

# COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

*“Presentation to the NCOP  
Three Sphere Planning Session”*

09 June 2023



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**GGT2030**  
GROWING GAUTENG TOGETHER

## OUTLINE OF THE PRESENTATION

Purpose

Background and Context

High Level Municipal Performance along  
B2BPillars

Progress on the implementation of  
infrastructure projects

Support Packages that are being  
implemented to address municipal challenges



## PURPOSE



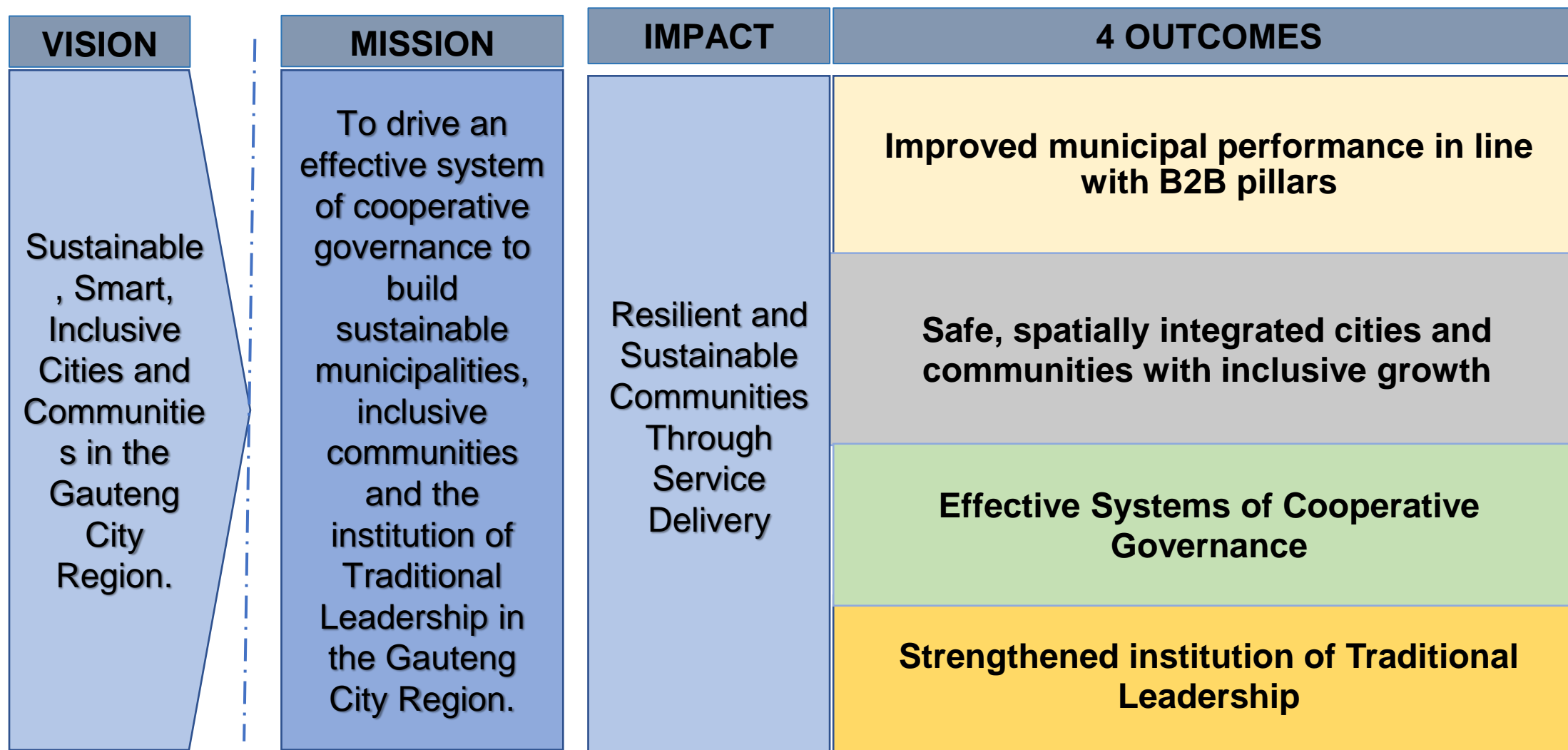
The purpose of this presentation is to provide the high-level State of Gauteng Municipalities based on the Back-to-Basics approach.



Furthermore, the presentation will provide details progress on the implementation of infrastructure projects.

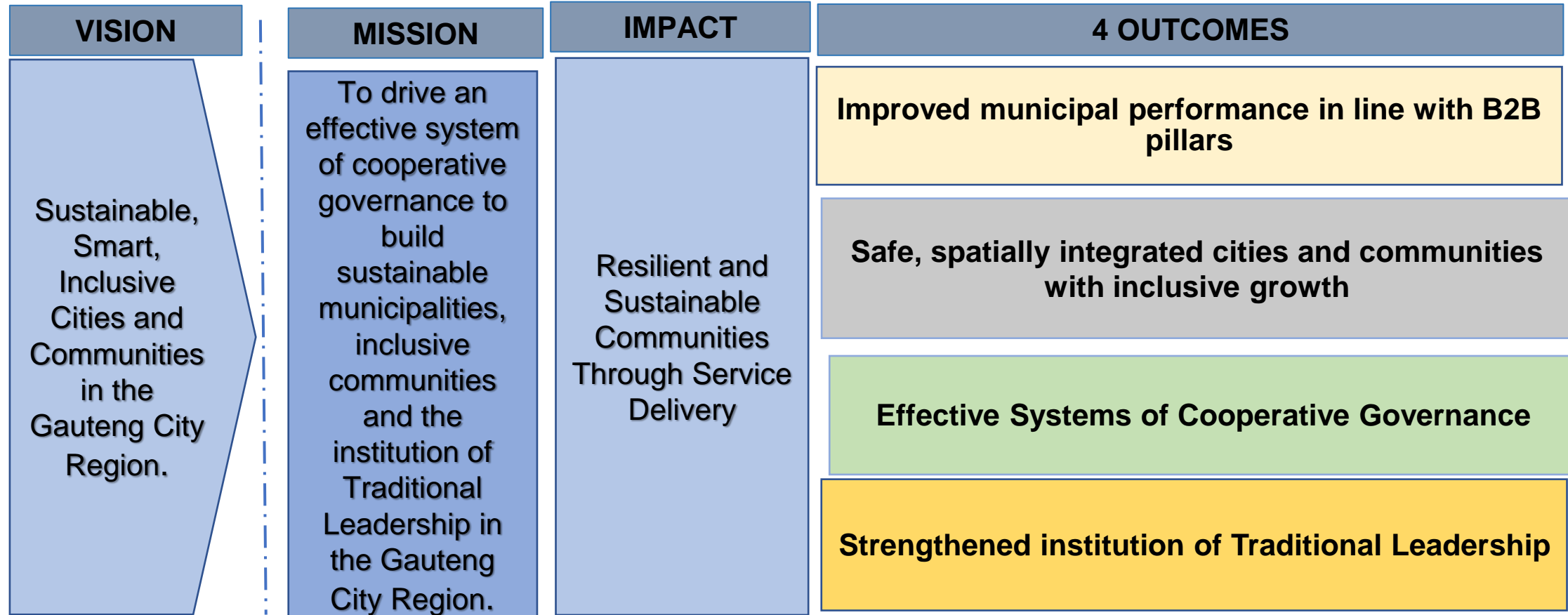
# BACKGROUND AND CONTEXT

## COGTA VISION, MISSION AND OUTCOMES





## CoGTA VISION , MISSION AND OUTCOMES (Cont..)



## DEPARTMENTAL MANDATE

**The Department of CoGTA derives its mandate from the Constitution of the Republic of South Africa, 1996:**

- Section 139: provides that the Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.
- Section 152: provides for democratic and accountable government for local communities
- Section 154: provides for support and strengthening the capacity of municipalities to manage their own affairs, exercise their powers, and perform their functions.
- Chapter 12: provides for the recognition of the institution of traditional leadership.
- **The Department's mandate is further articulated in other pieces of secondary legislation and policy documents, which include the following:**

White Paper on  
Local  
Government,  
1998

Municipal  
Systems Act 32  
of 2000

Local  
Government  
Structures Act  
117 of 1998

Municipal  
Finance  
Management  
Act, 2003

Intergovernmental  
Relations  
Framework Act  
13 of 2005

Traditional  
Leadership and  
Governance  
Framework Act No.  
41 of 2003

Municipal Property  
Rates Act (No. 6 of  
2004)

Disaster  
Management Act  
(No. 57 of 2002)

Municipal  
Demarcation Act  
(No. 27 of 1998)

## RSA Constitution (1996) & White Paper on Developmental Local Government (1998)

### Constitution (1996)

**(S152) The objects of local government are:**

- a) to provide democratic and accountable government for local communities;
- b) to ensure the provision of services to communities in a sustainable manner;
- c) to promote social and economic development;
- d) to promote a safe and healthy environment; and
- e) to encourage the involvement of communities and community organisations in the matters of local government.



### Outcomes

- Provision of household infrastructure & services
- Creation of livable, integrated cities, towns and rural areas
- LED
- Empowered communities



## RDP & White Paper: LG provision of services as economic driver.

*“The 1<sup>st</sup> priority is meeting basic needs of people, jobs, land, housing, water, electricity, telecoms, transport, clean & healthy environment, nutrition, healthcare and social welfare”*

**RDP**

### Section **152**

**Provide democratic & accountable government for local communities**

- **Services provision** in sustainable manner
- Promote **social & economic development**
- Promote **safe & healthy environment**
- Encourage **involvement** of communities

### Section **153**

**Developmental duties of municipalities**

- Administer, budget & plan: **priority to basic needs**
- Promote **social & economic development** of community
- **Participate** in national and provincial development programmes

### Section **154**

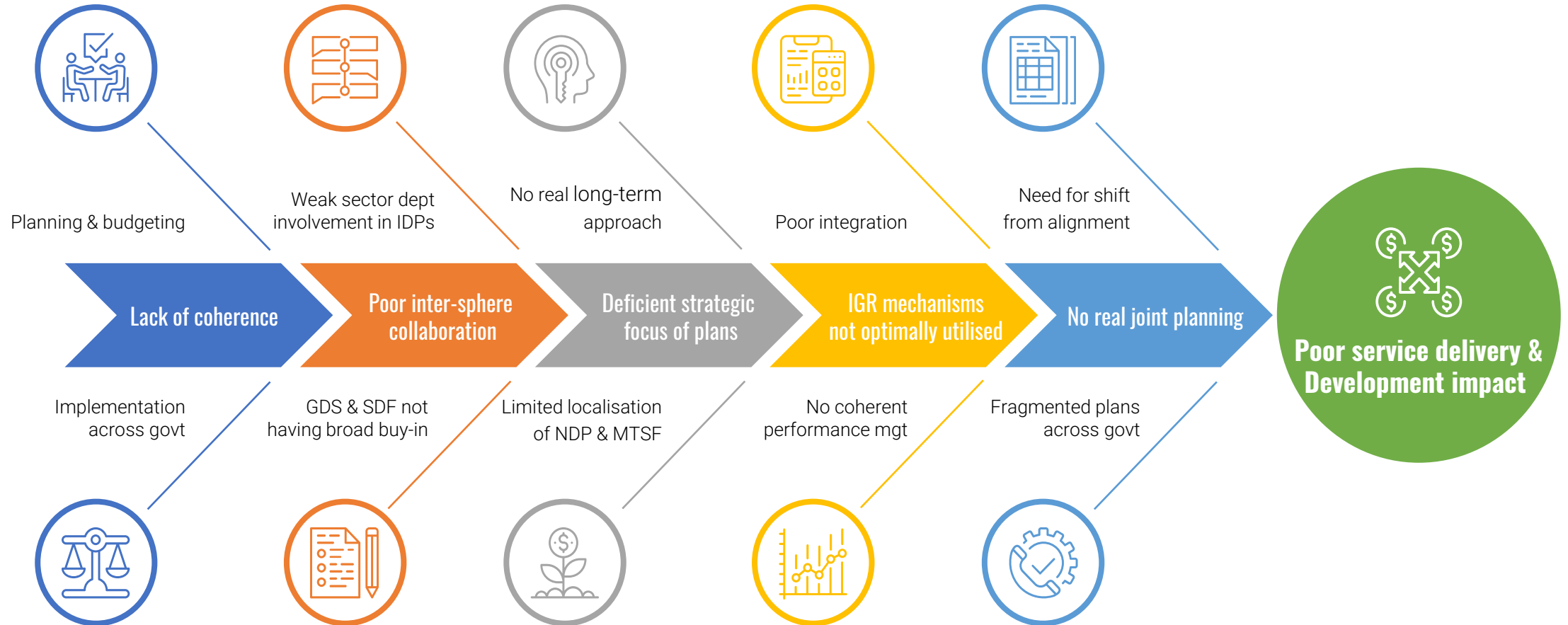
**The national government and provincial governments,**

by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

**Constitution:** LG center of governance & promotes Integrated Development Planning



# DDM :WHAT PROBLEMS ARE TRYING TO SOLVE?



## REGIONAL SUPPORT MODEL & OTHER INTERVENTIONS

The Department of CoGTA is implementing Regional model anchored deployment of the Regional Support Team and Implementation of the Regional Support Plan along Back to Basics pillars .

### West Rand DM

- s139(5) (a) of the Constitution and 139 of the MFMA remain active as mode of intervention for West Rand DM.

### Merafong LM






- Premier announced intervention to broaden the scope of intervention in Merafong in terms of Disaster Management Act.

### Emfuleni LM

- While the Executive Council discontinued the intervention in terms of s139 of the Constitution, the intervention in terms of Section 68 of Water Services Act remain in place for Emfuleni LM.

# BACK TO BASIC APPROACH

- The Department continue to provide assessment of the state of the local government based on the Back to Basics approach , including National Treasury MFMA Circular 71.
- The below categorisation and performance indicators aligned to five B2B pillars are used to assess municipal performance:

	 <b>Political</b>	 <b>Governance</b>	 <b>Administrative</b>	 <b>Financial Management</b>	 <b>Service Delivery</b>	
<b>State of local Government: Indicators</b>	<b>DYSFUNCTIONAL</b>	<ul style="list-style-type: none"> <li>In-fighting in councils</li> <li>Intra-political party divisions in council</li> <li>Divisions in caucuses</li> <li>External political interference in councils</li> <li>Persistent &amp; frequent section 139 interventions (esp. on dissolution of councils)</li> </ul>	<ul style="list-style-type: none"> <li>Council not meeting as regulated</li> <li>Committees of council not meeting</li> <li>Council taking wrongful decisions</li> <li>No oversight by council on administration</li> <li>Poor and weak decision-making by council</li> <li>Councilors unduly interfering in administration</li> <li>No consequence management on corruption, maladministration, nepotism &amp; poor performance</li> <li>Frequent Labour disputes and disruptions</li> <li>Poor public participation processes</li> </ul>	<ul style="list-style-type: none"> <li>Vacancies in key positions</li> <li>Bloated structures</li> <li>Poor performance management and lack of consequence management</li> <li>Non-compliance: legislation, regulations and policies</li> </ul>	<ul style="list-style-type: none"> <li>Unfunded budget</li> <li>Incapacitated and incompetent Budget &amp; Treasury Offices (BTO)</li> <li>Excessive salary bills</li> <li>Non submission or late submission of annual financial statements</li> <li>Disclaimer &amp; adverse audit outcomes</li> <li>High debt to utilities and statutory obligations</li> <li>Flouted SCM processes</li> <li>Poor collection of revenue</li> </ul>	<ul style="list-style-type: none"> <li>High basic services backlogs</li> <li>High number of informal settlements</li> <li>No maintenance of infrastructure resulting in water and electricity supply interruptions and poor water quality</li> <li>No technical capacity</li> <li>Glaring service delivery issues</li> <li>Perennial poor infrastructure grant expenditure</li> <li>Persistent service delivery protests</li> <li>Poor response: service delivery complaints</li> <li>Court actions by interest groups on poor service delivery</li> </ul>
	<b>MEDIUM - HIGH RISK</b>	<ul style="list-style-type: none"> <li>Minimal in-fighting in council</li> <li>Elements of factionalism</li> <li>Regular Section 139 interventions</li> </ul>	<ul style="list-style-type: none"> <li>Council meeting as scheduled with some external interruptions</li> <li>Reports on maladministration identified but not acted on by council</li> <li>Oversight conducted not fully effective</li> <li>Public participation not fully effective</li> </ul>	<ul style="list-style-type: none"> <li>Vacancies in some key positions</li> <li>Structure not fully respondent to municipal needs</li> <li>Compliance to applicable legislation, regulations and policies not fully met</li> </ul>	<ul style="list-style-type: none"> <li>BTO not fully capacitated – vacancies in some positions</li> <li>Financial management policies in place, not fully implemented</li> <li>Weak revenue collection</li> <li>Debt owed to utilities &amp; statutory obligations not fully services</li> <li>Annual financial statements late</li> <li>Qualified audit outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Basic services backlogs not fully met</li> <li>Repairs and maintenance not fully executed due to capacity and budget</li> <li>Infrastructure grants not fully spent</li> <li>Frequent service delivery protests</li> <li>Inadequate response to service delivery complaints</li> </ul>
	<b>LOW RISK</b>	<ul style="list-style-type: none"> <li>Robust and functional Council</li> <li>No intra-party political divisions</li> </ul>	<ul style="list-style-type: none"> <li>Council meeting as scheduled with no undue external influence</li> <li>Reports on maladministration identified</li> </ul>	<ul style="list-style-type: none"> <li>Low vacancy rate in key positions</li> <li>Structure not respondent to municipal needs</li> <li>Compliance to applicable legislation, regulations and policies not fully met</li> </ul>	<ul style="list-style-type: none"> <li>Weak revenue collection</li> <li>Debt owed to utilities &amp; statutory obligations not fully services</li> <li>Reliance on consultants for Annual financial statements</li> </ul>	<ul style="list-style-type: none"> <li>Repairs and maintenance not fully executed due to capacity and budget</li> <li>Incapacity to response to service delivery complaints</li> </ul>
	<b>STABLE</b>	<ul style="list-style-type: none"> <li>Cohesion in council</li> <li>Functional caucus</li> <li>No intra-party political divisions</li> <li>No section 139 interventions over 5 year period</li> </ul>	<ul style="list-style-type: none"> <li>Council meeting regularly, as regulated</li> <li>Council adopts IDP, budget, policies, annual financial statements on an informed and efficient basis</li> <li>Council provides effective oversight over administration</li> </ul>	<ul style="list-style-type: none"> <li>Structure fully respondent to municipal needs</li> <li>No vacancies in key and senior positions (positions occupied by competent individuals)</li> <li>Full compliance with legislation, regulations and policies</li> </ul>	<ul style="list-style-type: none"> <li>Fully funded budget</li> <li>Functional BTO</li> <li>Effective application of credit control and debt collection policies</li> <li>No or minimal outstanding debt to utilities &amp; statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>Community consultation on service delivery priorities</li> <li>Well capacitated and efficient infrastructure services department</li> <li>Uninterrupted delivery of services due to well maintained infrastructure</li> <li>Quick response and turnaround time to service delivery complaints</li> <li>Infrequent service delivery protests</li> </ul>



# **HIGH LEVEL MUNICIPAL PERFORMANCE ALONG B2B PILLARS**

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS



### POLITICAL

- Rise in Municipal Coalition Government

Municipalities	Coalition Partners
City of Ekurhuleni	ANC, EFF, AIC and PA
City of Johannesburg	ANC, PA, AI Jamah, COPE, EFF(voting)
City of Tshwane	DA, FF, Action SA, COPE, ACDP and IFP
Emfuleni	ANC and New Horizon Movement
Lesedi	ANC and Socialist Economic Freedom Movement
Merafong LM	ANC and MAOC
Mogale City	ANC, EFF and ATM
Rand West LM	ANC, PA, AIC and RPP
Sedibeng DM	ANC, PAC and Solidarity
WRDM	DA, EFF(voting)

Governance – Frequent change of functionaries, decision making, reporting and accountability

Administration – Uncertainty of management positions, interference in admin, appointment of staff and SCM

Service Delivery – Adoption of budgets, change of priorities, decision making that impact implementation of projects



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### GOVERNANCE

- Ward Committee establishment and Induction as of March 2023

Municipality	Number of Wards	Number of Wards established	Number of Wards Inducted
City of Johannesburg	135	135	135
City of Tshwane	107	0	0
Ekurhuleni Metro	112	112	112
Emfuleni LM	45	45	45
Lesedi LM	13	13	13
Midvaal LM	15	15	15
Mogale City LM	39	39	39
Rand West City LM	35	34	18
Merafong LM	28	28	34
Total	529	421	405

- In terms of the Local Government: Municipal Structures Amendment Act, 2021 amended section 73: A metropolitan or Local council must establish a ward committee for each ward in the municipality within 120 days after the election of the municipal council.
- All municipalities have complied with the requirement by establishing ward committees except Tshwane Metro which is in the process of establishing. The delay in COT is due to the prolonged public participation it undertook to approve, promulgate and gazette the By-Law on WC establishment.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### GOVERNANCE

- Establishment and Procedural functionality of MPACs

Functionality of Municipal Public Accounts Committees for the period						
Municipality	Procedural Functionality of MPAC					
	MPAC established (Yes/No) i.t.o Section 79(1) of the Municipal Structures Act	Number of MPAC members	Number of Support Staff and/or Researchers Appointed	MPAC 2022/23 annual plan approved by Council Submitted (Yes/No)	MPAC ToR approved during current term of Council (Yes/No)	Date 2020/21 Oversight Reports tabled to Council i.t.o Sec 129(1)(a)(b) or (c)
City of Johannesburg MM	Yes	22	3	Not yet approved	Not yet approved	12 May 2023
City of Tshwane MM	Yes	13	2	Yes	Yes	Not yet approved
City of Ekurhuleni MM	Yes	11	3	Not yet approved	Yes	30 March 2023
West Rand DM	Yes	9	2	Yes	Yes	23 March 2023
Rand West City LM	Yes	13	3	Not yet approved	Not yet approved	30 March 2023
Merafong City LM	Yes	10	3	Not yet approved	Not yet approved	30 March 2023
Mogale City LM	Yes	13	2	Yes	Yes	Not yet approved
Sedibeng DM	Yes	9	4	Not yet approved	Not yet approved	31 March 2023
Emfuleni LM	Yes	15	3	Yes	Yes	25 May 2023
Midvaal LM	Yes	12	1	Yes	Not yet approved	31 March 2023
Lesedi LM	Yes	7	2	Not yet approved	Yes	30 March 2023
<b>TOTAL</b>	<b>11</b>	<b>134</b>	<b>28</b>	<b>5</b>	<b>6</b>	<b>64%</b>

- All municipalities established the MPACs. However, only **5** MPACs function within the Council approved MPAC plan, and only **6** have Council approved MPAC Terms of Reference.
- **7 (64%)** municipalities complied with the timeous adoption of the 2021/22 Oversight Reports (OR) by 31 March 2023.
- **CoT MM** and **MogCLM** have not adopted the 2021/22 OR due to disruptions & adjournments of council sittings, whereas **ELM** adopted their OR late due to the same reason. **CoJ MM** adopted the OR late due to the departure of MPAC chairperson.



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### GOVERNANCE

- Tabling of 2023/24 Municipal Budget in Council

Tabling of 2023/24 Municipal Draft Budgets							
Compliance in terms of the MFMA, Municipal Budget and Reporting Regulation (MBRR)							
Municipality	Date draft budget tabled in Council as per section 16(2) of the MFMA and MBBR Reg. 14(3)	Council Resolution as per section 24(2)(c) of the MFMA	Date draft budget and Council Resolution submitted to GPT as per Reg. 20(1) and (2) of the MBRR	Date draft SDBIP tabled in Council as per section 16(2) of the MFMA and in line with MBBR Reg. 15(3b)	Website Review 16 May 2023		Level of Compliance per municipality
					Draft Budget	Draft SDBIP	
City of Johannesburg MM	23-Mar-23	YES	17-Apr-23	Not reported	YES	NO	50%
City of Tshwane MM	14-Apr-23	YES	19-Apr-23	Not reported	YES	NO	33%
City of Ekurhuleni MM	24-Mar-23	YES	5-Apr-23	5-Apr-23	YES	YES	67%
West Rand DM	24-Mar-22	YES	29-Mar-23	29-Mar-23	Website not accessible	Website not accessible	67%
Rand West City LM	30-Mar-23	YES	6-Apr-23	6-Apr-23	YES	YES	67%
Merafong City LM	31-Mar-22	YES	5-Apr-23	5-Apr-23	Website not accessible	Website not accessible	33%
Mogale City LM	20-Apr-23	YES	21-Apr-23	21-Apr-23	YES	YES	67%
Sedibeng DM	31-Mar-23	YES	4-Apr-23	Not reported	YES	NO	50%
Emfuleni LM	31-Mar-23	YES	17-Apr-23	Not reported	NO	NO	33%
Midvaal LM	30-Mar-23	YES	3-Apr-23	3-Apr-23	YES	YES	100%
Lesedi LM	31-Mar-22	YES	6-Apr-23	6-Apr-23	YES	YES	67%
<b>Overall Compliance</b>	<b>82%</b>	<b>100%</b>	<b>18%</b>	<b>18%</b>	<b>73%</b>	<b>36%</b>	<b>55%</b>

- The 2023/24 draft budgets must be tabled to Council by 31 March each year i.t.o Section 16(2) of the MFMA.
- Only 9 municipalities have tabled their draft budgets in compliance with Section 16 (2) of the MFMA and Regulation 14 of the MBRR.
- **City of Tshwane:** An extension to 14 April 2023 was granted by the MEC for Finance for the approval of the City's 2022/23 main adjustment budget as well as the 2023/24 draft budget. However, the council only considered the draft budget. The 2022/23 adjustments budget was finally approved on 26 April 2023.
- **Mogale City LM:** The 2022/23 adjustment budget and the 2023/24 draft budget were approved late on 20 April 2023 due to instabilities in Council

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### GOVERNANCE

- Compliance with Section 166 i.t.o functionality of Audit Committee

MUNICIPAL AUDIT COMMITTEES								
JANUARY 2023 - MARCH 2023								
Municipality	Audit Committee established i.t.o Section 166 (1) of the MFMA (Yes/No)	Number of Audit Committee members appointed (Minimum 3 members) i.t.o Section 166 (4) of the MFMA (Yes/No)	Qualifications meet the required criteria (Yes/No)	Audit Committee Charter date of approved by Council (Yes/No)	Audit committee meetings held on a quarterly basis (Yes/No)	Audit committee reports to Council on a quarterly basis (Yes/No)	Does the Audit Committee deal with Investigations	Meetings held between 01 January 2023 - 31 March 2023
City of Johannesburg MM	Yes	6	Yes	Yes	Yes	Yes	Yes	09 January 2023, MS Teams. 24 February 2023, MS Teams.
City of Ekurhuleni MM	Yes	4	Yes	Yes	Yes	Yes	Yes	24 February 2023, MS Teams. 23 March 2023, MS Teams.
City of Tshwane MM	Yes	5	Yes	Yes	Yes	Yes	Yes	17 February 2023, MS Teams. 17 March 2023, MS Teams.
West Rand DM	Yes	5	Yes	Yes	Yes	Yes	Yes	31 March 2023, MS Teams.
Rand West City LM	Yes	5	Yes	Yes	Yes	Yes	Yes	09 March 2023, MS Teams.
Merafong City LM	Yes	5	Yes	Yes	Yes	Yes	No	08 February 2023, MS Teams.
Mogale City LM	Yes	5	Yes	Yes	Yes	Yes	Yes	16 February 2023, MS Teams.
Sedibeng DM	Yes	4	Yes	Yes	Yes	Yes	Yes	23 January 2023, MS Teams.
Emfuleni LM	Yes	4	Yes	Yes	Yes	Yes	Yes	20 January 2023, MS Teams. 22 February 2023, MS Teams. 29 March 2023, MS Teams.
Midvaal LM	Yes	5	Yes	Yes	Yes	Yes	Yes	15 March 2023 Induction of Audit Committee Members.
Lesedi LM	Yes	5	Yes	Yes	Yes	Yes	No	03 April 2023, MS Teams.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



**Financial Management**  
Operating Revenue and Expenditure

Municipality	Operating Revenue				Operating Expenditure				Surplus/ Deficit
	2022/23 Approved Budgets	2022/23 Adjusted Budgets	Actual Revenue April 2022/23	%	2022/23 Approved Budgets	2022/23 Adjusted Budgets	Actual Expenditure April 2022/23	%	
City of Johannesburg MM	70 024 240	67 209 557	59 223 369	88%	69 649 019	65 191 197	58 942 690	90%	280 679
City of Tshwane MM	42 151 840	42 294 940	31 059 579	73%	42 148 532	42 271 887	26 937 049	64%	4 122 530
City of Ekurhuleni MM	48 266 991	50 476 428	41 251 055	82%	47 966 991	50 176 428	38 151 422	76%	3 099 632
West Rand DM	267 550	281 906	254 147	90%	269 858	283 794	226 610	80%	27 536
Rand West City LM	2 390 839	2 459 357	2 013 057	82%	2 390 539	2 458 344	2 321 099	94%	(308 042)
Merafong City LM	2 005 986	2 086 710	1 620 850	78%	1 999 507	2 086 710	1 125 717	54%	495 133
Mogale City LM	3 364 885	3 445 101	2 860 729	83%	3 600 016	3 704 196	2 481 543	67%	379 185
Sedibeng DM	395 284	395 234	366 923	93%	412 463	411 337	319 717	78%	47 205
Emfuleni LM	7 001 734	7 112 002	5 933 229	83%	6 817 079	6 881 514	5 184 950	75%	748 279
Midvaal LM	1 492 049	1 535 579	1 200 839	78%	1 550 469	1 593 984	1 086 255	68%	114 584
Lesedi LM	1 096 246	1 104 031	822 135	74%	1 139 900	1 139 900	767 649	67%	54 485
<b>TOTAL</b>	<b>178 457 645</b>	<b>178 400 845</b>	<b>146 605 911</b>	<b>82%</b>	<b>177 944 374</b>	<b>176 199 291</b>	<b>137 544 703</b>	<b>77%</b>	<b>9 061 208</b>

- For the period ending April 2023, municipalities should have recorded performance of at least **83%** using the straight-line projections assuming equal expenditure and revenue performance for each month against their operating and capital budgets.
- The 2022/23 operating expenditure adjusted budgets for **WRDM, MogCLM, SDM, MLM and LLM** exceed their operating revenue budgets, thus recording deficit budgets.
- **RWCLM** is the only municipality that reported an operating deficit between revenue and expenditure for the period under review. The deficit can be attributed to excessive spending against the operating budget, indicating the need to institute cost containment measures or budget controls.
- **Note:** April '23 information is not available for CoT MM, March 2023 figures were used in this instance.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



**Financial  
Management**  
Cash  
Management

Cash Management - 30 April 2023 R'000			
Municipality	Audited closing balance as at end of June 2022	Closing balance as at 30 April 2023	Net Incr/(Dec) in cash held
City of Johannesburg MM	3 848 842 000	263 534	(3 585 308)
City of Tshwane MM	260 249 909	1 513 213	1 252 963
City of Ekurhuleni MM	1 074 499 030	33 321	(1 041 178)
West Rand DM	2 642 064	534 419	531 776
Rand West City LM	106 076 609	412 346	306 269
Merafong City LM	123 675 024	(77 089)	(200 764)
Mogale City LM	141 836 531	464 324	322 487
Sedibeng DM	18 428 534	63 900	45 471
Emfuleni LM	129 403 314	(83 986)	(213 389)
Midvaal LM	451 304 933	442 453	(8 852)
Lesedi LM	39 971 761	259 628	219 656
<b>Total</b>	<b>6 196 930</b>	<b>3 826 063</b>	<b>(2 370 867)</b>

- The aggregated closing balance as at April 2023 was positive, at **R3.8 billion**. The **CoT MM's** cash balance has shown a drastic increase, although the money is held in investments and a significant portion constitutes unspent conditional grants.
- Overall, municipalities recorded a decrease in net cash movement of **R2.4 billion** between June 2022 and April 2023. Five (5) in total recorded negative cash movements over the period under review, with the largest decreases recorded by **CoJ MM** and **CoEMM**.
- Two (2) municipalities, **MerCLM** and **ELM**, closed off April 2023 with negative cash balances.
- **Note:** April '23 information is not available for CoT MM, March 2023 figures were used in this instance.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

#### Debtors Age Analysis

Debtors Age Analysis - 30 April 2023 R'000					
Municipality	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
City of Johannesburg MM	2 191 278	1 339 135	1 461 706	39 926 657	44 918 776
City of Tshwane MM	1 944 067	386 384	381 857	16 786 899	19 499 207
City of Ekurhuleni MM	3 377 032	1 433 018	1 189 485	26 008 872	32 008 408
West Rand DM	568	276	271	12 792	13 906
Rand West City LM	140 395	55 160	44 136	1 226 485	1 466 175
Merafong City LM	150 963	149 479	92 906	4 834 191	5 227 540
Mogale City LM	234 500	31 850	66 964	2 581 425	2 914 739
Sedibeng DM	-	-	-	11 237	11 237
Emfuleni LM	469 498	305 038	273 552	6 628 664	7 676 751
Midvaal LM	69 212	30 330	25 403	499 068	624 013
Lesedi LM	58 087	33 972	31 160	1 373 840	1 497 060
<b>Total</b>	<b>8 635 601</b>	<b>3 764 641</b>	<b>3 567 440</b>	<b>99 890 131</b>	<b>115 857 813</b>
<b>% per age analysis</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>	<b>86%</b>	<b>100%</b>

- The total outstanding debtors owed to municipalities amounted to **R115.08 billion**, showing an increase compared to **R115.05 billion** owed as at 31 March 2023.
- The bulk of the total outstanding debtors are in the “Over 90 days”, at **86%** or **R99.9 billion** as at April 2023 compared to **87%** or **R99.5 billion** for end March 2023.
- **Note:** April '23 information is not available for CoT MM, March 2023 figures were used in this instance



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

Failure to make any other payment >2% of the budgeted operating expenditure (s140(2)(c)) ESKOM

#### ESKOM ACCOUNT - April 2023

Municipality	Current	16 - 30 days	31 - 60 days	61 - 90 days	90 days+	Total	Interest	March 2023	%Incr(Dec)
City of Johannesburg MM	769 162 482	40 416	5 335 122	30 339	22 619	<b>774 590 978</b>	88 954	858 586 450	-10%
City of Ekurhuleni MM	1 091 313 161	358 149 154	1 072 792	0	-	<b>1 450 535 107</b>	5 174 890	1 526 135 368	-5%
City of Tshwane MM	836 391 120	926 778 335	40 686 610	3 059 436	-	<b>1 806 915 500</b>	12 790 837	2 000 115 463	-10%
Mogale City LM	156 415 800	0	70 187 719	72 577 129	134 807 533	<b>433 988 181</b>	111 661 153	368 125 991	18%
Rand West City LM	125 475 865	5 495	42 211	47 332	805 701 373	<b>931 272 278</b>	252 545 095	936 501 055	-1%
Merafong City LM	47 286 416	93 285	-	-	625 678 466	<b>673 058 168</b>	238 008 829	685 960 541	-2%
Emsfuleni LM	499 984 952	-	231 994 583	232 265 568	5 542 117 225	<b>6 506 362 329</b>	1 304 105 116	6 410 716 550	1%
Lesedi LM	39 905 252	-	18 727 398	20 164 221	10 800 467	<b>89 597 338</b>	10 265 907	88 381 621	1%
Midvaal LM	23 743 890	-	-	-	-	<b>23 743 890</b>	-	26 971 498	-12%
<b>TOTAL</b>	<b>3 589 678 938</b>	<b>1 285 066 685</b>	<b>368 046 436</b>	<b>328 144 026</b>	<b>7 119 127 684</b>	<b>12 690 063 768</b>	<b>1 934 640 781</b>	<b>12 901 494 537</b>	<b>-2%</b>

- The total outstanding amount owed to Eskom by Gauteng municipalities **decreased by (2%)** from **R12.9 billion** reported at the end of March 2023 to **R12.7 billion** for April 2023. Although Mogale City LM's account shows an **18%** increase.
- Emsfuleni LM** has the highest debt compared to other municipalities in the province, which constitutes **51% (R6.5 billion)** of the total debt owed to Eskom in the province, and the interest portion is at **R1.3 billion**. Eskom had taken the municipality to court for outstanding overdue payments.
- City of Tshwane MM** has the second highest ESKOM debt at **R1.8 billion**, showing a decrease of **10%** compared to **R2 billion** reported at the end March 2023.
- Merafong City LM** meets on a weekly basis with Eskom, GPT and GCoGTA to discuss the outstanding debt. The debt has decreased by **2%** from **R685 million** for March 2023 to **R673 million** for April 2023.
- Eskom had taken **Rand West City LM** to court for outstanding overdue payments on their electricity bulk purchases. The court has ruled to attach the municipality's bank account. The amounts decreased by just **1%** from **R936 million** as at March 2023 to **R931 million** at the end of April 2023. RWCLM was the first municipality in the country to apply for municipal debt relief and is awaiting feedback from the National Treasury. The remaining municipalities committed to submitting applications by May 2023.
- The highest decreases are in CoJ MM and CoT MM at **10%** and Midvaal LM at **12%**.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

Failure to make any other payment >2% of the budgeted operating expenditure (s140(2)(c))  
Rand Water

Rand Water Account - March 2023										
Municipality	Current	30 days	60 days	90 days	90 days+	Total	Principal Arrear Amount	Interest Portion	February 2023	%Incr(Dec)
City of Johannesburg MM	767 260 226	-	-	-	-	767 260 226	-	-	655 724 087	17%
City of Ekurhuleni MM	452 375 452	372 839 252	11 964 101	-	-	837 178 804	503 967 056	1 320 904,69	878 438 316	-5%
City of Tshwane MM	350 228 898	32 213 068	-	-	-	382 441 967	194 082 048	-	479 337 233	-20%
Mogale City LM	41 628 550	13 163 040	-	-	-	54 791 590	66 052 159	193 066,92	102 385 597	-46%
Merafong City LM	41 916 481	32 344 938	34 969 126	35 506 435	429 403 923	574 140 903	506 458 797	5 141 899,25	543 224 422	6%
Rand West City LM	37 623 621	31 880 704	40 602 731	32 528 094	186 641 981	329 277 131	280 480 303	2 683 368,68	314 653 510	5%
Emfuleni LM	134 616 689	80 099 277	121 582 862	127 756 136	424 190 747	888 245 710	784 082 892	6 384 419,07	911 179 177	-3%
Lesedi LM	9 170 523	9 038 714	4 805 031	-	-	23 014 269	20 417 377	180 320,38	29 636 411	-22%
Midvaal LM	16 323 619	-	-	-	-	16 323 619	-	-	13 160 824	24%
<b>TOTAL</b>	<b>1 851 144 060</b>	<b>571 578 994</b>	<b>213 923 850</b>	<b>195 790 666</b>	<b>1 040 236 651</b>	<b>3 872 674 220</b>	<b>2 355 540 632</b>	<b>15 903 979</b>	<b>3 927 739 577</b>	<b>-1%</b>

- The Rand Water (RW) account decreased by **2.5%** from **R3.9 billion** as at 28 February 2022 to **R3.8 billion** at the end of March 2023. Total interest on outstanding debt amounts to at least **R15.9 million**.
- Emfuleni LM** (ELM) owed the highest debt compared to other municipalities at **R888.1 million**, the debt slightly decreased by **2.5%** as at March 2023. ELM had a 36 months Debt Settlement Arrangement (DSA) with Rand Water which they defaulted on. Rand Water applied to court for a writ of execution and attached all bank accounts. However, the writ has since been lifted.
- City of Ekurhuleni MM's** debt is the second highest followed by **City of Johannesburg MM** at R837.1 million and R767.2 million, respectively. CoEMM requested RW for a 60%-40% payment period extension relief arrangement on their current account. However, RW indicated that the City must settle all the outstanding amounts before considering their request.
- Merafong City LM** has a 36 months payment arrangement but is not honouring the payment arrangement and was served with a notice of late payment letter. The municipality has pleaded with RW for a new affordable repayment plan for 72 months. The process has been delayed due to changes in the position of Municipal Manager.
- Rand West City LM** proposed a new DSA and committed their equitable shares to settle old debt and service their current account monthly. RW has signed the DSA & awaiting the municipal officials to sign.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



**Financial  
Management**

Capital  
Expenditure

Capital expenditure 30 April 2023 R'000					
Municipality	2022/23 Approved Capital Budgets	2022/23 Adjusted Budgets	April 2022/23 Actual Capital Expenditure	April 2022/23 % of Actual Capital Expenditure	2022/23 Q3 March % of Actual Capital Expenditure
City of Johannesburg MM	7 740 924	6 375 220	3 279 949	51%	44%
City of Tshwane MM	2 793 105	2 673 126	1 051 426	39%	38%
City of Ekurhuleni MM	3 323 853	3 183 249	1 542 616	48%	41%
West Rand DM	45 650	47 100	23 480	50%	50%
Rand West City LM	216 245	267 696	133 292	50%	38%
Merafong City LM	226 000	226 000	18 317	8%	23%
Mogale City LM	424 391	370 928	176 801	48%	37%
Sedibeng DM	2 445	2 633	855	32%	23%
Emfuleni LM	422 019	436 186	173 285	40%	35%
Midvaal LM	180 597	189 933	115 771	61%	50%
Lesedi LM	105 243	105 243	44 393	42%	35%
<b>Total Capital Expenditure</b>	<b>15 480 472</b>	<b>13 877 314</b>	<b>6 560 185</b>	<b>47%</b>	<b>37%</b>



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

Final Decisions from National Treasury on Stoppings and Additional Funding

Municipalities	Grants	Amount Stopped	Additional Funding/Adjusted Allocation
<b>COJ</b>	Public Transport Network Grant	-R115 800 000	R0
	Urban Settlement Development Grant	R0	R200 000 000
	Neighbourhood Development Partnership Grant	-R18 928 000	R0
<b>COE</b>	Urban Settlement Development	-R100 000 000	R0
	Neighbourhood Development	R0	R49 706 000
<b>ELM</b>	Municipal Infrastructure Grant	-R40 000 000	R0
	Regional Bulk Infrastructure	R0	R15 341 000
	Integrated National Electrification	-R23 743 000	R0
<b>LESEDI</b>	Water Services Infrastructure	-R5 000 000	R0
<b>MOGALE</b>	Integrated Urban Development Grant	-R12 130 000	R0
	Neighbourhood Development	R0	R28 711 000
<b>MERAFONG</b>	Municipal Infrastructure Grant	-R10 000 000	R0
	Water Services Infrastructure	-R5 000 000	R0
<b>RANDWEST</b>	Water Services Infrastructure	-R9 340 000	R0
	Neighbourhood Development	R0	R1 000 000
<b>TOTAL</b>		<b>-R339 941 000</b>	<b>R294 758 000</b>

- National Treasury sent letters to all affected municipalities on 20 February 2023 informing them of its intention to stop the above-mentioned allocations in terms of section 18 of the 2022 DoRA and section 38 of the MFMA.
- The proposed amount was R 1.4 billion, however R 339.9 million was stopped and additional funding of R 294 million was allocated.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

- UIFW Expenditure

Comparisons on the Current and Previous Years Consolidated Unauthorised, Irregular, Fruitless and Wasteful Expenditure						
Municipality	Audited closing balances 2019/20 Total UIFW Expenditure	Audited 2020/21 Total UIFW Expenditure	Audited 2021/22 Total UIFW Expenditure	3-year trendline	% Increase / Decrease 2019/20 - 2020/21	% Increase / Decrease 2020/21 - 2021/22
City of Johannesburg MM	14 451 858 000	17 628 126 000	20 852 197 000		22%	18%
City of Tshwane MM	9 947 014 394	13 313 628 852	16 763 125 715		34%	26%
City of Ekurhuleni MM	2 445 461 200	2 314 978 694	2 006 532 312		-5%	-13%
West Rand DM	136 087 738	145 522 424	160 012 182		7%	10%
Rand West City LM	1 825 861 030	2 177 355 023	2 999 094 762		19%	38%
Merafong City LM	157 300 754	237 313 558	360 607 370		51%	52%
Mogale City LM	732 770 256	840 354 987	936 353 951		15%	11%
Sedibeng DM	16 752 832	76 799 932	122 253 820		358%	59%
Ermfuleni LM	3 729 182 339	6 358 522 173	10 127 573 658		71%	59%
Midvaal LM	1 859 099	1 315 873	1 829 394		-29%	39%
Lesedi LM	506 382 015	543 272 207	591 275 235		7%	9%
<b>TOTAL</b>	<b>33 950 529 657</b>	<b>43 637 189 723</b>	<b>54 920 855 399</b>		<b>29%</b>	<b>26%</b>

- The table above shows comparisons of the total audited UIFW expenditure for 2019/20, 2020/21 and 2021/22 FYs. **CoEMM** is the only municipality that showed a downward trend, while the other 10 municipalities showed an upward trend between the financial years.
- **CoJ MM** had the highest balances of UIFW expenditure as at 2021/22 FY, followed by **CoT MM**. **ELM** is the highest among the local municipalities, followed by **RWCLM**.
- The table shows that municipalities are not effectively addressing the UIFW expenditure in terms of Section 32 of the MFMA.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

- Audit Outcomes

Audit Outcomes for 2021/22 financial year compared with 2020/21 & 2019/20			
Municipality	Audit opinion 2019/20	Audit opinion 2020/21	Audit opinion 2021/22
City of Johannesburg MM	Unqualified	Unqualified	Unqualified
City of Ekurhuleni MM	Clean	Clean	Clean
City of Tshwane MM	Unqualified	Unqualified	Adverse
West Rand DM	Unqualified	Unqualified	Unqualified
Rand West City LM	qualified	qualified	Unqualified
Merafong City LM	Unqualified	Adverse	Disclaimer
Mogale City LM	Unqualified	Unqualified	qualified
Sedibeng DM	Unqualified	Unqualified	Unqualified
Emfuleni LM	qualified	Unqualified	qualified
Midvaal LM	Clean	Clean	Clean
Lesedi LM	Unqualified	Unqualified	Unqualified

- City of Ekurhuleni MM and Midvaal LM sustained their clean audit outcomes in the 2021/22 audit.
- Improvement in the Rand West City LM with movement from a qualified audit opinion to an unqualified audit outcome.
- 5 municipalities obtained an unqualified audit opinion, with regressions noted at City of Tshwane MM, Merafong City LM, Emfuleni LM and Mogale City.
- City of Tshwane MM regressed to an adverse opinion as their AFS did not fairly present, in all material respects, the financial position, performance and cashflows of the city.
- Merafong City LM AFS were not credible enough for AGSA to give an opinion, thus the municipality was issued a disclaimer.
- Emfuleni LM had material misstatements, which the municipality was unable to correct due to outstanding supporting documentation.
- Mogale City LM qualification is due to material misstatements in property, plant and equipment, cash flow statements and irregular expenditure.
- Recurring findings across municipalities on non-compliance with laws and regulations include:
  - ❖ Procurement and contract management;
  - ❖ Consequence management;
  - ❖ Asset Management; and
  - ❖ Expenditure management (UIF&W expenditure and 30 day payment

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Financial Management

- Implementation of the Audit Action Plans

2021/22 AUDIT FINDINGS IMPLEMENTATION OF THE AUDIT ACTION PLANS AS AT 31 MARCH 2023					
Municipality	Audit opinion 2021/22	Number of Audit Findings by Auditor-General	Number of Audit Findings Resolved	Number of Audit Findings in Progress	Number of Audit Findings not Resolved
City of Johannesburg MM	Unqualified	486	177	309	0
City of Ekurhuleni MM	Clean	45	20	24	1
City of Tshwane MM	Adverse	280	13	104	163
West Rand DM	Unqualified	13	5	8	0
Rand West City LM	Unqualified	41	31	10	0
Merafong City LM	Disclaimer	71	6	11	54
Mogale City LM	Qualified	38	1	13	24
Sedibeng DM	Unqualified	116	46	51	19
Emfuleni LM	Qualified	108	6	102	0
Midvaal LM	Clean	15	11	4	0
Lesedi LM	Unqualified	63	19	37	7
<b>Total</b>		<b>1276</b>	<b>335</b>	<b>673</b>	<b>268</b>
<b>Percentage</b>			<b>26%</b>	<b>53%</b>	<b>21%</b>

- As of 31 March 2023, the overall progress of the implementation of the 2021/22 audit action plans was at 26% of resolved action plans, and these resolved issues have been reviewed and confirmed by internal audits in municipalities.
- It was noted that 53% of the issues are still being addressed by municipalities, and close monitoring is done through Operation Clean Audit (OPCA) steering meetings in municipalities. Internal audit and audit committees play a vital role as assurance providers in monitoring these action plans, as OPCA is a standing agenda item in all audit committee meetings in Gauteng municipalities.
- City of Tshwane MM and Emfuleni LM have reported slow implementation of action plans in the quarter under review. This was due to the late finalisation of the audit, and subsequently, the formulation of the action plan was affected.
- Budget constraints, vacancies in key positions, inadequate time to resolve findings, and a lack of leadership are some of the factors that impede the speedy resolution of these action plans.
- Unresolved issues pose a risk of reoccurring in the 2022/23 audit due to the non-implementation or slow implementation of audit action plans by management.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Administration

- Filling of Seniors Managers positions

Municipality	Status on appointment of municipal senior managers in Gauteng municipalities as at May 2023			
	Total no. of SM posts	Total Filled	Total Vacancy	
			#	(%)
City of Joburg	22	15	7	32%
City of Tshwane	10	1	9	90%
Ekurhuleni MM	25	20	5	20%
<b>Total Metros</b>	<b>57</b>	<b>36</b>	<b>21</b>	<b>37%</b>
Sedibeng DM	6	3	3	50%
Lesedi LM	6	3	3	50%
Emfuleni LM	8	2	6	75%
Midvaal LM	7	4	3	43%
<b>Total Sedibeng</b>	<b>27</b>	<b>12</b>	<b>15</b>	<b>55%</b>
West Rand DM	6	6	0	0%
Merafong City LM	7	3	4	57%
Mogale City LM	10	7	3	30%
Rand West City	7	6	1	14%
<b>Total WRDM</b>	<b>30</b>	<b>22</b>	<b>8</b>	<b>27%</b>
<b>Grand Total</b>	<b>114</b>	<b>70</b>	<b>44</b>	<b>39%</b>

- Out of a total of 114 approved positions 70 positions are currently filled and 44 positions remain vacant as at May 2023
- City of Tshwane, Sedibeng DM, Lesedi LM, Emfuleni LM and Merafong City LM currently have the highest vacancies.
- Processes are currently underway in the above municipalities to fill vacant senior management positions.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Administration

- Appointment of City Managers and Municipal Managers

MUNICIPALITY	STATUS
City of Johannesburg	Appointed
City of Tshwane	Appointed
Ekurhuleni MM	Appointed
Sedibeng DM	Appointed
Lesedi LM	Appointed
Emfuleni LM	Vacant
Midvaal LM	Appointed
West Rand DM	Appointed
Merafong LM	Appointed
Mogale City LM	Appointed
Rand West City LM	Appointed

- MM positions are critical as they affect stability of municipalities.
- Merafong City LM concluded appointment processes for the position of Municipal Manager. The recommended candidate commenced duties on the 3<sup>rd</sup> May 2023.
- Emfuleni LM position of Municipal Manager remain vacant.

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Administration

- Compliance with Section 165 i.t.o functionality of Internal Audit Units

MUNICIPAL INTERNAL AUDIT UNITS											
JANUARY 2023 - MARCH 2023											
Municipality	Internal Audit unit established i.t.o Section 165 (1) of the MFMA (Yes/No)	Outsourced/ In-house	Total number of approved Internal Audit unit posts	Number of officials appointed in the Internal Audit unit	Percentage (%) of officials appointed in the Internal Audit unit	Chief Audit Executive/ Head of Internal Audit in place	Independence and Objectivity (CAE must report functionally to the AC, and administratively to accounting officer) (Yes/No)	Internal Audit Charter approved (Yes/No)	Internal Audit Plan (Risk based) i.t.o Section 165 (2)(a) of the MFMA (Yes/No)	Internal Audit Activity Functional (Yes/No)	Internal Audit Conducts Investigations (Yes/No)
City of Johannesburg MM	Yes	In-house	73	42	58%	No	Yes	Yes	Yes	Yes	Yes
City of Ekurhuleni MM	Yes	In-house	62	53	85%	Yes	Yes	Yes	Yes	Yes	Yes
City of Tshwane MM	Yes	In-house	57	29	51%	No	Yes	Yes	Yes	Yes	Yes
West Rand DM	Yes	In-house	8	5	63%	Yes	Yes	Yes	Yes	Yes	Yes
Rand West City LM	Yes	In-house	13	4	31%	Yes	Yes	Yes	Yes	Yes	Yes
Merafong LM	Yes	In-house	9	5	56%	Yes	Yes	Yes	Yes	Yes	No
Mogale City DM	Yes	In-house	6	5	83%	Yes	Yes	Yes	Yes	Yes	Yes
Sedibeng DM	Yes	In-house	7	7	100%	Yes	Yes	Yes	Yes	Yes	Yes
Emfuleni LM	Yes	In-house	23	12	52%	No	Yes	Yes	Yes	Yes	Yes
Midvaal LM	Yes	Outsourced	0	0	0%	Yes	Yes	Yes	Yes	Yes	Yes
Lesedi LM	Yes	Outsourced	2	1	50%	Yes	Yes	Yes	Yes	Yes	No



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Water and Electricity Losses

Municipality	Water Losses (3rd Quarter)	Electricity Losses (3rd Quarter)
City of Joburg MM		23.29%
Ekurhuleni MM	37.82%	16.22%
Lesedi LM	24%	13.67%
Emfuleni LM	62%	66%
Midvaal LM	32%	12%
Merafong City LM	49.5%	50.51%
Mogale City LM	20%	9.45%
Rand West City LM	28%	23%

- Both Emfuleni LM and Merafong LM experienced high water and electricity as at end of quarter3.
- High water and electricity losses due to ageing infrastructure and non/slow implementation of water and electricity loss strategies.





**HIGH LEVEL UPDATE ON THE  
IMPLEMENTATION OF THE  
INFRASTRUCTURES PROJECTS**

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (*Cont..*)



### Service Delivery

The detail report on the Implementation of the infrastructure projects is provided as annexure to this presentation.

The report provides detail information ( including project location, status, timelines and budget allocation) in the following areas:

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Water Supply:** Provide a targeted break down based on the 39% of the budget committed to **Water Project** in the province, across all nine provinces, including the municipal location, current status of projects and envisaged completion timelines,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Ekurhuleni Metro	37	19 – Construction Stage 12 – Planning stage 6 – Procurement (PO stage)	Completion period ranges between 2023/24-2024/25 FY
CoJ Metro	40	12 – Construction 10 - Procurement 2 - Planning 3 - Design 2 - feasibility 1 - Litigation	Completion period ranges between 2023/24-2025/26 FY
Tshwane Metro	12	9 – Procurement (PO stage) 3 – Construction stage	Completion period ranges between 2023/24-2025/26 FY

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Water Supply:** Provide a targeted break down based on the 39% of the budget committed to in the province, across all nine provinces, including the municipal location, current status of projects and envisaged completion timelines,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Emfuleni LM	2	2 – Design	Completion [June- September 2024]
Midvaal LM	4	2- Construction 2- Complete	Completion in 2025
Merafong LM	4	1- Design stage 3- Construction	Completion [June 2023- June 2024]
Rand West LM	4	1- Procurement 3- Construction	Completion [June 2024-2025]
Lesedi LM	Only WSIG funded projects in implementation but suspended due to vandalism		
Mogale City	No Projects in Implementation this Financial year		

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Sanitation Services:** Provide a targeted break down of the 19% of the budget committed to Sanitation Projects, across the province, including their municipal location, current status of projects and envisaged completion timelines

Municipality	Water Supply Total No.	Status	Completion Time Frame
Ekurhuleni Metro	19	9 – Construction Stage 8 – Planning stage 2 – Procurement (PO stage)	Completion period ranges between 2023/24-2024/25 FY
CoJ Metro	16	5 – Construction 5 - Procurement 3 - Planning 1 - Design 2 - feasibility	Completion period ranges between 2023/24-2024/25 FY
Tshwane Metro	34	9 – Procurement (PO stage) 18– Construction stage 8- Procurement 2 - Planning 4 - Design 2- Completion	Completion period ranges between 2023/24-2024/25 FY

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Sanitation Services:** Provide a targeted break down of the 19% of the budget committed to Sanitation Projects, across the province, including their municipal location, current status of projects and envisaged completion timelines.,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Emfuleni LM	6	5 – Construction 1 - Procurement	Completion 25/06/2024
Midvaal LM	1	1 – Construction	
Merafong LM	5	4 – Construction 1 - Suspended	May- June 2024
Rand West LM	8	6 – Construction 2 - Procurement	6 projects in 2023/24 1 in 2024/25 1 in 2025/26
Lesedi LM	1	Complete	2023/24

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS

**Status & Condition of Roads:** Conditions assessment for all categories of Infrastructure , roads being one of them is undertaken through a rigorous Infrastructure Condition Assessment. Below is the state of roads in municipalities, not all municipalities have undertaken an assessment on their roads Infrastructure hence the incomplete detail below.



### Service Delivery

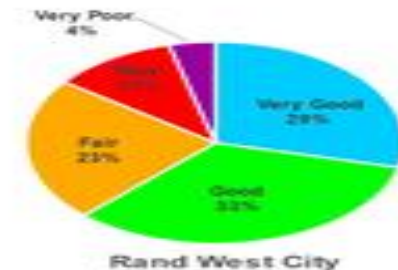
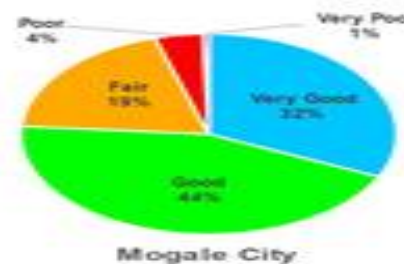
- Current status and Condition of roads across the province



### Conditions on Paved Roads

Local Municipality	Paved Road Condition: Road Length (km)					Total Length
	Very Good	Good	Fair	Poor	Very Poor	
Merafong City	103.6	221.6	82.3	16.2	0.9	424.6
Mogale City	293.1	404.8	175.2	37.8	4.6	915.5
Rand West City	221.8	254.8	176.9	82.2	30.3	766.0
<b>Total</b>	<b>618.5</b>	<b>881.3</b>	<b>434.4</b>	<b>136.2</b>	<b>35.8</b>	<b>2 106.1</b>
<b>Percentage</b>	<b>29.4%</b>	<b>41.8%</b>	<b>20.6%</b>	<b>6.5%</b>	<b>1.7%</b>	<b>100.0%</b>

\*\*\* Note: Road length excludes inaccessible roads



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Roads Services:** Provide a targeted break down of the 28% of the budget committed to Roads Projects, across the province, including their municipal location, current status of projects and envisaged completion timelines,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Ekurhuleni Metro	86	69 – Construction Stage 6 – Planning stage 5 – Maintenance & Support	Completion period ranges between 2023/24-2024/25 FY
CoJ Metro	49	26– Construction 10 - Procurement 5 - Planning 6 - Design	Completion period ranges between 2023/24-2024/25 FY
Tshwane Metro	21	1 – Procurement 9 - Construction stage 7 - Design 3 - Completion	Completion period ranges between 2023/24-2024/25 FY



## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

Roads Services: Provide a targeted break down of the 28% of the budget committed to Roads Projects, across the province, including their municipal location, current status of projects and envisaged completion timelines,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Emfuleni LM	3	2 – Construction 1 - Design	Completion 25/06/2024
Midvaal LM	2	1 – Construction 1 - Design	Completion 2023/2024 - 2025
Merafong LM	4	4 – Construction	May- June 2024- 2025
Rand West LM	4	4 – Construction	Completion 2023/24- 2024/25
Lesedi LM	5	1 - Complete 4 - Construction	Completion 2023/24

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

Other Important Priorities: Provide a targeted break down of the 14% of the budget committed to other important priorities such as community facilities and solid waste management facilities in the province,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Ekurhuleni Metro	8	8 – Construction Stage	Completion 2023/24 FY
CoJ Metro	7	4 – Construction 1 - Complete 2 - Planning	Completion 2023/24 FY
Tshwane Metro	3	1 – Procurement 1 - Construction stage 1 - Design 1 - Planning	Completion period ranges between 2023/24 FY

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

Other Important Priorities: Provide a targeted break down of the 14% of the budget committed to other important priorities such as community facilities and solid waste management facilities in the province,

Municipality	Water Supply Total No.	Status	Completion Time Frame
Emfuleni LM	6	4 – Construction 2 -Procurement	Completion 2023/2024
Midvaal LM	7	2 – Completed 4 - Construction 1- Design	Completion 2023/2024
Lesedi LM	5	2 - Design 2 – Completed 1 - Construction	Completion 2023/24

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

**Assisting Ailing Municipalities with the Distribution of Electricity: Highlight** priority plans in place through partnership with Eskom, SALGA and MISA to expedite the implementation of course corrective measures to assist ailing municipalities with electricity distribution and revenue enhancement – Key Partners of the Department

SUPPORTING ENTITY	SUPPORT INITIATIVE	DESCRIPTION OF INITIATIVE
ESKOM	Municipal debt relief	Eskom debt write-off for municipalities, interest and penalties under strict conditions with the National Treasury's guidance
SALGA	Small Scale Embedded Generation (SSEG) development programme training	The training programme covers the following: -Overview & design of SSEG tariff, Developing necessary forms and documentation (Applications forms, 'Requirements' documents etc.), SSEG policy development & -By-law amendment to accommodate SSEG etc.
	Cost of Supply (COS) studies training	Provide an overview of support tools- simplified COS tool and COS submission report template; -Clarify the NERSA COS requirements for tariff application. -Provide etc. guidance COS steps and the support (tools and resources) available to municipalities to fulfil these requirements

## HIGH LEVEL MUNICIPAL PERFORMANCE ALONG BACK TO BASICS PILLARS (Cont..)



### Service Delivery

- Implementation of projects funded through Municipal Infrastructure Grant

Assisting Ailing Municipalities with the Distribution of Electricity: Highlight priority plans in place through partnership with Eskom, SALGA and MISA to expedite the implementation of course corrective measures to assist ailing municipalities with electricity distribution and revenue enhancement – Key Partners of the Department

SUPPORTING ENTITY	SUPPORT INITIATIVE	DESCRIPTION OF INITIATIVE
SALGA	<ul style="list-style-type: none"> <li>- Wheeling training,</li> <li>- Bi-directional metering training;</li> <li>- Processing of Embedded generation application 1 MW and larger;</li> <li>- Grid Impact Specialist training</li> </ul>	These are training initiatives focused mainly creating an enabling environment for municipalities to prepare themselves to operate in the renewable energy space.
GAUTENG COGTA	Online metering system for Large Power Users and commercial customers Meters (Emfuleni and Merafong).	The project is aimed at reducing non-technical losses and enhancing revenue by replacing all dysfunctional/faulty reading meters, setting up a remote meter service system to manage all meters, providing quality and improved municipal billing service to the industrial/commercial base

Further details are provided for in Annexure '.....'

**SUPPORT PACKAGES THAT ARE BEING  
IMPLENTED TO ADDRESS MUNICIPAL  
CHALLENGES**

## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES



**Political**

### CRITICAL CHALLENGES

Rise of Coalition Municipal Government

### NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES

- Mediation and Conflict Resolutions mechanism are in place.



## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES



### GOVERNANCE

CRITICAL CHALLENGES	NATURE OF SUPPORT ACROSS MUNICIPALITIES
Ward Committee functionality	<ul style="list-style-type: none"> <li>• CoGTA in collaboration with SALGA and IEC, municipalities are supported to establish and induct the Ward Committees. Furthermore, municipalities are supported to promote participation in community based local governance processes through the ABCD approach</li> <li>• The municipalities are supported to address issues raised by the AGSA through the OPCA Provincial Coordinating Committee which assists municipalities with advisory support with regards to the implementation of the Audit Action Plan. The committee is a monitoring and supporting structure consisting of Gauteng CoGTA, Gauteng Treasury, National Department of Cooperative Governance and Traditional Affairs, National Treasury, Office of the Premier, SALGA, Office of the Auditor General (AG), Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO) and other stakeholders. All the stakeholders play a key role in assisting municipalities with the development, implementation and monitoring of Municipal of audit action plans.</li> </ul>
Functionality of Municipal Public Account Committees ( MPACs).	<ul style="list-style-type: none"> <li>• The Department has successfully appointed a panel of service providers that will facilitate the MPAC skills programs over the next three years 2022-2025. The Enrollment of Councillors and Officials is as follows:               <ul style="list-style-type: none"> <li>❑ 50 Councillors and Officials for NQF L3</li> <li>❑ 50 Councillors and Officials for NQF L4</li> <li>❑ 50 Councillors and Officials for NQF L5</li> <li>❑ 82 Councillors and Officials for Accountability and Ethical Conduct (NQFL5).</li> </ul> </li> </ul>

## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES



### FINANCIAL MANAGEMENT

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
Increasing UIFW expenditure .	<ul style="list-style-type: none"> <li>The municipalities are supported to address UIFW expenditure. The project is designed put controls in place for the identification, prevention and reporting of unauthorised, irregular, fruitless and wasteful expenditure.</li> <li>The Operation Clean Audit support , includes the following:               <ul style="list-style-type: none"> <li>Provision of additional capacity to support develop sound Audit Response Plans to address Auditor General issues.</li> <li>Monitoring Year-end preparations through the OPCA PCC.</li> <li>Review of accounting policies in targeted municipalities.</li> <li>High level and in-depth technical reviews of the AFS and asset registers before submission to the AG in targeted municipalities</li> <li>Support to ensure complete and accurate service delivery reporting as it relates to Audit of Pre-Determined Objectives</li> </ul> </li> </ul>
Increasing number of audit findings. Issues	
Poor or no consequence management.	

## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES



### FINANCIAL MANAGEMENT

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
Low spending in Capital Budgets	<ul style="list-style-type: none"> <li>• Capex War established to monitor and support municipalities to improve spending on capital budgets.</li> </ul>
Failure to honor payment arrangements for bulk services.	<ul style="list-style-type: none"> <li>• Mobilisation of support from other sector departments (GPT, NT) to support municipalities with revenue enhancement, payment of Eskom and Rand Water .</li> <li>• Facilitation of strategic engagements of bulk suppliers to negotiate realistic payment plans for municipalities.</li> </ul>
Increasing Government Debt	<ul style="list-style-type: none"> <li>• CoGTA and GPT is working closely through Provincial Debt Management Committee ( PDMC) to facilitate the payment of government debt owed to municipalities.</li> </ul>
Growing Debtor’s Book.	
Declining revenue and possible unsustainable budget which has implications for service delivery provision	<ul style="list-style-type: none"> <li>• The assessment of billing data for Large Power and Water users, development and implementation of the of plans to address identified challenges in the billing data of the Large power and Water users.</li> <li>• The assessment of municipal viability and the development of municipal viability strategy</li> <li>• Deployment of the revenue experts to assess the revenue value chain and the implement the integrated revenue plans.</li> <li>• Development and implementation of simplified revenue plans.</li> </ul>

## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES



### Service Delivery

CRITICAL CHALLENGES	NATURE OF SUPPORT ACROSS MUNICIPALITIES
High Levels of Non-Revenue Water and Electricity Losses	<ul style="list-style-type: none"> <li>• Deployment of Project Management and Engineering Experts to support the municipality through the SAICE and MISA Support Programmes.</li> </ul>
Poor coordination and slow implementation of infrastructure projects	<ul style="list-style-type: none"> <li>• GPT, COGTA and MISA conduct quarterly site visits to monitor the capital projects implementation/performances as well as to assess the status of the projects and advise on challenges thereof.</li> <li>• Capex War room meetings led by COGTA aimed at accelerating capex and address spending bottlenecks identified</li> </ul>

## SUPPORT PACKAGES THAT ARE BE IMPLEMENTED TO ADDRESS CHALLENGES

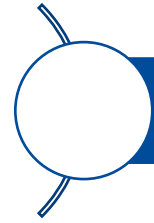


### Administration

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
High Level of Vacancies (Key Section 56 and 57 and Critical Technical Posts)	<ul style="list-style-type: none"> <li>Monitoring and reporting on compliance and progress on the finalisation of recruitment processes for key Section 56 and 57 as well as other critical technical positions.</li> <li>1 Municipality (Merafong LM) supported with Organizational Structure and Institutional Review.</li> </ul>
Finalization of appointment processes and slow progress in the filling of senior management positions also contributes to senior management vacancies.	<ul style="list-style-type: none"> <li>4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organizational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).</li> <li>11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56).</li> </ul>
Non-compliance by municipalities with regard to salaries of senior managers as provided by the Upper Limits Notice on appointment of senior managers	<ul style="list-style-type: none"> <li>11 Municipalities supported to institutionalise performance management system</li> </ul>



## RECOMMENDATIONS



It is recommended that the NCOP Three Sphere Planning Session take note of the presentation.

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# DISCUSSION Q & A





# Get in touch with us

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Gauteng Department of Cooperative  
Governance and Traditional Affairs

