



ANNUAL PERFORMANCE REPORT 2024/2025

Private Bag X2
GROBLERSHOOP

Phone: 054 – 8339500
Fax: 054 – 833069

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1. INTRODUCTION

This Annual Performance Report is hereby submitted by the !Kheis Municipality in terms of section 121 of the Municipal Finance Management Act, 56 of 2003 Municipal Systems Act, 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. The report reflects the performance information from 1 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation with the Integrated Development Plan (IDP).

2. LEGISLATIVE REQUIREMENTS

This report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000. The Annual Performance Report (APR) forms an integral component of the Annual Report reflecting the performance of the municipality for the year under review, comparison and measures taken improve performance.

3. MUNICIPAL OVERVIEW

3.1 MISSION AND VISION

!Kheis Local Municipality is classified as a Category B municipality (i.e. small towns and relatively small populations) and is responsible for basic service provision to the towns of Groblershoop, Boegoeberg, Opwag, Topline, Grootdrink and Wegdraai, as well as the surrounding farming communities.

The !Kheis Municipal Area was initially inhabited by the Khoi-San people, whom also had been the first permanent inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. The Korannas (Khoi group) arrived in the area during the 18th century. They were widely spread over the “Benede Oranje” area and consisted of various tribes, each with its own captain (leader). The groups who lived in the !Kheis area, was under leadership of Captain Willem Bostander and Klaas Springbok. Many of their descendants still live in the area today. Other Khoi-groups, such as the Griekwas, also migrated through the area and intermarried with the Korannas. Later Coloured stock farmers, as well as white hunters and farmers arrived.

The Korannas tenaciously protected their territory against English invaders, when the English wanted to shift the Colonial Northern Border up to the Orange River. A Full Time Equivalent several Northern Border wars, the Korannas power was broken and several Koranna leaders i.e. Dawid Diederiks, Jan Kivedo (Cupido), Karel Ruyter (Ruiters), Piet Rooi, Klaas Lukas, Jan Malgas, Thomas Pofadder, were caught between 1870 and 1879 by the English and held captive as political prisoners on Robben Island. (The very first people sent to Robben Island as political prisoners, were Khoi people). In 1883 Piet Rooi died as a prisoner on Robben Island.

The actions of the English against the Korannas left them without leaders, which largely led to the fall of the Koranna people. The fact that the Municipality was given the name !Kheis (A place to live) is indeed an acknowledgment to the native people who first migrated to this area.

The population of Kheis increased from 16 566 people in 2016 to 21 954 in 2022. There were more females than males in the years 1996 and 2001 and more males than females in 2011 and 2016 which the status Quo remains.

4. PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

To improve the performance planning, implementation, monitoring and reporting, the municipality reviewed the top layer indicators in July 2024 to ensure that the measurements align with the IDP and conforms to the SMART principles. This process led to the realignment of the SDBIP with the IDP and the budget

4.1. PERFORMANCE PROCESS – SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The performance of the Municipality is evaluated by means of a scorecard (Top Layer SDBIP). The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The SDBIP provides the vital link between the mayor, council (oversight body) 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 mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will 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 objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality.

The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

4.2. PERFORMANCE MANAGEMENT FRAMEWORK

The organization must develop, as part of the PMS, a framework which will deal with the “how” to work with performance information. A performance management framework is the way the organization collects, presents and uses its performance information. It is a practical plan, made up of mechanisms and processes for the organization. These mechanisms and processes work in a cycle, which must be

linked to the organization’s normal planning (Strategic Plan and other plans) and the annual budgeting cycle.

The framework guides the reader in the direction of understanding the management flow of performance processes and within the organization. The annual process of managing performance at organizational level in !Kheis municipality involves the steps as set out in the diagram below:



4.3 PERFORMANCE SCORECARD

LEGEND:



Key Performance Indicator Fully Achieved



Key Performance Indicator Partially Achieved



Key Performance Indicator NOT Achieved



Key Performance Indicator above Expectations

5. Financial Performance Overview

5.1 FINANCIAL OVERVIEW – 2024/2025

Details	Original Budget	Adjustment Budget	Actual
Income			
Grants Utilized for Operating Expenditure	42 156 000	42 156 000	41 159 501
Property Rates and service charges	34 886 723	34 951 313	25 803 942
Other	6 083 427	6 083 427	1 505 376
Sub Total	83 126 150	83 190 740	71 227 398
Less Expenditure	75 727 564	77 868 529	111 254 537
	7 398 586	5 322 211	-40 027 139
Plus: Grants Utilized for Capital Expenditure	21 662 000	21 662 000	0
Net Total	29 060 589	26 984 211	77 659 043
			T001

5.2 CAPITAL EXPENDITURE – 2024/2025

Details	Original Budget	Adjustment Budget	Actual
Capital Expenditure	21 662 000	21 662 000	0
			T002

5.3 OPERATING EXPENDITURE – 2024/2025

Details	Original Budget	Adjustment Budget	Actual
Operational Expenditure	54 302 281	58 506 098	53 760 417
			T003

6. Performance Highlights Per Service Delivery Category

6.1. BASIC SERVICES

6.1.1. WATER PROVISION

Access to portable water is essential to maintain a healthy lifestyle. !Kheis Municipality is the Water Service Authority responsible for water services and waste water services in Groblershoop, Boegoeberg, Opwag, Topline, Gariep, Grootdrink and Wegdraai with each town having its own Water Treatment Works (WTW). The WTW in Gariep needs extra capacity to cater for the growing population and new households in that area.

The municipality budgeted for the upgrade of bulk water in Opwag and in Gariep for this financial year.

The table below indicates the water service delivery level for the !Kheis area

	Water Service Delivery Levels	
	Household	
Description	2023/24 Actual No.	2024/25 Actual No.
<u>Water:</u> (above min level)	435	1252
Piped water inside dwelling	5509	3122
Piped water inside yard (but not in dwelling)	-	-
Using public tap (within 200m from dwelling) Other water supply (within 200m)	-	-
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage		
<u>Water:</u> (below min level)	677.74	3348
Using public tap (more than 200m from dwelling)		
Other water supply (more than 200m from dwelling)	677.74	677.74
No water supply	0	-
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households*	4482.62	4482.62
To include informal settlements		T004

The table below indicates Capital Expenditure for Water Services relating to the 2024/2025 financial year

Capital Expenditure 2024/2025					
Financial year: Water Services					
R'000					
Capital Project	2024/2025				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Gariep upgrading of bulk water project	R 700 000	R700 000	R 0	R0	R9 616 287
Opwag upgrading of bulk water project	R10 962 000	R10 962 000	R0	R0	R19 104 708
MIG funds are with held					
T005					

6.1.2. COMMENT(S)

Both the projects Gariep Upgrade of Bulk Water supply and the Opwag upgrade of bulk water supply are Multi – year project funded through MIG funds, however the expenditure was R0 due to funds being withheld by National Treasury for this financial year 2024/25.

6.1.2 SANITATION PROVISION

The majority of households are connected to septic tanks and French latrines and the table and graph below indicated the Access to Sanitation within the !Kheis area.

Sanitation Service Delivery Levels Household		
Description	Household	Household
	2024/2025	2024/2025
	Outcome	Outcome
<u>Sanitation/sewerage:</u> (above minimum level)		3285
Flush toilet (connected to sewerage)	3081	
Flush toilet (with septic tank)	205	205
UDS	1652	1446
Pit toilet (NOT ventilated)	281.19	737
Other toilet provisions (above min. service level)	0	0
Minimum Service Level and Above sub-total	3810	2328
Percentage	100.0%	100.0%
<u>Sanitation/sewerage:</u> (below minimum level)	0	0
Bucket toilet		
Other toilet provisions (below min. service level)	0	0
No toilet provisions Below Minimum	0	0
Service Level sub-total	0	0
Below Minimum Service Level	0.0%	0.0%
Percentage		
Total households	4307	4307
T006		

6.1.2.1 COMMENT(S)

The project for Construction of sewer reticulation, pump station and rising main to oxidation points in Wegdraai is a multi-year project and is currently at 84% with an actual expenditure of R 17 269 236.

6.1.3. ELECTRICITY

Electricity is provided by Eskom for the entire municipal area. For the year under review the design phase for 305 households in Duineveld, 125 in Opwag and 150 in Boegoeberg was completed. The project is funded through the Integrated National Electrification Program (INEP) aimed at connecting new households to the grid. The program has commenced in Opwag and material has already been supplied.

Electricity Service Delivery Levels		
Household		
Description	2023/2024 Actual No.	2024/2025 Actual No.
<u>Energy:</u> (above minimum level)	2,898	5,045
Electricity (at least min. service level)	1,369	1,369
Electricity – Solar panels (min. service level)	4,267	298
Minimum Service Level and Above sub-total Minimum Service Level and Above Percentage	99.0%	99.0%
<u>Energy:</u> (below minimum level)	–	–
Electricity (< min. service level)	–	–
Electricity - prepaid (< min. service level)	–	–
Other energy sources		2373
Below Minimum Service Level sub-total	–	–
Below Minimum Service Level Percentage	0.0%	0.0%
Total number of households	4,267	4,267
T007		

6.1.4. WASTE MANAGEMENT

Currently the Municipality operates on Five (5) licensed landfill sites in Groblershoop, Wegraai, Topline, Grootdrink and Boegoeberg. In the 2023/2024 financial year the municipality applied for MIG funding to establish well-constructed compliant landfill sites.

The !Kheis Municipality completed the process of drafting its own Waste Management Plan, Policies and Implementation Plan which had been tabled to the Council in the 2023/2024 financial year. As part of the waste management plan process, relevant landfill sites will be designated as overloading stations with one compliant licensed landfill site.

The Waste Management Plan will be in line with the National Waste Strategy. The plan covers the following goals:

- Promote, educate and raise awareness towards integrated waste management
- Improve waste information
- Promote green technologies
- Ensure the effective and efficient delivery of integrated waste management services
- Improve regulatory compliance

AREA	TYPE OF SERVICE /FREQUENCY	RECEPTACLES	Number of Households
Brandboom	Weekly	Plastic bags	2509
Duineveld	Weekly	Plastic bags	1256
Gariep	Weekly	Plastic bags	955
Groblershoop Town	Weekly	Plastic bags	453
Grootdrink	Weekly	Plastic bags	3419
Opwag	Weekly	Plastic bags	605
Sternham	Weekly	Plastic bags	1602
Topline	Weekly	Plastic bags	2175
Uitbreiding 1	Weekly	Plastic bags	201
Uitbreiding 2	Weekly	Plastic bags	300
Wegdraai	Weekly	Plastic bags	2620
Witblok	Weekly	Plastic bags	267
T008			

Refuse Removal Service Delivery Levels			
		Households	
Description	2023/24 Actual No.	2024/25 Actual No.	
<u>Solid Waste:</u> (minimum level)	3360	3360	
Removal at least once a week	4,482	4,482	
Minimum Service Level and Above sub-total Minimum Service Level and Above Percentage	100.0%	100.0%	
<u>Solid Waste:</u> (below minimum level)			
Removed less frequently than once a week	–	–	

Using communal refuse dump	–	–
Using own refuse dump	–	–
Other rubbish disposal	–	–
No rubbish disposal	0.0%	0.0%
Below Minimum Service Level sub-total	0.0%	0.0%
Below Minimum Service Level Percentage	0.0%	0.0%
Total number of households		
	T009	

Table below highlights indicators in the Top Layer SDBIP to Refuse Removal

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
SO2.To promote a safe and healthy environment through the protection of our natural resources		1	2	3	4		Target	Actual	Status		
	Increase the number of single residential properties that do not have access to basic level of Refuse Removal	250	250	250	250	3360 households serviced for refuse removal 2023/2024 financial year	1000	5192	 Performance fully effective		Work was done according to refuse schedule on a weekly basis.
										T010	

6.1.5. HOUSING

The municipality has developed a Human Settlement Plan which outlines the overall housing projects in the municipal area. The Human Settlement Plan entails the following technical work: -

- Environmental Impact Assessment Studies
- Geotechnical assessment
- Contour Survey
- Draft Planning Layout
- Bio-diversity assessment
- Bulk services Report
- Widened the existing urban edges

The municipality has developed a housing selection policy which was tabled to Council and approved. This policy regulates the housing waiting list and the allocation of housing to the indigents. This policy enables the council to determine the demand for housing.

The policy also assists with the transfer of land to beneficiaries as title deed holders. The central objective of this policy is to achieve timeous transfer of title deeds to housing beneficiaries in new housing projects with the assistance of COGSTHA. A total of 3000 erven was identified in all 7 townships. All technical reports were concluded, and the erven was surveyed. Barzani was appointed to roll-out the internal service.

The table below indicates Housing Backlog and provision in housing pipeline as per the Housing Pipeline and Pre-feasibility Report

The table below highlights indicators in the Top Layer SDBIP relating to Technical and essential services

Town	Waiting List	GAP Housing R 3501-R 15 000	Provided in pipeline
Brandboom	290	Town establishment in progress	
Gariep	80	Town establishment in progress	
Groblerstroom	650	Town establishment (done)	Internal services done
Grootdrink	83	Town establishment in progress	
Opwag	50	Town establishment (done)	Roll-out of internal services done
Topline	60	Town establishment in progress	
Wegdraai	66	Town establishment in progress	50 (in process)
TOTAL	1279	0	50
			T011

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
SO, 5. To structure and manage the municipal administration to ensure efficient service delivery							Target	Actual	Status		
	Adressing the problem with fleet constantly breaking. Vehicle checklist test should be done in the morning by fleet officer and the driver. Faults should be noted	1	1	1	1	4 Fleet report submitted by 30June 2024.	4 Quarterly fleet management reports by 30 June 2025.	4 Fleet report submitted by 30June 2024.	 Performance fully effective		
	Submission of repairs and maintenance report	3	3	3	3	4 Quarterly maintenance reports was submitted by 30June 2024.	12 Monthly repairs and maintenance reports was submitted by 30 June 2025.	12 Monthly maintenance reports was submitted by 30 June 2025.	 Performance fully effective		
	Reduce repairs and maintenance on water and sanitation with 10% of the total budget of 2024-25	2.5%	2.5%	2.5%	2.5%	The percentage 10% of reduction	10%	28.4%	 Performance fully effective		Due to cashflow constraint, we were unable to maintain service delivery assets as needed.

	Reduce repairs and maintenance on mechanical and electrical works with 10% of the total budget of 2024-25	2.5%	2.5%	2.5%	2.5%	The percentage 10% of reduction	10%	91.8%	 Performance fully effective		Due to cashflow constraint, we were unable to maintain service delivery assets as needed.
	Review and approval of technical related policies and plans	-	-	-	4	Approval of all technical related policies	4	0	 Performance not fully effective		Item was submitted to council, however it was removed from the council agenda because of high volume of items.

6.1.6. Free Basic Services and Indigent Support

Free Basic Services To Low Income Households 2024-2025										
	Number of households									
	Total	Households earning less than R4 620 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2018/19	5,656	3560	978	27.5%	978	27.5	978	27.5%	978	27.5%
2019/20	5,656	3560	964	27%	964	27%	964	27%	964	27%
2020/21	5,656	3560	1218	34%	1218	34%	1218	34%	1218	34%

2021/22	5,656	3560	945	26.5%	945	26.5%	945	26.5%	945	26.5%	FBE supplied by Eskom and charging the municipality
2022/23	5,656	3560	603	16.9%	603	16.9%	603	16.9%	603	16.9%	
2023/24	5,656	3560	5509	70%	3081	50%	1800	35%	3360	50%	
2024/25	5,656	3560	366	10.28%	366	10.28%	366	10.28%	366	10.28%	
T 013											The table below highlights indicators in the Top Layer

SDBIP relating to Free Basic Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
		1	2	3	4		Target	Actual	Status		
SO1. To improve and maintain current basic service delivery through specific infrastructure projects	The number of formal single residential properties with access to free basic services: ELECTRICITY WATER SANITATION REFUSE REMOVAL	375 Households - Electricity 375 Households - Water 375 Households - Sanitation 375 Households - Refuse	375 Households - Electricity 375 Households - Water 375 Households - Sanitation 375 Households - Refuse	375 Households - Electricity 375 Households - Water 375 Households - Sanitation 375 Households - Refuse	375 Households - Electricity 375 Households - Water 375 Households - Sanitation 375 Households - Refuse	The Number of indigent households receiving Free basic Electricity. Quarterly reports submitted to COGTA.	1500	366	☹️ Performance not Fully Effective	- Door to door campaigning. - Utilize ward committees more efficiently. - Encourage Public Participation	Poor attendance at indigent support assistance meetings due to seasonal work.
											T014

The table below highlights indicators in the Top Layer SDBIP relating to Free Basic Services

6.2. Road and Storm Water

6.2.1. ROADS

The road infrastructure in the municipality is mainly gravel roads with only 16 kilometers paved. The municipality planned to pave 80m of the Koegrabie road through EPWP Grant funding for the 2024/25 financial year. However, EPWP grants was withheld by Nation Treasury due to poor spending on the EPWP Grant. Expenditure on the paving of road for this financial year was zero.

6.3.1. PLANNING

The Municipality reviewed and adopted its Spatial Development Framework (SDF) in March 2024 and is in the process of developing a Land use Management Scheme (LUMS) with the assistance of the Department of Land Reform and Development which was tabled to Council in June 2024.

The purpose of the SDF is to give guidance for future development in each town and is limited within the urban edge of each town. The SDF will be reviewed with the adoption of the LUMS. The SDF makes specific recommendations concerning the following elements:

- Bio – regions.
- Spatial Planning Categories (SPCs) for Land Use Management.
- Sustaining the economy.
- Major infrastructure projects.
- Major Tourism Destinations.
- Land Reform.
- Urban Related Development

The table below indicates the number of applications for land use development relating to the 2024/2025 financial year

Applications for land use development				
Detail				
	2021/22	2022/23	2023/24	2024/25
Planning application received	01	01	01	01
Determination made in year of receipt	0	0	0	0
Determination made in following year	0	0	0	0
Applications withdrawn	0	0	0	0
Applications outstanding at year end	0	0	0	0
				T015

6.3.2. LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development (LED) Strategy together with the terms of reference (TOR) were approved in 2022. The LED forum was not fully functional for the year under review with no meetings taking place. The TORs are currently being reviewed and will be adopted in the next LED Forum.

Expanded Public Works program (EPWP) 2024/2025 financial years, the municipality partially met the annual targets set for EPWP jobs:

The tables below indicate the Target, actuals and Grants Allocated targets for EPWP

EPWP WORK OPPORTUNITIES					
YEAR	TARGET	TARGET ACHIEVED	TARGET full time equivalent	ACHIEVED full time equivalent	GRANT ALLOCATED
2018/19	122	119	1	1*	R 1 000 000.00
2019/20	135	59	1	1*	R 1 000 000.00
2020/21	30	30	1	1	R 1 000 000.00
2021/22	100	48	1	1*	R 1 000 000.00
2022/23	45	40	-	-	R 6 000 000.00
2023/24	-	-	-	-	-
2024/25	110	91	-	-	R 500 000.00
					T016

*Full time data capturer for EPWP

The table below highlights indicators in the Top Layer SDBIP relating to LED

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
SO 6.To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication		1	2	3	4		Target	Actual	Status		
	MM must ensure that an LED strategy are approved by council and implemented by management.	---	--	-	1	2 approval LED strategy still in Draft	1	0	☹️ Performance not Fully Effective	LED strategy should be approved and reviewed annually within the prescribed timeframe.	LED strategy are reviewed after every 5years. Will only be taken to council in 2027,
	Ensure that LED forum meetings are held.	1	1	1	1	2 Meetings were held	4	0	☹️ Performance not Fully Effective	LED forum is not functional	Stake holders were invited to meetings but did not attend of sent apologies.
	T017										

6.4. Community and Social Services

6.4.1. Libraries, Community Facilities and Other

The municipality renders the library service on an agency basis for the Provincial Government (DSAC) which is funded 100% through a grant. The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills to lead quality lives.

The table below indicates library users and stock

Libraries	Users	Stock
Groblersthoop	169	8510
Topline	65	1179
Grootdrink	58	1565
Gariep	57	399
		T018

6.4.2. CEMETERIES

The municipality has identified the need to develop new cemeteries due to capacity and life expectancy of the current cemeteries. The area (land) for the new cemeteries in Groblershoop and Topline has been identified. The process of re-zoning of the land is the first phase and will be tabled to council for approval. The Environmental Impact Assessment will be done on the approval of council.

6.4.3. CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

!Kheis Municipality is committed to ensure that special programs (Gender, Elderly, Youth, Disabled, HIV/Aids etc.) are rolled out in the municipality in partnership with the district municipality, national and provincial government departments as well as other social partners. The municipality currently does not have a functional unit through which it can initiate, develop, and implement such programs on its own given the human and capital constraints.

6.4.4 POPULATION AND DEMOGRAPHICS

!Kheis has the smallest population in the ZF Mcawu District.

Description	Census 2011	Census 2016	Census 2022
Population	16 637	16 566	21954

Table 023 - Population -

!Kheis Municipality	AGE					
	0-4	5-14	15-34	35-65	>65	Total
2022	2100	3 250	6 130	6 320	2 700	20 500
% of Total	11.2%	16.8%	30.1%	31.82%	10.08%	100%
T019						

6.4.5 EDUCATION

	2011	2016	2021
No schooling	1232	1062	1325
Some primary	2360	1689	2330
Completed primary	894	873	902
Some secondary	2945	3526	4110
Grade 12	1278	1638	1590
Higher	413	315	115
T020			

6.4.6 DISASTER MANAGEMENT -

!Kheis Municipality does not have a functional disaster management structure. The function is the competency of the District Municipality. However, the Municipality do have an approved Disaster Management Plan and a Disaster Management Recovery Plan in place terms of the Section 53 Disaster Management Act.

The table below highlights indicators in the Top Layer SDBIP relating to Disaster Management

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
		1	2	3	4		Target	Actual	Status		
SO1.To structure and manage the municipal administration to ensure efficient service delivery	Review of the Disaster Management Plan by council	-	-	-	1	1 Review and approval of Disaster management Plan by council on 31 March 2024.	1	0	☹ Performance not Fully Effective	None	Its done by the district every 5years, as it's a costly process.
										T021	

The table below highlights indicators in the Top Layer SDBIP relating to Human Capital and Client Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
		1	2	3	4		Target	Actual	Status		
SO1.To improve and maintain current basic service delivery	Review Human	-	-	1	-	1 Reviewed	1	0	☹ Performance not Fully Effective	Human Settlement Plan	Its done by the district every

through specific infrastructural development projects.	Settlement Plan by council					and Approval of Human settlements by council on 31 March 2024.				should be approved and reviewed annually within the prescribed timeframe.	5years, as it's a costly process.
	T022										

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
		1	2	3	4		Target	Actual	Status		
SO 5. To structure and manage the municipal administration to ensure efficient service delivery		-	-	-	1		1	0	☹️ Performance not Fully Effective	None	Its done by the district every 5years, as it's a costly process.
	Review of Spatial Development Framework (SDF) by council	-	-	-	1	1 review and approval of spatial development framework by council on 31 March 2024.	1	0	☹️ Performance not Fully Effective	None	Its done by the district every 5years, as it's a costly process.
	T023										

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
SO 5. To structure and manage the municipal administration to ensure efficient service delivery		1	2	3	4		Target	Actual	Status		
	Review of Land-Use Management Scheme by council				1	1 review and approval of Land-Use Management Scheme by council on 31 March 2024.	1	0	☹ Performance not Fully Effective		Its done by the district every 5years, as it's a costly process.
										T024	

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
SO 5. To structure and manage the municipal administration to ensure efficient service delivery		1	2	3	4		Target	Actual	Status		
	Turn around time for processing land use applications				1	New Indicator	4 Months	0	☹ Performance not Fully Effective		
										T025	

6.4.7 SPORT AND RECREATION

Supporting the growth of a culture of a healthy sporting society is important to the Municipality. Due to financial constraints the Municipality has put out the sporting field on a notarial lease to ensure effective maintenance and community participation. The Provincial Government Sport and Recreation is involved in supporting clubs within the !Kheis Municipal area.

Supporting the growth of a culture of a healthy sporting society is important to the municipality and with its modest budget it maintains the following sports fields and has made a commitment in this budget and the next budget to commit resources for upgrading

The table below highlights indicators in the Top Layer SDBIP relating to Technical Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
		1	2	3	4		Target	Actual	Status		
SO 5. To structure and manage the municipal administration to ensure efficient service delivery											
	Percentage of the MIG grant actually spent on Upgrade of sport facility in Sternham	-	-	50%	50%	New indicator	100%	0	☹ Performance not Fully Effective		MIG funding was withheld due to failure to spend roll over,
											T026

6.5 OTHER

6.5.1. PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

Property Rates Management:

The property rates department manages and controls the Property Rates and related data on the municipal financial system. The Property Rates Section's focus is to ensure that accurate property rates, specific property data, refuse disposal, sewerage service provisioning / consumption of water and electricity and availability charges are effectively raised and collected from consumers / property owners. The department has recently embarked on an initiative to implement the General Valuation 2024. The process commenced on 1 July 2019 and have been fully implemented by 30 June 2024. The property rates policy was reviewed and adopted in 2025.

Legal Services

The municipality has developed risk-based audit plans, which have been the result of the identification of risks, formulation of a Risk Plan, Risk Charter, and Risk Register. All the risk related plans and charters were submitted and approved by Council. The overall risk management is being championed by the management team of the municipality.

Risk Management

The municipality has developed risk-based audit plans, which have been the result of the identification of risks, formulation of a Risk Plan, Risk Charter, and Risk Register. All the risk-related plans and charters was submitted to Council for adoption in October 2024. The overall risk management is being championed by the Risk management official of the municipality.

Procurement processes

All procurement is undertaken through a centralized Supply Chain Management Unit operating under the direct supervision of the CFO. Proper Supply Chain Management (SCM) processes and internal controls were developed and implemented. The SCM Policies was reviewed and adopted in May 2025.

6.6 FINANCIAL SERVICES

6.6.1 INSTITUTIONAL TURNAROUND PLAN

Below are the key milestones reached for the period under review

.

1. Appointment of an Acting Municipal Manager
2. Selection of Section 79 committees
3. Establishment of MPAC
4. Restore discipline in the institution
5. Meetings with the ZFM District Municipality request assistance with service delivery
6. Send letters to COGSTA, National Treasury, to assist the Municipality with service delivery vehicles

7. Suspend the Municipal Manager
8. Terminate contract of irregular appointment by the MM
9. Implement cost curtailment measures
10. Implement the revenue enhancement strategy
11. Attend to possible irregular contracts
12. Adopt a Financial Recovery Plan (FRP) drafted by National Treasury.
13. Implement some of the "Quick wins" in the FRP
14. Request SALGA to assist with bloated structure (HR Strategy)
15. Change the "Face" and attitude of the Municipality
16. Attend to all the litigations against the municipality
17. Renegotiate terms of down payments on litigations
18. Open the Municipality to possible investors
19. Present an investment meeting with business partners
20. Conduct weekly management meetings
21. Section 79 Committees sittings
22. MPAC sitting on an ad hoc basis
23. Council sitting regularly
24. IDP Consultation meetings with 7 Townships
25. Auditor General busy with annual audit
26. Deal with community complaints
27. Review and construct the internal audit, Risk and PMS unit
28. Investigate all UIF&W Expenditure
29. Summons previous councillors owning council R 800 000 since 2013
30. Conduct meeting with sun farms for assistance and community investments
31. Meet the MEC of Cogstha and request financial assistance
32. Consequent management on ill-discipline employees
33. Start selling of electricity in off-site offices
34. Start to implement flat rate payments
35. Coordinate the process land surveying on the roll-out of 3000 erven for the needy
36. Support "Love Life" to ensure effective community assistance
37. Participate in the back-to-school program
38. Conduct the Local Economic Development Forum
39. Selection of Ward Committees successful
40. Reactivate the EPWP Program
41. Approve mid-year budget
42. Assist in various other meetings and forums
43. Closure of vehicle license office. (Saving) (In line with FRP)
44. LLF Members trained by SALGA. Meet on monthly basis
45. Chairpersons of Section 79 Committees & EXCO trained
46. Council meets regular to decide on reports
- 47.72 Resolutions by Council from inauguration
- 48.07 FWI Items in MPAC report back to Council with recommendations
- 49.21 Items in EXCO
50. Disciplinary Committee investigated 08 cases and report back to MPAC
51. Disciplinary Committee investigated 08 possible material loss cases.
(MPAC recommend to council and council decided to pursue the matter)

52. Consequent Management 06
53. Management meets every Monday
54. Develop an Activity Calendar for the next 12 Months
55. Audit recovery plan implemented. 85% complete
56. Work sessions with councillors on review of policies
(Audit Charter Risk Management, Rules of Order and various other concerning HR)
57. Financial Policies entertained and approved by council: Contract Management, Fruitless Wasteful Expenditure, Cost Containment, Credit Control and Debt Collection, Property Rates, Indigent Support, Cash management & Investment, Asset Management, Budget Policy, Fraud & Corruption Prevention, Virement, Inventory Management, Infrastructure Procurement & Delivery Management, Motor vehicle Policy, Petty Cash, Finance Management & Internship, Tariff Policy
58. IT Policies
59. Collect consumer account money in door – door visits (Revenue Enhancement)
60. Address historical issues on financial system (AG Directives)
70. Comply with legislative requirements and manage a sound stabilized and participative administration.
71. Manage and honour agreements with creditors on litigations
72. Host several potential investors
73. Good information and guidance from the Auditor General.
74. Pegging of 3000 erven for residents.
75. One township in process to receive internal services. (Uitkoms in Opwag: Water & Sanitation)
75. Repair water leaks and sewer blocks in towns.
76. Clean water storage tanks and dams
77. Provide a Human Resource plan with assistance of SALGA to strategize on outputs and possible savings
78. Negotiate and manage new sun farms to support with social responsibilities
79. Construct an offsite IT storage room
80. Submitted all legislative documents (IDP, Budget, SDBIP, Performance Strategy, Annual and Oversight Reports, Section 71, 72 and 52 reports)
81. All required documents on the website
82. Employees went for SAMRAS training in Cape Town
83. Appoint 05 Local Interns
84. Submit the report on the Financial Recovery Plan with a Portfolio of Evidence
85. Did training for Ward Committees
86. Compiled and file all declarations and new revised contracts for employees.
87. Submit MIG Implementation plan
88. Submit DWS plan for Topline Water
89. Provide regular financial overview to Council and labour.
90. Internal meetings with: Internal Audit Forum, IT Forum, Income Forum, Housing Forum, LED, IDP
91. Capacitate the Internal Audit team
92. Capacitate the SCM Office
93. No overtime allowed
94. Minimum traveling allowed
95. In constant communication with SARS, Pension Fund R 23 M, ESKOM 4M, Water Board 10.8M, Claim against Mun R 2 M, Salaries 2 Months for Cllrs and Senior Managers and 2 months for employees
96. Meetings with various other roll players
97. Acting Municipal Manager act without any remuneration as acting
98. Coghsta appointed Acting MM
99. Dedicated team and employees.

100. Solve complains and challenges immediately.
101. We only need support to borrow sum funds, we don't want it, we will repay the amount of R45 Million on the receipt of the Equitable share over the next 54 Months in tranches.
102. Attached is further proof on performance on the Financial Recovery Plan

THREATS

1. Political climate
2. Income/ cashflow
3. Non-payment by communities
4. Equipment to implement the FRP to generate income
5. Service Delivery (Vehicles)
5. Billing system
6. Bloated structure
7. Payment of agreements on litigations
8. !Kheis LM/Baster & Jacobs
9. Unemployment rate 75% and growing
10. Infrastructure (Water, sewer, Landfill sites)
11. Possible community unrest

WEAKNESSES

1. Supply chain (Deviations, UIF)
2. Cash flow challenges
3. Revenue collection
4. Indigent applications to correct equitable share
5. Punctual execution of tasks
6. Capacity building in specific key areas
7. Ownership of committees by chairpersons
8. Decision making
9. Infrastructure maintenance

OPPORTUNITIES

1. Severance packages
2. Investment opportunities. (Sun harvesting, Mining, smelter for Iron-ore)
3. To turn this municipality into a community base, service delivery, law compliant and effective local government as a jewel in the Kalahari.
4. Curtailment on vehicle allowances

6.6.2 OPERATION CLEAN AUDIT

- The municipality with the assistance of the audit committee prepared the Annual Financial statements.
- The Annual Financial Statement (AFS) is ready for adoption by council on 31 August 2025 and submission to treasury.
- The Audit Committee has been approved by Council at a Special Council meeting on 15 June 2022 for a period of 3 years.
- The AFS was done internally with the assistance of Provincial Treasury, and clarity guidance from the auditor general.

The table below highlights indicators in the Top Layer SDBIP relating to Financial Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATIONS
SO 4. To grow the revenue base of the municipality		1	2	3	4		Target	Actual	Status		
	The number of formal single residential properties billed for : WATER	1104 House holds	1104 House holds	1104 House holds	1104 House holds	4573 households	4416 Households	6737 households	 Performance Fully Effective	None	
	The number of formal single residential properties billed for: SANITATION	650 House holds	650 House holds	650 House holds	650 House holds	3088 households	2600 households	2839 households	 Performance Fully Effective	None	
	The number of formal single residential properties billed for: REFUSE REMOVAL	1104 House holds	1104 House holds	1104 House holds	1104 House holds	3367 households	3200 households	3074 households	 Performance Fully Effective	None	

SO5. To structure and manage the municipal administration to ensure efficient service delivery	The percentage of a Municipality's capital budget spent on budgeted capital projects	25%	25%	25%	25%		100%	0%	☹️ Performance not Fully Effective		MIG grants was withheld because the municipality had been placed on cost reinbursement.
	Review and approval of budget related policies and plans	5	5	5	6	23 budget related policies were reviewed and Approved on 25 March 2024	21	21	😊 Performance Fully Effective	None	
	Approval of the original budget	-	-	1 Draft	1 Final	The original budget was approved on 01 June 2024	1 Draft and 1 Final budget	1 Draft and 1 Final budget	😊 Performance Fully Effective	None	
	Budget funding plans – (draft, final, adjustment)			2	1	New Indicator	3	0	☹️ Performance not Fully Effective		It was not performed, due to insufficient training on the new format for budget funding plan.
	The adjustment budget is approved by council within the legislative deadline	-	-	1	-	1 Approved adjustment budget by on	1	1 Approved adjustment budget by on	😊 Performance Fully Effective	None	

SO 4. To grow the revenue base of the municipality						28 February 2024.		28 February 2025.			
	Submission of section 71 Reports to the relevant stakeholders within 10 working days after each month	3	3	3	3	10 section 71 reports were submitted according to MSCO	12 Section 71	12 section 71	 Performance Fully Effective		
	Submission of section 52 Reports to the mayor and provincial treasury within 10 working days after each month	1	1	1	1	4 Reports submitted	4	4	 Performance Fully Effective		
	Monthly outstanding debtors' reports submitted to council	3	3	3	3	12 reports submitted	12	12	 Performance Fully Effective		
	Submission of SCM reports submitted to the relevant stakeholders within 10 working days after each month	3	3	3	3	12 reports submitted	12	12	 Performance Fully Effective		
	Percentage reduction in unauthorised, irregular, fruitless,	3	3	3	3	12 reports submitted	12	12	 Performance Fully Effective		

	and wasteful expenditure.										
	Performance of monthly bank reconciliations	3	3	3	3	12 Bank reconciliations was submitted	12	12	😊 Performance Fully Effective		
	Performance of monthly creditors reconciliations	3	3	3	3	12 reconciliations was submitted	12	0	😞 Performance not Fully Effective		Expenditure account were moved due to pending case. Position was vacant
	Performance of monthly debtors' reconciliations	3	3	3	3	12 reconciliations was submitted	12	12	😊 Performance Fully Effective		
	Performance of annual asset and inventory' reconciliations				1		1	1	😊 Performance Fully Effective		
	Financial viability measured in terms of outstanding debtors at 30 June 2025.	15%	20%	20%	20%		75%	0	😞 Performance not Fully Effective		
	Financial viability as expressed by the following ratio: Debt Coverage	12	12		11		35	0	😞 Performance not Fully Effective		

	Financial viability as expressed by the following ratio: Cost Coverage (excluding unspent conditional grants)	-3.33	-3.33	-3.33	-3.33		-10	0	☹ Performance not Fully Effective		
	Financial viability as expressed by the following ratio: Outstanding Service Debtors to Revenue	2%	2%	2%	2%		8%	0%	☹ Performance not Fully Effective		
	Improve revenue collection rate	20%	10%	10%	10%		50%	61.97%	😊 Performance Fully Effective		
	Implement of Expenditure SOP				1	New indicator	1	SOP implemented	😊 Performance Fully Effective		
											T 027

6.7 HUMAN RESOURCES SERVICES (MUNCIPAL WORKFORCE)

The municipality currently has 129 employees, of which 3 are Section 57 employees, 104 permanent and 13 contract employees. The temporary employees consist of 5 Interns, 6 water operators, 1 HR intern and 1 meter reader. The municipality has two fulltime councilors and 7 part time councilors.

In the 2023/2024 financial year, a human resource plan was drafted with the assistance of SALGA. Regular meetings were held with all staff to ensure correct information for all staff members.

6.7.2 STAFF ESTABLISHMENT

2024/2025 Permanent Employees				
Department/ Section	2024/2025			
	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	28	28	0	100
Waste Water (Sanitation)	5	4	1	80
Electricity (Maintenance)	5	4	1	80
Waste Management (Refuse Removal)	4	4	3	100
Housing	3	2	1	66
Technical Service (Administration)	3	3	0	100
Finance Interns	5	2	3	66
Transport / Vehicle Maintenance (Fleet)	1	1	0	100
Planning (EPWP)	1	1	0	100
Local Economic Development	1	1	0	100
Planning (Strategic & Regulatory) (IDP)	1	1	0	100
Municipal Manager	8	2	6	33
Human Capital and Client Services	29	24	5	20
Health	1	0	1	0
Security and Safety (Traffic)	3	3	0	100

Finance	43	30	13	43
Councilors	11	11	0	100
Totals	148	116	32	
T 028				

Table 14 – 2024-2025 Permanent Employee

The below table indicates the status of HR policies and plans

	Name of Policy	Completed	Date adopted by council
1	HR Plan	YES	30 June 2025
2	Code of Ethics	YES	30 June 2025
3	Disciplinary Code and Procedures	YES	30 June 2025
4	Employee Wellness	YES	30 June 2025
5	HIV/Aids	YES	30 June 2025
6	Job Evaluation	YES	30 June 2025
7	Leave	YES	30 June 2025
8	Occupational Health and Safety	YES	30 June 2025
9	Acting Allowance	YES	30 June 2025
10	Incapacity due to poor work performance	YES	30 June 2025
11	Overtime Policy	YES	30 June 2025
13	Private Work and declaration of interest	YES	30 June 2025
14	Recruitment and selection Policy	YES	30 June 2025
15	Reccruitment Plan – Senior Managers	YES	30 June 2025
16	Renumeration Policy	YES	30 June 2025
17	Absenteeism	YES	30 June 2025

18	Advertisements	YES	30 June 2025
19	Cellular phone	YES	30 June 2025
20	Bereavement	YES	30 June 2025
21	Alcohol and drug abuse	YES	30 June 2025
22	Consequence management	YES	30 June 2025
23	Staff Placement Policy	YES	30 June 2025
24	Succession Planning Policy	YES	30 June 2025
25	Training and Development Policy	YES	30 June 2025
26	Ward Committees	YES	30 June 2025
T030			

The below table indicates the number and cost of injuries on duty during the 2024/2025 financial year.

Number and Cost of Injuries on Duty 2024/2025					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only (Temporary Workers)	0	0	0	0	Information not available
Temporary total disablement	0	0	0	0	Information not available
Permanent disablement	0	0	0	0	Information not available
Fatal	0	0	0	0	Information not available
Total	0	0	0	0	0
T 031					

The table below indicates the number of days and Cost of Sick Leave for 2024/2025 financial year.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Unskilled (Levels 1-2)	35	0%	4	50	0.7	Information not available
Semi - Skilled (Levels 7 - 4)	213	0%	20	42	5.07	Information not available
Highly skilled – Middle Management (levels 3 -1)	80	0%	14	20	4	Information not available
MM, S57	0	0%	0	0	0	Information not available
Management S56	28	0%	3	3	9.3	
Total	356	0%	41	115	3.09	0
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						
T 032						

The below table indicates the number and period of suspensions over the 2024/2025 financial year

Number and Period of Suspensions 2024/2025				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalized	Date Finalized
Mnr George				
None	0	0	0	0
T 033				

The table below highlights indicators in the Top Layer SDBIP relating to disciplinary cases 2024/2025

OBJECTIVE	INDICATOR	QUARTER				2024/2025	2024/2025			ACTION OF IMPROVEMENT	VATIATION
SO, 5. To structure and manage the municipal administration to ensure efficient service delivery		1	2	3	4		Target	Actual	Status		
	Reduction of Terminations	0	0	1	1	No new terminations reported during the year	1	0	 Performance not fully Effective	Indicor should be relook in the new financial year as it can not be measured	No reductions or terminations for the year

The table below highlights indicators in the Top Layer SDBIP relating to Human Capital and Client Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025F			ACTION OF IMPROVEMENT	VARIATION
SO5. To structure and manage the municipal administration to ensure efficient service delivery.		1	2	3	4		Target	Actual	Status		
	The Percentage budget spent on implementation of workplace skills plan. (WSP)	0.25 %	0.25 %	0.25 %	0.25 %	1%	1%	0.27% Skills development levy was spent on Workplace Skills Plan.	 Performance Not fully effective	None	Due to cashflow constraints, the training budget was cut. Most of the trainings were attended via zoom, team viewer.
	Review and approval of Human Resource	-	-	-	13	20 HR related policies were reviewed and approved on 29 June 2024	13 Approved HR related policies by 30 June 2025	23 HR related policies were reviewed and approved on 30 June 2025	 Performance Fully Effective	None	

	related policies and plans										
	Workplace Skills Plan Submitted to LGSETA	-	-	-	1	1 Workplace skills plan and Annual Training report was submitted to LGSETA on 29 April 2025	1 Workplace skills plan submitted to LGSETA by 30 April 2024	1 Workplace skills plan and Annual Training report was submitted to LGSETA on 29 April 2025	 Performance Fully Effective	None	
	Submission of Annual Employment Equity Plan to Department of Labor	-	-	-	1	1 Annual Employment equity report was submitted to department of labor on 13 January 2024	1 Annual Employment equity report submitted to department of labor by 15 January 2025	1 Annual Employment equity report was submitted to department of labor on 15 January 2025	 Performance Fully Effective	None	
	Submission of Quarterly Employment Equity Plans to Departments of Labor & STATS SA	1	1	1	1	4 Quarterly employment equity reports were submitted to STATS SA and department of Labor	4 Reports	4 Quarterly employment equity reports were submitted to STATS SA and	 Performance Fully Effective	None	

								department of Labor			
	Provide training to employees according to their completed work skills plan.	10	10	10	5	15 Skills development training was held namely: According to work skills plan	35	78 Skills development training was held namely: According to work skills plan	 Performance Fully Effective	None	
T035											

The table below highlights indicators in the Top Layer SDBIP relating to Human Capital and Client Services

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
SO5. To structure and manage the municipal administration to ensure efficient service delivery.		1	2	3	4		Target	Actual	Status		

	Assist with compiling agendas and taking minutes for all Ordinary and special council Meetings held	3	3	3	3	9 Council Meetings were held in 2023-2024 financial Year.	12 Meetings Ordinary or special council meetings.	18 Ordinary and Special council meetings	 Performance Fully Effective	None	More special council meetings was held due to the emergencies
	Assist with compiling agendas and taking minutes for all MPAC meetings held	1	1	1	1	No MPAC Meetings for 2023/2024	4 MPAC Meetings held by 30 June 2025.	2 MPAC meetings for the financial year	 Performance not Fully Effective	None	The MPAC chair was unsure whether he was sitting the district council or on the MPAC of the municipality, as a result there were no meetings
	Reduce the exploitation of sick leave	3	3	3	3	12 Monthly leave reconciliation reports were reviewed and approved by 30 June 2024	12 monthly Leave reports reviewed and approved	12 Monthly leave reconciliation reports were reviewed and approved by 30 June 2025	 Performance Fully Effective	None	
SO5. To structure and manage the municipal administration to ensure efficient service delivery.	Ensure Monthly Review of Salary and third-party Reconciliations to be inline with the approved budget.	3	3	3	3	12 Monthly Third party reconciliation reports were reviewed and	12	12 Monthly third party reconciliation reports were reviewed and	 Performance Fully Effective	None	

						approved by 30June 2024		approved by 30June 2025			
	Monthly review of salary reconciliations	3	3	3	3	12 Monthly salary reconciliation reports were reviewed and approved by 30June 2024	12	12	 Performance Fully Effective	None	
	Improving medical consultations for staff	1	1	1	1	New Indicator	4	0	 Performance Not fully effective		Staff were not taken for medical consultation due to cash flow constraints.
	Reduction of Injuries on duty	0	0	1	1	No new injuries reported for the year	2 Reductions of injuries on duty	0	 Performance Not fully effective	None	No one got injured for this financial year.
	T039										

The table below highlights indicators in the Top Layer SDBIP relating to Office of the Municipal Manager

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
		1	2	3	4		Target	Actual	Status		
SO 6. To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Assist council to approve an Integrated Development Plan. Also ensured that it is fully implemented and review on and yearly basis.	-	-	-	1	1 IDP was reviewed and approved May 2024	1-Review and approval of IDP before 30 June 2025	1-Review and approval of IDP before 27 May 2025	 Performance Fully Effective	None	
	The Accounting Officer must ensure that the approved final IDP are published on the municipal website.	1				1 – Notice was publish on the IDP, Budget and SDBIP	1	1 Notice was publish on the IDP, Budget and SDBIP	 Performance Fully Effective		

SO5. To structure and manage the municipal administration to ensure efficient service delivery.	Ensure that bi-annual public participation sessions to obtain inputs for IDP and budget process	1	1	1	1	1- Public participation took place	4	2 Meetings took place in October 2024 and March 2025	 Performance Fully Effective		According to legislation Public participation takes place twice a year.
	The Accounting Officer must ensure that all Managers sign delegation of powers for each financial year.				1	New indicator	1	0	 Performance not Fully Effective		There were old delegation of powers, as a result the MM said he recalled them and we are still busy finalizing them for approval by council.
	Assist with development of performance agreements for senior managers (Section & 57)	1				3 section 57 managers signed performance agreements	1	4 signed performance agreements for managers	 Performance Fully Effective	Performance agreements must be completed by 31 August each financial year	
	Ensure that performance evaluations for section 56 & 57 managers are conducted quarterly	1	1	1	1	No performance evaluations	4	No performance evaluations were done yet	 Performance not Fully Effective		No evaluations were performed. PMS offices are active since 1 November 2024.

						were done for 2023/24					As a result the SDBIP 2024/25 were only approved 28 February 2025 and managers only signed agreements in March 2025.
	The accounting officer must ensure that quarterly performance reports are presented to council.	1	1	1	1	No performance evaluations were done for 2023/24	4	No reports were presented to council	 Performance not Fully Effective	Quarterly performance assessments should be conducted under the prescribed timeframes as indicated by the MSA..	Quarterly assessments were performed late due to, position being vacant for some time, struggle collecting information from departments and the fact that SDBIP were only approved in February.
	Accounting Officer must ensure that the mid-term assessment report from Provincial Treasury are submitted to council for approval.			1		No mid- term assessment were done for 2023/24	1	No mid- term assessment were done for 2024/25 FY	 Performance not Fully Effective		No evaluations were performed. PMS offices are active since 1 November 2024. As a result the SDBIP 2024/25 were only approved 28

											February 2025 and managers only signed agreements in March 2025.
	AC must ensure performance of annual risk assessments are approved by council	1	-	-	-	1 Annual Risk Assessment was conducted on 20-22 July 2023.	1 Annual Risk assessment must be conducted	1 Annual Risk Assessment was conducted on 12 September 2024	 Performance Fully Effective	Risk assessments should be conducted before the beginning of the new financial year.	
	Ensure the a three-year risk-based audit plan, internal audit charter, methodology and policy for 2024/25 are compiled and approved by council	-	-	-	-	4	4	4 three-year risk-based audit plan, internal audit charter, methodology and policy for 2024/25 are compiled and approved by council	 Performance Fully Effective		
	Ensure that the internal Audit submit quarterly internal audit reports to the audit committee	1	1	1	1	There were no internal audit reports	4 quarterly performance assessments conducted	0 no audits were performed for the year under review	 Performance Not fully effective	Internal audit function should be efficient and effective.	No audit reports due to the fact that the audit compliance related issues were addressed.

	Conduct monthly management meetings	1	1	1	1	There were no management meetings for the FY	4 Meetings	No management meetings for the year under review	 Performance not fully effective		At some point there were no senior managers, hence meetings could not take place
	Accounting Officer must ensure that Local Labour Forum Meetings held and reports submitted to council on their findings	1	1	1	1	New Indicator	4	2 LLF meetings were held	 Performance not fully effective		

6.8 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

The primary purpose of the Information Systems and Technology section is the provision of Information and Communication Technologies (ICT) services which will enable an efficient and effective administration. The ICT policy was reviewed and 30 June 2025; the ICT policies are reviewed annually.

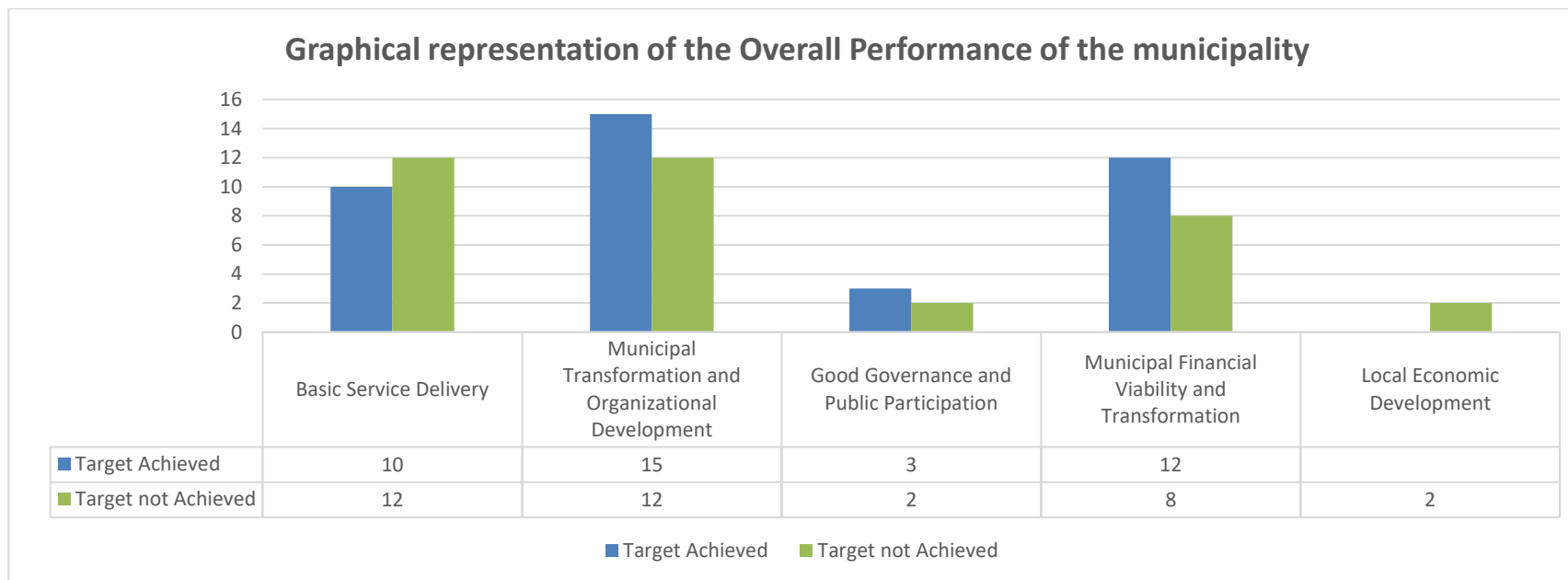
Projects already implemented by the ICT unit include:

- The ICT department has put out a tender for the procurement for the upgrading of the network, The successful tender had already started with the initiation process. The TAC appointed BCX through RT 3.
- .
- The process of establishing disaster recovery site as well as offsite storage for back-up tapes at the Sternham pay-point office had been completed, but the municipality is currently making use of the cloud for storage and back-up.
- A tender for the procurement of the website upgrade to comply with section 75 of the MFMA that deals with websites and the documentation was signed in 2024/25 FY.
- The upgrade of the network will also ensure better control over the firewall to minimize risks.

The table below highlights indicators in the Top Layer SDBIP relating to Information Technology

OBJECTIVE	INDICATOR	QUARTER				2023/2024	2024/2025			ACTION OF IMPROVEMENT	VARIATION
SO5. To structure and manage the municipal administration to ensure efficient service delivery.		1	2	3	4		Target	Actual	Status		
	Implement backup power supply				1	New Indicator	1	0	 Performance not fully effective		Due to cashflow constraint we were unable to buy the backup supply
										T040	

7. OVERALL PERFORMANCE OF THE MUNICIPALITY



7.1 NUMERICAL REPRESENTATION OF THE OVERALL PERFORMANCE OF THE MUNICIPALITY

Status	Description	No of Indicators Achievements
😊	Target achieved and exceeded	40
😐	Target almost achieved and needs further intervention	
😞	Target not achieved and needs further intervention	36
		T041

7.1.1. (SO1) TO IMPROVE AND MAINTAIN CURRENT BASIC SERVICE DELIVERY THROUGH SPECIFIC INFRASTRUCTURE DEVELOPMENT PROJECTS – TECHNICAL AND ESSENTIAL SERVICES

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	7
	Target almost achieved and needs further intervention	0
	Target not achieved and needs further intervention	9
T042		

7.1.2. (SO1) TO IMPROVE AND MAINTAIN CURRENT BASIC SERVICE DELIVERY THROUGH SPECIFIC INFRASTRUCTURE DEVELOPMENT PROJECTS – BUDGET AND TREASURY OFFICE

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	16
	Target almost achieved and needs further intervention	0
	Target not achieved and needs further intervention	9
T043		

7.1.3. (SO1) TO IMPROVE AND MAINTAIN CURRENT BASIC SERVICE DELIVERY THROUGH SPECIFIC INFRASTRUCTURE DEVELOPMENT PROJECTS – HUMAN CAPITAL AND CLIENT SERVICES

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	11

	Target almost achieved and needs further intervention	0
	Target not achieved and needs further intervention	9
T044		

7.1.4. (SO1) TO IMPROVE AND MAINTAIN CURRENT BASIC SERVICE DELIVERY THROUGH SPECIFIC INFRASTRUCTURE DEVELOPMENT PROJECTS – OFFICE OF THE MUNICIPAL MANAGER

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	6
	Target almost achieved and needs further intervention	0
	Target not achieved and needs further intervention	9
T045		

8. CONCLUSION

A new proto type organogram had been developed in conjunction with salga and submitted to Cogsta for input, still in draft format. That organogram will be submitted to the next council meeting.. The total salary as a percentage of the Operational Expenditure stood at fifty three percent (34%) with three Section 57 managers. The position of the Municipal Manager is still vacant, and the current incumbent is being seconded and paid by COGHSTA.

The journey towards the turnaround of the municipality required cooperation ranging from employees, COGHSTA, Provincial Treasury and other stakeholders directly affected by the business of the municipality. We could develop the best battle plan but if we don't have cadres with the requisite skills and expertise to execute the plan, the plan will not be worth its weight on paper.

The situation in the municipality is turning around despite the many challenges. The morale of the staff has improved, organised labour is supportive of management's initiatives and the community irrespective of socio-economic circumstance is beginning to play an active part in the affairs of the municipality.

The turnaround initiatives in the short and immediate term are being implemented and the next year we will report on progress made towards the implementation of the Audit Action plan, Turnaround Strategy including progress registered towards the development of a Financial Recovery Plan with the support of the National and Provincial Treasuries.

The Annual Performance therefore represents a synopsis of work in progress towards turning the municipality around so that it can deliver services according to its Constitutional injunction.

Signature:  Acting Municipal Manager Mr. D Dichaba	Date: 30/09/2025
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ANNEXURE A: FINANCIAL PERFORMANCE

!Kheis Local Municipality

(Registration number NC084)

Annual Financial Statements for the year ending 30 June 2025

Statement of Financial Performance

Figures in Rand	Note (s)	2025	Restated 2024
Revenue			
Revenue from exchange transactions			
Sale of goods	17	168 960	263 399
Rental of facilities and equipment	21	255 070	260 564
Service charges	19	12 616 657	11 053 674
Licenses and permits	27	2 804 729	107 076
Other income	22	1 126 959	869 124
Interest received - Exchange transactions	27	7 515 831	7 399 681
Interest received - investment	27	44 057	70 016
Total revenue from exchange transactions		24 532 262	20 023 534
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	18	5 633 540	5 805 007
Interest received - Non exchange transactions	17	2 657	3 801
Other Revenue			
Actuarial (Gain)/Loss	17	34 000	314 364
Transfer revenue			
Government grants & subsidies	20	44 539 707	58 275 399
Total revenue from non-exchange transactions		50 209 903	64 398 571
Total revenue		74 742 166	84 422 104
		4 436 432	
Expenditure			
Employee related cost	24	(34 045 844)	(33 297 162)
Remuneration of councillors	25	(5 027 393)	(4 747 013)
Debt impairment	26	(23 922 778)	(8 314 844)
Depreciation and amortisation	28	(10 819 392)	(14 245 333)
Asset Impairments	49	(22 751 950)	(224 999)
Finance costs	29	(4 752 215)	(4 211 787)
Water inventory consumed	31	(1 285 674)	(1 457 327)
General expenses	23	(12 821 707)	(12 203 014)
Total expenditure		(115 426 953)	(78 701 480)
Operating (deficit) surplus		(40 684 788)	5 720 625

Gains/loss on sale of Fixed assets	50	-	-
Gains/(loss) on fair value adjustment	51	471 168	66 027
(Deficit) surplus for the year		(40 213 620)	5 786 652

ANNEXURE B: FINANCIAL POSITION

IKheis Local Municipality

(Registration number NC084)

Annual Financial Statements for the year ending 30 June
2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	Restated 2024
Assets			
Current assets			
Other financial assets	5	168 726	154 916
Inventories	6	323 973	218 097
Other receivables from non-exchange transactions	7	1 608 803	1 092 994
VAT receivable	8	-	-
Trade and other receivables from exchange transactions	9	3 056 645	6 995 270
Cash and cash equivalents	10	1 783 535	203 519
		6 941 681	8 664 795
Non-current assets			
Property, plant and equipment	3	184 984 694	203 750 164
Investment Property	4	17 469 289	16 998 122
		202 453 983	220 748 286
Total assets		209 395 665	229 413 081
Liabilities			
Current liabilities			
Unspent conditional grants and receipts	12	2 024 017	6 301 517
Employee benefit obligation	14	198 000	236 000
Payables from exchange transactions	15	83 964 243	75 298 753
VAT payable	8	8 367 155	8 015 640
Consumer deposits	16	116 716	116 716
		94 670 130	89 968 626
Non-current liabilities			
Employee benefit obligation	14	2 086 000	1 894 000
Provisions	13	22 741 921	3 842 457

	24 827 920	5 736 457
Total liabilities	119 498 050	95 705 083
Net assets	89 897 614	133 707 999
Accumulated surplus / (deficit)	89 897 614	133 707 998
Total net assets	89 897 614	133 707 998

ANNEXURE C: CASH FLOW

!Kheis Local Municipality

Annual Financial Statements for the year ending 30 June 2025

Cash Flow Statement

Figures in Rand	Note (s)	2025	Restated 2024
Cash flows from operating activities			
Receipts			
Taxation / Sale of goods and services		8 862 299	6 436 046
Grants		44 539 707	58 275 399
Interest income from investing activities		44 057	70 016
Interest received from trading activities		7 515 831	7 399 681
Other income		1 126 959	869 124
		62 088 852	73 050 266
Payments			
Employee costs		(39 073 237)	(38 044 176)
Suppliers		(14 107 382)	(13 660 340)
Finance costs		(4 066 647)	(4 211 787)
Other payments		-	-
		(57 247 266)	(55 916 303)
Net cash flows from operating activities	33	4 841 586	17 133 962
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	(12 312 277)
Proceeds from sale of property, plant and equipment	4	-	-
Purchase from other intangible assets	5	-	-
		-	(12 312 277)
Net cash flows from investing activities		-	(12 312 277)
Cash flows from financing activities			
Finance lease written off/New finance leases		-	-
Transfer to payables from exchange transactions		-6 150 947	(1 950 550)
Finance lease payments		-	-
		(6 150 947)	(1 950 550)
Net cash flows from financing activities		(6 150 947)	(1 950 550)

Net increase / (decrease) in net cash and cash equivalents

Cash and cash equivalents at beginning of year

(1 309 361)

2 871 135

203 519

409 595

Cash and cash equivalents at end of the year

10

1 783 535

203 519