discussed and agreed upon after the audit cycle. We have shared some of these before and ask for urgent action to ensure their implementation.

139. **Overall recommendations**

Recommendation and management response	Year originally recommended	Status of implementation
<p><b>Recommendation:</b> The controls over Annual Financial Statements and Compliance with legislation require to be assessed for implementation and design.</p> <p><b>Response:</b> To be implemented in the 2024-25 financial year</p> <p>In progress assessment due to recurring material findings in the current audit cycle</p>	2022-23	In process – behind schedule
<p><b>Recommendation:</b> The root causes of the non-compliance findings that recurred must be investigated and measures to address the root causes timeously must be implemented. The focus should also be expanded to understand the impact it has on the service delivery mandate of the municipality.</p> <p><b>Response:</b> To be implemented in the 2024-25 financial year</p> <p>In progress assessment due to recurring non-compliance in the current audit cycle</p>	2020-21	In process – behind schedule
<p><b>Recommendation:</b> An appropriate audit action plan addressing the root cause of the findings should be developed and the appropriate level of management should regularly monitor its implementation. Any deviation from the plan should be promptly addressed.</p>	2023-24	Not started

140. The accounting officer and senior management of the municipality are urged to implement the recommendations in this report and utilise the assurance providers in the accountability ecosystem to improve audit outcomes.

## CONCLUSION

141. In conclusion, we have made significant progress over the past year in fostering a culture of performance, accountability, transparency, and integrity in demonstrating our commitment to continuous improvement. We commend the municipality's management for their positive approach to the audit process and wish to express our appreciation for the support provided by both leadership and officials throughout the audit.

Yours sincerely



Lonele Matola  
Senior Manager  
16 January 2025

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## AUDIT ACTION PLAN 2023-2024

Year	2021/2022	2022/2023	2023/2024
<b>Audit Opinion</b>	Qualification	Qualification	Qualification
<b>Number of qualification paragraphs</b>	7	5	
<b>Number of findings raised by the AG</b>	53	39	25

### Status

Complete	-	#DIV/0!
In progress	-	#DIV/0!
Not started	-	#DIV/0!

Department	Complete	In progress	Not started	Total
Social Services				0
Corporate				0
Technical				0
Performance				0
AFS				0
Budget				0
Assets				0
Expenditure				0
Revenue				0
SCM				0

# Report of the auditor-general to Mpumalanga Provincial Legislature and Council on Victor Khanye Local Municipality

## Qualified opinion

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

## Basis for qualified opinion

### Property, plant and equipment

3. The municipality did not account for some items of property plant and equipment in accordance with GRAP 17, property plant and equipment in the prior year. This is due to the municipality not assessing whether there were any indications that the useful lives of property, plant and equipment had changed. Additionally, some assets were not depreciated in line with the assets management policy. I was unable to quantify the full extent of the misstatement of property, plant and equipment of R943,5 million (2022-23: R920,5 million) as disclosed in note 4 to the financial statements as it was impracticable to do so.
4. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for community assets due to the status of accounting records. I was unable to confirm the restatement of community assets by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the community assets stated at R52,7 million (2022-23 R55,2 million) in note 4 to the financial statements. This also had an impact on the prior period error note disclosed in note 39 to the financial statements.

## **Bulk Purchases**

5. In the prior year, I was unable to obtain sufficient appropriate audit evidence for bulk purchases as the municipality did not maintain proper accounting records. I could not confirm bulk purchase expenses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to corresponding amounts for bulk purchases stated at R167,2 million in note 29 to the financial statements and trade payables stated at R1,1 billion in note 15 to the financial statements. This also had an impact on the deficit and the accumulated surplus for the period.

## **Irregular expenditure**

6. The municipality did not have adequate controls to identify and disclose all irregular expenditures incurred in the previous years, as required by section 125(2)(d) of the MFMA. This resulted in the understatement of irregular expenditure. I was unable to quantify the full extent of the understatement to the irregular expenditure of R176,2 million (2022-23: R259,3 million) as disclosed in note 37 to the financial statements as it was impracticable to do so.

## **Context for opinion**

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

## 4.2.6. VICTOR KHANYE MUNICIPALITY

### AUDIT ACTION PLAN 2023-2024

Finding No.	Category / Key area / Component	Section/ Department	Responsible Party	Finding heading	Root causes of non-compliance / internal control deficiencies	Summary of proposed action plan	Activities to be undertaken to operationalise the action plans	Progress on remedial action plans submitted
1	Performance assessment not performed	Human resource	AM: HRM	Performance assessments for 2023-24 have not been conducted.	Management did not review and monitor compliance with legislation by conducting performance assessments for all employees, not just the municipal manager and directly accountable managers.	Establish a performance management system for employees.	Management is in agreement, The Municipality is planning to appoint the IPMS Coordinator and establish the unit that will be responsible for cascading of performance Assessment to all employees below the Municipal Manager and Managers reporting directly to the Municipal Manager.	Finding resolved, The recommendation will be implemented and followed up in the 2024/25 audit period.

	Levels of financial management competency not met by the officials	Human resource	AM: HRM	Officials of a municipality did not meet the prescribed levels of financial management competency	Management did not review and monitor compliance with applicable legislation to ensure minimum competency assessments were conducted.	Ensure that municipal financial officials meet the required competency levels.	The management is not in agreement with this finding, attached please find the MFMP/CPMD Statement of results and certificates of the mentioned employees in the audit findings and further note that the Competency Assessment is only for section 54/56 Managers.	Finding resolved
2	Differences between the schedules and the amount disclosed in the financial statements - Fruitless and wasteful expenditure	Budget and reporting	AFS Team	Difference between the supporting schedules of fruitless wasteful expenditures compared to the amount disclosed in the financial statements	Management did not adequately review the annual financial statement and supporting schedules to ensure completeness and accuracy of unauthorized, expenditures registers in comparison to the annual	Design and implement controls for reviewing the financial statements.	Management acknowledgement the finding, however are not in agreement with the finding. The variance referred to by the auditor relates to the opening balance (prior period closing balance).	Finding resolved

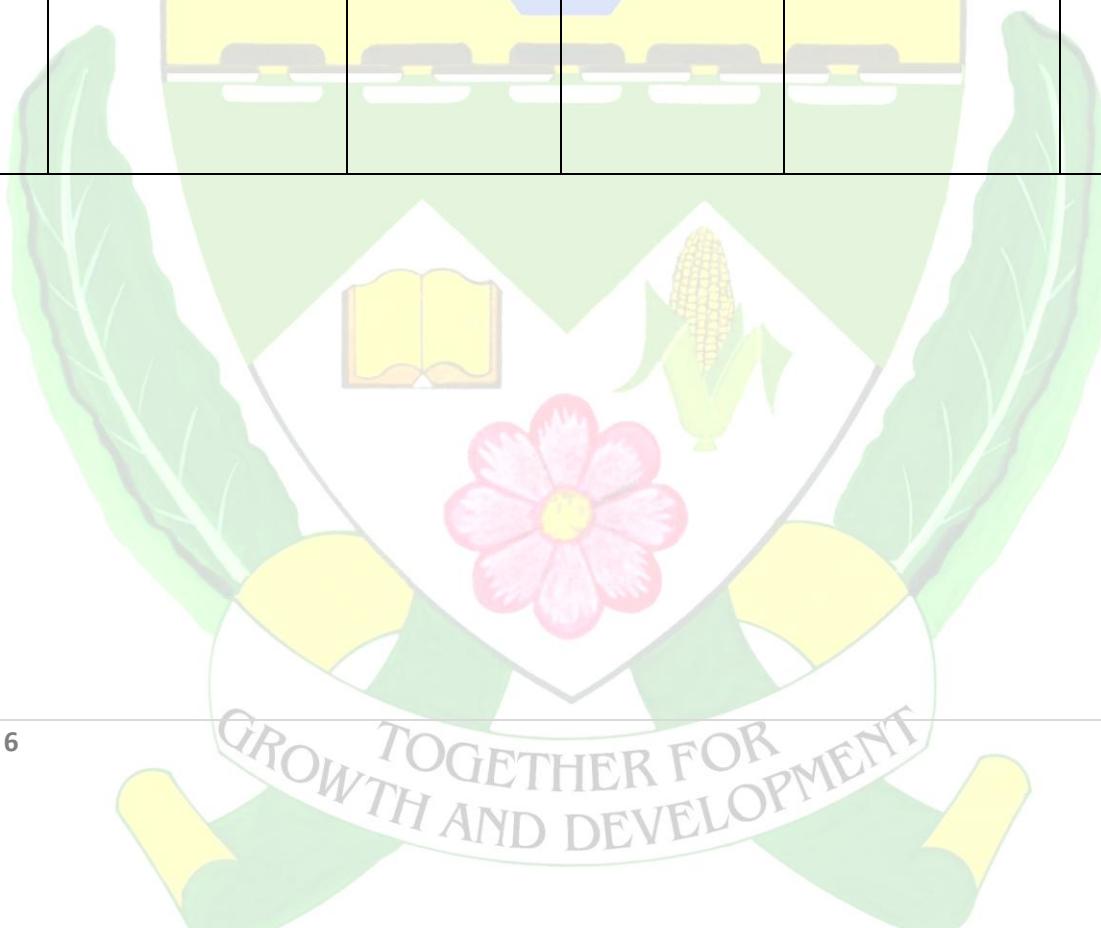
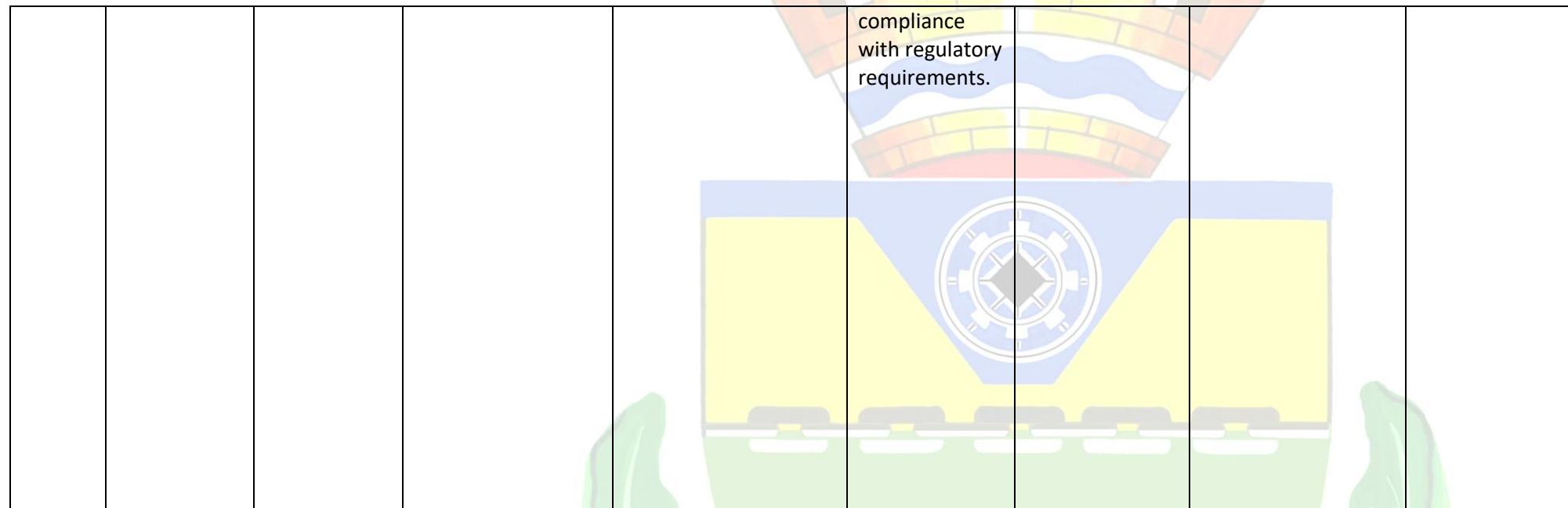
					financial statement			
	Differences between the schedules and the amount disclosed in the financial statements - Unauthorised expenditure	Budget and reporting	AFS Team	Difference between the supporting schedules of unauthorized expenditures compared to the amount disclosed in the financial statements	Management did not adequately review the annual financial statement and supporting schedules to ensure completeness and accuracy of unauthorized, fruitless, and wasteful expenditures registers in comparison to the annual financial statement.	Design and implement controls for reviewing the financial statements.	Management acknowledgement the finding, however are not in agreement with the finding. The variance referred to by the auditor relates to the opening balance (prior period closing balance).	Finding resolved

	Prior period error: Fruitless and wasteful expenditure	Budget and reporting	AFS Team	Prior period error: Discrepancies in corresponding figures for fruitless and wasteful expenditure	Management did not adequately review the annual financial statement to ensure that the prior period error note was free from errors.	Design and implement controls on the review of the AFS.	Management acknowledgement the finding. Management is in agreement with the finding. The Fruitless and wasteful prior period error amount was correctly captured in the fruitless and wasteful note 36. However, the amount in the prior period error indicates the current year adjustment, the numbers do not align between note 36 and note 39.	Finding resolved
3	Property rates	Revenue	AM: Revenue	Property Rates: The municipality excluded R20,000 instead of R15,000 from the market value when calculating the property rates.	Management did not adequately review the property rates revenue process to ensure that the revenue is charged in line with the	Update the property rates revenue charge in accordance with property rates act.	Management is in agreement, The Rates policy will be updated to be in line with the 2015/2016 rates policy.	Finding resolved

					Municipal Property Rates Act.			
3	Inventory consumed accounting policy	Assets	AM: Assets	Inventory consumed Accounting Policy	Management did not adequately review the AFS to ensure that all applicable disclosures are made.	Design and implement controls on the review of AFS to ensure they are free from omission.	Management agrees with the finding. Management have proposed an additional paragraph per below to the Inventory accounting policy in the AFS:	Finding resolved

Petrol expense incorrect classification	Assets	AM: Assets	Incorrect classification of petrol expense as inventory consumed	Management did not ensure that expenditure is correctly classified based on its nature	Ensure that transactions are recorded accurately based on supporting documentation.	Management agrees with the finding. The fuel costs should not have been treated as inventory consumed but rather Operational Costs - Fuel. Management have proposed a reclassification correction to move all the Sasol fuel costs acquired via inventory to Operational Costs. Management agrees with the finding. The reason the difference exists is because the fuel was purchased as part of inventory and hence was measured at weighted average and not at actual invoice amount.	Finding resolved
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4	Waste management	Revenue	AM: Revenue	Waste management (refuse): Properties not listed on the valuation roll and incorrect billing of properties.	Management did not put adequate controls in place to maintain and update the valuation roll, and there are also insufficient verification processes to ensure that all properties receiving waste management services are correctly categorized and charged the right tariffs. The lack of proper controls increases the risk of incorrect billing, potential revenue loss, and non-	Ensure that all properties are listed on the valuation roll	Management is in agreement with the finding. Mokoena GS is categorized as Agricultural in the valuation roll and incorrectly charged business rates. We have extracted the billing report for refuse and reconciled the categories with the valuation roll. We noted differences between the two and recalculated the revenue based on the categories per the valuation roll. Please refer to the attachment (COAF 6.1) for the result of our reconciliation and revenue adjustment. Management propose credit and debit notes to the customers accounts	Finding not resolved
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	Water management	Revenue	AM: Revenue	Waste Management: We were unable to recalculate the disclosed amount.	Management did not ensure that customers were billed at the correct rates, leading to inaccurate revenue billing.	Ensure that the rates charged align with the approved tariffs	<p><b>Table 1:</b> Management is not in agreement with the finding. The tariff policy indicates that the Municipality will charge a fixed tariff per connection to the property. Businesses are charged based on the number of connection points to the property. <b>Table 2:</b> Management is in agreement with the finding. Senosi Trading is categorized as residential in the valuation roll and incorrectly charged business rates. We have extracted the billing report and reconciled the categories with the valuation roll. We noted differences between the two and recalculated the revenue based on</p>	<p><b>Table 1:</b> Finding resolved</p> <p><b>Table 2:</b> Finding not resolved</p>
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the categories per the valuation roll. Please refer to the attachment (COAF 6.2) for the result of our reconciliation and revenue adjustment. Management propose credit and debit notes to the customers accounts.

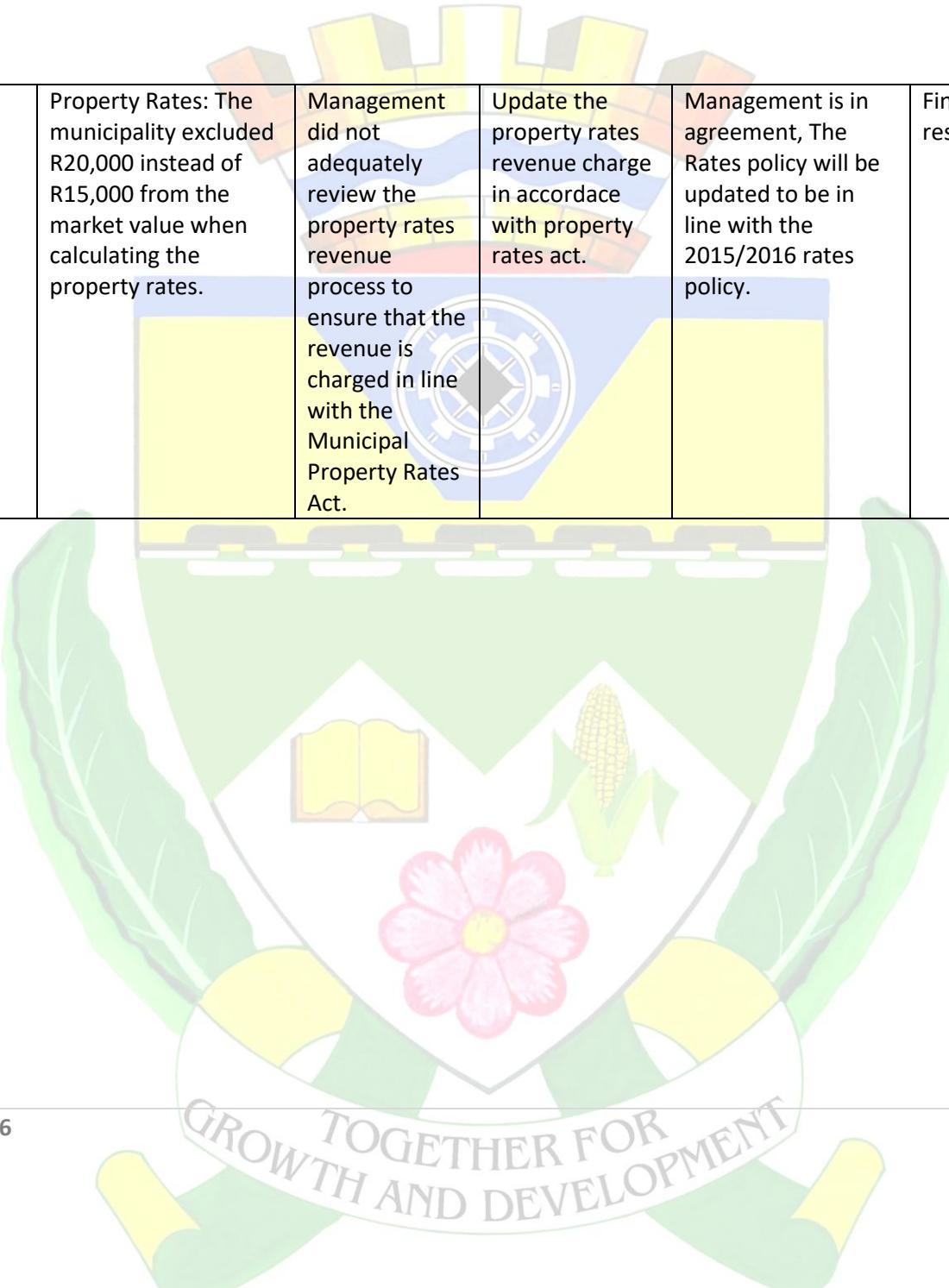
	The use of unapproved tariffs - Prepaid electricity	Revenue	AM: Revenue	Unapproved tariffs are being used to charge for prepaid electricity	Management did not prepare accurate financial and performance reports supported by reliable information. Additionally, customers were incorrectly billed due to charging errors.	Provide regular, accurate, and complete financial and performance reports supported by reliable information.	Management is in agreement with the finding. In the 2023/2024 financial year, the service provider maintaining the system did not update/roll over the tariffs in a timely manner. The Tariffs were updated on 1 July 2023, effective 2 July 2023 going forward. This caused the transactions on 1 July to be on the old tariff structure. Management disagrees however on the impact. The tariffs were correctly applied from 2 July 2023 going forward, therefore the error noted should only be extrapolated against the 1 July 2023 prepaid purchases	Finding resolved
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	Water management	Revenue	AM: Revenue	Water sale: Misstatements were identified due to the use of incorrect tariffs.	Management did not implement controls for daily and monthly transaction processing and reconciliation to prevent billing errors and ensure the correction of detected errors.	Investigate water consumption to ensure accuracy.	Management agree that the meter reading reports does not align with invoice for this customer, however, management disagree with that this is an error. When month end billing is performed, Munsoft has exception reports for readings that have negative consumption, irregular movements, no readings etc. These exceptions reports are then followed up and corrected. The movement (monthly usage) for this account was significantly more than the previous months and therefore a correction was performed.	Finding not resolved
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	Electricity management	Revenue	AM: Revenue	Sale of electricity: Misstatements were identified due to the use of incorrect tariffs	Management did not implement controls for daily and monthly processing and reconciliation of transactions to prevent billing errors. Additionally, they did not implement controls to ensure that detected errors are corrected.	Ensure billing is done using correct tariffs as per Nersa approved tariff.	Management agree with the finding. The Industrial tariff was used for the "LOW TENSION" usage, whereas the commercial conventional low was meant to be used. Management have recalculated the revenue and proposed the debit and credit notes in the customer accounts.	Finding not resolved
	Electricity management	Revenue	AM: Revenue	Customers meter number that appeared on the meter readings are not linked to the invoice	Management did not implement controls for daily and monthly processing and reconciliation of transactions to prevent billing errors. Additionally, they did not implement	Ensure that meter number on the meter reading can be linked to the invoices.	Management disagree with the finding, this customer "Philafrica Foods Ptyltd" is read online by our service provider and thus meter readings via Peter Meter are not taken into account for such customers	Finding not resolved

					controls to ensure that detected errors are corrected.			
5	Differences between Land on Fixed assets register, Deeds Register, and Valuation Roll	Assets	AM: Assets	Differences between Land on Fixed assets register, Deeds Register, and Valuation Roll	Management did not establish proper internal controls for maintaining a comprehensive fixed assets register supported by deed search and valuation roll.	Ensure that the fixed assets register is complete, supported by deed search and valuation roll.	Management acknowledges the finding.	Finding not resolved

6	Property rates	Revenue	AM: Revenue	Property Rates: The municipality excluded R20,000 instead of R15,000 from the market value when calculating the property rates.	Management did not adequately review the property rates revenue process to ensure that the revenue is charged in line with the Municipal Property Rates Act.	Update the property rates revenue charge in accordance with property rates act.	Management is in agreement, The Rates policy will be updated to be in line with the 2015/2016 rates policy.	Finding resolved
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7	Bulk purchases	Expenditure/Technical	AM: Expenditure/Technical	Bulk Purchases: We cannot confirm the occurrence of bulk purchase expenditures related to the Eskom account.	Management did not implement proper record keeping in a timely manner to ensure that all the information requested was complete, relevant and accurate information was accessible and available to support financial and performance reporting to verify that the misstatements from the prior year had been corrected.	procure the check meters in bulk and store them for emergency purposes.	Management agree with the finding	Finding resolved
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8	Incomplete disclosure - Receivables from non-exchange transactions	Budget and reporting	AFS Team	Receivables from non-exchange transactions in Note 9 of the financial statement are disclosed incompletely	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements were prepared according to the relevant accounting framework and requirements.	Ensure that statutory receivables from exchange transactions are not separately disclosed,	Management agrees to the finding	Finding resolved
	Incomplete disclosure of principal and agency arrangements	Budget and reporting	AFS Team	Incomplete disclosure of principal and agency arrangements	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements were prepared according to the relevant accounting framework and requirements.	Ensure that all principal and agency arrangements note 47 of the financial statement are complete.	Management agrees to the finding	Finding resolved

Statutory receivables are incorrectly included in note 43 financial instrument disclosure	Budget and reporting	AFS Team	Statutory receivables are incorrectly included in note 43 financial instrument disclosure (Financial Assets)	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure that note 43 in the financial statements regarding financial instrument disclosure is properly disclosed.	Management agrees to the finding	Finding resolved
GRAP 25 items are incorrectly included in note 43 financial instrument disclosure	Budget and reporting	AFS Team	GRAP 25 items are incorrectly included in note 43 financial instrument disclosure (Financial liability)	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant	Ensure that note 43 in the financial statements regarding financial instrument disclosure is properly disclosed.	Management agrees to the finding	Finding resolved

					accounting framework.			
Note 44 of the financial statement, Risk Management, incorrectly included employee benefits items	Budget and reporting	AFS Team	Note 44 of the financial statement, Risk Management, incorrectly included employee benefits items (graph 25).	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure that note 44 in the financial statements regarding financial instrument disclosure is properly disclosed.	Management agrees to the finding	Finding resolved	

	Municipal policies have not been reviewed or signed by the relevant official.	Budget and reporting	AFS Team	Municipal policies have not been reviewed or signed by the relevant official.	Policies form a crucial part of internal controls. Outdated or unapproved policies weaken the organization's internal control environment, making it more susceptible to errors, mismanagement, and financial misreporting.	Ensure that each policy is reviewed, updated, and reapproved at least annually or biannually.	Management agrees to the finding	Finding resolved
	The accounting policy for Investment Property does not have measurement after recognition.	Budget and reporting	AFS Team	The accounting policy for Investment Property does not have measurement after recognition.	Management did not properly review the financial statements to ensure all relevant disclosures were included.	Specify the measurement of investment properties as either at cost or fair value after recognition.	Management agrees to the finding	Finding resolved

9	PPE	Assets	AM: Assets	Property plant and equipment	Management did not adequately review the annual financial statement and supporting schedules to ensure completeness and accuracy of the asset register in comparison to the annual financial statement.	Ensure the financial statements are supported by correct schedules and/or register.	Management acknowledges the finding.	Auditors conclusion not received
10	Unauthorised expenditure	Budget and reporting	AM: Budget and reporting	Difference between note 38 of the financial statements and the statement of budget and actuals regarding unauthorized expenditure.	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant	Ensue that note 38 of the financial statement is backed by correct and accurate calculations.	Management is in agreement with the finding.	Auditors conclusion not received

					accounting framework.			
Fruitless and wasteful expenditure	Budget and reporting	AFS Team	In note 36 of the financial statements, water losses include Fruitless and wasteful expenditure.	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure that Notes in the financial statements only includes items that are eligible for disclosure according to the definition.	Management agree with the finding. Water losses in excess of 30% will be removed from fruitless and wasteful expenditure.	Auditors conclusion not received	

Contingent liability			In note 46 of the financial statements, contingent liability is not continuously assessed to determine whether an outflow of resources.	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework	Implement proper process for reassessing contingent liability.	Management agree with the finding.	Auditors conclusion not received
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	Contingent Assets	Assets	AM: Assets	In note 46 of the financial statements, contingent assets cannot be included as they do not meet the definition	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure that notes to the financial statements only includes disclosures in accordance with the definition.	Management agree with the finding. The whole section relating to the contingent asset for Nkangala District Municipality will be removed from note 46.	Auditors conclusion not received
11	PPE	Assets	AM: Assets	Prior period error: Differences in the corresponding figures for Property, Plant, and Equipment	Management did not prepare regular, accurate and complete financial and performance reports that are supported	Implement proper controls to review the financials.	Management agree with the finding. Note 39 is incorrect as it does not include the R4 633 756 adjustment.	Auditors conclusion not received

					and evidenced by reliable information.			
12	VAT	Expenditure	AM: Expenditure	Value Added Tax (VAT): Discrepancies between amounts in the General Ledger and VAT 201 returns	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Establish effective internal controls to ensure that financials are reviewed.	Management is in agreement with the finding. The difference of the R2.9m was due to VAT incorrectly charged on equitable share in the VAT 201 (on the system it is correct as no VAT Output was charged on the VAT 201, however, on the VAT 201 it incorrectly included the VAT on equitable share).	Auditors conclusion not received

13	Donations	Assets	AM: Assets	Donations received from Nkangala district municipality were valued at cost rather than fair value	There may be a lack of oversight from management regarding financial reporting practices, allowing misstatements to go unnoticed. Management did not properly review the financial statements and related disclosures, allowing material misstatements to occur.	Design and implement controls to ensure that all applicable accounting policies are included in the financials.	Management agree to the finding. Management have subsequently obtained the services of an expert to independently perform a valuation of the donated assets.	Auditors conclusion not received
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14	Poor Green Drop Report Result	Technical services	AM: Technical services	3.1. Poor Green Drop Report Result	The key hardware problems are predominant defects in electrical cables, primary and secondary clarification, disinfection, sludge pumps, sludge treatment, and power backup. Mechanical defects typically include dysfunctional aerators, sludge and effluent pumps, mixers, screens, degitters, and disinfection equipment. Vandalism and theft, long etc.	Should plan maintenance and ensure a proper budget is kept.		Auditors conclusion not received
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	Wastewater Pump Stations (Delmas)	Technical services	AM: Technical services	3.2.1. Delmas (Golf) Wastewater Pump Station	The pump station and immediate surrounds were also saturated with overflowing wastewater polluting the immediate environment	Ensure proper planning for infrastructure and equipments.		Auditors conclusion not received
	Wastewater Pump Stations (Delmas)	Technical services	AM: Technical services	3.2.2. Delmas (Delpark) Wastewater Pump Station	The pump station and immediate surrounds were also saturated with overflowing wastewater polluting the immediate environment	Ensure proper planning for infrastructure and equipments.		Auditors conclusion not received

	Wastewater Pump Stations (Delmas)	Technical services	AM: Technical services	3.2.3. Delmas (Kuiken) Wastewater Pump Station	The pump station and immediate surrounds were also saturated with overflowing wastewater polluting the immediate environment	Ensure proper planning for infrastructure and equipments.		Auditors conclusion not received
	Delmas WWTW	Technical services	AM: Technical services	3.3 Delmas WWTW	Financial and performance management: Review and monitor compliance with applicable laws and regulations. Inadequate oversight and management of internal controls implemented to ascertain all environmental legislative compliance in and around the Municipality's environmental	Effective and well-maintained sewerage systems are an essential element of infrastructure planning-, development and maintenance.		Auditors conclusion not received

					resource base (and ecosystems).			
15	UIFW	SCM	AM: SCM	The recommendations outlined in the investigation report have not been implemented	Management did not implement adequate controls over the review of compliance with laws and regulations.	Implement recommendations as per the report.	Management acknowledges with the finding	Auditors conclusion not received
	Indigent	Revenue	AM: Revenue	Indigent exceptions	The municipality does not have systems in place to be able to determine whether existing	Investigates indigent cases to determine individuals that qualify as indigent.	Management acknowledges with the finding	Auditors conclusion not received

					customers still meet the requirements to be on the list and whether new customers meet the requirements to be included in the billing list.			
16	Payables	Expenditure	AM: Expenditure	Payables from exchange transactions - Creditors listing does not agree to the financial statements note 15	Management did not adequately review the annual financial statement and supporting schedules to ensure completeness and accuracy of creditors listing in comparison to the annual financial statement..	Ensure creditors listings on trade payables agrees with the financials.	Management acknowledges the finding. The difference is a result of reconciling items.	Auditors conclusion not received

17	Cash flow	Budget and reporting	AFS Team	Cash flow statement	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure that cash flow is properly prepared.	Management agree with the finding.	Auditors conclusion not received
18	Distribution loss	Revenue/ Technical	AM: Revenue/ Technical	Electricity distribution Losses	The accounting officer is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets.	Ensure safeguard and proper maintenance of municipal assets.	Management agrees with the finding	Auditors conclusion not received

	Distribution loss	Revenue/ Technical	AM: Revenue/ Technical	Water distribution Losses	The accounting officer is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets.	Ensure safeguard and proper maintenance of municipal assets.	Management agrees with the finding	Auditors conclusion not received
19	Projects monitoring	SCM	AM: SCM	Monthly project monitoring not performed	Review and monitor compliance with applicable laws and regulations and Management did not ensure that projects are monitored on a monthly basis and keep performance monitoring reports on a monthly basis.	Ensure that projects are monitored on a monthly basis.	Management is in agreement with the finding. The reason for not evaluating Melokuhle Management was that they are part of a panel, but they have never been utilized in the financial year under review	Auditors conclusion not received

	SLA	SCM	AM: SCM	Service Level Agreement not signed by service provider.	Review and monitor compliance with applicable laws and regulations.	Ensure compliance with all contract and procurement regulations.	Management is in agreement	Auditors conclusion not received
	Contract details not the same as those specified on the bidding processes	SCM	AM: SCM	The contract details not the same goods and services as those specified as part of the bidding process.	Review and monitor compliance with applicable laws and regulations.	Ensure compliance with all contract and procurement regulations.	Management is in agreement	Auditors conclusion not received
	No SLA in place	SCM	AM: SCM	SCM – No SLA in place	Management did not adequately review and monitor compliance with applicable laws and regulations.	Ensure that all contracts are signed by the municipality.	Management is in agreement	Auditors conclusion not received

	Three quotations	SCM	AM: SCM	SCM – Three Quotation not obtained.	Management did not adequately review and monitor compliance with applicable laws and regulations.	Ensure that they comply with the SCM policies and SCM regulations.	Management is in agreement	Auditors conclusion not received
	Possible splitting	SCM	AM: SCM	Possible splitting	Management did not adequately review and monitor compliance with applicable laws and regulations.	Ensure that they comply with the SCM policies and SCM regulations.	Management is not in agreement	Auditors conclusion not received
	CIBD Grading	SCM	AM: SCM	CIBD grading is not suitable for the value of the contract.	Management did not adequately review and monitor compliance with applicable laws and regulations.	Ensure that they comply with the SCM policies and SCM regulations.	Management is not in agreement	Auditors conclusion not received

	Declaration of interest	SCM	AM: SCM	Declaration of interest not signed by supplier.	Management did not adequately review and monitor compliance with applicable laws and regulations.	Ensure that they comply with the SCM policies and SCM regulations.	Management is not in agreement	Auditors conclusion not received
20	Panel selection criteria	SCM	AM: SCM	The selection criteria for the panel were not specified in the bidding documents provided initially.	Management did not properly review the financial statements to ensure all relevant disclosures were included.	Clearly specify the selection criteria and awarding process in the bidding documents.	Management is not in agreement	Auditors conclusion not received
	Awarded Amount exceed the quoted amount	SCM	AM: SCM	Awarded Amount exceed the quoted amount	Management did not properly review the financial statements to ensure all relevant disclosures were included.	Make use cost-effective criteria without favouring any supplier.	Management is not in agreement	Auditors conclusion not received

	Employees that engage in business with the state.	SCM	AM: SCM	Employees that engage in business with the state.	Management did not review and monitor compliance with applicable laws and regulations, especially SCM legislation.	Ensure that SCM processes are always be monitored for compliance with the SCM policy of the municipality	Management is not in agreement	Auditors conclusion not received
21	PPR 2022 regulation	SCM	AM: SCM	PPR 2022 does not apply to quotations below R30 000	Management did not review and monitor compliance with applicable laws and regulations, especially SCM legislation.	Ensure compliance with PPR 2022 regulation.	Management is in agreement	Auditors conclusion not received

22	Eskom municipal debt relief arrangement	Expenditure	AM: Expenditure	Municipal Debt Relief arrangement ( Eskom)	Management did not implement sufficient safeguards surrounding ensure that the annual financial statements have been prepared in accordance with the relevant accounting framework.	Ensure adherence to the terms of the eskom relief debt.	Management is in agreement	Auditors conclusion not received
23	Predetermined objectives	AOPO	AM : AOPO	Predetermined objectives - Indicators not well defined	Management did not in all instances exercise oversight responsibility regarding financial and Performance reporting and compliance and related	Ensure that the targets are well-defined and align with the "SMART" criteria set out in the FMPPI		Auditors conclusion not received

					internal controls.			
24	Prepaid electricity estimated units	Revenue	AM: Revenue	Prepaid electricity- Estimated units bought in advance.	Management did not prepare accurate financial and performance reports supported by reliable information.	Provide regular, accurate and complete financials based on reliable information.	Management is in agreement	Auditors conclusion not received
	Impairment of government and agricultural debts	Revenue	AM: Revenue	Receivables from exchange transactions - No evaluation at the end of the reporting period determines if there is any objective evidence.	Management did not prepare accurate financial and performance reports supported by reliable information.	Evaluate whether there is any objective evidence indicating that a financial asset or a group of financial assets is impaired.	Management is in agreement	Auditors conclusion not received

25	Performance evaluation of MIG projects	AOPO	AM : AOPO	Performance evaluation of projects funded by MIG not performed Within two months after the end of the financial.	Management did not perform the evaluation of the projects funded by MIG grants within two months (2) after the end of the financial year-end.	Establish a clear and detailed reporting schedule to ensure performance evaluation.		Auditors conclusion not received
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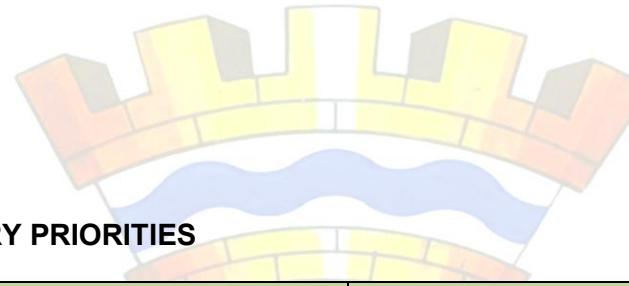
#### 4.26. MEC COMMENTS ON THE IDP

In terms of Section 32 (2) of the Municipal Systems Act (2000) as amended, the MEC for Local Government in the province, within 30 days after receiving a copy of an IDP or an amendment to the plan or within such reasonable period as may be approved by the Minister, request the relevant Municipal Council to adjust the plan or the amendment in accordance with the MEC's proposals.

This section respond to the MEC Comments on what was identified as gaps from Victor Khanye Local Municipality's IDP Review for 2024 - 2025 financial year.

**Table 59 : MEC's Comments on the IDP**

<b>Adherence to the adopted Plan</b>	<b>Addressed in IDP (Y/N)</b>	<b>Comments</b>	<b>Remedial Action</b>	<b>Due date</b>
The Municipality did not adhere to the adopted process as the strategy planning session was convened after the adoption of the draft IDP	Yes	The Strategy will be held in the month of February 2024	The Municipality to hold its Strategy before the adoption of Draft IDP	February/March 2024 and it was achieved
The Municipality to at least consider convening two strategic planning sessions at a Technical and Political level.	No, it will be address in 2024/2025 FY.	The Municipality will consider having two sets of Strategies as recommended.	The Municipality will hold two session of Strategic Meetings which is a Technical Strategic Lekgotla and the Main Strategic Lekgotla which will involve also External Stakeholders	This was implemented in the New Financial Year 2024/2025 and it has been achieved.



## EVALUATION OF RESPONSES TO KEY SERVICE DELIVERY PRIORITIES

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
The Municipality must fast-track the process to develop and review infrastructure sector plans	Yes, the Municipality have submit a request to DBSA for intervention with the development of the Master Plan	The Technical Deputy Manager is currently working on developing the Infrastructure Plan of the Municipality which will be aligned with the Provincial Infrastructure Sector Plan.	A request has been submitted to DBSA for development of Master Plan	01 July 2024
The Municipality to incorporate Rural Roads Asset Management System in the IDP to assist with quantifying the backlogs and planning and budgeting existing and future priorities.	Yes and the Department of Rural Development was requested to assist with the task in question.	This matter will be addressed with the Infrastructure Plans.	During the IDP Review period this matter will be considered and added in the Municipal IDP document	01 July 2025/2026
The Municipality is currently having a backlog of 1 585 households with no access to electricity. The Municipality should submit the INEP application for the 2024/2025 Financial Year and source more funds to address these backlogs	No	The backlog are mostly in informal settlements and rural areas which are in the jurisdiction of ESKOM	The Municipality will budget for the informal settlement that are within Municipal jurisdiction	2025/2026 FY
The Municipality is advised to incorporate the strategies to	Yes	The Municipality has applied and the application was approved		01 October 2023

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
comply with the conditions of Municipal Debt Relief as set out in the MFMA Circular No. 124 in the reviewed IDP.				
The Municipality is having backlogs of waste removal estimated to be 5 213 households. The Municipality to revise its budget to replace old waste collection equipment.	Yes	Currently, the Municipality is having financial challenges and the Municipal yellow fleet, is old and outdated.	<ul style="list-style-type: none"> <li>• Funding letters submitted to mining industries in and around VKLM</li> <li>• Fleet management has advertised a tender for the procurement of a skip loader truck</li> </ul> <p>Delmas Herlewe (private organization) submitted a letter to the municipality proposing to assist with fixing 2 tractors for the purpose of service delivery</p>	2025/2026 FY
The Municipality is advised to implement solid waste management projects including the procurement of yellow fleet to reduce backlogs on access to solid waste removal.	Yes	<p>The issue of yellow fleet will be budgeted during the 2025/2026 FY.</p> <p>Again, NDM and Public Works Dept. will be requested to assist with yellow fleet where possible.</p>	<ul style="list-style-type: none"> <li>• Funding letters submitted to mining industries in and around VKLM</li> <li>• Fleet management has advertised a tender for the procurement of a skip loader truck</li> <li>• Delmas Herlewe (private organization) submitted a letter to the municipality proposing to assist the</li> </ul>	2025/2026 FY

Service delivery priorities	Addressed in IDP (Y/N / N/A)	Comments	Remedial Action	Due date
			<p>with fixing 2 tractors for purposes of service delivery in VKLM</p> <ul style="list-style-type: none"> <li>• A request to be submitted to technical services for assistance through the MIG grant</li> </ul>	
The Municipality to include GBVF programmes with clear measurable indicators that must be monitored through the Municipality's performance management system.	Yes programmes are included in the IDP	The Municipality had some activities around awareness programmes like HIV-AIDS programmes, Cancer Awareness programme and more activities will be added on the Municipal IDP during the review. GBVF programmes will be added.	Programmes like Drug Abuse Awareness Campaigns are being conducted in the Community	01 July 2024 and on-going conducted by the Social Services Directorate.

#### CORE COMPONENTS- KEY PERFORMANCE AREAS

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
Basic Service Delivery and Infrastructure Development.		<ul style="list-style-type: none"> <li>➤ The Municipality to prioritise more water projects to address the water losses and reticulation.</li> <li>➤ Municipality to source more funds to address the solid waste removal backlogs, roads and storm water</li> </ul>	<p>The Municipality was assisted by the Department of Water and Sanitation to fix all challenges related to water issues and appointed a service provider, which is currently finalizing the project.</p> <p>The Municipality requested the DWS for funding and the Municipality was allocated an</p>	<p>This intervention is on an on-going basis</p> <p>This also an on-going process since our Municipality is</p>

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		and review the roads and storm water master plan	amount of R30 000 specifically for water projects.	experiencing a rapid population growth.
Local Economic Development	Yes	<ul style="list-style-type: none"> <li>➤ The Municipality to incorporate information on existing strategic partnerships on planned engagement in economic growth and development.</li> </ul>	Various business sectors are approached and encouraged to work with the Municipality in creating job opportunities.	On-going
	Yes	<ul style="list-style-type: none"> <li>➤ The Municipality should focus on Agricultural sector plan to increase productivity in this sector.</li> </ul>	The Dept. of Rural Development and Land Affairs was requested to intervene and provide help and it has submitted some of their programmes to the Municipality.	On-going
		<ul style="list-style-type: none"> <li>➤ Municipality to implement the green economy to create green jobs and mitigate pollution from Mining Products.</li> </ul>	We are still in the implementation introductory phases through DDM	On-going
		<ul style="list-style-type: none"> <li>➤ LED Strategy to include economy by-laws to support the growth and prosperity of informal businesses.</li> </ul>	Currently, the Municipality has the Business Trading License, Spaza Policy and Street Trading By-Laws. The Municipality is assisted by DEDET to develop Tourism Strategy.	On-going
		<ul style="list-style-type: none"> <li>➤ To include informal business-friendly by-laws to support growth and prosperity.</li> </ul>	Covered under Street Trading By-Laws	Implemented

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
	Yes	<ul style="list-style-type: none"> <li>➤ The Municipality together with the identified stakeholders and other relevant partners must facilitate the implementation of the time-bound interventions.</li> <li>➤ The Municipality to source more support for SMME/Cooperatives, growth and development initiatives/ programmes and the informal economy from DSBA, SEFA and business opportunities brought about the Mining Sector.</li> <li>➤ Ensure LED catalytic projects such as the establishment of Fly Ash, fresh produce market and agricultural projects including the SLP's Projects from Mines are implemented by all stakeholders involved to grow the economy of the Municipality and create new jobs.</li> <li>➤ Municipality to ensure that all SLP Projects from the 19 Mining Houses are integrated into IDP to match the number of Mining Houses within the Municipality.</li> <li>➤ Marketing campaign for the Municipal area to highlight</li> </ul>	<p>The Municipality has intergovernmental relations with Government Agencies (NYDA; SEDA, SEFA)</p> <p>SMME's are assisted by Mining Houses through their enterprise supplier development programmes.</p> <p>The Municipality positioned itself as an attractive destination for agro-processing investment, in order to foster job creation and sustainable economic development.</p> <p>Currently, the Municipality is implementing different Social Labour Plans from the 19 Mines that exist with the jurisdiction of the Municipality.</p>	<p>On-going</p> <p>On-going and depending on the budget availability</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
	Yes	<p>development opportunities, with a specific focus on Agri-processing industries.</p> <ul style="list-style-type: none"> <li>➤ Branding of the N12 Development Corridor and establishment of the School of Excellence</li> <li>➤ Branding and development of the Delmas Tourism Precinct and Cultural Historic Sites</li> <li>➤ Facilitating planning process associated with the envisaged Nkangala International Airport.</li> </ul>	<p>The Municipality will develop a strong brand identify for its agro-processing sector, highlighting key strength such as abundant agricultural resources and a strategic location.</p> <p>The Municipality will engage in targeted promotion campaigns through various channels, including industrial events, trade shows, and digital</p> <p>The Municipality has identified opportunities for expanding partnerships, such as renewable energy, tourism and technology and these are aligned with Municipality's vision for economic growth and development.</p> <p>The Municipality has been advised by CoGTA to engage with DEDET for progress and implementation of this Project.</p>	01 July 2024 01 July 2024 01 July 2024
<b>KPA</b>				
<b>SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE</b>		The SDF priorities should be translated into IDP projects:	SDF is still under review all SPATIAL projects are included.	During 2024/2025

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>➤ Prepare precinct plans for Eloff, Sundra, Sundale, Springs and Rietkloof Agricultural Holdings</li> <li>➤ The Municipality to identify land required for Human settlements</li> <li>➤ IDP to indicate personnel available for human settlements and prioritise the filling of the GIS position.</li> <li>➤ Human resources required to implement SPLUMA</li> <li>➤ Policy on Land Use Enforcement</li> <li>➤ Illegal land use Strategy</li> <li>➤ Compilation of a Land Audit and the acquisition of land for Human Settlement development.</li> </ul>	<p>All plans are included in DRAFT</p> <p>Land has been identified, feasibility study has been conducted and the Council noted the report.</p> <p>HR will submit a request to Council for creating a post in the organogram and once approved, it will be filled on the 01 July 2024</p> <p>The Municipality has adequate personnel to handle this function</p> <p>The Municipality does have the 2 Policies.</p> <p>NDM to assist financially with the review of Land Audit</p>	<p>2024/2025 FY</p> <p>01 July 2024 not achieved</p> <p>January 2024 Appointment of "RED ANTS" January 2024</p> <p>Current</p> <p>2024/2025 FY.</p>
Financial Viability and Management		<ul style="list-style-type: none"> <li>➤ The Municipality to develop strategies for financial management,</li> </ul>	The Municipality is implementing Revenue Enhancement Strategy	On-going

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>Capital financing strategies and cost-effectiveness strategies and ensure are incorporated into the IDP</li> </ul>	Same approach is applicable in this instance.	On-going
<b>MUNICIPAL TRANSFORMATION and INSTITUTIONAL DEVELOPMENT</b>		HR applicable Policies, Organizational structure, a list of vacant funded posts to be filled in the new FY. A plan to cascade PMDS/IPMS to lower levels and be incorporated in the IDP.	<ul style="list-style-type: none"> <li>➤ The Cascading of PMDS to lower levels is currently being implemented in phases and the next phase will be employees from Task Grade 8-12.</li> <li>➤ HR Policies:32 Policies</li> <li>➤ Organizational Structure is attached and the list of vacant funded posts.</li> </ul>	01 July 2024
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	Yes, this information is included in the IDP	Council sittings, Section 80 Committees and Fraud Prevention Strategy be included in the Municipal IDP.	<ul style="list-style-type: none"> <li>➤ Council Sittings are sitting as per the approved Calendar of events and Section 80 which is attached as proof</li> </ul>	On-going
<b>CROSS – CUTTING ISSUES</b>				
<b>DISASTER MANAGEMENT</b>	Yes, included in the IDP	<ul style="list-style-type: none"> <li>➤ Review and update its Disaster Management Plan taking into account risk reduction projects that are responsive to climate change and outbreaks of pandemics.</li> </ul>	The disaster management plan is currently being reviewed and aligned with the National Disaster Management guidelines	June 2025

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>➤ DMP review process to take into account the risk profile at Ward level and cross-border and vulnerabilities applicable to the Municipality.</li> <li>➤ All projects to should consider disaster risk reduction projects that are responsive to the impacts of climate change</li> <li>➤ Address issues of storms, air quality and issues of equipping fire services.</li> </ul>	<ul style="list-style-type: none"> <li>➤ As part of the re-draft, Ward-based risk assessments are to be included within Chapter 4 “Risk Assessments).</li> <li>➤ The alignment of Disaster Risk Reduction projects addressing climate change considerations will be linked/included as part of the IDP</li> </ul> <p>Storms, Air Quality have been identified as risks, during review, these items would be assessed on vulnerabilities and impacts for better response. The equipping of the fire services as response phase of the Disaster management cycle will also be incorporated under the KPA “preparedness” and “Response.</p>	June 2025 June 2025 June 2025
<b>ENVIRONMENTAL MANAGEMENT</b>	No	Municipality to improve the situational analysis on environmental management and include a brief overview of the cover and soils, status of air quality, climate change, the wetlands and sensitive ecosystems, and provision of waste services in rural areas.	<ul style="list-style-type: none"> <li>➤ The municipality is currently drafting an Environmental Management Chapter, which will be incorporated in the IDP.</li> </ul>	Current

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		<ul style="list-style-type: none"> <li>➤ Air Quality Management Plan be developed and be implemented since the Municipality falls under High priority area.</li> <li>➤ Municipality to develop Air Quality Management By-laws to manage air quality in the municipality.</li> <li>➤ Biodiversity and conservation functions be developed and be budgeted for.</li> <li>➤ Municipality must develop and implement the Climate Change Response Strategy/Plan (Mitigation and Adaptation).</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Chapter will include the situational analysis as per the comment forwarded here and include other environmental management programmes that the municipality is planning to implement as per the comment from the MEC office stipulated in the document.</li> <li>➤ Waste Management Programmes that will include compliance and enforcement in relation to waste collection, disposal, clearing of illegal dumping spots, education and awareness, clean up campaigns.</li> <li>➤ Environmental Management budgeting will also be stipulated in the chapter to enhance implementation that is supported or informed by the availability or sourcing of funds for environmental management programmes.</li> <li>➤ The draft Environmental Chapter will be completed to be included in the review of the IDP for 2025-2026 financial year</li> </ul>	30 June 2025
				30 June 2024
				01 July 2025
				2025/2026 FY

KEY PERFORMANCE AREA	Addressed in IDP (Y/N)	Comments	Remedial Action	Due date
		➤ Climate Change must be mainstreamed into all municipal plans, strategies, projects, procedures and systems.	Once developed and adopted, it will be mainstreamed into all Municipal Plans	2025/2026 FY

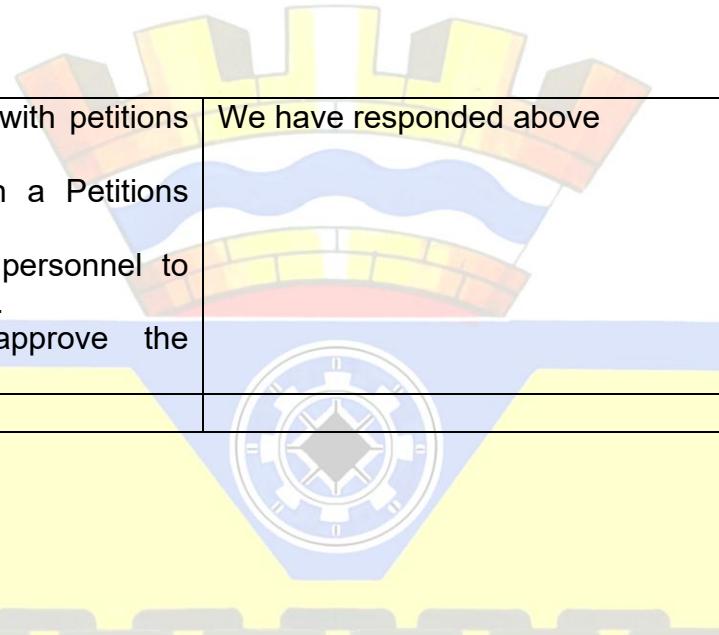
### SERVICE DELIVERY UNIT

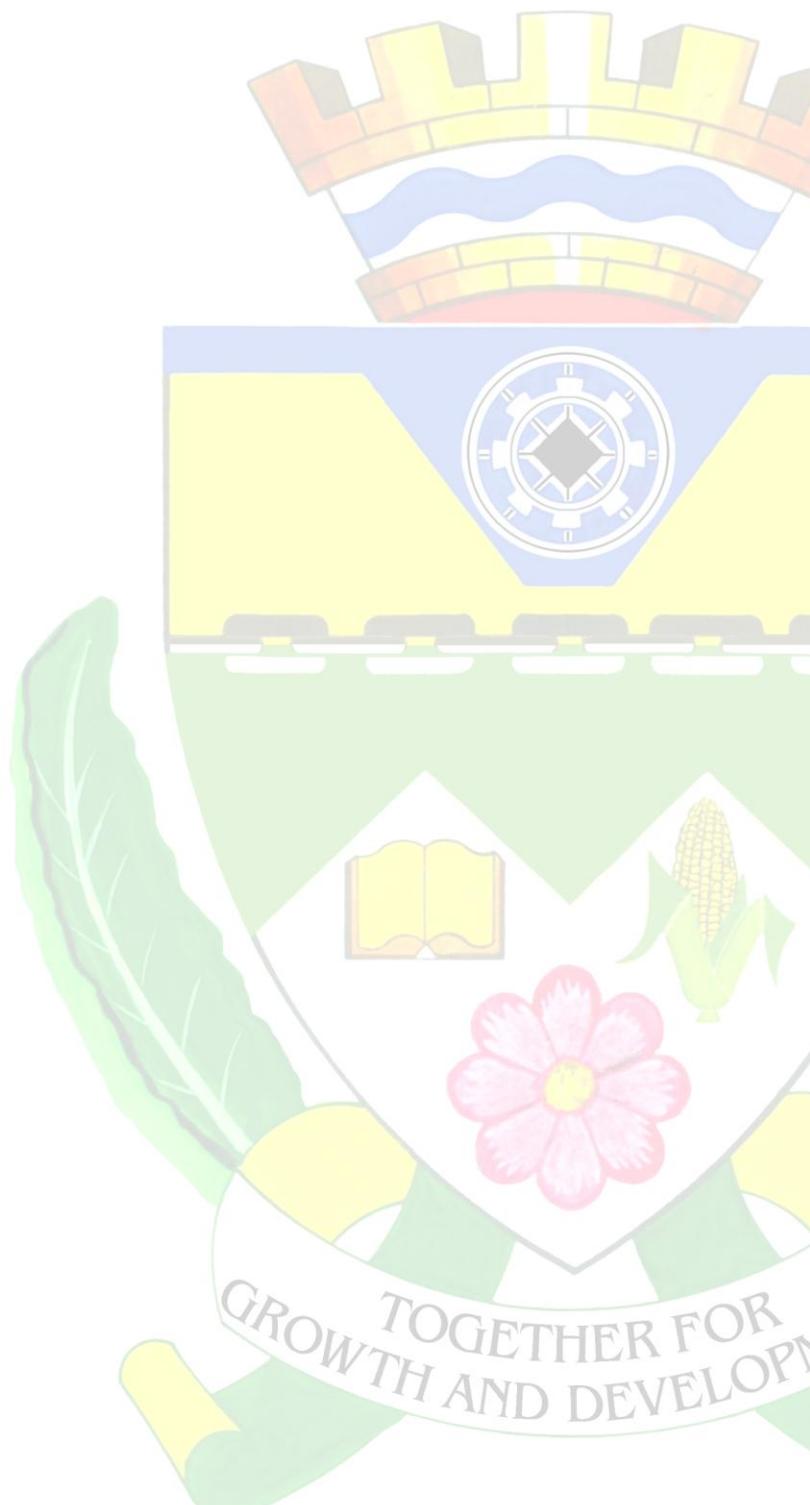
DEPARTMENT/UNIT	FINDING	RESPONSE	PAGE NO.
<b>PUBLIC PARTICIPATION</b>  <u>Communication</u>	<p>The municipality must clearly explain the type of complaint management system in place, such as a call centre or walk-in complaints register to ensure effective service delivery and stakeholder engagement.</p> <p>The IDP should also outline the process flow for handling petitions.</p> <p>The IDP should also outline the process flow for handling petitions.</p> <p>The IDP must include the project list from the Department of Public Works Roads and Transport.</p>	<p>We do have Customer Care Unit, which is operational, and we are still looking at the possibilities of having it to be operational on a 24-hours basis.</p> <p>Currently, the Office of the Executive Mayor and the Accounting Officer receives all petitions.</p> <p>After the EM has received any petition, there's normally a turn-around time for responses and that is what is currently happening.</p> <p>Most of the Sector Departments did not plan any Project for Victor Khanye LM except few Departments and such were included.</p>	Addressed

	<p>Table B is not included in the IDP.</p>	<p>We have included Table A – D of the Outcome Based Planning.</p>	
<b><u>ALL KPA LEADERS</u></b>	<p>Furthermore, the municipality is advised to develop comprehensive problem statements for each KPA and develop interventions that directly address the situational analysis. This will ensure that the municipality has an outcome-based IDP that responds to the challenges of the local municipality and its community.</p> <p>The municipality is commended for including the outcome-based planning Table A with all 6 KPAs in the IDP as advised during the 2024/25 Draft IDP assessment. However, Table B is not included, and this can be improved by ensuring that the information in Table A cascaded to Table B and that all Key Performance</p>	<p>We have corrected most of our Problem Statement as advised and included in our FINAL IDP 2025-2026 FY.</p> <p>Well as we have stated above that we were trying to respond to Table A, B, C and D so we are still waiting for help from OTP and COGHSTA.</p> <p>We strongly feel that more explanation and clarity is needed with regards to the compilation of the said Tables.</p>	

	<p>Areas (KPAs) are populated on the tables. Furthermore, these KPAs must be linked with all the council priorities, correct 2024-2029 MTDP priorities, national outcomes and provincial priorities</p>	<p>The IDP Management Unit will still invite the OTP and COGHSTA Assessment Teams to come and assist the Municipality by practicalizing</p>	
<b><u>Gender-based Violence and Femicide interventions</u></b>	<p>The National Strategic Plan on Gender-based Violence and Femicide and its implementation plan call upon all public institutions to mainstream gender in their planning and budgeting processes.</p> <p>The reviewed IDP lacks the strategies, policies, programmes and budget required to combat GBVF. This is despite the previous advice provided to the municipality by the department in identifying effective measures that could contribute to the elimination of this brutal national scourge in our society by mainstreaming GBVF into all the municipal departments.</p>	<p>We have included the programmes that we have implemented in the year 2023/2024 and have included new programmes for 2025/2026.</p> <p>The above statement answers the question asked here.</p>	

	<p>Political commitment is required to ensure that the municipality initiates policies and strategies with targets and indicators that respond to the fight against this violence by mainstreaming GBVF into the existing plans and budget during the 2024/25 financial year.</p> <p>The municipality is advised to include GBVF as a municipal priority and strategic intervention to address the scourge of GBV in communities to ensure that the IDP is linked to the MTDP priority 3. In addition, this must be cascading into the SDBIP by including an indicator: "Number of GBVF programmes implemented".</p>	<p>The Municipality has an advantage of having the EM being nominated as the GBVF Champion by the Premier, so that will assist the Municipality a great deal.</p> <p>We have included such programmes in our FINAL but we also request help on how to go about to incorporate it in all Directorates since the Social Services is the one responsible for the programme, the main issue is streamline the GBVF in the entire Municipality,</p>	
<b><u>Good Governance and Public Participation</u></b>	<p>The IDP must include the following:</p>		

	<ul style="list-style-type: none"> <li>a. Mechanisms to deal with petitions in the Municipality.</li> <li>b. Municipality establish a Petitions Committee.</li> <li>c. Reflect the support personnel to oversight committees.</li> <li>d. The process to approve the Delegation Register.</li> </ul>	<p>We have responded above</p> 	
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## CHAPTER 5: FINANCIAL PLAN

### 5. INTRODUCTION

This chapter gives effect to Section 26 paragraph (h) of the Municipal Systems Act (2000, as amended) which provides that: “an integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years”. The chapter therefore outlines the municipality’s Financial Plan for the next three financial years compiled in line with the Municipal Finance Management Act (Act 56 of 2003).

#### 5.1. BUDGET ASSUMPTIONS AND OBJECTIVES

To achieve the growth and development goals of the Victor Khanye Local Municipality the following budget objectives were formulated;

- a) To improve the adherence to legislative, governance and institutional development framework.
- b) To improve financial performance and sustainability over the long term.
- c) To ensure the citizens of the municipality are provided with acceptable levels of services.
- d) To maintain the existing assets and infrastructure base by ensuring adequate repairs and maintenance is undertaken.
- e) To achieve an unqualified audit outcome with reduced matters of emphasis
- f) To enable local economic development initiatives and sustainable employment creation

#### 5.2. BUDGET PREPARATION FOCUS AREAS

- ✓ The Municipality is preparing the budget with the principle of “doing more with the less resources”. The Municipality has been facing persistent cash flow constraints over the past financial years and has sincerely resolved to focus on the following budget and financial management and sustainability priorities.

- ✓ Revenue enhancement initiatives to protect and improve the revenue base and revenue collection.
- ✓ Cost optimization and cost rationalization to ensure value add and impactful spending on service delivery.
- ✓ Reduction of the accumulated creditors thus monitoring the execution of the creditors' reduction plan.

### 5.3. BUDGET ASSUMPTIONS- MACRO ECONOMIC INDICATORS

According to the 2024 budget circular number 128, the Consumer Price Index (CPI) is within the 6 to 4 percent target band. The Municipality is projecting Consumer Price Index (CPI) at 4.9 percent in 2024/2025, 4.6 percent in 2025/2026 and 4.6 percent in 2026/2027 financial years. The setting of tariffs for the medium term is informed by the increase in inflation and for the Municipality to continue delivering services to the public in sustainable manner; it must factor this increase in the tariff model. It be noted that Inflation erode the purchasing power of money and further distorts expected outcome for the planned budget due to abnormal cost escalation.

**Table 60:** Medium Term Economic Indicator Projection

2024/2025 TO 2026/2027 Medium Term Economic Indicator Projection						
Fiscal Year	2021/2022 Outcome	2022/2023 Outcome	2023/2024 Budget	2024/2025 Estimate	2025/2026 Forecast	2026/2027 Forecast
CPI Inflation	4.5%	6.9%	6.0%	4.9%	4.6%	4.6%
Real Gross Domestic Product (GDP) Growth	2.1%	1.8%	1.4%	1.6%	1.6%	1.6%
Prime Interest Rates	7.0%	7.3%	11.75%	11.75%	11.75%	11.75%
Repo Rate	4.0%	4.3%	8.25%	8.25%	8.25%	8.25%

### 5.4. REVENUE ASSUMPTION: COLLECTIONS RATE (PAYMENT LEVEL)

- The collection rate in 2024/2025 is projected at 85 percent. The Municipality will make provision for doubtful debts of 15 percent but will continue to enforce its credit control and debt collection by- laws to try to recover all outstanding monies due to the

- b) municipality.
- c) The Municipality is still faced with serious challenges caused by the pandemic which has significantly affected the cash-flow and further put the Municipality under financial constraints
- d) The estimated payment level trends for the current financial year and the forecast for the next medium-term is as follows:

**Table 61: 2024-2027 Collection Rate**

Fiscal year	2024/2025 to 2026/2027 Collection rate					
	2021/2022 Outcome	2022/2023 Outcome	2023/2024 Budget	2024/2025 Estimate	2025/2026 Forecast	2026/2027 Forecast
Collection Rate	65%	68%	75%	85%	90%	95%
Debt impairment	15%	15%	15%	15%	10%	5%

## 5.5. BUDGET OPERATING REVENUE (TARIFFS)

The Municipality will through its tariff setting provide relief to its citizens by keeping tariffs below inflation forecast.

The service charges tariffs are proposed to be kept at 4 per cent for 2024/2025 budget year. This increase also takes into account the level of Consumer Price Index averaging 4.9 percent and the inflation for various commodities such as transport, fuel etc. In real term, tariff increase amount to 0.7 percent which is the difference between the nominal rate of 6 percent and inflation rate of 4.9 percent.

## 5.6. FINAL 2024/2025 – 2026/2027 BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK

The table below gives a summary of the proposed final Budget and Medium-Term Revenue and Expenditure Framework (MTREF) for 2024/2025 financial year divided into five segments namely: Financial Performance Budget, Capital Budget, Financial Position Budget, Cash flow Budget and AssetManagement Budget.

**Table 63:** Budget-Financial Performance

2023/2024 Budget-Financial Performance					
items Description	2023/2024 Adjusted Budget	2024/2025 Budget forecast	2025/2026 Budget forecast	2026/2027 budget forecast	MTREF BUDGET 2023/2024- 2026/2027
Operating Revenue	- 815 272 000	- 707 575 000	- 740 061 000	- 774 104 000	- 2 221 740 000
Government Grants-Capital	- 57 506 000	- 58 420 000	29 645 000	31 924 000	3 149 000
<b>TOTAL REVENUE</b>	<b>- 872 778 000</b>	<b>- 765 995 000</b>	<b>- 710 416 000</b>	<b>- 742 180 000</b>	<b>- 2 218 591 000</b>
Operating Expenditure	890 639 000	857 839 000	897 300 000	938 575 000	2 693 714 000
<b>TOTAL SURPLUS</b>	<b>17 861 000</b>	<b>91 844 000</b>	<b>186 884 000</b>	<b>196 395 000</b>	<b>475 123 000</b>
GRANTS AND SUBSIDIES	57 506 000	58 420 000	-	-	184 984 000
INTERNAL FUNDING	13 870 000	9 320 000	9 749 000	10 197 000	29 266 000
<b>CAPITAL EXPENDITURE</b>	<b>71 376 000</b>	<b>67 740 000</b>	<b>9 749 000</b>	<b>10 197 000</b>	<b>214 250 000</b>

The operating revenue budget will amount to R 707 million, shows a decrease in percentage from R808 million from the 2023/2024 adjusted budget of R815 million. The operating expenditure budget for 2024/2025 financial year will amount to R857 million, shows a decrease in percentage to R807 million from the 2025/2026 adjusted budget of R890. A budget amount of R857 million has been forecasted for the 2024/2025 budget year and subsequently increasing to R897 million in 2026/2027 budget year.

The capital expenditure amount to R53 million in 2024/2025 budget year. The total capital expenditure reflects a decrease of R6 million from

2023/2024 adjusted capital budget of R59 million and will decrease to R29 million in the 2025/2026 financial and a decrease of R41 million in the 2026/2027 financial year. The Municipality will be investing in capital projects over the medium-term period.

## 5.7. DETAILED FINAL OPERATING REVENUE BUDGET

The detailed final operating revenue and expenditure budget for 2024/2025 – 2026/2027 budget and medium-term revenue and expenditure framework is as follows:



**Table 64: TABLE A4 Operating Revenue and Expenditure Budget 2024/25- 2026/27**

MP311 Victor Khanye - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	##	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year #1 2025/26
<b>Revenue</b>											
Exchange Revenue											
Service charges - Electricity	2	174,991	161,060	155,582	347,266	291,085	291,085	291,085	225,890	236,281	247,150
Service charges - Water	2	55,219	47,734	48,880	67,794	60,702	60,702	60,702	51,977	54,368	56,869
Service charges - Waste Water Management	2	10,407	11,671	22,354	15,635	12,275	12,275	12,275	11,652	12,188	12,749
Service charges - Waste Management	2	9,786	10,438	20,525	14,257	12,597	12,597	12,597	12,267	12,831	13,422
Sale of Goods and Rendering of Services		1,552	1,368	1,486	3,137	3,698	3,698	3,698	4,326	4,525	4,733
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		54,180	34,226	37,799	59,387	103,610	103,610	103,610	-	-	-
Interest earned from Current and Non Current Assets		429	402	763	-	15	15	15	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,733	2,113	2,709	2,532	2,007	2,007	2,007	1,572	1,645	1,720
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,081	821	1,237	392	422	422	422	692	724	757
<b>Non-Exchange Revenue</b>											
Property rents	2	78,438	85,936	93,307	97,467	139,457	139,457	139,457	123,486	129,167	135,108
Surcharges and Taxes		49,928	46,567	32,885	54,884	49,371	49,371	49,371	33,486	35,026	36,637
Fines, penalties and forfeits		20,033	17,139	12,124	1,686	1,095	1,095	1,095	2,141	2,239	2,342
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		128,315	116,808	131,228	144,142	144,142	144,142	144,142	154,473	161,579	169,011
Interest		-	12,250	17,377	-	-	-	-	85,553	89,488	93,605
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	2,381	-	(5,198)	(5,198)	(5,198)	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contrib)</b>		<b>587,092</b>	<b>548,532</b>	<b>580,638</b>	<b>808,580</b>	<b>815,277</b>	<b>815,277</b>	<b>815,277</b>	<b>707,515</b>	<b>740,061</b>	<b>774,104</b>
<b>Expenditure</b>											
Employee related costs	2	151,490	153,638	174,097	198,596	201,574	201,574	201,574	198,676	207,815	217,374
Remuneration of councillors		8,358	8,083	8,522	9,101	9,131	9,131	9,131	9,101	9,519	9,957
Bulk purchases - electricity	2	149,105	171,101	167,220	185,000	195,505	195,505	195,505	201,262	210,520	220,203
Inventory consumed	8	39,786	38,837	40,189	79,205	90,252	90,252	90,252	85,976	89,931	94,068
Debt impairment	3	(12,663)	99,851	61,064	103,571	88,571	88,571	88,571	108,336	113,519	118,532
Depreciation and amortisation		55,568	59,661	64,174	52,046	50,102	50,102	50,102	52,446	54,859	57,382
Interest		31,235	48,400	94,766	33,352	57,601	57,601	57,601	30,000	31,380	32,823
Contracted services		59,905	76,021	90,057	71,449	109,331	109,331	109,331	85,962	89,916	94,052
Transfers and subsidies		-	-	-	7,336	7,336	7,336	7,336	-	-	-
Irrecoverable debts written off		0	-	-	30,000	29,800	29,800	29,800	29,800	31,171	32,605
Operational costs		80,403	79,086	67,416	38,153	51,435	51,435	51,435	56,281	58,670	61,578
Losses on disposal of Assets		8,077	983	6,374	-	-	-	-	-	-	-
Other Losses		42,146	48,248	12,064	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>613,409</b>	<b>783,909</b>	<b>785,941</b>	<b>807,809</b>	<b>890,639</b>	<b>890,639</b>	<b>890,639</b>	<b>857,839</b>	<b>897,300</b>	<b>938,575</b>
<b>Surplus/(Deficit)</b>		<b>(26,318)</b>	<b>(235,377)</b>	<b>(205,304)</b>	<b>772</b>	<b>(75,362)</b>	<b>(75,362)</b>	<b>(75,362)</b>	<b>(150,324)</b>	<b>(157,239)</b>	<b>(164,472)</b>
Transfers and subsidies - capital (monetary)	6	22,380	26,134	52,976	59,174	57,522	57,522	57,522	59,074	61,791	64,634
Transfers and subsidies - capital (in-kind)	6	6,830	2,222	31,223	44,700	44,700	44,700	44,700	119,417	124,911	130,557
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2,892</b>	<b>(207,021)</b>	<b>(121,105)</b>	<b>104,646</b>	<b>26,860</b>	<b>26,860</b>	<b>26,860</b>	<b>28,167</b>	<b>29,463</b>	<b>30,818</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>2,892</b>	<b>(207,021)</b>	<b>(121,105)</b>	<b>104,646</b>	<b>26,860</b>	<b>26,860</b>	<b>26,860</b>	<b>28,167</b>	<b>29,463</b>	<b>30,818</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>2,892</b>	<b>(207,021)</b>	<b>(121,105)</b>	<b>104,646</b>	<b>26,860</b>	<b>26,860</b>	<b>26,860</b>	<b>28,167</b>	<b>29,463</b>	<b>30,818</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>2,892</b>	<b>(207,021)</b>	<b>(121,105)</b>	<b>104,646</b>	<b>26,860</b>	<b>26,860</b>	<b>26,860</b>	<b>28,167</b>	<b>29,463</b>	<b>30,818</b>

The impact on the main operating expenditure drivers remains the same as per the approved draft budget to maintain the funded status of the MTREF as per the National Treasury's recommendations:

(a) Employees related costs expenditure budget for the 2024/2025 financial year will

amount to R198 million, which is equivalent to 31 percent of the total operating, budget. The increase of 5.4 percent as required by the Salary and Wage Collective Agreement for the period 1 July 2024 to 30 June 2025 was applied.

- (b) Remuneration for Councilors expenditure budget amount to R9 million for 2024/2025 financial year which reflect an increase of 3 percent from the 2023/2024 adjusted budget allocation. This is in line with Section 219 (1) and (5) of the Constitution of the Republic of South Africa, read with section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers which is mandated to make annual recommendations relating to the salaries and upper limits of the salaries, allowances, benefits and the tools of trade required by the Public Office Bearers that will enable them to perform their duties effectively in the absence of the new gazette.
- (c) The bulk purchase expenditure relates to bulk electricity expenditure cost payable to Eskom and will amount to R201 million for 2024/2025 financial year. The bulk purchase expenditure accounts for 34 percent of the total operating expenditure costs.
- (d) The depreciation cost will be R52 million which makes up 14 percent of the total operating expenditure budget. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering basic services to the communities and therefore the cost should be provided for and included in the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade, renewal and replacement of the assets in future.
- (e) Debt impairment expenditure budget for 2024/2025 financial year amounts to R108 million. This allocation amounts to 5 percent of total billing and is informed by projected collection rate of 95 percent, which is projected based on past collection pattern for different customers. It is always required to make a provision for doubtful debts for those customers who might fail to pay for rates and services due to serious economic challenges such as loss of income.
- (f) Contracted services expenditure budget decrease from R71 million in 2023/2024 financial year to R85 million in 2024/2025 financial year. Contracted services is limited to respond to the investment in repairs and maintenance of water and electricity infrastructure assets, meter audits and disconnections and other revenue generating operational projects.

(g) Operational expenditure budget amounts to R56 million in 2024/2025 financial year, which is 5 percent of the total operating expenditure.

The breakdown of the total expenditure for the operating projects per department is tabulated below and a detailed list of operating projects is outlined in Chapter 7.

**Table 65:** Operating Projects Per Department the main operating revenue streams impacting on the final budget are as follows:

- (a) The municipality will generate most of its revenue from service charges (electricity, water, sanitation and refuse removal services) amounting to a total of R301 million thus indicating a decrease of R75 million in 2024/2025 financial year against the 2023/2024 adjusted budget amounting to R376 million. The revenue from service charges makes up 43 percent of the total operating revenue budget for 2024/2025 financial year.
- (b) The revenue from property rates will amount to R123 million which reflects a decrease of R15 million from the 2023/2024 adjusted budget amount of R139 million. This is the net revenue after taking into account the cost reflective tools in accordance with the Property Rates policy.
- (c) Operating grants, allocation including the Equitable Share allocation and other grants amountsto R154 million for the 2024/2025 budget year. This allocation is approved in terms of the Division of Revenue Act of 2023. Operating grants and subsidies accounts for 26 percent of the total operating revenue budget. This allocation will increase to R161 million and R169 million for the 2025/2026 and 2026/2027 budget years respectively.
- (d) Other operating revenue for 2024/2025 financial year amounts to R692 thousand. The other revenue budget primarily comprises of traffic fines revenue of R2 million that will be generated through the aggressive collection of outstanding traffic fines operations; Interest on outstanding debtors amounts to R85 million; Rental of facilities primarily being the rental of community assets amounts to R1.5 million. Other income line-item amounts to R37 million for the 2024/2025.

## 5.8. DETAILED CASHFLOW STATEMENT

The projected cash-flow statement over the medium-term is as follows:

**Table 66: TABLE A7 – Projected Cash-flow Statement**

MP311 Victor Khanya - Table A7 Budgeted Cash Flows

Description	R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework						
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>														
<b>Receipts</b>														
Property rates		70,051	80,229	83,276	68,227	99,720	99,720	150,147	157,054	164,278				
Service charges		249,288	230,294	225,544	380,407	373,461	373,461	315,511	330,025	345,206				
Other revenue		70,636	74,383	61,430	122,019	115,928	115,928	44,331	46,370	48,503				
Transfers and Subsidies - Operational	1	4,470	4,911	110,483	144,142	144,142	144,142	154,473	161,579	169,011				
Transfers and Subsidies - Capital	1	20,534	-	15,000	59,174	57,522	57,522	59,074	61,791	64,634				
Interest		368	346	708	-	15	15	-	-	-				
Dividends		-	-	-	-	-	-	-	-	-				
<b>Payments</b>														
Suppliers and employees		(303,947)	(301,758)	(290,157)	(673,914)	(662,633)	(662,633)	(649,798)	(679,688)	(710,954)				
Interest		-	-	-	(33,352)	(57,601)	(57,601)	(30,000)	(31,380)	(32,823)				
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>111,400</b>	<b>88,405</b>	<b>206,284</b>	<b>66,703</b>	<b>70,553</b>	<b>70,553</b>	<b>43,739</b>	<b>45,751</b>	<b>47,855</b>				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>														
<b>Receipts</b>														
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-				
VAT Control (receipts)		-	-	-	-	-	-	30,241	11,299	-				
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-				
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-				
<b>Payments</b>														
Capital assets		(38,899)	(23,278)	(42,475)	(59,078)	(71,376)	(71,376)	(67,740)	(9,749)	(10,197)				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(38,899)</b>	<b>(23,278)</b>	<b>(42,475)</b>	<b>(59,078)</b>	<b>(71,376)</b>	<b>(71,376)</b>	<b>(37,499)</b>	<b>1,551</b>	<b>(10,197)</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>														
<b>Receipts</b>														
Short term loans		-	-	-	-	-	-	-	-	-				
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-				
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-				
<b>Payments</b>														
Repayment of borrowing		(582)	-	-	-	-	-	-	-	-				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(582)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>71,919</b>	<b>65,126</b>	<b>163,809</b>	<b>7,625</b>	<b>(823)</b>	<b>(823)</b>	<b>(823)</b>	<b>6,240</b>	<b>47,301</b>	<b>37,658</b>			
Cash/cash equivalents at the year begin:	2	-	3,767	5,605	3,767	3,767	3,767	30,000	36,240	83,542				
Cash/cash equivalents at the year end:	2	71,919	68,894	169,414	11,392	2,944	2,944	36,240	83,542	121,200				

The above table reflects the cash flow performance for the Municipality in the next three years. Over the medium term, the financial position of the Municipality is expected to improve while the outstanding creditors decreases.

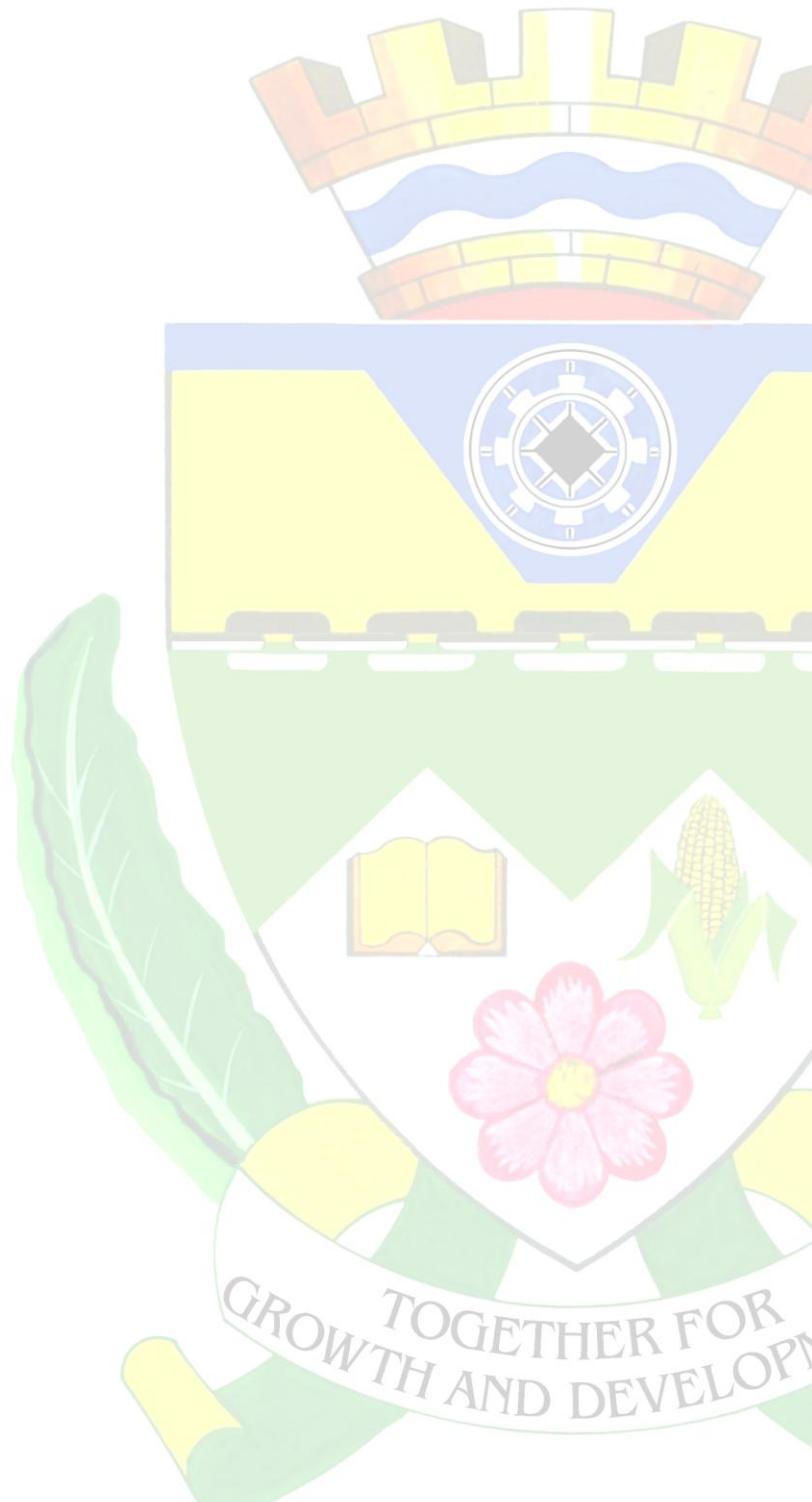
The net cash flows from operating activities will amount to R43 million for the 2024/2025 financial year. An amount of R67 million will be utilized in capital projects through investing activities. The Cash and cash equivalents as at 30 June 2025 is projected at R36 million which increases to R83 million in 2025/2026 financial year and R121 million in 2026/2027 financial year. To realize these projected figures, the Municipality must without fail continue to implement its revenue enhancement strategies, cost curtailment strategies, financial recovery plan as well as the creditors' reduction plan.

The budgeted cash and cash equivalents balance of R36 million to be realized at the end of the 2024/2025 financial year will be for the funding of other working capital requirements as tabulated below:

**Table 67: TABLE A8 Budgeted Cash and Cash Equivalents**

MP311 Victor Khanye - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	71,919	68,804	160,414	11,392	2,044	2,044	2,044	36,040	83,542	121,200
Other current Investments > 90 days		(68,152)	(53,289)	(162,761)	0	0	0	0	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>3,767</b>	<b>6,806</b>	<b>8,653</b>	<b>11,392</b>	<b>2,044</b>	<b>2,044</b>	<b>2,044</b>	<b>36,040</b>	<b>83,542</b>	<b>121,200</b>
<u>Application of cash and investments</u>											
Unspent conditional transfers		10,910	(0)	0	-	-	-	-	52,758	107,042	165,065
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(33,937)	44,024	18,202	-	-	-	-	(3,881)	(5,249)	(5,249)
Other working capital requirements	3	702,478	918,892	1,147,024	23,288	89,409	89,409	89,409	180,888	254,054	258,394
Other provisions		2,984	4,210	3,558	11,548	11,548	11,548	11,548	11,548	11,548	11,548
Long term Investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>682,418</b>	<b>987,128</b>	<b>1,188,384</b>	<b>34,882</b>	<b>100,866</b>	<b>100,866</b>	<b>100,866</b>	<b>250,809</b>	<b>388,293</b>	<b>430,868</b>
<b>Balplus/shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(678,848)</b>	<b>(981,621)</b>	<b>(1,182,781)</b>	<b>(28,440)</b>	<b>(88,010)</b>	<b>(88,010)</b>	<b>(88,010)</b>	<b>(214,088)</b>	<b>(284,761)</b>	<b>(308,168)</b>
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
<b>Balplus/shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(678,848)</b>	<b>(981,621)</b>	<b>(1,182,781)</b>	<b>(28,440)</b>	<b>(88,010)</b>	<b>(88,010)</b>	<b>(88,010)</b>	<b>(214,088)</b>	<b>(284,761)</b>	<b>(308,168)</b>



## 5.9. DETAILED FINAL CAPITAL BUDGET

The table below provides a summary of the estimated proposals on the final capital expenditure budget.

**Table 68: TABLE A5 Final Capital Budget per funding source.**  
MP311 Victor Khanye - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	#	Current Year 2023/24						2024/25 Medium Term Revenue & Expenditure Framework			
		2020/21 Audited Outcome	2021/22 Audited Outcome	2022/23 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure - Vote</b>											
Multi-year expenditure, to be appropriated	2	-	-	-	-	-	-	-	-	-	
Vote 1 - Office of the Municipal Manager											
Vote 2 - Budget and Treasury											
Vote 3 - Corporate Services											
Vote 4 - Community and Social Services											
Vote 5 - Sport and Recreation											
Vote 6 - Public Safety											
Vote 7 - Housing											
Vote 8 - Health Services											
Vote 9 - Planning and Development											
Vote 10 - Roads Transport											
Vote 11 - Electricity Services											
Vote 12 - Water Services											
Vote 13 - Waste Water Management											
Vote 14 - Solid Waste Management											
Vote 15 -		-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	
Single-year expenditure, to be appropriated	2										
Vote 1 - Office of the Municipal Manager		242	-	54	2,000	4,917	4,917	4,917	2,700	2,824	2,954
Vote 2 - Budget and Treasury		397	1,018	707	-	-	-	-	400	418	438
Vote 3 - Corporate Services		47	(1,065)	18,065	2,007	2,828	2,828	2,828	100	105	109
Vote 4 - Community and Social Services		55	-	-	-	-	-	-	20	21	22
Vote 5 - Sport and Recreation		-	2,028	20	-	-	-	-	-	-	-
Vote 6 - Public Safety		5,314	68	25	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		3,982	-	81	-	-	-	-	100	105	109
Vote 10 - Roads Transport		4,039	10,887	8,784	15,000	15,083	15,083	15,083	10,421	-	-
Vote 11 - Electricity Services		20,753	3,274	7,430	6,000	6,000	6,000	6,000	6,500	4,184	4,376
Vote 12 - Water Services		0	-	15,705	35,035	36,934	36,934	36,934	32,600	-	-
Vote 13 - Waste Water Management		751	1,501	9,519	3,000	4,616	4,616	4,616	-	-	-
Vote 14 - Solid Waste Management		6,037	435	(3,044)	3,500	998	998	998	6,800	2,092	2,188
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		42,817	27,728	68,146	67,631	71,378	71,378	71,378	67,740	8,749	10,197
<b>Total Capital Expenditure - Vote</b>		42,817	27,728	68,146	67,631	71,378	71,378	71,378	67,740	8,749	10,197
<b>Capital Expenditure - Functional</b>											
Governance and administration		687	(87)	20,384	4,807	10,246	10,246	10,246	3,200	3,347	3,501
Executive and council		242	-	(0)	-	-	-	-	200	209	219
Finance and administration		445	(67)	20,385	4,007	10,245	10,245	10,245	3,000	3,138	3,282
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		6,088	2,888	48	-	-	-	-	20	21	22
Community and social services		5,358	-	-	-	-	-	-	20	21	22
Sport and recreation		-	2,028	20	-	-	-	-	-	-	-
Public safety		10	68	25	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		7,801	18,803	8,878	16,000	12,683	12,683	12,683	16,621	105	109
Planning and development		3,982	-	81	-	-	-	-	100	105	109
Road transport		3,019	18,803	6,597	15,000	12,583	12,583	12,583	16,421	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		28,880	8,284	81,037	47,824	48,648	48,648	48,648	47,898	8,278	8,586
Energy sources		21,473	4,358	8,058	6,000	6,000	6,000	6,000	6,500	4,184	4,376
Water management		0	-	15,705	35,035	36,934	36,934	36,934	32,600	-	-
Waste water management		751	1,501	9,519	3,000	4,616	4,616	4,616	-	-	-
Waste management		6,037	435	(3,044)	3,500	998	998	998	6,800	2,092	2,188
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	42,817	27,728	68,146	67,631	71,378	71,378	71,378	67,740	8,749	10,197
<b>Funded by:</b>											
National Government		26,143	24,163	58,335	59,078	57,506	57,506	57,506	58,420	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat'l / Prov Departrn Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	26,143	24,163	68,336	68,078	67,606	67,606	67,606	68,420	-	-
Borrowing	5	-	-	-	-	-	-	-	-	-	-
Internally generated funds		11,527	1,750	(1,094)	8,453	13,870	13,870	13,870	9,320	9,749	10,197
<b>Total Capital Funding</b>	7	37,670	26,919	68,841	67,631	71,378	71,378	71,378	67,740	8,749	10,197

The Municipality will be spending in the next three years an amount of R124 Million on infrastructure development to address backlogs and upgrading of the existing infrastructure in the following priority areas:

- (a) Roads Infrastructure Development and Storm water over the medium term will amount to R13 million, which accounts for 46 percent of the total capital budget with an allocation of R28 million (MIG) for the 2024/2025 financial year.
- (b) Bulk water and reticulation infrastructure budget allocation amounts to R2 million (MIG) over the medium term, which accounts for 18 percent of the total capital budget. Projects are targeted to reduce existing backlog for water supply. The allocation for 2024/2025 financial year amounts to R25 million from WSIG.
- (c) Electricity supply and infrastructure budget allocation amounts to R2.5 million (MIG) which accounts for 9 percent of the total capital budget. There is no allocation electricity for 2024/2025 financial year from National Treasury.
- (d) Sanitation or sewerage infrastructure is allocated an amount of R3 million (MIG) over the medium term, which accounts for 11 percent of the total capital budget. Total budget for the 2024/2025 financial year amounts to R60.5 million.

**Table 69:** Capital Budget per funding

FUNDING SOURCE	CAPITAL BUDGET PER FUNDING SOURCE			% PER FUNDING SOURCE
	2024/2025 Estimate	2025/2026 forecast	2026/2027 forecast	
GRANT-Intergrated Electrification Programme	-	-	9 671 000	0%
GRANT-Municipal Infrastructure	28 420 000	29 645 000	31 924 000	45%
GRANT-Water Services Infrastructure	25 000 000	-	-	40%
Internal Funding	9 320 000	9 749 000	10 197 000	15%
<b>Grand Total</b>	<b>62 740 000</b>	<b>39 394 000</b>	<b>51 792 000</b>	<b>100%</b>

The capital budget is primarily funded from conditional grants and only 15 percent of the total capital funding comes from internally generated funds while 85 percent of the total capital budget is funded from conditional capital grants.

## 5.10. BUDGETED FINANCIAL POSITION

The table below reflects the Municipality has projected financial position for the medium term. The financial position of the Municipality demonstrates some improvement due to the adoption and implementation of the creditors' reduction plan, which focuses to reduce the high level of outstanding creditors. Effective implementation of the revenue enhancement strategy, cost curtailment strategy, creditor's reduction plan and financial recovery plan will aid to further improve the financial position situation going forward.

**Table 70: TABLE A6 Budgeted Financial Position**

## 5.11. BUDGET RELATED POLICIES

In order to manage the finances, the municipality has prepared financial policies as per the requirement of the Municipal Financial Management Act, 2003 (Act 56 of 2003). This includes the budget policy; funding and reserves policy; credit control and debt collection policy; investment policy; tariff policy; rate policy; asset management policy; virement policy; budget policy; indigent policy and supply chain management policy; economic investment and promotion policy; payroll discrepancy policy; supplier performance monitoring policy; contract management policy and insurance policy.

## 5.12. BUDGET POLICY

The municipality has a budget policy which aims to achieve the following:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget;
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget;

- To establish and maintain procedures to ensure adherence to Victor Khanye Local Municipality IDP review and budget processes.

#### **5.12.1. Virement Policy**

The municipality has a budget virement policy which aims to achieve the following:

- This policy aims to provide guidelines to senior management in the use of virements as a mechanism in their day-to-day management of their budgets.
- Empower senior managers with an efficient financial – and budgetary system to ensure optimum service delivery within the current legislative framework of the MFMA and the City's system of delegations.

#### **5.12.2. Credit control and debt collection policy**

The municipality has a credit control and debt collection policy, which aims to achieve the following objectives:

- Provide a framework within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection;
- Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner;
- Outline the procedures that will ensure that the members of the local community is afforded the opportunity to contribute in the decision-making processes of the municipality and that they are informed of the decisions and affairs of the municipality;
- Set realistic targets for debt collection;
- Outline credit control and debt collection policy procedures and mechanisms;
- Provide a framework to link the municipal budget to indigent support and tariff policies.

#### **5.12.3. Tariff policy**

The municipality has a tariff policy, which aims to achieve the following objectives:

- The tariffs approved during the budget process by Council fund services must be consistent with this policy
- The municipal services are financially sustainable, affordable and equitable
- The needs of the poor households are taken into consideration
- There is consistency on how tariffs are applied throughout the municipality.

#### **5.12.4. Rates policy**

The municipality has a property rates policy, which aims to achieve the following objectives:

- Comply with the provision of the Municipal Property Rates Act, specifically Section 3
- Give effect to the principles outlined hereunder
- Ensure the equitable treatment of persons liable for rates
- Determine criteria to be applied for the levying of differential rates for different categories of properties
- Determine or provide criteria for the determination of categories of properties and categories of owners of properties
- Determine criteria to be applied for granting exemptions, rebates and reductions
- Determine how the municipality's powers must be exercised in relation to multi-purposes properties
- Determine measures to promote local economic and social development, and
- Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the act.

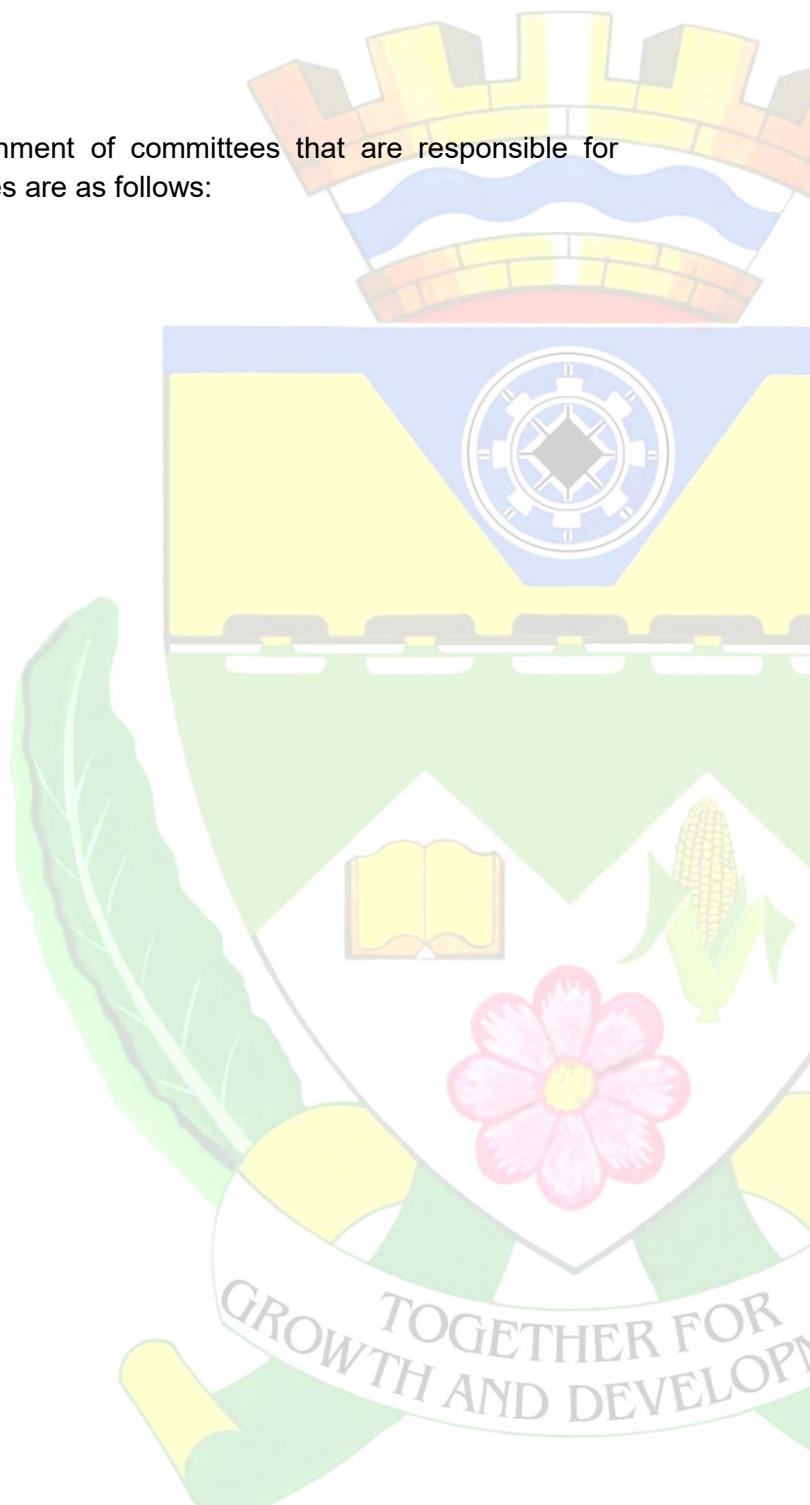
#### **5.12.5. Supply chain management policy**

The municipality has a supply chain management policy which aims to provide effective systems for the following:

- Demand management
- Acquisition management
- Logistics management
- Risk management
- Performance management

The policy gives provision for the establishment of committees that are responsible for evaluation of competitive bids. The committees are as follows:

- Bid specification committee
- Bid evaluation committee
- Bid adjudication committee



## CHAPTER 6: PERFORMANCE MONITORING AND EVALUATION

### 6. INTRODUCTION

The Municipal Systems Act, promulgated in 2000, required every municipality to establish and implement a Performance Management System (PM System). The PM&E System must provide guidelines on the development and implementation of an organisational and employee Performance Management System. Performance Monitoring and Evaluation is a strategic approach to which management equips leaders, managers, employees, and stakeholders at different levels; with a set of tools and techniques to plan regularly, monitor continuously, measure periodically, and review performance of the Organization in terms of indicators and targets for efficiency, effectiveness, and impact.

Chapter 6 of the Municipal Systems Act (No.32 of 2000) requires the Municipality to: Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government. Have the Annual Performance Report audited by the Auditor-General, and involve the community in setting the indicators and targets, and reviewing the Municipality's performance.

2001 MUNICIPAL PLANNING AND PERFORMANCE REGULATION STATES THAT: The Performance Management System must entail a framework that describes and represents how municipal cycles and processes of Performance Management System; including measurement, review, reporting, and improvement will be conducted; and PMS must, interliaic, comply with the requirements of systems the Act relates to the Municipality's employee performance management processes.

The 2024/2025 review IDP, the Municipality has prepared functional and effective organization performance management systems, that address the performance needs of the Municipality; and also serves to promote a culture of performance management, and to administer its affairs in an economical, effective, efficient, and accountable manner, as required by Section 38 of the Municipal Systems Act No. 32 of 2000.

In terms of measuring performance of the Municipality in 2024/2025, the Municipality has reviewed the performance management system, and has in place the following documents that guide the review, implementation monitoring, and reporting of PMS:

- Performance Management & Development System Framework and Performance Management System Policy (OPMS)
- (SDBIP) Service Delivery and Budget Implementation Plan
- Performance Agreements of the Municipal Manager and Senior Managers reporting directly to the Municipal Manager.

## **6.1. LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT**

Performance Management System, Monitoring Evaluation and Reporting is guided by the following Legislation in local government;

- a) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- b) Local Government: Municipal Planning and Performance Management Regulations, 2001,
- c) Local Government: Municipal Finance Management Act 53 of 2003 and Local Government:
- d) Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006,
- e) Provincial Monitoring and Evaluation Framework 2009, National Evaluation Policy 2011.

## **6.2. SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN**

The SDBIP provides the vital link between the Executive Mayor, Council (Executive), and the Administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation, and monitoring tool that will assist the Executive Mayor, councillors, municipal manager, senior managers, and the community.

It is the intention of the Victor Khanye Local Municipality to formulate a well-informed SDBIP in order to ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic goals of the municipality as set out in the Integrated Development Plan Review 2024/2045. It will ensure that the Administrative Head (Municipal Manager) is able to monitor the performance of senior managers, the Executive Mayor, in turn, to monitor the performance of the municipal manager, and more importantly, it will ensure that the community is able to monitor the performance of the municipality. In order to achieve this, the SDBIP should therefore determine the performance agreements between the Executive Mayor and the Municipal Manager and,

in turn, between the Municipal Manager and senior managers (Chief Financial Officer and Executive Directors) formulated and signed at the start of every financial year and approved by the Executive Mayor.

Aligning the SDBIP with the budget plans will ensure effective implementation of the strategic objectives set in the IDP. To take the IDP forward, operational plans, capital plans, annual budgets, institutional plans, Human Resource Development (HRD) plans, etc. must be produced. To achieve effective, efficient and economic service delivery, VKLM should work according to the priorities and projects included in the SDBIP. Performance monitoring is a continuous process that runs parallel with the implementation of the approved IDP, budget and SDBIP and involves data management and assessment. Monitoring is crucial to ensure that the municipality stays on track with its projects.

### **6.3. MONITORING AND EVALUATION OF THE MUNICIPAL AND INDIVIDUAL PERFORMANCE**

The most valuable reason for measuring performance is that what gets measured gets done. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks - and to perform them well. In addition, the availability of performance information allows managers to pursue results-based management approaches, such as performance contracts, risk management, benchmarking and market testing.

Monitoring and Evaluation of performance is essential and is legislated, aimed at ensuring accountability and improving the level of service delivery offered to the community. Assessment consists of the measurement of data through scoring, analysis and validation to determine if targets have been met. In so doing performance is assessed against the achievement or non-achievement of targets. The DPLG: now referred to as COGTA, devised a five-point scale where three (3) indicates that a target has been met. Scoring allows for quick and easy assessment of performance. VKLM has adopted this scoring system based on a scale of 1 – 5 where 3 depicts target met. The performance achievements assessed through the scoring system are subject to assessment by the Internal Audit Unit using the method of a random selection of samples. Scores allocated to KPIs and projects should be assessed in terms of appropriateness and verified against the relevant portfolio of evidence (POE) to support the achievements.

Stakeholders are becoming increasingly interested in how well municipalities are performing. The emphasis is shifting from narrow financial reporting to more comprehensive reporting on

organisational performance of non-financial measures in terms of achieving set objectives. The compilation of performance reports is management's means of communicating to the organisation's stakeholders on the economic and efficient utilisation of available resources as well as the effective performance of operational functions. Monthly, quarterly, mid-year, political term of office, annual and oversight reports are to be generated within the VKLM.

Evaluation of organisational and employee performance is essential to ensure that corrective measures are identified and put in place to improve areas of non-performance. In other words, the intention of evaluation is to critically evaluate past actions, build on areas of value, eliminate non-value adding processes, and use the information gained to make informed decisions to re-align organisational objectives and actions. Without continuous evaluation, there can be no improvement and development. Evaluation is done through auditing (independent), administrative evaluation and political oversight.

It is important that both the political as well as official sectors of each government section understand the importance of performance. At the VKLM, the Executive Mayor and Municipal Manager must promote performance management so that all role players and stakeholders within the municipality embrace the changes required to ensure improved performance. Effective employee Performance management is imperative to ensure the efficient operations of the municipality. Without the people, driving the operations of the municipality there will be no service delivery. Improved performance of employees will ensure enhanced municipal operations. This Framework proposes a combined employee PM system with integration between the phases of the organisational and employee PM System.

It is a legislative practice for all municipalities that Senior Managers (Levels 1-3) must sign a performance agreement. The aim is to ensure parity in the application of performance management practices. Employee assessment is based on the employee's performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPAs. In order to fulfil the objective of ensuring accountability, reviews are conducted according to the lines of accountability.

Employee performance monitoring takes place through coaching where managers/supervisors and employees alike receive assistance and guidance to improve performance. Evaluation determines whether the skills base of top managers is adequate to drive the municipal processes of executing tasks and taking accountability and whether appropriate rewards should be considered as per Regulation 805.

The aim of Section A of the Performance Management Framework (System) and Procedural Manual is to provide more detail on the theoretical background that structures Performance Management to ensure effective steps and controls are put in place to give authenticity to the Performance Management system.

## **6.4. ROLE PLAYERS IN THE MANAGEMENT OF PERFORMANCE MANAGEMENT**

The role players that manage the performance management system of the municipality include the following:

### **6.4.1. Internal Audit**

The Internal Audit Services plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. Its role is also to assist the municipality in validating the evidence provided by the General Managers in support of their performance achievements.

### **6.4.2. Performance Audit Committee**

The committee monitors the quality and integrity of the Performance Management System, to ensure equity and consistency in the application of evaluation norms and standards. The committee further provides impartial recommendations on performance ratings to the Mayoral Committee, following the completion of objective appraisals.

### **6.4.3. Evaluation Panel**

The Evaluation Panel evaluates the performance of Section 57 employees, including the Municipal Manager's performance, through approval of their final performance ratings.

### **6.4.4. Executive Mayor and Members of the Mayoral Committee**

The Executive Mayor and the Members of the Mayoral Committee manage the development of the municipal PMS and oversee the performance of the Municipal Manager and the General Managers.

#### **6.4.5. Council and Section 80 Committees**

Section 80 Committees play an oversight role and consider reports from Council on the functioning of different portfolios and the impact on the overall objectives and performance of the municipality.

#### **6.4.6. Community**

The community plays a role in the PMS through the annual IDP consultation processes, which are managed by the Office of the Speaker, working in close collaboration with the IDP and Public Participation Unit.



## 6.5. PERFORMANCE MANAGEMENT REPORTING

The legislative framework requires that the municipality should develop reports at particular intervals that must be submitted to various institutions for validation and monitoring. The table below outlines a summary of the reports that have been developed in the municipality.

**Table 71:** Reports to be developed by the Municipality

REPORT TYPE	DESCRIPTION
<b>Monthly reports</b>	Section 71 of the MFMA requires that reports be prepared. A financial report is prepared based on municipal programmes and projects.
<b>Quarterly IDP and SDBIP reporting</b>	<p>The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal Manager, Top Managers and other levels of staff, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process.</p> <p>The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of Section 71(1) (a) and (e). For example, if there is lower than anticipated revenue and an overall cash shortage in a particular month the municipality may have to revise its spending downwards to ensure that it does not borrow more than anticipated. More importantly, such information requires the municipality to take urgent remedial steps to ensure it improves on its revenue collection capacity if the municipality wants to maintain its levels of service delivery and expenditure.</p> <p>Section 1 of the MFMA states that the SDBIPs a detailed plan approved by the Mayor of a municipality in terms of service delivery should make projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The service delivery targets and performance indicators need to be reported on quarterly (MFMA, 2003).</p>
<b>Mid-year budget and COGTA report</b>	Section 72 of the MFMA requires the Accounting Officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the mayor, National Treasury as well as the relevant Provincial Treasury and COGTA. As with all other reports, this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary.
<b>Annual Performance report (Section 46)</b>	<p>Section 46 of the MSA states that a municipality must prepare for each financial year, a performance report that reflects the following:</p> <p>The performance of the municipality and of each external service provided during that financial year;</p> <p>A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year;</p> <p>and Measures to be taken to improve on the performance.</p>

	<p>The performance report must be submitted at the end of the financial year and will be made public as part of the annual report in terms of Chapter 12 of the MFMA.</p> <p>The publication thereof will also afford the public the opportunity to judge the performance of the municipality against the targets set in the various planning instruments.</p>
<b>Annual Report</b>	<p>Every municipality and every municipal entity under the municipality's control is required by Section 121 to prepare an annual report for each financial year, which must include:</p> <ul style="list-style-type: none"> <li>- the annual financial statements of the municipality or municipal entity as submitted to the Auditor-General for audit (and, if applicable, consolidated annual financial statements);</li> <li>- the Auditor-General's audit report on the financial statements;</li> <li>- an assessment by the Accounting Officer of any arrears on municipal taxes and service charges;</li> <li>- particulars of any corrective action taken or to be taken in response to issues raised in the audit reports;</li> <li>- any explanations that may be necessary to clarify in connection with the financial statements;</li> <li>- any information as determined by the municipality, or, in the case of a municipal entity, the entity or its parent municipality;</li> <li>- any recommendations of the municipality's audit committee, or, in the case of a municipal entity, the audit committee of the entity or of its parent municipality;</li> <li>- an assessment by the Accounting Officer of the municipality's performance against the measurable performance objectives for revenue collection and for each vote in the municipality's approved budget for the relevant financial year;</li> <li>- an assessment by the Accounting Officer of the municipality's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and its parent municipality;</li> <li>- the annual performance report prepared by a municipality; Any other information as may be prescribed.</li> </ul> <p>Section 127 prescribes the submission and tabling of annual reports. This section also gives provision for the following:</p> <ul style="list-style-type: none"> <li>- The Accounting Officer of a municipal entity must, within six months after the end of a financial year, submit the entity's annual report for that financial year to the Municipal Manager of its parent municipality;</li> <li>- The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control;</li> <li>- If the Mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must: submit to the Council a written explanation setting out the reasons for the delay, together with any components of the annual report that are ready; submit to the Council the outstanding annual report.</li> </ul>

<b>Oversight Report</b>	<p>The Council of a municipality must consider the municipality's annual report (and that of any municipal entity under the municipality's control), and in terms of Section 129, within two months from the date of tabling of the annual report, must adopt an oversight report containing the Council's comments, which must include a statement whether the Council: has approved the annual report with or without reservations; has rejected the annual report; or has referred the annual report back for revision of those components that can be revised.</p> <p>In terms of Section 132, the following documents must be submitted by the Accounting Officer to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report: the annual report (or any components thereof) of each municipality and each municipal entity in the province; and all oversight reports adopted on those annual reports. It is important to note that the Oversight Committee working with these reports should be chaired by the opposition party.</p>
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## 6.6. ORGANIZATIONAL PERFORMANCE

### OVERALL PERFORMANCE PER MUNICIPAL KEY PERFORMANCE AREA

The following table and graph illustrates the municipality's overall performance per Municipal Key Performance Area (KPA) in the 2 previous financial years.

Table 1: Performance per KPA 2023/24

KEY PERFORMANCE AREAS	2022/23			2023/2024		
	Total KPI's Assessed	Targets Achieved	% Targets Achieved	Total KPI's Assessed	Targets Achieved	% Targets Achieved
1. Infrastructure and Basic Service Delivery	40	31	78%	40	33	83%
2. Financial Viability and Finance Management	33	22	67%	37	29	78%
3. Institutional Development and Transformation	29	20	69%	27	23	85%
4. Good Governance and Public Participation	45	28	63%	48	32	67%
5. Spatial Rationale	04	02	50%	6	5	83%
6. Local Economic Development	08	06	75%	8	7	88%
Total	159	109	69%	166	129	78%

The table above indicates that Victor Khanye Local Municipality recorded an overall improvement in terms of achieving KPIs set within the 6 KPAs, with an increase of an overall achievement of 78% of the total KPAs in the 2023/24 financial year, as opposed to the 69% achieved in 2022/23 financial year

The best performing KPA in the 2023/24 financial year was the Local Economic Development, with 88%, followed by Institutional Development and Transformation with 85%, and Infrastructure and Basic Service Delivery with 83%.

## CHAPTER 7: MUNICIPAL PROJECTS AND EXTERNAL

### 7.1. INTRODUCTION

This chapter outlines Victor Khanye Local Municipality's planned and budgeted projects to be implemented by the Municipality as per each Key Performance Area. Most of these projects span out for the duration of the medium-term period (3 years). These projects form part of the municipal strategy in response to the five-year development priorities of the Municipality.

MUNICIPAL INFRASTRUCTURE GRANT (MIG): MPUMALANGA PROVINCE IMPLEMENTATION PLAN FOR 2024/25 FINANCIAL YEAR							
MIS Form ID	MIG Reference Nr	Project Name	Project type	Projected Expen	Planned MIG Expenditure for 2024/25	Planned MIG Expenditure for 2025/26	Planned MIG Expenditure for 2026/27
				Jun-25			
202895	MIG/MP1059/RST/11/15	Reconstruction of paved roads in Victor Khanye	Roads	R 0,00	R 13 000 000,00	R 16 500 000,00	R 17 865 700,00
259139	MIG/MP0479/S/06/10	Development of 5000 stands on Portion 6 of the farm Middelburg 231 ER: Water Services	Water	R 92 000,00	R 2 000 000,00	R 0,00	R 0,00
259140	MIG/MP0501/W/06/10	Development of Portion 6 of the Farm Middelburg 231 ER -Sanitation Services	Sanitation	R 138 000,00	R 3 000 000,00	R 0,00	R 0,00
202993	MIG/MP1080/S/11/14	Eradication of sanitation backlog to rural areas.	Sanitation	R 0,00	R 0,00	R 0,00	R 0,00
0	MIG/MP1654/SW/18/22	Development of the 2nd Phase of the Landfill Site in Delmas	Solid Waste	R 92 000,00	R 2 000 000,00	R 5 000 000,00	R 6 000 000,00
232175	MIG/MP1499/CL/12/16	Installation of High Mast Lights at Victor Khanye Local Municipality	Electricity	R 0,00	R 2 500 000,00	R 1 900 650,00	R 1 700 000,00
391091	MIG/MP/2117/W/21/24	Drilling, Refurbishment of boreholes in rural areas and provision of elevated steel tanks	Water	R 115 000,00	R 2 500 000,00	R 2 500 000,00	R 2 500 000,00
254469	MIG/MP1584/17/19	Provision of security boundary fencing for all municipal infrastructures	Water	R 0,00	R 1 999 000,00	R 2 262 100,00	R 2 262 100,00
		Project Management Unit (Operational)		R 65 366,00	R 1 421 000,00	R 1 482 250,00	R 1 596 200,00
				R 502 366,00	R 28 420 000,00	R 29 645 000,00	R 31 924 000,00
Recommended by: PMU Manager		Mr J Buthelezi					
Signature:							
Date:							
Recommended by: Chief Financial Officer		Ms TP Mahlangu					
Signature:							
Date:							
Recommended by: Municipal Manager		Mr TM Mashabela					
Signature:							
Date:							

WSIG : MPUMALANGA PROVINCE



IMPLEMENTATION PLAN FOR 2024/2025 FINANCIAL YEAR

VICTOR KHANYE LOCAL MUNICIPALITY

WSA	DM	Project Name	Project Status	Projected Expenditure	Jun-25	Planned WSIG Expenditure for 2024/25	Planned WSIG Expenditure for 2025/26	Planned WSIG Expenditure for 2026/27
Victor Khanyelm	Nkangala	PROVISION OF CIVIL ENGINEERING AND CONSTRUCTION OF WATER RELATED INFRASTRUCTURE IN REDUCING THE NON-REVENUE WATER IN BOTLENG TOWNSHIP	Construction	R 0,00	R 4 092 865,97	R 0,00	R 0,00	
Victor Khanyelm	Nkangala	PROVISION OF CIVIL ENGINEERING AND CONSTRUCTION OF WATER RELATED INFRASTRUCTURE IN REDUCING THE NON-REVENUE WATER IN BOTLENG TOWNSHIP	NEW	R 418 142,68	R 20 907 134,03	R 0,00	R 0,00	
				R 418 142,68	R 25 000 000,00	R 0,00	R 0,00	
Recommended by: PMU Manager	Mr J Buthelezi							
Signature:								
Date:								
Recommended by: Technical Director	Ms G Matlala							
Signature:								
Date:								
<b>FINAL IDP 2025/2026</b>								
Recommended by: Municipal Manager	Mr TM Mashabela							
Signature:								
Date:								

**MUNICIPAL CAPITAL INFRASTRUCTURE**  
**IMPLEMENTATION PLAN FOR 2024/25 FINANCIAL YEAR**

LM	DM	Project Name	Project type	EPWP Y/N	Planned job opportunities in 2024/25	Funding	Planned MIG Expenditure for 2024/25	Planned MIG Expenditure for 2025/26	Planned MIG Expenditure for 2026/27
Victor Khanye	Nkangala	Reconstruction of paved roads in Victor Khanye	Roads	Y	23,64	MIG	13 000 000,00	16 500 000,00	17 865 700,00
Victor Khanye	Nkangala	Development of 5000 stands on Portion 6 of the farm Middelburg 231 ER: Water Services	Water	Y	3,64	MIG	2 000 000,00	0,00	0,00
Victor Khanye	Nkangala	Development of Portion 6 of the Farm Middelburg 231 ER - Sanitation Services	Sanitation	Y	5,45	MIG	3 000 000,00	0,00	0,00
Victor Khanye	Nkangala	Eradication of sanitation backlog to rural areas.	Sanitation	Y	0,00	MIG	0,00	0,00	0,00
Victor Khanye	Nkangala	Development of the 2nd Phase of the Landfill Site in Delmas	Solid Waste	Y	3,64	MIG	2 000 000,00	5 000 000,00	6 000 000,00
Victor Khanye	Nkangala	Installation of High Mast Lights at Victor Khanye Local Municipality	Electricity	Y	4,55	MIG	2 500 000,00	1 900 650,00	1 700 000,00
Victor Khanye	Nkangala	Drilling, Refurbishment of boreholes in rural areas and provision of elevated steel tanks	Water	Y	4,55	MIG	2 500 000,00	2 500 000,00	2 500 000,00
Victor Khanye	Nkangala	Provision of security boundary fencing for all municipal infrastructures	Water	Y	3,63	MIG	1 999 000,00	2 262 100,00	2 262 100,00

Victor Khanye	Nkangala	Provision of civil engineering and construction of water related infrastructure in reducing the non-revenue water in Delmas and Delpark	Water	Y	7,44	WSIG	4 092 865,97	0,00	0,00
Victor Khanye	Nkangala	Provision of civil engineering and construction of water related infrastructure in reducing the non-revenue water in Sundra and Elof	Water	Y	38,01	WSIG	20 907 134,03	0,00	0,00
Victor Khanye	Nkangala	Review of roads and stormwater master plan	Roads	N/A	0,00	DBSA	0,00	0,00	0,00
Victor Khanye	Nkangala	Rehabilitation and resealing of existing roads	Roads	Y	0,00	NDM/PPP	0,00	0,00	0,00
Victor Khanye	Nkangala	Provision of new boreholes and water treatment package plant at Sundra and Elof	Water	Y	0,00	NDN	0,00	0,00	0,00
Victor Khanye	Nkangala	Provision of new boreholes and water treatment package plant at Sundra and Elof	Water	Y	0,00	NDN	0,00	0,00	0,00
Victor Khanye	Nkangala	Review of groundwater management plan	Water	N/A	0,00	NDN	0,00	0,00	0,00
Victor Khanye	Nkangala	Upgrading of Botleng extension 3 outfall sewer pipeline	Sanitation	Y	0,00	NDN	0,00	0,00	0,00
Victor Khanye	Nkangala	Upgrading of Delmas WwTW		Y	0,00		0,00	0,00	0,00
Victor Khanye	Nkangala	Upgrading and refurbishment of Delpark and Golf coarse sewer pump stations	Sanitation	Y	0,00	PVT	0,00	0,00	0,00
Victor Khanye	Nkangala	Provision of plant and/or machinery:	Environmental	N/A	0,00		0,00	0,00	0,00
Victor Khanye	Nkangala	Installation of iron pretreatment plan at Delmas WTW	Water	N/A	0,00	MIG	0,00	0,00	0,00
Victor Khanye	Nkangala	Refurbishment of A1, B1 C1 and D1 substations	Electricity	Y	0,00	INEP	0,00	0,00	0,00

Victor Khanye	Nkangala	Developing of Energy balance strategy Upgrading of 200KVA transformers to 315KVA transformers	Electricity	N/A	0,00	VKLM	0,00	0,00	0,00
Victor Khanye	Nkangala	Installation of Bulk electricity meters and protection at municipal electricity substations	Electricity	Y	0,00	NDM	0,00	0,00	0,00
Victor Khanye	Nkangala	Electrification of new formalised settlement	Electricity	Y	0,00	VKLM	0,00	0,00	0,00
Victor Khanye	Nkangala	Electrification of farms and rural areas	Electricity	TBC	0,00	INEP-ESKOM	0,00	0,00	0,00
Victor Khanye	Nkangala	Review of energy master plan	Electricity	N/A	0,00	DBSA	0,00	0,00	0,00

## 7.2. NEW PROPOSED PROJECTS BY THE COMMUNITY

The Department of Social Development requested a serviced stand for building a bigger centre for the Old Aged around VKLM to benefit all the Wards.

There is another NPO by the name of KUTU's Orphanage and Drop-In-Centre Home and their NPO Registration No: 137-036 NPO.

The NPO mentioned above, their Project is for structural building funding for R20 M for the entire Project and is projected to run for a period starting 2024/2025 FY up-to 2028/2029 FY.

The following are Projects were identified per school, which can be funded through SLP and CSI:

### **Botleng Secondary School Ward 2:**

1. Structural building needs Engineering interventions
2. Lawn Mower
3. Uniform
4. Fixing of windows
5. Classroom wiring/electrification

### **Manyazela Primary School Ward 9:**

1. Building of an admin block
2. Kitchen
3. Leaking roof
4. Paving
5. Furniture
6. Uniform
7. Fencing
8. Lawn mower

### **Rietkol Primary School Ward 8:**

1. Roof leakage
2. Ceiling
3. Admin block
4. Grade R play ground
5. Computer Lab renovations
6. Kitchen taps replacement

### **Phaphamani Secondary School Ward 5:**

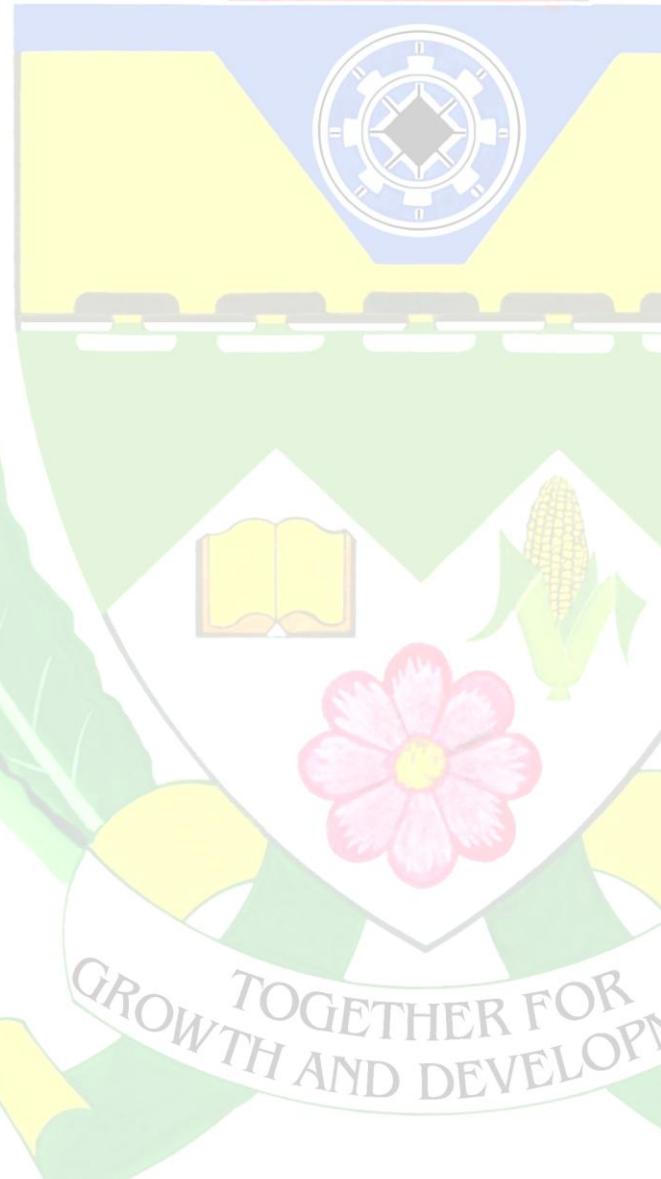
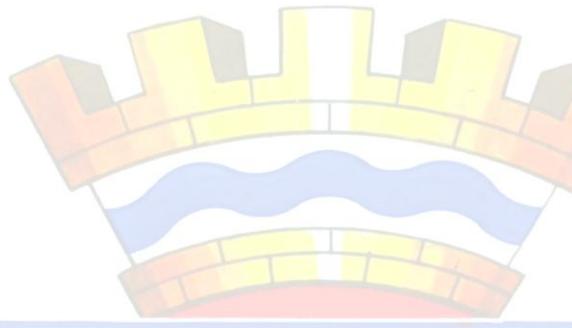
1. Computer lab refurbishment
2. Building of admin block
3. Renovation of the Kitchen
4. Need an extra classroom ( overcrowded)
5. Roof painting

### **Swartklip Combined Secondary School Ward 7:**

1. More class rooms
2. Kitchen renovations
3. Tiling and furniture
4. Wiring in classrooms
5. Laptops for teachers

### **Sundra High Ward 7:**

1. Structural challenge
2. Electrification
3. Fencing
4. Alarm System
5. Uniform
6. Laptops
7. Furniture
8. Renovation of class rooms



**7.3. SECTOR DEPARTMENTS PROJECTS  
COGHSTA PROJECTS 2025-2026 FY**



Local municipality	Project/Programme Name/Description	Project Beneficiary/ Ward/Location/ GPS Coordinate	2025/26 Target	2025/26 Budget Allocation (Annual) R'000	Total project cost R'000
Thembisile Hani	Construction of 19x Office block for DSD at Verena Branch office	Ward 11	Practical completion	R11 000	R19 665
Victor Khanye	Construction of 19x Office block for DSD at Victor Khanye sub District office	Ward 3	75% complete	R10 000	R37 000

## 7.4. DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT PROJECTS FOR NDM 2024/2025

Table 91: Agriculture, Land Reform and Rural Development Projects

LOCAL MUNICIPALITY	PROJECT DESCRIPTION	BENEFICIARY WARD	TARGET 2024/2025	BUDGET ALLOCATED	TOTAL COSTS
Different L. Ms of Nkangala District	Nkangala Poultry Project Assessment of poultry production in the district and the development of the business plan	Will be conducted district wide.	Provision of mechanisation, production inputs, skills development, operational costs to support food production in the prioritised commodities value chain.	R500 000	R500 000
All municipalities	Land Acquisition for Farm Dwellers and Labour Tenants	Farm Dwellers and Labour Tenants	Acquisition of 339 hectares of land to secure the legally insecure land tenure rights	R6 401 203	R6 401 203
All municipalities	Land Acquisition for agricultural (food security) and development purposes	Historically Disadvantaged Individuals (preferably women, youth and persons with disabilities)	Acquisition of land for agricultural (food security) and development purposes.	R105 000 000	R105 000 000
Different L. Ms of Nkangala District	Nkangala Poultry Project Assessment of poultry production in the district and the development of the business plan	Will be conducted district wide.	Provision of mechanisation, production inputs, skills development, operational costs to support food production in the prioritised commodities value chain.	R500 000	R500 000



## 7.5. DEPARTMENT OF WATER AND SANITATION PROJECTS FOR VICTOR KHANYE LOCAL MUNICIPALITY 2024/2025 FY

Table 92: Water and Sanitation Projects

MUNICIPALITY	PROJECT NAME	PROJECT BENEFICIARY	BUDGET ALLOCATION	TARGET	TOTAL COST
VKLM	WSIG- VKLM	LM TO PRIORITISE BENEFICIARIES	R17 000	VKLM	R17 000

## 7.6. DARDLEA Infrastructure Development Projects

Table 95: Dardlea Infrastructure Development Projects

	Project name	Outputs	Project description	Total Estimated cost
1	Itjhetjho Fortune 40 Poultry Project	2x 5000 poultry(broiler)houses	Construction of 2x 5000 convectional poultry houses	6 415 000
2	Thokoza Farms and Projects	Vegetable - 3 existing boreholes registered. 1 ha netted tunnel constructed	Construction of a tunnel and fence for Vegetable production	512 504

## 7.7. Masibuyele Esibayeni Projects

Table 96: Masibuyele Esibayeni Projects

PROJECT	LOCATION	TARGET	BUDGET	JOB CREATION
Sheep or pigs	Victor Khanye Local Municipality	1 Set	380 000	1

## 7.8. Phezukomkhono Mlimi Projects

Table 97: Phezukomkhono Mlimi Projects

PROJECT	LOCATION	TARGET	BUDGET	JOB CREATION
Hectares Cultivated	Victor Khanye Local Municipality	460ha	895 202.70	7
Food gardens established	Victor Khanye Local Municipality	11	18 911.7	0
Households Benefiting	Victor Khanye Local Municipality	100	07.34	0

## 7.9. IDENTIFIED DDM CATALYTIC PROJECTS AND PROGRAMMES 2025-2026 FY

**Table 100:** DDM Catalytic Projects and Programmes

| Unfunded Programmes and Projects        |  |
|---|---|---|---|---|---|--|
| Table 1: NDM unfunded projects          |  |
| Project Name Purpose<br>Location Budget |  |
| 1. Land acquisition for Human           |  |
| Settlement and Development              |  |

To ensure that strategic located land is						
owned by municipalities to facilitated						
sustainable human settlement and						
development in the District						
District Wide R300 million						

2. Fly Ash Beneficiation  
Plant Development of  
fly-ash beneficiation

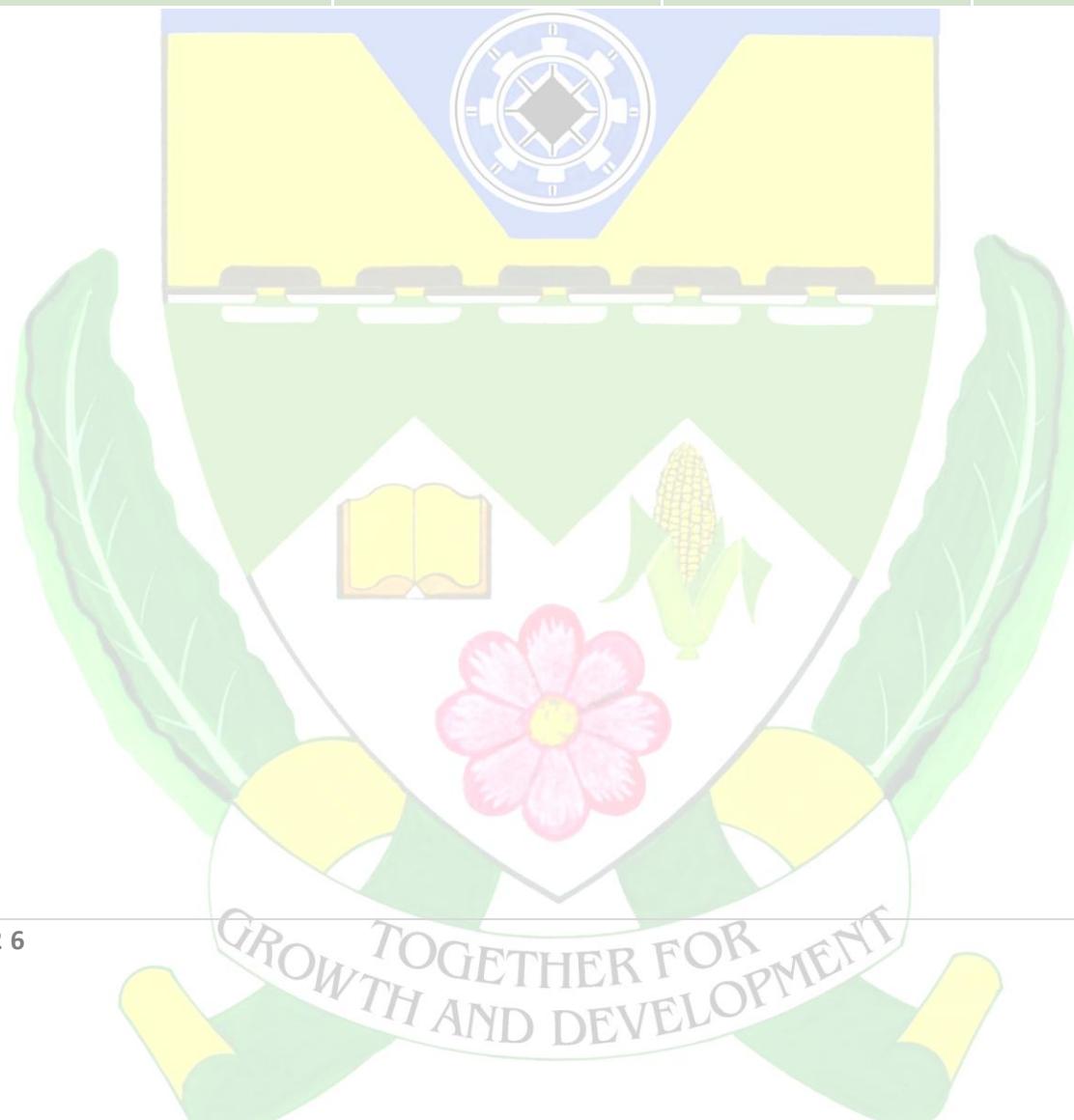
2. Fly Ash Beneficiation  
Plant Development of fly-  
ash beneficiation

2. Fly Ash Beneficiation  
Plant Development of fly-  
ash beneficiation

2. Fly Ash Beneficiation  
Plant Development of  
fly-ash beneficiation

2. Fly Ash Beneficiation  
Plant Development of  
fly-ash beneficiation

2. Fly Ash  
Beneficiation Plant  
Development of  
fly-ash  
beneficiation



## 7.10. COMMUNITY NEEDS PER WARD

### **SUMMARY OF THE PROPOSED COMMUNITY PROJECTS PER MUNICIPAL FUNCTIONS AND PER DIRECTORATE:**

DIRECTORATE	PROJECT IDENTIFIED	WARD/S	TIME-FRAME
<b>B &amp;T</b>	BILLING SYSTEM CORRECTION	1 - 9	
	INDIGENCE PROGRAMME	1 - 9	
	MOBILE UNIT- PAYMENT OF SERVICES	1-5, 7-9	
	BRIDGED WATER& ELECTRICITY METERS	1 - 9	
	PAYMENT RATE PER WARD	1 - 9	
	FLAT RATE CATEGORY FOR THE EMPLOYED YET LOW INCOME	1 - 9	
	VENDING MACHINES	1-5, 7- 9	
	SELLING OF STANDS	2 & 8	
<b>TECHNICAL</b>	WATER SUPPLY (CRISIS)	1 -9	
	ELECTRICITY SUPPLY (FAULTY METERS)	1 - 9	
	HIGH MAST LIGHTS/ STREET LIGHTS		
	ROADS- TARRING, PAVING, GRAVEL ROAD,	4,5,8& 9	
	POOR ROADS DESIGNED, DRAINAGE SYSTEM		
	RDP HOUSES – APPLICATION & ALLOCATION	1 - 9	
	SANITATION- NEW CONSTRUCTION	7 - 9	
	TOILETS IN INFORMAL SETTLEMENTS		
	BRIDGE CONSTRUCTION	7	
	BOREHOLES NEW & REFURBISHMENT	7 - 9	
	ASBESTOS ROOFS REMOVAL	1 & 2	
	HEAP OF STONES REMOVAL	4 & 5	
	SCHEDULE OF MAINTENANCE PLAN PER WARD	1 - 9	
<b>SOCIAL</b>	ILLEGAL DUMPING	3 – 9	
	REFUSE COLLECTION	7 – 9	
	DISASTER MANAGEMENT AWARENESS CAMPAIGN	1 -9	
	NEW DUST BINS PROVISION	3 – 9	
	BY-LAW/S TAVERN OPERATING HRS	1 - 9	
	ENVIRONMENTAL AWARENESS CAMPAIGN	1 - 9	
	GRASS CUTTING	6 - 9	
	ROAD MARKINGS & INFO SIGNS	1 - 9	
	CULTURAL ACTIVITIES & SPORTS TOURNAMENT	1 - 9	
<b>MM</b>	SMME SUPPORT/PROGRAMME	1 - 9	
	ILLEGAL OCCUPATION OF BUILDING	8	
	ILLEGAL LAND-USE	7 - 9	
	LAND REZONING	1 - 9	
	BUSINESS OPPORTUNITIES	1 - 9	
	FREE WI FI	1 - 9	
	YOUTH INFORMATION CENTRE	1 – 5, 7 -9	

