



# **CENTLEC (SOC) LTD.**

## **A N N U A L   R E P O R T**

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## Table of contents

<b>Legislation Covering Financial and Administrative Management:</b>	<b>10</b>
<b>CHAPTER 1: FOREWORD AND EXECUTIVE SUMMARY</b>	<b>17</b>
1.1 Foreword by the Chairperson of the Board	17
1.2 Overview by the Chief Executive Officer	19
1.3 Mission	23
1.4 Values	24
1.5 CENTLEC's Organisational structure as at June 2024	25
1.6 Legal requirements	26
1.7 Purpose of an Annual Report	26
1.8 Scope of report	26
1.9 Functions, population, and service delivery overview	26
1.10 Financial health overview	28
<b>CHAPTER 2: GOVERNANCE</b>	<b>31</b>
2.1. Intergovernmental Relations Recipients	31
2.1.1. <i>Introduction to co-operative governance and intergovernmental relations</i>	31
2.2. Public accountability and participation	32
2.2.1. <i>Overview</i>	32
2.2.2. <i>Public meetings</i>	33
2.3. Ethical leadership	34
2.4. CENTLEC's Board of Directors	34
2.4.2. <i>Board meetings</i>	36
2.4.3 <i>Board meeting attendance</i>	37
2.4.4.1 <i>Audit and Risk Committee</i>	37
Table 10: Audit and Risk Committee meeting attendance	38
2.4.4.2 <i>Finance Committee</i>	39
2.4.4.3. <i>Human Resources and Remuneration Committee</i>	39
2.4.4.4 <i>Social and Ethics Committee</i>	40
2.4.4.6. <i>ICT and Engineering Committee</i>	41
2.4.4.7. <i>Governance Committee</i>	41
2.4.4.8 <i>Meetings of Board Committees</i>	42
2.4.4.9 <i>Board decision-making</i>	42
2.5. Administrative Governance	43
2.5.1 <i>The Executive Committee</i>	43

<b>2.5.1.1</b>	<b>Executive Committee Meetings .....</b>	<b>43</b>
<b>2.5.2</b>	<b>Remuneration .....</b>	<b>44</b>
<b>2.5.3</b>	<b>Corporate Governance .....</b>	<b>44</b>
<b>2.5.4</b>	<b>Corporate citizenship.....</b>	<b>45</b>
<b>2.5.5</b>	<b>Compliance with laws, rules, codes, and standards .....</b>	<b>45</b>
<b>2.6.</b>	<b>Internal Audit and Risk Management .....</b>	<b>45</b>
<b>2.6.1.</b>	<b>Internal Audit .....</b>	<b>46</b>
<b>2.6.2</b>	<b>Risk Management.....</b>	<b>47</b>
<b>2.6.3</b>	<b>Anti-Corruption and Fraud Strategy.....</b>	<b>48</b>
<b>2.7</b>	<b>Supply Chain Management .....</b>	<b>48</b>
<b>2.8</b>	<b>Bids awarded as at 30 June 2024: .....</b>	<b>49</b>
<b>2.9</b>	<b>Policies and Frameworks .....</b>	<b>49</b>
<b>2.10</b>	<b>By-laws .....</b>	<b>50</b>
<b>2.11</b>	<b>Public participation in drafting of by-laws.....</b>	<b>50</b>
<b>2.12</b>	<b>Website.....</b>	<b>50</b>
<b>CHAPTER 3:</b>	<b>SERVICE DELIVERY PERFORMANCE .....</b>	<b>53</b>
<b>3.1.</b>	<b>Objectives and strategies .....</b>	<b>53</b>
<b>3.2.</b>	<b>Pre-Determined Objectives.....</b>	<b>53</b>
<b>3.2.1.</b>	<b>The annual performance summary of executive managers .....</b>	<b>53</b>
<b>3.2.2.</b>	<b>THE ANNUAL COMPANY'S PERFORMANCE OF THE MFMA CIRCULAR 88 INDICATORS .....</b>	<b>55</b>
<b>3.2.3</b>	<b>OFFICE OF THE CHIEF EXECUTIVE OFFICER.....</b>	<b>61</b>
<b>3.2.4</b>	<b>OFFICE OF THE COMPANY SECRETARY .....</b>	<b>63</b>
<b>3.2.4</b>	<b>HUMAN RESOURCES DIRECTORATE .....</b>	<b>65</b>
<b>3.2.5</b>	<b>FINANCE DIRECTORATE .....</b>	<b>69</b>
<b>3.2.6</b>	<b>ENGINEERING WIRES DIRECTORATE .....</b>	<b>75</b>
<b>3.2.7</b>	<b>ENGINEERING RETAIL DIRECTORATE.....</b>	<b>86</b>
<b>3.2.8</b>	<b>PERFORMANCE &amp; COMPLIANCE DIRECTORATE .....</b>	<b>91</b>
<b>CHAPTER 4:</b>	<b>ORGANISATIONAL DEVELOPMENT PERFORMANCE.....</b>	<b>98</b>
<b>4.1</b>	<b>Introduction.....</b>	<b>98</b>
<b>4.2</b>	<b>Workforce profile (including people with disabilities).....</b>	<b>98</b>
<b>4.3</b>	<b>Employees with Disabilities only .....</b>	<b>99</b>
<b>4.4</b>	<b>Employee Age Analysis .....</b>	<b>99</b>
<b>4.4.1</b>	<b>Human Resource policies .....</b>	<b>100</b>
<b>4.4.2</b>	<b>Health and Safety and Environmental Issues .....</b>	<b>100</b>
<b>4.4.3</b>	<b>Training Costs .....</b>	<b>101</b>
<b>4.4.4</b>	<b>Financial competency development .....</b>	<b>101</b>



<b>CHAPTER 5: FINANCIAL PERFORMANCE .....</b>	<b>103</b>
5.1 Revenue.....	103
5.2 Expenditure.....	103
5.2.1 Deficit.....	104
5.3 Financial position .....	104
5.4 Budget .....	104
<b>CHAPTER 6: AUDITOR-GENERAL'S FINDINGS ON PRIOR YEAR ISSUES .....</b>	<b>105</b>
6.1 Purpose of the report .....	105
6.2 Introduction and background.....	105
6.3 <i>Executive Summary: Implementation of the Audit Action Plan</i> .....	106
6.3.1 <i>Improvements to the internal control environment</i> .....	106
6.3.2 <i>Progress on matters reported in the audit report</i> .....	106
6.3.2.1 <i>Auditor General findings on non-compliance with legislation</i> .....	107
<b>7 APPENDICES .....</b>	<b>110</b>
7.1 APPENDIX A: BOARD MEMBERS; COMMITTEE ALLOCATION AND ATTENDANCE .....	110
7.2 APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES.....	110
7.3 APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE .....	110
7.4 APPENDIX D: FUNCTIONS OF COMPANY .....	110
7.5 APPENDIX E: WARD REPORTING .....	110
7.6 APPENDIX F: WARD INFORMATION .....	110
7.7 APPENDIX G: RECOMMENDATIONS OF THE AUDIT COMMITTEE .....	110
7.8 APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.....	110
7.9 APPENDIX I: COMPANY PERFORMANCE SCHEDULE .....	110
7.10 APPENDIX J: DISCLOSURES OF FINANCIAL INTERESTS .....	110
7.11 APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE.....	110
7.12 APPENDIX L: CONDITIONAL GRANTS RECEIVED .....	110
7.13 APPENDIX M and N: CAPITAL EXPENDITURE.....	110
7.14 APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD.....	110
7.15 APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	110
7.16 APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION .....	110
7.17 APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE.....	110
7.18 APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71 .....	110
7.19 APPENDIX T: ANNUAL FINANCIAL STATEMENTS.....	110
7.20 APPENDIX U: REPORT OF THE AUDITOR-GENERAL ON CENTLEC (SOC) LTD.....	110

## Tables and Figures

<b>Table 1: Abbreviations/acronyms .....</b>	<b>11</b>
<b>Table 2: Glossary.....</b>	<b>13</b>
<b>Table 3: Customer tariff group .....</b>	<b>28</b>
<b>Table 4: Financial health summary .....</b>	<b>29</b>
<b>Table 5: Capital Expenditure.....</b>	<b>30</b>
<b>Table 6: Board Members .....</b>	<b>35</b>
<b>Table 7: Board meetings .....</b>	<b>36</b>
<b>Table 8: Board meeting attendance .....</b>	<b>37</b>
<b>Table 9: Audit and Risk Committee.....</b>	<b>38</b>
<b>Table 10: Audit and Risk Committee meeting attendance.....</b>	<b>38</b>
<b>Table 11: Audit and Risk Committee (New) .....</b>	<b>38</b>
<b>Table 12: Finance Committee .....</b>	<b>39</b>
<b>Table 13: Human Resources and Remuneration Committee.....</b>	<b>40</b>
<b>Table 14: Social and Ethics Committee .....</b>	<b>40</b>
<b>Table 15: ICT and Engineering Committee .....</b>	<b>41</b>
<b>Table 16: Governance Committee .....</b>	<b>41</b>
<b>Table 17: Meetings of Board Committees held.....</b>	<b>42</b>
<b>Table 18: Executive Committee .....</b>	<b>43</b>
<b>Table 19: Executive Committee Meetings.....</b>	<b>43</b>
<b>Table 20: Bids awarded.....</b>	<b>49</b>
<b>Table 21: Approved Amended Policies and Frameworks.....</b>	<b>49</b>
<b>Table 22: Documents published on website.....</b>	<b>50</b>
<b>Table 23: Annual performance .....</b>	<b>54</b>
<b>Table 24: Annual performance: MFMA Circular 88 .....</b>	<b>54</b>
<b>Table 25: MTREF .....</b>	<b>86</b>
<b>Table 26: Workforce profile .....</b>	<b>89</b>
<b>Table 27: Employees with disabilities.....</b>	<b>90</b>
<b>Table 28: Employee age analysis .....</b>	<b>90</b>
<b>Table 29: Training Costs .....</b>	<b>92</b>
<b>Table 30: Finance division .....</b>	<b>93</b>
<b>Table 31: SCM.....</b>	<b>93</b>
<b>Table 32: Auditor General findings on Non-compliance.....</b>	<b>98</b>

<b>Figure 1: Mission .....</b>	<b>23</b>
<b>Figure 2: Values.....</b>	<b>24</b>
<b>Figure 3: Organisational Structure.....</b>	<b>25</b>
<b>Figure 4: <i>Revenue for 2023/24</i>.....</b>	<b>29</b>
<b>Figure 5: Capital Expenditure .....</b>	<b>30</b>

<b>Registered Name of State-Owned Company</b>	CENTLEC (SOC) Ltd
<b>Company Registration Number</b>	2003/011612/30
<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	Electricity Distribution
<b>Chief Executive Officer (CEO)</b>	M.S Sekoboto
<b>Chief Financial Officer (CFO)</b>	Z.S.N Williams
<b>Directors</b>	M.C Mokitlane (Chairperson) M.B Mfanta (Deputy Chairperson) D.R Barlow M.A Mopeli G. Mohanoe N.T Baloyi
<b>Registered Office</b>	30 Rhodes Avenue Oranjesig Bloemfontein 9301
<b>Business Address</b>	30 Rhodes Avenue Oranjesig Bloemfontein 9301
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<b>Contact Number</b>	+27(51) 412 2613
<b>E-mail Address</b>	<a href="mailto:ceo@centlec.co.za">ceo@centlec.co.za</a>

**Website**

[www.centlec.co.za](http://www.centlec.co.za)

**Controlling Company**

Mangaung Metropolitan Municipality

**Bankers**

ABSA

**Auditors**

Auditor-General of South Africa (AGSA)

**Company Secretary**

K.C Tsitsi

**Attorneys**

Rampai Attorneys  
Raynard and Associates Inc  
Tshangana Attorneys



## **COMPANY SECRETARY'S CERTIFICATE TO THE SHAREHOLDERS OF CENTLEC (SOC) LTD**

In accordance with the provisions of the Companies Act 71 of 2008, the Company Secretary of CENTLEC (SOC) Ltd, confirms that:

For the reporting period ending 30 June 2024, the company has submitted all returns and notices prescribed by the Act, to the Commissioner of the Companies and Intellectual Property Commission (CIPC) all such returns and notices prescribed by the Act, were accurate, correct, and up to date.



**K.C TSITSI**

**COMPANY SECRETARY OF CENTLEC (SOC) Ltd**

**Date: 30 November 2024**

## **CHIEF EXECUTIVE OFFICER'S QUALITY CERTIFICATION**

I, Malefane Sekoboto, CEO of CENTLEC (SOC) Ltd, confirms that:

The Annual Report for the 2023/24 financial year has been prepared in accordance with the Municipal Systems Act 32 of 2000) and the Municipal Finance Management Act 56 of 2003 (MFMA) and regulations made under these Acts.



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**M.S SEKOBOTO**  
**CHIEF EXECUTIVE OFFICER**

**Date: 30 November 2024**

## **Legislation Covering Financial and Administrative Management:**

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- 1) The Constitution of the Republic of South Africa 1996 (Act 108 of 1996).
- 2) Basic Conditions of Employment Act (Act 15 of 1997 and regulations thereto).
- 3) Labour Relations Act (Act 66 of 1995).
- 4) South African Bargaining Council Main Collective Agreement 2015/2020.
- 5) Occupational Health and Safety Act (Act 85 of 1993 and regulations thereto).
- 6) Companies Act (Act 71 of 2008, Chapter 8 and regulations thereto).
- 7) Municipal Finance Management Act (Act 56 of 2003 and regulations thereto).
- 8) Municipal Systems Act (Act 32 of 2000 and regulations thereto).
- 9) Value Added Tax Act (Act 84 of 1991).
- 10) Electricity Regulations Act (Act 4 of 2006).
- 11) National Energy Regulator Act (Act 40 of 2004).
- 12) King III Code of Corporate Governance (until April 2017).
- 13) King IV Report on Corporate Governance for South Africa, 2016 (effective from April 2017).
- 14) NRS048 – 2:2003, second edition, Electricity Supply – Quality of Supply.
- 15) NRS047 – 1:2005, third edition, Electricity Supply – Quality of Service.
- 16) Supply Chain Management: A Guide for Accounting Officers of Municipalities and Municipal Entities, October 2005.
- 17) National Key Point Act (Act 102 of 1980 and regulations thereto).
- 18) Employment Equity Act (Act 55 of 1998 and regulations thereto).
- 19) Municipal Structures Act (Act 117 of 1998 and regulations thereto).
- 20) Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993 and regulations thereto).
- 21) Unemployment Insurance Act (Act 63 of 2001 and regulations thereto).
- 22) Promotion of Administrative Justice Act (Act 3 of 2000).
- 23) Skills Development Act (Act 97 of 1998 and regulations thereto).
- 24) Broad-based Black Economic Empowerment Act (Act 53 of 2003).
- 25) Cross-boundary Municipalities Laws Repeal and Related Matters Act (Act 23 of 2005).
- 26) Municipal Fiscal Powers and Functions Act (Act 12 of 2007).
- 27) Intergovernmental Fiscal Relations Act (Act 97 of 1997).
- 28) Intergovernmental Fiscal Regulations Framework.
- 29) And other applicable legislations.

**Table 1: Abbreviations/acronyms:**

Abbreviation/Acronym	Explanation/Description
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AET	Adult Educational Training
ARPL	Artisan Recognition of Prior Learning
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CUT	Central University of Technology
DEA	Department of Environmental Affairs
EDI	Electricity Distribution Industry
EM	Executive Manager
EPMDS	Employee Performance Management and Development System
EME	Emerging Micro Enterprise
EXCO	Executive Committee
EWDs	Employees With Disabilities
GM	General Manager
GRAP	Generally Recognised Accounting Practices
HDI	Historically Disadvantaged Individuals
ICT	Information and Communication Technology
IDP	Integrated Development Plan
ISUPG	Informal Settlements Upgrading Partnership Grant
INEP	Integrated National Electrification Programme
KPA	Key Performance Area
KPI	Key Performance Indicator
KRA	Key Result Area
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MFP	Municipal Finance Planning
MMM	Mangaung Metropolitan Municipality

Abbreviation/Acronym	Explanation/Description
MTREF	Medium-Term Revenue and Expenditure Framework
NERSA	National Energy Regulator of South Africa
PMR	Professional Marketing Research
PMS	Performance Management System
POE	Portfolio of Evidence
RED	Regional Electricity Distributor
REMCO	Human Resources and Remuneration Committee
SALGA	South African Local Government Association
SAWMU	South African Municipal Workers Union
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SHREQ	Safety, Health, Risk, Environment and Quality
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
USDG	Urban Settlements Development Grant
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

**Table 2: Glossary**

<b>Accessibility indicators:</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
Accountability documents:	Documents used by executive authorities to provide <i>“full and regular”</i> reports on the matters under their control to Parliament and provincial legislatures as mandated by the Constitution (1996). These include plans, budgets, in-year, and Annual Reports.
Activities:	The processes or actions that use a variety of inputs to generate the intended outputs and ultimately, outcomes. Essentially, activities describe <i>“what we do”</i> .
Adequacy indicators:	The quantity of input or output relative to the need or demand.
Annual Report:	A report to be prepared and submitted annually in accordance with the regulations set out in Section 121 of the Municipal Finance Management Act (MFMA, 2003). This report must include the annual financial statements as submitted to, and approved by, the Auditor-General South Africa (AGSA).
Annual Financial Statements	The Annual Financial Statements (AFS) of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline:	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service:	Municipal services that are essential for ensuring an acceptable and reasonable quality of life for citizens within that specific area. If these services are not provided, it may endanger public health and safety or the environment.
Budget year:	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators:	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators:	The distribution of capacity to deliver services.



<b>Accessibility indicators:</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
General Key Performance Indicators (KPIs):	After consultation with Members of the Executive Council (MECs) for local government, the Minister may prescribe general KPIs that are appropriate and applicable to local government in general.
Impact:	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs:	All the resources that contribute to the production and delivery of outputs. Inputs are <i>"what we use to do the work"</i> . They include finances, personnel, equipment, and buildings.
Integrated Development Plan (IDP):	Sets out municipal goals and development plans.
National Key Performance Areas (KPA's):	<ul style="list-style-type: none"> <li>• Service delivery and infrastructure.</li> <li>• Economic development.</li> <li>• Municipal transformation and institutional development.</li> <li>• Financial viability and management.</li> <li>• Good governance and community participation.</li> </ul>
Outcomes:	Medium-term results for specific beneficiaries as a consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives as set out in its plans. Outcomes are <i>"what we wish to achieve"</i> .
Outputs:	Outputs are the final products, or goods and services produced for delivery. Outputs may be defined as <i>"what we produce or deliver"</i> . Outputs are defined as concrete achievements (i.e. such as a passport, a presentation, immunisation, or a service such as processing an application) that contribute to the achievement of a Key Result Area (KRA).

<b>Accessibility indicators:</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
Performance indicator:	Indicators should be clearly defined to measure performance in relation to input, activities, outputs, outcomes, and impacts. An indicator is a form of information used to assess the degree to which an output has been accomplished (such as a policy developed, a presentation delivered, or a service provided).
Performance information:	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with 'performance measure'.
Performance standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this Employee Performance Management and Development System (EPMDS), performance standards are divided into indicators and the time factor.
Performance targets:	The level of performance that municipalities and their employees strive to achieve. Performance targets are based on current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service delivery and budget implementation plan:	A detailed plan approved by the mayor for implementing the municipality's delivery of services. This includes projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

<b>Accessibility indicators:</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>Vote:</b>	<p>One of the main segments into which a municipality's budget is divided for the appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount appropriated for a specific department or functional area.</p> <p>Section 1 of the MFMA (2003) defines a "vote" as:</p> <ul style="list-style-type: none"> <li><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></li> <li><i>b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></li> </ul>

## CHAPTER 1: FOREWORD AND EXECUTIVE SUMMARY

### 1.1 Foreword by the Chairperson of the Board



**M.C MOKITLANE**

**THE CHAIRPERSON OF THE BOARD**

The Mangaung Metropolitan Municipality (MMM) Council appointed a new board, effective from the 1st November, 2023 and granted me the honour of serving as the Chairperson of the Board. We have been actively serving for eight months and despite the previous absence of a Board of Directors, which posed some challenges, we are now fully operational and committed to steering the Company towards a prosperous future.

Our Board comprises seven dedicated Directors, including three women and four men, each bringing diverse expertise. At the time of the initial appointment one director (female) declined the appointment.

This report, while not covering the full financial year of 2023–2024, highlights our initial activities and the progress we've made. Our first meeting on the 7th November, 2023, focused on orienting the Board with the company's operations and structure. The CEO's presentation reassured us of the Company's resilience and ability to deliver its services effectively.

On the 1st December, 2023, the Institute of Directors South Africa (IoDSA) provided additional orientation to enhancing our governance skills. Additionally, the Auditor-General South Africa (AGSA) presented the Company's audit results for 2022–2023, giving us a comprehensive understanding of its financial health and strategic performance.

To ensure compliance with best practise and good corporate governance principles:

- The Shareholder appointed an Audit & Risk Committee.
- We have reviewed and aligned the company's strategic direction for the 2024–2025 fiscal year, and our new strategy is now in place.
- We also appointed a Company Secretary on the 2nd January 2024, to further enhance our operations and administrative efficiencies.
- To ensure effective governance, we established the following Board Committees with a majority of independent non-executive members, including independent Chairpersons for each committee. These Board committees operate with clear terms of reference, performing their duties with professionalism and efficiency:
  - ICT Governance and Engineering Committee
  - Governance Committee

- Finance Committee
  - HR & Remuneration Committee; and
  - Social and Ethics Committee
- We have recently made significant improvements to our Internal Audit Department, in order to strengthen our internal controls, providing independent assurance and enhance our governance practices.
  - This company culture has also seen positive developments, with a stronger trust relationship between the Board and Executive Management.
  - As part of our revised retention strategy, our staff morale is high, and many key employees are dedicated to our long-term vision and strategy.
  - We have actively engaged with our various stakeholders as part of our renewed strategy and commitment to our organization.

The Company is operating in rapidly changing environment due to innovative developments in the field of energy generation, transmission and distribution. CENTLEC is facing significant challenges including profitability, retaining current clients, expanding its client base, diversifying energy sources, recovering debts (especially from the government), managing Eskom electricity cost, and billing of clients accurately.

The Board of CENTLEC, the Shareholder, and employees are aware of these challenges. The 2024/25 strategic plan includes operational initiatives aimed at addressing these issues, e.g. working together with the shareholder municipality and the Free State government to expand its service area beyond the Mangaung Metropolitan Municipality and diversifying energy generation. The view of the Board is that these actions will enhance the Company's income generation sees a bright future ahead.

I would like to express my gratitude to the Mangaung Metropolitan Municipality (MMM) Council, my fellow Board Members, the Chairpersons and Members of the different Board Committees, the CEO, his Executive Management, the rest of our dedicated staff, and all our different stakeholders for their guidance and support.



**CHAIRPERSON OF THE BOARD**  
**M.C MOKITLANE**



## 1.2 Overview by the Chief Executive Officer

**M.S SEKOBOTO**

**CHIEF EXECUTIVE OFFICER**



### Introduction

CENTLEC (SOC) Ltd, has made significant progress in fulfilling its mission of enhancing electricity access and driving socio-economic upliftment during the 2023/2024 financial year. The Company's unwavering commitment to community care and customer-centricity has been instrumental in its achievements.

The large tariff increases awarded to Eskom impacting CENTLEC's customers and are likely changing consumption patterns. Additionally, the discrepancy between the tariff increases awarded to Eskom and those awarded to municipalities for their electricity sales is negatively impacting CENTLEC's margins. Addressing this complex interplay is pivotal to our strategic plan to ensure financial sustainability and customer satisfaction. Furthermore, the ongoing challenges related to infrastructure vandalism present a significant threat to the infrastructure integrity of CENTLEC.

### Alignment with Strategic Pillars and Objectives

Moving forward CENTLEC has focused its strategy on two primary pillars: Securing Supply and Securing Revenue. To reinforce these pillars, the Company has identified three key strategic imperatives, namely: improving grid functionality, securing funding, and implementing systems to support personnel within the organisation. The past year, CENTLEC embarked on the implementation of the Integrated Development Plan (IDP) in alignment with the Mangaung Metropolitan Municipality's agenda, marking a pivotal period for the Company. The Company's five-year Business Plan, Business Strategy, Service



Delivery and Budget Implementation Plan (SDBIP), and budget were carefully developed to support the IDP's strategic goals and service delivery targets.

## **Community Engagement**

CENTLEC has been expanding its outreach programs and engaging with communities through ward initiatives, community radio stations and social media to raise effective awareness campaigns.

## **Infrastructure Upgradation**

The Company has started the critical prepayment meter software upgrade for TID (Token Identifier), which is set to expire in November 2024. This upgrade will ensure continuous service and customer satisfaction. The TID rollover or upgrade of the prepayment meter software began in Naledi (Dewetsdorp, Wepener and Vanstadensrus) on the 1st of June 2023 and was successfully completed. The progress will continue in other towns within the CENTLEC area of supply to upgrade all prepayment meters before November 2024. Although CENTLEC has significant progress in various capital programs, the infrastructure is ageing, leading to CENTLEC facing infrastructure backlogs.

## **Service Delivery**

CENTLEC has completed the electrification of 479 household connections, improved electricity supply through infrastructure maintenance, and enhanced community safety by installing 42X20m Solar and 25X40m high mast lights. This initiative aligns with global efforts to reduce reliance on traditional power sources and embrace renewable alternatives. To reduce the current backlog and expedite an infrastructure refurbishment program, more investment is needed in this area. This will help CENTLEC in its effort to cut losses and improve the performance of its infrastructure. To enhance the Company's ability to distinguish between planned and unplanned maintenance, a significant investment is needed for the Bulk Infrastructure Replacement Programme. CENTLEC achieved mixed results in the delivery of services to the communities that it serves. It is important to note that increased load shedding

has greatly impacted electricity restoration times and has put a strain on the ageing infrastructure.

## **Human Capital Development**

The Company has invested in employee development through Adult Educational Training (AET), twenty-five (25) employees and Artisan Recognition of Prior Learning (ARPL), sixty-six (66) employees enrolled in both programmes. Additionally, the Company has partnered with the Central University of Technology (CUT) where thirty-seven (37) students have been placed under Work Integrated Learning (WIL) programs to build a skilled and competent future workforce. CENTLEC, in partnership with the Central University of Technology, successfully upskilled ten (10) employees through higher certificate programs in renewable energy, and secured an EWSETA grant to enrol an additional thirty (30) employees in similar programs for the 2024/25 financial year.

## **Challenges and Mitigation**

CENTLEC has faced significant challenges, including rampant cable theft, vandalism, and illegal connections, which have impacted revenue, service delivery, and public safety. The Company has taken measures to mitigate these challenges, such as implementing increased security, revenue enhancement initiatives, and community awareness campaigns. The Company has also collaborated with community police forums (CPFs) and South African Police Services (SAPS).

## **Financial Performance**

Despite facing revenue challenges such as decreased bulk energy purchases and prepaid sales, CENTLEC demonstrated financial resilience through effective cost control and revenue optimisation. The Company's commitment to sustainable operations ensured financial stability. The amount owed by government departments and public entities continues to rise, which is a cause for concern. CENTLEC continues to collaborate with the parent municipality's Revenue management division to intensify collection efforts and ensure that

collection levels are met. The Revenue Enhancement Project positively impacted 145 325-meter audits conducted throughout the period under review. The recorded meter billing ratio for the FY2023/24 on our Large Power Users was 99.3% against a target of 98%. Collection rate was 107.7% surpassing the 95% threshold.

### **Outlook and Appreciation**

CENTLEC remains steadfast in its commitment to improving electricity access, promoting socio-economic upliftment, and providing outstanding customer service. Building on the accomplishments of the past year, the Company will continue to invest in infrastructure, improve service delivery, and enhance community partnerships.

I would like to express my sincere appreciation to the Mangaung Metropolitan Municipality, the Board of Directors, the CENTLEC Executive Management Team, and all employees for their unwavering support and dedication. The success we have achieved would not have been possible without their collective efforts. The 2023/2024 financial year has been a period of significant progress for CENTLEC. Despite challenges, the Company has shown resilience, innovation, and a strong commitment to its mission. With a focused approach and the support of stakeholders, CENTLEC is poised to achieve even greater heights in the coming years.



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**CHIEF EXECUTIVE OFFICER**

**M.S SEKOBOTO**

## Vision

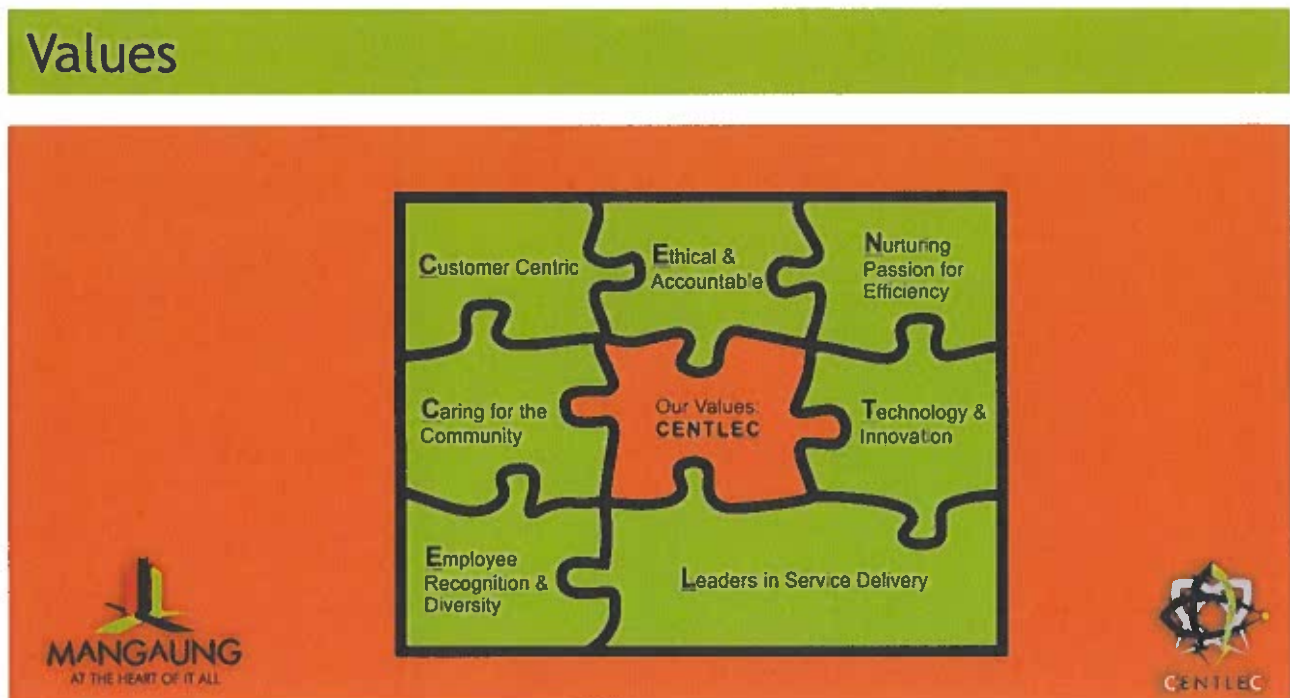
**“To be a reliable energy utility of choice that enables social and economic upliftment”.**

### 1.3 Mission



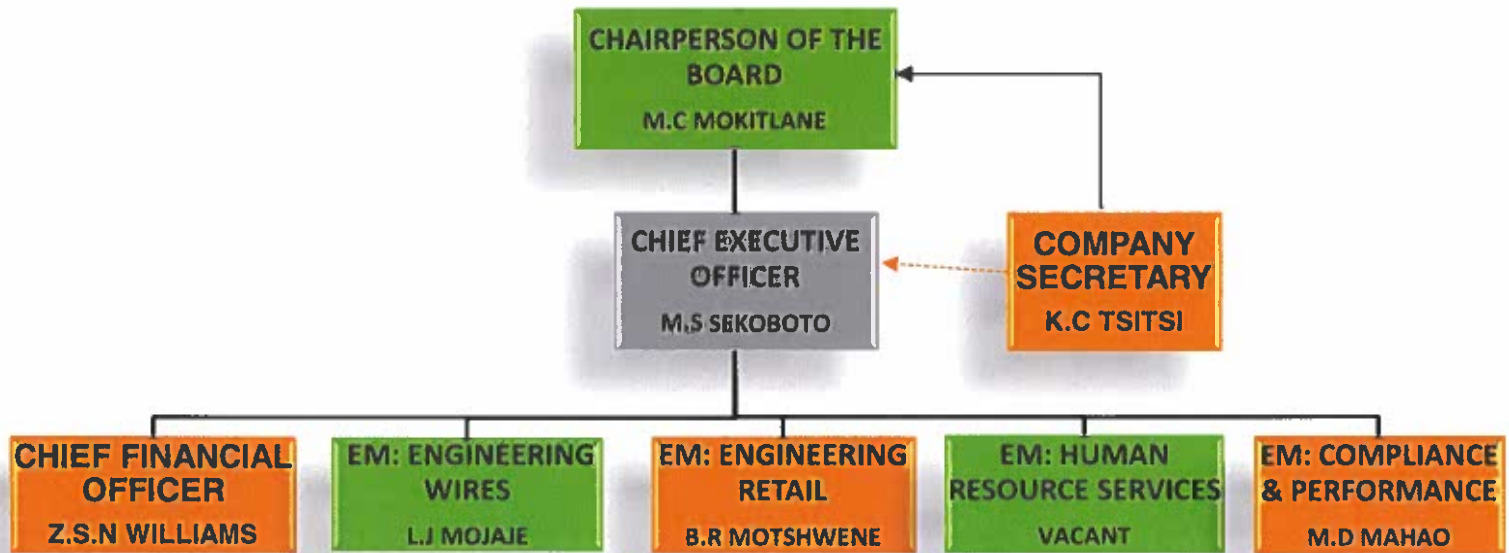
**Figure 1: Mission**

## 1.4 Values



**Figure 2: Values**

## 1.5 CENTLEC's Organisational structure as at June 2024



**Figure 3: Organisational Structure**



## **1.6 Legal requirements**

In terms of Section 121(1) of the MFMA (2003), *“every municipality and every municipal entity must prepare an annual report for each financial year. The Council of a municipality must, within nine months after the end of a financial year, deal with the annual report of the municipality and of any municipal entity under the Municipality’s sole or shared control in accordance with Section 129”*. In compliance with Section 45(1)(b) of the Municipal System Act the results of performance measurements in terms of Section 41(1)(c) must be audited annually by the AGSA.

## **1.7 Purpose of an Annual Report**

In terms of Section 121(2) of the MFMA, the purpose of an annual report is:

- a) *to provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;*
- b) *to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and*
- c) *to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.*

## **1.8 Scope of report**

This annual report covers CENTLEC (SOC) Ltd’s governance, financial performance, service delivery, and environmental, broader economic and overall sustainability performance information for the financial year 2023/2024. It provides an account of the Company’s progress as at the end of June 2024 and offers a forward-looking perspective in terms of future plans and value-generating strategies.

## **1.9 Functions, population, and service delivery overview**

The Company is mandated to provide electricity services to all its customers. As the electricity distribution service provider of the MMM, the Company’s core competency is to purchase, distribute and sell electricity within its geographical footprint.

CENTLEC (SOC) Ltd was established as a fully owned Company by MMM in terms of the Municipal Systems Act (Act 32 of 2000) and the Companies Act, (Act 71 of 2008).

- **Electricity distribution/energy services:** The Company distributes electricity to Mangaung and Kopanong municipalities by purchasing its energy from Eskom at 21 supply points in 15 towns in the southern Free State and the Mangaung supply area.
- **Construction of electrical networks:** All new electrification networks and the upgrading of existing networks is managed by the Company's design and construction Sections. Additional capacity is obtained through the supply chain processes and the appointment of private companies.
- **Operation, maintenance, and extension of networks:** The maintenance of electricity distribution networks form a large part of the Company's operations. A 24-hour standby service ensures that customers are not inconvenienced by long power outages. Ongoing evaluation of existing networks is performed to detect any overloading or failure, and this is addressed through upgrading and/or extension of the network.
- **Metering, pre-payment vending and billing services:** Modern metering systems are used to measure different categories of customers. We offer pre-payment and credit metering options. Extensive pre-payment vending facilities are available to customers ensuring convenience and availability. Credit meter reading and billing has been done in-house.

The Company serves approximately 187 061 active consumers within Mangaung Metropolitan Municipality (MMM), ranging from domestic to commercial and industrial properties, as detailed below. For Southern Free State the total number of active customers is 9 511.

**Table 3: Customer tariff group**

Tariff Group: 2023/24	Number of Consumers		
	MMM	Kopanong Local Municipality	Total
INDIGENT	39 708	2375	42 083
INCLINING BLOCK	142 810	6 726	149 536
FLAT RATE BUSINESS	2 690	322	3 012
BULK RESELL 2	32	0	32
BULK RESELL 3	182	2	184
DEPARTMENTAL TOU	7	3	10
COMFLEX - SINGLE PHASE	60	8	68
COMFLEX - THREE PHASE	641	43	684
ELECFLEX 1	3	0	3
ELECFLEX 2	169	5	174
ELECFLEX 3	557	15	572
HOMEFLEX - SINGLE PHASE	23	2	25
HOMEFLEX - THREE PHASE	172	8	180
SPORT STADIUMS	7	2	9
<b>TOTAL</b>	<b>187 061</b>	<b>9 511</b>	<b>196 572</b>

### 1.10 Financial health overview

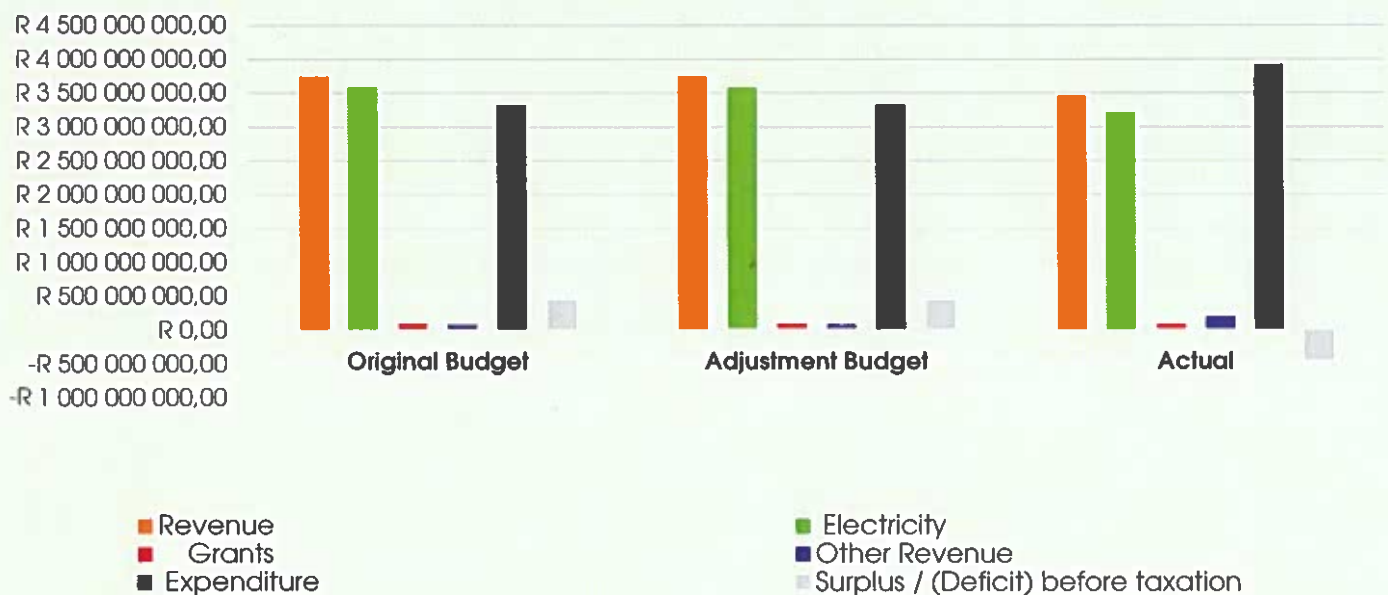
Although the Company has been able to honour its financial commitments, financial viability remains one of the major challenges faced by municipalities and municipal entities. The main challenges that have an impact on the financial viability of the Company are:

- Debt collection.
- Low revenue growth.
- Above-inflation increase in bulk purchases.
- Distribution losses (mainly due to theft).
- Cable theft.
- High unemployment.

**Table 4: Financial health summary**

Details	Original Budget		Adjustment Budget		Actual	Variance	%
	( R )	%	( R )	%	( R )	(Adjt. Budget less Actual)	
	2023/24		2023/24		2023/24		
Revenue	3 734 008 709	100%	3 734 008 709	100%	3 461 068 026	272 940 683	8%
Electricity	3 578 588 912	96%	3 578 588 912	96%	3 203 117 429	375 471 483	12%
Grants	83 000 000	2%	83 000 000	2%	72 173 913	10 826 087	15%
Other Revenue	72 419 797	2%	72 419 797	2%	185 776 684	- 113 356 887	-61%
Less:	3 424 898 909	100%	3 424 898 909	100%	3 916 689 473	- 491 790 564	-13%
Expenditure	3 435 076 590	100%	3 435 076 590	100%	3 913 535 257	- 478 458 667	-12%
Profit / (Loss) on disposal of assets	- 9 792 900	0%	- 9 792 900	0%	3 309 984	- 13 102 884	-396%
Inventories losses / write-downs	- 384 781	0%	- 384 781	0%	- 155 768	- 229 013	147%
Surplus / (Deficit) before taxation	309 109 800	9%	309 109 800	9%	- 455 621 447	764 731 247	-168%

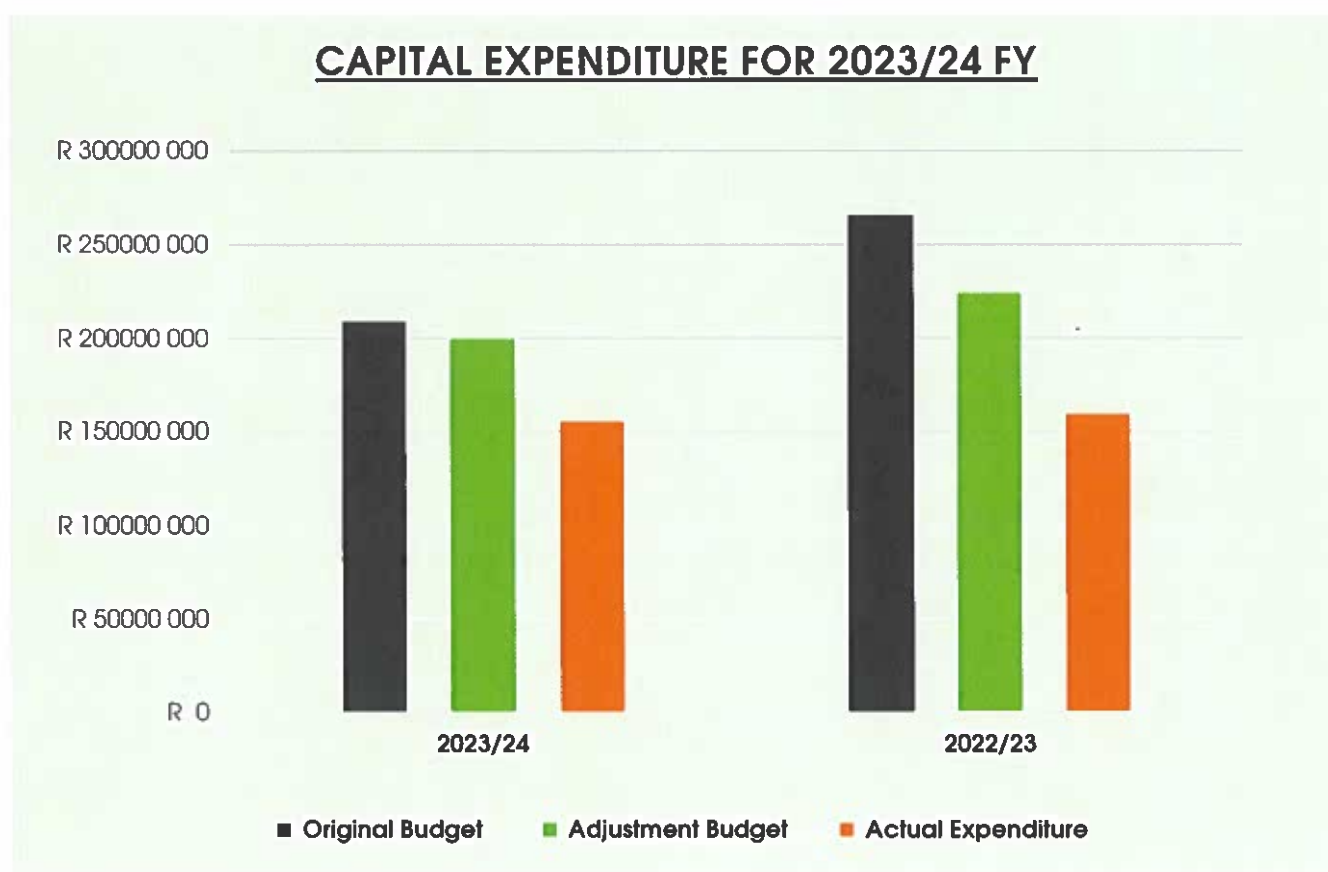
### REVENUE FOR 2023/24 FY



**Figure 4: Revenue for 2023/24**

**Table 5: Capital Expenditure**

Details	Capital Expenditure	
	2023/24	2022/23
Original Budget	R 208 693 446	R 265 225 272
Adjustment Budget	R 199 109 800	R 223 590 966
Actual Expenditure	R 155 271 306	R 158 939 804



**Figure 5: Capital Expenditure**

## CHAPTER 2: GOVERNANCE

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### 2.1. Intergovernmental Relations Recipients

#### 2.1.1. *Introduction to co-operative governance and intergovernmental relations*

CENTLEC (SOC) Ltd management understands the importance of good governance in ensuring effective service delivery. They are committed to doing the right thing in the right way, with a focus on being timely, participatory, inclusive, open, and accountable.

In terms of co-operative governance, guidance is provided through structures and forums established in accordance with the Intergovernmental Fiscal Relations Act (Act 97 of 1997) and the Intergovernmental Fiscal Regulations Framework. Service delivery aligns with national KPAs, which ultimately becomes municipal KPAs and eventually KPIs.

- National intergovernmental structures:  
The Company participates in national forums, which helps in properly allocating resources to address service backlogs.
- Provincial intergovernmental structure:  
The Company entered into service delivery agreements with one (1) neighbouring municipality for electricity distribution and maintenance, improving service delivery to communities.
- Relationships with the parent municipality:  
Effective functioning of a well-organised organised interactive governance arrangement that promotes consultation, deliberation, design and co-delivery amongst the key stakeholders in the governance of the Company is essential for co-creating and co-producing outcomes that are in the Company's interest.

Decisions are made by the Board, IDP programmes and interventions from municipalities, along with the allocated budget to execute these decisions.



Performance agreements are entered into with all executive managers in line with the SDBIP, which forms part of the municipal SDBIP. The progress and performance of these executive managers are reported on a monthly and quarterly basis in accordance with Section 87 of the MFMA.

Policies of the Company are aligned with those similar policies of MMM.

- Intergovernmental structures:

The South African Local Government Association (SALGA) Provincial Office plays a vital role in ensuring that regular meetings are held, including local and district municipalities, to enhance service delivery co-ordination.

## **2.2. Public accountability and participation**

### **2.2.1. Overview**

In terms of Section 15(1) and (2)(b) of the Municipal System Act (Act no. 32 of 2000), a municipality is mandated to create and review by-laws as needed. Section 16(1)(a)(i) of the Municipal System Act (Act 32 of 2000) requires a municipal entity to establish a system of governance that complements formal representative governance with a system of participatory governance. In view of this, the Company participates in the following activities:

- IDP meetings.
- Performance management monthly reporting.
- Community participation in the budget process.
- Planning tribunal

Provision is made in terms of the budget to execute Section 16(1)(c) of the Municipal System Act (2000). Section 18(1)(d) of the Municipal System Act (2000) requires the municipality to provide the community information about municipal governance, management, and development. The Company fulfils this requirement through various public meetings held with the community.

### **2.2.2. Public meetings**

In terms of Section 152(1)(e) of the Constitution, one of the objects of local government is to encourage the involvement of the communities and community-based organizations in the local government matters.

Furthermore, chapter 4 of the Municipal Systems Act deals with community participation. According to the Systems Act, the municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

In response to the constitutional and legislative imperatives outlined above, various Public Participation activities, listed below, were undertaken during the 2023/24 financial year:

- Mangaung Social Compact Imbizo;
- Crime Prevention Imbizo with the SAPS;
- Social Compact Imbizo;
- Token Identifier (TID) consultation meeting with Councilors and Ward Committees in their respective wards.

In addition, Section 18 of the Act further encourages communication of information concerning public participation while Section 21 outlines the different ways in which communications to the local community can be undertaken.

Various radio interviews were conducted during the 2023/24 financial year focusing, amongst other topics, the following:

- The Spate of cable theft and vandalism within Mangaung;
- Electricity related problems;
- Court case between CENTLEC and a farmer who connected electricity illegally;
- Accident involving two CENTLEC employees;
- Arrest of one of our employees involved in job scamming;
- Tariff Change;
- Token Identifier (TID) Roll-over.

### **2.3. Ethical leadership**

Since its establishment in 2003, the Company has been known for its responsible leadership, characterised by values such as accountability, responsibility, fairness, and transparency. Since the management of the Company is conscious of its impact on society and the economy, it strives to maintain ethical relationships with all stakeholders. In order to ensure that there are consequences for not adhering to these values, the management has taken steps to integrate ethical leadership into the formulation of its strategy. The Company upholds high ethical standards, and the Management leads with effectiveness from a foundation of principles. To foster an ethical culture, the management has implemented procedures and guidelines.

The primary objective of the Company is to be a sustainable entity that takes into account the short- and long-term impacts of its operations on the economy, society, and environment, all while conducting business ethically. When making decisions, the management considers the interests and expectations of its stakeholders and takes appropriate action to align them with the Company's values.

### **2.4. CENTLEC's Board of Directors**

Seven members, with varying skills and experience, were appointed to the Board by the Shareholder. The Board consists of three females and four males. However, one of the new members did not honour her appointment, citing better opportunities that came her way during the intervening period.

The Board meets regularly and retains full control of the Company. The Board remains accountable to MMM (the Company's sole shareholders) and its stakeholders, including the citizens of Mangaung and the other areas where electricity is distributed.

Non-Executive Directors provide an independent perspective on matters under consideration, enhancing the Board's depth of experience. The roles of Chairperson and CEO of the Company are separated, with distinct responsibilities. The Chairperson has no executive functions. Members of the Board have unrestricted access to the Company Secretary, who advises the Board and its committees on matters including

compliance with Company rules and procedures, statutory regulations and best corporate practices.

The Board or any of its members may, under appropriate circumstances and at the expense of the Company, seek advice from independent professionals.

## 2.4.1 Board Members as at 30 June 2024

**Table 6: Board Members**

Initials and Surname	Designation	Race	Gender
M.C Mokitlane	Chairperson	African	Male
M.B Mfanta	Deputy Chairperson	African	Female
D.R Barlow	Non-Executive Director	Coloured	Male
M.A Mopeli	Non-Executive Director	African	Male
G. Mohanoe	Non-Executive Director	African	Female
N.T Baloyi	Non-Executive Director	African	Male

### 2.4.1.1. Duties of Directors

Section 93H of the Municipal System Act stipulates that:

- (1) *The board of directors of a municipal entity must:*
- a) *provide effective, transparent, accountable, and coherent corporate governance, and conduct effective oversight of the affairs of the municipal entity;*
  - b) *ensure that the municipal entity complies with all applicable legislation and agreements;*
  - c) *communicate openly and promptly with the parent municipality of the municipal entity; and*
  - d) *deal with the parent municipality of the municipal entity in good faith.*

### 2.4.1.2. Statement of Compliance

The Board of Directors and Management acknowledge and are dedicated to upholding the principles of transparency, integrity and accountability outlined in the *King IV, Report on Corporate Governance for South Africa, 2016* (effective April

2017). This commitment ensures that the shareholders and other stakeholders are assured that the Company is being managed ethically within prudent risk parameters in line with widely accepted corporate practices. Monitoring the Company's compliance with King IV is part of the Audit and Risk Committee responsibilities. The Company has largely complied with the Code during the year under review, except for instances detailed in the financial statements regarding non-compliance with legislation.

## **2.4.2. Board meetings**

**Table 7 : Board meetings**

Type of meeting	Date	Venue
Special	7 November 2023	CENTLEC (SOC) LTD 30 Rhodes Avenue
Ordinary	24 November 2023	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	30 November 2023	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	10 December 2023	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	12 January 2024	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	26 February 2024	CENTLEC (SOC) LTD 30 Rhodes Avenue
Ordinary	28 February 2024	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	13 March 2024	Virtual
Ordinary	08 May 2024	CENTLEC (SOC) LTD 30 Rhodes Avenue
Special	15 May 2024	CENTLEC (SOC) LTD 30 Rhodes Avenue

### 2.4.3 Board meeting attendance

**Table 8: Board meeting attendance**

Names of Directors	07/11/2023 SPECIAL	24/11/2023 ORDINARY	30/11/2023 SPECIAL	10/12/2023 SPECIAL	12/01/2024 SPECIAL	26/02/2024 SPECIAL	28/02/2024 ORDINARY	13/03/2024	08/05/2024	15/05/2024	Total
M.C Mokitlane (Chair)	✓	✓	✓	✓	✓	✓	✓	Virtual	✓	✓	10/10
M.B Mfanta (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓		✓	x	10/10
G Mohanoe	✓	✓	✓	✓	✓	✓	✓		✓	✓	10/10
M.A Mopeli	✓	✓	✓	✓	✓	✓	✓		✓	✓	10/10
D.R Barlow	✓	✓	✓	✓	✓	✓	✓		✓	✓	10/10
T.N Baloyi	✓	✓	✓	✓	✓	✓	✓		✓	✓	10/10

### 2.4.4 Board Committees

The Board had the following committees during the period under review:

- Audit and Risk Committee;
- Finance Committee;
- Human Resources and Remuneration Committee;
- Social and Ethics Committee;
- ICT and Engineering Committee; and
- Governance Committee.

#### 2.4.4.1 Audit and Risk Committee

The Audit and Risk Committee is a statutory committee mandated in terms of Section 94(7) of the Companies Act 2008, and Section 166 of the Municipal Finance Management Act, 2003. The Committee operates according to its Terms of Reference, which aligned with legislative requirements. The committee is an independent advisory body accountable to both the Board and the shareholders.



The term of Office for the Audit and Risk Committee ended on 30<sup>th</sup> September 2021. However, the Council extended their term in office from 1<sup>st</sup> October 2021 until 31<sup>st</sup> May 2024.

### Audit and Risk Committee

**Table 9: Audit and Risk Committee**

Initials and Surname	Designation	Race	Gender
Adv. M.R Tsupa	Chairperson (Interim)	African	Male
Adv. N.S Ntingane	Member	African	Female
T.M Malakoane	Member	African	Male

The Audit and Risk Committee held meetings as follows during the period under review:

**Table 10: Audit and Risk Committee meeting attendance**

Member	01/08/2023 SPECIAL	30/08/2023 SPECIAL	10/11/2023	30/11/2023 SPECIAL	19/02/2024	12/03/2024 SPECIAL	29/04/2024	15/05/2024 SPECIAL	Total
Adv. N.S Ntingane	√	√	√	√	√	√	√	√	8/8
Adv. M.R Tsupa*	√	√	√	√	√	√	√	√	8/8
T.M Malakoane	√	√	X	x	x	x	x	x	2/8

√ = present

x = apology

The new Audit and Risk Committee consisting of five (5) members was appointed on the 1<sup>st</sup> of June 2024 which will serve for three (3) years.

**Table 11: Audit and Risk Committee (New) as at 30 June 2024**

Initials and Surname	Designation	Race	Gender
Adv. M.R Tsupa	Chairperson	African	Male
Dr. N.C Skeepers	Member	Coloured	Female

Initials and Surname	Designation	Race	Gender
L Langa	Member	African	Male
A Latchu	Member	Indian	Male
M.B Mfanta	Member	African	Female

#### **2.4.4.2 Finance Committee**

The role of the Committee is to assist the Board in fulfilling its responsibility of oversight with respect to all governance aspects including financial management and financial accounting. This includes overseeing CENTLEC (SOC) Ltd's financial position, financing plans and programmes, cash management, investment management, employee retirement plans, insurance management and reviewing of financial and procurement policies.

**Table 12: Finance Committee**

Initials and Surname	Designation
D.R Barlow	Chairperson
N.T Baloyi	Member
M.B Mfanta	Member
CEO	Invitee
CFO	Invitee

#### **2.4.4.3 Human Resources and Remuneration Committee**

The role of the Committee is to assist the Board in ensuring that the Company remunerates Directors and Executives fairly and responsibly and that the disclosure of Directors and remuneration is accurate, complete, and transparent.

**Table 13: Human Resources and Remuneration Committee**

Initials and Surname	Designation
M.A Mopeli	Chairperson
N.T Baloyi	Member
D.R Barlow	Member
CEO	Invitee
CFO	Invitee
Executive Manager: Human Resources	Invitee

#### **2.4.4.4 Social and Ethics Committee**

The role of the committee is to assist the Board with oversight of social and ethical matters and to ensure that members of the Board members and Company employees adhere to the established Code of Conduct. This includes adherence to Schedule 1 and 2 of Municipal Systems Act, No. 32 of 2000, as amended, the Municipal Finance Management Act, No. 56 of 2003, and any other relevant legislation, as well as good governance principles as outlined in the King IV™, report on corporate governance for South Africa 2016 (effective April 2017).

**Table 14: Social and Ethics Committee**

Initials and Surname	Designation
G. Mohanoe	Chairperson
M.A. Mopeli	Member
M.C. Mokitlane	Member
CEO	Invitee
CFO	Invitee

#### **2.4.4.6. ICT and Engineering Committee**

The role of the Committee is to oversee the implementation, monitoring, and review of CENTLEC (SOC) Ltd's policies, procedures, practices, and guidelines aimed at meeting the Information and Communication Technology (ICT) and Engineering requirements as stipulated in the Terms of Reference.

**Table 15: ICT and Engineering Committee**

Initials and Surname	Designation
M.B Mfanta	Chairperson
G. Mohanoe	Member
N.T Baloyi	Member
CEO	Invitee
CFO	Invitee

#### **2.4.4.7. Governance Committee**

The Committee's responsibility is to oversee the implementation, monitoring, and review of CENTLEC (SOC) Ltd policies, procedures, practices, and guidelines to meet the legislative requirements.

**Table 16: Governance Committee**

Initials and Surname	Designation
D.R Barlow	Chairperson
G. Mohanoe	Member
M.C. Mokitlane	Member
CEO	Invitee
CFO	Invitee

#### 2.4.4.8 Meetings of Board Committees

The Board Committees held meetings on the dates listed below during the period under review:

**Table 17: Meetings of Board Committees held**

Committee	No. of meetings	Dates of meetings
<b>Audit and Risk</b>	8	01 August 2023
		30 August 2023
		10 November 2023
		30 November 2023
		19 February 2024
		12 March 2024
		29 April 2024
		15 May 2024
<b>Finance</b>	5	10 January 2024
		15 February 2024
		11 March 2024
		18 April 2024
		15 May 2024
<b>Human Resource and Remuneration Committee</b>	4	09 February 2024
		26 February 2024
		22 April 2024
		21 June 2024
<b>Social and Ethics Committee</b>	2	16 February 2024
		19 April 2024
<b>ICT and Engineering Committee</b>	2	13 February 2024
		17 April 2024
<b>Governance Committee</b>	2	13 February 2024
		25 April 2024

#### 2.4.4.9 Board decision-making

Section 66(1) of the Companies Act of 71 of 2008 states that the business and affairs of a Company must be managed by or under the direction of its Board which has the authority to exercise all the powers and perform any of the Company

functions, except as provided otherwise in this Act or the Company's Memorandum of Incorporation.

In addition, clause 5.10 of the Memorandum of Incorporation provides guidance on meetings in relation to the business of the Company.

## 2.5. Administrative Governance

The Company's administration is divided into several functional areas, including the Office of the CEO, Office of the Company Secretary, Human Resources, the Office of the CFO, Engineering: Wires, Engineering: Retail, and Performance and Compliance. The Company has a total of 793 staff members. The Chief Executive Officer leads the entire administration and is accountable to the Board of Directors.

### 2.5.1 The Executive Committee

The Chief Executive Officer and the Executive Management Team constitutes the Executive Committee of the Company. The following individuals were members of the Executive Committee during the reviewed period:

**Table 18: Executive Committee**

Initials and surname	Designation	Race	Gender
M.S Sekoboto	CEO	African	Male
K.C Tsitsi	Company Secretary	African	Male
M.G Molemela	Acting EM: Human Resources	African	Female
Z.S.N Williams	CFO	Coloured	Female
L.J Mojaje	EM: Engineering Wires	African	Male
B.R Motshwene	EM: Engineering Retail	African	Female
M.D Mahao	EM: Compliance & Performance	African	Male

#### 2.5.1.1 Executive Committee Meetings

The Executive Committee held various meetings during the year under review.

**Table 19: Executive Committee Meetings**

Type of meeting	Date	Representative(s)
Extended EXCO	24 July 2023	As per attendance
Extended EXCO	18 August 2023	As per attendance



Type of meeting	Date	Representative(s)
Special EXCO	29 August 2023	As per attendance
Extended EXCO	17 October 2023	As per attendance
Extended EXCO (Continuation)	25 October 2023	As per attendance
Special Extended EXCO	8 November 2023	As per attendance
Extended EXCO	23 November 2023	As per attendance
Extended EXCO	28 November 2023	As per attendance
Special Extended EXCO	9 January 2024	As per attendance
Extended EXCO	24 January 2024	As per attendance
Special Extended EXCO	6 March 2024	As per attendance
Extended EXCO	5 April 2024	As per attendance
Extended EXCO continuation	9 April 2024	As per attendance
Special Extended EXCO	22 April 2024	As per attendance
Extended EXCO	16 May 2024	As per attendance
Extended EXCO	4 June 2024	As per attendance

### **2.5.2 Remuneration**

Independent Audit and Risk Committee members' fees are paid in accordance with the council's approved fee structure. Non-Executive Directors were paid R 1 138 301 in remuneration, while Executive Management received R 10 614 628. In addition R 279 095 was paid to officials as acting allowances. See Note 45 and 28 respectively in the Annual Financial Statements for details.

### **2.5.3 Corporate Governance**

The Board of Directors has adopted a Board Charter, which includes matters of ethics, procedure and conduct of members. The charter is aligned with the Mangaung Metropolitan Municipality (MMM) Charter. Registers are maintained and updated on the disclosure and declaration of interests of Directors and Senior Management. The Board and Senior Management ensure full compliance with all relevant legislation. The Company's Secretary has certified that all statutory returns were submitted to the Companies and Intellectual Property Commission (CIPC) in accordance with Section 268(d) of the Companies Act (Act of 2008).

The Board of Directors subscribes to the MMM corporate governance protocol which, regulates its relationship with MMM as its sole shareholders and parent municipality to ensure good corporate governance and ethical practices.

The Company's practices largely align with the principles outlined in the *King IV Report on Corporate Governance for South Africa, 2016* (effective April 2017). The Board continually reviews the Company's progress to ensure improvements in corporate governance. During the review period, the Company entrenched its risk management reviews. Reporting and compliance assessments were carried out in accordance with the Companies Act (2008) and the MFMA (2003).

#### **2.5.4 Corporate citizenship**

The Board and Executive Management acknowledge that the Company operates within a political framework. Therefore, it has a social and moral role in society, along with accompanying responsibilities. The Board is therefore accountable for ensuring that the Company safeguards, enhances, and invests in the well-being of the economy, society, and the natural environment. It should also conduct its activities within the limits of social, political, and environmental responsibilities outlined in the international conventions on human rights. The Board has established a Social and Ethics Committee tasked with ensuring that the Company strives to be a good corporate citizen.

#### **2.5.5 Compliance with laws, rules, codes, and standards**

The Board and Management are responsible for ensuring that the Company complies with relevant laws and considers adhering to non-binding rules, codes, and standards. The Board has an Audit and Risk Committee that is responsible for overseeing compliance.

### **2.6. Internal Audit and Risk Management**

Internal Auditors are required to submit quarterly internal audit reports to the Audit and Risk Committee (ARC) and Senior Management. This is in accordance with the committee's approved annual and three-year rolling Strategic Internal Audit Plan, as well as the King IV Report on Corporate Governance. This is required by the MFMA, the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and the King IV Report on Corporate Governance.

### **2.6.1. Internal Audit**

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Audit and Risk Committee approved the Internal Audit Plan 2023-24, and the following internal audit activities were carried out during the fiscal year under review and reported to the Audit and Risk Committee

- Review of the Draft AFS 2022-23,
- Financial year-end stock takes 2022-23,
- Audit of Pre-Determined Objectives Quarter 1,
- Audit of Pre-Determined Objectives Quarter 2,
- Audit of Pre-Determined Objectives Quarter 3,
- Follow Up: External Audit Management Action Plan 2022-23
- Follow Up: Fleet Management
- Follow Up: Asset Management
- Supply Chain Management (SCM), 2022-23
- Asset Management, 2022-23

The following internal audit activities were still in the reporting stage at year-end:

- ICT Environment ;
- ICT Vulnerability Assessment ;
- Property Plant and Equipment 2023-24
- Financial Year End Stock take 2023-24
  - Data Centre, Back Up and Disaster Management
- Audit of Pre-Determined Objectives 2023-24 Quarter 4

### **2.6.2 Risk Management**

At CENTLEC (SOC) Ltd, we are dedicated to conducting business with integrity and ethical practices. Corporate governance requires a robust risk management process be embedded in the organisation. According to our Risk Framework and Risk Policy, we conduct risk assessments on a quarterly basis to identify new and emerging risks

The purpose of these risk assessments is to categorise risks as high, medium, or low, enabling us to allocate resources and efforts effectively, focusing on high-risk situations that could jeopardise the organisation's strategic goals.

Risk registers are created from the risk assessment, which outlines the identified risks and the controls put in place to mitigate them. Each division is responsible for managing risks within their area and specific risk owners are assigned to ensure accountability., To further solidify our risk management culture throughout the organisation, risk registers include timelines to ensure that the agreed-upon controls are adhered to..

Quarterly risk reports are presented to the Audit and Risk Committee to monitor the effectiveness of our risk management functions.

The Risk Management unit continuously assess on a quarterly basis and reports to Executive Management and Audit and Risk Committee on the following:

- Strategic Risk Assessment

- Information Communication Technology Risk-Related
- Fraud Risk Assessment

### **2.6.3 Anti-Corruption and Fraud Strategy**

Our approved Fraud and Anti-Corruption Policy as well as our Whistle-blowing Protection Policy, encourages officials to make confidential disclosures about suspected fraud and corruption within the organisation. The policy also outlines the procedure that should be followed in the reported event of fraud or corruption. CENTLEC (SOC) Ltd has a Fraud Hotline administered by an internal team within the Compliance and Performance Directorates. The Company follows up on reports received and investigates if necessary.

## **2.7 Supply Chain Management**

All the bid committees as per the SCM Policy and National Treasury Guidelines have been established by the CEO and convened regularly to perform their functions. This addresses the MFMA (2003) requirement in Section 112.

Consistent with the SCM Policy of the Company, none of the Directors or officers entered into any commercial transaction with the Company during the period under review.

Supply Chain and Expenditure Management reports are submitted to the Audit and Risk Committee. The following committees administer procurement within the Company:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

## 2.8 Bids awarded as at 30 June 2024:

**Table 20: The following bids were awarded during the year:**

Total number of Bids Awarded	Black Owned	Women / Africans Ownership	Black Youth	Disabilities	Military Veterans	Locality	Rural or underdeveloped areas
16	94%	19%	19%	0%	0%	44%	0%

## 2.9 Policies and Frameworks

Various budget-related policies and frameworks were submitted to the council for approval. The table below outlines the approved policies and frameworks for 2023/24:

**Table 21: Approved Amended Policies and Frameworks**

No.	Approved amended policies	Date of Council approval
1	Tariff Policy 2023/24	22 June 2023
2	Supply Chain Management Policy 2023/24	
3	Credit control policy 2023/24	
4	Small Scale Embedded Generation Policy 2023/24 (0kVA 1MVA) (MW)	
5	Provision of Bulk Infrastructure by Developers	
6	ICT Back-Up Policy 2023/24	
7	Patch Management Policy 2023/24	
8	Disaster Recovery Plan 2023/24	
9	Identity Management Password Policy 2023/24	
10	Information and Communication Incident Management Policy 2023/24	
11	Information and Communication Technology Framework 2023/24	
12	ICT Strategy Plan 2019-2023	
13	ICT Security Policy 2023/24	



## **2.10 By-laws**

There is an electricity by-law which was published in the Government Gazette on 28 August 1998, under notice 116.

## **2.11 Public participation in drafting of by-laws**

The Company participates in public hearings in terms of amendments of by-laws. Electricity by-laws are revised on an annual basis and await supporting legislation in terms of small-scale solar generation.

## **2.12 Website**

The Company developed its own website, intending to save costs. The fully functional and effective website is divided into tabs, providing detailed information to our valued customers.

Visit us at our new web address [www.centlec.co.za](http://www.centlec.co.za).

The Company's website has been functional and accessible during the period under review.

**Table 22: Documents published on website**

<b>Documents published on the Company's website</b>	<b>Published/not published</b>
<b>Bids</b> <ul style="list-style-type: none"> <li>• Available bids</li> <li>• Bids awarded and errata</li> <li>• Available quotations</li> <li>• Awarded quotations.</li> <li>• Public notices</li> </ul>	Published
<b>Service Delivery Budget Implementation Plan (SBDIP)</b> <ul style="list-style-type: none"> <li>• Revised SDBIP 2023/24</li> </ul>	Published
<b>Performance agreements</b>	Published

Documents published on the Company's website	Published/not published
<ul style="list-style-type: none"> <li>2023/24</li> </ul>	
<b>Business plan</b> <ul style="list-style-type: none"> <li>Multi-year Business Plan 2022- 2027</li> </ul>	Published
<b>Budgets</b> <ul style="list-style-type: none"> <li>Adjustment budget for 2023/24</li> <li>Medium-Term Revenue and Expenditure Framework (MTREF) 2023/24</li> </ul>	Published
<b>Annual Report</b> <ul style="list-style-type: none"> <li>2022/23</li> </ul>	Published
<b>Mid-Year Reports</b> <ul style="list-style-type: none"> <li>Mid-year Performance Report 31 December 2023</li> </ul>	Published
<b>Tariffs</b> <ul style="list-style-type: none"> <li>NERSA Approved Mangaung Electricity Tariffs for the period 01 July 2023 – 30 June 2024.</li> </ul>	Published
<b><u>Reviewed Policies 2023/24</u></b> <ul style="list-style-type: none"> <li>Engineering Wires SSEG Policy</li> <li>VAT Policy</li> <li>SCM Policy</li> <li>Asset Management Policy</li> <li>Budget and Reporting Policy</li> <li>Virement Policy</li> <li>Credit Control and Debt Collection Policy</li> <li>Banking and Investment Policy</li> <li>Bad Debts Policy</li> <li>Borrowings Policy</li> <li>Tariffs Policy</li> <li>Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy</li> <li>Electricity Connection and Disconnection Policy</li> <li>Electricity Consumption Estimates Policy</li> </ul>	

Documents published on the Company's website	Published/not published
<ul style="list-style-type: none"> <li>• Revenue Policy</li> <li>• Customer Care Policy</li> <li>• Long-term Debtors Policy</li> <li>• Sundry Income Policy</li> <li>• Prepaid Electricity Vending Policy</li> <li>• Petty Cash Policy</li> <li>• Subsistence &amp; Travel Policy</li> </ul>	

## **CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

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The parent municipality needs to ensure that the annual performance objectives and indicators for the Company is established in agreement with the Company and included in the Company's multi-year business plan in accordance with Section 87(5) (d) of the MFMA (2003).

### **3.1. Objectives and strategies**

In line with Section 87(5) (d) of the MFMA (2003), the Company has developed a multi-year business plan that outlines the objectives for the financial year 2023/24. The developmental strategies as advocated in the Company's Business Plan are directly linked to specific developmental needs and objectives which must be measured in the Organisational Performance Management System (PMS) and be effective in achieving that targets/goals of the SDBIP.

### **3.2. Pre-Determined Objectives**

Details of pre-determined objectives are provided in Section 3.2.2 of this report.

#### **3.2.1. The annual performance summary of executive managers**

CENTLEC (SOC) Ltd understands that performance information is crucial for effective management, including planning, budgeting, implementation, monitoring, and reporting. Performance information also promotes accountability, allowing the public and other interested stakeholders to monitor progress, identify areas needing improvement and gain a better understanding of the issues involved. The Company has achieved an annual performance rate of 87% for the period under review. Moving forward CENTLEC (SOC) Ltd will strive to achieve a rate of 100% for all KPIs set.

The following tables presents the key performance of the relevant executives.

**Table 23: Annual performance**

Directorate	Total no. of KPIs	KPIs achieved for the year	KPIs not achieved for the year
Office of the CEO	2	2	0
Office of the Company Secretary	1	0	1
Human Resources	3	3	0
Chief Financial Officer	6	5	1
Engineering Wires	2	2	0
Engineering Retail	4	3	1
Compliance & Performance	5	5	0
The total no. of KPIs	23	20	3
Percentage	100%	87%	13%

**Annual performance of the MFMA Circular 88 indicators.**

**Table 24: Annual performance: MFMA Circular 88**

Directorate	Total no. of KPIs	KPIs achieved for the year	KPIs not achieved for the year
Finance	1	1	0
Engineering Wires	5	3	2
Engineering Retail	2	2	0
Totals	8	6	2
Total %	100	75%	25%



### 3.2.2. THE ANNUAL COMPANY'S PERFORMANCE OF THE MFMA CIRCULAR 88 INDICATORS

CIRCULAR 88 KEY PERFORMANCE INDICATORS									
PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY									
Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
FINANCE									
4-4.1	95% revenue collection rate as per Circular 71 to be maintained monthly during 2023/24.	101% of revenue collection rate on outstanding debt as per general ledgers	Monthly revenue collection rate of 95% on all outstanding Debt during 2023/24	R 2 932 323	R 9 326	Collection rate for the year is 102% which is 7% higher than the annual target of 95% as per MFMA Circular 71 ratio calculation	There is a variance of 7% which is higher than the annual target of 95%	None – within the norm as per Annexure 2 – Template for calculation of Uniform Financial Ratios and Norms (Circular 71)	Not required.
ENGINEERING WIRES									
5-2.1(b)	Installed capacity of commissioned embedded generators on the municipal distribution	Commissioning of installations (Embedded Generation) totalling to one (1) MVA	Total capacity of one (1) MVA of all commissioned embedded generation plants on the Municipal network by 30 June 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Total capacity of 3.183 MVA SSEG has been commissioned for the year.	None	Not applicable KPI is customer driven.	Not required KPI is customer driven.



## CIRCULAR 88 KEY PERFORMANCE INDICATORS

### PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
	network by June 2024								
5-2.1(c)	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) by 30 June 2024	<b>Area Faults</b> 98 % within 24h as per NERSA	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored 98 % within 24 hours as per NERSA license requirements in terms of NRS 047 (2019) by 30 June 2024.	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	94,37%	3,63%	Prolonged power failures caused by: • Theft and vandalism • Inclement weather conditions • Double cable faults.	<ul style="list-style-type: none"> <li>Replacement of decrepit cable and overhead lines</li> <li>Performing regular planned and preventative maintenance.</li> </ul>
		<b>Single Complaint</b> 98 % within 24h as per NERSA	b) After an unplanned interruption which affects a single i.e., individual customer interruption/outage,	R0.00  CENTLEC Internal Resources were	R0.00  CENTLEC Internal Resources were	77,27%	20,73%	Prolonged power failures caused by: • Theft and vandalism	<ul style="list-style-type: none"> <li>Replacement of decrepit cable and overhead lines</li> </ul>

## CIRCULAR 88 KEY PERFORMANCE INDICATORS

### PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19
			the customers supply should be restored 98% within 24h as per NERSA license requirements in terms of NRS 047 (2019) by 30 June 2024	utilised on all activities	utilised on all activities			<ul style="list-style-type: none"> <li>Inclement weather conditions</li> <li>Double cable faults.</li> </ul>	<ul style="list-style-type: none"> <li>Performing regular planned and preventative maintenance.</li> </ul>
5-2.2(d)	Percentage of Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) -	One hundred forty-nine (149) planned interruptions were restored as per NRS 047 (2019)	95% of Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) - 4.5.5.1 requirements by 30 June 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00 CENTLEC Internal Resources were utilised on all activities	99% (129/131) of Notices were submitted 48 hours before the execution of planned interruptions.  97% (112/115) of submitted Notices, power was restored as per NERSA license requirement	Sixteen (16) Notices were cancelled.  Three (3) notices were restored late.	Cancellation was due to other critical activities being prioritised.  Late restoration caused by equipment failure.	Better planning with regards to work activities

## CIRCULAR 88 KEY PERFORMANCE INDICATORS

### PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
	4.5.5.1 by 30 June 2024								
5-2.2(e)	Percentage of valid customer applications for new electricity connections processed in terms of municipal services by June 2024	73.86 %. New electricity connections processed as a percentage.	70% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards by June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R1 450 210,59	58% (89/153) of valid customer applications for new electricity connections processed	12%  Customers that were not ready to be connected	Not applicable  KPI is customer driven.	Not required  KPI is customer driven.
5-2.2(f)	Number of dwellings provided with connections to the mains electricity supply of the municipality by 30 June 2024	200 dwellings provided with electricity	400 dwellings provided with electricity connections by 30 June 2024	R 28 000 000.00	R 28 000 000.00	479 dwellings provided with electricity connections.	79 dwellings provided with electricity connection	Not applicable	Not required

## CIRCULAR 88 KEY PERFORMANCE INDICATORS

### PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

#### ENGINEERING RETAIL

6-2.2(b)	Percentage of total residential electricity provision allocated as Free Basic Electricity by 30 June 2024	3.4% of total residential electricity provision allocated as Free Basic Electricity by 30 June 2023	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE) by 30 June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	4% Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	None	Not applicable	Not required
6-2.2(c)	Monitor and report the variance of the Distribution Losses based on the NERSA guidelines for the entire financial year 2023/24	9.81% of total distribution losses	Monitor that the Distribution Losses are below the 12% threshold as per the NERSA guidelines	CENTLEC Internal Resources were utilised	R0.00	The distribution losses for the year is 7.67% which is below threshold of 12%.	4.33%	The decline in distribution losses is attributed to consistent meter inspections which aided to reduce meter tampering and	Not required



## CIRCULAR 88 KEY PERFORMANCE INDICATORS

### PRESCRIBED INDICATORS ISSUED BY NATIONAL TREASURY

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19
								illegal connections.	

### 3.2.3 OFFICE OF THE CHIEF EXECUTIVE OFFICER

- The CEO is appointed in terms of Section 93J of the Municipal Systems Act 32 (Act of 2000).
- The CEO is responsible and accountable for all the duties and functions of an accounting officer as outlined in Section 55 of the Municipal Systems Act.
- The CEO of a Company is accountable to the Board of Directors for the management of the Company.

MUNICIPAL INDICATORS									
OFFICE OF THE CEO									
Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
							[2 - 16]		
		1	2			16	17	18	19
STRATEGIC SDBIP									
1.1 (a)	Annual risk assessment conducted during the 2023/24 financial year	Annual Risk assessment FY 2022/23	Conduct annual risk assessment workshop completed by 30 June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	Risk Identification, Assessment, and monitoring of the Strategic, ICT and Fraud Risk, including the emerging related risks conducted.	None	Not applicable	Not required
1.1 (b)	Ensure the performance assessment of	2022/23 performance assessment	Ensure the performance assessment of	R0.00	R0.00	Assessment of all Executives were	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### OFFICE OF THE CEO

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

Executives should be assessed as per performance agreements of FY 2023/24	Executives should be assessed as per performance agreements of FY 2023/24	CENTLEC Internal Resources were utilised on all activities	completed for the year under review.		
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### **3.2.4 OFFICE OF THE COMPANY SECRETARY**

Section 88 of the Companies Act (2008) stipulates the duties of the Company Secretary:

- (1) A Company's Secretary is accountable to the company's Board.
- (2) A Company Secretary's duties include, but are not restricted to —
  - (a) Providing the Directors of the company collectively and individually with guidance as to their duties, responsibilities and powers.
  - (b) Making the Directors aware of any law relevant to or affecting the company.
  - (c) Reporting to the company's Board any failure on the part of the company or a director to Comply with the Memorandum of Incorporation or rules of the company or this Act.
  - (d) Ensuring that minutes of all shareholders meetings, Board meetings and the meetings of any committees of the Directors, or of the company's Audit Committee, are properly recorded in accordance with this Act.
  - (e) Certifying in the company's AFS whether the company has filed required returns and notices in terms of this Act, and whether all such returns and notices appear to be true, correct and up to date.
  - (f) Ensuring that a copy of the AFS is sent, in accordance with this Act, to every person who is entitled to it.
  - (g) Carrying out the functions of a person designated in terms of Section 33 (3).

MUNICIPAL INDICATORS									
OFFICE OF THE COMPANY SECRETARY									
Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
STRATEGIC SDBIP									
2.1 (a)	Submit the Statutory Annual Return of the company to CIPC as required by the Companies Act No. 71 of 2008, within thirty (30) days after the anniversary date of its incorporation.	2022/23 Statutory Annual Return	Submit the Statutory Annual Return of the company to CIPC as required by the Companies Act No. 71 of 2008, within thirty (30) days after the anniversary date of its incorporation.	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	The company's Annual Return was submitted within 32 days after the anniversary date of its incorporation (24 May)	The Company's Annual Returns were submitted 2 (two) days after the required period.	The service provider submitted the company's Annual Returns on 25 June 2024.	The office of the company secretary will enforce timelines on the service provider in the future.

The Human Resources Directorate, led by the Executive Manager of Human Resources, is crucial to the organisation. It focuses on cultivating a performance-driven culture and maintaining an effective organisational structure. It supports the CEO and other executives by ensuring the workforce is motivated and aligned with the company's strategic goals. This directorate plays a key role in reinforcing the business framework and aligning it with the organisation's objectives, setting and monitoring business goals while implementing best practices in human resources management.

Apart from its structural and cultural responsibilities, the directorate is also optimises the management of knowledge and business processes. It oversees the continuous improvement of these systems, ensuring they are robust and efficient, thus contributing to the overall strategic success of the organisation. Through these efforts, the Human Resources Directorate ensures that the company's HR practices are both effective and aligned with its long-term goals.

## MUNICIPAL INDICATORS

### HUMAN RESOURCE MANAGEMENT

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
<b>STRATEGIC SDBIP</b>									
3-1.1(a)	Conduct workshop per directorate on collective agreements, condition of service and employee benefits by 30 June 2024	Workshops were conducted for all directorates on collective agreements, condition of service and employee benefits during 2022/23 FY	a) Conduct one (1) workshop on agreements, conditions of service and employee benefits as per schedule authorized by Executive manager: by 30 June 2024 b) Conduct one (1) workshop per quarter on collective agreements and disciplinary procedures as per schedule authorized by Executive Manager by 30 June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	All directorates were on workshoped were on conditions of service and employee benefits during 2023/24 FY	None	Not applicable	Not required
				R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	All directorates were on workshoped on collective agreements and disciplinary procedures during 2023/24 FY	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### HUMAN RESOURCE MANAGEMENT

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
STRATEGIC SDBIP									
3-1.1(b)	Submission of 2024/25 Workplace Skills Plan (WSP) to LGSETA and the Annual Training Report for FY 2023/24 by 30 April 2024	Annual training Report FY 2022/23  Submitted 2023/24 WSP to LGSETA	Submission of 2024/25 Workplace Skills Plan (WSP) to LGSETA and the Annual Training Report for FY 2023/24 by 30 April 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	Annual training Report FY 2023/24  Submitted 2024/25 WSP to LGSETA	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### HUMAN RESOURCE MANAGEMENT

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

3-1.2	Ensure that the performance assessment of the Executive Manager Human Resource is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	Performance assessment report of FY 2022/23	Ensure that the performance assessment of the Executive Manager Human Resource is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	The performance of the Executive Manager Human Resource was quarterly assessed as envisaged.  Copies of performance assessments of the Executive Manager Human Resource were submitted to Compliance & Performance.	None	Not applicable	Not required
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### **3.2.5 FINANCE DIRECTORATE**

*Section 81 of Municipal Finance Management Act (2003) stipulates the role of the CFO of a municipality:*

- (a) Is administratively in charge of the budget and treasury office.
- (b) Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- (c) Must assist the accounting officer in the administration of the municipality's bank accounts and, in the preparation, and implementation of the municipality's budget.
- (d) Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of Section 78 or delegated to them in terms of Section 79.
- (e) Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, SCM, financial management, review, and other duties as may in terms of Section 79 be delegated by the accounting officer to the CFO.

## MUNICIPAL INDICATORS

### FINANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
							[2 - 16]		
		1	2			16	17	18	19

### STRATEGIC SDBIP

4-4.2	98% actual readings in the amount billed per month throughout the 2023/24 year	98.78% actual readings in the amount billed per month	98% actual readings in the amount billed per month throughout 2023/24 FY year	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	99% of average actual readings in the amount billed per month throughout the year.	There is a variance of 1% which is higher than the target of 98%	More effort and resources dedicated to meter readings.	Not required
4-4.3	Two (2) Bi-annual assets verifications.	2022/23 Asset Registers	Two (2) Bi-annual assets verifications The 1st asset count to be started at the end of December 2023 and completed by the end of March 2024 The 2nd asset count to be started in June 2024 and completed by the end of August 2024	R 11 373 100	R 2,549 250	Fixed Asset Register for 2022/23 were completed and submitted to the Auditor General on the 31st of August 2023. The 1st asset count for the 2023/24 FAR was finalised in Q3	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### FINANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

			Asset registers updated with all asset movements relating to these counts, and report any damaged/ missing items by 31 August 2024			and the asset register was updated accordingly.			
			Accurately account for all the entity's moveable and additions to infrastructure assets in the final 2023/24 Asset Register			The second asset count commenced in June 2024 and is still in progress, to date the second asset count was 77.69% complete as at 30 June 2024.			
4.-4.4	Monthly financial reports in terms of Section 87 of	2022/23 twelve (12) monthly Financial Reports	Twelve (12) signed-off monthly financial reports in terms of Sections 87 of the Municipal Finance	R0.00  CENTLEC Internal Resources were	R0.00	Monthly financial reports in terms of Section 87 of the Municipal Finance Management	Section 87 report for the month of June 2024 was submitted to the parent	The deviation was as a result of year-end process that have caused the delay in	Controls will be put in place in ensuring that the year-end process is



## MUNICIPAL INDICATORS

### FINANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	the Municipal Finance Management Act, No. 56 of 2003, submitted to the Parent Municipality		Management Act, No. 56 of 2003, submitted to the Parent Municipality	utilised on all activities		were submitted to the Parent Municipality within 7 working days during the period under review.	municipality on the 8 <sup>th</sup> working days instead of 7 working days.	closing the system.	completed timeously.
4.-4.5	Compile and submit one (1) Mid-term performance & budget assessment report by 20 January 2024 as per Section 88 (1) (a) and (b) of the MFMA.	2022/23 Mid-term performance & budget assessment report	Compile and submit one (1) Mid-term performance & budget assessment report by 20 January 2024 as per Section 88 (1) (a) and (b) of the MFMA.	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Mid-term performance & budget assessment reports were compiled and submitted to the parent Municipality by 15 <sup>th</sup> of January 2024	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### FINANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

4.-4.6	Prepare 2022/23 Annual Financial Statements in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and Section 122 of the MFMA along with an audit file that supports the financial statements by	2021/22 Audited Annual Financial statements and the 2022/23 audit file	Prepare 2022/23 Annual Financial Statements in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and Section 122 of the MFMA along with an audit file that supports the financial statements by 31 August 2023	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	The Annual Financial Statements for 2022/23 were prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and Section 122 of the MFMA along with an audit file that supports the financial statements by 31 August 2023	None	Not applicable	Not required
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## MUNICIPAL INDICATORS

### FINANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	31 August 2023								
4-4.7	Ensure that the performance assessment of the Chief Financial Officer is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	Performance assessment report of FY 2022/23	Ensure that the performance assessment of the Chief Financial Officer is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	The performance of the CFO was quarterly assessed as envisaged.  Copies of performance assessments of the CFO were submitted to Compliance & Performance.	None	Not applicable	Not required

### **3.2.6 ENGINEERING WIRES DIRECTORATE**

**Engineering Wires** is a directorate that comprises of the asset creation under Planning, operations and maintenance of the electricity distribution systems. This directorate is crucial for ensuring that the entity meets its service delivery mandates and executes projects listed and approved in the IDP. In general, the directorate is responsible for asset creation, network operations and maintenance, as well as service delivery to the communities. Further, the directorate carries this mandate through four divisions within it, namely: Planning, Network Operations & Maintenance, System Utilization & Process Engineering and Southern Free State Municipalities. The Southern Free State Municipalities, which includes the former Naledi and Kopanong Local Municipality. The services of the Mokare Local Municipality were terminated on the 31<sup>st</sup> December 2023, and the final handover of the license and electrical infrastructure was completed on the 20<sup>th</sup> February 2024.

**Planning** division is accountable for the planning, design, and development of infrastructure within CENTLEC's jurisdiction.

**The Network Operation and Maintenance** division is responsible for providing preventative and corrective maintenance on the low voltage, medium voltage and high voltage electricity networks serving the areas covered by CENTLEC Distribution License.

**The System Utilisation and Process Engineering** division primarily manages infrastructure construction, maintenance, refurbishment, network operation and control throughout CENTLEC (SOC) Ltd distribution area.

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
<b>STRATEGIC SDBIP</b>									
1.11	Ward1 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	0	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
5.18	Ward 5 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	R 25 000 000.00	R 16 885 113,97	One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
6.9	Ward 6 Erection and commissioning of one (1) high mast lights	2	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19

### STRATEGIC SDBIP

	within Mangaung by 30 June 2024								
7.6	Ward 7 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	2	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
11.8	Ward 11 Erection and commissioning of two (2) high mast lights within Mangaung by 30 June 2024	0	Erection and commissioning of two (2) high mast lights within Mangaung by 30 June 2024			Two (2) high mast lights installed, erected, and commissioned.	None	Not applicable	Not required
12.12	Ward 12 Erection and commissioning of one	0	Erection and commissioning of one			One (1) high mast light installed,	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024		(1) high mast lights within Mangaung by 30 June 2024			erected, and commissioned.			
17.3	Ward 17 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	5	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
17.19	Ward 17 Erection and commissioning of three (3) high mast lights within	3	Erection and commissioning of three (3) high mast lights within Mangaung by 30 June 2024			Three (3) high mast lights installed, erected, and commissioned.	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19

### STRATEGIC SDBIP

17.20	Mangaung by 30 June 2024 Ward 17 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	0	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast lights installed, erected, and commissioned.	None	Not applicable	Not required
27.6	Ward 27 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	5	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
31.5	Ward 31 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	2	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed,	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19

### STRATEGIC SDBIP

	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024		within Mangaung by 30 June 2024			erected, and commissioned.			
33.6	Ward 33 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	3	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
34.7	Ward 34 Erection and commissioning of two (2) high mast lights within	0	Erection and commissioning of two (2) high mast lights within Mangaung by 30 June 2024			Two (2) high mast lights installed, erected, and commissioned.	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	Mangaung by 30 June 2024								
36.4	Ward 36 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	0	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
37.5	Ward 37 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
38.8	Ward 38 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024		within Mangaung by 30 June 2024			erected, and commissioned.			
39.3	Ward 39 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
40.7	Ward 40 Erection and commissioning of one (1) high mast lights within	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19

### STRATEGIC SDBIP

42.7	Mangaung by 30 June 2024 Ward 42 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast lights installed, erected, and commissioned.	None	Not applicable	Not required
46.6	Ward 46 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast light installed, erected, and commissioned.	None	Not applicable	Not required
51.7	Ward 51 Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024	1	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024			One (1) high mast lights installed,	None	Not applicable	Not required



## MUNICIPAL INDICATORS

### ENGINEERING WIRES

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	Erection and commissioning of one (1) high mast lights within Mangaung by 30 June 2024		within Mangaung by 30 June 2024			erected, and commissioned.			
5-2.3(g)	Ensure that the performance assessment of the Executive Manager Engineering Wires is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	Performance assessment report of FY 2023/24	Ensure that the performance assessment of the Executive Manager Engineering Wires is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00	The performance of the Executive Manager: Engineering Wires was quarterly assessed as envisaged. Copies of performance assessments of the Executive Manager Engineering Wires were submitted to Compliance & Performance.	None	Not applicable	Not required

*\*Note: These indicators from the Engineering Wires Directorate are also reported by MMM (parent municipality) as agreed upon with the Company based on the business plan and SDBIP submitted.*



### **3.2.7 ENGINEERING RETAIL DIRECTORATE**

Engineering Retail Directorate is responsible for the trading of electricity, Metering Infrastructure, the development of Software's as per Directorates requirements and providing ICT support services to the Company.

The Directorate has three Sub-Directorates that play a crucial role in ensuring that CENTLEC provides excellent service delivery to the community:

- Customer Services & Revenue Management: Handles all customer related issues, and metering with associated functions.
- Energy and Trading Services: The main objective of this sub-directorate is to manage the Eskom bulk purchase accounts, all sales systems, and metering. The Sub Directorate safeguards CENTLEC revenue through well-maintained metering infrastructure.
- Systems Engineering: This sub-directorate focuses on technology and ensuring that all system integrations happen, and that CENTLEC (SOC) Ltd transforms to a smart organization.

## MUNICIPAL INDICATORS

### ENGINEERING RETAIL

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

6-2.2(a)	Conduct inspection on Time of Use (ToU) connections to ensure optimum functionality by 30 June 2024	1890 Time of Use (ToU) inspected.	Inspection of 1860 Time of Use (ToU) connections 30 June 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Inspected 1868-meter connections	Inspected 8 (eight) more meters than the set target.	The total meters inspected for the year under review is 1868 which is inclusive of 8 (eight) bulk meters which were converted to ToU during the year.	Not required
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## MUNICIPAL INDICATORS

### ENGINEERING RETAIL

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

6-2.2(d)	Ensure that the performance assessment of the Executive Manager Engineering Retail is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	Performance assessment report of FY 2022/23	Ensure that the performance assessment of the Executive Manager Engineering Retail is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00  The performance of the Executive Manager: Engineering Retail was quarterly assessed as envisaged.  Copies of performance assessments of the Executive Manager Engineering Retail were submitted to Compliance & Performance.	None	Not applicable	Not required
6-2.2(e)	100% disconnections as per Circular 71 to be maintained monthly during 2023/24.	95% of revenue collection rate on outstanding debt as per general ledgers	Monthly Disconnection rate of 100% on all outstanding Debt during 2023/24	R0.00  CENTLEC Internal Resources were utilised on all activities	R0.00  The average of 63.27% disconnections were implemented excluding Provincial Government and Local Government	31.73% excluding government debt – of the meters not disconnected 97 meters (32.88%)	Matters affecting disconnections need to be investigated and finalised in order to minimize the variation.	Matters affecting disconnections need to be investigated and finalised in order to minimize the variation.

## MUNICIPAL INDICATORS

### ENGINEERING RETAIL

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16]		
						17		18	19

### STRATEGIC SDBIP

							are for all other debt categories excluding government		
						57.42% Including Provincial Government and Local Government	37.58% including government debt of the meters not disconnected 198 meters (67.12%) are for government.	Government debt is separated as per the request from the board subcommittee – variation as a result of ongoing negotiations for a payment arrangement with government	Not required
6-2.2(f)	98% actual readings in the amount billed per month throughout the 2023/24 year	98.78% actual readings	98% actual meter readings in the amount billed per month throughout 2023/24 FY year	R0.00 CENTLEC Internal Resources were	R0.00	The number of accounts billed for the year was 98.98%	There is a variance of 0.98% which is higher than the target of 98%	More effort and resources dedicated to meter readings.	

## MUNICIPAL INDICATORS

### ENGINEERING RETAIL

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(s) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19
STRATEGIC SDBIP									
				utilised on all activities					

### **3.2.8 PERFORMANCE & COMPLIANCE DIRECTORATE**

The functions of the Compliance and Performance directorate consists of Organisational Performance, Compliance, Security, Fleet and Facilities Management.

The Performance and Compliance Directorate's primary areas of responsibility include and revolve around:

- Developing, establishing, and coordinating performance management processes (IDP, SDBIP, Business Plan, Performance Agreements, and Annual Report) as well as guiding the implementation of measurement approaches and tools, ensuring that the organisation is in substantial compliance with its internal operating policies and procedures and external legal, regulatory, and corporate governance codes.
- Protection of the institution's integrity, people, processes, and assets from loss, ensuring business continuity crisis management by responding within our area of supply and ensuring a safe and secure environment in our workplace.
- Repairs and maintenance of facilities to ensure a conducive and productive work environment.
- Ensuring that CENTLEC (SOC) Ltd has reliable fleet.



## MUNICIPAL INDICATORS

### COMPLIANCE & PERFORMANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

7-2.2(a)	Maintain 157 vehicles according to the 2022/2023 Fleet Maintenance Plan by 30 June 2024	One hundred and fifty-seven (157) vehicles maintained as per maintenance schedule	One hundred and fifty-seven (157) vehicles maintained as per the maintenance schedule by 30 June 2024	R 2 800 000,00	R1 683 7 57,13	Servicing of vehicles = 178 Annual Certificate of Fitness = 69 Annual Hydraulic Load Tests = 58	+21	Due to vehicles reaching service internal kms than planned.	Not required
7.5.1(a)	Compile and submit reviewed SDBIP FY 23/24, Mid-term report 23/24, FY 23/24 and first Draft FY 24/25 SDBIP to Mangaung Metropolitan Council by 20 January 2024	2022/23 Performance	Compile and submit reviewed SDBIP FY 23/24, Mid-term report 23/24, first Draft FY 24/25 SDBIP to Mangaung Metropolitan Council by 20 January 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Mid-term Report and revised SDBIP 2023/2024 submitted on the 15 <sup>th</sup> of January 2024	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### COMPLIANCE & PERFORMANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16]	18	19

### STRATEGIC SDBIP

7-5.1(b)	Submit final draft Multi-Year Business Plan and SDBIP FY 2023/24 to Mangaung Metropolitan Council by 31st March 2024	Previous Multi-Year Business Plan, SDBIPs	Submit final draft Multi-Year Business Plan and SDBIP FY 2023/24 to Mangaung Metropolitan Council by 31st March 2024	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Multi-year Business Plan 2024/2025 has been submitted to MMM 15 <sup>th</sup> of March 2024	None	Not applicable	Not required
7.5.1 (c)	Signed Performance agreement of Executives for FY 2023/24 submitted to Marketing to be posted on Centlec website by 31 July 2023	2022/23 signed performance agreements	Signed Performance agreement of Executives for FY 2023/24 posted on Centlec website by 31 July 2023	R0.00 CENTLEC Internal Resources were utilised on all activities	R0.00	Signed Performance agreement of Executives for FY 2023/24 were published on the Centlec website.	None	Not applicable	Not required
7.5.1 (d)	Ensure that the performance assessment of	Performance assessment report of FY 22/23	Ensure that the performance assessment of the	R0.00	R0.00	The performance of the Executive Manager: Compliance	None	Not applicable	Not required

## MUNICIPAL INDICATORS

### COMPLIANCE & PERFORMANCE

Ref No.	Performance Indicator (Output Level Only)	Baseline (Annual Performance of 2022/23 Estimated)	Annual Target For 2023/24	Planned Annual Budget	Actual Expenditure Output	Actual Output	Variation	Reason(S) For Variation	Remedial Action
		1	2			16	[2 - 16] 17	18	19

### STRATEGIC SDBIP

	the Executive Manager Compliance and Performance is conducted as per performance agreement (Paragraph 7) by the 30 June 2024		Executive Manager Compliance and Performance is conducted as per performance agreement (Paragraph 7) by the 30 June 2024	CENTLEC Internal Resources were utilised on all activities		& Performance was quarterly assessed as envisaged.  Copies of performance assessments of the Executive Manager Compliance & Performance were submitted to Compliance & Performance.			
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## Capital Budget

A detailed three-year capital works plan is required to ensure sufficient detail is available to measure and monitor the delivery of planned services.

**Table 25: MTREF**

INTERNAL FUNDING PROJECTS	MTREF 2023/2024	ADJUSTMENT BUDGET 2023/24	MTREF 2024/2025	MTREF 2025/2026	MTREF 2026/2027
DIGITAL RADIO SYSTEM	1 100 000,00	1 100 000,00	1 153 900,00	1 208 133,30	1 262 499,30
IMPLEM BUSINESS CONT DISASTER RECOV INF	2 000 000,00	500 000,00	2 098 000,00	2 196 606,00	2 295 453,27
VEHICLES	7 000 000,00	7 000 000,00	7 343 000,00	7 688 121,00	8 049 462,69
UPGRADE & REFURB COMPUTER NETWORK	2 500 000,00	7 000 000,00	2 622 500,00	2 745 757,50	2 869 316,59
OFFICE BUILDING	3 500 000,00	3 500 000,00	3 671 500,00	3 844 060,50	4 024 731,34
FURNITURE AND OFFICE EQUIPMENT	1 000 000,00	2 500 000,00	1 049 000,00	1 098 303,00	1 149 923,24
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	5 500 000,00	750 000,00	5 769 500,00	6 040 666,50	6 324 577,83
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	5 500 000,00	750 000,00	5 769 500,00	6 040 666,50	6 324 577,83
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	5 500 000,00	750 000,00	5 769 500,00	6 040 666,50	6 324 577,83
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	6 000 000,00	1 500 000,00	6 294 000,00	6 589 818,00	6 899 539,45
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	6 500 000,00	1 500 000,00	6 818 500,00	7 138 969,50	7 474 501,07
INFRA CATALYST PROJECTS	6 500 000,00	3 250 000,00	6 818 500,00	7 138 969,50	7 474 501,07
SECURITY EQUIPMENT (CCTV )	1 000 000,00	1 000 000,00	1 049 000,00	1 098 303,00	1 149 923,24
TRAINING & DEVELOPMENT	800 000,00	800 000,00	839 200,00	878 642,40	918 181,31
INSTALL PREPAID METERS (INDIGENT)	500 000,00	600 000,00	523 000,00	547 058,00	572 769,73
SERVITUDES LAND (INCL INVEST REMUNE REG	600 000,00	600 000,00	627 600,00	656 469,60	687 323,67
METER PROJECT	10 000 000,00	15 000 000,00	10 490 000	10 983 030	11 477 266
INSTALLATION OF PUBLIC LIGHTING	8 000 000,00	2 000 000,00	8 392 000,00	8 786 424,00	9 199 385,93
EXTENSION AND UPGRADING OF THE 11KV NETW	3 500 000,00	3 500 000,00	3 671 500,00	3 844 060,50	4 024 731,34
SHIFTING OF CONNECTION AND REPLACEMENT S	1 005 275,00	1 005 275,00	1 051 517,65	1 099 887,46	1 151 582,17
UPGRADING AND EXTENTION OF LV NETWORK	1 500 000,00	1 500 000,00	1 573 500,00	1 647 454,50	1 724 884,86
REFURBISHMENT OF HIGH MAST LIGHTS	5 029 525,00	6 229 525,00	5 275 971,73	5 523 942,40	5 783 567,69



INTERNAL FUNDING PROJECTS	MTREF 2023/2024	ADJUSTMENT BUDGET 2023/24	MTREF 2024/2025	MTREF 2025/2026	MTREF 2026/2027
TRANSFORMER REPLACE & OTHER RELATED EQUI	6 500 000,00	10 000 000,00	6 818 500,00	7 138 969,50	7 474 501,07
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	3 500 000,00	750 000,00	3 671 500,00	3 844 060,50	4 024 731,34
PROTECTION TEST UNIT	1 500 000,00	500 000,00	1 573 500	1 647 455	1 724 885
REP LOW VOLT DECREDIT 2/4/8 WAY BOXES	800 000,00	700 000,00	836 800,00	875 292,80	916 431,56
REP BRITTLE OVERHEAD CONNECTIONS	1 000 000,00	550 000,00	1 046 000,00	1 094 116,00	1 145 539,45
REMEDIAL WORK 132KV SOUTHERN LINES	7 500 000,00	9 300 000,00	7 867 500,00	8 237 272,50	8 624 424,31
REPLACEMENT OF 11KV SWITCHGEARS	1 250 000,00	625 000,00	1 311 250,00	1 372 878,75	1 437 404,05
REPLACEMENT OF OIL PLANT	500 000,00	500 000,00	523 000,00	547 058,00	572 769,73
S/LIGHTS REPLACE POLE TRNS POLES SECTION	1 500 000,00	3 000 000,00	1 573 500,00	1 647 454,50	1 724 884,86
INSTALLATION OF HIGH VOLTAGE TEST EQUIPM	1 300 000,00	500 000,00	1 363 700,00	1 427 793,90	1 494 900,21
REPLACEMENT OF 32V BATTERIES	1 500 000,00	750 000,00	1 573 500,00	1 647 454,50	1 724 884,86
REPLACEMENT OF 110V BATTERIES	1 500 000,00	2 000 000,00	1 573 500,00	1 647 454,50	1 724 884,86
REPAIR MMM DIST DIST CENTRE	4 444 484,62	1 500 000,00	4 662 264,37	4 881 390,79	5 110 816,16
REPAIR VISTA DIST DIST CENTRE	15 964 161,38	5 000 000,00	16 746 405,28	17 533 486,33	18 357 560,19
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000,00	250 000,00	1 046 000,00	1 094 116,00	1 145 539,45
INTERNAL ELECTRIFICATION PROJECTS:	7 100 000,00	3 550 000,00	7 426 600,00	7 768 223,60	8 133 330,11
<b>TOTAL</b>	<b>141 393 446,00</b>	<b>101 809 800,00</b>	<b>148 284 209,03</b>	<b>155 240 486,34</b>	<b>162 500 764,86</b>



INTEGRATED NATIONAL ELECTRIFICATION GRANT		MTREF 2023/2024	ADJUSTMENT BUDGET 2023/24	MTREF 2024/2025	MTREF 2025/2026	MTREF 2026/2027
ELECTRIFICATION PROJECTS (ISUPG)		28 000 000	28 000 000	25 000 000	22 000 000	22 990 000
ELECTRIFICATION (USDG GRANT)		25 000 000	25 000 000	26 150 000	27 352 900	28 583 781
<b>TOTAL</b>		<b>53 000 000</b>	<b>53 000 000</b>	<b>51 150 000</b>	<b>49 352 900</b>	<b>51 573 780</b>
<b>PUBLIC CONNECTIONS</b>						
PUBLIC ELECTRICITY CONNECTIONS		14 300 000,00	14 300 000,00	14 957 800,00	15 645 858,80	16 381 214,16
<b>TOTAL</b>		<b>14 300 000,00</b>	<b>14 300 000,00</b>	<b>14 957 800,00</b>	<b>15 645 858,80</b>	<b>16 381 214,16</b>
<b>FUNDING BY SOURCE</b>						
ELECTRIFICATION (USDG GRANT)		25 000 000,00	25 000 000,00	26 150 000,00	27 352 900,00	28 583 780,50
PUBLIC ELECTRICITY CONNECTIONS		14 300 000,00	14 300 000,00	14 957 800,00	15 645 858,80	16 381 214,16
ELECTRIFICATION PROJECTS (ISUPG)		28 000 000,00	28 000 000,00	25 000 000,00	22 000 000,00	22 990 000,00
REVENUE / SURPLUS (INTERNAL FUNDS)		141 393 446	101 809 800	148 284 209	155 240 486	162 500 765
<b>TOTAL</b>		<b>208 693 446</b>	<b>169 109 800</b>	<b>214 392 009</b>	<b>220 239 245</b>	<b>230 455 760</b>

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 Introduction

The Company highly regards its employees and aims to create a fair and equal workplace. The Company has committed to implementing employment equity strategies to promote equality and enhance the development of its workforce.

### 4.2 Workforce profile (including people with disabilities)

The Company is guided by its Employment Equity Plan which serves as a guideline on the categories to be catered for that are underrepresented.

**Table 26: Workforce profile**

Occupational Level	MALE				FEMALE				PWD'S		FOREIN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	4	0	0	0	1	1	0	0	0	0	0	0	6
Senior management	6	0	0	1	2	0	0	0	0	1	0		10
Professionally qualified and experienced specialists and mid-management	57	3	0	16	44	0	0	2	1	0	0	0	123
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	114	4	0	13	75	2	0	1	0	0	0	0	209
Semi-skilled and discretionary decision making	114	5	0	1	64	3	0	2	1	2	0	0	192
Unskilled and defined decision making	131	3	0	2	117	0	0	0	0	0	0	0	253
<b>TOTAL</b>	<b>426</b>	<b>15</b>	<b>0</b>	<b>33</b>	<b>303</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>793</b>

### 4.3 Employees with Disabilities only

The percentages are calculated based on the total number of staff establishment. The Company had 793 employees as of 30 June 2024. According to the table below, the Company needs to appoint more disabled employees to comply with the legislation.

**Table 27: Employees with disabilities**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

### 4.4 Employee Age Analysis

The table below depicts the age analysis of the Company's workforce as at the 30<sup>th</sup> of June 2024.

**Table 28: Employee age analysis**

No	Number of Emp	Age Category
1	10	19-23
2	249	24-39
3	300	40-49
4	189	50-59
5	45	60 & above
<b>Total</b>	<b>793</b>	

#### **4.4.1 Human Resource policies**

The Company utilised the policies of MMM for the financial year 2023/24.

#### **4.4.2 Health and Safety and Environmental Issues**

CENTLEC(SOC) Ltd is committed to managing health, safety, and environmental issues in strict compliance with the Occupational Health and Safety Act (Act 85 of 1993) and its associated regulations (OHS Act).

This also includes all other relevant legislations such as the Compensation for Occupational Injuries and Disease Act (Act 130 of 1993) (COIDA), and the National Environmental Management Act (Act 107 of 1998) (NEMA).

Hazard Identification and Risk Assessment continues to form the foundation of our health and safety programme. The Company believes that to mitigate or eliminate risks to the health and safety of its employees, risks must be identified, evaluated, and precautionary measures be implemented.

The Company has taken the initiative to analyse, identify, rank and mitigate (control) processes for each identified risk. The Risk Assessment is updated when new equipment is introduced in the system, when an incident occurs, when there are changes due to amendments in the act(s) or regulation(s) and when new employees are appointed. The identified risk assessment includes the following:

- Activity or action to be performed;
- Who can be exposed to the risk;
- How often people and employees are exposed to such activity or conditions;
- Severity of the accident, by taking the worst-case scenario;
- Ranking of each risk;
- The existing measures to mitigate the exposure to each accident (i.e. Administrative measures, engineering mechanism and lastly PPE to be used as control measures);
- Re-visit of high risks and further measure to be implemented to lower the risk to acceptable level(s).

All work-related injuries on duty and occupational diseases are reported to the Compensation Commissioner as required by COID Act. There are processes in place for reporting, starting from the Control Office and ending with the SHERQ Office handling the matter. Incidents are reported to Department of Employment and Labour upon receipt of the first medical report, which must within 24 hours of the incident. The Compensation Commissioner is informed within the prescribed and required reporting period, unless the injured person experiences pains later after the accident, in which case it is reported to the Department of Employment and Labour after the injured employee is attended to.

Incidents and accidents that involving public member are reported to the Control Room, which then notifies the responsible sections including the SHERQ Office for investigation. A report will be generated based on the investigations, monitoring of the stated recommendations and update the risk assessment.

#### 4.4.3 Training Costs

The following training was provided to the employees during the 2023/24 financial year.

**Table 29: Training Costs**

Trainings	Cost per training	Total number of employees trained		
		Male	Female	Number of candidates
Training provided for the period under review.	<b>R 1 112 435,83</b>	<b>242</b>	<b>119</b>	<b>361</b>

#### 4.4.4 Financial competency development

In terms of the *Guideline for Municipal Competency Levels: Finance officials at Middle Management Level* the Company conducted the minimum competency assessments as required by Sections 107 and 119 of the MFMA (2003). Identified officials attended the MFMP training and assessment, however, as at year-end, the process was still ongoing to ensure that all officials attend the training within the specified period.



**Table 30: Finance division**

	Total number of employees in Finance as per Staff Establishment	Total number of employees completed MFMP Course	Total number employees not yet registered for MFMP Course
Total number of employees	67	53	14
<b>Percentage (%)</b>		<b>79%</b>	<b>21%</b>

**Table 31: SCM**

	Total number of employees in Supply Chain as per Staff Establishment	Total number of employees completed MFMP Course	Total number employees not yet registered for MFMP Course
Total number of employees	14	10	4
<b>Percentage (%)</b>		<b>71%</b>	<b>29%</b>

The Company has sixty seven (67) employees in Finance department which comprise of fourteen (14) employees in Supply Chain as of the last year under review.

Seventy nine percent (79%) of the employees in Finance have completed the Municipal Financial Management Programme (MFMP) and seventy one percent 71% of employees in Supply Chain completed the MFMP course. The remaining 21% of the employees will be registered for the program in future.

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1 Revenue

The Company's total revenue from exchange transactions increased by 14% to R 3 387 917 315 in 2023/24. This increase in revenue was due to annual tariff increases and the efforts to curb illegal connections and meter tampering / bypassing, compared to the previous year

Grant income increased by 76% due to the increase in ISUP grant allocation for the current year, compared to R 41 109 905 in the prior year.

#### REVENUE

- 14% increase in total revenue
- 76% increase in grant income

### 5.2 Expenditure

As in prior periods, the most significant expense disclosed by the Company relates to its bulk electricity purchases. This expenditure represents 63% of the Company's total expense.

Expenditure increased, in total by 15% as compared to the prior expenditure.

Employee related costs increased by 15%. The increase is due to the normal annual salary increase, high level of new staff appointments and notch increments made during the year.

#### EXPENDITURE

- 15% increase in Expenditure
- 1% decrease in depreciation and amortisation
- 90% decrease in Impairment
- 15% increase in employee related costs.

### 5.2.1 Deficit

The Company had a deficit of R 314 010 395 for the year, compared to R 251 618 051 deficit for the 2022/23 year.

### 5.3 Financial position

In the 2023/24 financial year, the Company improved its financial position, as evident from the following line items on the statement of financial position:

- A decrease of cash and cash equivalents of R 13 184 535.
- Liquidity - current liabilities exceeded current assets by approximately R 691 658 199.
- Solvency - total assets exceeded total liabilities by R 3 727 109 346 at the end of 2023/24.

### 5.4 Budget

The Company's final approved budget for 2023/24 indicated a profit of R 309 109 800. However, the actual amount on a comparable basis resulted in a deficit of R 314 010 395.

## **CHAPTER 6: AUDITOR-GENERAL'S FINDINGS ON PRIOR YEAR ISSUES**

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### **6.1 Purpose of the report**

- To provide feedback on the progress made with respect to the implementation of the Audit Action Plan as developed in response to the Company's audit and management reports for the financial year ended 30 June 2023.
- To provide feedback on the current control environment and corrective measures implemented during the 2022-23 financial year.

### **6.2 Introduction and background**

CENTLEC (SoC) Ltd continued its determined efforts to address the audit findings raised by the office of the Auditor-General in the 2022-23 financial year. The primary focus while implementing and monitoring the follow-up on the audit action plan has been to improve on the audit outcomes of the previous years.

This is in line with the Company's aim of achieving a clean audit outcome as envisaged by the leadership and management.

An audit action plan was developed, implemented rigorously and monitored with the involvement of all Directorates, Internal Audit, Office of the Auditor-General, Audit and Risk Committee.

Furthermore, the progress on the audit action plan was reported to the extended executive team on a weekly basis, with critical focus on issues that require collective effort from all user directorates.

The progress report was tabled before the Audit and Risk Committee deliberation and consideration. This progress was also shared with the Office of the Auditor-General who provided continuous feedback.

### **6.3      *Executive Summary: Implementation of the Audit Action Plan***

The findings from the Auditor General's reports are closely monitored to ensure that Management takes corrective action. Internal Audit regularly follows up on unresolved findings to verify that root causes are addressed by Management, preventing recurrence of the control deficiency. The process of following up on the resolution of external audit findings is performed monthly but has been performed weekly in the last two (2) months of the financial year. The rate of resolution of the audit findings remained moderate with improvement in the second half of the year as compared to the first half of the year. Overall, the percentage resolution of audit findings from the Auditor General is below the desired 66% get due to the fact some findings are related to the year-end process of the AFS.

#### **6.3.1    *Improvements to the internal control environment***

In the 2022-23 management report issued by the Auditor-General's office (AGSA) majority of issues were resolved. Management accordingly analysed the findings raised in the management report and identified specific matters that required immediate attention to improve on the 2022-23 audit outcome:

- Material impairments;
- Irregular expenditure management;
- Inadequate controls over ensuring that payments were made within 30 days;
- Noncompliance with legislation.

#### **6.3.2    *Progress on matters reported in the audit report.***

Management had drafted the audit management action plan to address the findings from the previous year' external audit. Reporting their progress on a monthly and quarterly basis to the internal audit unit, whose responsibility was to confirm that the recommendations from the Auditor General's report were being implemented. A total implementation of 66% of the recommended management action plans had been successfully implemented as at 30 June 2024. Most of the compliance findings had been



resolved, but some outstanding items relating to the year-end processes which had a significant impact on the preparation of the Annual financial statement and Annual Performance Report.

### 6.3.2.1 Auditor General findings on non-compliance with legislation

**Table 32: Auditor General findings on Non-compliance**

Auditor General finding on previous year non-compliance with legislation	
Non-Compliance	Remedial Action Taken
<b>AFS</b> 1. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122(1) of the MFMA. Material misstatements of non-current assets identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	Management will ensure that the AFS are prepared in accordance with the Section 122 (1) of the MFMA.
<b>Expenditure management</b> Money owed by the Company was not always paid within 30 days, as required by Section 99(2)(b) of the MFMA.	Management has implemented measures to ensure that all payments are made within 30 days except for payments to Eskom. At the end of the 4 <sup>th</sup> Quarter, the trade payable was paid within 19 days.
Reasonable steps were not taken to prevent irregular expenditure of R156 346 943 as disclosed in note 45 to the AFS, as required by Section 95(d) of the MFMA. The majority of the irregular expenditure was caused by overspending of the budget.	Management had taken stringent measures to prevent the irregular expenditure. If cases of irregular expenditure are discovered and are not budget related, these cases are investigated, and the appropriate consequence management will be implemented
Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R49 260 614 as disclosed in note 44 to	Management had taken stringent measures to prevent fruitless and wasteful expenditure, and any cases of fruitless and expenditure are

Auditor General finding on previous year non-compliance with legislation	
Non-Compliance	Remedial Action Taken
the AFS, in contravention of Section 95(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on overdue accounts.	thoroughly investigated with appropriate consequences.
Expenditure was incurred in excess of the approved budget, in contravention of Section 87(8) of the MFMA.	Measures were put in place to prevent exceeding the approved budget and overspending.
<b>Procurement and contract management</b> The preference point system was not applied for some of the procurement of goods and services as required by Section 2(1)(a) of the Preferential Procurement Policy Framework Act.	Measures were put in place to ensure the company's compliance with the PPP Framework.

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## 7 APPENDICES

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7.1	APPENDIX A:	BOARD MEMBERS; COMMITTEE ALLOCATION AND ATTENDANCE
		- See paragraph 2.4.
7.2	APPENDIX B:	COMMITTEES AND COMMITTEE PURPOSES
		- See paragraph 2.4.
7.3	APPENDIX C:	THIRD TIER ADMINISTRATIVE STRUCTURE
		- See paragraph 1.6.
7.4	APPENDIX D:	FUNCTIONS OF COMPANY
		- See paragraphs 1.3, 1.4, 1.5 and 1.10.
7.5	APPENDIX E:	WARD REPORTING
		- Not applicable
7.6	APPENDIX F:	WARD INFORMATION
		- Not applicable
7.7	APPENDIX G:	RECOMMENDATIONS OF THE AUDIT COMMITTEE
		- See paragraph 6.3.
7.8	APPENDIX H:	LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS
		- Not applicable
7.9	APPENDIX I:	COMPANY PERFORMANCE SCHEDULE
		- Not done in full compliance with reporting requirements.
7.10	APPENDIX J:	DISCLOSURES OF FINANCIAL INTERESTS
		- See paragraph 10 of the Directors Report in the Annual Financial Statements attached as Appendix T
7.11	APPENDIX K:	REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
		- See Notes 24, 25, 26, 30, 31, 32 of the Annual Financial Statements attached as Appendix T
7.12	APPENDIX L:	CONDITIONAL GRANTS RECEIVED
		- See Note 30 of the Annual Financial Statements attached as Appendix T
7.13	APPENDIX M and N:	CAPITAL EXPENDITURE
		- See Notes 9 and 10 the Annual Financial Statements attached as Appendix T
7.14	APPENDIX O:	CAPITAL PROGRAMME BY PROJECT BY WARD
		- Not applicable
7.15	APPENDIX P:	SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS
		- Not applicable
7.16	APPENDIX Q:	SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
		- Not applicable
7.17	APPENDIX R:	DECLARATION OF LOANS AND GRANTS MADE
		- Not applicable
7.18	APPENDIX S:	DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71
		- Not applicable
7.19	APPENDIX T:	ANNUAL FINANCIAL STATEMENTS
		- Pages to follow (Pg. 101 to 236)
7.20	APPENDIX U:	REPORT OF THE AUDITOR-GENERAL ON CENTLEC (SOC) LTD
		- Pages to follow (Pg. 238 to 244)