



# CHIEF ALBERT LUTHULI MUNICIPALITY

## Annual Report 2023/24



***“The transparent, innovative, and developmental municipality  
that improves the quality of life of its people”.***

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# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### EXECUTIVE MAYOR’S FOREWORD



It is an honor and a great pleasure to present, on behalf of Chief Albert Luthuli Municipality and all its stakeholders who have played a vital role in the performance of the municipality, the Annual Report for the 2023/2024 financial year.

The municipality has not been immune to the challenges facing other municipalities, provincial governments and the national government as the socio-economic challenges continue to present themselves in different forms such as unemployment, social and economic equality and poverty. Despite these challenges, the municipality is committed in addressing these challenges which have a negative impact on our service delivery and revenue collection. The municipality is re-visiting, refining and re-crafting its strategic objectives to ensure that they are informed by lessons learnt in the past and that they are aligned to the current socio-economic state. Our strategic objectives are aligned with the Provincial Growth and Development Strategy, the National Development Plan, the National Spatial Development Plan, and the National Key Performance Areas.

#### **Vision**

Our vision statement indicates that we are striving to be a transparent, innovative, and developmental municipality that improves the quality of life of its people. As we are continuing with the political term of the council, we are mindful of this vision statement of being open and transparent in discharging our duties, hence we are presenting the Annual Report to the masses of our people. It is not only compliance with legal statutory requirements, but also our moral high ground that we should account to our communities for our decisions and spending. This 2023/24 Annual Report of Chief Albert Luthuli Municipality, which reflects our service delivery and development achievements and challenges, is

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presented in recognition of our obligation to be an accountable and transparent organization. Such annual reporting is also required from South African municipalities in terms of various pieces of legislation, such as Section 46 of the Local Government: Municipal System Act No. 32 of 2000 and Section 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

### **Key Policy Developments**

The National Development Plan remains our overarching plan, which informs our Integrated Development Plan and budget allocations. The National Development Plan seeks to institutionalize long-term planning and gives expression to the policy continuity characterizing the past and informing the next 20 years. The Mpumalanga Vision 2030 provides a provincial expression of the key priorities, objectives and targets enumerated in the National Development Plan and expressed within the manifesto of the ruling party.

### **Key Service Delivery Improvements**

In the year under review, we have been able to complete our task as per the approved Service Delivery Budget Implementation Plan, which forms the basis of the performance contract that we entered into with administration. The achievement of service delivery targets and deliverables is obviously also required to be viewed together with the municipality's financial performance and our ability to comply with a whole suite of municipal legislation. Recovery of debt in areas where Eskom provides power directly to the people remains a problem. The Municipality continued to support registered indigent and poor households in the form of a monthly subsidies on their household accounts to cover the basic fees with regards to sewerage, refuse removal, water, and electricity. Although we had limited financial resources to accomplish all the expectations of our communities, we were able to make strides as follows:

- Improved access to electricity to communities that were previously deprived of the service.
- Improved access to waste management through regular refuse removal and health compliance inspections.
- Expanded the provision of clean potable water to certain areas of the municipality and installed water meters to control the usage of water.
- Provided an entrepreneurial development initiative through our infrastructure development and other ventures.
- Provided a platform for communities to engage the municipality through Izimbizo, notices, media statements, website, and general community meetings;
- Increased the social assistance net by registering communities as indigent for easy access to municipal services.
- We have a functional Local AIDS Council to mitigate and deal with the effects of HIV/AIDS and other opportunistic infections.
- We have a functional mining and local economic development forum to mitigate the effects on our society of the triple challenges which are poverty, unemployment, and inequality.

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- We also maintained an unqualified audit opinion with few matters in 2024.

## **Public Participation**

The municipality continues to improve on its public participation initiatives, not only for compliance but for the purpose of enhancing good governance. The enhanced public participation strategies are applied in the form of Ward Committees, Community Development Workers, Ward-based Planning, Community Outreach Programmes in the form of Mayoral Imbizos, notices, media statements, website, forums, and Report Back meetings (general community meetings) to give an update on service delivery issues raised.

## **Future Actions**

We increased the social assistance net by registering our communities as indigent for easy access to municipal services. We also provided skills development and experiential learning initiatives with the private sector and other agencies of government to the unemployed youth and continue to provide quality Service Delivery to our communities.

## **Agreements / Partnerships**

We collaborated with sector departments in creating jobs through the Extended Public Works Programme, Community Works Programme and Siyathuthuka. We have provided skills development and experiential learning initiatives to the unemployed youth and women, with private sector and other agencies of government.

## **Conclusion**

We are making progress in revenue generation, although not at a satisfactory level. We need to have a comprehensive plan to decisively deal with the concomitant issues on revenue management. We are particularly pleased with the performance of our Project Management Unit in implementing the Municipal Infrastructure Grant. We are encouraged by the general performance of the municipality in various aspects as confirmed by the recent SERO report.

Vandalism and theft are unfortunately a growing problem in parts of the municipal area which is costing the Municipality a substantial amount of money annually. The time has come for a major educational drive to address this problem and to convince communities that vandalism is to their own detriment. The 2023/24 financial year was a challenging period for the local government sphere, because it has been the year of provincial and national elections. It required the local municipalities to ensure success of all the elections processes.

## **The Year ahead**

This Annual Report serves as a record of an accounting mechanism to communities on the institution's achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges. To strengthen and streamline the institution and its operations to enable the institution to expand service delivery to the residents of Chief Albert Luthuli Municipality, inter alia the following interventions/actions will be prioritized in the year ahead:

- 
- Stabilizing the administration by filling key strategic vacancies.
  - Sourcing available national and international funding to augment key service delivery projects and replace aging and poor infrastructure.
  - Strengthen the Ward Committee System to enhance effective public participation.
  - Making the vision and mission of the municipality our motto to provide a strategic thrust for the Municipality's long term development planning.
  - Addressing irregular, fruitless, and wasteful expenditure and improving the audit opinion raised by the Audit-General and introducing corrective measures towards obtaining a clean audit.
  - Paying our service providers within 30 days.
  - Vigorously instilling a culture of performance within the institution.
  - Promoting financial discipline and management.

Lastly, we plead with our communities to be active citizens by participating in their development through statutory platforms that are ward committees, CDW's and so forth.

Finally, I would like to express my sincere gratitude to all Councillors, officials, and the residents of Chief Albert Luthuli Local Municipality area for their dedication, support, and co-operation, which enable the institution to excel and withstanding all challenges.

I would like to express my gratitude to the Executive Committee and all the Councillors for their contribution and commitment towards realizing the Vision and Mission of the municipality and making a difference in the lives of all people of Chief Albert Luthuli Municipality. I would also like to thank the Management team and Staff members for their support during the year.

Most importantly, I wish to thank the ratepayers, all stakeholders and individuals who continue to support us, without your commitment and support, these achievements that would be outlined in this report would not have been possible.


Cllr MP Magubane  
Executive Mayor

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW



This Annual Report for the 2023/2024 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates, and guidelines.

The report records the performance and progress made by the Chief Albert Luthuli Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery, and Budget Implementation Plan (SDBIP) as approved by Council for the year reported on. It allows us an opportunity to reflect and see how the Municipality responded to its mandate as a sphere of government charged with the responsibility of delivering basic services to our communities.

In the year in question, we've noted great steps towards the advancement of basic services delivery with the introduction of water supply catalytic projects for Emanzana Water Treatment Works, upgrading of Carolina Wastewater Treatment works funded by the Municipal Infrastructure Grant (MIG) and Regional Bulk Infrastructure Grant (RBIG). Needless to mention, these schemes are of a multi-year nature and did not immediately resolve the challenges. However, we are confident that upon successful implementation they will yield great positive results.

From an administrative perspective, the Municipality is aiming to continuously strive towards the realisation of the municipality's vision to be "the transparent, innovative, and developmental municipality that improves the quality of life for its people". We are confident that our current staff is competent, capable, and disciplined enough to rise to the occasion and successfully fulfil this vision. Nevertheless, we remain enthusiastically hopeful, accepting the challenge at hand to redress the root causes in our quest to achieve sound financial management and reporting.

## **INFRASTRUCTURE AND BASIC SERVICE DELIVERY**

### **Provision of Water**

The Municipality is faced with challenges of financing the operation and maintenance of water service infrastructure due to its inability to collect revenue and enforce its credit control policy, particularly in tribal lands. The Municipality had seven water schemes and two water treatment package plants. The operation and maintenance of the infrastructure was done internally by the Technical Services team, while other major repair and maintenance services were delegated to contracted service providers. The existing infrastructure did not meet the demand of the current population, which led to limited supply to other areas, particularly in Eerstehoek and Empuluzi where water supply was rationed. Reliable, uninterrupted, and constant water supply was further affected by power supply outages and the breakdown of equipment.

The Municipality has persevered despite the financial constraints brought on by its inability to enforce the credit control policy and collect revenues. We provided water to some of the most remote, rural communities using water tankers, and rudimentary electrified boreholes connected to elevated tanks and hand pumps.

Despite the challenges, the following were achieved:

- Collected and successfully analysed water samples;
- Connected new households onto the water grid;
- Provision of basic water within the RDP standard to almost 95% of households despite the challenging circumstances brought on by the fact that most of the households are located in rural towns and villages;
- Attended to leakages timeously as and when identified;
- Completion of Methula Water Scheme; and
- 56 boreholes were maintained

### **Provision of Sanitation**

The Municipality has Three conventional wastewater treatment work (considering the 2 recently completed WWTW) and two biological sewer ponds. As such, most of the households are not connected to the sanitation grid due to the design capacity of the existing infrastructure. However, 264 VIP toilets were constructed during 2023/24 financial year to attend to the backlog on sanitation services. Currently, the municipality is providing sanitation services to at least 62 974 households.

The Municipality had the following capital projects that were approved by Council for the 2023/24 financial year to reduce this backlog:

- Refurbishment of the sludge drying beds, the inlet works, the mechanical works of the activated sludge tanks, the secondary clarifiers mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4
- Construction of Conventional Toilets in ward 07,08,11,13,19,21&23
- Upgrading of Emanzana Wastewater Scheme

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- Refurbishment of Elukwatini Pumpstations
- Refurbishment of Ekulindeni WWTW
- Upgrading of Carolina WWTW to 6 Mega litres
- Upgrading of Carolina WWTW - Package 1
- Upgrading of Carolina WWTW - Package 2

## **Provision of Electricity**

The Municipality was licensed to distribute electricity in Carolina, Silobela and part of eManzana (Badplaas). Other areas within the jurisdiction of the Municipality are supplied by Eskom.

The following were achieved:

- 8584 registered indigents received free basic electrical services.
- Completion of upgrading of Silobela Substation.
- 446 public lights maintained.
- 217 Smart meters installed to enhance revenue.
- 71 km of distribution network successfully maintained.
- Kiosks were replaced in Carolina CBD.
- 500 new households were electrified through INEP Program.

## **FINANCIAL VIABILITY AND FINANCE MANAGEMENT**

In the 2023/2024 fiscal year, the Municipality's expenditures accounted for 67% of the total revenue, resulting in a surplus of R 371,851,843. This marks a significant improvement compared to the 2022/2023 fiscal year, where expenditures represented 84% of the total revenue. The total revenue experienced an 18% increase, rising from R 944,251,247 in 2022/2023 to R 1,142,782,049 in 2023/2024. Consequently, the accumulated surplus reached R 2,270,294,788.

Additionally, there was a notable increase in the Municipality's cash flow from operating activities, which represents own revenue. This figure rose to R 232,865,852 in 2023/2024, compared to R 161,451,479 in 2022/2023, reflecting a 31% increase. This positive financial outcome underscores the Municipality's improved fiscal management and enhanced revenue generation, contributing to a stronger financial position. The significant reduction in the expenditure-to-revenue ratio, coupled with the substantial increase in total revenue and operating cash flow, are key factors in achieving this surplus.

The Municipality's cash flow statement shows a year-end balance of R 16,228,109 in cash and cash equivalents, a significant increase from the R 4,083,119 reported in the 2022/2023 financial year. It is reassuring that the Municipality had actual cash of R 11,922,000 in unspent grants. Despite the notable increase as reflected on the cash flow statement, the Municipality still faces a major challenge in fully recovering the costs of providing services to its communities.

## **INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

The Municipality approved on 27 October 2023 an Employment Equity Plan for 2022-2027 under Council Resolution CL1. 127. The number of people from the employment equity target groups that were employed were five (5). The said positions were 100% occupied by the previously disadvantaged

group. The total number of employees was 534, and by the end of June 2023 there were 47 funded positions which some of them will be filled during the 2023/24 financial year.

## **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **Good Governance and Public Participation**

The Local government, being the sphere of government that exists closest to the people of a state, has often been described as the most important sphere of government. Since municipal institutions affect the lives of all people living within that territory of the state, they are rightly regarded as the backbone of a balanced democracy. If the local sphere of government does not function properly, the state, broadly construed, will not function optimally.

Local Government is seen in many countries as a key institution for the enhancement of democracy and as a vehicle for development. In South Africa, our Municipalities have a clear Constitutional obligation in terms of (Section 152):

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

Good governance facilitates the delivery of essential services for citizens and is vital for socio-economic welfare and development. In South Africa, the importance of efficient governance is underscored by the proximity of local government to the people: the epicentre of service delivery. Local governance discussions usually focus on public administration, factoring in transparency, accountability, and efficiency.

### **Public Participation**

Chapter 4 of the Local Government: Municipal Systems Act, Act 32 of 2000 refers to community participation. It gives rise to the fact that a municipality must develop a culture of municipal governance that complements a formal representative government with a system of participatory governance. Public participation processes of community engagement between government and citizens. Section 17 of the Local Government: Municipal Systems Act (Act 32 of 2000) requires municipalities to put in place systems for communities to participate in the decision-making process. These include the following:

- The process of receiving, processing, and considering petitions.
- Procedures for notifying the public of issues being considered by the council and a process that allows for public comment.
- Procedures for public meetings and hearings by councillors and officials.
- Regular sharing of information about the Municipality through consultation with Community Organizations.

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Ward Committees operate under the auspices of the Public Participation Policy read in tandem with other legislative provisions. The Office of the Speaker has embarked on the public participation drive in all the 25 wards in Chief Albert Luthuli area of jurisdiction.

## **LOCAL ECONOMIC DEVELOPMENT**

The Local Economic Development (LED) Forum was launched in 2023, and local economic sectors such as Mining, Cooperatives, SMME's, Agriculture, Transport, Department for Small businesses Development, and Tourism were engaged throughout the year. In addition, several SMME's and Cooperatives were appointed and supported throughout the year.

The number of jobs created through the infrastructure development programmes totalled 3, 058 (from CWP Carolina, Tjakastad, and Nhlazatshe), 250 CALM EPWP, 280 through poverty alleviation projects and 23 Siyathuthuka participants. There is a noticeable improvement in our economic sector especially on trade sector, Dundonald mall has been opened, and more than 103 job opportunities were created.

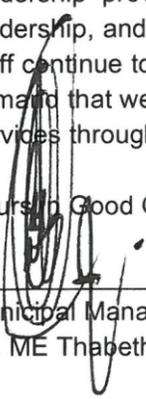
Currently, we are in a process of reviewing our LED strategy that will guide the economic development of the municipality.

## **SPATIAL PLANNING and LAND USE MANAGEMENT**

The Spatial Development section is responsible for managing the land use within the Municipality. The section further engages with the various stakeholders who are involved in land development, as its purpose is to identify suitable land for the various land uses and ensure that integrated human settlements materialise. The Municipality is responsible only for the monitoring and implementation of the Municipality's Spatial Development Framework and Land Use Management System. The Municipality is also responsible for the monitoring of the housing projects and the development of housing plans, which are funded by the Provincial Department of Human Settlement. Several housing projects comprising of housing units which are monitored. The Department of Human Settlements appointed a service provider to develop a 5-year housing plan, and the Municipality is in a process of implementing the Housing Chapter that was adopted in 2022, which is valid until 2027

On behalf of the administration of the CALM, we wish to express our deep gratitude to the political leadership provided by the Executive Mayor and his executive council. Without their support leadership, and oversight, very little would have been achieved during the period under review. Our staff continue to play an important role in ensuring that service delivery is accelerated as our people demand that we expeditiously discharge our mandate. We shall continue accelerating the delivery of services through service delivery innovations.

Yours in Good Governance

  
Municipal Manager  
Mr. ME Thabethe

T 1.1.1

### INTRODUCTION

CALM is a Category B Municipality situated in the Gert Sibande District of the Mpumalanga province. The municipal council consists of forty-nine members elected by mixed-member proportional representation. The political head of the municipality is the Executive Mayor, supported by 6 MMCs elected in terms of Section 60 of the Municipal Systems Act (MSA 2000)

The Municipality adopted an Executive Mayor system (Section 55 of the MSA) as well as a Mayoral Committee governance system (Section 60 of the MSA). The Municipality is comprised of a Mayoral Committee, and Section 79 and 80 Committees. A mayoral executive system is a system of municipal government which allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee

The Mayoral Committee and Section 80 Committees deal with the executive part of administration, and the Section 79 Committees are responsible for oversight.

The Audit Committee provides is an independent committee constituted to review the control, governance and risk management, provide assurance and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report. within the Institution, established in terms of section 77 of the Public Finance Management Act (PFMA), or section 166 of the Municipal Finance Management Act (MFMA).

The Speaker is the Chairperson of the Council and leads the process of public participation in consultation with the Executive Mayor. The Council Whip assists the Speaker with affairs of Councillors, ensuring that all pieces of legislation, policies, and procedures are observed.

A Municipal Manager (MM), who is the Accounting Officer, heads the administration function of the municipality. The Municipal Manager is assisted by five Directors (Section 56 employees) and a staff complement of over 476 with proper organisational structure and job descriptions. The delegation of authority document was approved by Council and is being implemented.

The community of CALM is involved in the functions of the Council through established Ward Committees chaired by Ward Councillors and administratively supported by municipal officials and Community Development Workers (CDWs). A structured system ensures that issues from the communities are effectively communicated to Council through Ward Committees and CDWs.

The CALM population is increasingly under pressure due to population growth. According to Statistics South Africa, in 2022, the total population in CALM was approximately 247 664, with a 32% growth between 2016 and 2022. As a result, the municipality is now ranked as the 9th largest population in the province and makes up 4.8% in the province (as per 2022 community survey).

The municipality has over 63 303 HHs with access to essential municipal services. The main economic activities are coal, mining, forestry, and agriculture.

# Chapter 1

## INTRODUCTION TO BACKGROUND DATA

The Municipality is named after the great leader of the people and the African National Congress movement, Chief Albert Luthuli. The Municipality is a Category B municipality situated within the Gert Sibande District Municipality, on the eastern escarpment of Mpumalanga, and shares its eastern border with the country of Eswatini, with its seat in Carolina. It consists of diversified communities that face various social, economic, environmental and governance challenges.

The N17 cuts through the south-eastern part of the area, as well as other regional mobility routes, namely the R36, R33 and R38. The majority of rural settlements are spread across the eastern part of the municipal area and access is provided by the R541, N17 and various secondary routes.

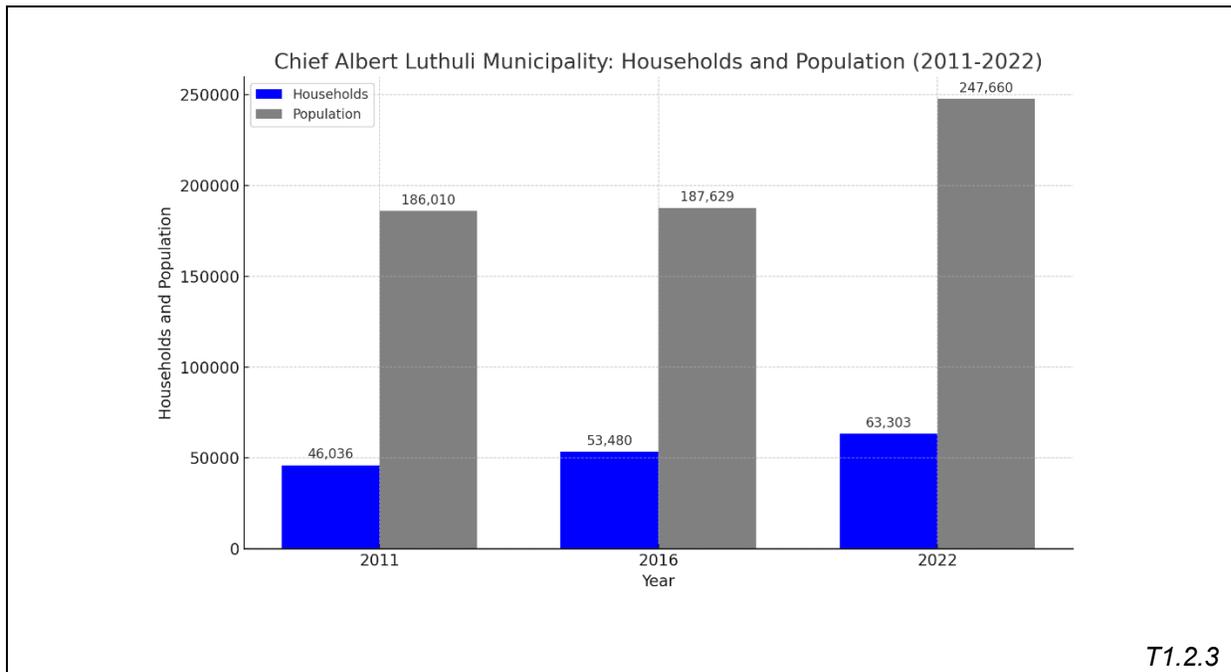
Other key features of the Municipality include forestry areas in the central and southern parts of the Municipality, the Nooitgedacht and Vygeboom Dams, a river system, as well as the edge of a greater wetland region. Economic activities that are dominant spatially in the Municipality include agriculture, forestry, and mining. The economic Retail and Services activities are concentrated in Carolina and smaller centres such as Elukwatini and Emanzana.



T 1.2.1

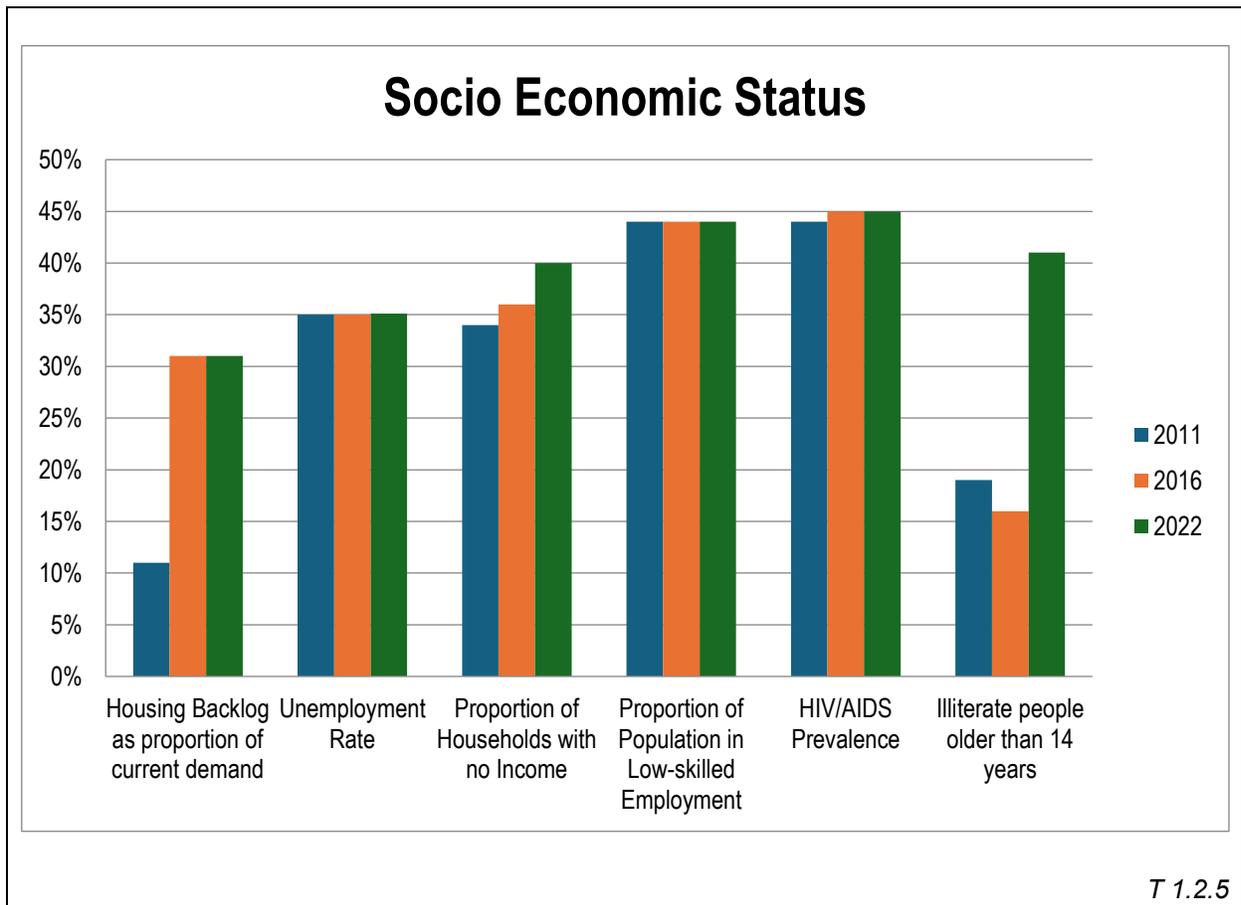
Population Distribution by Age (Census and 2022 Community Survey)						
Age	2016			2022		
	Male	Female	Total	Male	Female	Total
Age: 0 - 4	10958	11056	22014	13354	13822	27176
Age: 5 - 9	10859	10204	21063	11951	12009	23960
Age: 10 - 14	10353	10469	20822	12429	12442	24871
Age: 15 - 19	11180	11116	22296	11733	11593	23326
Age: 20 - 24	9287	9632	18919	11102	11740	22842
Age: 25 - 29	7734	9340	17074	10151	11935	22086
Age: 30 - 34	5832	7170	13002	9353	11398	20751
Age: 35 - 39	4256	5263	9519	8364	10184	18548
Age: 40 - 44	3422	4764	8186	6263	7084	13347
Age: 45 - 49	3293	4241	7534	4999	5814	10813
Age: 50 - 54	2811	3520	6331	4224	5425	9649
Age: 55 - 59	2372	3105	5477	3751	5073	8824
Age: 60 - 64	1908	2823	4731	3196	4185	7381
Age: 65 - 69	1768	2490	4258	2396	3571	5967
Age: 70+	2354	4053	6407	2681	5438	8119
<b>Total</b>	<b>88387</b>	<b>99246</b>	<b>187633</b>	<b>115947</b>	<b>131713</b>	<b>247660</b>

Source: Statistics SA  
T 1.2.2



# Chapter 1

Socio-Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2011	11%	35%	34%	44%	44%	19%
2016	31%	35%	36%	44%	45%	16%
2022	31%	35%	40%	44%	45%	41%
<b>T 1.2.4</b>						



<b>Overview of Neighborhoods within the Chief Albert Luthuli Municipality</b>		
<b>Settlement Type</b>	<b>Households</b>	<b>Population</b>
<b>Towns, Townships, Rural Settlements, and Informal settlements</b>		
Aarnhemburg	127	504
Albert Luthuli NU	3 660	14 267
Avontuur	157	781
Badplaas	163	582
Betty's Goed	342	1 489
Caithness	24	136
Carolina	5 059	16 846
Davale	172	885
Dibaba	48	107
Diepdale	1 598	6 768
Dumbarton	60	281
Dundonald	1 229	4 764
Ekulindeni	1 341	4 521
eMbangweni	727	2 879
Embhuleni	128	595
eMlondozi	0	0
eMphelandaba	143	532
Engonini	118	427
Enkhaba	123	525
Esgwili	538	2 504
Etjelebube	507	2 165
Fernie	3 783	15 693
Glenmore	1 830	7 180
Hereford	265	1 400
Holeka	609	2 520
Houtbos	283	1 215
Izidonga	131	694
Kalwerskraal	19	91
Lukwatini	3 921	13 149
Mafumulo	240	1 077
Malahleka	65	333
Manaar	222	965
Manzana	1 970	6 922
Maphundlwane	353	1 318

# Chapter 1

Overview of Neighborhoods within the Chief Albert Luthuli Municipality		
Settlement Type	Households	Population
Maryvale	49	112
Maxflower Gate	552	2 401
Mayflower	3 638	13 547
Mbejeka	116	514
Modergat	44	241
Mooiplaas	987	4 149
Ndonga	48	268
Nhlaba	204	779
Nhlazatje	6 983	28 224
Nooitgedacht Dam	32	50
Northdene	81	388
Phophonyane	80	444
Redhill	1 180	4 861
Robinsdale	243	1 165
Theeboom	78	418
Tjakastad	3 071	12 711
Vlakplaas	149	598
Vygeboomdam	51	115
Waverley	164	910
Sub Total	47 705	186 010
		<i>T 1.2.6</i>

Natural Resources	
Major Natural Resource	Relevance to the Community
Mining	0.1% contribution to growth with labour intensity of 1.03
Forestry and Agriculture	0.5% contribution to growth with labour intensity of 1.61
Tourism	Tourism spent of 4.8% as percentage of GDP
<i>T 1.2.7</i>	

### COMMENT ON BACKGROUND DATA

The municipality uses the 2022 census data as the basis for planning together with the CALM administration data.

T 1.2.8

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The main basic services rendered by the services directorate of CALM include water, sanitation, electricity, and refuse removal. The municipality is both a Water Services Authority (WSA) and Water Service Provider (WSP), hence it is mandated to provide water and sanitation to its community. The funding for the provision of basic services is sourced from internal reserves, municipal funds, the Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and the Integrated National Electrification Programme (INEP).

The strategy is to ensure the provision of road and storm water infrastructure while upgrading existing infrastructure in all areas and maintaining existing roads. Municipal funds are utilized for the construction of roads, while the MIG is utilized for construction of new roads in low-income areas. As a WSA the municipality must provide water and sanitation services to all communities in its jurisdiction. The municipality is both a WSA and a WSP.

T 1.3.1

### The proportion of HHs with Minimum Level of Basic Services

Municipality	Services	Total number of HHs	Number of HHs with Access	%	Number of HHs without Access	%
CALM	Water	63 303	60 788	96%	2 515	4%
CALM	Sanitation	63 303	62 974	99,5%	329	0,5%
CALM	Electricity	63 303	61 447	97%	1 856	3%
CALM	Refuse removal	63 303	23 399	37%	39 904	63%

T 1.3.2

# Chapter 1

## COMMENT ON ACCESS TO BASIC SERVICES

The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers.

The Municipality provides access to electricity to 97% households, and households without electricity are now less than 3%, according to the SA Statistics (2022) Community Survey. Completed electricity meter installation totalled 217 and 446 public lights were maintained during the year under review.

The proportion of households with access to basic sanitation is 99,5%, where 25 263 (40%) households have access to waterborne/flush toilets, 3 466 (5,5%) households have access to sanitation through septic tanks & chemical toilets, 31 455 (50%) households have access to VIP toilets and 2 790 (4,4%) households have access to pit (non-VIP) toilets.

Currently the Municipality has a total road network of about 649km, where 81% are considered as gravel roads. Most of the gravel roads are in dire condition and are located in the rural areas of the municipality. Some are bladed to pipelines and eroded due to heavy rainfall.

T 1.3.3

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

In the 2023/2024 fiscal year, the Municipality's expenditures accounted for 67% of the total revenue, resulting in a surplus of R 371,851,843. This marks a significant improvement compared to the 2022/2023 fiscal year, where expenditures represented 84% of the total revenue. The total revenue experienced an 18% increase, rising from R 944,251,247 in 2022/2023 to R 1,142,782,049 in 2023/2024. Consequently, the accumulated surplus reached R 2,270,294,788.

T 1.4.1

Financial Overview: 2023/24			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	944,527,000.00	914,388,000.00	924,995,501.00
Taxes, Levies and tariffs	-	25,000.00	24,502.00
Other	301,336,846.00	306,636,949.00	219,283,195.00
Sub Total	1,245,863,846.00	1,221,049,949.00	1,144,303,198.00

Less: Expenditure	-	-	-
Net Total*	1,245,863,846.00	1,221,049,949.00	1,144,303,198.00
<i>T 1.4.2</i>			

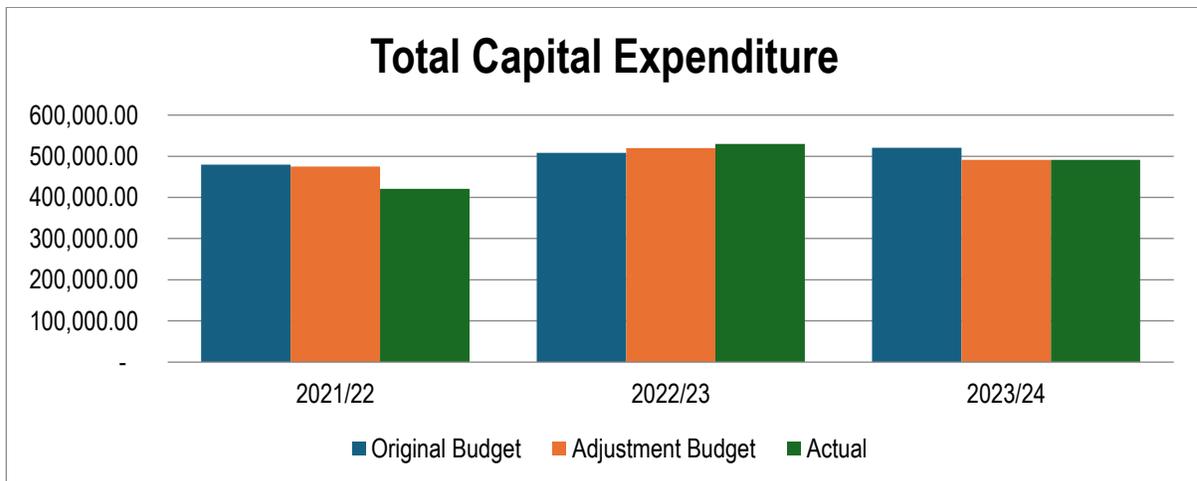
Operating Ratios	
Detail	%
Employee Cost	46%
Repairs & Maintenance	28%
Finance Charges & Impairment	37%
<i>T 1.4.3</i>	

**COMMENT ON OPERATING RATIOS**

Employee Costs expected to be approximately 46% to total operating cost; 'Repairs and maintenance' 28%; Finance Charges and Impairment 37%. The repairs & maintenance budget percentage to operating budget is lower than the expected norm due to large capital expenditure invested on asset renewal projects.

*T 1.4.3*

Total Capital Expenditure: 2021/22 to 2023/24			
R'000			
Detail	2021/22	2022/23	2023/24
Original Budget	480,000.00	508,000.00	521,000.00
Adjustment Budget	475,000.00	520,000.00	491,000.00
Actual	420,634.00	530,000.00	491,000.00
<i>T 1.4.4</i>			



# Chapter 1

## COMMENT ON CAPITAL EXPENDITURE

In the year under reporting (2023/24), 100% grant received was spent on capital budget.

*T 1.4.5.1*

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality approved on 27 October 2023 an Employment Equity Plan for 2022-2027 under Council Resolution CL1. 127. The number of people from the employment equity target groups that were employed were five (5). The said positions were 100% occupied by the previously disadvantaged group. The total number of employees was 534, and there were 47 funded positions which some of them were filled during the 2023/24 financial year.

*T 1.5.1*

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 2023/24

The Municipality received a qualified audit opinion in the year under reporting (2023/2024 financial year). The Basis for qualification was mainly due to receivables from exchange transactions, statutory receivables, net cash flows from operating activities, impairment loss, unauthorised expenditure, water distribution losses, commitments, statement of comparison of budget and actual amounts, principal-agent arrangement, risk management and segment information.

*T 1.6.1*

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft Annual Report, including Annual Financial Statement and Performance Report to Internal Audit and Auditor-General	August
5	Annual Performance Report as submitted to AGSA to be provided as input to the IDP Analysis Phase.	
6	AGSA audits the Annual Financial Statements and Performance data	September/ October
7	Municipalities receive and start to address the AGSA's findings.	
8	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	November
9	Receive management letter and provide final comments on findings.	
10	AGSA submits audit opinion.	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the AGSA's Report.	
12	Audited Annual Report is made public, and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight report	March
15	Council tables next financial year Budget/IDP and invites public representation.	
16	Oversight report is made public	April
17	Oversight Report is submitted to relevant national and provincial stakeholders and legislature.	
18	Council approves next financial year Budget/IDP.	May
19	Make public approved budget and IDP	June
20	Finalize Service Delivery Budget Implementation Plan (SDBIP) and Performance Agreements for next financial year.	
21	Make public SDBIP and Performance Agreements	July

T 1.7.1

**COMMENT ON THE ANNUAL REPORT PROCESS**

The municipality compiles its annual report with the guidance of the Municipal Finance Management Act (MFMA) and adopted it on time, having obtained information for the planning and budgeting processes for the subsequent year. This ensures proper planning. The alignment between IDP, Budget, and Performance Management Systems (PMS) remains one of management's priorities.

T 1.7.1.1

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Municipality adopted an Executive Mayor system (Section 55 of the MSA) as well as a Mayoral Committee governance system (Section 60 of the MSA). The Municipality is comprised of a Mayoral Committee, and Section 79 and 80 Committees. A mayoral executive system is a system of municipal government which allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee.

The Mayoral Committee and Section 80 Committees deal with the executive part of administration, and the Section 79 Committees are responsible for oversight.

The Audit Committee provides is an independent committee constituted to review the control, governance and risk management, provide assurance and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report. within the Institution, established in terms of section 77 of the Public Finance Management Act (PFMA), or section 166 of the Municipal Finance Management Act (MFMA).

The Municipality established the Municipal Public Accounts Committee (MPAC) as an oversight committee, comprised of non-executive councilors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) reports is published separately in accordance with MFMA (2003) guidance.

The Municipality established ward committees in its 25 wards with the view of strengthening public participation and entrenching democracy. The ward committees are fully functional, and their role involves, amongst others, being the ears and eyes of the Council at grassroots level. Input from the ward committees are discussed in Council meetings so that they receive the necessary attention.

*T 2.0.1*

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

## INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution states that the Council of a municipality has the right to govern its initiative and the local government affairs of the local community.

The CALM is a Category B municipality situated in the Gert Sibande District Municipality of the Mpumalanga province. The political structure of the CALM comprises a municipal council consisting of 49 councillors and is chaired by the Speaker. The municipality has a Mayoral Executive System.

The Municipal Manager is the administrative head and is a link between politicians and the administration. In addition, five (5) Directors, support the Accounting Officer.

*T 2.1.0*

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

The Local government, being the sphere of government that exists closest to the people of a state, has often been described as the most important sphere of government. Since municipal institutions affect the lives of all people living within that territory of the state, they are rightly regarded as the backbone of a balanced democracy and as essential service providers from a credo of relevance perspective. If the local sphere of government does not function properly, the state, broadly construed, will not function optimally. It is precisely for this reason that local government sector and the government in general is called upon in the NDP: Vision 2030 to:

- Strengthen Delegation, Accountability and Oversight functions.
- Promote greater and more consistent delegation supported by systems for support and oversight.
- Make it easier for citizens to hold municipal officials & politicians accountable for the quality of services they receive.
- Ensure effective internal assurance through municipal councils, MPACs, Audit & Risk Committees.
- Be open and responsive to assurance provided by external assurance providers like the AG, Treasury, CoGTA, SALGA & others; Local Government is seen in many countries as a key institution for the enhancement of democracy and as a vehicle for development.

Local Government in South Africa is no exception. And our Municipalities have a clear Constitutional obligation (Section 152):

# Chapter 2

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

In aid of the Constitutional obligations and regulatory requirements., Chief Albert Luthuli Local Municipality, post the 2021 Local Government Elections established, in line with conditions of establishment by the MEC through a section 12, Committees of Council that will expedite good governance, oversight and accountability and facilitate a fair law-making process. In this regard, Chief Albert Luthuli Local Municipality has been exemplary in terms of good governance in the Gert Sibande District:

- In commensuration with the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local government: Municipal Systems Act (Act 32 of 2000), the municipal council has successfully established council committees as per the requirements of Section 79 and Section 80 of the Local Government: Municipal Structures Act (Act 117 of 1998).
- Terms of Reference for orderly and proper constitution of the Committees were adopted by the municipal council to ensure oversight and accountability.
- Chairperson of Municipal Public Accounts Committee (MPAC) was appointed as full-time office bearers and other chairpersons of Section 79 Oversight Committees were appointed on a part-time basis.
- Audit and Risk Management Committees were established. These impartial statutory structures have been established to principally to provide oversight on financial and performance reporting information and allied internal controls in the institutions. These structures are fully functional, and they report to the municipal council on a quarterly basis.
- All the Council Committees have been able to present oversight reports in ordinary council meetings at least once per quarter.
- The municipal council has been able to adopt the oversight report on the Annual Reports as required by the MFMA.

T 2.1.1

## POLITICAL STRUCTURE

### THE EXECUTIVE COMMITTEE

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**EXECUTIVE MAYOR**  
**Councillor M.P. Magubane**

The Executive Mayor:

- Provides general political guidance over the fiscal and financial affairs of the municipality.
  - Identifies, reviews and evaluates the needs of the municipality in order of priority.
  - Recommends to the municipal council strategies, programs and services to address priority needs.
  - Recommends or determines the best way to deliver those strategies, programs and services to the maximum benefit to the community.
  - Identifies and develops criteria in terms of which progress in the implementation of the strategies programs and services can be evaluated.
  - Evaluates progress.
  - Reviews the performance of the municipality in order to improve the economy, efficiency and effectiveness of the municipality, and the efficiency of credit control, and revenue and debt collection services.
  - Monitors the management of the municipality's administration; and
  - Oversees the provision of services to communities in a sustainable manner.
-

# Chapter 2



**SPEAKER**  
**Councillor S.V. Gininda**

#### The Speaker of the Council:

- Presides at meetings of the council;
  - Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the MSA (2000);
  - Ensures that the council meets at least quarterly.
  - Maintains order during meetings.
  - Compliance in the council and council committees with the Code of Conduct for Councillors; and
  - Ensures that council meetings are conducted in accordance with the rules and orders of the council.
  - must ensure that the legislative arm of the municipality functions effectively.
  - is responsible for effective oversight over the executive authority of the council;
  - must ensure the effectiveness of the committees of the municipal council established in terms of section 79; and
  - is responsible for the ethics and accountability of the municipal council;
  - must ensure the effectiveness and functionality of ward committees and the public participation processes.
-



**CHIEF WHIP**  
**Councillor L.L. Sidu**

The Council Whip may:

- Provide political management of council meetings and committee meetings;
- Inform councillors of meetings called by the Speaker and the Executive Mayor and ensure that such meetings quorate;
- Advise the Speaker and Executive Mayor on the council agenda;
- Inform councillors on important matters on the relevant agenda;
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers addressing the council;
- Ensure that councillors' motions are prepared and timeously tabled in terms of the procedural rules of Council;
- Assist the Speaker in the counting of votes;
- Advise the Speaker and the Executive Mayor of urgent motions; advise the Speaker and Executive Mayor on how to deal with important items not disposed of at a council meeting

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**MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE**



**Corporate Services**  
**Councillor J.T. Mathebula**

As a member of the Mayoral Committee:

# Chapter 2

- Assists and advises the Executive Mayor;
- Chairs designated departmental portfolio committee meetings;
- Performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the programmes pertinent to his/her portfolio.
- Ensures efficiency and functioning of the total administration of the municipality;
- Overall administration of the Corporate Services Department;
- Provides support at support council meetings;
- Controls the activities of administration and records management,
- Legal services;
- Human capital, resources; employment equity and skills development;
- Co-ordinates occupational health and safety; and
- Co-ordinates committees.



**Finance Services  
Councillor E.S. Dhlamini**

As a member of the Mayoral Committee:

- Review policy choices and trade-offs in the budget;
- Contribute to the public participation processes pertinent to the budget and allied policies;
- Ensure the compilation and submission of the budget, and any adjustments budgets to council;
- Monitoring the implementation of the budget;
- Evaluating implementation performance;
- Monitor and scrutinise the submission of section 71 monthly budget statements;
- Monitor the revenue and expenditure projections for each month;
- Monitor the service delivery targets and performance indicators for each quarter (as set-out in the SDBIP);
- Monitor spending patterns, for example underspending or overspending of budget votes;
- Monitor the implementation of the departmental strategies, i.e. UIF reduction strategy and revenue enhancing strategies; and
- Monitor the implementation of by-laws and devising early warning systems in terms of the municipality's liquidity position.



**Community Safety Services  
Councillor G.G. Zulu**

As a member of the Mayoral Committee:

- Assists and advises the Executive Mayor;
  - Chairs designated departmental portfolio committee meetings;
  - Performs any Executive Mayor's powers delegated by the Executive Mayor and over sees the following programs:
  - the overall administration of the Community and Safety Services Department;
  - management of waste removal;
  - support to Youth/Women/People Living with Disability;
  - provision of sport and recreational facilities;
  - provision and management of: Libraries; Cemeteries; Parks and Gardens; and Environmental Health.
- 



**Technical Services & PMU  
Councillor S.N. Dube**

As a member of the Mayoral Committee:

- Assists and Advises the Executive Mayor;
- Chairs designated departmental portfolio committee meetings;
- Performs any executive mayor's powers delegated by the executive mayor and oversees the following programmes:
- Electricity services;
- Water and sanitation services;
- Public Works (Roads and Storm Water);
- Operation and Maintenance (O&M);

# Chapter 2

- Co-ordinates municipal infrastructure; and
  - Municipal fleet.
- 



**Planning and Economic Development  
Councillor S.P. Nkosi**

As a member of the Mayoral Committee:

- Assists and advises the Executive Mayor.
  - Chairs designated departmental portfolio committee meetings.
  - Performs any Executive Mayor's powers delegated by the Executive Mayor and oversees the following programmes:
    - Overall administration of the Planning and Economic Development Department.
    - The overall strategic spatial planning of the Municipality.
    - Local economic development.
    - Integrated development planning.
    - Strategic planning and management.
    - Human settlement; and town planning.
- 



**Special Programme  
Councillor N.G. Thomo**

As a member of the Mayoral Committee:

- Advocating for the vulnerable groups i.e. youth, gender, children, senior citizens and people with disabilities;
- Advising the municipality on addressing issues of the vulnerable groups e.g. development of policies, strategic documents;
- Co-ordinating and implementing all municipal programs relating to the vulnerable groups
- Mainstreaming issues of the vulnerable groups into all municipal processes and programmes;
- Liaising with stakeholders from sector departments and private sector through executive mayor;
- Monitoring programmes aimed at youth development;
- Monitoring programmes aimed at women development;
- Convening women development summits annually ;
- Monitoring programmes aimed at people with disability;
- Convening people with disability summits annually;
- Providing supports in local aids meetings; and
- Provide a political guidance to all special programs in consultation with the Executive Mayor.

T 2.1.1

### COUNCILLORS

The Demarcation Board designated the Municipality as a municipality with 49 councillors of whom 25 are wards councilors with 24 as Proportional Representation (PR). In terms of this formulae and the conditions of establishment (Section 12 Notice) the MEC for CoGTA, designated full-time councillors, being the Executive Mayor, five Members of the Mayoral Committee, the Speaker of Council, MPAC Chairperson and the Council Whip.

SALGA resolved in 2011 that the position of the Chairperson of the Municipal Public Accounts Committee should be designated as full-time. That was escalated to the determination of upper limits and approved as such. The Municipal Council then designated the Chairperson of the Municipal Public Accounts Committee as a full-time councillor.

Refer to **Appendix A** for the full list of Councillors (including committee allocations and attendance at council meetings).

Also refer to **Appendix B** for the list of committees and its purposes.

T 2.1.2

### POLITICAL DECISION-TAKING

Matters for decision-making are divided into two categories. Matters are delegated to the Executive Mayor (Mayoral Committee) for finalization, and matters are reserved for the Municipal Council for finalization.

T 2.1.3

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The administration is led by the Municipal Manager, appointed in Section 54 of the MSA 2000. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives, targets, and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer of the municipality.

The Accounting Officer and the five (5) Directors implement council resolutions, advise Council and its committees, and oversee the IDP, budget planning, and implementation processes. There are functions that Council delegates to the Municipal Manager, who in turn, sub-delegates certain functions to the respective Directors. Under their leadership, municipal officials are assigned to attend community consultative meetings and report to management on plans and progress in addressing community issues.

T 2.2.1

### ADMINISTRATIVE STRUCTURE



**MUNICIPAL MANAGER**  
**Mr. M.E. Thabethe**

#### **Duties:**

- Exercises the functions and powers assigned to an accounting officer in terms of the MFMA (2003);
- Provides guidance and advice on compliance with the MFMA (2003) to the Political Structures, Political Office-Bearers and officials of the Municipality;
- Ensures the implementation of the IDP;
- Provides all administrative responsibilities; and
- Takes responsibility for all Human Resource matters; Financial Management; Asset Management and procurement.



**DIRECTOR: THE CHIEF FINANCIAL OFFICER (CFO)**  
**Ms. M.M. Sekgobela**

**Duties:**

- Is responsible for the overall administration of the Finance Department;
  - Provides Strategic leadership in the Finance Department;
  - Develops and continuously evaluates short and long-term strategic financial objectives; and
  - Ensures that internal financial targets and budget were fully consistent with the municipality's IDP, SDBIP and relevant agreements with other sectors of government.
- 



**DIRECTOR: CORPORATE SERVICES**  
**Mr S.S. Sibeko**

# Chapter 2

## **Duties:**

- Is responsible for the overall administration of the Corporate Services Department.
  - Ensures efficiency and functioning of the total administration of the municipality.
  - Provides support at support council meetings.
  - Co-ordinates and controls the activities of administration and records management.
  - Co-ordinates legal services.
  - Co-ordinates human resources; employment equity and skills development.
  - Co-ordinates occupational health and safety.
  - Co-ordinates committees.
  - Co-ordinates the IDP, SDBIP and performance management.
- 



**DIRECTOR: COMMUNITY SAFETY SERVICES**  
**Mr. S.I. Malaza**

## **Duties:**

- The overall administration of the Community and Safety Services Department;
  - Management of waste removal;
  - Support to Youth/Women/People Living with Disability;
  - Provision of sport and recreational facilities;
  - Provision and management of:
    - Libraries;
    - Cemeteries; and
    - Parks and Gardens; and Environmental Health
-



**ACTING DIRECTOR: TECHNICAL SERVICES**  
**Mr. B.P. Thela**

**Duties:**

- Is responsible for the overall administration of the Technical Services Department.
  - Co-ordinates electricity services.
  - Co-ordinates water and sanitation services.
  - Co-ordinates public works (roads and storm water).
  - Co-ordinates operation and maintenance (O&M).
  - Co-ordinates municipal infrastructure.
  - Co-ordinates municipal fleet.
-

# Chapter 2



**DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT**  
**Mr. L.T. Motloug**

**Duties:**

- Is responsible for the overall administration of the Planning and Economic Development Department.
  - The overall strategic planning of the Municipality.
  - Local economic development.
  - Integrated development planning.
  - Strategic planning and management.
  - Human settlement; and town planning.
-

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of the MSA (2000) Section 3, a municipality must exercise its executive and legislative authority within the constitutional system of co-operative governance as envisaged in Section 41 of the Constitution (1996).

The Constitution (1996), Section 41, provides for co-operative governance in the three spheres of government. At National level is the Presidential Coordinating Forum and MinMec; at Provincial level is the Premier Co-coordinating Forum and the MunMec; and at District level are the Mayors Forum and Municipal Managers Forum.

*T 2.3.0*

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

**National Treasury** – Coordinates the development of the Local Government fiscal framework applicable to Municipalities in the context of the DoRA. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. It helps improve economic governance and maximize Municipal capacity to deliver services through efficiency, effectiveness, sustainability and by dealing with corruption. In addition, it sets up the accountability cycle by ensuring proper linkages between IDPs, budgets, SDBIPs, In-Year Reports, Annual Financial Statements, Annual Reports, Oversight Reports, and Audit Reports.

**The Department of Cooperative Governance and Traditional Affairs (COGTA)** – This department develops various policies and guidelines to enable sustainable development to eradicate poverty. It creates a service-orientated culture that requires the active participation of the wider community. Community input is essential in improving integrated development planning and service delivery. Linked to this is the establishment of performance management, which is crucial in improving living conditions for all citizens.

**SALGA** – SALGA is the national representative body of local government and has a constitutionally-defined mandate. It responds to challenges facing organised local government and addresses past weaknesses.

*T 2.3.1*

# Chapter 2

## PROVINCIAL INTERGOVERNMENTAL STRUCTURE

**OFFICE OF THE PREMIER** – Focuses on cooperative and good governance through providing advice and information, coordination, monitoring, and support to local government.

**PROVINCIAL TREASURY** – Promotes cooperative Government amongst role-players and assists National Treasury in implementing the MFMA, monitors Municipal budgets and outcomes, analyse in-year reports, and implements intervention measures to assist municipalities that breach the MFMA.

**COGTA MPUMALANGA** – Assists and guides in building a clean, effective, efficient, responsive, and accountable local government. Strengthens partnerships between local government and communities and ensures municipalities meet their mandate of providing essential services.

**SALGA** – The official representative of local government, an employer's organization for all municipalities, and sits as the employer in the South African Local Government Bargaining Council.

*T 2.3.2*

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

Chief Albert Luthuli Municipality does not have municipal entities.

*T 2.3.3*

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Gert-Sibande District Municipality has intergovernmental structures such as the Gert-Sibande District Municipality Municipal Manager's Forum, and Executive Mayor Forum.

*T 2.3.4*

# Chapter 3

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of the MSA (2000), Section 15(b), a municipality must establish and organise its administration to facilitate a culture of accountability amongst its staff; Section 16(i) requires that a municipality develop a system of municipal governance that complements formal representative governance with a system of participatory governance; and Section 18(i)(d) requires that a municipality supply its community with information concerning municipal governance, management, and development.

The Municipality submits quarterly reports and convenes bi-monthly Council meetings, which are attended by members of the community, ward committees, as well as Community Development Workers from the 25 wards of the Municipality; and mayoral izimbizo and IDP Forum meetings are attended by various stakeholders and communities.

Public participation in the Municipality is conducted in a structured manner. The directive from national government on the structuring of community participation is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for the representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business, manufacturing, and agriculture. Liaison with and involvement of such sector groups is therefore crucial in order to get a full picture of the current reality in the municipal area. Liaison with sector groups is done mainly through the IDP Representative Forum (IDPRF).

*T 2.4.0*

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

In terms of the MSA (2000), Section 18(i)(d), a municipality must supply its community with information concerning municipal governance, management, and development. The Municipality invites the community to meetings and events by means of printed media or by posting notices on the municipal website, at shops, and in public places. The Municipality also uses local radio broadcasts on Radio Ligwalagwala, Kwekwezi FM, and Radio Alpha to invite people to meetings. Otherwise, in areas where a meeting or a municipality-related event is scheduled, the most common and effective method is loud-hailing. This method of communication is common in the community.

#### **Budget Consultative Meetings**

At Budget Consultative Meetings, the ward committees are tasked with conducting public meetings and submit reports to the office of the Speaker.

#### **IDP Representative Forum (IDPRF) Meetings**

# Chapter 3

IDP Representative Forum meetings are held at least quarterly and are attended by sector departments that make presentations. The meetings are well attended by the community, and interaction between the community and the Municipality/sector departments is satisfactory.

T 2.4.1

## WARD COMMITTEES

When the government introduced the new system of local government in 2000, it correctly positioned this as the sphere of government that is best placed to give practical meaning and substance to the basic political commitment, that the People Shall Govern. It said to the people, through local government, together with the community, shall bring democracy to where one lives. In its conceptualization of local government, it placed it at the cutting edge of addressing such basic national challenges as underdevelopment, unemployment, stagnation and poverty.

The newly created sub-municipal Ward Committees play a critical role in achieving the above. Being a representative structure of the community and citizens, they need to inform the municipality about the aspirations, potentials and problems of the people. They should also form a bridge by facilitating proper communication between council and citizens they represent. Local government legislation provides for the establishment of ward committees that will serve as a cord which articulates the system of government to the mass base.

Ward committees have an important role to play in actively taking part and determining core municipal process, such as the Integrated Development Planning, municipal budgeting, and municipal performance management processes. Without them, our system of democratic government and developmental local government cannot be said to be rooted among the people.

T 2.4.2

Public Meetings				
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Issue addressed (Yes/No)	Frequency of feedback given to community
Ward Committee Meetings	Monthly	25	Yes	Monthly
Mayoral Izimbizo	Quarterly	49	Yes	Semi-annually
IDP representative forums	September October- December	25	Yes	Semi-annually
IDP Process plan participation meetings	July to August	25	Yes	Once a year

T 2.4.3

**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD**

Public meetings are very effective and are attended by a number of stakeholders, such as sector departments, members of the community, community development workers, and ward committees from the 25 wards of the Municipality. Post the pandemic, the municipality uses a hybrid model for conducting public participation, with virtual platforms and social media robustly incorporated as means of public participation and digital communications. Councilors and ward committee members of the Municipality are provided with transportation to public meetings by the Municipality. At public meetings, members of the community have the opportunity to interact with their leaders, and their input is taken into consideration when the IDP or Budget is being finalized.

*T 2.4.3.1*

**2.5 IDP PARTICIPATION AND ALIGNMENT**

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
<i>T 2.5.1</i>	

# Chapter 3

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The Municipality has implemented a system of Corporate Governance that encourages the effective, efficient, and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This Governance framework supports sound financial decision-making, providing affordable services to the community, guiding funding and financing priorities, and facilitating performance monitoring and review.

During the year under review, the following key Governance responsibilities were functional:

- Internal audit function operates in terms of an Internal Audit Charter and Risk-Based Audit Plan.
- Approved internal audit plan.
- AC, which operates under approved terms of reference.
- A risk assessment was conducted, including a risk management strategy and monitoring critical risks according to a risk register.
- An approved Fraud Prevention Plan exists. In addition, a strategic plan was prepared and approved for the financial year, forming the basis for performance monitoring against the SDBIP, the Municipal mandate, predetermined objectives, outputs, indicators, and targets.
- A PMS is in place.
- An approved system of delegations exists to maximise administrative and operational efficiency and to provide for adequate checks and balances as required in terms of Section 59 to 65 of the MSA 32 of 2000.

*T 2.6.0*

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Risk management is a key part of corporate governance. It is the way an organization manages its business, determines its strategy and objectives, and goes about achieving those objectives. Good risk management assists in identifying and dealing with key corporate risks facing the organization in the pursuit of its goals, and is a key part of good management, not simply a compliance exercise.

Risk management is about improving the ability of the Municipality to deliver outcomes for the community by managing its threats, enhancing its opportunities, and creating an environment that adds value to ongoing activities.

Risk management is an important aspect of the day-to-day activities of the Municipality, which is exposed to risk both in terms of threats to the provision of services and the potential for lost opportunities. It is essential that the Municipality demonstrates to its citizens that it fully considers the implications of risk as it conducts its business for the benefit of its residents.

The Risk Management Executive Report has been prepared as a reflection of the work performed during the 2023/24 financial year, which ended 30 June 2024. Its purpose is mainly to provide information on the benefits and effectiveness of the risk management function. In addition, the Annual Report serves to inform stakeholders on the progress that the Risk Management Section has made in the achievement of its objectives.

In terms of the MFMA (2003), Section 62(i)(c), a municipality must have and maintain an effective, efficient, and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all reasonable steps to ensure, among others, that the municipality has and maintains.

To give effect to the above, the Municipal Manager established the Risk Management Committee in the Municipality. The Committee had four (4) meetings in the 2023/24 financial year. A schedule of Risk Management Committee meetings was developed to ensure that the Committee meets its obligations.

The Risk Management Unit approved a Risk Management Policy, Strategy and Anti-Fraud and Corruption Policy. It also maintains a Strategic Risk Register, an ICT Risk Register, Anti-Fraud and Corruption Risk Register, an Operational Risk Register, and a Compliance Risk Register.

The risk management process is designed to support members and officials in ensuring that the Municipality is able to fully discharge its risk management responsibilities in a consistent manner.

The Municipality has a risk management strategy that outlines the objectives, benefits, and approach to the process to ensure that risks, both positive and negative, are successfully managed.

The Municipality conducts regular risk assessments and maintains a Risk Register. The following are the top eight (9) risk areas for the Municipality:

1. Unsustainable financial viability and revenue collection
2. Inadequate provision of basic services
3. Inadequate implementation of governance processes
4. Inability to ensure efficient and effective ICT information
5. Failure to acquire an unqualified audit opinion without any matters of emphasis (Clean audit)
6. Global pandemic (Infections that will affect rendering of service delivery)
7. Inadequate institutional transformation
8. Inadequate economic growth
9. Unavailability of land for development

T 2.6.1

# Chapter 3

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality is committed to developing and fostering a climate within the Municipality where all employees strive for the ultimate eradication of fraud, corruption, theft, and maladministration by applying the full spectrum of both pro-active and re-active measures at their disposal. The Municipality has a Fraud Prevention Policy, which sets out the stance of the Municipality on fraud, as well as enforcing existing regulations aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft, and maladministration, where these dishonest acts exist.

The policy applies to all fraud, corruption, theft, maladministration or suspected irregularities of similar nature involving all employees of the municipality, Councillors, consultants, suppliers, contractors and other providers of goods or services to the Municipality and communities and other parties receiving benefits from the Municipality and employees of donors/clients/stakeholders.

While the municipality currently uses the provincial hotline (0800 701 701) and presidential hotline (17737) for the reporting of all suspected fraud and corruption, it is in the process of establishing its own anti-fraud and corruption hotline.

The firm stance of the municipality is that:

- Fraud and corruption will not be tolerated, and zero tolerance will be enforced.
- All incidents will be investigated and followed up by the application of all remedies available within the full extent of the law.
- All incidents of fraud and corruption will be reported to the South African Police Service (SAPS) for criminal prosecution.
- Losses or damages suffered will be recovered from the responsible employee/councillor if he/she is liable according to the law.

T 2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

*Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required*  
The Municipality has a Supply Chain Management (SCM) policy in place. The SCM policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003, and Section 217 of the Constitution of the Republic of South Africa. The principle of this policy gives effect to a fair, equitable, transparent, competitive, and cost-effective system for the procurement of goods and services, the disposal of goods, and the selection of contractors in the provision of municipal services

Furthermore, the municipality has developed and implemented a fraud prevention plan in order to enforce good governance and good conduct.

The municipality has also developed and implemented a Preferential Procurement Policy as per the PPPFA 2022 regulations which allows and promotes preferential procurement in terms of the RDP objectives. All contracts awarded during the year under reporting (2023/2024) were reported quarterly to Council and published on the municipal website and National Treasury Eenders portal.

T 2.8.1

## 2.9 BY-LAWS

By-laws Introduced during Year 2023/24					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Chief Albert Luthuli Local Municipality resolution on levying property rates in terms of section 14 of the local government: municipal property rates act, 2004 (act no. 6 of 2004)	Yes	Yes	21 May 2024	Yes	14 June 24
Chief Albert Luthuli Municipality Credit Control and Debt Collection By-law	Yes	Yes	21 May 2024	Yes	14 June 2024
Chief Albert Luthuli Municipality Rates By-law	Yes	Yes	21 May 2024	Yes	14 June 2024
Chief Albert Luthuli Municipality Tariff By-Law.	Yes	Yes	21 May 2024	Yes	14 June 2024

### COMMENT ON BY-LAWS

The by-laws were advertised as per legislation in the local media for public comment and input, which were then consolidated into a report to Council for consideration and approval. The enforcement thereof will be implemented by the Law Enforcement Division of the Community Services Directorate.

T 2.9.1.1

# Chapter 3

## 2.10 WEBSITES

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget-related documents	Yes	1-Mar-24
All current budget-related policies	Yes	1-Jun-24
The previous annual report	Yes	1-Apr-24
The annual report published/to be published	Yes	After approval by Council
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards.	Yes	Annual
All service delivery agreements	Yes	Annual
All long-term borrowing contracts.	Yes	n/a
All supply chain management contracts above a prescribed value (give value) for Year.	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2023/24	Yes	1-Jun-24
Contracts agreed in 2023/24 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.	Yes	
Public-private partnership agreements referred to in section 120 made in 2023/24	Yes	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 2023/24	Yes	Quarterly

### **COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS**

The Municipal Website is functional and accessible to the public. However, it needs an upgrade to allow for interactive access with the public . The upgrade on the website is planned to take place in the 2023/2024 financial year.

The following documents are available on the website:

- (a) Integrated Development Plan (IDP)
- (b) Service Delivery Budget implementation Plan (SDBIP)

- (c) Performance Contracts and Agreements for s54A and 56 Managers
- (d) Budget and Budget related policies
- (e) Annual Financial Statements
- (f) Annual Reports
- (g) Tenders
- (h) By-Laws and other related information

T 2.10.1.1

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICE

### PUBLIC SATISFACTION LEVELS

The municipality is committed to increasing delivery service, which requires a deeper insight into the level of satisfaction of its community. To achieve this goal, the municipality has undertaken to conduct a Community Satisfaction Survey. The survey was conducted quarterly across all 5 units offices which include Carolina, Emanzana, Elukwatini, Ekulindeni and Empuluzi.

T 2.11.1

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

### INTRODUCTION

The main basic services rendered by the services directorate of CALM include water, sanitation, electricity, and refuse removal. The municipality is both a WSA and Water Service Provider, hence it is mandated to provide water and sanitation to its community. The funding for the provision of basic services is sourced from internal reserves, municipal funds, the Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and the Integrated National Electrification Programme (INEP).

The strategy is to ensure the provision of road and storm water infrastructure while upgrading existing infrastructure in all areas and maintaining existing roads. Municipal funds are utilized for the construction of roads, while the MIG is utilized for construction of new roads in low-income areas. As a Water Services Authority (WSA) the municipality must provide water and sanitation services to all communities in its jurisdiction. The municipality is both a WSA and a Water Service Provider.

T 3.0.1

### COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

This report is compiled in terms of the legislative requirements of Chapter 6 of the said MSA and Chapter 12 of the said MFMA. The MSA prescribes the role of each sphere of government in the municipal performance reporting.

# Chapter 3

Section 46 of the MSA states that:

“A municipality must prepare for each financial year a performance report reflecting the performance of the municipality and of each external service provider during that financial year, as well as a comparison of the performances referred to paragraph (a) with targets set for and performances in the previous financial year and measures taken to improve performance”.

An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the MFMA. Section 121(1) of the MFMA requires that, “every municipality and every entity must for each financial year prepare an annual report”. 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.

The main purpose of this report is to account to Council, the MEC for Local Government, the Provincial Legislature, the Minister of Cooperative Governance and Traditional Affairs, National Treasury, the Auditor-General, and ultimately to all the citizens of South Africa on the progress being made by the municipality towards achieving the overall goal of “a better life for all.” Furthermore, the report serves as a key performance report to communities and other stakeholders, in accordance with the principles of government transparency and accountability to citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, the White Paper on Local Government, the MSA and the MFMA.

According to the provisions of the MSA, a municipality must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems as well as the MFMA Section 127.

These quarterly reports, in terms of Section 54 of the MFMA and Section 72 mid-year reports, make up the Municipal annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must be submitted to the MEC for Local Government.

This report presents an analysis and comparison of past and current progress on performance that has been conducted. It has been formed by all the quarterly reports, and as indicated above, they were consolidated into this report, termed the Annual Performance Report (APR). The report is structured in terms of the Key Performance Areas (KPA) and grouped by program according to each KPA.

*T 3.1.0*

### INTRODUCTION TO WATER PROVISION

#### Legislative Requirements

The Municipality is a Water Service Authority. The Water and Sanitation section was mandated to provide water services as per the WSA (1997). The section was further responsible for the operation, maintenance and upgrading of water and sanitation infrastructure and for issues related to water quality monitoring.

The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers.

The Municipality is faced with challenges of financing the operation and maintenance of water service infrastructure due to its inability to collect revenue and enforce its credit control policy, particularly in tribal lands. The Municipality had seven water schemes and two water treatment package plants. The operation and maintenance of the infrastructure was done internally by the Technical Services team, while other major repair and maintenance services were delegated to contracted service providers. The existing infrastructure did not meet the demand of the current population, which led to limited supply to other areas, particularly in Eerstehoek and Empuluzi where water supply was rationed. Reliable, uninterrupted, and constant water supply was further affected by power supply outages and the breakdown of equipment.

The Municipality has persevered despite the financial constraints brought on by its inability to enforce the credit control policy and collect revenues. We provided water to some of the most remote, rural communities using water tankers, and rudimentary electrified boreholes connected to elevated tanks and hand pumps.

Despite the challenges, the following were achieved:

- Collected and successfully analysed water samples;
- Connected new households onto the water grid;
- Provision of basic water within the RDP standard to almost 95% of households despite the challenging circumstances brought on by the fact that most of the households are located in rural towns and villages;
- Attended to leakages timeously as and when identified;
- Completion of Methula Water Scheme; and
- 56 boreholes were maintained

# Chapter 3

The following capital projects were funded by MIG/WSIG and RBIG and approved for the 2023/24 financial year:

- 1) Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Ml/day
- 2) Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04
- 3) Upgrading of Emanzana Water Treatment Works by 1 Mega litre
- 4) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest
- 5) Refurbishment of Ekulindeni WTW
- 6) Eerstehoek Bulk Water Scheme - Phase 3
- 7) Eerstehoek Bulk Water Scheme - Phase 4
- 8) Bulk water and Sanitation Master Plan

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2024	0	0	0	60 788	0
2023	0	0	0	44 212	0
2022	0	0	0	44 124	0

T 3.1.2

## COMMENT ON WATER USE BY SECTOR

The last common enemy of water resources are alien plants and wattle, both of which consume a significant volume of water. These threats, together with that of water pollution (acid mine drainage, agriculture, oil spillages, and sewage spillages), are going to render natural water resources unfit for human consumption.

Lastly, the prevailing drought condition has not spared the Municipality. Our major rivers continue to drop at alarming rates, and boreholes are drying up. As such, the importance of conserving water and reducing water losses cannot be over-emphasised.

T 3.1.2.2

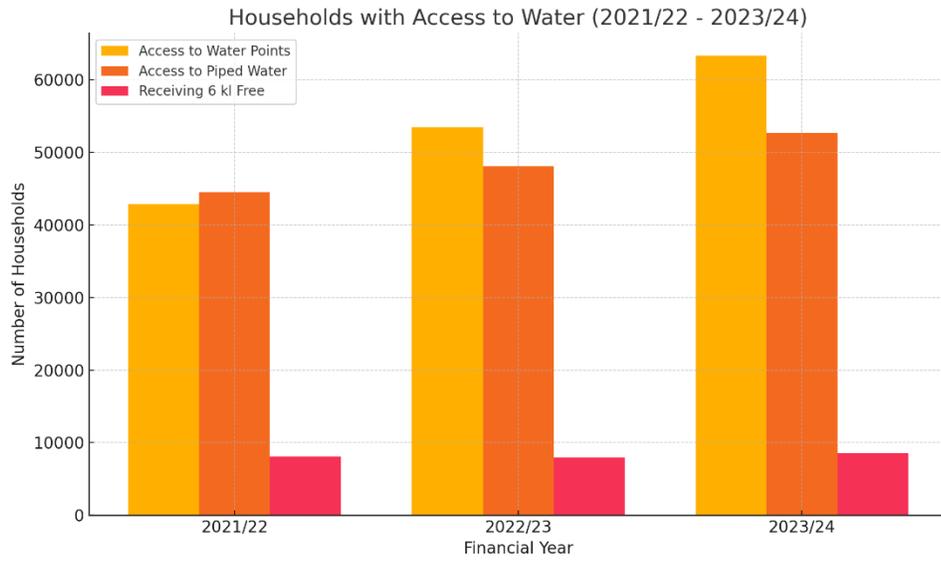
Water Service Delivery Levels			
Description	Households		
	2021/22	2022/23	2023/24
	Actual	Actual	Actual
	No.	No.	No.
<b>Water: (above min level)</b>			
Piped water inside dwelling	20 240	21 828	52 640
Piped water inside yard (but not in dwelling)	22 644	21 828	
Using public tap (within 200m from dwelling)	4 330	4 828	3 152
Other water supply (within 200m)			

<i>Minimum Service Level and Above sub-total</i>	47 705	48 484	60 788
<i>Minimum Service Level and Above Percentage</i>	89%	91%	96%
<b>Water: (below min level)</b>			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)	5 775	4 996	4 996
No water supply			
<i>Below Minimum Service Level sub-total</i>	6 418	5 775	4 996
<i>Below Minimum Service Level Percentage</i>	12%	11%	4%
<b>Total number of households*</b>	<b>53 480</b>	<b>53 480</b>	<b>63 303</b>
* - To include informal settlements			T 3.1.3

<b>Households - Water Service Delivery Levels below the minimum</b>			
<b>Description</b>	<b>Households</b>		
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/23</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Formal Settlements</b>			
Total households	53 480	53 480	63 303
Households below minimum service level	5 882	4 996	4 996
Proportion of households below minimum service level	11%	9%	4%

<b>Access to Water</b>			
	<b>Proportion of households with access to water points*</b>	<b>Proportion of households with access to piped water</b>	<b>Proportion of households receiving 6 kl free#</b>
2021/22	42 850	44 495	8 118
2022/23	53 480	48 069	7 968
2023/24	63 303	52 640	8 584
			T 3.1.5

# Chapter 3



# Chapter 3

Water Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
<b>Service Objective</b>							
<b>To ensure provision of basic services</b>	Number of mega litres of portable water distributed	N/A	N/A	10 080 000 000	3 926 090 000	10 080ML	11 453.887ML
	Number of mega litres of water supplied to deep rural areas	N/A	N/A	107 520 000	21 857 050	107.52ML	43.94ML
	percentage of network failure reported and responded to within 5 days.	3 000	3 526,27	100%	100%	100%	100%
	Percentage of new household's water connection received and responded to	100%	100%	100%	100%	100%	100%
	% of reports for Water Quality monitored in line with the agreed annual sampling Plan.	N/A	N/A	100%	73%	100%	88,60%

# Chapter 3

Employees: Water Services					
Job Level	Year-2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0%
4 - 6	12	7	11	8	114%
7 - 9	5	21	18	2	10%
10 - 12	84	81	72	8	10%
13 - 15	0	0	0	0	0%
16 - 18	40	48	45	3	6%
<b>Total</b>	<b>142</b>	<b>159</b>	<b>148</b>	<b>21</b>	<b>13%</b>
<i>T3.1.7</i>					

Financial Performance 2023/24: Water Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	95	84	86	123	32%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
<b>Total Operational Expenditure</b>	<b>744</b>	<b>781</b>	<b>828</b>	<b>828</b>	<b>6%</b>
<b>Net Operational Expenditure</b>	<b>649</b>	<b>697</b>	<b>742</b>	<b>705</b>	<b>1%</b>
<i>T 3.1.8</i>					

<b>Capital Expenditure 2023/24: Water Services</b>					
<b>R' 000</b>					
<b>Capital Projects</b>	<b>2023/24</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	42773091	0	41444981	-3%	
ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Ml/day	R 9,531,251.00	0	R 10,632,744.90	10%	R 19,866,603.46
ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	R 12,767,640.00		R 10,666,139.28	-500%	R 63,955,768.80
ALMP 11/2022 - Upgrading of Emanzana Water Treatment Works by 1Mega litre	R 10,000,000.00		R 9,652,314.24	-4%	R 36,120,461.92
Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest	R 10,474,200.00		R 10,493,782.08	0%	R 10,474,200.00
					<i>T 3.1.9</i>

#### **COMMENT ON WATER SERVICES PERFORMANCE OVERALL**

The municipality aims to ensure that 100% of HHs have access to water. The Municipality supplies basic water within the RDP standard to almost 83% of 63 303 households with piped water inside dwelling/yard. 13% of households have access to water through communal standpipes, boreholes, water tankers

*T 3.1.10*

# Chapter 3

## 3.2 WASTEWATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

The proportion of households with access to basic sanitation is 99,5%, which is more than 63 303 households. However, approximately over 329 households (0,5%) are still below the minimum service level. The Municipality has constructed 264 VIP Toilets during the financial year.

The following capital projects were funded by MIG/WSIG and approved for the 2023/24 financial year:

- 1) Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4
- 2) Construction of Conventional Toilets in ward 07,08,11,13,19,21&23
- 3) Upgrading of Emanzana Wastewater Scheme
- 4) Refurbishment of Elukwatini Pumpstations
- 5) Refurbishment of Ekulindeni WWTW
- 6) Upgrading of Carolina WWTW to 6 Mega litres
- 7) Upgrading of Carolina WWTW - Package 1
- 8) Upgrading of Carolina WWTW - Package 2

T 3.2.1

Sanitation Service Delivery Levels			
Description	*Households		
	2022	2023	2024
	Outcome	Actual	Actual
	No.	No.	No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>			
Flush toilet (connected to sewerage)	10 744	40 252	25 263
Flush toilet (with septic tank)	2 032	847	3 466
Chemical toilet	2 000	651	
Pit toilet (ventilated)	20 062	198	2 790
Other toilet provisions (above min.service level)	17 100	11 532	31 455
<i>Minimum Service Level and Above sub-total</i>	51 938	53 480	62 974
<i>Minimum Service Level and Above Percentage</i>	97%	100%	99,5%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>			
Bucket toilet	0	0	0
Other toilet provisions (below min.service level)	0	0	0
No toilet provisions	1 542	0	0
<i>Below Minimum Service Level sub-total</i>	1 542	0	0
<i>Below Minimum Service Level Percentage</i>	3%	0%	0,5%
<b>Total households</b>	<b>53 480</b>	<b>53 480</b>	<b>63 303</b>
<b>*Total number of households including informal settlements</b>			<b>T 3.2.3</b>

# Chapter 3

Wastewater (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Current Year				
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(ix)	(x)
<b>Service Objective</b>							
<b><i>To ensure provision of basic services</i></b>	% of households with access to basic levels of sanitation by 30 June 2023 (GKPI)	N/A	N/A	90%	100%	90%	95%

# Chapter 3

Financial Performance 2023/24: Sanitation Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	95	78	86	83	6%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
<b>Total Operational Expenditure</b>	744	781	828	828	6%
<b>Net Operational Expenditure</b>	649	703	742	745	6%
					T 3.2.8

Capital Expenditure 2023/24: Sanitation Services					
					R' 000
Capital Projects	2023/24				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All					
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	R 10,000,000.00		R 10,143,383.74		R 126,308,945.00
Upgrading of Emanzana Wastewater Scheeme	R 19,494,000.00		R 32,535,709.56		R 36,598,827.41
Refurbishment of Elukwatini Pumpstations	R 13,137,554.86		R 12,464,155.41		R 13,137,554.86
Refurbishment of Ekulindeni WWTW	R 26,360,983.31		R 8,107,925.99		R 26,360,983.31
Upgrading of Carolina WWTW -Package 1	R 107,062,007.00		R 84,566,820.62		R 225,283,849.98
					T 3.2.9

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The aim is to ensure the provision of new sanitation infrastructure while upgrading existing infrastructure.

T 3.2.10

### INTRODUCTION TO ELECTRICITY

#### Background

Legislations include the Electricity Amendment Acts (1989), (1994), and (1995); the Electricity Regulation Act (2006); Municipal Electricity License and NERSA regulations. The Municipality was licensed to distribute electricity in Carolina, Silobela, and part of Emanzana (Badplaas). Other areas within the jurisdiction of the Municipality were licensed to Eskom. The provision of electricity services to the licensed areas is the responsibility of the Technical Services Department. The department ensures the provision of electricity to consumers in terms of the Municipal Electricity License and various NERSA regulations. The department also ensures the expansion and maintenance of the electricity distribution network to maintain a firm and regulated quality of supply through the network. Furthermore, the department is also responsible for the maintenance of public lights (high mast and streetlights) across the Municipality including areas licensed by Eskom.

#### Responsibilities

To supply electricity to households and businesses and maintain the electricity infrastructure in order to ensure an uninterrupted, continuous supply at all times.

#### Achievements

- 100% transformers were repaired/maintained after being reported,
- 100% panels and substations were repaired/maintained after being reported,
- 100% ring main units were repaired/maintained after being reported,
- 446 public lights maintained,
- 217 Electricity meters were installed, and
- 100% km of electrical network were repaired/maintained after being reported, where even faults or outages were carried out successfully, which ensured the continuity of electricity supply to customers/end users.

#### Challenges

- Theft and vandalism of electricity infrastructure;
- Shortage of own plant machinery (crane truck) prolong the response time;
- Ageing of infrastructure.

# Chapter 3

## Proposed Solutions

- Improve security measures at substations
- Procure own crane truck; and

## Future Outlook

- Ring fence the electricity section.
- Extend the Municipality's licence to the other areas within the Municipality which are currently supplied by Eskom

T 3.3.1

Electricity Service Delivery Levels			
Description	2022	2023	Households
	Actual	Actual	Actual
	No.	No.	No.
<b>Energy: (above minimum level)</b>			
Electricity (at least min.service level)	50 998	52 849	61 447
Electricity - prepaid (min.service level)	712	631	1 856
<i>Minimum Service Level and Above sub-total</i>	51710	52 849	61 447
<i>Minimum Service Level and Above Percentage</i>	96,0%	98,8%	97%
<b>Energy: (below minimum level)</b>			
Electricity (< min.service level)	271	631	1 856
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	1 872	0	0
<i>Below Minimum Service Level sub-total</i>	2 143	631	1 856
<i>Below Minimum Service Level Percentage</i>	4,0%	1,2%	2,9%
<b>Total number of households</b>	<b>53 480</b>	<b>53 480</b>	<b>63 303</b>

T 3.3.3

# Chapter 3

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>To ensure provision of basic services</b>	Percentage of transformers repaired & maintained within 2 days after being reported.	80	89	100%	100%	100%	100%
	Percentage of public lights maintained.	490	446	490	650	90,00%	29,00%
	Percentage of electrical network repaired internally within 2 days after being reported.	50	71,05	100%	100%	100%	100%
	Percentage of panels and substations repaired internally within 2 days after being reported.	13	32	100%	100%	100%	100%
	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	24	55	100%	100%	100%	100%
	Number of electricity meters installed	200	212	200	219	200,00	217,00

# Chapter 3

Employees: Electricity Services					
Job Level	Year:	2023/24			
	2022/23	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	8	8	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	15	7	8	53%
13 - 15	0	0	0	0	0%
16 - 18	2	2	2	0	0%
Total	8	26	18	8	31%

T 3.3.6

Financial Performance 2023/24: Electricity Services					
					R'000
Details	2022/23	2023/24			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	95	97	93	92	-5%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
<b>Total Operational Expenditure</b>	744	781	828	828	6%
<b>Net Operational Expenditure</b>	649	684	735	736	7%

T 3.3.7

Capital Expenditure 2023/24: Electricity Services					
					R' 000
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 9,760,000.00				
Electrification of households and Buk supply	R 9,760,000.00		R 8,632,710.37		R 9,760,000.00
					<i>T 3.3.8</i>

**COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL**

The following was achieved: 446 of public lights was repaired & maintained. Transformers, electrical network, electrical panels, ring main units were 100% repaired & maintained. 217 smart meters were installed.

*T 3.3.9*

# Chapter 3

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### INTRODUCTION TO WASTE MANAGEMENT

The Core functions of waste management are to render the following:

- (a) Refuse Collections
- (b). Clearing and prevention of illegal dumping
- (c) Identify and Establishment Management of Transfer Stations and landfill sites
- (d) Cleaning of open spaces.
- (e) Enforcement of Waste Management By-Laws.

The Waste Management Section renders refuse collection service to 15081 household weekly according to a weekly schedule in the various municipal areas/wards. Refuse is also collected from Industrial, government institutions and businesses in and around the central business district (CBD's). Daily, street-cleaning and litter picking services are rendered within the Central Business District (CBD), Adjacent Streets and main entrances/exits throughout towns.

The municipality has two registered landfill sites situated in Carolina and Elukwatini and Three sites licensed and utilised as transfer stations. The waste that is disposed on all sites exclude medical waste, the hospital and Surgeries has their own way of hazardous waste disposal. The recorded waste from two landfill sites is reported regularly on the South African Waste Information Centre (SAWIC). The municipality has formalised waste recyclers, and they are all permitted to utilised municipal disposal sites.

T 3.4.1

Solid Waste Service Delivery Levels			
Description	2021/22	2022/23	2023/24
	Actual	Actual	Actual
	No.	No.	No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>			
Removed at least once a week	8 041	8 041	23 399
<i>Minimum Service Level and Above sub-total</i>	8 041	8 041	23 399
<i>Minimum Service Level and Above percentage</i>	15,0%	15,0%	37%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>			
Removed less frequently than once a week	516	516	516
Using communal refuse dump	3 522	3 522	3 522
Using own refuse dump	33 922	33 922	23 399
Other rubbish disposal	119	119	119
No rubbish disposal	7 360	7 360	7 30
<i>Below Minimum Service Level sub-total</i>	45	45	45
<i>Below Minimum Service Level percentage</i>	85,0%	85,0%	63%
<b>Total number of households</b>	<b>53 480</b>	<b>53 480</b>	<b>63 303</b>

# Chapter 3

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
Service Indicators		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)	*Previous Year	*Previous Year	*Current Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>To ensure provision of basics services</b>	Percentage of waste management service rendered on 6 areas	6	6	100%	100%	100%	86%
	Number of refuse bins supplied to billable households.	500	500	500	501	550	550
	Number of inspections to be conducted on each of the 5 disposal sites	5	5	5	5	5	5
	Number of Environmental awareness campaigns held	4	14	2	22	5	7

# Chapter 3

Employees: Waste Disposal and Other Services					
Job Level	Year:	2023/24			
	2022/23	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	6	6	0	0%
7 - 9	0	6	6	0	0%
10 - 12	8	2	1	1	33%
16 - 18	39	49	48	1	3%
Total	51	77	74	3	4%

T 3.4.6

Capital Expenditure 2023/24: Waste Management Services					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	946 710	0	946 709	0%	
Construction of Badplass Landfill site	R 946,710.00		R 946,709.34		R 16,003,630.65

T 3.4.9

## COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The waste section has budgeted the following: Installation of sidewalk bins that will cover Carolina main street and Elukwatini crossing, expansion of 550 household bin to be distributed to areas that are currently not receiving refuse collection.

T 3.4.10

**INTRODUCTION TO HOUSING**

The municipality does have a strategy regarding human settlements project and programmes. The strategy was developed by a Service Provider which was appointed by the Provincial Department of Human Settlements. The strategy is called Housing Chapter of IDP. The DHS is the one that have control on projects and programs allocated to the municipality. The municipality only monitor the programs and projects allocated to the municipality.

T 3.5.1

<b>Percentage of households with access to basic housing</b>			
<b>Year end</b>	<b>Total households (including in formal and informal settlements)</b>	<b>Households in formal settlements</b>	<b>Percentage of HHs in formal settlements</b>
2021/22	53 480	42 893	80,2%
2022/23	53 480	42 893	80,2%
2023/24	63 303	59 005	93%
			T 3.5.2

# Chapter 3

Housing Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b><i>Sustainable integrated Human Settlement</i></b>	Percentage of human settlements projects monitored.	N/A	N/A	100%	100%	100%	100%
	Number of consumer education conducted.	N/A	N/A	12	31	25	30

# Chapter 3

Employees: Housing Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
Total	3	3	3	0	0%

*T 3.5.4*

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

Chief Albert Luthuli Municipality did not build any houses during the year under review as this is the responsibility of the Department of Human Settlement. However, the municipality only have indicators under the Housing units which deals with capturing forms on the National Database for community members who needs RDP houses.

*T 3.5.7*

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Purpose of the Indigent Policy is to allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life and improve to Free Basic Services (FBS).

The policy:

Identifies how the indigent will be accessed;

Establish the process that will be used to manage the indigent;

Identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;

Provide policy direction to the municipality's IDP's and financial planning instruments;

Establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area;

and Identify the linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.

*T 3.6.1*

# Chapter 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R 1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
2021/22	53 480	53 480	1 759	3%	40 591	76%	4 322	8%	536	1%
2022/23	53 480	53 480	1 759	3%	40 591	76%	7 968	15%	1 355	3%
2023/24	63 303	63 303	48 591	77%	2 488	4%	8574	14%	2 488	4%
										T 3.6.3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has a self-managing indigent support system where indigent residents decide for themselves whether they will be able to manage with only a 20-amp electricity supply. The number of residents on the indigent register decreased, during the year under review, mainly due to the data cleansing of the indigent register.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes roads and waste water (stormwater drainage).

### 3.7 ROADS

#### INTRODUCTION TO ROADS

The Road and Storm water section is mainly responsible for maintenance and upgrading of existing roads infrastructure (gravel and surfaced), bridges, and storm water drainage system in the entire Municipality. The maintenance involves activities such as blading, patching of potholes, construction of concrete water channels, laying of kerbs, and re-gravelling in trying to elongate the lifespan of the road infrastructure and also create conducive and safely infrastructure for users.

Currently the Municipality has a total road network of about 649km of which 81% are considered as gravel roads, and most of the gravel roads are at the worsen situation and located on the rural areas of the municipality as some are bladed to pipeline and eroded due to heavy rainfall.

#### Mandate and Responsibility

To ensure the entire road network of council is on the acceptable standard to all road users.

T 3.7.1

<b>Gravel Road Infrastructure</b>				
	<b>Kilometers</b>			
	<b>Total gravel roads</b>	<b>New gravel roads constructed</b>	<b>Gravel roads upgraded to tar</b>	<b>Gravel roads graded/maintained</b>
2021/22	528	0	0	528
2022/23	528	0	3.2	553
2023/24	528	0	2.5	779.11
<i>T 3.7.2</i>				

<b>Tarred Road Infrastructure</b>					
	<b>Kilometers</b>				
	<b>Total tarred roads</b>	<b>New tar roads</b>	<b>Existing tar roads re-tarred</b>	<b>Existing tar roads re-sheeted</b>	<b>Tar roads maintained</b>
2021/22	128	0	0	12 964m2	1,055
2022/23	128	3.2	0	9 203,37m2	0
2023/24	131	2.5	0	19 990m2	0
<i>T 3.7.3</i>					

<b>Cost of Construction/Maintenance</b>						
	<b>R' 000</b>					
	<b>Gravel</b>			<b>Tar</b>		
	<b>New</b>	<b>Gravel - Tar</b>	<b>Maintained</b>	<b>New</b>	<b>Re-worked</b>	<b>Maintained</b>
2021/22	0	0	1 117km	0	0	1 117km
2022/23	0	0	1 200km	0	0	0
2023/24	0	0	779.11km	0	19 990.00m2	3 009.09m2
<i>T 3.7.4</i>						

# Chapter 3

Road Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>To ensure provision of basics services</b>	Number of kilometres of gravel roads maintained	400	414,9	543	553,72	543	779,11
	Number of square meters of tarred roads potholes repaired	600	2 212	1 500	2 699,65	3000	3009,09
	Number of square meters of resealing tarred roads through the support by GSDM	N/A	N/A	2 000	9 203,37	5000	19990
	Number of foot bridges constructed.	10	2	3	3	4	5
	Number of vehicle bridges repaired.	2	3	2	4	2	6
	Number of Speed humps constructed on existing paved roads	10	19	16	16	10	12

# Chapter 3

Employees: Road Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	5	4	1	20%
7 - 9	0	0	0	0	0%
10 - 12	7	5	5	0	0%
16 - 18	9	15	13	2	13%
Total	20	26	23	3	12%
					T 3.7.7

Financial Performance 2023/24: Road Services					
					R'000
Details	2022/23	2023/24			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	95	84	75	84	0%
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
<b>Total Operational Expenditure</b>	744	781	828	828	6%
<b>Net Operational Expenditure</b>	649	697	753	744	6%
					T 3.7.8

# Chapter 3

Capital Expenditure 2023/24: Road Services					
R' 000					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	31500000	0	33524379	6%	
Construction of Carolina Collector Access Road	R 7,000,000.00		R 6,939,348.63		R 56,247,381.12
Construction of Dundonald Collector Access Roads	R 2,000,000.00		R 1,881,270.74		R 56,740,779.20
Construction of Fernie Collector Access Roads	R 4,500,000.000		R 5,388,515.38		R 56,740,779.20
Construction of Nhlazatshe 3 Collector Access Road	R 6,000,000.00		R 6,932,244.27		R 56,247,381.12
Construction of Nhlazatshe Road	R 4,500,000.00		R 4,631,296.76		R 56,740,779.20
Construction of Nhlazatshe Road 2km	R 6,000,000.00		R 4,816,768.25		R 56,247,381.12
Construction for Fernie collector access road	R 1,500,000.00		R 2,934,934.91		R 56,247,381.12
					<i>T 3.7.9</i>

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The Section succeeded on the following.

- Created at least 760 job opportunities through the EPWP.
- Spent 100% of the EPWP grant.
- At least 12 Speed humps were constructed
- Repaired an area of 3 009.09m<sup>2</sup> surfaces of most municipal roads
- Resealed 19 990m<sup>2</sup> tarred municipal roads
- Attend at least 779.11km of gravel roads through blading.

*T 3.7.10*

## 3.8 TRANSPORT

### INTRODUCTION TO TRANSPORT

The Municipality does not have a rapid transport system due to its size and geographical location.

*T 3.8.1*

## 3.9 STORMWATER DRAINAGE

### INTRODUCTION TO STORMWATER DRAINAGE

The Municipality did not construct any storm water systems during the year under review.

*T 3.9.1*

# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

#### **Planning:**

This includes all activities related to the formulation, monitoring, implementation, evaluation and review of strategic plans for the entire Municipality. It also includes processing of application to local land use planning and development.

#### **Local Economic Development (LED):**

is a multi-faceted and multi-sectoral process that combines and inspire the skills, resources and partnerships between local stakeholders to respond innovatively in the creation of job opportunities and the alleviation of poverty.

*T 3.10*

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

Amongst others the following are the key deliverables of development planning:

- To coordinate the planning, adoption and review of the District Integrated Development Plan (IDP).
- To develop, manage and regulate the built and natural environment through the implementation and review of the land use management system, the implementation of statutory planning legislation and maintenance of planning procedures in order to ensure a sustainable built environment for the District.
- To lead, manage and direct sustainable urban growth and spatial transformation through the preparation and implementation of short-, medium- and long-term spatial plans.

*T 3.10.1*

# Chapter 3

Detail	Applications for Land Use Development								Building plans	
	Category 1 Land Use Application Formalisation of Townships & Establishment of Township		Category 2 Land Use Application (Rezoning, Consolidation; subdivision; Special Consent)		Land use applications		Built Environment-Building Plans			
	2022/23	2023/24	2022/23	2023/24	Completed applications for 2022/23	Completed applications for 2023/24	2022/23	2023/24	Completed applications 2022/2023	Completed applications 2023/2024
Planning application received	1		11		Consolidation – portion 2 & 3 Erf 751 Carolina Subdivision – RE Hartebeeskop 3. Permanent departure – Erf 24 Carolina Consolidation – RE/3 of Erf 482 Carolina 5. Subdivision Erf 482 Carolina 6. Special consent – Ptn 1 fam Goedehoop 7. Rezoning – RE 311 Carolina	1. Consolidation Erf 47 & 48 Vygeboom Country Estate 2. Subdivision Erven 124,90,1 22,123 Carolina Permanent Closure Brink Street 4. Special consent Ptn 29 farm Avontuur 5. Special consent - Erf 8 Carolina 6. Rezoning – Erf 840 Carolina 7. Rezoning - Erf 12 Carolina	23	48	1. Erf 5 Mpsikazi 2. Portion 2 of erf 737 Carolina 3. Erf 764 (Padkamp) Carolina 4. Portion 29 of farm Avontuur 5. Erf 426 Elukwatini-A	1. Erf 29 Vygeboom County Estate 2. erf 39 Vygeboom County Estate 3. Farm Fairview 768-IT 4. Stand 237 Vlakplaas 5. Portion 16 of the farm Naudesbank 172-IS RE/ portion 3 of the farm Dundonald 210-IT (E1147) 6. Portion 1 of erf 392 Carolina 7. erf 722 Carolina 8. Portion 4 of the farm Goedeverwachting 57-IT 9. Stand 324 Diepdale 10. RE/ erf 428 Carolina 11. portion 4 of erf 706 Carolina 12. portion 1 of erf 407 Carolina 13. erf 8 Carolina 14. RE of the farm Theespruit 156-IT 15. Erf 5 Mpsikazi (Mr Price) 16. Portion 44 of farm Avontuur 725-IT
Determination made in year of receipt	All still in progress		1				4	19		
Determination made in following year	2		8				None	None		
Applications withdrawn	None		None				None	None		
Applications outstanding at year end	2		12				19	29		

T 3.10.2

# Chapter 3

Planning Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
Service Objective							
Spatial Transformation	Number of studies conducted for the establishment of cemeteries.	N/A – New KPI	N/A – New KPI	1	1	1	1
	Number of studies conducted for township formalization.	N/A – New KPI	N/A – New KPI	1	3	1	1
	Number of studies conducted for township establishment.	N/A – New KPI	N/A – New KPI	1	1	1	1
To Ensure the regulation of land use and development management	Percentage of land use and development applications processed within the legislated timeframe	N/A – New KPI	N/A – New KPI	100%	100%	100%	100%
	Percentage of building plans processed within the legislated timeframe	N/A – New KPI	N/A – New KPI	100%	100%	100%	100%

# Chapter 3

Employees: Planning Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	2	2	0	0%
Total	4	5	5	0	0%

*T 3.10.4*

Financial Performance 2023/24: Planning Services					
					R'000
Details	2022/23	2023/24			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:					
Employees	248	260	276	276	6%
Repairs and Maintenance	248	260	276	276	6%
Other	248	260	276	276	6%
<b>Total Operational Expenditure</b>	744	781	828	828	6%
<b>Net Operational Expenditure</b>	744	781	828	828	6%

*T 3.10.5*

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Eleven (7) land use applications were received during the year under review and (16) building plans applications were received for approval.

*T 3.10.7*

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximize the economic potential of all municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

T 3.11.1

Economic Activity by Sector			
	R '000		
Sector	2021/22	2022/23	2023/24
Agric, forestry and fishing	3	3	3
Mining and quarrying	12	12	12
Manufacturing	2	2	2
Wholesale and retail trade	6	6	6
Finance, property, etc.	8	8	8
Govt, community and social services	11	11	11
Infrastructure services	2	2	2
Total	44	44	44

T 3.11.2

Economic Employment by Sector			
	Jobs		
Sector	2021/22	2022/23	2023/24
Agric, forestry and fishing	30 000	-	-
Mining and quarrying	372 000	-	-
Manufacturing	270 000	-	-
Wholesale and retail trade	210 000	-	-
Finance, property, etc.	235 000	-	-
Govt, community and social services	320 000	-	-
Infrastructure services	450 000	-	-
Total	1 887 000	-	-

T 3.11.3

# Chapter 3

## COMMENT ON LOCAL JOB OPPORTUNITIES

The municipality is working with private sector to change the lives of our communities on creating job opportunities. Through LED section we create jobs by supporting SMME's and Cooperatives

T 3.11.4

### Jobs Created during 2023/24 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year: 2021/22	75	0	75	Employee list from Cooperatives
Year: 2022/23	31	0	31	Employee list from Cooperatives
Year: 2023/24	23	0	23	Employee list from Cooperatives

T 3.11.5

### Job creation through EPWP\* projects

Details	EPWP Projects No.	Jobs created through EPWP projects No.
2021/22	66	282
2022/23	23	260
2023/24	29	760

T 3.11.6

# Chapter 3

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
To ensure sustainable Local Economic Development	Number of led strategy projects implemented.	1	11	2	2	2	0
	Number of co-operatives offered support.	24	128	12	23	20	23
	Number of tourism awareness campaigns conducted.	12	22	4	14	4	5
	Number of led related forums/meeting coordinated.	N/A – New KPI	N/A – New KPI	4	4	4	4
	Host Investment Initiatives	N/A – New KPI	N/A – New KPI	1	1	1	1

# Chapter 3

Employees: Local Economic Development Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
Total	5	5	5	0	0%

*T 3.11.8*

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

EPWP and CWP have contributed positively to maintaining a safety net for the poor communities and alleviating poverty where it matters the most. About 760 full-time equivalent jobs were created through economic and public sector initiatives while the CWP has maintained the training of all the participants.

*T 3.11.11*

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

## INTRODUCTION TO COMMUNITY SAFETY SERVICES

This department's core objectives included the provision of waste management and cleaning services, horticulture and maintenance of parks, cemetery services, library services, development of sport, arts, culture, and recreational facilities, empowerment of youth, women, and people with disabilities, HIV/AIDS, environmental health, and general community development activities.

*T 3.12*

### **INTRODUCTION TO LIBRARIES**

This service was achieved through seven (7) operational libraries stationed at Emanzana, Carolina, Ekulindeni, Elukwatini, Empuluzi, Z.M. Mkhwanazi and Silobela. These libraries are open from Monday to Friday from 08:00 to 16:00 and had books for most tastes and ages.

The libraries were all connected to the internet. Whilst most schools were rural, the Department was also responsible for the promotion of the few libraries that were available near those schools. This also encouraged a culture of reading around those local communities. As a result, several campaigns were conducted. The Municipality hoped that the Department of Sports, Arts and Culture would also assist with staffing the libraries, and extending the hours of operation, particularly on weekends, so that those who could not access the library during working hours might be able to do so on weekends.

*T 3.12.1*

### **SERVICE STATISTICS FOR LIBRARIES**

The Municipality did not plan capital projects related to libraries, archives, museums, galleries, and community facilities etc. The municipality tabled the building of Carolina and eManzana Library construction to DCSR.

*T 3.12.2*

# Chapter 3

Libraries Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
Service Objective							
To ensure provision of basics services	Number of library awareness programmes implemented.	30	35	30	33	28	32

# Chapter 3

Employees: Libraries					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
Total	7	6	6	0	0%

T 3.12.4

## COMMENT ON THE PERFORMANCE OF LIBRARIES OVERALL

The library and information sector are striving to provide quality and resourceful information to the community at large. The aim is to assist in alleviating poverty by educating and developing the community and to bring out the best out of the community. The programs that are rendered to schools, campaigns and proper collection development based on the needs of the users, all these endeavours, are ways and methods of improving the lives of Chief Albert Community.

On going research is done to be abreast with technology and any other related developments. In the 2023/2024 financial year, there has been an increase in the number of people visiting the library and making use of library facilities in the municipal area.

T 3.12.7

## 3.13 CEMETERIES AND CREMATORIUMS

### INTRODUCTION TO CEMETERIES

The Department was responsible for the provision of graves for burials to the communities in six (6) municipal cemeteries. The Department also did maintenance on these cemeteries. Fencing, toilets, and the availability of water were some of the challenges that were faced in relation to cemeteries. Where those had been installed, they were vandalised and stolen in no time. There was also a challenge with the maintenance of the cemeteries under tribal authorities. However, graves were available in all Municipal cemeteries for needy community members to bury their loved ones.

Challenges Whilst the Municipality had more than 21 settlements, it could provide graves to only the above-mentioned ones; the other big settlements in all the 25 wards of the Municipality were not catered for. This is expected to have serious consequences in the future in terms of environmental impact.

# Chapter 3

The conditions listed below are stipulated by regulations and may not be followed in more than 80% of those areas that were within the jurisdiction of the Municipality. This may pose a challenge in the future.

(1) No land or site shall be identified and used for the purpose of a burial site unless environmental authorisation has been granted in terms of the National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA), and the Environmental Impact Assessment Regulations, R.543 of 18 June 2010, as amended (EIA Regulations). In the case of private burial sites, a local government has conducted a land survey, and the necessary approval has been granted; such approval must be in writing and should contain such conditions for use as the availability of waste management and ablution facilities, which shall include access to potable water, and sanitation facilities

2) All burial sites must comply with the following environmental requirements: (a) be located outside the 100-year floodplain; (b) be located at least 350m from ground water sources used for drinking purposes and at least 500m from the nearest habitable building; (c) for a preferred burial site with a soil of sand-clay mix of low porosity and a small and fine-grain texture, the water table should be at least 2.5m deep in order to allow for traditional grave depth of six feet (1.8m); (d) for areas with higher water tables, the local government may determine a reasonable depth with additional walling recommendations to protect underground water; and (e) the covering soil shall not be less than 1m, should two bodies be buried in the same grave, 300mm of soil shall be maintained between the coffins.

T 3.13.1

## SERVICE STATISTICS FOR CEMETERIES & CREMATORIUMS

There were no new cemeteries established during the year under review due to budget constraints. All six (6) cemeteries were maintained throughout the year with the expansion of the Ekulindeni Cemetery.

T 3.13.2

Employees: Cemeteries					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	1	1	0	0%
7 - 9	6	0	0	0	0%
10 - 12	7	2	1	1	50%
16 - 18	11	12	11	1	8%
Total	28	16	14	2	13%

T 3.13.4

## COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL

There were no new cemeteries established during the year under review due to budget constraints. All six (6) cemeteries were maintained throughout the year with the expansion of the Ekulindeni Cemetery.

T 3.13.7

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3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

**INTRODUCTION TO CHILDCARE; AGED CARE; SOCIAL PROGRAMMES**

The Municipality did not have childcare or aged care programmes during the year under review.

*T 3.14.1*

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

**INTRODUCTION TO ENVIRONMENTAL PROTECTION**

The Municipality does not have programs relating to pollution control, biodiversity, and landscape and coastal protection due to its size and geographical location. However, the Municipality did have a program relating to testing of water quality in order to comply with the relevant laws and regulations.

*T 3.14*

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3.15 POLLUTION CONTROL

**INTRODUCTION TO POLLUTION CONTROL**

The Municipality does not have programmes relating to pollution control due to its size and geographical location. However, the Municipality did have a programme relating to testing of water quality in order to comply with relevant laws and regulations.

*T 3.15.1*

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3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

**INTRODUCTION BIO-DIVERSITY AND LANDSCAPE**

The Municipality does not have bio-diversity, landscape and other coastal protections due to its size and geographical location

*T 3.16.1*

**SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE**

The Municipality does not have bio-diversity, landscape and other coastal protections due to its size and geographical location

*T 3.16.2*

# Chapter 3

## COMPONENT F: HEALTH

This component includes clinics, ambulance services, and health inspections.

### INTRODUCTION TO HEALTH

The municipality does not provide clinics and ambulance services as these services are provided by the Department of Health. However, the Municipality did provide for the health services as discussed below.

*T 3.17*

#### 3.17 CLINICS

### INTRODUCTION TO CLINICS

During the year under review, the Municipality conducted HIV and AIDS campaigns, as well as Occupational Health and Safety forums.

*T 3.17.1*

#### 3.18 AMBULANCE SERVICES

### INTRODUCTION TO AMBULANCE SERVICES

Ambulance services are provided by the Department of Health.

*T 3.18.1*

#### 3.19 HEALTH INSPECTION; FOOD AND ABATTOIR LICENSING AND INSPECTION; ETC

### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENSING AND INSPECTIONS, ETC

The Municipality does not have Health Inspections, and Food and Abattoir Licencing services due to its size and geographic location.

*T 3.19.1*

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

The Municipality has a Community and Safety department, as well as an Environmental Protection department residing under the Community Services cluster.

*T 3.20*

### 3.20 TRAFFIC LAW ENFORCEMENT:

#### INTRODUCTION TO TRAFFIC LAW ENFORCEMENT

Traffic law enforcement: during the year 2023/2024 we managed to improve on Law enforcement officer visibility on all areas and increase Municipality's income through traffic summons and conducted more operations (warrant of arrest operations). We have set targets that we want to achieve and linked them to their KPA's, and we monitor those targets on daily basis.

*T 3.20.1*

Traffic law enforcement					
	Details	2023/24	2022/23		2023/24
		Actual no.	Estimate No.	Actual no.	Estimate No.
1.	Number of road traffic accidents during the year	663	0	782	700
2.	Number of by-law infringements attended	0	0	0	0
3.	Number of Police officers in the field on an average day	11	11	11	11
4.	Number of police officers on duty on average day	12	12	12	12

*T 3.20.2*

# Chapter 3

Traffic law enforcement Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>To ensure provision of basics services</b>	Number of traffic law enforcement programmes implemented.	12	16	10	17	9	14
	Number of traffic fines issued.	20%	20%	1 200	2 416	7 200	7 244
	Percentage of Revenue collected through issued traffic infringements summons.	N/A	N/A	182 500	1 816 052	60%	22%

# Chapter 3

Employees: Traffic Officers					
Job Level	Year -2022/23	2023/24			
Administrators	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	13	12	12	0	0%
10 - 12	3	3	3	0	0%
Total	19	19	19	0	0%
<i>T 3.20.4</i>					

## COMMENT ON THE PERFORMANCE OF TRAFFIC OVERALL

The Department has done well on number of key performance indicators; 7200 traffic fines were issued. 14 awareness were conducted where our road users were educated and reminded of rules of the road. A total amount of R1 365 929.57 was collected on traffic fines issued.

*T 3.20.7*

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

#### FIRE BRIGADE SERVICES ACT NO. 99 OF 1987

To provide for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services; and for matters connected therewith.

“**service**” means a fire brigade service intended to be employed for—

- (a) preventing the outbreak or spread of a fire;
- (b) fighting or extinguishing a fire;
- (c) the protection of life or property against a fire or other threatening danger;
- (d) the rescue of life or property from a fire or other danger;
- (e) subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
- (f) the performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

# Chapter 3

(2) This Act shall apply in the national territory referred to in section 1 of the said Constitution.  
 [Sub-s. (2) added by Proclamation No. R.153 of 1994.]

The Fire and Rescue & Disaster Management Directorate is responsible for the establishment and maintaining institutional Fire and Rescue/Disaster management capacity and implementing effective risk reduction activities. To prepare for and respond to Fire and Rescue incidents/ disasters and coordinate disaster recovery and rehabilitation. Number of fire safety & prevention/disaster management awareness campaigns conducted. – To raise and awareness to the community members to have knowledge in how to act during emergency situations while waiting for Fire and Rescue/Disaster Management Officials. The disaster/fire incidents reported must be attended within 24 hours. – If there is several Disaster incidents- Fire and Rescue Services are call in to assist with assessment of disaster incidents. *Based on the number of disasters happening in our municipality* – the department proposed to appoint one additional Disaster Management Coordinator in the new financial year for Elukwatini and Empuluzi Units. The department have also proposed and recommended the decentralization of entire emergency services to Greater Empuluzi Areas to shorten response time as stipulated in SANS 10900- Community Protection Against Fires. other areas

T 3.21.1

Municipal Fire Service Data					
	Details	2021/22	2022/23	2023/24	
		Actual	Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year	367	384	350	338
2	Total of other incidents attended in the year	0	100	350	338
3	Average turnout time - urban areas	15 minutes	15 minutes	15 minutes	15 minutes
4	Average turnout time - rural areas	45 minutes	45 minutes	45 minutes	45 minutes
5	Fire fighters in post at year end	12	12	10	10
6	Total fire appliances at year end	5	5	5	5
7	Average number of appliances off the road during the year	8	8	8	8

T 3.21.2

Response time is calculated from the time of incident reported or time of call to the actual time of response by CALM fire services section.

T 3.21.2.1

# Chapter 3

Fire Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>To ensure provision of basics services</b>	% of Fire and Rescue incidents reported and attended	100%	100%	100%	100%	100%	100%
	Number of Fire Safety Inspection conducted	N/A - New KPI	60,00	147,00			
	Number of Fire Safety Awareness conducted	N/A - New KPI	20,00	22,00			

# Chapter 3

Employees: Fire Services					
Job Level	Year – 2022/23	2023/24			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	3	2	2	0	0%
7 - 9	10	8	8	0	0%
Total	13	11	11	0	0%
					<i>T 3.21.4</i>

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

All fire incidents reported were 100% attended by Fire unit

*T 3.21.7*

## 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

In terms of the Disaster Act, 2000 (Act No 52 of 2000), the disaster function's aim is to save lives and educate the community about risks and hazards. The function is still divided between the district municipality and the local municipality. The district municipality built a new disaster centre; however, the ownership is still with the district municipality, which makes access by the Municipality difficult. The efficient function of the centre is also on hold because it sits between the two location areas.

The main function of this section is to assist in terms of:

- Disaster planning
- Risk assessment
- Awareness programs
- Consultation with stakeholders
- Application of the Disaster Framework

#### Mitigation Process

Disaster Management is aimed at the effective and economical utilisation of all materials and personnel for the greatest benefit and protection of citizens and their property during major incidents. Currently, the municipality finances the mitigation process from its own budget; however, the District and Province also assist when there is a need. The municipality is using the Short Message Service (SMS) as an early warning system, but this creates challenges.

*T 3.22.1*

# Chapter 3

Disaster Management Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
Service Objective							
To ensure provision of basics services	Number of disaster management awareness campaigns conducted.	4,00	17,00	14	25	8	8
	Percentage of disaster incidents reported and attended within 24 hours	N/A - New KPI	100%	100%			

# Chapter 3

Employees: Disaster Management					
Job Level	Year: 2022/23	Year: 2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	1	1	0	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	2	2	0	33%
					T 3.22.4

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

There were 8 awareness that were conducted on disaster. 100% of incidents reported were attended.

T 3.22.7

## COMPONENT H: SPORT AND RECREATION

### 3.23 SPORT AND RECREATION

This component includes community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

#### INTRODUCTION TO SPORT AND RECREATION

The Department is responsible for sport, recreation, art, and culture in the Municipality. The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilization of and canvassing support for sport and culture from the private sector, and the provision and maintenance of sport facilities. Various sports activities were coordinated by the Municipality. Those included art and culture festivals, a regional boxing tournament, Workers' Day and Youth Day games. Local sport development structures were coordinated and supported. The Department is responsible for sport, recreation, art, and culture in the Municipality. The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilization of and canvassing support for sport and culture from the private sector, and the provision and maintenance of sport facilities. Various sports activities were coordinated by the Municipality. Those included art and culture festivals, a regional boxing tournament, Workers' Day and Youth Day games. Local sport development structures were coordinated and supported. The provision of sports facilities remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in good condition of sports facilities remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in good condition.

T 3.23

Employees: Sport and Recreation					
Job Level	Year - 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
Total	3	2	2	0	0%
					T 3.23.3

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

All policies have to serve at Council and procedure manuals at Management Committees for their endorsement. Other working documents are approved at the department level depending on the effects and the extent thereof. Most of the policies and guiding documents are in the following departments: Finance, Human Capital Management, and Information Communication Technology, with Council having by-laws.

*T 3.24*

## 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive is composed of the Executive Mayor, who is elected by other councillors during the first council sitting. The Executive Mayor then appoints MMCs from amongst the members of Council. In addition to the Executive Mayor, the executive comprises the councillors and the MM. They assist the Executive Mayor in executing his duties.

The Municipal Council has 25 ward councillors and 49 councillors. The MEC for CoGTA, the Honorable Mandla Ndlovu, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee, the Speaker of Council, and the Council Whip. For Council to take a decision, it needs a simple majority, where the meeting forms a quorum i.e. 50% of councillors plus one councillor.

*T 3.24.1*

# Chapter 3

The Executive and Council Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<i>Improved governance and administration</i>	# of Mayoral Imbizo's held	2	2	2	2	4	3

# Chapter 3

Employees: The Executive and Council					
Job Level	Year - 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	13	13	11	2	15%
7 - 9	1	1	1	0	0%
10 - 12	0	1	0	1	100%
Total	17	18	15	3	17%
					<i>T 3.24.4</i>

## COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Three Mayoral Imbizo's were held during the financial year.

*T 3.24.7*

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

The directorate is responsible for budgeting and accounting, expenditure and revenue management, and maintenance of the financial system. Financial management strategies are essential to guide the Municipality to maximise the available financial resources to ensure long term financial viability through the following strategies:

- Manage revenue, expenditure, assets, and liabilities in a responsible manner
- A well-thought-out budget and financial planning processes align with budget and reporting regulations.
- Effective SCM.
- Effective cash flow management.

*T 3.25.1*

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	2022/23		2023/24			2022/23	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	98,828,613.70	81%	7,888,631.25	9,084,948.95	115%	98,828,613.70	81%
Electricity	18,430,692.35	70%	2,187,930.02	2,912,312.49	113%	18,430,692.35	70%
Water	16,518,295.54	26%	1,894,918.57	555,998.15	29%	16,518,295.54	26%
Sanitation	10,361,648.37	27%	1,077,003.75	629,686.42	58%	10,361,648.37	27%
Refuse	10,342,646.48	22%	971,237.22	397,768.78	41%	10,342,646.48	22%
Other	1,430,068.69	45%	339,294.80	465,144.25	137%	1,430,068.69	45%
							<b>T 3.25.2</b>

Employees: Financial Services					
Job Level	Year – 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	6	0	0%
4 - 6	28	27	25	2	7%
7 - 9	14	13	12	1	8%
10 - 12	7	7	7	0	0%
Total	54	53	50	3	6%

**COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL**

The Financial Services Department did not have capital projects during the year under review

**T 3.25.7**

# Chapter 3

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

This section dealt with the general administration of all human resource issues and matters, including the administration of human resources, leave management, and the transaction of all the labour-related legislation, policies, and by-laws. It also oversaw the implementation of all the basic conditions of employment and the monitoring of compliance therewith.

This section was also charged with the responsibility of ensuring employee wellness and the implementation of employee discipline. Corrective steps were instituted against unacceptable behaviour, and various disciplinary procedures were instituted against a few of the employees who were delinquent.

The number of people from the employment equity target groups were employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan. As such, the three highest positions were 100% occupied by the previously disadvantaged group.

#### **Skills Development**

This focus area is in response to one of the prescribed key performance indicators in terms of the Municipal Performance Management Regulations of 2001. All municipalities are obliged to report on progress in the building skills capacity to deliver according to the developmental mandate.

*T 3.26.1*

# Chapter 3

Human Resources Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
<b>Improve institutional performance</b>	Percentage of critical positions filled.	100%	100%	100%	100%	100%	100%
	% of employees from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2024 (GKPI)	N/A	N/A	85%	100%	85%	100%
	Percentage of staff turnover rate	<5%	<5%	<5%	<5%	5%	0%
	Submission of Employment Equity Report to the Department of Labour	N/A	N/A	1	1	1	1
	Review and approval of CALM organisational structure (Annual)	N/A	N/A	1	1	1	1
	% of new appointees attending induction training	N/A	N/A	N/A	N/A	100%	100%
	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2024	N/A	N/A	100%	14%	90%	27,50%
	Number of Local Labour Forum meetings held	N/A	N/A	10	10	8	9
	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April 2024	1	1	1	1	1	1

# Chapter 3

% of staff trained against internal training plan by 30 June 2024	20	51	25	10	90%	92%
Number of Workshops, seminars and conferences held to ensure that Councillors are informed and trained on Local Government trends.	N/A	N/A	6	6	8	8
Number of information Sharing conducted on Skills audit	N/A	N/A	N/A	N/A	5	6
Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	12	4	10	1	4	4
Number of quarterly health and safety inspections and awareness's conducted.	4	27	4	4	4	6
Number of employee wellness programmes conducted.	12	8	4	13	4	8

# Chapter 3

Employees: Human Resource Services					
Job Level	Year - 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	4	4	0	0%
7 - 9	2	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
Total	6	8	8	0	0%
					<i>T 3.26.4</i>

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The department did not have capital projects during the year under review.

*T 3.26.7*

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This section is responsible for the Information and Communication Technology, as well as the IT Governance of the Municipality in order to ensure that the IT wellbeing of the Municipality is secured, and that the integrity of the information is also protected. It ensures effective communication within the organisation and between the Municipality and other stakeholders.

*T 3.27.1*

# Chapter 3

ICT Services Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
Service Objective							
Improved ICT governance	Disaster recovery site developed	N/A	N/A	N/A	N/A	1	1
	Percentage availability IT system infrastructure	N/A	N/A	N/A	N/A	98%	98%
	Number of quarterly ICT Steering Committee meetings held	N/A	N/A	N/A	N/A	4,00	4,00
	Number of ICT Security Reports submitted to Oversight Committee	N/A	N/A	N/A	N/A	4	4

# Chapter 3

Employees: ICT Services					
Job Level	Year 2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	9	9	0	0%
					<i>T 3.27.4</i>

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

ICT did not have a capital project during the year under review.

*T 3.27.7*

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

### INTRODUCTION TO PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES

In terms of Section 62(i)(c) of the MFMA (2003), a municipality must have and maintain an effective, efficient and transparent system of risk management; and the municipal manager is responsible for managing the municipality's financial administration. For this purpose, the municipal manager must take all responsible steps to ensure, amongst others, that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management, and control of internal audit operating in accordance with any prescribed norms and standards.

In order to give effect to the above, the municipal manager established the Risk Management Committee of the Municipality. Risk management is an important aspect of all our lives. We are exposed to risk both in terms of threats to service provision and the potential for lost opportunities. It was essential that we demonstrate to our citizens that we fully consider the implications of risk as we deliver our business for the benefit of the residents of our community.

# Chapter 3

The risk management process is designed to support members and officials in ensuring that the Municipality is able to fully discharge its risk management responsibilities in a consistent manner. The Municipality had a Risk Management Strategy that outlined the objectives, benefits, and approach to the process to ensure that risks, both positive and negative, were successfully managed.

Risk management in The Municipality was about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities, and creating an environment that added value to ongoing activities.

Risk management was a key part of corporate governance. Corporate governance was the way an organisation managed its business, determined its strategy, and went about achieving its objectives. Good risk management would help identify and deal with key corporate risks facing the organisation in the pursuit of its goals and is a key part of good management, and not simply a compliance exercise.

*T 3.28.1*

# Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vii)	(viii)	(ix)
<b>Service Objective</b>							
To ensure good governance	Number of risk assessment workshop conducted by 30 June 2024	2	2	2	2	2	7
	Reviewed and approved Strategic Risk Register by 30 June 2024	N/A	N/A	N/A	N/A	1	1
To ensure effective governance in the administration of the institution	Establish Municipal Court	N/A	N/A	N/A	N/A	1	0
	Monthly reports on legal matters submitted to CS Portfolio Committee meeting	N/A	N/A	N/A	N/A	12	10

<b>Employees: Legal; Risk Management.</b>					
<b>Job Level</b>	<b>Year: 2022/23</b>	<b>Year: 2023/24</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	2	2	2	0	0%
4 - 6	2	4	2	2	50%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>22%</b>
					<i>T 3.28.4</i>

**COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL**

The respective departments discussed above did not have capital projects during the year under review.

*T 3.28.7*

**COMPONENT J: MISCELLANEOUS**

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

**INTRODUCTION TO MISCELLANEOUS**

The Municipality does not have airports, abattoirs and municipal entities.

*T 3.29.0*

This component includes Annual Performance Scorecard Report for the current year.

# Chief Albert Luthuli Municipality

## Annual Performance Report Addendums

June 2024



# Chapter 3

## Addendum A: SDBIP Components – Annual service delivery targets and non-financial performance indicators

### Community & Safety Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>Basic Service Delivery and Infrastructure Development</b>								
Waste Management	2.1	Number of supplied refuse bins to billable households	<p>1) 50 refuse bins were distributed to households during the period July 2023 to September 2023</p> <p>2) 493 refuse bins were distributed to households during the period January 2024 to March 2024</p> <p>3) 7 refuse bins were distributed to households during the period April 2024 to June 2024</p> <p>Total: 50 + 493 + 7 = 550</p>	N/A - Target Achieved	501,00	550,00	550,00	3,00
Waste Management	2.2	Number of inspections to be conducted on each of the 5 disposal sites	<p><b>Numerator:</b> 60*</p> <p>* Disposal sites inspected: <b>July 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>August 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p>	N/A - Target achieved	5,00	5,00	5,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p><b>September 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>October 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>November 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>December 2023: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>January 2024: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>February 2024: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>March 2024: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p> <p><b>April 2024: 5</b> Carolina (1), Manzana (1), Ekulindeni (1), Empuluzi (1), Elukwatini (1)</p>					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p><b>May 2024: 5</b> Carolina (1),Manzana (1),Ekulindeni (1),Empuluzi (1),Ekulukwatini (1)</p> <p><b>June 2024: 5</b> Carolina (1),Manzana (1),Ekulindeni (1),Empuluzi (1),Elukwatini (1)</p> <p>Total = 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 + 5 = 60</p> <p><b>Denominator:</b> 12*</p> <p>* Refer to instruction column Calculations: 60/12 = 5</p>					
Waste Management	2.2.1	Percentage of waste management service rendered on 6 areas	<p><b>Numerator: 1077%</b> July 2023 - 73% August 2023 - 61% September 2023 - 68,8% October 2023 - 78.3% November 2023 - 86.7% December 2023 - 98% January 2024 - 75.4% February 2024 - 95.7% March 2024 - 97% April 2024 - 100% May 2024 - 100% June 2024 - 100%</p>	N/A - Target achieved	100,00%	100,00%	86%	2,59

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Total: 73% + 61% + 68,8% + 78.3% + 86.7% + 98% + 75.4% + 95.7% + 97% + 100% + 100% + 100% = 1033,9%</p> <p><b>Denominator:</b> 12*</p> <p>* Refer to instruction column</p> <p>Calculations: 1033%/12 = 86,2%</p>					
Waste Management	2.2.2	Number of Environmental awareness campaigns held	<p>The following environmental awareness campaigns were held:</p> <ol style="list-style-type: none"> <li>1) 07 July 2023 at Ekulindeni</li> <li>2) 18 July 2023 at Elukwatini</li> <li>3) 18 July 2023 at Empuluzi, Ward 02, 03 and 04</li> <li>4) 24 October 2023 at Fernie (Empuluzi)</li> <li>5) 23 January 2024 at Fernie Ward 9 &amp; 11</li> <li>6) 22 April 2024 at Community Boardroom at Ward 15</li> <li>7) 23 May 2024 at Elukwatini RDP Ward 14</li> </ol>	<p><b>A) Reason for Overachieving Target:</b> DFFE awarded the department with waste management participants to deal with environmental awareness in all municipal units/areas.</p> <p><b>B) Corrective Action:</b> None</p>	22,00	5,00	7,00	4,20
Library Management	2.3	Number of Library awareness campaign conducted	<p>The following Library awareness campaigns were conducted:</p> <ol style="list-style-type: none"> <li>1) Library Awareness held 19 July 2023 at Ezenzeleni Public Library, Carolina</li> <li>2) Library Awareness held 28 July 2023 at Elukwatini Library</li> <li>3) Library Awareness held 31 July 2023 at ZM Mkhwanazi, Empuluzi</li> <li>4) Library Awareness held 10 August 2023 at Carolina Public Library</li> </ol>	<p><b>A) Reason for Overachieving Target:</b> Request from day care centre</p> <p><b>B) Corrective Action:</b> None</p>	33,00	28,00	32,00	3,43

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			5) Library Awareness held 10 August 2023 at Ezenzeleni Public Library, Carolina 6) Library Awareness held 23 August 2023 at ZM Mkhwanazi, Empuluzi 7) Library Awareness held 23 August 2023 at Sakhisizwe Day Care Centre, ZM Mkhwanazi, Empuluzi 8) Library Awareness held 21 September 2023 at Ezenzeleni Public Library 9) Library Awareness held 27 September 2023 at ZM Mkhwanazi, Empuluzi 10) Library Awareness held 19 October 2023 at ZM Mkhwanazi, Empuluzi 11) Library Awareness held 20 October 2023 at Ezenzeleni Public Library 12) Library Awareness held 24 October 2023 at Baadjiesbult Combine School, Carolina 13) Library Awareness held 08 November 2023 at Sobhuza Primary school, Carolina 14) Library Awareness held 09 November 2023 at Sobhuza Primary school, Carolina 15) Library Awareness held 23 January 2024 at Ezenzeleni Public Library 16) Library Awareness held 07 February 2024 at Thando's day care centre 17) Library Awareness held 09 February 2024 at Sifisothu day care centre 18) Library Awareness held 13 February 2024 at Mayflower high school 19) Library Awareness held 22 February 2024 at Thokozani combine school 20) Library Awareness held 27 February 2024 at Happy Kids Day care centre school					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			21) Library Awareness held 05 March 2024 at Khululwazi Public Library 22) Library Awareness held 14 March 2024 at Khululwazi Public Library 23) Khululwazi Public Library held 18 March 2024 at Ezenzeleni Public Library 24) Library Awareness held 15 April 2024 at Sebenta Combined School 25) Library Information Session held 17 April 2024 at Violet Jiyane Secondary School 26) Library Information Session held 19 April 2024 at Vulingcondvo Primary School (Outreach Program) 27) Library Awareness held 14 May 2024 at Baadjiesbult Combine School 28) Library Awareness held 17 May 2024 at Khululwazi Public Library 29) Library Information Session held 30 May 2024 at Ezenzeleni Public School 30) Library Information Session held 10 June 2024 at Ezenzeleni Public School 31) Library Information Session Know Your Library held 13 June 2024 at Klueterland Skool 32) Library Information Session Story Telling and colouring held 13 June 2024 at ZM Mkhwanazi					
Parks	2.4	Number of parks developed in CALM	Parks developed in CALM 1) Carolina Park 1 developed next to road to Marchard 2) Carolina Park 2 developed at back of Police	<b>A) Reason for Overachieving Target:</b> Adopted illegal dump site and turn them to mini parks	N/A - New KPI	2,00	4,00	5,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Station 3) Nhlazatshe no. 7 Park 4 developed at Eshowini 4) Carolina Park 3 developed next to railway line	<b>B) Corrective Action:</b> None				
Climate Change	2.5	Develop climate change strategy	<b>Quarter 2:</b> - Draft Climate Change Strategy developed in November 2023 <b>&lt;Refer to 2nd Qtr. POE&gt;</b>  <b>Quarter 4:</b> - Document submitted to the Mayoral Committee meeting held 18 April 2024, reference item M01/04/24/R - Document submitted to the Council meeting held 26 April 2024, reference item C01/04/24/R	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
Fire Services	2.6	% of Fire and Rescue incidents reported and attended	<b>Numerator: 338</b> Fire and Rescue incidents reported and attended during the period July 2023: 34 August 2023: 38 September 2023: 22 October 2023: 24 November 2023: 22 December 2023: 29 January 2024: 21 February 2024: 17 March 2024: 22 April 2024: 31 May 2024: 36 June 2024: 42	N/A - Target achieved	N/A - New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Total: 34 + 38 + 22 + 24 + 22 + 29 + 21 + 17 + 22 + 31 + 36 + 42 = 338</p> <p><b>Denominator: 338</b> Total number of Fire and Rescue incidents reported</p> <p>July 2023: 34 August 2023: 38 September 2023: 22 October 2023: 24 November 2023: 22 December 2023: 29 January 2024: 21 February 2024: 17 March 2024: 22 April 2024: 31 May 2024: 36 June 2024: 42</p> <p>Total: 34 + 38 + 22 + 24 + 22 + 29 + 22 + 19 + 22 + 31 + 36 + 42 = 338</p> <p>Calculations: 338/338 = 100%</p>					
Fire Services	2.6.1	Number of Fire Safety Inspection conducted	<p>Fire Safety Inspection was conducted as follows:</p> <p>1) July 2023: 27 2) August 2023: 6 3) September 2023: 15 4) October 2023: 6 5) November 2023: 0 6) December 2023: 10</p>	<p><b>A) Reason for Overachieving Target:</b> Fire certificates were expiring.</p> <p><b>B) Corrective Action:</b> None</p>	N/A - New KPI	60,00	147,00	5,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			7) January 2024: 0 8) February 2024: 51 9) March 2024: 9 10) April 2024: 23 11) May 2024: 0 12) June 2024: 0  Total: 27 + 6 + 15 + 6 + 0 + 10 + 0 + 51 + 9 + 23 + 0 + 0 = 147					
Fire Services	2.6.2	Number of Fire Safety Awareness conducted	The following Fire Safety Awareness were conducted: 1) Fire awareness (Career Day) held 11 August 2023 at Busy Bee 2) Fire awareness held 24 October 2023 at Klouterland, Carolina 3) Fire awareness held 25 October 2023 at Tsembakani P. School 4) Fire awareness held 25 October 2023 at Letsalokuhle P. School 5) Fire awareness held 26 October 2023 at Bhekokuhle P. School 6) Fire awareness held 03 November 2023 at Vuka P. School 7) Fire awareness held 17 November 2023 at Tjakastad Educare Centre 8) Fire awareness held 21 November 2023 at Motshaotshela Colliery 9) Fire awareness held 23 November 2023 at Lindzelokuhle P. School 10) Fire awareness held 06 December 2023 at Carolina Bears Palace 11) Fire awareness held 07 December 2023 at	<b>A) Reason for Overachieving Target:</b> Collaboration with other departments.  <b>B) Corrective Action:</b> None.	N/A - New KPI	20,00	22,00	3,30

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Elukwatini Social Development sub-district offices</p> <p>12) Fire awareness held 26 January 2024</p> <p>13) Fire awareness held 26 January 2024 at Mosque, Elukwatini</p> <p>14) Fire awareness held 30 January 2024 at Holeka Secondary School</p> <p>15) Fire awareness held 16 February 2024 at Timeline Primary School</p> <p>16) Fire awareness held 06 March 2024 at Goerbram Primary School</p> <p>17) Fire awareness held 06 March 2024 at Thokozani Combine School</p> <p>18) Fire awareness held 08 March 2024 at Sitanani Primary School</p> <p>19) Fire awareness held 08 March 2024 at Wesley Primary school</p> <p>20) Fire awareness held 14 March 2024 at Diepgezet primary school</p> <p>21) Fire awareness held 19 June 2024 at Haartebeesskop Clinic</p> <p>22) Fire Safety awareness held 26 June 2024 at Manzana Clinic</p>					
Provide Fire and Rescue Services	2.7	Percentage of disaster incidents reported and attended within 24 hours	<p><b>Numerator: 143</b></p> <p>Disaster incidents reported and attended during the reporting period:</p> <p>July 2023: 8</p> <p>August 2023: 3</p> <p>September 2023: 7</p> <p>October 2023: 7</p> <p>November 2023: 24</p> <p>December 2023: 26</p>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>January 2024: 22            February 2024: 6            March 2024: 11            April 2024: 14            May 2024: 13            June 2024: 2</p> <p>Total: 8 + 3 + 7 + 7 + 24 + 26 + 22 + 6 + 11 + 14 + 13 + 2 = 141</p> <p><b>Denominator: 143</b>            Total number of disaster incidents reported during the reporting period:            July 2023: 8            August 2023: 3            September 2023: 7            October 2023: 7            November 2023: 24            December 2023: 26            January 2024: 22            February 2024: 6            March 2024: 11            April 2024: 14            May 2024: 13            June 2024: 2</p> <p>Total: 8 + 3 + 7 + 7 + 24 + 26 + 22 + 6 + 11 + 14 + 13 + 2 = 143</p> <p>Calculations: 143/143 = 100%</p>					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Provide Fire and Rescue Services	2.7.1	Number of disaster management awareness campaigns conducted.	The following Disaster management awareness were conducted: 1) Disaster awareness held 29 October 2023 at Elukwatini, Methodist Church 2) Disaster awareness held 25 October 2023 at Thembekani P. School 3) Disaster awareness held 01 November 2023 at Mpuluzi 4) Disaster awareness held 23 November 2023 at Lindzalokuhle P. School 5) Disaster awareness held 12 December 2023 5) Disaster awareness held 26 January 2024 at Elukwatini 7) Disaster awareness held 06 March 2024 at Carolina 8) Disaster awareness held 19 June 2024 at Haartebeeskop Clinic	N/A - Target achieved	25,00	8,00	8,00	3,00
Traffic Law Management	2.8	Number of traffic fines issued	Traffic fines issued during the reporting period: July 2023 - 474 August 2023 - 572 September 2023 - 619 October 2023 - 610 November 2023 - 558 December 2023 - 514 January 2024 - 715 February 2024 - 669 March 2024 - 687 April 2024 - 630 May 2024 - 660 June 2024 - 596	<b>A) Reason for Overachieving Target:</b> Dependable variables  <b>B) Corrective Action:</b> None	2416,00	7200,00	7244,00	3,02

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 474 + 572 + 619 + 558 + 514 + 715 + 669 + 687+630 +660 + 596 = 7244					
Traffic Law Management	2.8.1	Number of traffic law enforcement programmes implemented	<p>The following traffic law enforcement programmes were implemented:</p> <ol style="list-style-type: none"> <li>1) Oshoek Drivers behaviour operations held 21 July 2023 at Oshoek boarder</li> <li>2) K78 Roadblock - Basadi operation held 04 August 2023 at Badplaas</li> <li>3) K78 Roadblock - Basadi operation held 18 August 2023 at Elukwatini</li> <li>4) Special Joint Operation - held 06 September 2023 at Fernie</li> <li>5) Transport month Joint Operation - held 27 October 2023 at Elukwatini</li> <li>6) Joint Festive Operation - held 21 December 2023 at Emanzana</li> <li>7) Launching of Ester Road Safety Campaign - held 20 March 2024</li> <li>8) Easter Joint Operation - held 28 March 2024</li> <li>9) Joint Operation Carolina held 10 May 2024</li> <li>10) Law Enforcement Escort held 22 May 2024 at Elukwatini Stadium</li> <li>11) Law Enforcement held 27 May 2024 at 5 Reiter Carolina, Nhlazatshe, Mpuluzi the Brook, and Haartebeeskop</li> <li>12) Law Enforcement held 28 May 2024 at Greater Nhlazatshe, Mpuluzi, Carolina and N17 Haartebeeskop, the brook</li> <li>13) Law Enforcement Ballot papers Escort held 29 May 2024 at Greater Carolina, Greater Nhlazatshe greater Empuluzi and N17</li> </ol>	<p><b>A) Reason for Overachieving Target:</b> Women's month joint operations that occurred during the month of August with various stakeholders.</p> <p><b>B) Corrective Action:</b> None</p>	17,00	9,00	14,00	4,67

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Haartebeeskop the brook 14) Empuluzi Joint Operation held 20 June 2024 at Empuluzi					
HIV/AIDS	2.9	Number of HIV/AIDS awareness campaigns conducted	The following HIV/AIDS awareness campaigns were conducted: 1) HIV/AIDS Information session held 25 July 2023 at Ekulindeni Municipal Boardroom 2) HIV/AIDS Information session held 28 July 2023 at Elukwatini Municipal Boardroom 3) HIV/AIDS Information session held 01 August 2023 at Emanzana Municipal Boardroom 4) HIV/AIDS Information session held 11 August 2023 at Empuluzi Municipal Boardroom 5) HIV/AIDS Information session held 17 August 2023 at Carolina Community Boardroom 6) LAC Meeting and Outreach Program held 30 August 2023 at Kromkraans Sports Ground 7) PeEP and New HIV Variant program held 24 October 2023 at Silobela Consistency 8) LAC Meeting and Outreach Program held 15 November 2023 at Aramburg Sports Ground 9) How to talk to your kids about HIV and AIDS program held 26 January 2024 at Ekulindeni Unit Office 10) How to talk to your kids about HIV and AIDS program held 05 February 2024 at Manzana Unit Office 11) LAC Meeting and outreach program held 06 March 2024	<b>A) Reason for Overachieving Target:</b> The HIV/AIDS unit needed to share information with internal staff in different unit offices. However, this did not affect the budget as we the awareness were done internal.  <b>B) Corrective Action:</b> None.	8,00	6,00	15,00	5,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			12) Awareness on MSM Health Screening and Human Rights held 19 April 2024 at Community Safety Boardroom 13) HIV/AIDS awareness on aged held 24 April 2024 at Silobela old aged 14) HIV, TB and STI's Prevention held 11 June at Tjakastad Mbhejeka 15) Health Talks, Prep Screening and HIV Testing held 29 June 2024 at Fernie(The Essence)					
Sports, Recreation and Culture	2.10	Number of Sports, Recreation and Culture events held	The following Sports, Recreation and Culture events were held: 1) Mayoral Cup kick start games held 09 September 2023 at Lochiel Sports Ground 2) Arts and Culture in celebration of Heritage day held 30 September 2023 at Steyndrop Community Hall 3) Mayoral Cup held 21 October 2023 at Elukwatini 4) Sports against Crime, GBV & Social Cohesion held 30 March 2024 at Empuluzi 5) Aged Golden Games held 24 April 2024 at Silobela Stadium 6) Sport against Crime GBV & Social Cohesion held 11 May 2024	<b>A) Reason for Overachieving Target:</b> The Arts and Culture event was held to celebrate the heritage month in Steyndrop Community Hall in collaboration with the department of Art and Culture.  <b>B) Corrective Action:</b> None	N/A - New KPI	4,00	6,00	4,50
Youth Development	2.11	Number of Youth Development programs implemented	The following Youth Development programs were implemented: 1) Sports Against drugs, crime and GBV held 29 July 2023 at Empuluzi ward no 5 2) Sports against crime held 16 August 2023 at Fernie Sports Ground 3) Sanitary Towels handover held 31 August	<b>A) Reason for Overachieving Target:</b> June is regarded as youth month; therefore, the community of Glenmore requested an extra programme to address the	2,00	6,00	7,00	3,50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			2023 at Silobela Community Hall 4) Back to School campaign held 17 January 2024 at Ekulindeni Primary School 5) Youth Development Workshop held 05 March 2024 at Nhlazatshe No.4 Community hall 6) Youth Development in Business Held 11 June 2024 at Tjakastad(Mbhejeka) 7) Youth Development in Business Held 26 June 2024 at Glenmore Community Hall	youth of the community  <b>B) Corrective Action:</b> None				
Women Development	2.12	Number of women empowerment programs implemented	The following women empowerment programs were implemented: 1) Women Economic development Information session held 21 July 2023 at Mayflower (Empuluzi Municipal Boardroom) 2) Distribution of Sanitary Towels, Disposable Nappies & Albinism Packs held 20 September 2023 at Silobela Disability centre 3) Mother and Daughter Conference held 12 December 2023 at Tjakastad Hall 4) Women Campaign Say No to Gender Based Violence and Femicide held 16 January 2024 at Carolina court 5) Women Empowerment in Business held 09 May 2024 at Etinkulungwane Community Hall 6) Women Empowerment in Agriculture held 14 June 2024 at Empuluzi Municipal Boardroom	N/A - Target achieved	N/A - New KPI	6,00	6,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
People with Disabilities	2.13	Number of programs for people living with disability and elderly implemented	The following disability programs were implemented:1) Disability awareness held 11 August 2023 at Mpuluzi (Buhlebolwazi Disability Centre)2) Disability awareness held 17 August 2023 at Carolina (uLwazi Special Development Centre)3) Disability event (Share a smile) held 01 September 2023 at Churcher Home4) Disability awareness (Distribution of Sanitary Towels, Disposal Nappies & Albinism Packs) held 20 September 2023 at Silobela Disability Centre5) Disability awareness held 17 November 2023 at Elukwatini Shopping Complex6) Award Ceremony for People with Disability held 13 May 2024 at Glenmore GS College Sibanesetfu Campus7) International Albinism Awareness Day held 13 June 2024 at Nhlazatshe Community Hall	<p><b>A) Reason for Overachieving Target:</b></p> <p>Disability centers requested the municipality to support them with donations of sanitary towels for the disabled.</p> <p><b>B) Corrective Action:</b> None.</p>	0.00	6.00	7.00	3.50
Transversal Programs	2.14	Number of religious affairs/moral regeneration programmes implemented	<p>1) 24 November 2023: Prayer Mayoral Imbizo held at Empuluzi</p> <p>2) 08 December 2023: Prayor Mayoral Imbizo held at Tjakastad taxi rank</p> <p>3) Moral regeneration programmes held on 16 February 2024 at VJ Jiyane Sec School</p> <p>4) Launching of the Provincial THP Structure held 07 May 2024 at Nhlazatshe 4 Community Hall</p> <p>5) Peacefull Prayer for Elections held 23 May 2024 at His Kingdom Ministry Church</p> <p>6) Moral Regeneration on GBV Awareness held 28 June 2024 at Badplaas Shelter</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Requests from paster's forum</p> <p><b>B) Corrective Action:</b> None</p>	N/A - New KPI	2,00	6,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (CSS only)	<p><b>Numerator:</b> R41,110,293.12 - Actual Expenditure,</p> <p><b>Denominator:</b> R34 070 971,25 - Total Departmental Allocation (Operational Budget)</p> <p><b>Calculation:</b> R41,110,293.12/ R34 070 971,25 = 20%</p> <p>Therefore, the department spent 20,6% more on operational budget</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Expenditure on procurement of fleet, disaster material and refuse bins could not be avoided.</p> <p><b>B) Corrective Action:</b> None</p>	N/A - New KPI	25%	0%	1,00
Revenue Management	4.1.6	Percentage of revenue collected through issued traffic infringements summons	<p><b>Numerator:</b> R1 365 929.75- Actual revenue collected through issued traffic infringements summons</p> <p><b>Denominator:</b> R6 117 280 - Total Amount of Traffic fines issued during in July to June 2024</p> <p>Calculation: R1 365 929.75/R6 117 280 =22%</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Due to unavailability of the system.</p> <p><b>B) Corrective Action:</b> Work with supply chain to appoint a new service provider.</p>	N/A - New KPI	60%	22%	1,10
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								
Governance and Administration	5.4.2	Number of Community and Safety Services	Community and Safety Services Portfolio Committee meetings were coordinated as follows: 1) 13 July 2023	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Executive was dissolved</p>	N/A - New KPI	12,00	11,00	2,75

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		Portfolio Committee meetings coordinated	2) 17 August 2023 3) 14 September 2023 4) 12 October 2023 5) 23 November 2023 6) 12 December 2023 7) 11 January 2024 8) 15 February 2024 9) 14 March 2024 10) 11 April 2024 11) 20 May 2024	when the Executive mayor resigned.  <b>B) Corrective Action:</b> None				
Performance Management	5.5.1	% of staff members with completed performance reviews (CSS only)	<b>Numerator: 12*</b> * Total number of employees with completed performance appraisals made up as follows: <b>1) 2023/24 - 1st Quarter:</b> 3 employees completed the Performance Appraisals <b>2) 2023/24 - 2nd Quarter:</b> 3 employees completed the Performance Appraisals <b>3) 2023/24 - 3rd Quarter:</b> 3 employees completed the Performance Appraisals <b>4) 2023/24 - 4th Quarter:</b> 3 employees completed the Performance Appraisals  <b>Denominator: 12*</b> * Total CSS staff members quarter 4 on Performance Appraisal System: 1) 2023/24 - 1st Quarter: 3 employees (CSS only) 2) 2023/24 - 2nd Quarter: 3 employees (CSS only) 3) 2023/24 - 3rd Quarter: 3 employees (CSS only) 4) 2023/24 - 4th Quarter: 3 employees (CSS	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			only) Calculation: 12/12 = 100%					
Governance and Administration	5.5.2	Establish municipal bylaws enforcers.	Municipal bylaws enforcers established	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

### Planning Economic Development – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>								
Facilitation of Local Economic Development projects	3.1	Number of LED strategy projects implemented.	No actual POE reported	<b>A) Reason for not achieving the Target:</b> Funds to implements the projects  <b>B) Corrective Action:</b>	2.00	2.00	0.00	1.00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
				Budget through the cooperatives				
Special LED support Initiatives	3.1.1	Number of co-operatives offered support.	1) Ekulindeni: Project Visit Buthanani Bakery - 04 July 2023 2) Shabalala Tribal Office: Profiling of SMME's and Cooperatives - 06 July 2023 3) Mpsikazi: Profiling of SMME's and Cooperative - 06 July 2023 4) Emanzana: Economic Empowerment Information Session - 07 July 2023 5) Nikwakuyengwa Tribal Office: Information Sharing with SMME's and Cooperatives - 11 July 2023 6) Khayaletu Drop in center Lochiel: Information Sharing with SMME's and Cooperatives - 11 July 2023 7) Nikwakuyengwa Tribal Office: Information Sharing with SMME's and Cooperatives - 11 July 2023 8) Lochiel: Information sharing with SMME's and Cooperatives - 11 July 2023 9) Mooiplaas: Project Visit Chensary Sewing Coop - 13 July 2023 10) Dundonald: Cooperative SMME's Registration - 13 July 2023 11) Mooiplaas: Project Visit my Sister Bakery	<b>A) Reason for Overachieving Target:</b> Developed a scheduled to visit all wards in the first quarter, the turnout was high.  <b>B) Corrective Action:</b> None	23,00	20,00	23,00	3,45

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Coop - 19 July 2023 12) Carolina Town Hall: SMME's & Cooperatives Profiling - 19 July 2023 13) Fernie & Diepdale: SMME's Cooperatives Profiling - 21 July 2023 14) Mandlangampisi Tribal Office: SMME's Cooperatives Profiling - 25 July 2023 15) Tjakastad Community Hall: SMME's & Cooperatives Profiling - 26 July 2023 16) Manzana Municipal Chamber: SMME's & Cooperatives Profiling - 26 July 2023 17) Dundonald: Meeting between CALM and DARDLA FPSU Cooperatives - 19 October 2023 18) Profiling of Car Wash at Silobela - 20 February 2024 19) Hand over of Agricultural Products/Equipment at Ekulindeni Unit Office - 05 June 2024 20) 20) Hand over of SMME Support and equipment at Elukwatini - 06 June 2024. 21) Site visit at Dundonald FPSU - 10 June 2024 22) Site visit on Keole Trading at Carolina - 11 June 2024 23) SMME Support Program held at Ankrom Oshoek - 13 June 2024					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Local Economic Development Stakeholder engagement	3.1.2	Number of led related forums/meeting coordinated.	1) LED forum meeting held 21 September 2023 at Emanzana CALM Boardroom 2) LED forum meeting held 08 December 2023 virtual on Microsoft teams 3) LED Forum meeting held 14 March 2024 at Committee Room Head Office 4) Extended LED Forum meeting held 26 June 2024 at Kwa-Mgilanyatsi Guest House	N/A - Target Achieved	4,00	4,00	4,00	3,00
Host Investment Initiatives	3.1.3		Technical Investment Summit held 24 June 2024 at Mgilanyatsi Guest House	N/A - Target Achieved	1,00	1,00	1,00	3,00
Tourism Promotion	3.1.4	Number of tourism awareness campaigns conducted.	The following tourism awareness campaigns were conducted: 1) Makhonjwa mountain route tour held on 08 September 2023 at Barberton Makhonjwa Mountain 2) Tourism awareness held 14 December 2023 at Oshoek Boarder 3) VPK Tourism Monitors Learnership held 12 February 2024 4) VPK Tourism Monitors Induction held 14 February 2024 5) Tourism Growth & opportunities workshop	<b>A) Reason for Overachieving Target:</b> The department conducted awareness with MTPA departments  <b>B) Corrective Action:</b> None	14,00	4,00	5,00	3,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			held at Forever Resort, eManzana on 12 June 2024					
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (PED only)	<p><b>Numerator:</b> R3,550,116.83 - Actual Expenditure,</p> <p><b>Denominator:</b> R11 938 896,20 - Total Departmental Allocation (Operational Budget)</p> <p>Calculation: <math>R3,550,116.83 / R11\ 938\ 896,20 = 29\%</math></p> <p>Therefore, the department saved 70% on operational budget</p>	N/A - Target Achieved	N/A - New KPI	25%	70%	5,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								
Governance and Administration	5.4.2	Number of PED Portfolio Committee meetings coordinated	<p>The following PED Portfolio Committee meetings were coordinated during the reporting period:</p> <ol style="list-style-type: none"> <li>1) 13 July 2023</li> <li>2) 17 August 2023</li> <li>3) 14 September 2023</li> <li>4) 12 October 2023</li> <li>5) 23 November 2023</li> <li>6) 13 December 2023</li> <li>7) 15 January 2024</li> <li>8) 16 February 2024</li> <li>9) 15 March 2024</li> <li>10) 12 April 2024</li> <li>11) 13 May 2024</li> <li>12) 12 June 2024</li> </ol>	N/A - Target Achieved	N/A - New KPI	12,00	12,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Performance Management	5.5.1 (PED)	% of staff members with completed performance reviews (PED only)	<p><b>Numerator:</b> 16* * - Total number of employees with completed performance appraisals made up as follows: 1) 2023/24 - 1st Quarter: 4 employees completed the Performance Appraisals 2) 2023/24 - 2nd Quarter: 4 employees completed the Performance Appraisals 3) 2023/24 - 3rd Quarter: 4 employees completed the Performance Appraisals 4) 2023/24 - 4th Quarter: 4 employees completed the Performance Appraisals</p> <p><b>Denominator:</b> 16* * Total PED staff members quarter 3 on Performance Appraisal System: 1) 2023/24 - 1st Quarter: 4 employees (PED only) 2) 2023/24 - 2nd Quarter: 4 employees (PED only) 3) 2023/24 - 3rd Quarter: 4 employees (PED only) 4) 2023/24 - 4th Quarter: 4 employees (PED only)</p>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Calculation: 16/16 = 100%					
Coordination and alignment of planning	5.10	Final IDP tabled and approved by Council by 31 May 2024	IDP approved on Council meeting held 21 May 2024, Reference Item C03/05/24/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	5.10.1	Number of process plan and framework plan approved	IDP process plan and framework plan approved on Council meeting held 30 August 2023, reference CL1.105	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	5.10.2	Number of IDP public consultations conducted.	IDP public consultation meetings conducted as follows: 1) Ward 1 -15 April 2024, 2) Ward 2, 3) Ward 3 - 11 April 2024, 4) Ward 4, 5) Ward 5, 6) Ward 6 - 18 April 2024, 7) Ward 7 - 17 April 2024, 8) Ward 8 - 19 April 2024, 9) ward 9 10) Ward 10 , 11) Ward 11 - 23 April 2024 12) Ward 12 - 19 April 2024, 13) Ward 13 - 24 April 2024, 14) Ward 14 - 14 April 2024, 15) Ward 15 - 21 April 2024 16) Ward 16 - 15 April 2024, 17) Ward 17 - 23 April 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			18) Ward 18 - 23 April 2024, 19) Ward 19 - 14 April 2024, 20) Ward 20 , 21) Ward 21 - 18 April 2024, 22) Ward 22, 23) Ward 23 - 22 April 2024, 24) Ward 24 - 11 April 2024 25) Ward 25 - 12 April 2024					
Coordination and alignment of planning	5.10.3	Draft Municipal IDP submitted for approval to Council by end of March 2023	2024/25 Draft IDP submitted to Special Council meeting held 28 March 2024, Item reference C04/03/24/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Coordination and alignment of planning	5.10.4	Municipal Strategic planning sessions conducted	Municipal Strategic planning sessions conducted on 19 & 20 March 2024	N/A - Target Achieved		1,00	1,00	3,00
<b>KPA 6: SPATIAL RATIONALE AND MUNICIPAL PLANNING ALIGNMENT</b>								

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Eradication of informal settlement and Township establishment	6.1	Number of studies conducted for the establishment of cemeteries	Geotechnical Investigation study for the establishment of Cemetery in Carolina compiled 11 October 2023	N/A - Target Achieved	2,00	1,00	1,00	3,00
Eradication of informal settlement and Township establishment	6.1.1	Number of township formalization applications completed.	Township establishment and formalization of the proposed Townships (Phases 1 - 4) of Tjakastad study compiled 05 June 2024	N/A - Target Achieved	3,00	1,00	1,00	3,00
Eradication of informal settlement and Township establishment	6.1.2	Number of township establishment applications completed.	Township establishment of Mzamo Extension Township on the Farm Carolina Town and Townlands No. 43	N/A - Target Achieved	1,00	1,00	1,00	3,00
Land Use and Development Management	6.1.3	Percentage of land use and development applications processed within the	100% - Land Use and Development applications processed within the legislated timeframe	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		legislated timeframe (120 days)						
Building Control Management	6.1.4	Percentage of building plans processed within the agreed timeframe	100% - Building plans processed within the agreed timeframe	N/A - Target Achieved	100%	100%	100%	3,00
integrated Human Settlement Planning	6.2	Percentage of human settlements projects monitored	<p><b>Numerator: 60</b> The following projects were monitored :</p> <p><b>July 2023: 4</b> Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1)</p> <p><b>August 2023: 4</b> Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1)</p> <p><b>September 2023: 4</b> Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1)</p> <p><b>October 2023: 4</b></p>	N/A - Target Achieved	100%	100%	100%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1)</p> <p><b>November 2023: 5</b> Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1), Lamanjolo Investment (1)</p> <p><b>December 2023: 6</b> Zemangce (1), Umcebo project (1), TikoTiko Trading (1), Sammy D Investments (1), KD Madonsela (1) , Lamanjolo Investment (1)</p> <p><b>January 2024: 4</b> Zemangce (1), Umcebo Project (1), KD Madonsela (1) , Lamanjolo Investment (1)</p> <p><b>February 2024: 5</b> Zemangce(1), Umcebo Project (1), Sammy D Investment (1), KD Madonsela (1), Lamanjolo Investment (1)</p> <p><b>March 2024: 6</b> Zemangce(1), Umcebo Project (1), Tiko Tiko Trading (1), Sammy D Investment (1), KD Madonsela (1), Lamanjolo Investment (1)</p>					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p><b>April 2024: 6</b> Zemangce(1), Umcebo Project (1), Tiko Tiko Trading (1), Sammy D Investment (1), KD Madonsela (1), Lamanjolo Investment (1)</p> <p><b>May 2024: 6</b> Zemangce(1), Umcebo Project (1), Tiko Tiko Trading (1), Sammy D Investment (1), KD Madonsela (1), Lamanjolo Investment (1)</p> <p><b>June 2024: 6</b> Zemangce(1), Umcebo Project (1), Tiko Tiko Trading (1), Sammy D Investment (1), KD Madonsela (1), Lamanjolo Investment (1)</p> <p><b>Denominator: 60</b></p> <p>Calculation: 60/60 = 100%</p>					
Integrated Human Settlement Planning	6.2.1	Number of consumer education conducted.	<p>The following Consumer education were conducted during the period July 2023 to December 2023:</p> <ol style="list-style-type: none"> <li>1) Walk-ins, 03 – 30 July 2023</li> <li>2) Walk-ins, 01 - 31 August 2023</li> <li>3) Installation of Infrastructure - 10 August 2023</li> </ol>	<b>A) Reason for Overachieving Target:</b>	31,00	25,00	30,00	3,60

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			4) Formalization of Nhlazatshe NO. 3 - 10 August 2023 5) Walk-ins, 01 - 29 September 2023 6) Title deeds at Redhill - 14 September 2023 7) NHNR Training - 20 September 2023 8) Walk-ins - 01 - 31 October 2023 9) Ward Committee Training - 11 October 2023 10) Ward Committee Training - 17 October 2023 11) Walk in - 01 - 30 November 2023 12) Ward Committee Training - 06 December 2023 (Tribal Office) 13) Ward Committee Training - 06 December 2023 (CALM Offices) 14) Rural projects - 12 December 2023 15) Walk-inn - 01 - 31 January 2024 16) Rural Subsidy Project - 24 January 2024 (Redhill Youth Centre) 17) Rural Subsidy Project - 24 January 2024 (Sandleni Old Clinic) 18) NHNR - 25 January 2024 (Youth Centre) 19) NHNR - 25 January 2024 (CALM Unit Office) 20) Walk-inn - 01 - 29 February 2024 21) NHNR - 20 February 2024 (Pampoen Old Clinic) 22) NHNR - 21 February 2024 (Disaster Centre) 23) NHNR - 28 February 2024 (Ilanga Pre-School) 24) NHNR -09 April 2024 (Thusong Centre) 25) Walk ins 02-30 April 2024 26) NHNR -11 April 2024 (Mayflower municipal boardroom) 27) NHNR -23 April 2024 (Glenmore Library )	Councillors requested more training for Ward Committee members  <b>B) Corrective Action:</b>  None"				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			28) NHNR - 25 April 2024 (Youth centre) 29) Walk ins - 02-31 May 2024 30) Walk ins - 03 - 30 June 2024					

### Technical Services – Key performance indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>Basic Service Delivery and Infrastructure Development</b>								
Project Management	2.15	Percentage of CALM funded projects as identified in the IDP completed by 30 June 2024	<b>Numerator:</b> 6 - # of identified 2023/24 Capital projects that have practical completion status as at 30 June 2024* * Broken down per projects as follows: - Water: 1 - Sanitation: 1 - Community Facility: 1 - Roads: 2 - Electricity: 1  <b>Denominator:</b>	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Total # of Capital projects = 6 projects to be completed by 30 June 2024 (Refer to instruction column for breakdown of the 6 projects)* * Broken down per LM as follows: 1) Water: 1 2) Sanitation: 1 3) Community Facility: 1 4-5) Roads: 2 6) Electricity: 1</p> <p>Calculation: 6/6 =100%</p>					
Project Management	2.15.1	% of water programmes funded through (RBIG/WSIG/MIG) successfully monitored as per the SLA	<p><b>Numerator: 8*</b> * Water programs monitored with SLA's 1) ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Ml/day 2) ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola &amp; Redhill - Ward 04 3) ALMP 11/2022 - Upgrading of Emanzana Water Treatment Works by 1Mega litre 4) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest 5) Refurbishment of Ekulindeni WTW</p>	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>6) ALMT18/2021 - Eerstehoek Bulk Water Scheme - Phase 3  7) ALMT18/2022 - Eerstehoek Bulk Water Scheme - Phase 4  8) Bulk water and Sanitation Master Plan</p> <p><b>Denominator: 8*</b>  * Total number of water programs  1) ALMT 02/2022 - Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0Mℓ/day  2) ALMT 01/2022 - Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola &amp; Redhill - Ward 04  3) ALMP 11/2022 - Upgrading of Emanzana Water Treatment Works by 1Mega litre  4) Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest  5) Refurbishment of Ekulindeni WTW  6) ALMT18/2021 - Eerstehoek Bulk Water Scheme - Phase 3  7) ALMT18/2022 - Eerstehoek Bulk Water Scheme - Phase 4  8) Bulk water and Sanitation Master Plan</p>					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Calculations: 8/8 = 100%					
Project Management	2.15.2	% of sanitation programmes funded through (RBIG/WSIG/MIG) successfully monitored as per the SLA	<b>Numerator: 8*</b> * Sanitations programmes monitored 1) Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4 2) ALMP08/2017 - Construction of Conventional Toilets in ward 07,08,11,13,19,21&23 3) ALMT 13/2022 - Upgrading of Emanzana Wastewater Scheme 4) Refurbishment of Elukwatini Pumpstations 5) ALMT 14/2022 - Refurbishment of Ekulindeni WWTW	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>6) Upgrading of Carolina WWTW to 6 Mega litres  7) ALMT 27/23 - Upgrading of Carolina WWTW - Package 1  8) ALMT 28/23 - Upgrading of Carolina WWTW - Package 2</p> <p><b>Denominator: 8*</b>  * Total number of sanitation programmes</p> <p>1) Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4  2) ALMP08/2017 - Construction of Conventional Toilets in ward 07,08,11,13,19,21&amp;23  3) ALMT 13/2022 - Upgrading of Emanzana Wastewater Scheme  4) Refurbishment of Elukwatini Pumpstations</p>					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			5) ALMT 14/2022 - Refurbishment of Ekulindeni WWTW 6) Upgrading of Carolina WWTW to 6 Mega litres 7) ALMT 27/23 - Upgrading of Carolina WWTW - Package 1 8) ALMT 28/23 - Upgrading of Carolina WWTW - Package 2  Calculations: 8/8 = 100%					
Project Management	2.15.3	% of electrification programmes funded through (DMRE) successfully monitored as per the SLA	<b>Numerator: 1*</b> * Electricity programmes monitored  1) ALMP10/2022 - Electrification of households and Buk supply  <b>Denominator: 1*</b> Number of electrification programmes 1) ALMP10/2022 - Electrification of households and Buk supply  Calculations 1/1 = 100%	N/A - Target achieved	100,00%	100,00%	100,00%	3,00
Project Management	2.15.4	% of roads programmes funded through (MIG) successfully	<b>Numerator: 7*</b> * Roads programmes monitored  1) ALMP04/2022 - Construction of Carolina Collector Access Road	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		monitored as per the SLA	<p>2) ALMT 03/2022 - Construction of Dundonald Collector Access Roads</p> <p>3) ALMT 07/2019 - Construction of Fernie Collector Access Roads</p> <p>4) ALMP 01/2022 - Construction of Nhlazatshe 3 Collector Access Road</p> <p>5) ALMT 25/2020 - Construction of Nhlazatshe Road</p> <p>6) ALMP 02/2022 - Construction of Nhlazatshe Road 2km</p> <p>7) Construction for Fernie collector access road</p> <p><b>Denominator: 7*</b> *Total number of Roads programmes:</p> <p>1) ALMP04/2022 - Construction of Carolina Collector Access Road</p> <p>2) ALMT 03/2022 - Construction of Dundonald Collector Access Roads</p> <p>3) ALMT 07/2019 - Construction of Fernie Collector Access Roads</p> <p>4) ALMP 01/2022 - Construction of Nhlazatshe 3 Collector Access Road</p> <p>5) ALMT 25/2020 - Construction of Nhlazatshe Road</p>					

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			6) ALMP 02/2022 - Construction of Nhlazatshe Road 2km 7) Construction for Fernie collector access road  Calculations 7/7 = 100%					
Project Management	2.15.5	% of public facilities programmes funded through (MIG) successfully monitored as per the SLA	<b>Numerator: 3*</b> *Total number of public facilities programmes monitored: 1) ALMT13/2021 - Installation of Highmast lights 2) ALMT02/2017 - Refurbishment and Upgrading of Empuluzi Stadium 3) ALMP03/2022 - construction of Badplass Landfill site  <b>Denominator: 3*</b> *Total number of public facilities programmes: 1) ALMT13/2021 - Installation of Highmast lights 2) ALMT02/2017 - Refurbishment and Upgrading of Empuluzi Stadium 3) ALMP03/2022 - construction of Badplass Landfill site  Calculations: 3/3 = 100%	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Water Services	2.16	Percentage of households with access to basic levels of water by 30 June 2024(GKPI)	<p><b>Numerator: 60 788</b></p> <p>1) 52 640 - Total number of households with access piped water inside dwelling/yard  2) 3 152 - Total number of households with access to water through communal standpipes  3) 4 314 - Total number of households with access to water through JoJo tanks  4) 682 - Total number of households with access to water tankers</p> <p><b>Denominator: 66 303*</b>  *Total number of households in Chief Albert Luthuli</p> <p>Calculations: 60 788/66 303 = 91%</p>	<p><b>A) Reason for Overachieving Target:</b>  Additional of Internal connections through operation and maintenance program</p> <p><b>B) Corrective Action:</b>  None</p>	100%	90%	91%	3,03
Water Services	2.16.1	Number of mega litres of portable water distributed	<p>Water Distributed per WTP during the period July 2023 to June 2024:</p> <p>1) Badplass - 841,20ML  2) Avontuur - 1389,91ML  3) Carolina - 1532,97ML  4) Eerstehoek - 3796,90ML  5) Ekulindeni - 1114,7ML  6) Empuluzi - 795,5ML  7) Lusushwana - 600,4ML</p>	N/A - Target achieved	3926.09ML	10080ML	11453.887ML	5,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			8) Methula - 1382,2ML  Total water distributed - 11453,887ML					
Water Services	2.16.2	Number of mega liters of water supplied to deep rural areas	Total water supplied to deep rural areas: 1) 03 July 2023 to 26 September 2023 - 9 781 300L 2) 02 October 2023 to 24 November 2023 - 13 551 550L 3) 05 January 2024 to 29 April 2024 - 12 444 450L 4) 26 March 2024 to 11 June 2024 - 8 161 200L  Total: 9 781 300L + 13 551 550L + 12 444 450L + 8 161 200L = 43,94ML"	<b>A) Reason for not Achieving Target/Current Challenges:</b> The target was overestimated due to a misunderstanding of the measurement unit. The department initially planned based on an assumption that the indicator would be measured in Liters, while it is, in fact, measured in megalitres. This discrepancy led to the overestimation. <b>B) Corrective Action:</b> The indicator description and measurement unit has been revised in the 2024/25 approved SDBIP.	21.85705ML	107.52ML	43.94ML	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Water Services	2.16.3	Percentage of new household's water connection received and responded to	<p><b>Numerator: 10*</b> *New water connection application received and responded to:</p> <p>1) Date of Application: 07 August 2023 Address: Ext 2 Street, Carolina, 1185 Connected: 08 August 2023</p> <p>2) Date of Application: 08 August 2023 Address: Stand NO: ERF 5, Caropark, Carolina, 1185 Connected: 08 August 2023</p> <p>3) Date of Application: 02 September 2023 Address: Stand NO 00000315, Carolina, 1185 Connected: 05 September 2023</p> <p>4) Date of Application: 25 October 2023 Address: Stand NO 797 Tweede Street, Carolina, 1185 Connected: 26 October 2023</p> <p>5) Date of Application: 17 November 2023</p>	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Address: Stand NO 22B, Voortrekker Street Carolina, 1185 Connected: 21 November 2023</p> <p>6) Date of Application: 20 December 2023 Address: Stand NO 243 Carolina, 1185 Connected: 15 January 2024</p> <p>7) Date of application: 23 January 2024 Address: Stand NO 465, Voortrekker Street Carolina 1185 Connected: 23 January 2024</p> <p>8) Date of application: 30 April 2024 Address: Chief Park crèche, Ward 17, Emanzana Connected: 14 May 2024</p> <p>9) Date of Application: 21 May 2024 Address: ERF500 , Carolina, 1185 Connected: 22 May 2024</p> <p>10) Date of Application: 26 June 2024 Address: 86 Voortrekker, Carolina, 1185 Connected: 26 June 2026</p>					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p><b>Denominator: 10*</b> *Total number of new water connections received</p> <p>1) 07 August 2023 2) 08 August 2023 3) 02 September 2023 4) 25 October 2023 5) 17 November 2023 6) 20 December 2023 7) 23 January 2024 8) 30 April 2024 9) 21 May 2024 10) 26 June 2024</p> <p>Calculations: 10/10 = 100%</p>					
Water Services	2.16.4	Percentage of water samples taken as per annual sampling points	<p><b>Numerator: 542*</b> * Monthly breakdown of samples taken per Month July 2023: 47 August 2023: 50 September 2023: 46 October 2023: 46 November 2023: 50 December 2023: 44 January 2024: 43 February 2024: 46 March 2024: 40 April 2024: 44</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Water samples could not be taken in other sampling point. The reason was that there was no water on the day scheduled for sampling.</p> <p><b>B) Corrective Action:</b></p>	73%	100,00%	88,60%	2,66

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>May 2024: 45 June 2024: 41</p> <p>Total: 47 + 50 + 46 + 46 + 50 + 44 + 43 + 46 + 40 + 44 + 45 + 42 = 542</p> <p><b>Denominator: 612*</b> * Total number of sampling points per Month July 2023: 51 August 2023: 51 September 2023: 51 October 2023: 51 November 2023: 51 December 2023: 51 January 2024: 51 February 2024: 51 March 2024: 51 April 2024: 51 May 2024: 51 June 2024: 51</p> <p>Total: 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 + 51 = 612</p> <p>Calculations: 542/612 = 88,6%</p>	Accelerate the upgrading of WTW so that water is always available (including the days for sampling)				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Water Services	2.16.5	percentage of bulk network failure reported and responded to within 5 days	<p><b>Numerator:</b> 1285 - Total number of bulk network failure reported and responded to within 5 days during the reporting period*</p> <p>* Number of water complains reported and responded to: July 2023: 64 August 2023: 77 September 2023: 69 October 2023: 73 November 2023: 77 December 2023: 69 January 2024: 103 February 2024: 102 March 2024: 182 April 2024: 118 May 2024: 169 June 2024: 182</p> <p>Total: 64 + 77 + 69 + 73 + 77 + 69 + 103 + 102 + 182 + 118 + 169 + 182 = 1285</p> <p><b>Denominator:</b> 1285 - Total number of water complains reported July 2023: 64 August 2023: 77 September 2023: 69</p>	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			October 2023: 73 November 2023: 77 December 2023: 69 January 2024: 103 February 2024: 102 March 2024: 182 April 2024: 118 May 2024: 169 June 2024: 182  Total: 64 + 77 + 69 + 73 + 77 + 69 + 103 + 102 + 182 + 118 + 169 + 182 = 1285  Calculation: 1285/1285 = 100%					
Sanitation Services	2.17	Percentage of households with access to basic levels of sanitation by 30 June 2024 (GKPI)	<b>Numerator: 62 974</b> 1) 25 263 - Total number of households with access to waterborne/flush toilets 2) 3 466 - Total number of households with access to sanitation through septic tanks & chemical toilets 3) 31 455 - Total number of households with access to VIP toilets 4) 2 790 - Total number of households with access to pit (non-VIP) toilets 5) 0 - Total number of households with access to sanitation through bucket system	<b>A) Reason for Overachieving Target:</b> Additional of Internal connections through capital projects  <b>B) Corrective Action:</b> None	100%	90%	95%	3,17

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<b>Denominator: 66 303*</b> *Total number of households in Chief Albert Luthuli  Calculations: 62 974/66 303 = 95%					
Electricity Services	2.18	Percentage of households with access to basic levels of electricity by 30 June 2024 (GKPI)	<b>Numerator: 61 447</b> * Households connected to electricity  <b>Denominator: 63 303</b> *Total number of households  Calculations: 61 447/63 303 = 97%	<b>A) Reason for Overachieving Target:</b> Additional of Internal connections through capital projects  <b>B) Corrective Action:</b> None	99%	90%	97%	3,23
Electricity Services	2.18.1	Percentage of transformers repaired within 2 days after being reported.	<b>Numerator: 48*</b> * Number of transformers repaired & maintained within 2 days July 2023: 6 August 2023: 6 September 2023: 4 October 2023: 4 November 2023: 3 December 2023: 4 January 2024: 4 February 2024: 4 March 2024: 4 April 2024: 3 May 2024: 3	N/A - Target achieved	100%	100%	100%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>June 2024: 3</p> <p>Total: 6 + 6 + 4 + 4 + 3 + 4 + 4 + 4 + 4 + 3 + 3 + 3 = 48</p> <p><b>Denominator: 48*</b>                      * Total number of transformers reported during the reporting period</p> <p>July 2023: 6                      August 2023: 6                      September 2023: 4                      October 2023: 4                      November 2023: 3                      December 2023: 4                      January 2024: 4                      February 2024: 4                      March 2024: 4                      April 2024: 3                      May 2024: 3                      June 2024: 3</p> <p>Total: 6 + 6 + 4 + 4 + 3 + 4 + 4 + 4 + 4 + 3 + 3 + 3 = 48</p> <p>Calculations: 48/48 = 100%</p>					
Electricity Services	2.18.2	Percentage of public lights maintained.	<p><b>Numerator: 526</b></p> <p>July 2023: 11                      August 2023: 30                      September 2023: 31                      October 2023: 39                      November 2023: 61</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b>                      Other public lights could not be maintained due to budget constraints.</p>	N/A - New KPI	90,00%	29,00%	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			December 2023: 54 January 2024: 59 February 2024: 81 March 2024: 57 April 2024: 36 May 2024: 25 June 2024: 42 Total: 11 + 30 + 31 + 39 + 61 + 54 + 59 + 81 + 57 + 36 + 25 + 42 = 526  <b>Denominator: 1805*</b>  * Total number of public lights in CALM Calculations: 526/1805 = 29%	<b>B) Corrective Action:</b> Allocate additional budget for the maintenance of public lights.				
Electricity Services	2.18.3	Percentage of electrical network repaired internally within 2 days after being reported.	<b>Numerator: 94*</b> * Number of call-outs on electrical network reported: July 2023: 7 August 2023: 8 September 2023: 7 October 2023: 8 November 2023: 7 December 2023: 13 January 2024: 5 February 2024: 9 March 2024: 9 April 2024: 8 May 2024: 7 June 2024: 6	N/A - Target achieved	100%	100%	100%	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Total: 7 + 8 + 7 + 8 + 7 + 13 + 5 + 9 + 9 + 8 + 7 + 6 = 94</p> <p><b>Denominator: 94*</b>                      *Total number of kilometres of electrical network reported by electrician                      July 2023: 7                      August 2023: 8                      September 2023: 7                      October 2023: 8                      November 2023: 7                      December 2023: 13                      January 2024: 5                      February 2024: 9                      March 2024: 9                      April 2024: 8                      May 2024: 7                      June 2024: 6</p> <p>Total: 7 + 8 + 7 + 8 + 7 + 13 + 5 + 9 + 9 + 8 + 7 + 6 = 94</p> <p>Calculation: 94/94 = 100%</p>					
Electricity Services	2.18.4	Percentage of panels and substations repaired internally	<p><b>Numerator: 37*</b>                      *Total number of electrical panels and substations repaired/maintained during the reporting period*                      July 2023: 4</p>	N/A - Target achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		within 2 days after being reported.	<p>August 2023: 5  September 2023: 4  October 2023: 3  November 2023: 3  December 2023: 3  January 2024: 2  February 2024: 0  March 2024: 3  April 2024: 3  May 2024: 5  June 2024: 2</p> <p>Total: 4 + 5 + 4 + 3 + 3 + 3 + 2 + 0 + 3 + 3 + 5 + 2 = 37</p> <p><b>Denominator: 37*</b>  * Total number of electrical panels and substations reported by electrician  July 2023: 4  August 2023: 5  September 2023: 4  October 2023: 3  November 2023: 3  December 2023: 3  January 2024: 2  February 2024: 0  March 2024: 3  April 2024: 3  May 2024: 5  June 2024: 2</p>					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 4 + 5 + 4 + 3 + 3 + 3 + 2 + 0 + 3 + 3 + 5 + 2 = 37  Calculation: 37/37 = 100%					
Electricity Services	2.18.5	Percentage of Ring Main Units (RMU) repaired & maintained within 2 days after being reported	<b>Numerator: 23*</b> *Total number of Ring Main Units (RMU) repaired and maintained during the reporting period July 2023: 1 August 2023: 8 September 2023: 1 October 2023: 2 November 2023: 1 December 2023: 2 January 2024: 0 February 2024: 3 March 2024: 1 April 2024: 1 May 2024: 0 June 2024: 3  Total: 1 + 8 + 1 + 2 + 1 + 2 + 0 + 3 + 1 + 1 + 0 + 3 = 23  <b>Denominator: 23*</b> *Total number of Ring Main Units reported by electrician July 2023: 1 August 2023: 8 September 2023: 1	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			October 2023: 2 November 2023: 1 December 2023: 2 January 2024: 0 February 2024: 3 March 2024: 1 April 2024: 1 May 2024: 0 June 2024: 3  Total: 1 + 8 + 1 + 2 + 1 + 2 + 0 + 3 + 1 + 1 + 0 + 3 = 23  Calculation: 23/23 = 100%					
Electricity Services	2.18.6	Number of electricity meters installed	217 - Total number of smart meters installed during the period July 2023 to June 2024: July 2023: 40 August 2023: 82 September 2023: 7 October 2023: 6 November 2023: 33 December 2023: 1 January 2024: 7 February 2024: 4 March 2024: 14 April 2024: 15 May 2024: 5 June 2024: 3	<b>A) Reason for Overachieving Target:</b> Based on the information received during the amnesty period  <b>B) Corrective Action:</b> None	219,00	200,00	217,00	3,26

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 40 + 82 + 7 + 6 + 33 + 1 + 7 + 4 + 14 + 15 + 5 + 3 = 217					
Roads	2.19	Number of Kilometers of gravel roads maintained	Total number of kilometres of gravel roads maintained: July 2023 - 54,7km August 2023 - 42,2km September 2023 - 83,87km October 2023 - 120,5km November 2023 - 56,3km December 2023 - 30,3km January 2024 - 77,8km February 2024 - 55,4km March 2024 - 29,8km April 2024: 50,6km May 2024: 97,5km June 2024: 80,14km  Total: 54,7km + 42,2km + 83,87km + 120,5km + 56,3km + 30,3km + 77,8km + 55,4km + 29,8km + 50,6km + 97,5km + 80,14km = 779,11km"	<b>A) Reason for Overachieving Target:</b>  <b>B) Corrective Action:</b> None	553,72	543,00	779,11	4,30
Roads	2.19.1	Number of square meters of tarred roads potholes repaired	Total number of square meters of tarred roads potholes repaired: July 2023 - 640m2 August 2023 - 658,52m2 September 2023 - 0 October 2023 - 35,98m2 November 2023 - 35,04m2 December 2023 - 26,04m2 January 2024 - 44,4km February 2024 - 186,43km	<b>A) Reason for Overachieving Target:</b> Assisted by GSDM through Jetpatcher  <b>B) Corrective Action:</b> None	2699,65	3000,00	3009,09	3,01

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			March 2024 - 145,93m2 April 2024: 882,8m2 May 2024: 352,05m2 June 2024: 1,88m2  Total: 640m2 + 658,52m2 + 0 + 35,98m2 + 35,04m2 + 26,04m2 + 44,4m2 + 186,43m2 + 145,93m2 + 882,8m2 + 352,05m2 + 1,88m2 = 3009,09m2					
Roads	2.19.2	Number of square meters of resealing tarred roads through the support by GSDM	1) 8090m2 resealed at Robinson Street, Elukwatini Crossing and Nhazatshe No1 on 09 to 15 November 2023 2) 11900m2 resealed at Police Station Road, Elukwatini on 22 to 24 May 2024  Total: 8 090m2 + 11 900m2 = 19 990m2	<b>A) Reason for Overachieving Target:</b> The GSDM assisted with the machine  <b>B) Corrective Action:</b> None	9203,37	5000,00	19990,00	5,00
Roads	2.19.3	Number of foot bridges constructed.	<b>Numerator: 5*</b> *Total number of foot bridged constructed during the period 01 July 2023 to 30 June 2024 <b>Quarter 1: 1</b> 1) Constructed in Mbhejeka road at ward 18  <b>Quarter 2: 2</b>	<b>A) Reason for Overachieving Target:</b> Assisted by the Disaster Grant  <b>B) Corrective Action:</b> None	3,00	4,00	5,00	3,75

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			2) Constructed in Mooiplaas road at ward 19 3) Constructed in Dundonald Road at ward 17 4) Constructed in Hephray road at ward 17  <b>Quarter 3:</b> None  <b>Quarter 4:</b> 5) Constructed in Mafufumbe road at ward 7  Total: 5					
Roads	2.19.4	Number of vehicle bridges repaired	<b>Quarter 1:</b> 1) Bridge repaired at Nhlazatshe No 5 Opposite Dunlop, Ward 24  <b>Quarter 2:</b> None  <b>Quarter 3:</b> 2) Bridge repaired at Ngodlomezi Ring Road, Ward 02 <b>Quarter 4:</b> 3) Bridge repaired at Mount Lucasa 1, Ward 17 4) Bridge repaired at Mount Lucasa 2, Ward 17 5) Bridge repaired at Magudu Bridge, Ward 17	<b>A) Reason for Overachieving Target:</b> Assisted by the Disaster Grant  <b>B) Corrective Action:</b> None	4,00	2,00	6,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			6) Bridge repaired at Police Station Road, Ward 14  Total: 6					
Roads	2.19.5	Number of Speed humps constructed on existing paved roads	Speed humps were constructed on the following existing paved roads: Quarter 1: 4 1) 4 Speed humps constructed in Barcelona Road, Ward 25  Quarter 2: 5 2) 1 Speed humps constructed in Goud Street, Ward 15 3) 1 Speed humps constructed in ext. 4 next to Social Service, Ward 15 4) 2 Speed hump constructed in Barcelona Road, Ward 25 5) 1 Speed humps constructed in Dlamini road, ward 17  Quarter 3: 1 6) 1 Speed hump constructed in Dutch Street, Ward 22  Quarter 4: 2 7) 2 Speed humps constructed in Sobhuza Street & Roman Church Street	<b>A) Reason for Overachieving Target:</b> To calm incidents  <b>B) Corrective Action:</b> None	16,00	10,00	12,00	3,60

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 4 + 5 + 1 + 2 = 12					
Electro Mechanics	2.20	Percentage of boreholes repaired within 5 days after being reported	<p><b>Numerator: 109</b>                      Total number of boreholes repaired and maintained during the reporting period                      July 2023: 9                      August 2023: 4                      September 2023: 7                      October 2023: 4                      November 2023: 5                      December 2023: 7                      January 2024: 7                      February 2024: 18                      March 2024: 14                      April 2024: 16                      May 2024: 10                      June 2024: 8</p> <p>Total: 9 + 4 + 7 + 4 + 5 + 7 + 7 + 18 + 14 + 16 + 10 + 8 = 109</p> <p><b>Denominator: 109</b>                      Total number of boreholes reported                      July 2023: 9                      August 2023: 4                      September 2023: 7                      October 2023: 4                      November 2023: 5                      December 2023: 7</p>	N/A - Target Achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			January 2024: 7 February 2024: 18 March 2024: 14 April 2024: 16 May 2024: 10 June 2024: 8  Total: 9 + 4 + 7 + 4 + 5 + 7 + 7 + 18 + 14 + 16 + 10 + 8 = 109 Calculation: 109/109 = 100%					
Electro Mechanics	2.20.1	Percentage of pumps and motors repaired within 3 days after being reported.	<b>Numerator:</b> 38 - Total number of pumps and motors repaired during the reporting period*  * Number of pumps and motors repaired and maintained: July 2023: 1 August 2023: 2 September 2023: 3 October 2023: 3 November 2023: 7 December 2023: 1 January 2024: 2 February 2024: 7 March 2024: 3 April 2024: 4 May 2024: 4 June 2024: 1	<b>A) Reason for not Achieving Target/Current Challenges:</b> The equipment was out of stock, and it was supposed to be shipped out of the country.  <b>B) Corrective Action:</b> To procure more spares and place in the municipal stores.	100,00%	100,00%	97,00%	2,91

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Total: 1 + 2 + 3 + 3 + 7 + 1 + 2 + 7 + 3 + 4 + 4 + 1 = 38</p> <p><b>Denominator:</b> 39 - Total number of pumps and motors reported July 2023: 1 August 2023: 2 September 2023: 4 October 2023: 3 November 2023: 7 December 2023: 1 January 2024: 2 February 2024 : 7 March 2024: 3 April 2024: 4 May 2024: 4 June 2024: 1</p> <p>Total: 1 + 2 + 4 + 3 + 7 + 1 + 2 + 7 + 3 + 4 + 4 + 1 = 39</p> <p>Calculation: 38/39 = 97%</p>					
Electro Mechanics	2.20.2	Percentage of electrical panels repaired/ maintained internally after	<p><b>Numerator:</b> 55 - Total number of electrical panels (Electro-Mech) repaired/ repaired and maintained during the reporting period*</p> <p>* Number of electrical panels (Electro-Mech) repaired and maintained:</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> The equipment was out of stock, and it was supposed to be shipped out of the country.</p> <p><b>B) Corrective Action:</b></p>	100,00%	100,00%	93,00%	2,79

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		faults detected within 2 days.	<p>July 2023: 4  August 2023: 2  September 2023: 0  October 2023: 0  November 2023: 15  December 2023: 2  January 2024: 3  February 2024: 8  March 2024: 8  April 2024: 4  May 2024: 5  June 2024: 4</p> <p>Total: 4 + 2 + 0 + 0 + 15 + 2 + 3 + 8 + 8 + 4 + 5 + 4 = 55</p> <p><b>Denominator:</b>  59 - Total number of electrical panels (Electro-Mech) reported  July 2023: 4  August 2023: 2  September 2023: 1  October 2023: 1  November 2023: 15  December 2023: 2  January 2024: 5  February 2024: 8  March 2024: 8  April 2024: 4  May 2024: 5  June 2024: 4</p>	To procure more spares and place in the municipal stores.				

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 4 + 2 + 1 + 1 + 15 + 2 + 5 + 8 + 8 + 4 + 5 + 4 = 59  Calculation: 55/59= 93%					
Electro Mechanics	2.20.3	Percentage of service delivery vehicle maintained internally within 5 days of being reported	<b>Numerator:</b> 99 - Total number of service delivery vehicle maintained during the reporting period*  * Number of service delivery vehicle maintained: July 2023: 12 August 2023:11 September 2023: 9 October 2023: 15 November 2023: 14 December 2023: 14 January 2024: 5 February 2024: 19  Total: 12 + 11 + 9 + 15 + 14 + 14 + 5 + 19 = 99  <b>Denominator:</b> 99 - Total number of service vehicle reported July 2023: 12 August 2023: 11 September 2023: 9 October 2023: 15	N/A - Target achieved	100,00%	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			November 2023: 14 December 2023: 14 January 2024: 5 February 2024: 19  Total: 12 + 11 + 9 + 15 + 14 + 14 + 5 + 19 = 99  Calculation: 99/99 = 100%					
Fleet Management	2.20.4	Petrol consumption report submitted to Portfolio Committee meeting	1) Petrol consumption reports for the period ending November 2023 submitted to TS Portfolio Committee meeting held 07 December 2023 2) Petrol consumption reports for the period ending December 2023 submitted to TS Portfolio Committee meeting held 15 January 2024 3) Petrol consumption reports for the period ending January 2024 submitted to TS Portfolio Committee meeting held 16 February 2024 4) Petrol consumption reports for the period ending February 2024 submitted to TS Portfolio Committee meeting held 12 March 2024	<b>A) Reason for not Achieving Target/Current Challenges:</b> The Fleet Officer who was responsible for the report was moved to CS Department  <b>B) Corrective Action:</b> The indicator has been moved to CFO scorecard in the 2024/25 SDBIP"	N/A - New KPI	12,00	4,00	1,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (TS only)	<p><b>Numerator:</b> R63,806,524.21 - Actual Expenditure</p> <p><b>Denominator:</b> R63 745 800,00 - Total Departmental Allocation</p> <p><b>Calculation:</b> R63,806,524.21/ R63 745 800,00 = 100,1%</p> <p>Therefore, the department spent 0,1% more on operational budget</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Budget was spent more on vandalism</p> <p><b>B) Corrective Action:</b> Upgrade security facilities</p>	N/A - New KPI	25%	0%	1,00
Governance and Administration	5.4.2	Number of Technical Services Portfolio Committee meetings coordinated	<p>Technical Services Portfolio Committee meetings coordinated:</p> <ol style="list-style-type: none"> <li>1) 13 July 2023</li> <li>2) 18 August 2023</li> <li>3) 21 September 2023</li> <li>4) 13 October 2023</li> <li>5) 21 November 2023</li> <li>6) 07 December 2023</li> <li>7) 15 January 2024</li> <li>8) 16 February 2024</li> <li>9) 12 March 2024</li> <li>10) 12 April 2024</li> <li>11) 17 May 2024</li> <li>12) 14 June 2024</li> </ol>	N/A - Target achieved	N/A - New KPI	12,00	12,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>Basic Service Delivery and Infrastructure Development</b>								
Performance Management	5.5.1	% of staff members with completed performance reviews (TS only)	<p><b>Numerator: 24*</b></p> <p>* - Total number of employees with completed performance appraisals made up as follows:            1) 2023/24 - 1st Quarter: 6 employees completed the Performance Appraisals            2) 2023/24 - 2nd Quarter: 6 employees completed the Performance Appraisals            3) 2023/24 - 3rd Quarter: 6 Employees completed the performance Appraisals            4) 2023/24 - 4th Quarter: 6 Employees completed the performance Appraisals</p> <p><b>Denominator: 24*</b></p> <p>* Total Finance staff members quarter 4 on Performance Appraisal System:            1) 2023/24 - 1st Quarter: 6 employees (TS only)            2) 2023/24 - 2nd Quarter: 6 employees (TS only)            3) 2023/24 - 3rd Quarter: 6 employees (TS only)</p>	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			4) 2023/24 - 4th Quarter: 6 employees (TS only)  Calculation: 24/24 = 100%					

## Corporate Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>LOCAL ECONOMIC DEVELOPMENT</b>								
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.1	Centralise record management system developed	EDMS centralised to all users	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.1.1	Number of capacity building programs conducted on EDMS	1) EDMS training conducted on 09 August 2023 2) EDMS training conducted on 20 September 2023	N/A - Target Achieved	N/A - New KPI	2,00	2,00	3,00
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.2	Document management strategy approved	No actual POE reported	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Document management strategy could not be submitted to Council for approval due to disbandment of Mayoral Committee which led to non-sitting of Council.</p> <p><b>B) Corrective Action:</b> Document management strategy will be submitted in the Council meeting which is scheduled for first quarter in the 2024/25 financial year.</p>	N/A - New KPI	1,00	0,00	1,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.3	Number of skills audits conducted	N/A - Target relevant to 2026/27	N/A - Target relevant to 2026/27	N/A - New KPI	N/A - Target relevant to 2026/27	0w	
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.3.1	Number of information Sharing conducted on Skills audit	Information Sharing on Skills audit conducted as follows: 1) 08 March 2024 - Empuluzi Unit 2) 11 March 2024 - Ekulindeni Unit 3) 14 March 2024 - Elukwatini Unit 4) 15 March 2024 - Emanzana Unit 5) 19 March 2024 - Carolina (Community Safety Services) 6) 09 April 2024 - Carolina Unit (Head Office)	N/A - Target Achieved	N/A - New KPI	5,00	6,00	3,60
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4	Percentage of critical vacant posts filled	<b>Numerator:</b> # of identified critical positions filled post level (level 3 and above) during the period of July - Sep'23 The following positions were filled July - September 2023 1) Head of Office (Office of the Speaker) - 03/07/2023 2) Manager: Executive Support -	N/A - Target Achieved	100,00%	100,00 %	100,00 %	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			05/09/2023 3) Manager: PMDS, Monitoring and Evaluation - 05/09/2023 4) Manager: HR - 02/10/2023 5) Manager: Water and Sanitation - 01/11/2023 6) Manager: Electro Mech (Southern part) - 01/11/2023 7) Manager: Internal Audit - 02/04/2024  <b>Denominator:</b> # of vacant/new budgeted vacant positions post level (level 3 and above) as per approved organogram 1) Head of Office (Office of the Speaker) 2) Manager: Executive Support 3) Manager: PMDS, Monitoring and Evaluation 4) Manager: HR 5) Manager: Water and Sanitation 6) Manager: Electro Mech (Southern part) 7) Manager: Internal Audit  Calculations: 7/7 = 100%					
KPA 1: MUNICIPAL INSTITUTIONAL	1.4.2	% of employees	<b>Numerator:</b> 39 - Number of black people, women and	<b>A) Reason for Overachieving Target:</b>	100%	85%	100%	3,53

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
DEVELOPMENT AND TRANSFORMATION		from previously disadvantaged groups appointed in the highest levels of management as per the approved EE plan by 30 June 2024 (GKPI)	<p>people with disabilities appointed in the 3 highest levels of management (Senior and Top Management - level 3 and above)</p> <p><b>Denominator:</b> 39 - Total staff compliment (Senior Management and Top Management - level 3 and above)</p> <p>Calculation: 39/39 = 100%</p>	<p>The reason we set a target of 85% was to accommodate all races.</p> <p><b>B) Corrective Action:</b> None</p>				
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.3	% of new appointees attending induction training	<p><b>Numerator: 25</b></p> <p>The following employees have attended induction training:</p> <ol style="list-style-type: none"> <li>1) Maseko Fortunate - Fire Fighter</li> <li>2) Sikgotho Siphesihle - Cashier</li> <li>3) Macuacua Samkelisiwe - Credit Control Clerk</li> <li>4) Mathebula Samkelisiwe - Cashier</li> <li>5) Zulu Nelly - Communications Officer</li> <li>6) Khumalo Jeremiya - Head Office: of the Speaker</li> <li>7) Msibi Dumisile - Assistant Accountant: Contract Management</li> <li>8) Shongwe Elvis - Manager: Executive Support</li> </ol>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			9) Nkosi Zakhele - Public Officer: Petition and Hearings 10) Sibanyoni Thokozani - Risk Administrator 11) Mtshweni Zanele - Manager: PMDS, M&E 12) Mathenjwa Sibongile - Admin officer: EM 13) Nkosi Ezare - Manager: Human Resources 14) Jobe Zinhle - Assistant Account: Vat Recovery and Cash Book 15) Nkosi Bongani - Billing Clerk 16) Sibiya Ellen - Manager: Electro-Mechanic 17) Sikhosana Rose - Senior Committee Clerk 18) Nkosi Gabi - Cashier 19) Mbele July - Driver: Office of the Executive Mayor 20) Nkosi Handson: Manager Water & Sanitation 21) Kunene Senzo: Electrician 22) Ndamulelo Petunia Nekhunguni: Civil Engineering Technician 23) Twala Samkelo Aubrey: Electrician 24) Nhlapho Clementine Roxette: Electrician 25) Mathibi Venetia - Manager: Internal Audit Total: 25					

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Denominator: 25 The following employees has attended induction training: 1) Maseko Fortunate - Fire Fighter 2) Sikgotho Siphesihle - Cashier 3) Macuacua Samkelisiwe - Credit Control Clerk 4) Mathebula Samkelisiwe - Cashier 5) Zulu Nelly - Communications Officer 6) Khumalo Jeremiya - Head Office: of the Speaker 7) Msibi Dumisile - Assistant Accountant: Contract Management 8) Shongwe Elvis - Manager: Executive Support 9) Nkosi Zakhele - Public Officer: Petition and Hearings 10) Sibanyoni Thokozani - Risk Administrator 11) Mtshweni Zanele - Manager: PMDS, M&E 12) Mathenjwa Sibongile - Admin officer: EM 13) Nkosi Ezare - Manager: Human Resources 14) Jobe Zinhle - Assistant Account: Vat Recovery and Cash Book 15) Nkosi Bongani - Billing Clerk 16) Sibiya Ellen - Manager: Electro-Mechanic 17) Sikhosana Rose - Senior Committee Clerk					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			18) Nkosi Gabi - Cashier 19) Mbele July - Driver: Office of the Executive Mayor 20) Manager Water and Sanitation 21) Kunene Senzo: Electrician 22) Ndamulelo Pertunia Nekhunguni: Civil Engineering Technician 23) Twala Samkelo Aubrey: Electrician 24) Nhlapho Clementine Roxette: Electrician 25) Mathibi Venetia - Manager: Internal Audit  Calculations 25/25 = 100%					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.4	% staff turnover rate YTD	<b>Numerator:</b> Total # of resignations tendered by permanent employees during the period 01 July 2023 - 30 June 2024: Total = 1  The following employees resigned during the period July 23 – June 24: 1) SBP Nhlengethwa - (Resignation date: 29/09/2023)  <b>Denominator:</b> 476 - Total # of employees on the monthly payroll as at 30 June 2024	N/A - Target Achieved	5%	5%	0%	5,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Average # of employees: 476/1 = 476 % turnover = 1/476 = 0,2%					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.5	Submission of Employment Equity Report to the Department of Labour	Employment Equity Report submitted to the Department of Labour	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.6	Number of Customer satisfaction surveys conducted	1) Quarter 1 - Customer survey conducted 2) Quarter 2 - Customer survey conducted 3) Quarter 3 - Customer survey conducted 4) Quarter 4 - Customer survey conducted	N/A - Target Achieved	4,00	4,00	4,00	3,00
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.7	Number of Local Labour Forum meetings held	The following Local Labour Forum meetings were held: 1) 08 August 2023 2) 22 September 2023 3) 16 November 2023 4) 12 December 2023 5) 26 February 2024	<b>A) Reason for Overachieving Target:</b> There were urgent matters that needed to be discussed in the LLF meeting.	10,00	8,00	9,00	3,38

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			6) 29 February 2024 7) 03 May 2024 8) 04 June 2024 9) 28 June 2024	<b>B) Corrective Action:</b> None				
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.8	Number of quarterly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	<p><b>1) First quarter reporting done as follows:</b></p> <ul style="list-style-type: none"> <li>- July 2023 submitted to MM office 31 July 2023</li> <li>- August 2023 submitted to MM office 31 August 2023</li> <li>- September 2023 submitted to MM office 29 September 2023</li> </ul> <p><b>2) Second quarter reporting done as follows:</b></p> <ul style="list-style-type: none"> <li>- October 2023 submitted to MM office 31 October 2023</li> <li>- November 2023 submitted to MM office 30 November 2023</li> </ul> <p><b>3) Third quarter reporting done as follows:</b></p> <ul style="list-style-type: none"> <li>- January 2024 submitted to MM office 31 January 2024</li> <li>- February 2024 submitted to MM office 29 February 2024</li> </ul>	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>- March 2024 submitted to MM office 31 March 2024</p> <p><b>4) Fourth quarter reporting done as follows:</b></p> <p>- April 2024 submitted to MM office 30 April 2024</p> <p>- May 2024 submitted to MM office 31 May 2024</p> <p>- June 2024 submitted to MM office 30 June 2024</p>					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.9	Number of quarterly health and safety inspections conducted	<p>1) OHS follow up inspection conducted on the 23 of August 2023 at Carolina WTW</p> <p>2) Carolina Water Treatment Sewer Plant &amp; Workshop conducted on 17 November 2023</p> <p>3) Emanzana Water Treatment Sewer Plant &amp; Workshop conducted on 23 November 2023</p> <p>4) Elukwatini Water Treatment Sewer Plant &amp; Workshop conducted on 22 November 2023</p> <p>5) Ekulindeni unit conducted on 23 November 2023</p> <p>6) Empuluzi Water Treatment Sewer Plant</p>	N/A - Target Achieved	4,00	4,00	6,00	4,50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			& Workshop conducted on 24 November 2023					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.4.10	Number of employee wellness programmes conducted	<p>1) Trauma Counselling Programme for Fire Fighters and Sewer Network Treatment Team members conducted on 28 September 2023 at Elukwatini Fire Boardroom and Carolina Council Boardroom</p> <p>2) Employee wellness held 07 December 2023 at Silver Park, Elukwatini</p> <p>3) Trauma Debriefing/Counselling session for Municipal Personnel held 31 January 2024 at council Boardroom</p> <p>4) Trauma Debriefing/Counselling session for Municipal Personnel held 29 February 2024 at Ekulindeni Unit office</p> <p>5) Periodic &amp; Pre-liminary medical screening held 06 March 2024 at Elukwatini Boardroom</p> <p>6) Periodic &amp; Pre-liminary medical screening held 07 March 2024 at Empuluzi Boardroom</p> <p>7) Periodic &amp; Pre-liminary medical screening held 08 March 2024 at Emanzana Boardroom</p> <p>8) Medical screening programme held 19</p>	<p><b>A) Reason for Overachieving Target:</b> Due to Trauma counselling organised for employees after an internal employee was that killed.</p> <p><b>B) Corrective Action:</b> None</p>	13,00	4,00	8,00	5,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			March 2024 at Carolina Technical and Community Services					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.5	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June	<p><b>Numerator:</b> R125,091.22 - Actual training Expenditure for the period 1 July 2023 to 30 June 2024</p> <p><b>Denominator:</b> R 454,500.55 - Total budget allocated for implementing WSP for the period July 2023 - June 2024</p> <p><b>Calculation:</b> <math>R\ 125,091.22 / R\ 454,500.55 = 27,5\%</math></p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Failure to secure accredited service providers</p> <p><b>B) Corrective Action:</b> To secure a panel of service providers</p>	14,00%	90,00%	27,50%	1,00
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.5.1	% of staff trained against internal training plan by 30 June 2024	<p><b>Numerator: 12*</b> * Total number of staff trained against the internal plan</p> <p><b>Denominator: 13*</b> * Total number of staff in the training plan</p> <p>Calculations: <math>12/13 = 92</math></p>	N/A - Target Achieved	1,00	90%	92%	3,07

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.5.2	Approved Workplace Skills Plan and Annual Training Report submitted to LG SETA on or before 30 April	Workplace Skills Plan and Annual Training Report submitted to LG SETA on 29 April 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.5.3	Number of Workshops, seminars and conferences held to ensure that Councillors are informed and trained on Local Government trends	<ul style="list-style-type: none"> <li>1) 23 - 25 August 2023: Municipal Staff Regulations for Councillors</li> <li>2) 12 September 2023: LG IDMS Induction Workshop for Portfolio Committee</li> <li>3) 28 September 2023: Formal Investigation Hearings in Terms of Section 29 of MDA</li> <li>4) 06 - 10 November 2023: Project Management Training for Councillors</li> <li>5) 23 - 24 November 2023: Annual Local Government: Governance and Performance Management held on 23 - 24 November 2023</li> <li>6) 12-14 February 2024: Municipal Governance Training held at Banquet Hall</li> </ul>	N/A - Target Achieved	6,00	8,00	8,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Steve Tshwete Local Municipality 7) 05-06 March 2024: Water and Sanitation Councillors Development Programme held Gert Sibande District Municipality 8) 12-14 March 2024: Municipal Leaders Media and stakeholders engagement programme held at Ndalo Hotel					
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	1.6	Establish Municipal Court	Municipal Court not established	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> The municipality do not have controls for now to establish the municipal court as the matter is still discussed at national level.</p> <p><b>B) Corrective Action:</b> National legislation to be enacted to assist in the establishment of Municipal Court.</p>	N/A - New KPI	1,00	0,00	1,00
KPA 1: MUNICIPAL INSTITUTIONAL	1.6.1	Monthly reports on legal matters submitted to	Monthly reports on legal matters were submitted to CS Portfolio Committee meeting held: 1) 13 July 2023	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Portfolio meetings could not</p>	N/A - New KPI	12,00	10,00	2,50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
DEVELOPMENT AND TRANSFORMATION		CS Portfolio Committee meeting	2) 17 August 2023 3) 21 September 2023 4) 13 October 2023 5) 23 November 2023 6) 14 December 2023 7) 11 January 2024 8) 15 February 2024 9) 14 March 2024 10) 11 April 2024	sit due to disbandment of Mayoral Committee.  <b>B) Corrective Action:</b> The two legal reports will be submitted to the next CS portfolio committee meetings.				
<b>Municipal Financial Viability &amp; Management</b>								
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.7	Revenue collected from leasing of community Halls.	July 2023: R5 858,2 August 2023: R6 206 September 2023: R8 286,5 October 2023: R5 528,26 November 2023: R8 788,71 December 2023: R4 646,98 January 2024: R7 251,31 February 2024: R5 725,25 March 2024: R5 241,04 April 2024: R13 625,60 May 2024: R7 822,63 June 2024: R5 128,71  Total: R5 858,2 + R6 206 + R8 286,5 + R5	<b>A) Reason for Overachieving Target:</b> Some of the municipal community halls have been renovated and are now attractive to the community.  <b>B) Corrective Action:</b> None	77900,36	40000,00	84109,19	5,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			528,26 + November 2023: R8 788,71 + R4 646,98 + R7 251,31 + R5 725,25 + R5 241,04 + R13 625,60 + R7 822,63 + R5 128,71 = R84 109,19					
<b>Good Governance and Public Participation</b>								
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.1	Disaster recovery site developed	Disaster recovery site developed	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.1.1	Percentage availability IT system infrastructure	98% - Average uptime during quarter 4	N/A - Target Achieved	N/A - New KPI	98,00%	98,00%	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.1.2	Number of quarterly ICT Steering Committee meetings held	1) ICT Steering Committee meeting was held on 27 September 2023 2) ICT Steering Committee meeting was held on 08 November 2023 3) ICT Steering Committee Meeting was held on 04 March 2024	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			4) ICT Steering Committee Meeting was held on 25 June 2024					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.1.3	Number of ICT Security Reports submitted to Oversight Committee	<p>1) ICT Security Report for the period ending June 2023 submitted to the Risk Management Committee meeting held 28 July 2023</p> <p>2) ICT Security Report for the period ending June 2023 submitted to the Risk Management Committee meeting held 23 October 2023</p> <p>3) ICT Security report for the period ending March 2024 submitted to the Risk Management Committee Meeting Held 15 April 2024</p> <p>4) ICT Security report for the period ending June 2024 submitted to the Risk Management Committee Meeting Held 27 June 2024</p>	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.2	Communication Strategy Developed	Communication Strategy developed	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.3	Communication plan developed	Communication plan developed	Communication plan developed	N/A - New KPI	1,00	1,00	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.3.1	Number of Local Communication meetings held	No actual POE reported	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> There were no local communications officers in other departments. They mainly utilised the district and the province.</p> <p><b>B) Corrective Action:</b> The unit will engage with other departments to second communications officer for the meeting.</p>	N/A - New KPI	4,00	0,00	1,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.3.2	Number of External newsletters (Insight) developed	<p>1) Quarter 1 External newsletters (Insight) developed and distributed</p> <p>2) Quarter 2 External newsletters (Insight) developed and distributed</p> <p>3) Quarter 3 External newsletters (Insight) developed and distributed</p>	N/A - Target Achieved	4,00	4,00	4,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		and distributed	4) Quarter 4 External newsletters (Insight) developed and distributed					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4	Number of Council meeting Coordinated	Council Meetings were held as follows: 1) 27 July 2023 2) 30 August 2023 3) 26 October 2023 4) 25 January 2024 5) 29 February 2024 6) 28 March 2024 7) 26 April 2024 8) 21 May 2024 9) 27 May 2024 10) 21 June 2024	<b>A) Reason for Overachieving Target:</b> There were special council meetings to consider urgent matters of compliance.  <b>B) Corrective Action:</b> None	11,00	8,00	10,00	3,75
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.1	Number of Mayoral Committee meetings coordinated	Mayoral Committee meetings coordinated: 1) July 2023: held virtual on Microsoft Teams App 2) 22 August 2023: held virtual on Microsoft Teams App 3) 30 August 2023: held virtual on Microsoft Teams App 4) 27 September 2023: held virtual on Microsoft Teams App	<b>A) Reason for Overachieving Target:</b> There were special council meetings to consider urgent matters of compliance.  <b>B) Corrective Action:</b> None	16,00	12,00	14,00	3,50

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			5) 17 October 2023: held virtual on Microsoft Teams App 6) 28 November 2023: virtual on Microsoft Teams App 7) 16 January 2024: held virtual on Microsoft Teams App 8) 25 January 2024: held at Elukwatini Municipal Boardroom 9) 27 February 2024 Special Mayoral: held on Microsoft Teams App 10) 22 March 2024 Ordinary Mayoral: held on Microsoft Teams App 11) 25 March 2024 Special Mayoral: held on Microsoft Teams App 12) 18 April 2024: held on Microsoft Teams App 13) 29 April 2024: held on Microsoft Teams App 14) 27 May 2024: held on Microsoft Teams App					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.2	Number of Corporate Services Portfolio Committee	Monthly reports on legal matters were submitted to CS Portfolio Committee meeting held: 1) 13 July 2023 2) 17 August 2023 3) 21 September 2023	<b>A) Reason for not Achieving Target/Current Challenges:</b> Portfolio meetings could not sit due to disbandment of Mayoral Committee.	12,00	12,00	10,00	2,50

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		meetings coordinated	4) 13 October 2023 5) 23 November 2023 6) 14 December 2023 7) 11 January 2024 8) 15 February 2024 9) 14 March 2024 10) 11 April 2024	<b>B) Corrective Action:</b> The two legal reports will be submitted to the next CS portfolio committee meetings.				
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.3	Number of MPAC meetings coordinated	MPAC meeting coordinated: - 20 July 2023 - 11 October 2023 - 22 November 2023 - 20 February 2024 - 21 February 2024 - 22 February 2024 - 05 March 2024 - 25 June 2024	<b>A) Reason for Overachieving Target:</b> There were issues referred to MPAC by Council.  <b>B) Corrective Action:</b> None	N/A - New KPI	4,00	8,00	5,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.4	Number of Section 79 oversight committees coordinated	Section 79 oversight committees were coordinated as follows: 1) 05 July 2023: CS Section 79 Oversight Committee 2) 24 August 2023: Finance Section 79 Oversight Committee 3) 27 August 2023: Extended Section 79 Oversight Committee	<b>A) Reason for Overachieving Target:</b> There were issues referred section 79 oversight Committee by Council.	32,00	24,00	26,00	3,25

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			4) 06 September 2023: PED Section 79 Oversight Committee 5) 18 September 2023: CSS Section 79 Oversight Committee 6) 20 September 2023: TS Section 79 Oversight Committee 7) 17 October 2023: Corporate Services Section 79 Oversight 8) 12 October 2023: PED Section 79 Oversight Committee 9) 30 November 2023: Joint Portfolio Committee Pre-Inspection Meeting by the Municipal Public Accounts Committee & Technical Services Section 79 Oversight Committee 10) 30 November 2023: Joint Portfolio Committee Pre-Inspection Meeting by the Municipal Public Accounts Committee & Technical Services Section 79 Oversight Committee 11) 04 December 2023: Extended meeting of the Corporate Services Section 79 Oversight Committee Meeting 12) 01 December 2023: Joint Portfolio Committee Pre-Inspection Meeting by the Municipal Public Accounts Committee & Technical Services Section 79 Oversight Committee	<b>B) Corrective Action:</b> None				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>13) 05 December 2023: Joint Portfolio Committee Pre-Inspection Meeting by the Municipal Public Accounts Committee &amp; Technical Services Section 79 Oversight Committee</p> <p>14) 22 January 2024: Joint Portfolio Committee Meeting with by MPAC &amp; Technical Services Section 79</p> <p>15) 07 February 2024: Corporate Services Section 79 Oversight Committee</p> <p>16) 08 February 2024: Corporate Services Section 79 Oversight Committee</p> <p>17) 08 February 2024: Local, Geographical Naming, Rules, Ethics and Petition Committee meeting</p> <p>18) 09 February 2024: Corporate Services Section 79 Oversight Committee</p> <p>19) 13 February 2024: TS Section 79 Oversight Committee</p> <p>20) 16 February 2024: Local, Geographical Naming, Rules, Ethics and Petition Committee meeting (Disciplinary Hearings)</p> <p>21) 04 April 2024 - Community Safety Services Section 79 Oversight Committee</p> <p>22) 11 April 2024: Local, Geographical Naming, Rules, Ethics and Petition Committee meeting (Disciplinary Hearings)</p>					

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			23) 17 April 2024: Local, Geographical Naming, Rules, Ethics and Petition Committee meeting (Disciplinary Hearings) 24) 24 April 2024: TS Section 79 Oversight Committee 25) 24 April 2024 - Community Safety Services Section 79 Oversight Committee 26) 24 April 2024 - PED Section 79 Oversight Committee					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.5	Number of Mayoral Imbizo held	The following Mayoral Imbizo were held: 1) 28 July 2023: 2) 29 September 2023 3) 19 April 2024	<b>A) Reason for not Achieving Target/Current Challenges:</b> The Executive Mayor resigned during the month of June 2024.  <b>B) Corrective Action:</b> The Mayoral Imbizo will be held during the first quarter of 2024/25 financial year.	2,00	4,00	3,00	2,25
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.6	Number of Departmental Service	No actual POE reported	<b>A) Reason for not Achieving Target/Current Challenges:</b> The service charter was reviewed in the strategic	1,00	1,00	0,00	1,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		Charter reviewed		<p>planning but could not be submitted to Council for approval before 30 June 2024 due to the fact that Council could not sit in the month of May and June 2024.</p> <p><b>B) Corrective Action:</b> The service charter will be submitted in the Council meeting schedule for August 2024.</p>				
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.9	Number of Ward Community meetings held	<p><b>Numerator: 225</b></p> <ul style="list-style-type: none"> <li>- July: 25</li> <li>- August: 25</li> <li>- September: 25</li> <li>- October: 25</li> <li>- November: 25</li> <li>- December: 25</li> <li>- January: 25</li> <li>- February: 25</li> <li>- March: 25</li> <li>- April: 25</li> <li>- May: 25</li> <li>- June: 25</li> </ul>	N/A - Target Achieved	N/A - New KPI	300,00	300,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			Total: 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 = 300					
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.10	Number of Ward Committee meetings held	<b>Numerator: 225</b> - July: 25 - August: 25 - September: 25 - October: 25 - November: 25 - December: 25 - January: 25 - February: 25 - March: 25 - April: 25 - May: 25 - June: 25  Total: 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 + 25 = 300	N/A - Target Achieved	N/A - New KPI	300,00	300,00	3,00
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.5.1	% of staff members with completed performance	<b>Numerator:</b> 52* * - Total number of employees with completed performance appraisals made up as follows:	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		reviews (CS only)	<p>1) 2023/24 - 1st Quarter: 13 employees completed the Performance Appraisals</p> <p>2) 2023/24 - 2nd Quarter: 13 employees completed the Performance Appraisals</p> <p>3) 2023/24 - 3rd Quarter: 13 employees completed the Performance Appraisals</p> <p>4) 2023/24 - 4th Quarter: 13 employees completed the Performance Appraisals</p> <p><b>Denominator:</b> 52*</p> <p>* Total CS staff members quarter 4 on Performance Appraisal System:</p> <p>1) 2023/24 - 1st Quarter: 13 employees (CS only)</p> <p>2) 2023/24 - 2nd Quarter: 13 employees (CS only)</p> <p>3) 2023/24 - 3rd Quarter: 13 employees (CS only)</p> <p>4) 2023/24 - 4th Quarter: 13 employees (CS only)</p> <p>Calculation: <math>52/52 = 100\%</math></p>					

# Chapter 3

## Financial Services – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>								
Financial Management	4.1	Number of unqualified audit opinion received	CALM received a qualified audit report	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Due to limitation of scope on receivables from both exchange &amp; non exchange transactions, service charges, taxation revenue and Interest received, debt impairment and water distribution losses.</p> <p><b>B) Corrective Action:</b> An Audit Action Plan has been developed to address all findings root causes and will be monitored on a weekly bases.</p>	Qualified	1,00	0,00	1.00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.1	Statutory Annual Financial Statements (AFS) submitted to AG on / before 31st August (annual)	2022/23 Annual Financial Statements submitted to the Auditor-General on the 31 August 2023	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.2	Percentage of conditional grants spent	100% spent conditional grants spent	N/A - Target Achieved	100,00%	100,00%	100,00%	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.3	Number of tariffs structures adopted by Council.	Tariffs structures adopted by Council on meeting held 21 May 2024	N/A - Target achieved	N/A - New KPI	1,00	1,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.4	Current Ratio maintained	The current ratio is at 2 within the accepted industry norm	N/A - Target achieved	01:01,4	0,20	1,45	5,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.1.5	Percentage of cost reduced on Operational Budget (FS only)	<p><b>Numerator:</b> R35,720,213,87 - Actual Expenditure</p> <p><b>Denominator:</b> R50,243,364 - Total Departmental Allocation</p> <p>Calculation: <math>R35,720,213,87 / R50,243,364 = 71,09\%</math></p> <p>Therefore, the department saved 29% on operational budgeted</p>	N/A - Target achieved	N/A - New KPI	25%	29%	3,48
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.2	Number of updated asset registers maintained	<p>1) Asset registers maintained for the period ending 30 September 2023</p> <p>2) Asset registers maintained for the period ending 31 December 2023</p> <p>3-5) Asset registers maintained for the period ending January, February and March 2024</p>	N/A - Target Achieved	N/A - New KPI	4,00	8,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			6-8) Asset registers maintained for the period ending March, April and June 2024					
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.2.1		1) Asset management report for quarter 1 submitted to MM's Office 2) Asset management report for quarter 2 submitted to MM's Office 3) Asset management report for quarter 3 submitted to MM's Office 4) Asset management report for quarter 4 submitted to MM's Office	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00
<b>Municipal Financial Viability &amp; Management</b>								
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.2.2	Number of Asset verifications performed by 30 June 2024	1) 2022/23 Annual verifications performed 2) 2023/24 First quarter verifications performed 3) 2023/24 Mid-year verifications performance 4) 2023/24 Third quarter verifications performance	N/A - Target Achieved	4,00	2,00	4,00	5,00
KPA 4: MUNICIPAL FINANCIAL	4.2.3	Number of re-assessment of useful lives, residual	Re-assessment of useful lives, residual values and impairment test were conducted on 04 August 2023	N/A - Target Achieved	1,00	1,00	1,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
VIABILITY AND MANAGEMENT		values and impairment test conducted						
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.3	All departmental procurement plans approved by 30 June 2024	Departmental procurement plans approved on Council meeting held 21 May 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.3.1	Updated contract registers submitted quarterly to MMs office	1) Quarter 1 Contract registers submitted to MMs office on 30 September 2023 2) Quarter 2 Contract registers submitted to MMs office on 02 January 2023 3) Quarter 3 Contract registers submitted to MMs office on 29 March 2024 4) Quarter 4 Contract registers (April) submitted to MMs office on 30 April 2024 5) Quarter 4 Contract registers (May) submitted to MMs office on 31 May 2024 6) Quarter 4 Contract registers (June) submitted to MMs office on 28 June 2024	N/A - Target Achieved	4,00	4,00	7,00	5,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.3.2	Quarterly Evaluations of Suppliers Performance	Evaluations of Suppliers Performance for first, second and third and fourth quarters conducted	N/A - Target Achieved	2,00	4,00	4,00	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.3.3	% of bids awarded within 90 days	100% bids awarded within 90 days	N/A - Target Achieved	100%	100%	100%	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.3.4	Percentage of municipal goods and services procured from local businesses.	<p>July 2023: 46,5% Expenditure on local service providers - R200 852 Order's issued - R431 507.50</p> <p>August 2023: 80,3% Expenditure on local service providers - R541 295.36 Order's issued - R6 739 168.59</p> <p>September 2023: 17,3% Expenditure on local service providers - R2 757 181 Order's issued - R15 969 183.73</p>	N/A - Target Achieved	N/A - New KPI	30%	38%	3,80

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>October 2023: 20,5% Expenditure on local service providers - R3 384 926,52 Order's issued - R16 541 785,16</p> <p>November 2023: 34% Expenditure on local service providers - R5 564 233.92 Order's issued - R16 138 425.89</p> <p>December 2023: 45% Expenditure on local service providers - R7 548 575.78 Order's issued - R16 079 650</p> <p>January 2024: 22,3% Expenditure on Local service providers - R2 709 861.94 Order's issued - R 12 105 868.81</p> <p>February 2024: 12,1% Expenditure on Local service providers - R2 276 033.99 Order's issued - R 18 803 141.14</p> <p>March 2024: 46% Expenditure on Local service providers - R1 912 236.48 Order's issued - R4 189 708.09</p> <p>April 2024: 35,4%</p>					

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Expenditure on Local service providers - R7 338 057.32 Order's issued - R20 751 682.43</p> <p>May 2024: 36% Expenditure on Local service providers - R3 623 942,50 Order's issued - R10 021 779,69</p> <p>June 2024: 61% Expenditure on Local service providers - R4 676 006 Order's issued - R7 728 646,19</p> <p>Calculations: <math>\frac{46,5 + 80,3 + 17,3 + 20,5 + 34 + 45 + 22,3 + 12,1 + 46 + 35,4 + 36 + 61}{12} = 38\%</math></p>					
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.4	Complete and reliable supplementary valuation rolls approved	Supplementary valuation rolls approved on Council meeting held 27 May 2024	N/A - Target Achieved	1,00	1,00	1,00	3,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.4.1	Percentage of Revenue collected from current billing	<p>July 2023: 40,6% Total revenue collected - R6 510 947.53 Total Billed services - R16 024 947.53</p> <p>August 2023: 23% Total revenue collected - R3 454 435.02 Total Billed services - R14 516 701.91</p> <p>September 2023: 22% Total revenue collected - R3 067 821.40 Total Billed services - R13 855 420.70</p> <p>October 2023: 197% Total revenue collected - R25 488 451.53 Total Billed services - R12 928 467,54</p> <p>November 2023: 77% Total revenue collected - R10 769 629.10 Total Billed services - R14 064 168.70</p> <p>December 2023: 38% Total revenue collected - R4,472,329.13 Total Billed services - R11,700,272.92</p> <p>January 2024: 34% Total Revenue collected - R4 224 269.95 Total Billed Services - R12 580 075.03</p> <p>February 2024: 35% Total Revenue collected - R4 415 167.29 Total Billed Services - R12 580 198.18</p>	N/A - Target Achieved	N/A - New KPI	50%	58%	3,48

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>March 2024: 56% Total Revenue collected - R7 225 413.53 Total Billed Services - R12 900 413.53</p> <p>April 2024: 40,4% Total Revenue collected - R5 460 052,80 Total Billed Services - R13 514 398,59</p> <p>May 2024: 40% Total Revenue collected - R5 634 580,82 Total Billed Services - R14 126 764,05</p> <p>June 2024: 98% Total Revenue collected - R14 043 859,04 Total Billed Services - R14 359 015,61</p> <p>Calculations: 40,6 + 23 + 22 + 197 + 77 + 38 + 34 + 35 + 56 + 40,4 + 40 + 98 = 58%</p>					
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.4.2	Percentage of Revenue collected from debts	<p>July 2023: 1,3% Revenue collected from debts: R6 510 947.53 Total debtors: R501 521 274.34</p> <p>August 2023: 1% Revenue collected from debts: R3 454 435.02 Total debtors: R509 290 139.66</p> <p>September 2023: 1%</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b></p> <p>Credit control policy could not be fully implemented due to negative reactions</p>	No	15%	2%	1,00

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>Revenue collected from debts: R3 067 821.40 Total debtors: R518 948 607.93</p> <p>October 2023: 5% Revenue collected from debts: R25 488 451.53 Total debtors: R505 107 978.39</p> <p>November 2023: 2% Revenue collected from debts: R507 194 723.65 Total debtors: R10 769 629.10</p> <p>December 2023: 1% Revenue collected from debts: R4 472 329.13 Total debtors: R512 610 422.18</p> <p>January 2024: 1% Revenue collected from debts: R4 224 269.95 Total debtors: R518 514 183.56</p> <p>February 2024: 1% Revenue collected from debts: R4 415 167.29 Total debtors: R525 546 094.98</p> <p>March 2024: 1% Revenue collected from debts: R5 826 720.42 Total debtors: R558 666 842.48.</p> <p>April 2024: 1% Revenue collected from debts: R5 460 052,80 Total debtors: R563 121 714,95</p>	<p>by community members to other control measures as per the adopted credit control policy which resulted in low collection.</p> <p><b>B) Corrective Action:</b></p> <p>Political intervention required to assist administration in the implementation on revenue enhancement initiatives</p> <p>"</p>				

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>May 2024: 1% Revenue collected from debts: R5 634 580,05 Total debtors: R562 546 721,27</p> <p>June 2024: 2,53% Revenue collected from debts: R14 043 859,04 Total debtors: R554 573 593,48</p> <p>Calculations: <math>\frac{1,3 + 1 + 1 + 5 + 2 + 1 + 1 + 1 + 1 + 1 + 1 + 2,53}{12} = 1,7\%</math></p>					
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.4.4	Percentage of indigents Applications processed.	<p><b>Numerator:</b> 1720 - Total number of indigent applications received and processed</p> <p><b>Denominator:</b> 1720 - Total number of indigent applications received</p> <p>Calculations: <math>1720/1720 = 100\%</math></p>	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00
KPA 4: MUNICIPAL FINANCIAL	4.4.5	Percentage of revenue collected from	<p>July 2023 - 16,82% August 2023 - 9% September 2023 - 5% October 2023 - 86%</p>	<b>A) Reason for not Achieving Target/Current Challenges:</b>	N/A - New KPI	60%	28%	1,40

# Chapter 3

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
VIABILITY AND MANAGEMENT		government debts.	<p>November 2023 - 34%            December 2023 - 19%            January 2024 - 15%            February 2024 -10.24%            March 2024 - 26%            April 2024: 8%            May 2024: 18%            June 2024: 86%</p> <p>Calculations: <math>\frac{16,82 + 9 + 5 + 86 + 34 + 19 + 15 + 10.24 + 26 + 8 + 18 + 86}{12} = 28\%</math></p>	<p>Credit control policy could not be fully implemented due to negative reaction by community members to other control measures as per the adopted credit control policy which resulted in low collection.</p> <p><b>B) Corrective Action:</b>            Political intervention required to assist administration in the implementation on revenue enhancement initiatives</p>				
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.4.6	Percentage of revenue collected from businesses.	30% revenue collected from Business	<p><b>A) Reason for not Achieving Target/Current Challenges:</b>            Credit control policy could not be fully implemented due to negative reaction by community members to other control measures</p>	N/A - New KPI	45%	30%	2,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
				<p>as per the adopted credit control policy which resulted in low collection.</p> <p><b>B) Corrective Action:</b> Political intervention required to assist administration in the implementation on revenue enhancement initiatives</p>				
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.5	Percentage of UIFW expenditure reduced	UIFW not 100% reduced	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> Penalties incurred from Eskom due to poor communication.</p> <p><b>B) Corrective Action:</b> To have monthly technical meetings between Finance and Technical services.</p>	N/A - New KPI	100,00%	0%	1,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.6	Percentage of service providers paid within 30 days	All orders issued during the period July 2023 to June 2024 were paid within 30 days	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.7	Final MTREF Budget tabled and approved by Council by 31 May 2024	MTREF Budget tabled and approved at Council meeting held 21 May 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.7.1	Draft MTREF Budget tabled and approved by Council by 31 March 2024	Draft MTREF Budget was submitted to Council meeting held 28 March 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
KPA 4: MUNICIPAL FINANCIAL	4.7.2	Adjustment budget finalised and	Adjustment budget was submitted to Council meeting held 28 March 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
VIABILITY AND MANAGEMENT		submitted to Council for approval no later than 28 February 2024						
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.7.3	Number of quarterly MFMA section 52(d) reports submitted to Council within 30 days of the end of each quarter	1) Section 52(d) reports submitted to Council meeting held 27 July 2023 2) Section 52(d) reports submitted to Council meeting held 25 October 2023 3) Section 52(d) reports submitted to Council meeting held 25 January 2024 3) Section 52(d) reports submitted to Council meeting held 26 April 2024	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	4.7.4	MFMA Section 72 (financial performance mid-year) report submitted to Council by 25 January 2024	MFMA Section 72 (financial performance mid-year) report submitted to Council held on the 25 January 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.2	Number of Financial Services Portfolio Committee meetings coordinated	The following Financial Services Portfolio Committee meetings were coordinated during the period July 2023 to March 2024: 1) 12 July 2023 2) 24 July 2023 3) 20 September 2023 4) 13 October 2023 4) 22 November 2023 6) 12 December 2023 7) 15 January 2024 8) 19 February 2024 9) 20 March 2024 10) 12 April 2024	<b>A) Reason for not Achieving Target/ Current Challenges:</b> Portfolio meetings could not sit due to disbandment of Mayoral Committee.  <b>B) Corrective Action:</b> The two legal reports will be submitted to the next CS portfolio committee meetings.	N/A - New KPI	12,00	10,00	2,50
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.4.7	Percentage of Auditor General findings resolved as per the approved Audit Action plan by 30 June 2024	100% - Auditor General findings resolved as per the approved Audit Action plan	N/A - Target Achieved	N/A - New KPI	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	5.5.1	% of staff members with completed performance reviews (FS only)	<p><b>Numerator:</b> 24*</p> <p>* - Total number of employees with completed performance appraisals made up as follows:  <b>1)</b> 2023/24 - 1st Quarter: 6 employees completed the Performance Appraisals  <b>2)</b> 2023/24 - 2nd Quarter: 6 employees completed the Performance Appraisals  <b>3)</b> 2023/24 - 3rd Quarter: 6 Employees completed the performance Appraisals  <b>4)</b> 2023/24 - 4th Quarter: 6 Employees completed the performance Appraisals</p> <p><b>Denominator:</b> 24*</p> <p>* Total Finance staff members quarter 4 on Performance Appraisal System:  <b>1)</b> 2023/24 - 1st Quarter: 6 employees (FS only)  <b>2)</b> 2023/24 - 2nd Quarter: 6 employees (FS only)  <b>3)</b> 2023/24 - 3rd Quarter: 6 employees (FS only)  <b>4)</b> 2023/24 - 4th Quarter: 6 employees (FS only)</p> <p>Calculation: 24/24 = 100%</p>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

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## Office of the Municipal Manager – Key Performance Indicators

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>								
Financial Management	4.1.5	Percentage of cost reduced on Operational Budget (MM only)	<p>Numerator: R7,433,805.3 - Actual Expenditure,</p> <p><b>Denominator:</b> R8,650,000 - Total Departmental Allocation (Operational Budget)</p> <p>Calculation: <math>R7,433,805.3 / R8,650,000 = 86\%</math></p> <p>Therefore, the department saved 14%</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b> OMM budget dominated by statutory expenses that is audit fees.</p> <p><b>B) Corrective Action:</b> None</p>	N/A - New KPI	25%	14%	1,68
<b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Performance Management	5.5	% of staff members with a signed Performance Plan (level 3 only)	<p><b>Numerator:</b> 36 - Total number of staff members with signed Performance Plans</p> <p><b>Denominator:</b> 36 - Total number of level 3 staff members</p> <p>Calculation: 36/36 = 100%</p>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00
Performance Management	5.5.1	% of staff members with completed performance reviews (MM only)	<p><b>Numerator:</b> 16*</p> <p>* - Total number of employees with completed performance appraisals made up as follows: 1) 2023/24 - 1st Quarter: 4 employees completed the Performance Appraisals 2) 2023/24 - 2nd Quarter: 4 employees completed the Performance Appraisals 3) 2023/24 - 3rd Quarter: 4 employees completed the Performance Appraisals 4) 2023/24 - 4th Quarter: 4 employees completed the Performance Appraisals</p> <p><b>Denominator:</b></p>	N/A - Target Achieved	N/A - New KPI	100,00%	100,00%	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			<p>16*</p> <p>* Total OMM staff members quarter 4 on Performance Appraisal System:</p> <p>1) 2023/24 - 1st Quarter: 4 employees (OMM only)</p> <p>2) 2023/24 - 2nd Quarter: 4 employees (OMM only)</p> <p>3) 2023/24 - 3rd Quarter: 4 employees (OMM only)</p> <p>4) 2023/24 - 4th Quarter: 4 employees (OMM only)</p> <p>Calculation: 16/16 = 100%</p>					
Performance Management	5.6	Final SDBIP approved by Executive Mayor within 28 days after approval of Budget	<p>2024/25 SDBIP approved 28 days after approval of budget.</p> <p>Date of approval: Budget: 21 May 2024 SDBIP: 13 June 2024</p> <p>In line with the KPI Technical Definition a score equal to target 1 was allocated.</p>	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.1	% of section 54A and section 56 managers Performance Agreements	<p><b>Numerator:</b></p> <p><b>6*</b></p> <p>* - The following Performance Agreements have been entered into:</p> <p>1) MM - E Thabethe (30/07/2023)</p> <p>2) CFO - MM Sekgobela (30/07/2023)</p>	N/A - Target Achieved	100%	100%	100%	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		signed on time (at least within one month after commencement of new financial year or appointment)	3) CS - SS Sibeko (30/07/2023) 4) CSS - SI Malaza (30/07/2023) 5) TS - MP Magubane (30/07/2023) 6) PED - LT Motlounge (30/07/2023)  <b>Denominator:</b> <b>6*</b> * - The following 6 Director's positions were filled as at the end of July 2023:  1) MM - E Thabethe 2) CFO - MM Sekgobela 3) CS - SS Sibeko 4) CSS - SI Malaza 5) TS - MP Magubane 6) PED - LT Motlounge  Calculation: 6/6 = 100%					
Performance Management	5.6.2	Annual Performance Report submitted to AG on or	2022/23 Annual Performance Report submitted to the Auditor-General on the 31 August 2023	N/A - Target Achieved	1,00	1,00	1,00	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		before 31st August (annual)						
Performance Management	5.6.3	Revised SDBIP approved by Council after approval of adjustment budget	Revised SDBIP approved by Council on meeting held 29 February 2024.	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
Performance Management	5.6.4	Number of performance reviews conducted with Section 54A and Section 56 managers by 30 June 2024	1) 2022/23 Annual performance reviews were conducted with Section 54A and Section 56 managers 2) 2023/24 Mid-year performance reviews were conducted with Section 54A and Section 56 managers	N/A - Target Achieved	N/A - New KPI	2,00	2,00	3,00
Performance Management	5.6.5	Section 72 (midyear) MFMA reports submitted to Executive	2023/24 Mid Year Performance Report submitted to Mayoral Committee meeting held 16 January 2024, Reference Item M02/01/2024/R	N/A - Target Achieved	1,00	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		Mayor by 25 January 2024						
Performance Management	5.6.6	Annual Review of approved PMS Framework and submission to Council	PMS Framework reviewed and approved on Council meeting held 29 April 2024, reference item C012/04/24/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
5.6.7	5.6.7	Adopted Annual Report by end of January 2024	Annual Report adopted on Council held 25 January 2024, item reference C012/01/24/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Performance Management	5.6.8	Adopted Oversight report on the Annual Report by 31 March 2024	Oversight Report adopted by Council on 28 March 2024, item reference C05/03/24/R	N/A - Target Achieved	1,00	1,00	1,00	3,00
Monitoring and evaluation	5.7	Monitoring and evaluation plan developed	Monitoring and Evaluation plan developed	N/A - Target Achieved	1,00	1,00	1,00	3,00

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Monitoring and evaluation	5.7.1	Submission of Monitoring tool/ implementation of Council Resolutions	<p>1) Implementation of Council Resolutions for 2022/23 Financial year submitted to Council meeting held 30 August 2023, reference C010/08/23/R</p> <p>2) Implementation of Council Resolutions for 2023/24 First Quarter submitted to Council meeting held 26 October 2023, reference C10/10/23R</p> <p>3) Implementation of Council Resolutions for 2023/24 Second Quarter submitted to Council meeting held 25 January 2024, reference C05/01/24/R</p> <p>4) Implementation of Council Resolutions for 2023/24 Third Quarter submitted to Council meeting held 27 May 2024, reference C02/05/24/R</p>	N/A - Target Achieved	N/A - New KPI	4,00	4,00	3,00
Internal Audit	5.8	Reviewed and approved Risk Based Internal Audit Plan by 30 June 2024	Risk Based Internal Audit Plan approved by Audit Committee held on 27 June 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
Internal Audit	5.8.1	% execution of Risk based	<p><b>Numerator:</b> 11*</p> <p>* The following Audits were completed:</p> <p>1) Audit of Draft Annual Performance Report (August 23)</p> <p>2) Audit of Annual Financial Statements (August 23)</p>	<p><b>A) Reason for not Achieving Target/Current Challenges:</b></p>	85,00%	100,00%	91,70%	2,75

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
		Audit Plan by 30 June 2024	<p>3) Audit of Contract Management System (September 23)</p> <p>4) Audit of performance measurements 1st quarter (October 23)</p> <p>5) Audit of Performance Measurements 2nd Quarter</p> <p>6) Audit of SCM (November 23)</p> <p>7) Review of the effectiveness Enterprise Risk Management (April 24)</p> <p>8) Audit of Performance Measurements 3rd Quarter (May 24)</p> <p>9) Audit of Interim Financial Statements (June'24)</p> <p>10) Follow-up on Audit by Internal audit and AG (June'24)</p> <p>11) Audit of SCM (June'24)</p> <p><b>Denominator:</b> 12*</p> <p>* Audit Areas to be completed:</p> <p>1) Audit of Draft Annual Performance Report (August'22)</p> <p>2) Audit of Annual Financial Statements (August 23)</p> <p>3) Audit of Contract Management System (September 23)</p> <p>4) Audit of performance measurements 1st quarter (October 23)</p> <p>5) Audit of SCM (November 23)</p> <p>6) Audit of Salaries and Wages (December 23)</p> <p>7) Audit of Performance Measurements 2nd Quarter (January 24)</p>	<p>The unit had a challenge of shortage of human resources</p> <p><b>B) Corrective Action:</b> Appointed an intern to assist with the audits and request to amend the current plan</p>				

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Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
			8) Follow-up Audit of Maintenance for Water and Sanitation (March 24) 9) Audit of Interim Financial Statements (March 24) 10) Follow-up on Audit by Internal audit and AG (June'24) 11) Audit of compliance with National Building regulations (April 24) 12) Audit of SCM (June'24)  Calculations: $11/12 * 100 = 91,7\%$					
Internal Audit	5.8.2	Number of Audit Committee's report submitted to Council by 30 June 2024	1) Audit Committee Report on the review of Draft Annual Financial Statements and Draft Performance Report submitted to Council meeting held 30 August 2023, reference C012/08/23/R 2) Audit Committee Report covering 2023/24 First Quarter report submitted to Council meeting held 26 October 2023, reference C011/10/23/R 3) Audit Committee Report covering 2023/24 Second Quarter report submitted to Council meeting held 25 January 2024, reference C017/01/24/R 4) Audit Committee Report covering 2023/24 Third Quarter report submitted to Council meeting held 29 April 2024, reference C021/04/24/R	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00

Programme	ID	KPI	Actual Notes	Reason/s for not achieving Target, Overachievement & Corrective Action - what do you need to do to resolve the situation?	2023/2024 Financial Year			
					Baseline 22/23	Annual Target 23/24	Annual Actual 23/24	Score
Risk management	5.9	Reviewed and approved Strategic Risk Register by 30 June 2024	Strategic Risk Registers reviewed and approved on Special Risk Committee meeting held 27 June 2024	N/A - Target Achieved	N/A - New KPI	1,00	1,00	3,00
Risk management	5.9.1	Number of risk assessment workshop conducted by 30 June 2024	7 Risk assessment workshops were conducted	N/A - Target Achieved	2,00	2,00	7,00	5,00

### Addendum C: Definitions

For the purpose of this report, the following definitions apply:

**Scorecards** refer to a multi-dimensional framework created by Dr. Robert Kaplan and Dr. David Norton that uses measurement to describe an organisation's strategy. It is based on the Balanced Scorecard methodology as currently applied to suit the South African environment as

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described by the Institute for Performance Management **TRIPOD**® Methodology for Municipalities. This ensures alignment with community needs, legislation, IDP, SDBIP and Budgetary requirements for South African municipalities.

**Strategic Themes** are the general strategy broken down into categories that focuses on different objectives of the company that can lead to overall success, such as customer satisfaction, reduced cost and employee growth. It is usually general and not quantified. An ultimate outcome is attached to it.

**Perspectives** according to the Kaplan/Norton balanced scorecard model, these four views of the business are - Financial, Customer (community), Institutional Processes and Learning and Growth.

**Key Performance Area (KPA)** refers to a grouping of metrics of performance success of a process or management system.

**Objective** is an aim or intended result of a strategy.

**Programme** refers to a group of related key performance indicators or projects.

**Key Performance Indicator (KPI)** refers to a list of indicators that an organisation has identified as the most important variables reflecting vision / mission success or organisational performance.

## Addendum D: Scoring Method

Results are presented in the form of scores as detailed below and were calculated using an automated system adapted to comply with the Chief Albert Luthuli Municipality's performance management requirements. The scoring method utilised is as follows;

Colour code	Scoring	% target achieved KPIs		% target achieved PRJs	
Rating	Score	Low	High	Low	High
Unsatisfactory	1-1.99	0.0%	39.9%	0.0%	25.0%

<b>Below average</b>	<b>2 -2.99</b>	<b>40.0%</b>	<b>79.9%</b>	<b>25.0%</b>	<b>50.0%</b>
<b>Within target</b>	<b>3 -3.99</b>	<b>80.0%</b>	<b>99.9%</b>	<b>50.0%</b>	<b>75.0%</b>
<b>Achieved/ exceeded target</b>	<b>4 -4.99</b>	<b>100.0%</b>	<b>166.9%</b>	<b>75.0%</b>	<b>167%</b>
<b>Outstanding</b>	<b>5+</b>	<b>167.0%</b>	<b>+</b>	<b>167.0%</b>	<b>+</b>

Overall scores as contained in the report were calculated by taking an average of the scores for all KPIs and projects that contributed to a specific Scorecard, Department or the Municipality as a whole.

Weighting of the KPIs and projects per programme and Objective was not taken into consideration in determining the score, except where decided to apply 'zero Weighting', in which case that KPI or project did not contribute to the score of the programme and therefore would not contribute to the overall Objective score.

Scoring of the Objective is taken as an Average score of the Programmes contributing to the Objective. Scoring of the Programme is taken as an Average score of the KPIs and projects contributing to the Programme. Objectives are averaged to derive to the Key Performance Area (KPA) score. The final Scorecard Rating is an average of the KPAs' scores or the Key Performance Area scores.

Where no Actual was supplied, a **1.00** score was applied. If no targets were supplied, but Actual was supplied, the Actual was taken as the target. Where no Worst values were supplied, the Intervention was taken at 40% of target.

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

To ensure that the organization's effectiveness is increased, the municipality conducts some personnel needs analysis and makes the necessary provision in the municipal budget on an annual basis. To ensure effectiveness and efficiency in the organisation, the municipality annually develops a WSP, after conducting a training needs analysis. The necessary training is then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and machinery.

Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and staff retention. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential.

T 4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year - 2022/2023	Year 2023/2024			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Electricity	8	5	8	2	25,00%
Waste Water (Sanitation)	139	86	141	7	4,96%
Housing	3	3	3	0	0,00%
Roads	20	15	25	0	0,00%
Transport	10	10	10	3	30,00%
Planning	5	6	6	1	16,67%
Local Economic Development	5	5	5	0	0,00%
Community & Social Services	87	38	90	2	2,22%
Environmental Protection	10	6	10	1	10,00%
Health	1	1	1	0	0,00%
Security and Safety	1	1	1	0	0,00%
Sport and Recreation	1	1	1	0	0,00%
Corporate Policy Offices and Other	60	50	65	15	23,08%
<b>Totals</b>	<b>350</b>	<b>227</b>	<b>366</b>	<b>31</b>	<b>8,47%</b>

T 4.1.1

<b>Vacancy Rate: Year 2023/2024</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Vacancies (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Vacancies (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	0,00
CFO	1	1	100,00
Other S57 Managers (excluding Finance Posts)	5	5	100,00
Other S57 Managers (Finance posts)	0	0	0,00
Police officers	0	0	0,00
Fire fighters	9	1	11,11
Senior management: Levels 13-15 (excluding Finance Posts)	23	7	30,43
Senior management: Levels 13-15 (Finance posts)	6	0	0,00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	50	8	16,00
Highly skilled supervision: levels 9-12 (Finance posts)	12	2	16,67
<b>Total</b>	<b>107</b>	<b>24</b>	<b>22,43</b>

T 4.1.2

<b>Turn-over Rate</b>			
<b>Details</b>	<b>Total Appointments as of beginning of Financial Year</b>	<b>Terminations during the Financial Year</b>	<b>Turn-over Rate*</b>
	<b>No.</b>	<b>No.</b>	
2022/23	31	5	16%
2023/24	25	1	4%

T 4.1.3

#### **COMMENT ON VACANCIES AND TURNOVER**

The funded vacant positions were due to resignations, retirements, deaths and dismissals that were recorded, these positions were advertised both internally and externally in order to attract a qualified pool of candidates per occupational category.

T 4.1.4

# Chapter 4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of Section 67 of the Local Government: Municipal Systems Act (2000) (Act No 32 of 2000), a municipality must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act, 1998.

*T 4.2.0*

#### 4.2 POLICIES

HR Policies and Plans				
No	Name of Policy	Completed	Reviewed	Date Adopted by Council or Comment on Failure to Adopt
		%	%	
1.	Sexual Harassment Policy	100%	100%	26 April 2023
2.	Smoking Policy	100%	100%	26 April 2023
3.	Relocation Policy	100%	100%	26 April 2023
4.	Succession planning policy	100%	100%	26 April 2023
5.	Incapacity due to ill – health policy	100%	100%	26 April 2023
6.	Training and Development policy	100%	100%	26 April 2023
7.	Employee wellness programme	100%	100%	26 April 2023
8.	Employment equity	100%	100%	26 April 2023
9.	Attendance and punctuality policy	100%	100%	26 April 2023
10.	Employment Practice policy	100%	100%	26 April 2023
11.	HIV and AIDS policy	100%	100%	26 April 2023
12.	Incapacity due to poor work performance policy	100%	100%	26 April 2023
13.	Employees under the influence of intoxicating liquor policy	100%	100%	26 April 2023
14.	Occupational health and safety policy	100%	100%	26 April 2023
15.	Legal Aid policy	100%	100%	26 April 2023
16.	Name badge policy	100%	100%	26 April 2023
17.	Dress code policy	100%	100%	26 April 2023
18.	Exchange programme policy	100%	100%	26 April 2023
19.	Zero-harm policy	100%	100%	26 April 2023
20.	Human resource Strategy	100%	100%	26 April 2023
				<b><i>T 4.2.1</i></b>

### COMMENT ON WORKFORCE POLICY DEVELOPMENT

The Municipality has developed and implemented 20 policies to govern its operation through managing its workforce. All human resource policies were reviewed and approved by Council during the 2022/2023 financial year.

T 4.2.1.1

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	06	01		06	2821.44
Temporary total disablement	46	03		15	59301.20
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>04</b>		<b>21</b>	<b>62122.64</b>

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimat ed cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	33	37%	1	153	0.07	30
Skilled (Levels 3-5)	39	44	1	129	0.08	
Highly skilled production (levels 6-8)	24	27	1	115	0.05	
Highly skilled supervision (levels 9-12)	13	14%	1	44	0.03	31
Senior management (Levels 13-15)	6	6	1	37	0.01	
MM and S57	1	100%	100%	6	0.00	
<b>Total</b>	<b>116</b>	<b>1733%</b>	<b>5</b>	<b>484</b>	<b>0.24</b>	<b>61</b>

T 4.3.2

### COMMENT ON INJURY AND SICK LEAVE

The reason to keep injuries very low it was due to safety awareness campaigns through memo's, inductions and workshops conducted for CALM employees.

T 4.3.4

# Chapter 4

<b>Number and Period of Suspensions (2023/24)</b>				
<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</b>	<b>Date Finalised</b>
HR Senior Recruitment Clerk	Misuse and damage to municipal property (Vehicle)	15/9/2023	Finalised	08 July 2024
Disaster Management Coordinator	Bringing the municipality into disrepute (Facebook text)	22/9/2023	Finalized, the charged employee pleaded guilty	09 Feb 2024
Senior Creditors Clerk	Payment of S&T into a wrong and Unknown Netbank Account	29/11/2023	Finalized	28 Aug 2024
Assistant Accountant: Supply Chain Management	Processing two payments into a wrong and unknown Nedbank account	29/11/2023	The matter is schedule to sit on the 5 <sup>th</sup> of February 2025	Not finalised
<i>T 4.3.5</i>				

<b>Disciplinary Action Taken on Cases of Financial Misconduct (2023/24)</b>			
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>
Senior Creditors Clerk	Payment of S&T into a wrong and Unknown Netbank Account	Final Written Warning Payment of Debt	28/08/2024
Assistant Accountant: Supply Chain Management	Processing two payments into a wrong and unknown Nedbank account	The matter is still pending	N/A
<i>T 4.3.6</i>			

## **COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT**

The suspension took more than 4 months because of the unavailability of prosecutors during the date of the disciplinary hearing and withdrawal of representatives.

*T 4.3.7*

## 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2023/24 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0		0%
	Male	0	0		0%
Skilled (Levels 3-5)	Female	0	0		0%
	Male	0	0		0%
Highly skilled production (levels 6-8)	Female	0	0		0%
	Male	0	0		0%
Highly skilled supervision (levels 9-12)	Female	0	0		0%
	Male	0	0		0%
Senior management (Levels 13-15)	Female	0	0		0%
	Male	0	0		0%
MM and S57	Female	1	1		100%
	Male	5	5		100%
<b>Total</b>		<b>6</b>	<b>6</b>		
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>					Yes
					<i>T 4.4.1</i>

#### COMMENT ON PERFORMANCE REWARDS

The Accounting Officer evaluated senior managers in accordance with the Performance Regulations of 2006, and the Executive Mayor evaluated the accounting officer accordingly. The results are to be presented to the Audit Committee for rectifications before they are sent to council for confirmation and decision. Once it is confirmed by Council, it will be made public in the final report that will be sent to the Legislature and the MEC for Local Government.

*T 4.4.1.*

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Organisational Development entails the human capital of the municipality through skills development. Skills Development is a compliance matter in terms of the Skills Development Act which requires employers to budget, train employees and report such trainings as part of the Annual Training Report submitted to LGSETA annually by 30 April each year

*T 4.5.*

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2023/24	Number of skilled employees required and actual as at 30 June Year 2023/2024											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual End of 2023/24	Actual End of 2022/23	2023/24 Target	Actual End of 2023/24	Actual End of 2022/23	2023/24 Target	Actual End of 2023/24	Actual End of 2022/23	2023/24 Target	Actual End of 2023/24	Actual End of 2022/23
MM and s57	Female	01	0	0	0	0	0	0	0	0	0	0	1	0
	Male	04	0	0	0	0	0	04	0	1	0	01	3	04
Councillors, senior officials and managers	Female	23	0	0	0	0	03	0	0	03	0	0	12	0
	Male	26	0	0	0	0	2	0	0	4	0	0	12	0
Technicians and associate professionals*	Female	35	0	2	0	0	0	0	01	2	01	01	8	01
	Male	65	0	7	0	0	0	0	05	8	05	05	25	05
Professionals	Female	15	0	4	02	0	0	0	0	6	0	0	27	02
	Male	23	0	1	01	0	0	0	0	2	0	0	13	01
Sub total	Female	74	0	6	0	0	0	0	0	11	0	0	29	0
	Male	118	0	8	0	0	2	0	0	15	0	0	40	0
<b>Total</b>		<b>192</b>	<b>0</b>	<b>0</b>	<b>03</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>06</b>	<b>52</b>	<b>06</b>	<b>07</b>	<b>60</b>	<b>14</b>

T 4.5.1

# Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Chapter 4

Skills Development Expenditure											
										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2023/24								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female							10	20	10	20
	Male							20	25	20	25
Legislators, senior officials and managers	Female										
	Male										
Professionals	Female										
	Male										
Technicians and associate professionals	Female										
	Male										
Clerks	Female										
	Male										
Service and sales workers	Female										
	Male										
Plant and machine operators and assemblers	Female										
	Male										
Elementary occupations	Female										
	Male										
Sub total	Female							10	20	10	20
	Male							20	25	20	25
<b>Total</b>		0	0	0	0	0	0	30	45	30	45
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.										%*	*R
T4.5.3											

## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The municipality did not spend all amount for WSP due to unavailability of service provider to conduct trainings planned for other employees.

T 4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure forms part of the municipal operational expenditure budget and is managed by the finance directorate. It involves salaries, contributions to medical aids, pension funds, housing scheme, UIF, group life insurance, travelling, cell phone and data allowances.

All expenditure should be in line with the approved budget. When the staff establishment is approved, provision is made in the budget for all the posts that can be filled and the related time frames. No unfunded posts may be filled. The municipality ensures that it recruits employees capable of effectively rendering the services required to achieve its strategic goals.

T 4.6.0

### 4.6 EMPLOYEE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	1
	Male	30
Highly skilled production (Levels 6-8)	Female	0
	Male	3
Highly skilled supervision (Levels 9-12)	Female	1
	Male	2
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
<b>Total</b>		<b>37</b>

T 4.6.2

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

There were no employees whose salary levels were exceeded as a result of job evaluation. Additionally, during the year under review, no employees were appointed outside of the approved structure.

T 4.6.5

# Chapter 4

## **DISCLOSURES OF FINANCIAL INTERESTS**

Officials and councillors declared their financial interests for the 2023/24 financial year to foster a culture of integrity and accountability and to prioritize the needs of communities. As per the code of conduct for officials and councillors (in terms of the MSA 2000), declarations are made annually. Refer to disclosures made by officials and councillors concerning their financial interests as required by MSA 2000 Schedule 1 and 2 as set out in Appendix J.

*T 4.6*

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

*T 5.0.1*

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Current Year 2023/24			
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
<b>Revenue By Source</b>				
Property rates	26,485	23,837	25,161	22,248
Property rates - penalties & collection charges	8,541	7,004	8,370	7,687
Service charges - electricity revenue	12,355	10,131	12,478	10,131
Service charges - water revenue	14,232	12,808	14,232	16,082
Service charges - sanitation revenue	6,542	5,888	6,739	6,477
Service charges - refuse revenue	1,865	1,734	2,032	2,144
Service charges - other	5,643	4,965	5,360	4,909
Rental of facilities and equipment	5,322	4,257	5,215	5,694
Interest earned - external investments	8,455	8,117	7,694	9,723
Interest earned - outstanding debtors	1,254	1,053	1,304	1,404
Dividends received	2,516	2,516	2,440	2,818
Fines	6,846	6,503	6,914	5,545
Licences and permits	12,546	11,668	13,800	12,671
Agency services	2,355	2,001	2,237	2,001
Transfers recognised - operational	48,542	39,319	53,397	53,397
Other revenue	4,565	3,789	4,291	3,971
Gains on disposal of PPE	5,649	5,084	5,479	5,649
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>173,710</b>	<b>150,675</b>	<b>177,144</b>	<b>172,551</b>
<b>Expenditure By Type</b>				
Employee related costs	28,457	27,888	30,733	32,156
Remuneration of councillors	4,568	4,294	4,203	5,117
Debt impairment	13,268	12,738	12,207	12,870
Depreciation & asset impairment	18,456	15,688	19,564	20,671
Finance charges	5,465	4,864	5,137	5,629
Bulk purchases	25,457	25,202	23,420	23,165
Other materials	4,562	3,650	4,973	5,155
Contracted services	25,454	23,163	24,945	23,672
Transfers and grants	2,255	2,052	2,435	2,052
Other expenditure	38,454	33,070	39,607	36,146

Loss on disposal of PPE	4,568	4,568	4,568	4,066
<b>Total Expenditure</b>	<b>170,964</b>	<b>157,176</b>	<b>171,792</b>	<b>170,700</b>
<b>Surplus/(Deficit)</b>	<b>2,746</b>	<b>(6,502)</b>	<b>5,352</b>	<b>1,851</b>
Transfers recognised - capital				
Contributions recognised - capital				
Contributed assets				
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,746</b>	<b>(6,502)</b>	<b>5,352</b>	<b>1,851</b>
Taxation				
<b>Surplus/(Deficit) after taxation</b>	<b>2,746</b>	<b>(6,502)</b>	<b>5,352</b>	<b>1,851</b>
Attributable to minorities				
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,746</b>	<b>(6,502)</b>	<b>5,352</b>	<b>1,851</b>
Share of surplus/ (deficit) of associate				
<b>Surplus/(Deficit) for the year</b>	<b>2,746</b>	<b>(6,502)</b>	<b>5,352</b>	<b>1,851</b>

# Chapter 5

Financial Performance of Operational Services						
						R '000
Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	23,042	23,654	32,719	32,719	27.71%	0.00%
Waste Water (Sanitation)	8,456	4,528	2,652	2,652	-70.76%	0.00%
Electricity	13,219	8,613	6,842	6,842	-25.88%	0.00%
Waste Management	12,097	6,536	12,424	12,424	47.39%	0.00%
Housing	6,346	6,533	6,221	6,221	-5.01%	0.00%
Component A: sub-total	63,161	49,865	60,859	60,859	18.07%	0.00%
Waste Water (Stormwater Drainage)	5,304	5,569	5,903	5,903	5.66%	0.00%
Roads	5,304	5,569	5,903	5,903	5.66%	0.00%
Transport	4,630	4,861	5,153	5,153	5.66%	0.00%
Component B: sub-total	15,238	16,000	16,960	16,960	5.66%	0.00%
Planning	1,354	1,422	1,435	1,435	0.94%	0.00%
Local Economic Development	2,340	2,457	2,480	2,480	0.94%	0.00%
Component B: sub-total	3,693	3,878	3,915	3,915	0.94%	0.00%
Planning (Strategic & Regulatory)	11,542	12,119	12,846	12,846	5.66%	0.00%
Local Economic Development	2,402	2,522	2,673	2,673	5.66%	0.00%
Component C: sub-total	13,944	14,641	15,519	15,519	5.66%	0.00%
Community & Social Services	4,291	4,506	4,776	4,776	5.66%	0.00%
Environmental Protection	4,971	5,219	5,533	5,533	5.66%	0.00%
Health	4,971	5,219	5,533	5,533	5.66%	0.00%
Security and Safety	4,971	5,219	5,533	5,533	5.66%	0.00%
Sport and Recreation	4,971	5,219	5,533	5,533	5.66%	0.00%
Corporate Policy Offices and Other	4,971	5,219	5,533	5,533	5.66%	0.00%
Component D: sub-total	29,145	30,602	32,438	32,438	5.66%	0.00%
<b>Total Expenditure</b>	<b>125,181</b>	<b>114,986</b>	<b>129,692</b>	<b>129,692</b>	<b>11.34%</b>	<b>0.00%</b>

T 5.1.2

5.2 GRANTS

Grant Performance						
Description	R' 000					
	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>24,756</b>	<b>418,105</b>	<b>418,105</b>	<b>418,105</b>		
Equitable share Municipal Systems Improvement	17,303	418,105	418,105	418,105		
Department of Water Affairs	2,182	0	-	-		
Levy replacement Other transfers/grants [insert description]	4,283		-	-		
	988		-	-		
			-			
<b>Provincial Government:</b>	<b>5,994</b>	<b>15,800</b>	<b>15,800</b>	<b>15,800</b>		
Health subsidy	3,786			-		
Housing	1,502			-		
Ambulance subsidy	219			-		
Sports and Recreation	489			-		
Other transfers/grants [insert description]		15,800	15,800	15,800		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
[insert description]						
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
[insert description]						
<b>Total Operating Transfers and Grants</b>	<b>30,751</b>	<b>433,905</b>	<b>433,905</b>	<b>433,905</b>		

T 5.2.1

# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS

The municipality spent 100% of the grants received during the year under review.

T 5.2.2

Grants Received from Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2022/23	Actual Grant 2023/24	2023/24 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
None				N/A		
<b>Foreign Governments/Development Aid Agencies</b>						
None				N/A		
<b>Private Sector / Organisations</b>						
None				N/A		
						T 5.2.3

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The Asset Management Section consists of the Accountant: Assets and Clerks: Assets, and forms part of the Supply Chain Management Unit within the Finance Department. The Municipality has and maintains a management, accounting, and information system that accounts for the assets of the Municipality. The Municipality's assets are valued in accordance with standards of the Generally Recognized Accounting Practice (GRAP). The Municipality has and maintains a system of internal control over assets, including an asset register.

T 5.3.1

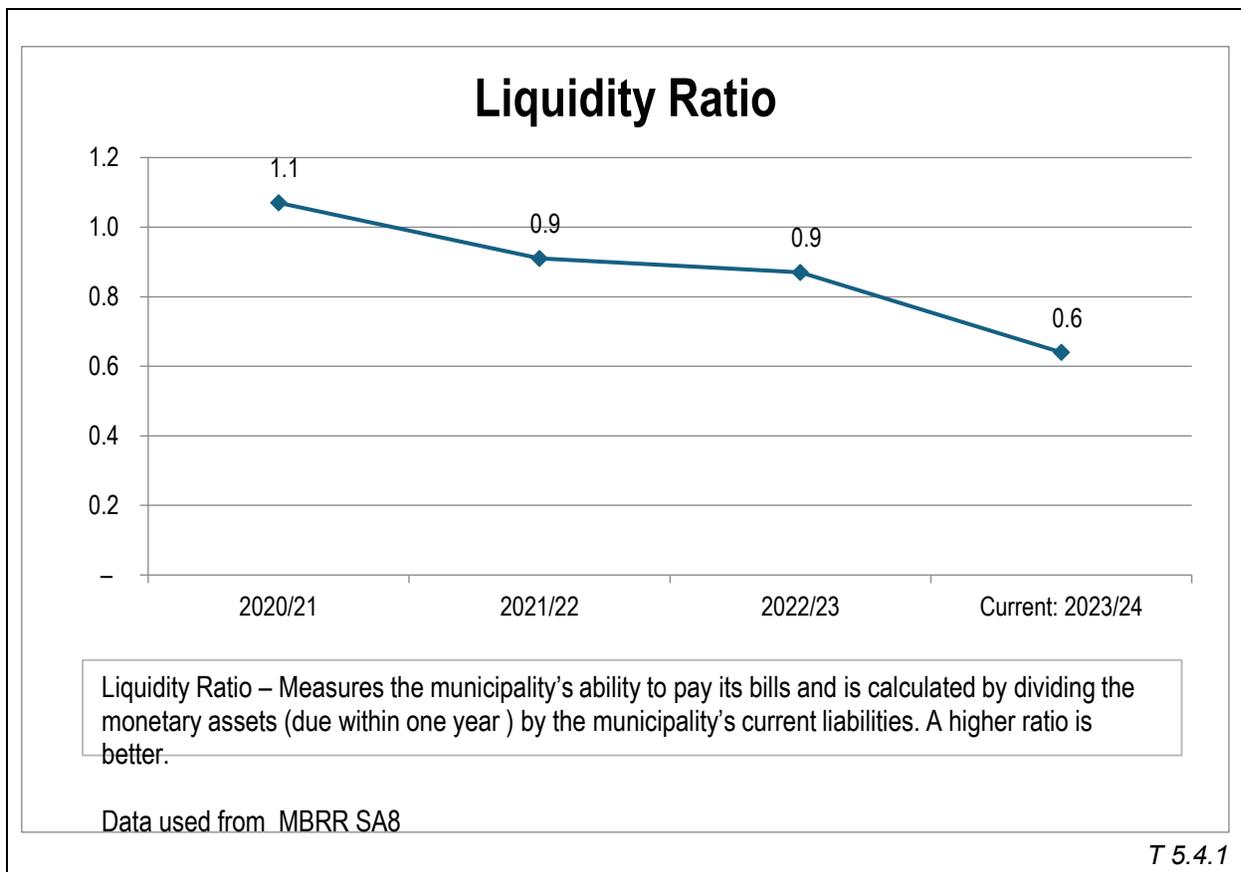
Treatment of the three largest assets acquired 2023/24				
Asset 1				
Name	Reservoir			
Description	Reservoir			
Asset type	Water and purification			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	7 781 364,35	7 621 712,97	7 302 410,22	7 142 921.25
Capital implications	Upgrading of Lusushwana bwss phase 2 & 3			
Future purpose of asset	Water distribution			
Describe key issues	Upgrading of water reservoir for distribution of water			
Policies in place to manage asset	Asset management policy			
Asset 2				
Name	Elukwatini fire station			
Description	Fire station			
Asset type	Building community			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	28 355 537,56	27 993 518,92	26 859 297,41	26 292 317.84
Capital implications	Building for fire and disaster management			
Future purpose of asset	Fire and disaster management			
Describe key issues	Fire station built for fire and disaster management			
Policies in place to manage asset	Asset management policy			
Asset 3				
Name	Transformer			
Description	Power transformer			
Asset type	Electrical distribution			
Key staff involved	Madinane CN & Mkhonto NC			
Staff responsibilities	Asset management			
	2020/21	2021/22	2022/23	2023/24
Asset value	6 378 299,57	6 377 134,58	6 093 654,60	5 952 049.98
Capital implications	Upgrading of Silobela substation			
Future purpose of asset	To distribute electricity at Silobela			
Describe key issues	Upgrading of Silobela substation for power distribution			
Policies in place to manage asset	Asset management policy			

T 5.3.2

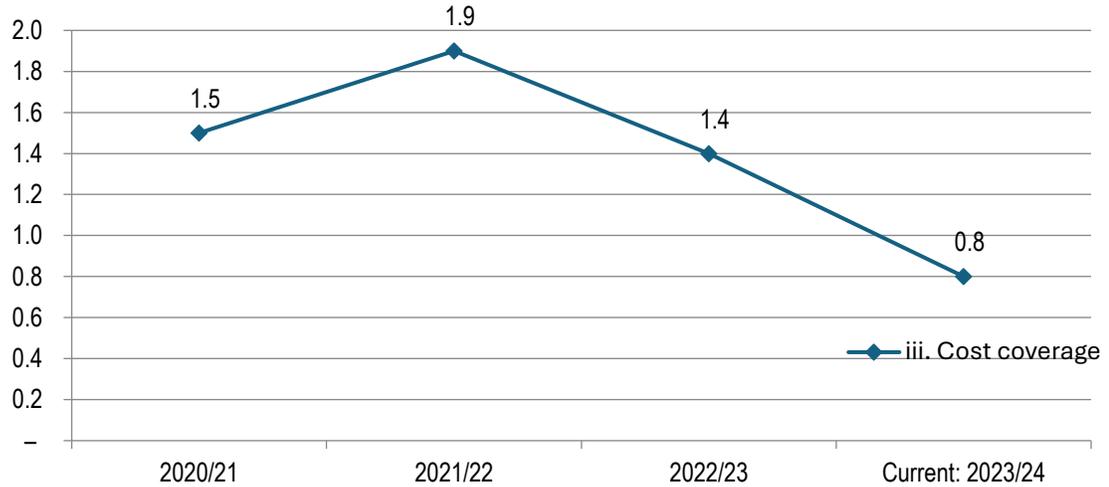
# Chapter 5

Repair and Maintenance Expenditure: 2023/24				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2%
<i>T 5.3.4</i>				

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



## Cost Coverage

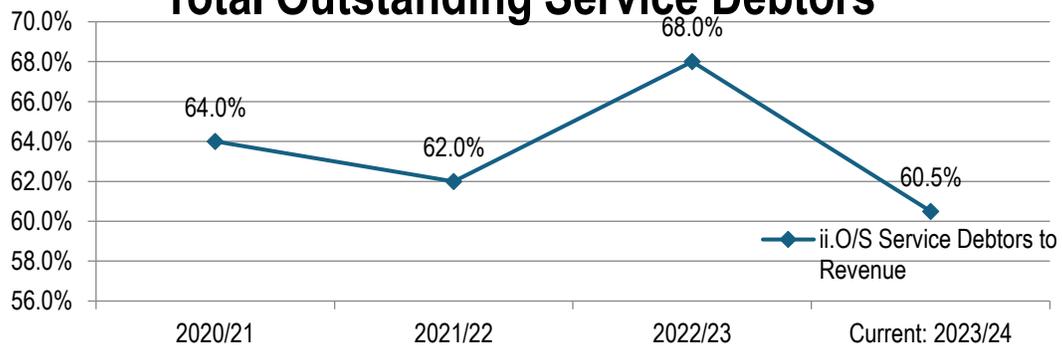


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

## Total Outstanding Service Debtors

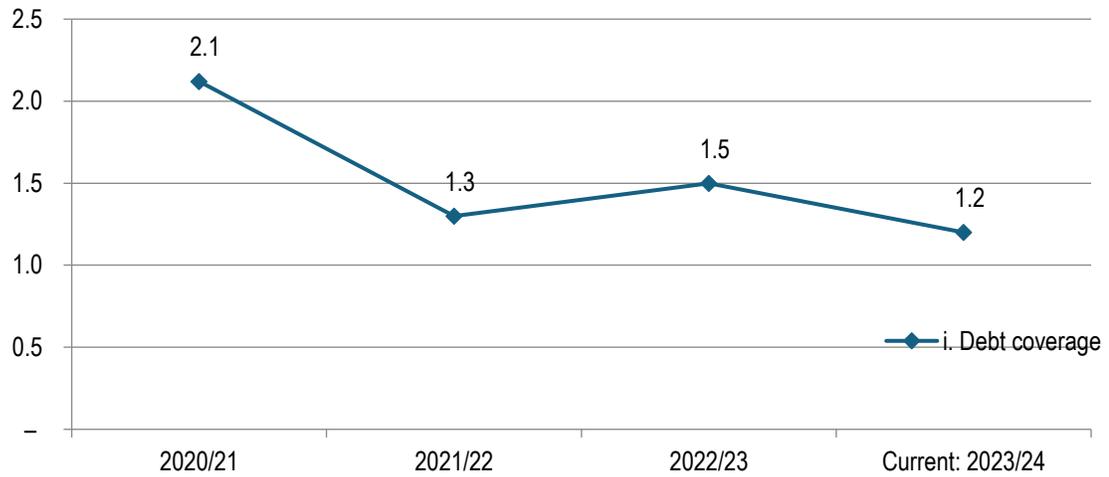


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding

T 5.4.3

# Chapter 5

## Debt Coverage

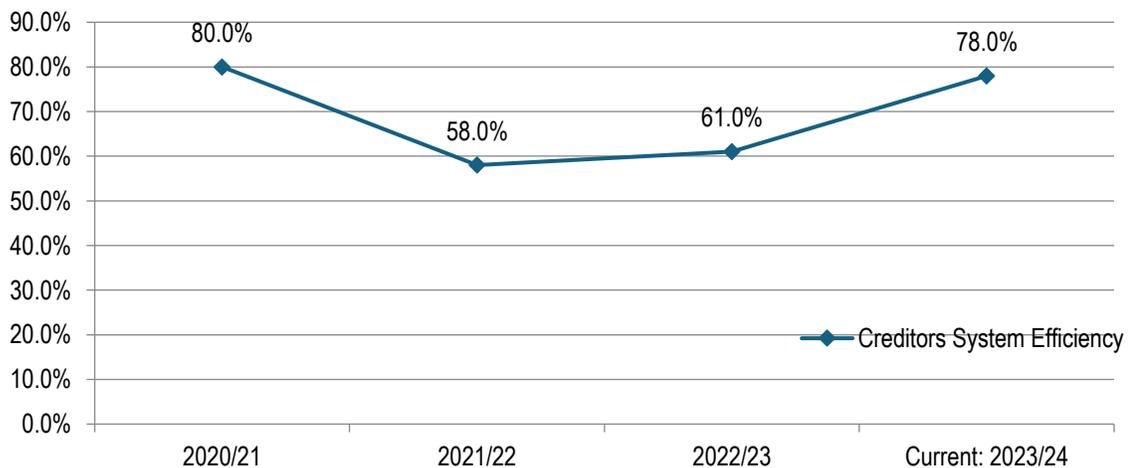


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

## Creditors System Efficiency

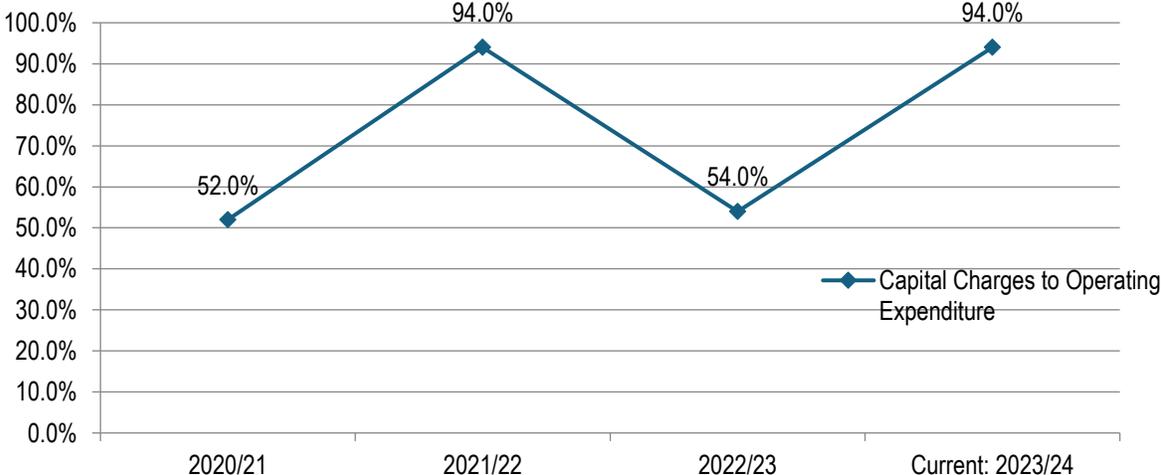


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

## Capital Charges to Operating Expenditure

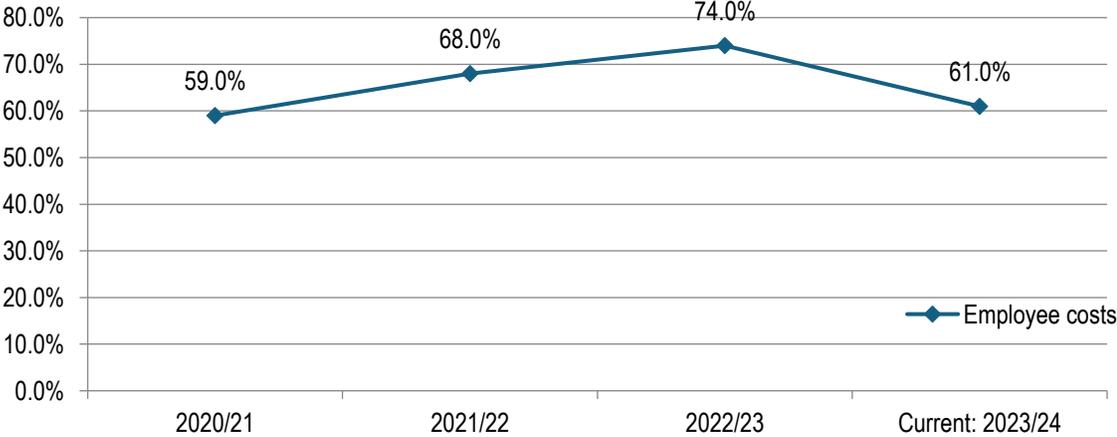


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

## Employee Costs

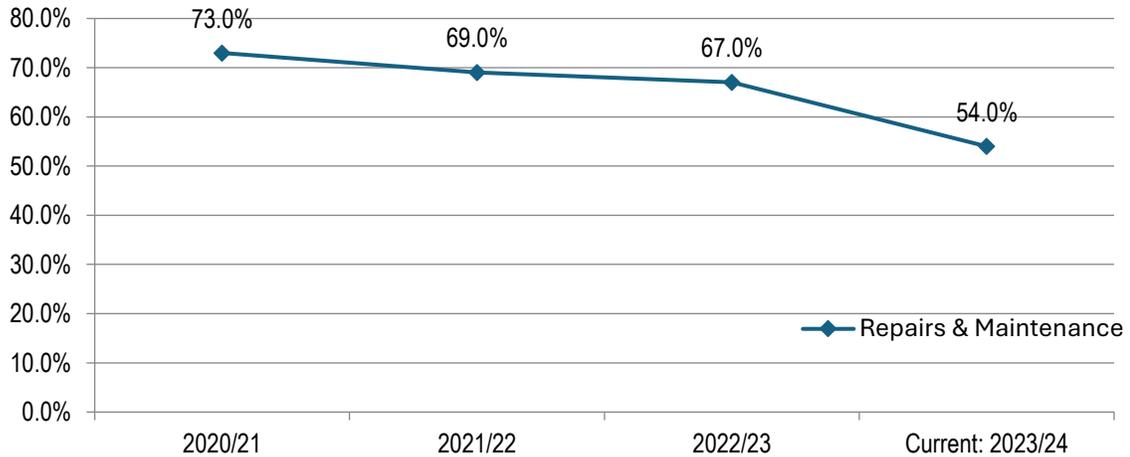


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

T 5.4.7

# Chapter 5

## Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

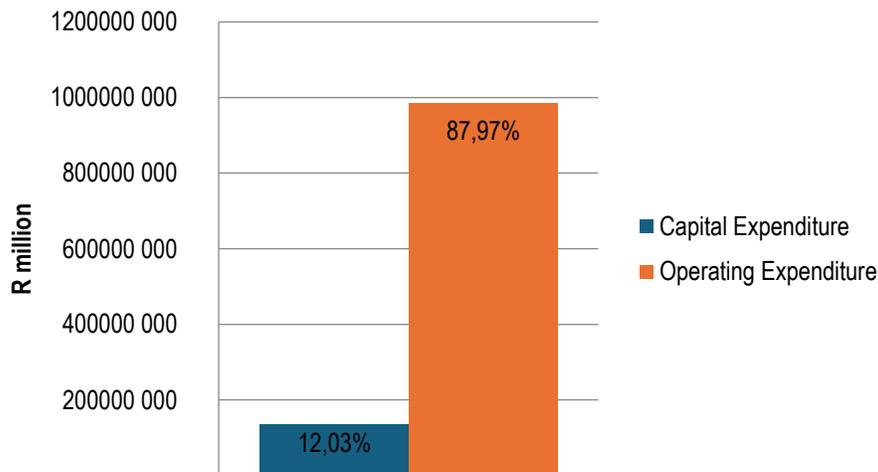
Data used from MBRR SA8

T 5.4.8

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

#### 5.5 CAPITAL EXPENDITURE

## Capital Expenditure: 2023/24



T 5.5.1

5.6 SOURCES OF FINANCE

R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	138	135	133	4,0%	1,5%
	<b>138</b>	<b>135</b>	<b>133</b>	4,0%	1,5%
Operating Expenditure	982	986	987	-0,5%	-0,1%
	<b>982</b>	<b>986</b>	<b>987</b>	-0,5%	-0,1%
<b>Total expenditure</b>	<b>1 120</b>	<b>1 121</b>	<b>1 119</b>	0,1%	0,1%
Water and sanitation	69	70	70	-1,1%	0,4%
Electricity	47	48	48	-0,7%	0,0%
Housing	5	5	5	-3,5%	0,0%
Roads, Pavements, Bridges and storm water	16	14	14	15,3%	5,5%
Other	6	6	6	4,0%	0,0%
	<b>138</b>	<b>135</b>	<b>133</b>	4,0%	1,5%
External Loans	30	31	31	-3,3%	0,0%
Internal contributions	42	34	34	19,9%	0,0%
Grants and subsidies	66	76	76	-14,9%	0,0%
Other	–	–			
	<b>138</b>	<b>141</b>	<b>141</b>	-1,8%	0,0%
External Loans	35	35	35	0,0%	0,0%
Grants and subsidies	162	162	162	0,0%	0,0%
Investments Redeemed	30	48	48	-59,9%	0,0%
Statutory Receipts (including VAT)	85	87	88	-4,1%	-1,3%
Other Receipts	870	856	858	1,3%	-0,2%
	<b>1 182</b>	<b>1 189</b>	<b>1 192</b>	-0,8%	-0,2%

# Chapter 5

Salaries, wages and allowances	313	311	311	0,8%	0,0%
Cash and creditor payments	550	527	532	3,4%	-0,8%
Capital payments	102	142	141	-38,1%	0,7%
Investments made	–	54	43		20,8%
External loans repaid	56	64	64	-14,6%	0,2%
Statutory Payments (including VAT)	93	92	92	1,7%	0,1%
Other payments	–	8	1		89,9%
	<b>1 115</b>	<b>1 198</b>	<b>1 183</b>	-6,1%	1,3%
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Audited Full Year Total</b>	<b>Original Budget variance</b>	<b>Adjusted Budget Variance</b>
Property rates	164	164	164	-0,3%	-0,1%
Service charges	604	604	604	-0,1%	0,0%
Other own revenue	214	215	215	-0,5%	0,0%
	<b>982</b>	<b>984</b>	<b>984</b>	-0,2%	0,0%
Employee related costs	303	300	301	0,6%	-0,1%
Provision for working capital	–	–	–		
Repairs and maintenance	51	52	52	-2,3%	-0,1%
Bulk purchases	291	293	293	-0,9%	0,0%
Other expenditure	338	340	340	-0,8%	-0,2%
	<b>982</b>	<b>986</b>	<b>987</b>	-0,5%	-0,1%
Service charges: Electricity	314	322	324	-2,9%	-0,3%
Grants & subsidies: Electricity	7	11	12	-75,7%	-11,9%
Other revenue: Electricity	22	22	22	-2,5%	-0,2%
	<b>343</b>	<b>356</b>	<b>358</b>	-4,4%	-0,7%
Employee related costs: Electricity	13	13	13	3,7%	1,5%

Provision for working capital: Electricity	–	–	–		
Repairs and maintenance: Electricity	17	19	19	-17,0%	0,4%
Bulk purchases: Electricity	179	184	184	-3,0%	0,0%
Other expenditure: Electricity	34	50	51	-51,7%	-2,7%
	<b>242</b>	<b>266</b>	<b>267</b>	-10,3%	-0,4%
Service charges: Water	138	139	140	-1,9%	-0,9%
Grants & subsidies: Water	27	26	26	7,1%	0,0%
Other revenue: Water	12	14	14	-21,0%	-0,9%
	<b>177</b>	<b>178</b>	<b>180</b>	-1,8%	-0,8%
Employee related costs: Water	13	14	14	-4,1%	0,1%
Provision for working capital: Water	–	–	–		
Repairs and maintenance: Water	9	9	9	-10,2%	-0,7%
Bulk purchases: Water	86	88	89	-3,2%	-0,2%
Other expenditure: Water	49	45	45	8,2%	0,2%
	<b>156</b>	<b>156</b>	<b>157</b>	-0,1%	-0,1%

T 5 6 1

# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2023/24			Variance: Current 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Eerstehoek Bulk Water Scheme phase 4	R 128,491,128.40	0	R 128,491,128.40	0%	100%
Upgrading of Carolina WWTW - Package 1 & 2	R 315,362,960.36	0	R 315,362,960.36	0%	100%
Upgrading of Emanzana Wastewater Scheme	R 36,598,827.41	0	R 36,598,827.41	0%	100%
Upgrading of Carolina WWTW to 6 Mega litres	R 325,000,000.00	0	R 325,000,000.00	0%	100%
Construction of Nhlazatshe Road	R 56,740,779.20	0	R 56,740,779.20	0%	100%
<b>Eerstehoek Bulk Water Scheme phase 4</b>					
Objective of Project	To upgrade plant from 14ML to 29ML				
Delays	Strikes from SMMEs and also vandalism				
Future Challenges	None				
Anticipated citizen benefits	Based on current population, everyone will have access to water once the project is complete				
<b>Upgrading of Carolina WWTW - Package 1 &amp; 2</b>					
Objective of Project	Upgrade the plant to accommodate all community members and future demands				
Delays	Strikes from SMMEs and vandalism				
Future Challenges	None				
Anticipated citizen benefits	All community members to have access to sanitation				
<b>Upgrading of Emanzana Wastewater Scheme</b>					
Objective of Project	Upgrade the plant to accommodate all community members and future demands				
Delays	Strikes from SMMEs and vandalism				
Future Challenges	None				
Anticipated citizen benefits	All community members to have access to sanitation				
<b>Upgrading of Carolina WWTW to 6 Mega litres</b>					
Objective of Project	Upgrade the plant to accommodate all community members and future demands				
Delays	Strikes from SMMEs and vandalism				
Future Challenges	None				
Anticipated citizen benefits	All community members to have access to sanitation				

<b>Construction of Nhlazatshe Road</b>	
Objective of Project	To minimise road traffic at Nhlazatshe
Delays	Strikes from SMMEs and vandalism
Future Challenges	None
Anticipated citizen benefits	The community will not be delayed on the road due to traffic
<i>T 5.7.1</i>	

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure, and extending infrastructure to eradicate the backlog in service delivery. CoGTA must ensure that municipalities in the province are fully functional to enable the delivery of infrastructure and municipal services. This Chapter attempts to give an indication of the performance of the Municipality during the municipal financial year ended 30 June 2024.

#### Electricity

The backlog is mostly in the Eskom-supply areas. Connection costs remained high in the deep rural areas due to sparsely populated rural settlements; in some instances, Eskom delayed the energisation of connected households. Old and under-maintained infrastructure in municipal areas of supply remained a challenge. Recurring power outages during high the demand season, especially in Silobela, remained a challenge.

#### Water

The main challenge remained the provision of water in deep rural areas and areas outside the bulk water infrastructure. The Municipality continued to supply water to these settlements through boreholes and water tankers.

#### Sanitation

The Municipality had been providing VIP toilets to eradicate the sanitation backlog. However, Province had since directed the Municipality to cease the sanitation technology, especially in rural areas where there was no infrastructure. The Municipality has piloted Smarts and toilets as an alternative to VIP toilets.

*T 5.8.1*

# Chapter 5

Service Backlogs as at 30 June 2023/24				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	60 788	96%	2 515	4%
Sanitation	62 974	99%	329	1%
Electricity	61 447	97%	1 856	3%
Waste management	23 399	37%	39 904	63%
Housing	63 303	99%	101	1%
T 5.8.2				

Municipal Infrastructure Grant (MIG)* Expenditure 2023/24 on Service backlogs					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<b>Infrastructure - Road transport</b>					
<i>Roads, Pavements &amp; Bridges</i>	31500000	0	33524379	0%	0%
<i>Storm water</i>	0	0	0	0%	0%
<b>Infrastructure - Electricity</b>					
<i>Generation</i>	0	0	0	0%	0%
<i>Transmission &amp; Reticulation</i>	0	0	0	0%	0%
<i>Street Lighting</i>	4300000	0	4012198.29	0%	0%
<b>Infrastructure - Water</b>					
<i>Dams &amp; Reservoirs</i>	0	0	0	0%	0%
<i>Water purification</i>	9531251	0	10632744.9	0%	0%
<i>Reticulation</i>	23241840	0	21159921.4	0%	0%
<b>Infrastructure - Sanitation</b>					
<i>Reticulation</i>	10000000	0	10143383.7	0%	0%
<i>Sewerage purification</i>	0	0	0	0%	0%
<b>Infrastructure - Other</b>					
<i>Waste Management</i>	946710	0	946709.336	0%	0%
<i>Transportation</i>	0	0	0	0%	0%
<i>Gas</i>	0	0	0	0%	0%
<b>Community Facilities</b>					
Refurbishment and Upgrading of Mpuluzi Stadium	2000000	0	1990732.08	0%	0%
<b>Total</b>	81519801		82410068.7	0%	0%

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

In terms of the MFMA (2003), a municipality must establish an appropriate and effective cash management and investment policy. Within this policy, a municipality must:

- Conduct its cash management and investments; and
- Invest money if it is not immediately required.

Surplus cash refers to money that is not immediately required for expenditure; that surplus could include income from rates and services, rents, fines, grants, subsidies, levies, and interest earned on investments. The Finance Department reported quarterly to the Executive Mayor and the Finance Portfolio Committee in terms of MFMA (2003) S11, in order to assess the performance of the investment portfolio, and to ensure that the investments complied with policy objectives, guidelines, and applicable laws and regulations.

Cash flow management is critical to the sustainability of the Municipality as it enables the Municipality to assess whether sufficient cash is available to meet short-term and long-term obligations. Cash flow is managed and monitored on a daily and monthly basis.

*T 5.9*

# Chapter 5

## 5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2022/23	Current: 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other Government - operating	146,895	135,400	74,889	158,921
Government - capital	756,395	R 944,527.00	R 914,388.00	R 924,995.00
Interest Dividends	9,546	R 35,121.00	R 25,121.00	R 16,229.00
<b>Payments</b>				
Suppliers and employees	608,029	420,208	389,031	376,740
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,520,865</b>	<b>556,588</b>	<b>464,859</b>	<b>536,602</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	309,947			–
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>309,947</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				

Repayment of borrowing				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1,830,812</b>	<b>556,588</b>	<b>464,859</b>	<b>536,602</b>
Cash/cash equivalents at the year begin:	<b>26,250</b>	<b>4,083</b>	<b>4,083</b>	<b>4,083</b>
Cash/cash equivalents at the year end:	<b>4,083</b>	<b>560,671</b>	<b>468,943</b>	<b>16,228</b>
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

### COMMENT ON CASH FLOW OUTCOMES

In the 2023/2024 fiscal year, the Municipality's expenditures accounted for 67% of the total revenue, resulting in a surplus of R 371,851,843. This marks a significant improvement compared to the 2022/2023 fiscal year, where expenditures represented 84% of the total revenue. The total revenue experienced an 18% increase, rising from R 944,251,247 in 2022/2023 to R 1,142,782,049 in 2023/2024. Consequently, the accumulated surplus reached R 2,270,294,788.

Additionally, there was a notable increase in the Municipality's cash flow from operating activities, which represents own revenue. This figure rose to R 232,865,852 in 2023/2024, compared to R 161,451,479 in 2022/2023, reflecting a 31% increase.

*T 5.9.1.1*

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality did not undertake any borrowings in the 2023/24 financial year.

*T 5.9.1.1*

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

A public-private partnership (PPP) is a contract between a government institution and a private party, where the private party performed an institutional function and/or used state property in terms of output specifications. Substantial project risk (financial, technical, and operational) is transferred to the private party, and the private party benefits through unitary payments from government budgets and/or user fees. The Municipality did not have public-private partnerships during the year under review.

*T 5.11.1*

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### **SUPPLY CHAIN MANAGEMENT**

The Municipality's Supply Chain Management is fair, equitable, transparent, competitive and cost-effective as required by the Constitution (1996), S217. There is a Supply Chain Management policy in place. All awards were reported quarterly to Council and published on the municipal website. There were no Supply Chain official that have reached the prescribed levels required for their positions as set out in the MFMA Competency Regulation Guidelines.

*T 5.12.1*

### 5.13 GRAP COMPLIANCE

#### **GRAP COMPLIANCE**

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

*T 5.13.*

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Section 121(3) of the MFMA required that the audit report be included in the annual report to be tabled. Every municipality must, for each financial year, "prepare annual financial statements that fairly present the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets, and liabilities; its business activities; and its financial results and its financial position as of the end of the financial year; and disclose the information required in terms of Sections 123, 124, and 125 of the MFMA."

This volume contains the annual financial statements, the timescale for the audit of those statements, and the production of reports on those matters by the Auditor-General. This report was the final section of the Annual Report. It included the Auditor-General's Report with the audited financial statements, as well as the pre-determined objectives that were based on the Integrated Development Plan (IDP) of the Municipality and auctioned in the Basic Services Delivery and Budget Implementation Plan (SDBIP), signed by the Honourable Executive Mayor

T 6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2022/23

### 6.1 AUDITOR GENERAL REPORTS 2022/23 (PREVIOUS YEAR)

<b>Auditor-General Report on Financial Performance: 2022/23</b>	
<b>Audit Report Status*:</b>	<b>Qualified opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Unaudited disclosure notes Section 125(2)(e) of the MFMA was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
Expenditure Management Section 62(1)(d) of the MFMA was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG

T 6.1.1

# Chapter 6

Auditor-General Report on Service Delivery Performance: 2022/23	
<b>Audit Report Status:</b>	<b>Adverse</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Municipal planning and performance management regulation 7(1) was not fully compliant	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
T 6.1.2	

## COMPONENT B: AUDITOR-GENERAL OPINION 2023/24 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT 2023/24

Auditor-General Report on Financial Performance Year 2023/24*	
<b>Status of audit report:</b>	<b>Qualified Opinion</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b>Statutory receivables</b> Municipality did not recognise all items of statutory receivables in accordance with GRAP 108	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
<b>Net cash flows from operating activities</b> Was not correctly prepared and disclosed as required Standards of GRAP 2	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
<b>Unauthorised expenditure</b> Was not recorded in accordance with section 125(2)(d) of the MFMA	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
<b>Commitments</b> Not all capital commitments were included in note 32	The Municipality developed an action plan that is updated on a monthly basis and is reviewed by the Internal Audit function to address the issues by AG
T 6.2.1	

Auditor-General Report on Service Delivery Performance: 2023/24*	
<b>Status of audit report**:</b>	Unqualified opinion
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
None	N/A
T 6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS:



AUDITOR - GENERAL  
SOUTH AFRICA

The accounting officer  
Chief Albert Luthuli Local Municipality  
PO Box 24  
Carolina  
1185  
30 November 2024

Reference: 02144REG23-24

Dear Sir

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Chief Albert Luthuli Local Municipality for the year ended 30 June 2024.**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

*Auditing to build public confidence*

Auditor-General of South Africa  
www.agsa.co.za

# Chapter 6

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



.....

Daniel Radebe

Senior Manager: Mpumalanga

Enquiries: Daniel Radebe

Telephone: 013 756 0800

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## Report of the auditor-general to Mpumalanga Provincial Legislature on Chief Albert Luthuli Local Municipality

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Chief Albert Luthuli Local Municipality set out on pages 1 to 86, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effect and possible effects of the matters described in the basis for qualified opinion section of this auditor's report the financial statements present fairly, in all material respects, the financial position of the Chief Albert Luthuli Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

#### Basis for qualified opinion

##### Receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence to support the allowance for impairment as disclosed in note 4 to the financial statements, as the payment ratio used to calculate the impairment could not be substantiated. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary relating to the allowance for impairment for receivables from exchange transactions stated at R252,22 million (2022-23: R218,64 million) in note 4 to the financial statements; and debt impairment expenditure, stated at R41,20 million (2022-23: R79,63 million) in the statement of financial performance.
4. In addition to the individually material uncorrected misstatements, the corresponding balance for receivables from exchange transactions was materially misstated by R10,99 million due to the cumulative effect of individually immaterial uncorrected misstatements.

##### Statutory receivables

5. I was unable to obtain sufficient appropriate audit evidence to support the allowance for impairment as disclosed in note 5 to the financial statements, as the payment ratio used to calculate the impairment could not be substantiated. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary relating to the allowance for impairment, stated at R235,74 million (2022-23:

# Chapter 6

R228,12 million) in note 5 to the financial statements; the debt impairment expenditure, stated at R41,20 million (2022-23: R79,63 million) in the statement of financial performance.

6. The municipality did not recognise all items of statutory receivables in accordance with GRAP 108, *Statutory receivables*. Accounts that were already excluded in the age analysis were again reversed. Consequently, the comparative amounts for statutory receivables was understated by R161 million and accumulated surplus overstated by the same amount.

## Net cash flows from operating activities

7. Net cash flows from operating activities was not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R459,01 million in the financial statements were necessary.

## Impairment loss

8. During 2023, I was unable to obtain sufficient appropriate audit evidence for impairment loss. The municipality did not have adequate systems in place to maintain its records as the methodology used and calculations for impairment loss could not be provided. I was unable to confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the comparative figure for impairment loss stated at R17,62 million included in the statement of financial performance.

## Unauthorised expenditure

9. Unauthorised expenditure was not recorded in accordance with section 125(2)(d) of the MFMA. The municipality incorrectly calculated unauthorised expenditure in the current year by netting off savings from different votes against each other, resulting in the current year unauthorised expenditure being understated by R174,15 million.

## Water distribution losses

10. During 2023, I was unable to obtain sufficient appropriate audit evidence that water distribution losses had been properly accounted for as the water extraction reports were not made available for audit. I was unable to confirm the water distribution losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to water distribution losses comparative figure stated at 3 619 974 Kilolitre (39.31%) in note 27 to the financial statements.

## Commitments

11. Not all capital commitments were included in note 32 to the financial statements, as required by section 124(d)(i) of GRAP 1. An error in the formula used to calculate contractual commitments resulted in capital commitments amounting to R90,37 million not included in the note.

### Statement of comparison of budget and actual amounts

12. The cash flow statement included in the statement of comparison of budget and actual amounts was not disclosed in accordance with GRAP 24, Presentation of budget information in financial statements as the actual amounts on comparable basis was omitted from the statement.
13. Furthermore, financing activities were not included in the statement of comparison of budget and actual amounts. In an instance where the financial statements and the budget are not prepared on a comparable basis it should be reconciled to actual amounts presented in the financial statements. If the accrual basis is adopted for the budget, total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities should be included in the reconciliation.

### Principal-agent arrangement

14. The principal-agent arrangement was not recognised in accordance with GRAP 109, *Accounting by principals and agents*. The municipality entered into a binding arrangement with an agent for the provision of an online pre-paid electricity vending system. I have not included the omitted information in this auditor's report as it was impracticable to do so.

### Risk management

15. Not all financial instruments were disclosed in note 35 to the financial statements, as required by GRAP 104, *Financial instruments*. Financial liabilities that are exposed to the liquidity risk were not disclosed. I have not included the omitted information in this auditor's report as it was impracticable to do so.

### Segment information

16. I was unable to obtain sufficient appropriate audit evidence of the disclosure requirements for segment information disclosed in note 42 to the financial statement, as required by GRAP 18, *Segment reporting*. A detailed schedule supporting the breakdown of the reported information could not be submitted for audit. I was unable to confirm the reported information by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the segment information.

### Context for opinion

17. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
18. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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19. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of matters**

20. I draw attention to the matters below. My opinion is not modified in respect of these matters

### **Restatement of corresponding figures**

21. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

### **Material losses – electricity**

22. As disclosed in note 27 to the financial statements, material electricity losses of R19,29 million (2022-23: R26,79 million) were incurred, which represents 37,7% (2022-23: 46,52%) of total electricity purchased.

## **Other matter**

23. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited disclosure notes**

24. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## **Responsibilities of the accounting officer for the financial statements**

25. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

26. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

## **Responsibilities of the auditor-general for the audit of the financial statements**

27. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a

but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

28. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

29. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

30. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected key performance area that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	19, 37, 38, 40 & 44	Delivery of quality municipal services

31. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

32. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be

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delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

33. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

34. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority:

- Basic service delivery and infrastructure development

## Other matters

35. I draw attention to the matters below.

## Achievement of planned targets

36. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

37. The table that follows provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 19, 36, 37, 39, 44 & 45.

## Basic service delivery and infrastructure development

<i>Targets achieved: 86.27%</i>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Percentage of waste management service rendered on 6 areas	100%	86%
Number of mega litres of water supplied to deep rural areas	107.52 Mega Litres	43.94 Mega Litres
Percentage of water samples taken as per annual sampling points	100%	88.6%
Percentage of public lights maintained	90%	29%
Percentage of pumps and motors repaired within 3 days after being reported	100%	97%

Percentage of electrical panels repaired/ maintained internally after faults detected within 2 days	100%	93%
Petrol consumption report submitted to Portfolio Committee meeting	12	4

### Material misstatements

38. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery and infrastructure development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

### Report on compliance with legislation

39. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
40. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
41. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
42. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Financial statements, performance reports and annual reports

43. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

### Expenditure management

44. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

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45. Reasonable steps were not taken to prevent irregular expenditure amounting to R1,91 million as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.

## Procurement and contract management

46. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

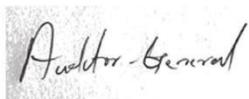
## Other information in the annual report

47. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported on in this auditor's report.
48. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
49. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
50. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

51. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
52. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
53. There was insufficient oversight and monitoring of the implementation of internal controls, which resulted in material misstatements of the financial statements and the annual performance report, as well as non-compliance with laws and regulations.

54. There was insufficient monitoring and oversight over the implementation of the audit action plan.



Mbombela

30 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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## **Annexure to the auditor's report**

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional scepticism**

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

#### **Financial statements**

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows: <sup>1</sup>

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009:	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005:	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

<b>Legislation</b>	<b>Sections or regulations</b>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

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## COMMENTS ON AUDITOR-GENERAL'S OPINION 2023/24

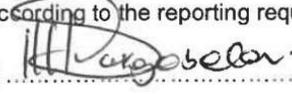
The Municipality received a qualified audit opinion for the 2023-24 financial year.

The Audit Strategy and the Engagement Letter were discussed with Management. The Municipality received the Audit Report on 30 November 2024

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## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)  22/01/2025 Dated

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# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; 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>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a

# GLOSSARY

	product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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 EPMS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance (01 July 2023 – 30 June 2024)					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage for non-attendance
	FT/PT			%	%
Nkosi, DP	Full Time	Executive Mayor Mayoral Committee Policies and By-Laws S79	PR	100%	0%
Gininda, SV	Full Time	Speaker Policies and By-Laws S79. Local Geographical Naming, Petitions, Rules and Ethics S79	PR	100%	0%
Masuku-Sidu, LL	Full Time	Whip of Council Policies and By-Laws S79	PR	100%	0%
Motaung, RM	Full Time	MPAC S79A	Ward 17	100%	0%
Mathebula, JT	Full Time	Mayoral Committee. Corporate Services S80;	Ward 20	100%	0%
Zulu-Khumalo, GG	Full Time	Mayoral committee. Community Services S80	PR	100%	0%
Thomo, NG	Full Time	Section 80 PMU Mayoral Committee.	PR	100%	0%

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Councillors, Committees Allocated and Council Attendance (01 July 2023 – 30 June 2024)					
Dhlamini, ES	Full Time	Mayoral Committee. Finance S80	PR	100%	0%
Dube, SN	Full Time	Mayoral Committee. Technical Services S80	Ward 6	90%	10%
Nkumane MJ	Part Time	LGNC S79	Ward 1	90%	10%
Khumalo SP	Part Time	PED S79	Ward 2	90%	10%
Dlamini NV	Part Time	Technical Services S79	Ward 3	100%	0%
Mabuza VB	Part Time	Technical Services S80	Ward 4	90%	10%
Nkosi NP	Part Time	PED S80	Ward 5	100%	0%
Manana BL	Part Time	Technical Services S79	Ward 7	80%	20%
Methula ZC	Part Time	PMU S80	Ward 8	100%	0%
Nkambule KV	Part Time	Community Services S80	Ward 9	80%	0%
Lulane SK	Part Time	Community Services S79	Ward 10	80%	0%
Makene J	Part Time	Community Services S79	Ward 11	90%	10%
Shiba XSG	Part Time	PED S79	Ward 12	70%	30%
Hlatshwayo PT	Part Time	Technical Services S80	Ward 13	100%	0%
Mauku BM	Part Time	Community Services S80	Ward 14	100%	0%
Mncina LM	Part Time	MPAC S79A	Ward 15	100%	0%
Maisela SJ	Part Time	Finance S79	Ward 16	80%	20%
Gininda O	Part Time	PED S80	Ward 18	90%	10%

Councillors, Committees Allocated and Council Attendance (01 July 2023 – 30 June 2024)					
Masuku BM	Part Time	PED S80	Ward 19	90%	10%
Mbokane PS	Part Time	Corporate Services S80	Ward 21	80%	20%
Jele D	Part Time	Technical Services S79	Ward 22	90%	10%
Nkosi PZ	Part Time	Corporate Services S79	Ward 23	80%	20%
Thwala SJ	Part Time	Finance S80	Ward 24	90%	10%
Nkosi AJ	Part Time	Finance S79	Ward 25	80%	20%
Mbuli TG	Part Time	Corporate Services S80	PR	100%	0%
Sikhakhane NB	Part Time	Corporate Services S79	PR	100%	0%
Adams PP	Part Time	PMU S80	PR	100%	0%
Phakathi FDM	Part Time	MPAC S79 A	PR	100%	0%
Thomo GP	Part Time	Finance S79	PR	90%	10%
Matshaba KA	Part Time	Finance S80	PR	100%	0%
Nkosi DS	Part Time	MPAC S79A	PR	70%	30%
Van Der Walt L	Part Time	Finance S79	PR	90%	10%
Ndebele JCH	Part Time	PED Section 79		70%	30%

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Councillors, Committees Allocated and Council Attendance (01 July 2023 – 30 June 2024)					
			PR		
Mbatha ME	Part Time	Corporate Services S79	PR	90%	10%
Thambekwayo MT	Part Time	Community Services S79	PR	60%	40%
Sithole BI	Part Time	Policies and By Laws S79	PR	100%	0%
Nkosi LNP	Part Time	MPAC S79A	PR	70%	30%
Hlophe MP	Part Time	Rules and Ethics S79	PR	70%	30%
Nkambule TT	Part Time	Technical Services S79	PR	70%	30%
Hlatshwayo CP	Part Time	Policies and By-Laws S79	PR	70%	30%
Zwane FC	Part Time	S79 LGNC	PR	90%	10%
					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<p>S79 Committees [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p> <p>Finance Section 79.                      Technical Services Section 79.                      Community Safety Services Committee Section 79.                      Geographic Naming, Rules, Ethics and Petitions Committee.                      Municipal Public Accounts Committee (MPAC).                      Planning and Economic Development Section 79.                      Policies and By-Laws Committee.                      Local Labour Forum (LLF).</p> <p>Multiparty Women’s Commission Section 79.</p>	<p>To perform oversight over municipal departmental activities and performance</p>
<p>S79 Municipal Public Accounts Committee (MPAC) [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]</p>	<p>i) To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;                      ii) In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the annual report must also be reviewed; this relates to current in-year reports, including the quarterly, mid-year and annual reports;                      iii) To examine the financial statements and audit reports of the Municipality, and in doing so, the Committee must consider improvements from previous statements and reports and must evaluate the extent to which the recommendations of the Audit Committee and Auditor-General have been implemented;                      iv) To promote good governance, transparency and accountability on the use of municipal resources;                      v) To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already</p>

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Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
	undertaken by the Municipality of the Audit Committee; and vi) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.
S79 Policies and By-Laws Committee [Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)]	To consider all Council policies and by-laws, and make inputs and recommendations to Council
Audit Committee [S166 Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)]	i) To advise the Municipal Council, political office-bearers, accounting officer and management staff on matters relating to internal financial control and internal audit; risk management, accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; compliance with the Act, the annual Division of Revenue Act (DoRA) and any other applicable legislation; performance evaluation; and other issues referred to it by the Municipality; ii) To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, and its overall level of compliance with the Act, the DoRA, and other applicable legislation; iii) To respond to council on any issues raised by the Auditor-General in the audit report; iv) To carry out such investigations into the financial affairs of the municipality as the council may request; and v) To perform such other functions as may be prescribed.
S80 Committees [(Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)) • Technical Services and PMU Committee • Community and Safety Services Committee • Corporate Services Committee • Finance Committee • Planning and Economic Development Committee	To assist the Executive Mayor in performing her oversight duties over administration on a day-to-day basis

## Committees (other than Mayoral / Executive Committee) and Purposes of Committees

### Ward Committees

increase the participation of local residents in municipal decision making, as they are a direct and unique link with the council

- are representative of the local ward, and are not politically aligned

- should be involved in matters such as the Integrated Development Planning Process, municipal performance management, the annual budget, council projects and other key activities and programmes as all these things impact on local people

- can identify and initiate projects to improve the lives of people in the ward

- can support the councillor in dispute resolutions, providing formation about municipal operations

- can monitor the performance of the municipality and raise issues of concern to the local ward

- can help with community awareness campaigns e.g. waste, water and sewage, payment of fees and charges, as members know their local communities and their needs.

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Executive Mayor	Manager: Office of the Executive Mayor (Mr M.S. Nkosi)
Office of the Municipal Manager	Manager: Executive Support (Mr M.E. Shongwe)
	Manager: Internal Audit Unit (Ms V.M Mathibi)
	Manager: Risk Management Unit (Ms S.K. Mavimbela)
	Manager: Performance Management Unit (Ms Z.E. Mtshweni)
Corporate Services	Chief of Staff (Mr M.S. Nkosi)
	Manager: Legal Services (Mr C.F. Dlamini)
	Manager: Human Resources (Mr E.D. Nkosi)
	Manager: Records and Administration (Mr T.M. Nhlapo)
	Unit Manager: Emanzana (Ms C.A. Chirwa)
	Unit Manager: Elukwatini (Mr V. Shabangu)
	Unit Manager: Ekulindeni (L.W. Thwala)
	Unit Manager: Empuluzi (Mr D. Sibiya)
	Manager: Administration (Mr D.S. Nhlabathi)
	Manager: Council Support (Mr N.E. Mthombeni)
	Manager: Communications (Mr T.T. Phetla)
	Manager: Head of Office (Office of the Speaker) (Mr J. Khumalo)
	Manager: Information and Communications Manager (Mr K. Marwane)
Financial Services	Manager: Budget and Treasury Office (Ms W.N. Reaname)
	Manager: Revenue (Mr D.M. Gininda)
	Manager: Expenditure (Mr O.G. Hlophe)
	Manager: Supply Chain Management Unit (Mr N.S. Mlangeni)
	Manager: Asset Management Unit (Ms C.N. Madinane)
	Manager: Revenue (Ms N.F. Malaza)
Community Services	Manager: Waste Management Unit (Ms N.P. Thabethe)
	Chief fire officer: (Mr G.O.L. Phetlhu)
	Chief Traffic Officer (Ms L.D. Zulu)
Technical Services	Manager: Water and Sanitation Services (Mr M.E. Gumede)
	Manager: Electricity Service (Ms M.A. Vilakazi)
	Manager: Roads and Stormwater Services (Mr A. Maqola)
	Manager: Project Management Unit (Mr T. Thela)
	Manager: Electro-Mechanic (Mr M. Ngobeni)
Planning and Economic Development	Manager: Local Economic Development (Mr M.E. Thomo)
	Manager: Human Settlement (Mr J.A. Mndawe)
	Manager: Integrated Development Planning (Mr L.G. Shabangu)
	T C

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

<b>Municipal / Entity Functions</b>	
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	No
Cemeteries, funeral parlours, and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care, and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	No
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes

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Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees (July 2023 – June 2024)					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/ No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Nkumane MJ	Yes	12	12	4
2	Khumalo SP	Yes	12	12	4
3	Ngwenya RD	Yes	12	12	4
4	Mabuza VB	Yes	12	12	4
5	Nkosi NP	Yes	12	12	4
6	Dube, SN	Yes	12	12	4
7	Manana BL	Yes	12	12	4
8	Methula ZC	Yes	12	12	4
9	Nkambule KV	Yes	12	12	4
10	Lulane SK	Yes	12	12	4
11	Makene J	Yes	12	12	4
12	Shiba XSG	Yes	12	12	4
13	Hlatshwayo PT	Yes	12	12	4
14	Mauku BM	Yes	12	12	4
15	Mncina LM	Yes	12	12	4
16	Maisela SJ	Yes	12	12	4
17	Motaung, RM	Yes	12	12	4
18	Gininda O	Yes	12	12	4
19	Masuku BM	Yes	12	12	4
20	Mathebula, JT	Yes	12	12	4
21	Mbokane PS	Yes	12	12	4

22	Jele D	Yes	12	12	4
23	Nkosi PZ	Yes	12	12	4
24	Thwala SJ	Yes	12	12	4
25	Nkosi AJ	Yes	12	12	4

#### APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2023/24				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Eerstehoek Bulk Water Scheeme	15-Jun-22	14-Jun-24	R 128,491,128.4
2	Upgrading of Carolina WWTW	01-Mar-24	29/02/2026	R 225,283,850
3	Construction of Nhlazatshe 3 Collector Access Road	14-Nov-22	30-Jun-24	R 56,247,381.12
4	Construction of Nhlazatshe Road	12-Nov-17	30-Jun-24	R 56,740,779.2
5	Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	15-Jun-23	30-Jun-24	R 126,308,945.00
6	Upgrading of Emanzana Wastewater Scheeme	13-Mar-23	30-Jun-25	R 36,598,827.41
7	Mpuluzi Methula phase 5,6 &7	26-Feb-21	29-Oct-24	R 174,643,863.8
<i>T F.1</i>				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	60 788	62 974	61 447	23 399	X
Households without minimum service delivery	2 515	329	1 856	39 904	
Total Households*	63 303	63 303	63 303	63 303	
Houses completed in year	X				
Shortfall in Housing units	X				
<i>*Including informal settlements</i>					
<i>T F.2</i>					

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2023/24
1	ALMT18/2017 - Elukwatini G water distribution network system	Completed
2	ALMT12/2022 - Construction of VIP Toilets 2012-2015	Completed
3	ALMP01/2022 - Construction of Nhlazatshe 3 Collector Access Roads	Completed
4	ALMT13/2021 - Installation of Highmast	Completed
<i>T F.3</i>		

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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/24

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2023/24	Recommendations adopted (enter Yes) If not adopted (provide explanation)
01 August 2023	The Audit Committee recommended that the report for the UIFW investigation should include the scope of the investigation, the objectives and also the results achieved on the investigation and the recommendations to Council.	yes
01 August 2023	Audit committee recommended that management should have timelines to receive on correspondence of the close-up report on assets management at year-end and ensure that the report is GRAP compliant	yes
01 August 2023	Management should ensure that impairments that are material should be submitted to Council for noting	yes
01 August 2023	The Audit Committee recommended that management should include political leaders to encourage the community in paying for the municipal services in as a way of improving revenue collection in the Municipality	yes
01 August 2023	The Audit Committee recommended management should include the timelines for modules are not implemented yet	yes
01 August 2023	The Audit committee recommended that management should develop a rotation plan for service providers who are appointed in panels.	yes
01 August 2023	Management should conduct a reconciliation of the finance report as well as the PMU report to ensure the accuracy of grant spending.	yes
01 August 2023	Audit Committee recommended that management should include the method that	yes

	was used to evaluate the 2 Managers who were absent to ensure that a proper process was followed as well.	
01 August 2023	Audit Committee recommended that management should include the method that was used to evaluate the 2 Managers who were absent to ensure that a proper process was followed as well.	yes
23 October 2023	The Audit Committee recommended that the procurement plan should include more projects that are linked to service delivery. The CFO should include the procurement plan for 12 months.	yes
23 October 2023	The Audit Committee recommended that the Internal Audit should adopt the KING IV report.	yes
23 October 2023	The Audit committee recommended that the PMS reports should be reported with the audited from the Internal Audit report for that quarter	yes
23 October 2023	The Audit committee recommended the HODs to revisit their reasons for not achieving their targets and align them with the implications it has on the service delivery.	yes
23 October 2023	The Audit Committee recommended that the ICT report should include the issues of the financial systems in terms of the support that the Unit is giving to the Institution.	yes
23 October 2023	The Audit Committee recommended that the management should report on the BCP strategy in relation to the challenges of the financial system	yes
23 October 2023	The Audit Committee recommended that management should report on the cyber security issues within the ICT report and the respond by the Municipality should there be a breach in the system.	yes
23 October 2023	The Audit committee recommended that management should resolve matters that	Yes

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	affect service delivery and can be resolved internally.	
23 October 2023	The Audit Committee recommended that Management should investigate the old matters and evaluate whether they are still financially feasible to pursue them.	yes
17 January 2024	The Audit Committee recommended that the interim financial statements should also be reviewed by external reviewers. This will assist management to implement the recommendations by the reviewer on time during the preparation of the Annual Financial Statements.	yes
17 January 2024	In relation to the R1.5 million, the Audit Committee recommended that management should include the balances (opening and closing) as well as the work done in terms of debt written-off for disclosure purposes.	Yes
17 January 2024	The Audit Committee recommended that management should review the policies to ensure that they are in alignment in terms of what is expected and how information should be reported on the ground.	Yes
17 January 2024	management should give clear reasons for not achieving as this will be the refence when setting targets in the future.	No
17 January 2024	The Audit committee recommended that the ICT should resume the responsibility of ensuring that the municipal data is controlled internally and not by the Service provider.	Yes
17 January 2024	management should ensure that the contracts with the service providers are scrutinised before they are signed.	Yes
17 January 2024	that management should consider conducting an assessment on some of the matters to verify whether the Municipality will be able to recover the costs involved.	Yes
17 January 2024	that management should include dates on which actions were taken or a meeting held with the plaintiffs or the attorney to show progress/movement on the matters.	Yes
17 January 2024	In relation to the technical service report, the Audit committee recommended that management should align the contracts procured by SCM to the projects that need to be executed for that quarter	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Four (4) Largest Contracts Entered into during 2023/24)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
TMS Consulting	Construction of Nhlazatshe Road	12-Nov-17	30-Jun-24	B.P. Thela	R 47 054 604,49
RSK Consulting	construction of Badplass Landfill site	14-Nov-22	30-Jun-26	B.P. Thela	R 20 689 551,82
NKP Consulting	Construction of Carolina Collector Access Road	08-Sep-22	30-Jun-25	B.P. Thela	R 37 978 946,80
Vumesa Consulting	Mpuluzi Methula phase 5,6 &7	26-Feb-21	29-Oct-24	B.P. Thela	R174 643 863,77

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose  (i)	(a) Service Indicators  (b) Service Targets  (ii)	2023/24		2022/23		2022/21	2020/21		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Chief Albert Luthuli Municipality	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of 2023/24</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial interests* (Nil / Or details)</b>
<b>(Executive) Mayor</b>	Cllr DP Nkosi	Nil
<b>Member of MayCo / Exco</b>		
MMC Technical Services	Cllr SN Dube	Nil
MMC Safety Community Services	Cllr GG Zulu	Nil
MMC Special Programmes	Cllr NG Thomo	Nil
MMC Corporate Services	Cllr JT Mathebula	Nil
MMC Finance	Cllr ES Dhlamini	Nil
MMC Ped	Cllr SP Nkosi	Nil
<b>Councillor</b>		
Ward 1	Cllr MJ Nkumane	Nil
Ward 2	Cllr SP Khumalo	Nil
Ward 3	Cllr N Dlamini	Nil
Ward 4	Cllr VB Mabuza	Nil
Ward 5	Cllr NP Nkosi	Nil
Ward 6	Cllr SN Dube	Nil
Ward 7	Cllr BL Manana	Nil
Ward 8	Cllr ZC Methula	Nil
Ward 9	Cllr KV Nkambule	Nil
Ward 10	Cllr SK Lulane	Nil
Ward 11	Cllr J Makene	Nil
Ward 12	Cllr XSG Shiba	Nil
Ward 13	Cllr PT Hlatshwayo	Nil
Ward 14	Cllr BM Mauku	Nil
Ward 15	Cllr L Mncina	Nil
Ward 16	Cllr SJ Maisela	Nil
Ward 17	Cllr RD Motaung	Nil
Ward 18	Cllr O Gininda	Nil
Ward 19	Cllr BM Masuku	Nil
Ward 20	Cllr JT Mathebula	Nil
Ward 21	Cllr PS Mbhokane	Nil
Ward 22	Cllr D Jele	Nil
Ward 23	Cllr PZ Nkosi	Nil
Ward 24	Cllr SJ Thwala	Nil
Ward 25	Cllr AJ Nkosi	Nil

<b>Municipal Manager</b>	ME Thabethe	<b>Membership of any close corporation</b> ENE Consulting Solution Ndalo Lodge Oshoek Ndalo the Group Ndalo Lodge Mbombela & Ndalo Farming  <b>Directorships</b> ET Foundation  <b>Other Financial interests in any business undertaking</b> Ephraim Thabethe T/A Ndalo Farming
<b>Chief Financial Officer</b>	MM Sekgobela	<b>Directorships</b> Matmagg Pty Ltd 2013/078018/07 Not correctly trading  <b>Other Financial interests in any business undertaking</b> Audit committee mentor of Iziko Museum
<b>Directors</b>		
Corporates Services	SS Sibeko	Nil
Planning & Economic Development	LT Motloung	Nil
Community & Safety Services	SI Malaza	Nil
Technical Services	MP Magubane	<b>Shares and securities in any Company</b> BMZ Nkomose Trading  <b>Membership of any close corporation</b> BMZ Nkomose Trading  <b>Directorships</b> BMZ Nkomose Trading  <b>Partnerships</b> BMZ Nkomose Trading
<b>Other S57 Officials</b>		
None		

# APPENDICES

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2022/23	2023/24		2023/24		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Service Charges	60,834	135,400	73,572	81,733	-66%	10%
Property rates	62,118	124,726	96,726	68,191	-83%	-42%
Rentals income	542	1,137	1,137	533	-113%	-113%
Interest earned - external transactions	17,446	35,122	25,122	14,396	-144%	-75%
Interest earned - non-exchange transactions	18,586	-	18,000	16,609	100%	-8%
Licences and permits	19	-	25	25	100%	-2%
Other income	4,449	1,688	77,866	5,990	72%	-1200%
Interest received investment	9,546	2,513	13,463	16,401	85%	18%
Donations	4,291	-	-	7,776	100%	100%
Fines, penalties and forfeits	5,377	751	751	6,090	88%	88%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>183,211</b>	<b>301,337</b>	<b>306,662</b>	<b>217,745</b>	<b>-38.39%</b>	<b>-40.84%</b>
						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Capital Programme by Project: 2023/24					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
Refurbishment and upgrading of Carolina Water Treatment Works to 6.0ml	R 9,531,251.00		R 9,531,251.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Goba, Phola& Redhill-Ward 04	R 12,767,640.00		R 12,767,640.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Swallowsnest	R 10,474,200.00		R 10,474,200.00	100%	0%
Upgrading of Emanzana Water Scheme Phase 2	R 10,000,000.00		R 10,000,000.00	100%	0%
Refurbishment of Ekulindeni WTW	R 26,204,915.00		R 26,204,915.00	100%	0%
Eerstehoek Bulk Water Scheme phase 4	R 128,491,128.40		R 128,491,128.40	100%	0%
<b>Sanitation/Sewerage</b>					
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	R 19,739,547.00		R 19,739,547.00	100%	0%
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	R 10,000,000.00		R 10,000,000.00	100%	0%
Upgrading of Emanzana Wastewater Scheme	R 36,598,827.41		R 36,598,827.41	100%	0%

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Refurbishment of Elukwatini Pumpstations	R 13,137,554.86		R 13,137,554.86	100%	0%
Refurbishment of Ekulindeni WWTW	R 26,360,983.31		R 26,360,983.31	100%	0%
Upgrading of Carolina WWTW -Package 1	R 225,283,849.98		R 225,283,849.98	100%	0%
Upgrading of Carolina WWTW -Package 2	R 90,079,110.38		R 90,079,110.38	100%	0%
Upgrading of Carolina WWTW to 6 Mega litres	R 325,000,000.00		R 325,000,000.00	100%	0%
Electricity					
Installation of Highmast Lights	R 52,267,500.00		R 4,300,000.00	100%	-1116%
Electrification of households and Buk supply	R 9,760,000.00		R 9,760,000.00	100%	0%
Waste Management					
construction of Badplass Landfill site	R 16,003,630.65		R 946,710.00	100%	-1590%
Roads					
Construction of Carolina Collector Access Road	R 56,247,381.12		R 7,000,000.00	100%	-704%
Construction of Dundonald Collector Access Roads	R 56,740,779.20		R 2,000,000.00	100%	-2737%
Construction of Fernie Collector Access Roads	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe 3 Collector Access Road	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction of Nhlazatshe Road	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe Road 2km	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction for Fernie collector access road	R 56,247,381.12		R 1,500,000.00	100%	-3650%

## COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The municipality has met all Grant requirements for both RBIG and WSIG Grants. That includes the Target dates, Monthly percentage expenditure and Quarterly expenditure. The municipality has benefited through improved infrastructure and service delivery.

*TL1*

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*				
R '000				
Description	2022/23	2023/24		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure
<b>Capital expenditure by Asset Class</b>				
<b>Infrastructure - Total</b>	<b>95 329</b>	<b>192,070</b>		<b>188,960</b>
<b>Infrastructure: Road transport - Total</b>	42 855	31,500		33,524
<i>Roads, Pavements &amp; Bridges</i>	42 854 524	31,500,000	0	33,524,379
<i>Storm water</i>	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	31 788	4,300		4,012
<i>Generation</i>	0	0	0	0
<i>Transmission &amp; Reticulation</i>	0	0	0	0
<i>Street Lighting</i>	13 988 399	4,300,000	0	4,012,198
<b>Infrastructure: Water - Total</b>	–	155,323		150,476
<i>Dams &amp; Reservoirs</i>	0	0	0	
<i>Water purification</i>	0	155,322,830	0	150,476,232
<i>Reticulation</i>	0	0	0	0
<b>Infrastructure: Sanitation - Total</b>	14 940	–		–
<i>Reticulation</i>	14 939 863	0	0	0
<i>Sewerage purification</i>		0	0	0
<b>Infrastructure: Other - Total</b>	5 746	947		947
<i>Waste Management</i>	5 745 940	946,710	0	946,709
<i>Transportation</i>	0	0	0	0
<i>Gas</i>	0	0	0	0
<i>Other</i>	0	0	0	0

# APPENDICES

## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*				
R '000				
Description	2022/23	2023/24		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure
<b>Capital expenditure by Asset Class</b>				
<b>Infrastructure - Total</b>	–	310,826		214,516
Infrastructure: Road transport - Total	–	–		–
<i>Roads, Pavements &amp; Bridges</i>	0	0	0	0
<i>Storm water</i>	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	–	–		–
<i>Generation</i>	0	0	0	0
<i>Transmission &amp; Reticulation</i>	0	0	0	0
<i>Street Lighting</i>	0	0	0	0
<b>Infrastructure: Water - Total</b>	–	68,978		71,349
<i>Dams &amp; Reservoirs</i>	0	0	0	0
<i>Water purification</i>	249 621 898	68,978,006	0	71,348,709
<i>Reticulation</i>	0	0	0	0
<b>Infrastructure: Sanitation - Total</b>	–	241,848		143,167
<i>Reticulation</i>	0	241,847,545	0	143,167,142
<i>Sewerage purification</i>	0	0	0	0
<b>Infrastructure: Other - Total</b>	–	–		–
<i>Waste Management</i>	0	0	0	0
<i>Transportation</i>	0	0	0	0
<i>Gas</i>	0	0	0	0
<i>Other</i>	0	0	0	0
<b>Community</b>	–	2,000		1,991
Parks & gardens				
Sports fields & stadia	0	2,000,000	0	1,990,732
Other				

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2023/24

Capital Programme by Project: 2023/24					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
Refurbishment and Upgrading of Carolina Water Treatment Works to 6.0ml	R 9,531,251.00		R 9,531,251.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Goba, Phola& Redhill-Ward 04	R 12,767,640.00		R 12,767,640.00	100%	0%
Replacement of AC Pipe in Empuluzi Water Scheme: Swallowsnest	R 10,474,200.00		R 10,474,200.00	100%	0%
Upgrading of Emanzana Water Scheme Phase 2	R 10,000,000.00		R 10,000,000.00	100%	0%
Refurbishment of Ekulindeni WTW	R 26,204,915.00		R 26,204,915.00	100%	0%
Eerstehoek Bulk Water Scheme phase 4	R 128,491,128.40		R 128,491,128.40	100%	0%
<b>Sanitation/Sewerage</b>					
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	R 19,739,547.00		R 19,739,547.00	100%	0%
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	R 10,000,000.00		R 10,000,000.00	100%	0%
Upgrading of Emanzana Wastewater Scheme	R 36,598,827.41		R 36,598,827.41	100%	0%

# APPENDICES

Refurbishment of Elukwatini Pumpstations	R 13,137,554.86		R 13,137,554.86	100%	0%
Refurbishment of Ekulindeni WWTW	R 26,360,983.31		R 26,360,983.31	100%	0%
Upgrading of Carolina WWTW -Package 1	R 225,283,849.98		R 225,283,849.98	100%	0%
Upgrading of Carolina WWTW -Package 2	R 90,079,110.38		R 90,079,110.38	100%	0%
Upgrading of Carolina WWTW to 6 Mega litres	R 325,000,000.00		R 325,000,000.00	100%	0%
<b>Electricity</b>					
Installation of Highmast Lights	R 52,267,500.00		R 4,300,000.00	100%	-1116%
Electrification of households and Buk supply	R 9,760,000.00		R 9,760,000.00	100%	0%
<b>Waste Management</b>					
construction of Badplass Landfill site	R 16,003,630.65		R 946,710.00	100%	-1590%
<b>Roads</b>					
Construction of Carolina Collector Access Road	R 56,247,381.12		R 7,000,000.00	100%	-704%
Construction of Dundonald Collector Access Roads	R 56,740,779.20		R 2,000,000.00	100%	-2737%
Construction of Fernie Collector Access Roads	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe 3 Collector Access Road	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction of Nhlazatshe Road	R 56,740,779.20		R 4,500,000.00	100%	-1161%
Construction of Nhlazatshe Road 2km	R 56,247,381.12		R 6,000,000.00	100%	-837%
Construction for Fernie collector access road	R 56,247,381.12		R 1,500,000.00	100%	-3650%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2023/24

<b>Capital Programme by Project by Ward: 2023/24</b>		
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>R' 000 Works completed (Yes/No)</b>
<b>Water</b>		
Refurbishment and upgrading of Carolina Water Treatment Works to 6.0M <sup>3</sup> /day	15,21 & 22	Yes
Replacement of AC Pipes in Empuluzi Water Scheme: Goba, Phola & Redhill - Ward 04	4	Yes
Replacement of AC Pipes in Empuluzi Water Scheme: Swallowsnest	6	Yes
Upgrading of Emanzana Water Scheme Phase 2	12	Yes
Refurbishment of Ekulindeni WTW	12	Yes
Eerstehoek Bulk Water Scheme	10,13,14,16,18,19,20,23,24&25	Yes
Mpuluzi Methula phase 1	1,2,3,4,5,6,7,9,&11	No
Mpuluzi Methula phase 5,6 &7	1,4,5,6,7,9,&11	Yes
<b>Sanitation/Sewerage</b>		
Refurbishment of the sludge drying beds, refurbishment of the inlet works, refurbishment of the mechanical works of the activated sludge tanks, Refurbishment of the secondary clarifier's mechanical works, construction of the return activated sludge tank with the mechanical works, construction of the clarifier (civil and mechanical works), installation of the reticulation network at Silobela Ext 4	15,21&22	No
Construction of Conventional Toilets in ward 07,08,11,13,19,21&23	07,08,11,13,19,21,23	Yes
Upgrading of Emanzana Wastewater Scheme	10	No
Refurbishment of Elukwatini Pumpstations	10,13,14,16,18,19,20,23,24&25	Yes
Upgrading of Carolina WWTW	15,21&22	No
Upgrading of Carolina WWTW to 6 Mega litres	15,21&22	No
<b>Refuse removal</b>		
construction of Badplass Landfill site	17&23	No
<b>Electricity</b>		
Installation of Highmast Lights	1,6,7,9,13,15,18	Yes
Electrification of households and Buk supply	1,3,6,16,17,21	Yes
<b>Sports, Arts &amp; Culture</b>		
Refurbishment and Upgrading of Mpuluzi Stadium	1,2,3,4,5,6,7,9,&11	No
<b>Roads</b>		
Construction of Carolina Collector Access Road	15	No

# APPENDICES

Construction of Dundonald Collector Access Roads	5	No
Construction of Fernie Collector Access Roads	3	Yes
Construction of Nhlazatshe 3 Collector Access Road	17 & 23	Yes
Construction of Nhlazatshe Road	7	Yes
Construction of Nhlazatshe Road 2km	10	No
Construction for Fernie collector access road	3	No
		<i>T O</i>



Chief Albert Luthuli Local Municipality  
(Registration number MP301)  
Annual Financial Statements  
for the year ended 30 June 2024

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By  
2024 -11- 3 0  
Auditor General South Africa  
Mpumalanga Business Unit

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

### General Information

Legal form of entity	Local Municipality
Municipal Demarcation Code	MP301
Executive Mayor	Nkosi D.P
Speaker	Gininda S.V
Chief Whip	Sidu L.L
Mayoral Committee	Zulu G.G
	Mathebula J.T
	Dhlamini E.S
	Nkosi S.P
	Dube S.N
	Thomo N.G
MPAC Chairperson	Motuang R.M
Councillors	Nkumane M.J
	Khumalo S.P
	Dlamini N.E
	Mabuza V.B
	Nkosi N.P
	Manana B.L
	Methula Z.C
	Nkambule K.V
	Lulane S.K
	Makene J
	Shiba X.S.G
	Hlatshwayo P.T
	Mauku B.M
	Mncina L.M
	Maisela S.J
	Gininda O
	Masuku B.M
	Mbokane P.S
	Jele D
	Nkosi A.J
	Thwala S.J
	Nkosi A.J
	Mbuli T.G
	Sikhakhane N.B
	Adams P.P
	Phakathi F.D.M
	Thomo G.P
	Matshaba K.A
	Nkosi D.S
	Van der Walt L
	Ndebele J.C.H
	Mbatha M.E
	Thambekwayo M.T
	Sithole B.I
	Nkosi L.N.P

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## Chief Albert Luthuli Local Municipality

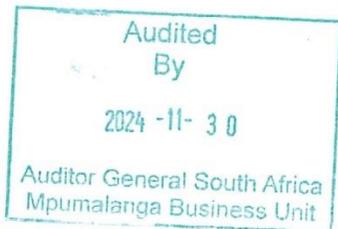
(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### General Information

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	Hlophe M.P Nkambule T.P Hlatshwayo C.S Zwane F.C Mnisi T.J
Grading of local authority	Grade 4
Chief Finance Officer (CFO)	Sekgobela Matshemo Margaret
Accounting Officer	Thabethe Mgijima Ephraim
Registered office	28 Kerk Street Carolina 1185
Postal address	P.O Box 24 Carolina 1185
Bankers	Standard Bank of South Africa Limited
Auditors	Auditor-General of South Africa Registered Auditors
Attorneys	Mohlala Attorneys Mokoena Khulani Attorneys L Guzana Attorneys Mohale Inc Lusenga Attorneys Mkhonto & Ngwenya Inc Phambane Mokone Inc Mohuba Inc Noko Maimela Inc



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## Chief Albert Luthuli Local Municipality

(Registration number MP301)

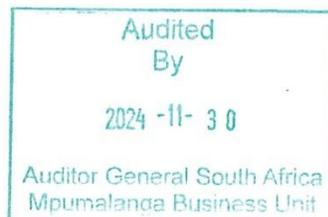
Annual Financial Statements for the year ended 30 June 2024

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#### Abbreviations used:

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
RBIG	Regional Bulk Infrastructure Grant
INEP	Integrated National Electrification Programme
WSIG	Water Services Infrastructure Grant
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
MIG	Municipal Infrastructure Grant
LG Seta	Local Government Sector Education and Training Authority
AGSA	Auditor-General of South Africa



## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the municipality sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

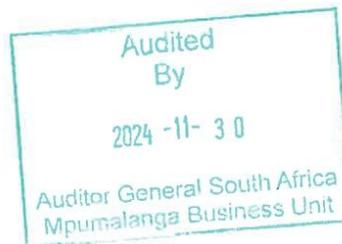
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

  
\_\_\_\_\_  
Thabethe Mphahlele Ephraim  
(Pr. Tech. Eng)



# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Audit Committee Report

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We are pleased to present our report for the financial year ended 30 June 2024.

#### Audit committee members and attendance

The audit committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises..

Name of member	Number of meetings attended
Mokgope Phetego Nommie (BCOM HONS, CTA, Professional Accountants (SA)	8
Boitumelo Vilankulu (BCOM HONS)	7
Obed Thenga (BCOM HONS, CGAP, MFMP)	8
Anil Singh (RGFP, ICMA, MFMP)	8

#### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

#### The effectiveness of internal control

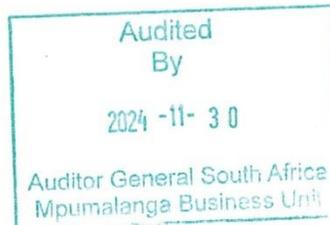
Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing matters of emphasis and none compliance issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. However, the audit committee notes management's commitment and action plan to correct deficiencies.

#### In-year management and monthly/quarterly report

The municipality does have an effective monthly and quarterly reporting system to the council as required by the Municipal Finance Management Act (MFMA).

#### Performance management

The audit committee reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and management identifying reasons for not achieving their targets as well as the corrective measures to be taken.



**Chief Albert Luthuli Local Municipality**

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

**Audit Committee Report**

---

**Risk management**

The audit committee is of the opinion that municipality's risk management appears to be effective, and the municipality did implement a comprehensive risk management strategy and related policies. Management's sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. There is a room for improvement in so far as fraud prevention

**Compliance with laws and regulations**

A number of non-compliance with the enabling laws and regulations were revealed by audit committee, AGSA, and internal audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

**Internal audit**

The audit committee is satisfied with the effectiveness of internal audit and recommend that management and council should capacitate this unit.

**Progress in implementation of AGSA findings from prior year**

AGSA recommendations were not fully implemented by management at the time of this report, the progress was sitting at 94% in terms of implementation. There is a room for improvement in this regard and the AC recommended to the municipality to prioritise the implementation of recommendations by AGSA.

**Progress on implementations of internal audit recommendations**

Management has developed an audit action to address findings raised by AG. Efforts made by management to address prior year material findings were not fully implemented which resulted in a qualification audit opinion received in the 2023/24 financial year

**Implementations of audit committee recommendations by management**

A material number of audit committee recommendations to management were implemented the progress was sitting at 92% in terms of implementation. There is a room for improvement in this regard and thus, audit committee recommended to the municipality to fast track the implementation of recommendations by audit committee.

**Conclusion**

The audit and performance committee wishes to acknowledge the commitment from council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, Senior Management for their efforts and internal audit for their contribution.



**Chairperson of the Audit  
Committee Mokgope**

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

### Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	16,228,109	4,083,119
Receivables from exchange transactions	4	28,299,178	17,522,883
Statutory receivables	5	38,899,538	56,009,655
Other receivables from non-exchange transactions		309,717	309,717
Inventories	6	15,920,267	4,938,648
Investments	7	5,108,226	4,470,413
Operating lease asset	8	4,069	14,520
		<b>104,769,104</b>	<b>87,348,955</b>
<b>Non-Current Assets</b>			
Operating lease asset	8	34,418	38,487
Investments	7	516,077	477,997
Investment property	9	47,760,625	41,948,000
Property, plant and equipment	10	2,657,507,940	2,284,925,810
		<b>2,705,819,060</b>	<b>2,327,390,294</b>
<b>Total Assets</b>		<b>2,810,588,164</b>	<b>2,414,739,249</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	11	167,551,145	177,756,129
Finance lease obligation	12	3,689,091	1,155,349
Unspent conditional grants	13	11,922,000	4,050,000
Employee benefit obligation	15	1,048,001	958,001
Long service award	16	1,069,000	1,675,000
		<b>185,279,237</b>	<b>185,594,479</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	12	7,022,235	226,551
Employee benefit obligation	15	8,699,000	8,406,000
Provisions	14	93,815,659	84,733,958
Long service award	16	11,136,000	9,722,000
		<b>120,672,894</b>	<b>103,088,509</b>
<b>Total Liabilities</b>		<b>305,952,131</b>	<b>288,682,988</b>
<b>Net Assets</b>		<b>2,504,636,033</b>	<b>2,126,056,261</b>
Social responsibility Reserves		16,091,570	9,363,638
Revaluation reserve		84,700,463	84,700,463
Accumulated surplus		2,403,844,002	2,031,992,153
<b>Total Net Assets</b>		<b>2,504,636,035</b>	<b>2,126,056,254</b>

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Mpumalanga Business Unit

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	17	81,733,478	60,834,755
Rental income- facilities		533,109	542,029
Interest received from exchange transactions- consumers	18	14,395,937	17,446,357
Licences and permits		24,502	18,982
Other income	19	5,990,424	4,449,231
Interest received - investment		16,400,632	9,546,487
Fair value adjustments		-	1,280,241
<b>Total revenue from exchange transactions</b>		<b>119,078,082</b>	<b>94,118,082</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	21	68,190,627	62,118,479
Interest received from non-exchange transactions- consumers	18	16,609,236	18,586,380
<b>Transfer revenue</b>			
Government grants & subsidies	22	925,037,501	759,759,706
Donations	23	7,776,143	4,291,350
Traffic fines		6,090,460	5,377,250
<b>Total revenue from non-exchange transactions</b>		<b>1,023,703,967</b>	<b>850,133,165</b>
<b>Total revenue</b>		<b>1,142,782,049</b>	<b>944,251,247</b>
<b>Expenditure</b>			
Employee related costs	24	(249,566,259)	(234,000,459)
Remuneration of councillors	25	(23,401,578)	(21,751,896)
Depreciation and amortisation		(66,396,041)	(55,777,409)
Impairment loss		(4,204,539)	(17,621,726)
Finance costs	26	(14,044,490)	(11,266,058)
Debt Impairment		(41,201,783)	(79,633,472)
Bad debts written off		-	(3,644,058)
Bulk purchases	27	(117,294,553)	(95,267,852)
Contracted services	28	(128,567,791)	(158,366,391)
Grants and subsidies expenditure		(8,709,362)	(13,541,310)
Loss on disposal of assets and liabilities		(5,955,294)	(537,642)
General Expenses	29	(110,936,414)	(105,833,695)
Fair value adjustments	20	(385,766)	-
Financial loss	30	(266,336)	-
<b>Total expenditure</b>		<b>(770,930,206)</b>	<b>(797,241,968)</b>
<b>Surplus for the year</b>		<b>371,851,843</b>	<b>147,009,279</b>

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# APPENDICES

## Chief Albert Luthuli Local Municipality

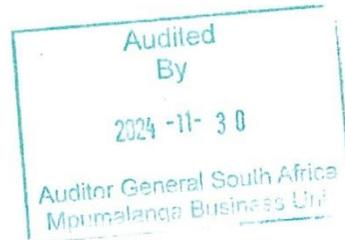
(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Statement of Changes in Net Assets

Figures in Rand	Social Responsibility	Revaluation reserve	Accumulated surplus / deficit	Total net assets
<b>Balance at 01 July 2022</b>	<b>7,307,614</b>	<b>84,700,463</b>	<b>1,884,982,874</b>	<b>1,976,990,951</b>
Changes in net assets				
Surplus for the year	-	-	147,009,279	147,009,279
Contributions	2,056,024	-	-	2,056,024
<b>Total changes</b>	<b>2,056,024</b>	<b>-</b>	<b>147,009,279</b>	<b>149,065,303</b>
<b>Restated* Balance at 01 July 2023</b>	<b>9,363,638</b>	<b>84,700,463</b>	<b>2,031,992,159</b>	<b>2,126,056,260</b>
Changes in net assets				
Contributions	6,727,932	-	-	6,727,932
Net income (losses) recognised directly in net assets	6,727,932	-	-	6,727,932
Surplus for the year	-	-	371,851,843	371,851,843
<b>Total recognised income and expenses for the year</b>	<b>6,727,932</b>	<b>-</b>	<b>371,851,843</b>	<b>378,579,775</b>
<b>Total changes</b>	<b>6,727,932</b>	<b>-</b>	<b>371,851,843</b>	<b>378,579,775</b>
<b>Balance at 30 June 2024</b>	<b>16,091,570</b>	<b>84,700,463</b>	<b>2,403,844,002</b>	<b>2,504,636,035</b>

Note(s)



## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxation and fines		108,000,439	84,902,892
Sales of goods services		101,962,356	61,991,858
Government grants and subsidies		932,979,501	756,394,970
Interest income		16,400,632	9,546,487
Other receipts		6,502,425	5,010,242
		<b>1,165,845,353</b>	<b>917,846,449</b>
<b>Payments</b>			
Employee costs		(269,846,015)	(255,186,194)
Suppliers		(423,935,269)	(352,843,078)
Finance costs		(13,058,490)	(11,266,058)
		<b>(706,839,774)</b>	<b>(619,295,330)</b>
<b>Net cash flows from operating activities</b>	<b>31</b>	<b>459,005,579</b>	<b>298,551,119</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(445,514,166)	(309,946,949)
Purchase of other receivables from non-exchange transactions		-	(309,717)
Movement in investment		(675,893)	(346,395)
<b>Net cash flows from investing activities</b>		<b>(456,190,059)</b>	<b>(310,603,061)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		9,329,426	10,424,390
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>12,144,990</b>	<b>(22,166,617)</b>
Cash and cash equivalents at the beginning of the year		4,083,119	26,249,736
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>16,228,109</b>	<b>4,083,119</b>

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# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

### Statement of Comparison of Budget and Actual Amounts



Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	135,399,765	(61,828,202)	73,571,563	81,733,478	8,161,915	
Rental income	1,137,240	-	1,137,240	533,109	(604,131)	
Interest received- customers	35,121,740	(10,000,001)	25,121,739	14,395,937	(10,725,802)	
Licences and permits	-	25,000	25,000	24,502	(498)	
Other income	1,687,747	76,178,300	77,866,047	5,990,424	(71,875,623)	
Interest received - investment	2,512,976	10,949,915	13,462,891	16,400,632	2,937,741	
<b>Total revenue from exchange transactions</b>	<b>175,859,468</b>	<b>15,325,012</b>	<b>191,184,480</b>	<b>119,078,082</b>	<b>(72,106,398)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	124,725,921	(27,999,989)	96,725,932	68,190,627	(28,535,305)	
Interest received - consumers	-	18,000,000	18,000,000	16,609,236	(1,390,764)	
<b>Transfer revenue</b>						
Government grants & subsidies	944,527,000	(30,139,000)	914,388,000	925,037,501	10,649,501	
Donations	-	-	-	7,776,143	7,776,143	
Traffic fines	751,457	-	751,457	6,090,460	5,339,003	
<b>Total revenue from non-exchange transactions</b>	<b>1,070,004,378</b>	<b>(40,138,989)</b>	<b>1,029,865,389</b>	<b>1,023,703,967</b>	<b>(6,161,422)</b>	
<b>Total revenue</b>	<b>1,245,863,846</b>	<b>(24,813,977)</b>	<b>1,221,049,869</b>	<b>1,142,782,049</b>	<b>(78,267,820)</b>	
<b>Expenditure</b>						
Employee related costs	(260,000,000)	-	(260,000,000)	(249,566,259)	10,433,741	
Remuneration of councillors	(26,325,001)	-	(26,325,001)	(23,401,578)	2,923,423	
Depreciation and amortisation	(53,453,016)	450,000	(53,003,016)	(66,396,041)	(13,393,025)	
Impairment loss	-	-	-	(4,204,539)	(4,204,539)	
Finance costs	(1,889,510)	-	(1,889,510)	(14,044,490)	(12,154,980)	
Debt Impairment	(18,902,260)	2,999,998	(15,902,262)	(41,201,783)	(25,299,521)	
Bulk purchases	(120,272,715)	2,000,000	(118,272,715)	(117,294,553)	978,162	
Contracted Services including repairs and maintenance	(169,028,300)	39,997,166	(129,031,134)	(128,567,791)	463,343	
Transfers and Subsidies	(22,000,000)	-	(22,000,000)	(8,709,362)	13,290,638	
Capital projects	(521,432,000)	29,985,000	(491,447,000)	(502,375,000)	(10,928,000)	
General Expenses including indigent relief	(72,119,005)	(48,400,000)	(120,519,005)	(110,936,414)	9,582,591	
<b>Total expenditure</b>	<b>(1,265,421,807)</b>	<b>27,032,164</b>	<b>(1,238,389,643)</b>	<b>(1,266,697,810)</b>	<b>(28,308,167)</b>	
<b>Operating deficit</b>	<b>(19,557,961)</b>	<b>2,218,187</b>	<b>(17,339,774)</b>	<b>(123,915,761)</b>	<b>(106,575,987)</b>	
Loss on disposal of assets and liabilities	-	-	-	(5,955,294)	(5,955,294)	
Fair value adjustments	-	-	-	(385,766)	(385,766)	
Actuarial gains/losses	-	-	-	(266,336)	(266,336)	
	-	-	-	(6,607,396)	(6,607,396)	

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

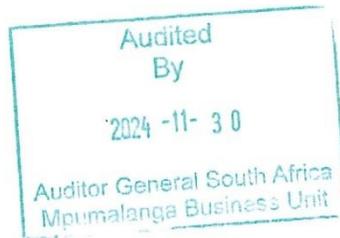
Annual Financial Statements for the year ended 30 June 2024

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Deficit before taxation	(19,557,961)	2,218,187	(17,339,774)	(130,523,157)	(113,183,383)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(19,557,961)	2,218,187	(17,339,774)	(130,523,157)	(113,183,383)	

Reconciliation



# APPENDICES

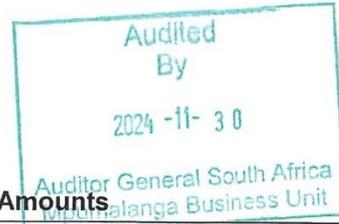
## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis



	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	19,792,000	(5,933,766)	13,858,234	16,228,109	2,369,875	
Receivables from exchange transactions	83,060,000	16,664,223	99,724,223	28,299,178	(71,425,045)	
Statutory receivables	94,340,000	10,591,555	104,931,555	38,899,538	(66,032,017)	
Other receivables from non-exchange transactions	309,717	-	309,717	309,717	-	
Inventories	4,975,000	(735,976)	4,239,024	15,920,267	11,681,243	
Investments	-	3,734,940	3,734,940	5,108,226	1,373,286	
Operating lease asset	6,000	-	6,000	4,069	(1,931)	
	202,482,717	24,320,976	226,803,693	104,769,104	(122,034,589)	
<b>Non-Current Assets</b>						
Operating lease asset	45,000	-	45,000	34,418	(10,582)	
Investments	773,000	-	773,000	516,077	(256,923)	
Investment property	41,948,342	-	41,948,342	47,760,625	5,812,283	
Property, plant and equipment	2,781,567,000	(28,868,000)	2,752,699,000	2,657,507,940	(95,191,060)	
	2,824,333,342	(28,868,000)	2,795,465,342	2,705,819,060	(89,646,282)	
<b>Total Assets</b>	<b>3,026,816,059</b>	<b>(4,547,024)</b>	<b>3,022,269,035</b>	<b>2,810,588,164</b>	<b>(211,680,871)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables from exchange transactions	169,756,432	(59,748,432)	110,008,000	167,551,145	57,543,145	
Finance lease obligation	-	-	-	3,689,091	3,689,091	
Unspent conditional grants	4,050,000	(3,343,000)	707,000	11,922,000	11,215,000	
Employee benefit obligation	488,000	(488,000)	-	1,048,001	1,048,001	
Long service award	9,364,000	-	9,364,000	1,069,000	(8,295,000)	
	183,658,432	(63,579,432)	120,079,000	185,279,237	65,200,237	
<b>Non-Current Liabilities</b>						
Finance lease obligation	-	-	-	7,022,235	7,022,235	
Employee benefit obligation	-	-	-	8,699,000	8,699,000	
Provisions	-	-	-	93,815,659	93,815,659	
Long service award	-	-	-	11,136,000	11,136,000	
	-	-	-	120,672,894	120,672,894	
<b>Total Liabilities</b>	<b>183,658,432</b>	<b>(63,579,432)</b>	<b>120,079,000</b>	<b>305,952,131</b>	<b>185,873,131</b>	
<b>Net Assets</b>	<b>2,843,157,627</b>	<b>59,032,408</b>	<b>2,902,190,035</b>	<b>2,504,636,033</b>	<b>(397,554,002)</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
Social responsibility	-	-	-	16,091,570	16,091,570	

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Reserves</b>						
Revaluation reserve	84,700,464	-	<b>84,700,464</b>	84,700,463	(1)	
Accumulated surplus	2,635,594,324	-	<b>2,635,594,324</b>	2,403,844,000	<b>(231,750,324)</b>	
<b>Total Net Assets</b>	<b>2,720,294,788</b>	-	<b>2,720,294,788</b>	<b>2,504,636,033</b>	<b>(215,658,755)</b>	

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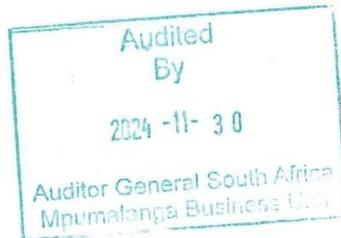
# APPENDICES

**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

**Statement of Comparison of Budget and Actual Amounts**

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Taxation and fines	115,379,067	(32,679,067)	82,700,000	-	(82,700,000)	
Sale of goods and services	86,699,822	(63,811,822)	22,888,000	-	(22,888,000)	
Government grants and subsidies	944,527,444	(6,089,000)	938,438,444	-	(938,438,444)	
Interest income	2,513,000	10,950,000	13,463,000	-	(13,463,000)	
Other receipts	18,088,667	157,602,333	175,691,000	-	(175,691,000)	
	<b>1,167,208,000</b>	<b>65,972,444</b>	<b>1,233,180,444</b>		<b>-(1,233,180,444)</b>	
<b>Payments</b>						
Employees	(260,000,000)	-	(260,000,000)	-	260,000,000	
Suppliers	(383,794,889)	(63,393,111)	(447,188,000)	-	447,188,000	
Finance costs	(1,889,000)	-	(1,889,000)	-	1,889,000	
	<b>(645,683,889)</b>	<b>(63,393,111)</b>	<b>(709,077,000)</b>		<b>709,077,000</b>	
<b>Net cash flows from operating activities</b>	<b>521,524,111</b>	<b>2,579,333</b>	<b>524,103,444</b>		<b>-(524,103,444)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(549,574,000)	31,069,000	(518,505,000)	-	518,505,000	
Net increase/(decrease) in cash and cash equivalents	(28,049,889)	33,648,333	5,598,444	-	(5,598,444)	
Cash and cash equivalents at the end of the year	(28,049,889)	33,648,333	5,598,444	-	(5,598,444)	



## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023
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#### 1. Significant account policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

##### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

##### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

##### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgemental is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

###### Receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

###### Distribution losses

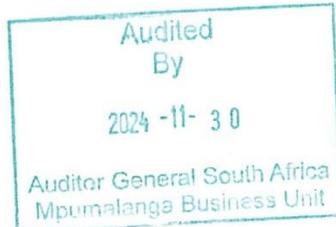
Distribution losses were assessed and management determined the estimate after consultation with management experts. The adjustment was based on available information. Additional disclosure has been included in note 27

###### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

###### Useful lives of property, plant and equipment and other assets

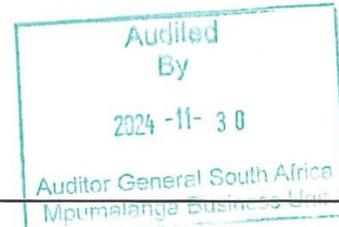
The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.



## Chief Albert Luthuli Local Municipality

(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

### Significant Accounting Policies



#### 1.3 Significant judgements and sources of estimation uncertainty (continued)

##### Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

##### Effective interest rate

The municipality used the CPI to discount future cash flows except where stated otherwise.

##### Allowance for impairments

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

##### Fair value

Subsequent to initial measurement investment property is measured at fair value. Refer to note 9

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

#### 1.5 Property, plant and equipment

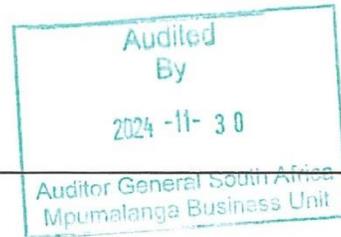
Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Significant Accounting Policies



#### 1.5 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

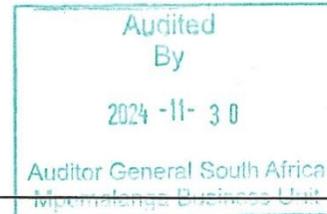
Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	10-50 years
Landfill site	Straight-line	0-100 years
Infrastructure	Straight-line	15-80 years
Community	Straight-line	10-50 years
Other assets	Straight-line	2-35 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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### 1.5 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

### 1.6 Financial instruments

#### Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Investments	Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade payables	Financial liability measured at amortised cost

#### Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

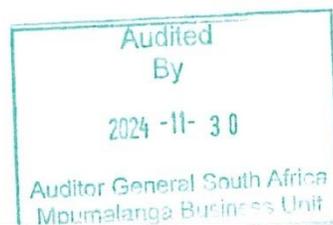
The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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### Significant Accounting Policies



#### 1.6 Financial instruments (continued)

##### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

##### Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

##### Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

##### Derecognition

##### Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

##### Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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### Significant Accounting Policies



#### 1.6 Financial Instruments (continued)

##### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

#### 1.7 Statutory receivables

##### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

##### Classification

The municipality has the following types of statutory receivables as reflected on the face of the statement of financial position or in the notes thereto:

Class	Legislation
Property rates	Municipal Property Rates Act 6 of 2004
Traffic fines	National Road Traffic Act 93 of 1996
VAT	VAT Act 89 of 1991

##### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

##### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

##### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

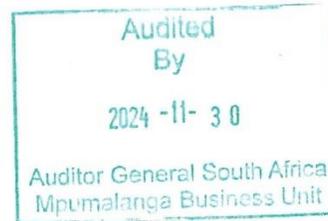
##### Impairment losses

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### Significant Accounting Policies



#### 1.7 Statutory receivables (continued)

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

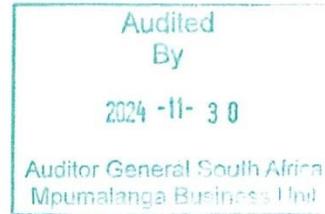
- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

#### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.



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**1.8 Leases (continued)**

**Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

**Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

**1.9 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

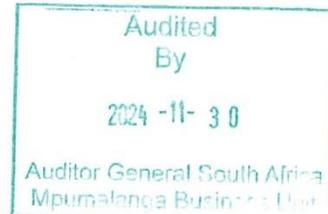
Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.



## Significant Accounting Policies

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### 1.9 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is regarded as inventories when the municipality purchases water in bulk with the intention to resell it to consumers or to use it internally, or wherever the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes). However, water in water dams under control of the municipality, that are filled by natural resources and that has not been treated, cannot be measured reliably as there is no cost attached to the water, and is therefore not recognised as inventories.

### 1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

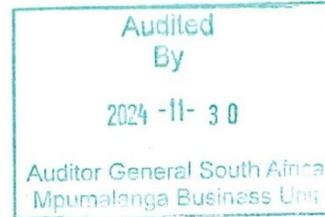
If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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## Significant Accounting Policies

### 1.10 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

### 1.11 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

#### Identification

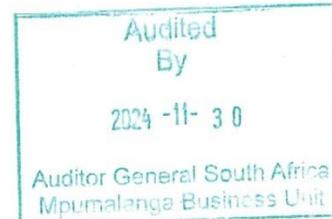
When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

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**Significant Accounting Policies**



**1.11 Impairment of non-cash-generating assets (continued)**

**Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

**Depreciated replacement cost approach**

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Reversal of an impairment loss**

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

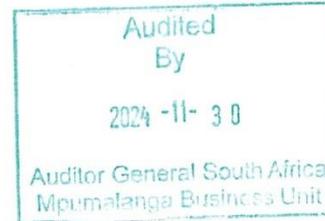
**1.12 Social responsibility**

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

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**Significant Accounting Policies**



**1.13 Employee benefits**

**Identification**

**Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

**Short-term employee benefits**

**Recognition and measurement**

**Bonus, incentive and performance related payments**

The municipality recognises the expected cost of bonus, incentive and performance related payments when, and only when:

- (a) the municipality has a present legal or constructive obligation to make such payments as a result of past events; and
- (b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the municipality has no realistic alternative but to make the payments.

**Post-employment benefits: Defined contribution plans**

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

**Post-employment benefits: Defined benefit plans**

For defined benefit plans the cost of providing the benefits is determined using the projected credit method

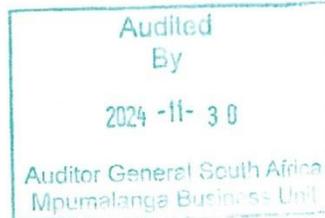
Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

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## Significant Accounting Policies

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### 1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

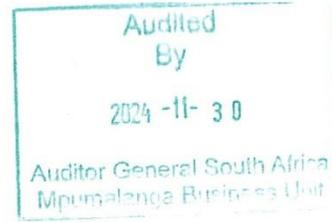
Provisions are not recognised for future operating surplus (deficit).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.



## Chief Albert Luthuli Local Municipality

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### Significant Accounting Policies

#### 1.14 Provisions and contingencies (continued)

##### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.10 and 1.11.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

#### 1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

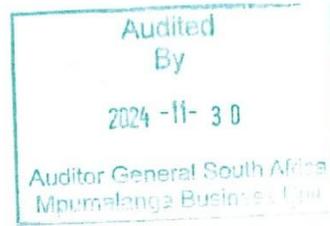
## Chief Albert Luthuli Local Municipality

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Annual Financial Statements for the year ended 30 June 2024

### Significant Accounting Policies

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#### 1.16 Revenue from exchange transactions

##### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

##### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

##### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

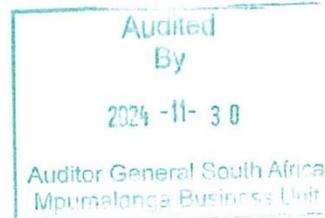
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method..

## Chief Albert Luthuli Local Municipality

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### Significant Accounting Policies



#### 1.17 Revenue from non-exchange transactions

##### Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

##### Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which ever is earlier. When government remit grants on a re-imbusement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

##### Other grants and donations

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality.
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

#### 1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

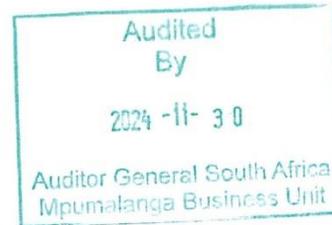
Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

#### 1.20 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:



## Significant Accounting Policies

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### 1.20 Unauthorised expenditure (continued)

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.22 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.23 Revaluation reserve

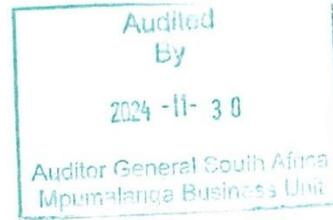
The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

### 1.24 Segment Information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Significant Accounting Policies**

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**1.24 Segment information (continued)**

**Measurement**

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

**1.25 Budget information**

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

**1.26 Related parties**

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

**1.27 Subsequent events**

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

**1.28 Grants in aid**

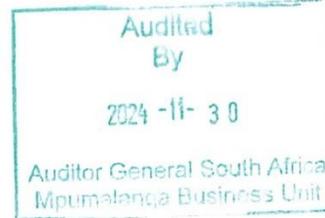
The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

## Chief Albert Luthuli Local Municipality

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### Significant Accounting Policies



#### 1.28 Grants in aid (continued)

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

#### 1.29 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence's of liabilities that result in decreases in net assets, other than those relating to distributions to owners

Expenses are recognised as when they satisfy the definitions and recognition criteria for those elements in the Framework for the Preparation and Presentation of Financial Statement

### Notes to the Annual Financial Statements

Figures in Rand 2024 2023

#### 2. New standards and interpretations

##### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the is not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the is not material.
• IGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	The impact of the is not material.
• GRAP 2020: Improvements to the Standards of GRAP 2020	01 April 2023	The impact of the is not material.
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	The impact of the is not material.

##### 2.2 Standards and interpretations issued, but not yet effective

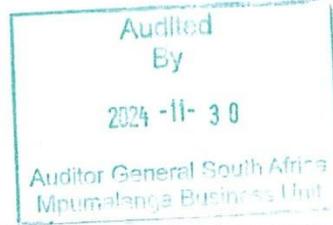
The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	To be determined	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed

#### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>3. Cash and cash equivalents (continued)</b>		
Main bank account	4,109,860	(1,450,937)
Traffic bank account	66,664	116,055
Call accounts	12,051,585	5,418,001
	<b>16,228,109</b>	<b>4,083,119</b>

**The municipality had the following bank accounts**

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Standard Bank - Current Account- 033255954	4,109,913	782,497	1,943,126	4,109,860	(1,450,937)	1,980,360
Standard bank-Current account-31686648	66,561	116,052	162,634	66,561	116,055	162,632
Standard Bank-InvestmentAccount-308654552-001	61,850	39,063	553,668	61,850	39,060	553,668
Standard Bank-Investment Account-038478668-002	51,510	221,700	4,013,503	51,510	221,700	4,013,503
Standard Bank - InvestmentAccount-038478668-003	50,000	3,156,312	148,780	50,000	3,156,313	148,780
Standard Bank-InvestmentAccount-038478668-004	372,513	346,785	14,255,365	372,513	346,785	14,255,365
Standard Bank-InvestmentAccounts-034878668-005	11,481,199	924,146	5,119,123	11,481,199	924,146	5,119,123
Standard Bank-InvestmentAccount-038478668-006	34,515	729,997	16,303	34,515	729,997	16,303
<b>Total</b>	<b>16,228,061</b>	<b>6,316,552</b>	<b>26,212,502</b>	<b>16,228,008</b>	<b>4,083,119</b>	<b>26,249,734</b>

**Call accounts summary**

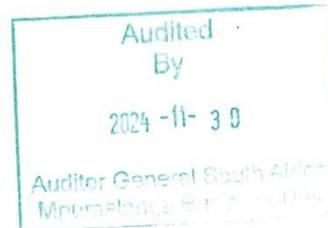
Standard Bank-InvestmentAccount-308654552-001	61,850	39,063
Standard Bank-Investment Account-038478668-002	51,510	221,700
Standard Bank-Investment Account-038478668-003	50,000	3,156,312
Standard Bank-Investment Account-038478668-004	372,513	346,785
Standard Bank-Investment Account-038478668-005	11,481,199	924,146
Standard Bank-Investment Account-038478668-006	34,515	729,997
	<b>12,051,587</b>	<b>5,418,003</b>

## Chief Albert Luthuli Local Municipality

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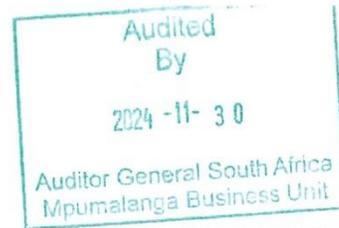
Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements



Figures in Rand	2024	2023
<b>4. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	19,458,387	17,331,165
Water	59,886,265	42,001,023
Sewerage	103,394,814	92,954,016
Refuse	90,787,592	80,129,125
Auctioneer	918,659	918,659
Prepaid electricity vendor	1,485,294	1,485,294
Other	1,533,378	1,340,296
Other receivable	3,053,170	-
	<b>280,517,559</b>	<b>236,159,578</b>
<b>Less: Allowance for impairment</b>		
Electricity	(14,529,375)	(12,574,128)
Water	(53,096,030)	(39,848,202)
Sewerage	(98,245,143)	(89,037,034)
Refuse	(84,942,783)	(76,004,771)
Other	(1,405,050)	(1,172,560)
	<b>(252,218,381)</b>	<b>(218,636,695)</b>
<b>Net balance</b>		
Electricity	4,929,012	4,757,037
Water	6,790,235	2,152,821
Sewerage	5,149,671	3,916,982
Refuse	5,844,809	4,124,354
Auctioneer	918,659	918,659
Prepaid electricity vendor	1,485,294	1,485,294
Other	128,328	167,736
Other receivable	3,053,170	-
	<b>28,299,178</b>	<b>17,522,883</b>
<b>Electricity</b>		
Current (0 -30 days)	2,405,629	701,220
31 - 60 days	851,500	961,879
61 - 90 days	509,750	634,496
> 90 days	15,691,507	15,033,570
Less allowance for impairment	(14,529,374)	(12,574,128)
	<b>4,929,012</b>	<b>4,757,037</b>
<b>Water</b>		
Current (0 -30 days)	3,011,450	1,639,414
31 - 60 days	2,217,566	1,393,714
61 - 90 days	1,701,449	1,239,533
> 90 days	52,955,799	37,728,361
Less allowance for impairment	(53,096,029)	(39,848,201)
	<b>6,790,235</b>	<b>2,152,821</b>

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
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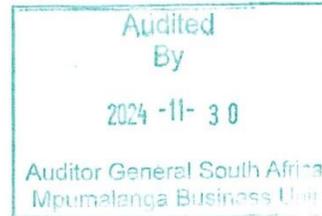
**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Sewerage</b>		
Current (0 -30 days)	1,711,411	1,443,012
31-60 days	1,434,182	1,572,290
61 - 90 days	1,409,215	1,455,267
>90 days	98,840,007	88,483,447
Less allowance for impairment	(98,245,144)	(89,037,034)
	<b>5,149,671</b>	<b>3,916,982</b>
<b>Refuse</b>		
Current (0 -30 days)	1,685,059	1,405,782
31 - 60 days	1,289,691	1,425,382
61 - 90 days	1,251,228	1,336,007
> 90 days	86,561,615	75,961,954
Less allowance for impairment	(84,942,784)	(76,004,771)
	<b>5,844,809</b>	<b>4,124,354</b>
<b>Auctioneer</b>		
> 365 days	918,659	918,659
<b>Prepaid Electricity Vendor</b>		
> 365 days	1,485,294	1,485,294
<b>Other</b>		
Current (0 -30 days)	504,297	26,712
31 - 60 days	24,586	24,982
61 - 90 days	24,172	32,807
> 90 days	980,324	1,255,795
Less allowance for impairment	(1,405,051)	(1,172,560)
	<b>128,328</b>	<b>167,736</b>

**Chief Albert Luthuli Local Municipality**

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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
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**4. Receivables from exchange transactions (continued)****Summary of debtors by customer classification****Residential**

Current (0 -30 days)	6,008,555	4,275,364
31 - 60 days	4,620,327	4,373,419
61 - 90 days	4,000,755	4,093,477
> 90 days	213,507,661	202,091,739
	228,137,298	214,833,999
Less: Allowance for impairment	(225,654,259)	(196,771,978)
	<b>2,483,039</b>	<b>18,062,021</b>

**Industrial/ commercial**

Current (0 -30 days)	1,687,022	752,254
31 - 60 days	763,394	861,792
61 - 90 days	499,354	496,863
> 90 days	15,809,476	12,543,663
	18,759,246	14,654,572
Less: Allowance for impairment	(12,682,901)	(10,834,566)
	<b>6,076,345</b>	<b>3,820,006</b>

**National and provincial government**

Current (0 -30 days)	1,622,268	188,523
31 - 60 days	433,805	143,036
61 - 90 days	395,704	107,770
> 90 days	25,712,113	3,827,733
	<b>28,163,890</b>	<b>4,267,062</b>

**Total**

Current (0 -30 days)	9,317,846	5,216,140
31 - 60 days	5,817,526	5,378,247
61 - 90 days	4,895,814	4,698,109
> 90 days	255,029,250	218,463,135
	275,060,436	233,755,631
Less: Allowance for impairment	(238,337,160)	(207,606,545)
	<b>36,723,276</b>	<b>26,149,086</b>

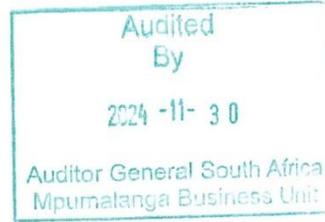
**Consumer debtors pledged as security**

None of the consumers receivables were pledged as security.

**Credit quality of consumer debtors**

None of the financial assets that are fully performing have been renegotiated in the last year.

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand 2024 2023

### 4. Receivables from exchange transactions (continued)

#### Revised debt impairment methodology

The municipality's revised impairment methodology focuses on assessing receivables to determine their collectibility. The process includes the following steps:

**Assessment Timing:** The municipality reviews receivables at the end of each financial year to identify any potential impairment.

**Exclusions:** Certain accounts, such as those with credit balances or government-owned accounts, and accounts outstanding for less than 30 days, are excluded from impairment assessment.

**Calculation of Impairment:**

**Individual Impairment:** Identifies individual receivables that are overdue beyond the credit term and calculates impairment based on historical collection rates.

**Impairment amount:** Uses collection rates and applying an average collection rate, a default rate is used to determine the impairment loss.

**Recognition and recording:** Impairment losses are recognized in the financial statements, reducing the receivables' carrying amount to reflect the estimated collectible amount.

**Interest and discounting:** Receivables overdue beyond 30 days accrue interest, which is factored into the carrying amount, negating the need for further discounting.

This methodology ensures accurate representation of receivables in the financial statements, aligning them with realistic expectations of recover

#### Reconciliation of allowance for impairment of consumer debtors

Opening balance	(218,636,695)	(159,074,374)
Allowance for impairment	(33,581,686)	(59,562,321)
	<b>(252,218,381)</b>	<b>(218,636,695)</b>

### 5. Statutory receivables

#### Gross balances

Property rates	246,576,671	252,668,292
Traffic fines	16,089,832	10,198,335
VAT	11,970,570	21,260,465
	<b>274,637,073</b>	<b>284,127,092</b>

#### Less: Allowance for impairment

Property rates	(219,846,666)	(218,746,834)
Traffic fines	(15,890,869)	(9,370,603)
	<b>(235,737,535)</b>	<b>(228,117,437)</b>

#### Net balance

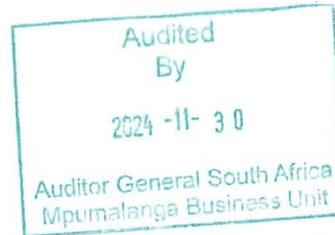
Property rates	26,730,005	33,921,458
Traffic fines	198,963	827,732
VAT	11,970,570	21,260,465
	<b>38,899,538</b>	<b>56,009,655</b>

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements



Figures in Rand

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#### 5. Statutory receivables (continued)

##### Property rates

Current (0 -30 days)	7,702,123	16,647,121
31 - 60 days	5,215,684	5,169,198
61 - 90 days	4,760,993	4,391,178
> 90 days	228,897,871	226,460,795
Less allowance for impairment	(219,846,665)	(218,746,834)
	<b>26,730,006</b>	<b>33,921,458</b>

##### Traffic fines

Current (0 -30 days)	528,753	478,387
31 - 60 days	514,977	774,236
61 - 90 days	526,133	643,641
> 90 days	14,519,969	8,302,070
Less allowance for impairment	(15,890,869)	(9,370,603)
	<b>198,963</b>	<b>827,731</b>

#### Revised debt impairment policy

The municipality's revised impairment methodology focuses on assessing receivables to determine their collectibility. The process includes the following steps:

**Assessment Timing:** The municipality reviews receivables at the end of each financial year to identify any potential impairment.

**Exclusions:** Certain accounts, such as those with credit balances or government-owned accounts, and accounts outstanding for less than 30 days, are excluded from impairment assessment.

#### Calculation of Impairment:

**Individual Impairment:** Identifies individual receivables that are overdue beyond the credit term and calculates impairment based on historical collection rates.

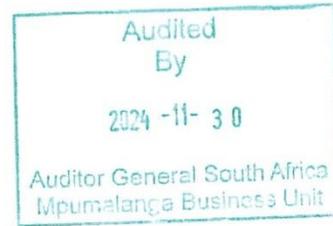
**Impairment amount:** Uses collection rates and applying an average collection rate, a default rate is used to determine the impairment loss.

**Recognition and recording:** Impairment losses are recognized in the financial statements, reducing the receivables' carrying amount to reflect the estimated collectible amount.

**Interest and discounting:** Receivables overdue beyond 30 days accrue interest, which is factored into the carrying amount, negating the need for further discounting.

This methodology ensures accurate representation of receivables in the financial statements, aligning them with realistic expectations of recover

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

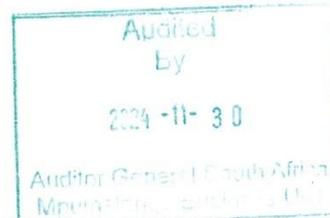
**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>5. Statutory receivables (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Residential</b>		
Current (0 -30 days)	2,764,438	3,618,054
31 - 60 days	2,386,716	2,385,464
61 - 90 days	2,275,078	2,111,176
> 90 days	129,858,920	123,539,616
	137,285,152	131,654,310
Less: Allowance for impairment	(127,894,964)	(116,049,877)
	<b>9,390,188</b>	<b>15,604,433</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	2,198,407	2,537,142
31 - 60 days	1,502,781	2,074,296
61 - 90 days	1,424,432	1,697,738
> 90 days	77,835,907	82,042,526
	82,961,527	88,351,702
Less: Allowance for impairment	(72,876,488)	(79,962,629)
	<b>10,085,039</b>	<b>8,389,073</b>
<b>National and provincial government</b>		
Current (0 -30 days)	3,347,842	10,491,925
31 - 60 days	1,816,708	709,438
61 - 90 days	1,528,474	582,265
> 90 days	49,515,172	20,878,715
	<b>56,208,196</b>	<b>32,662,343</b>
<b>Total</b>		
Current (0 -30 days)	8,310,687	16,647,121
31 - 60 days	5,706,204	5,169,198
61 - 90 days	5,227,984	4,391,178
> 90 days	257,209,998	226,460,857
	276,454,873	252,668,354
Less: Allowance for impairment	(200,771,452)	(196,012,507)
	<b>75,683,421</b>	<b>56,655,847</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(228,117,437)	(198,871,925)
Contributions to allowance	(7,620,097)	(29,245,512)
	<b>(235,737,534)</b>	<b>(228,117,437)</b>

**Chief Albert Luthuli Local Municipality**

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>6. Inventories</b>		
Consumable stores	15,810,571	4,834,385
Water for distribution	109,696	104,263
	<b>15,920,267</b>	<b>4,938,648</b>
<b>Reconciliation of inventory movement</b>		
Opening balance	4,834,386	4,360,616
Purchased	27,175,721	1,439,122
Utilised	(16,199,534)	(965,352)
	<b>15,810,573</b>	<b>4,834,386</b>
<b>Reconciliation of water stock movement</b>		
Opening balance	104,263	135,126
Produced	5,432	(30,863)
<b>Closing balance</b>	<b>109,695</b>	<b>104,263</b>
<b>7. Investments</b>		
<b>Designated at fair value</b>		
Listed shares	1,071,543	772,671
<b>At amortised cost</b>		
Sanlam: Guarantee Capital Fund - Policy number 9921774X7	145,350	136,677
RMB Momentum - Account number RU 500434741	370,727	341,320
Stanlib Extra Income Fund	3,129,247	2,873,158
Stanlib Classic Investment Plan	907,436	824,584
	<b>4,552,760</b>	<b>4,175,739</b>
<b>Total other financial assets</b>	<b>5,624,303</b>	<b>4,948,410</b>
<b>Non-current assets</b>		
At amortised cost	516,077	477,997
<b>Current assets</b>		
Designated at fair value	1,071,543	772,671
At amortised cost	4,036,683	3,697,742
	<b>5,108,226</b>	<b>4,470,413</b>

**Financial assets at fair value**

Listed shares are carried at fair value:

The municipality owns 13 242 shares in Sanlam Limited which was trading at R80.92 (2023: R58.35) per share at the end of the reporting period

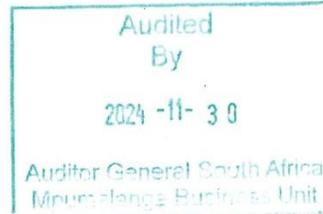
None of the financial assets that are fully performing have been renegotiated in the last year.

The municipality has not reclassified any financial assets from assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

**Credit quality of investments**

The credit quality of financial assets neither past nor impaired can be by reference to external credit ratings (if available) or to historical information about counterparty default rates.

**Chief Albert Luthuli Local Municipality**  
 (Registration number MP301)  
 Annual Financial Statements for the year ended 30 June 2024



**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>8. Operating lease asset</b>		
Non-current portion	34,418	38,487
Current portion	4,069	14,520
	<b>38,487</b>	<b>53,007</b>

At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:

<b>Operating leased as a lessor</b>		
Within one year	55,228	128,764
In the second to the fifth year	165,685	220,913
	<b>220,913</b>	<b>349,677</b>

Operating lease asset represents rentals receivable by the municipality for the premises/properties rented out.

The lease was negotiated for periods ranging from 12 months to 119 months. The rentals escalate on average between 6% and 10% per annum

**Chief Albert Luthuli Local Municipality**  
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 Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**9. Investment property**

	2024		2023	
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Accumulated depreciation and impairment
Investment property	47,760,625	-	47,760,625	-
			41,948,000	41,948,000

**Reconciliation of investment property - 2024**

Investment property	Opening balance	41,948,000	Transfers received	6,376,165	Fair value adjustments	(563,540)	Total
							47,760,625

**Reconciliation of investment property - 2023**

Investment property	Opening balance	40,750,400	Fair value adjustments	1,197,600	Total
					41,948,000

**Pledged as security**

At year end no investment property has been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Valuations were performed by an independent valuer, DDP Valuers who are not connected to the municipality. DDP Valuers are registered with the South African Council for the Property Valuers Profession, and the South African Institute of Valuers

The valuation was based on open market value for existing use

Audited  
 By  
 2024-11-30  
 Auditor General South Africa  
 Mpumalanga Business Unit

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>9. Investment property (continued)</b>		
Rental revenue in surplus for the year	533,109	542,029

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Mpumalanga Business Unit

**Chief Albert Luthuli Local Municipality**  
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**Notes to the Annual Financial Statements**

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2024 -11- 30  
Auditor General South Africa  
Mpumalanga Business Unit

**10. Property, plant and equipment**

	2024				2023				
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	114,447,700	-	114,447,700	114,447,700	-	114,447,700	114,447,700	-	114,447,700
Buildings	27,704,256	(6,232,692)	21,471,564	24,546,525	(5,365,673)	19,180,852	24,546,525	(5,365,673)	19,180,852
Community Infrastructure	139,549,789	(36,819,156)	102,730,633	139,499,389	(32,906,706)	106,592,683	139,499,389	(32,906,706)	106,592,683
Landfill site	3,248,214,175	(898,848,160)	2,349,366,015	2,822,008,931	(844,526,458)	1,977,482,473	2,822,008,931	(844,526,458)	1,977,482,473
Furniture and fixtures	36,605,711	(21,813,573)	14,792,138	35,255,568	(19,225,015)	16,030,553	35,255,568	(19,225,015)	16,030,553
Motor vehicles	14,878,769	(8,474,106)	6,404,663	13,553,185	(6,749,291)	6,803,894	13,553,185	(6,749,291)	6,803,894
IT equipment	46,028,885	(12,801,490)	33,227,395	40,785,680	(13,796,133)	26,989,547	40,785,680	(13,796,133)	26,989,547
Machinery and equipment	12,497,578	(7,101,183)	5,396,395	11,187,097	(6,144,366)	5,042,731	11,187,097	(6,144,366)	5,042,731
	20,329,488	(10,658,051)	9,671,437	20,823,154	(8,467,777)	12,355,377	20,823,154	(8,467,777)	12,355,377
<b>Total</b>	<b>3,660,256,351</b>	<b>(1,002,748,411)</b>	<b>2,657,507,940</b>	<b>3,222,107,229</b>	<b>(937,181,419)</b>	<b>2,284,925,810</b>	<b>3,222,107,229</b>	<b>(937,181,419)</b>	<b>2,284,925,810</b>

**Reconciliation of property, plant and equipment - 2024**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	114,447,700	-	-	-	-	-	114,447,700
Buildings	19,180,852	3,157,731	-	-	(867,019)	-	21,471,564
Community Infrastructure	106,592,683	50,400	-	-	(3,912,450)	-	102,730,633
Landfill site	1,977,482,473	426,205,244	(3,114,483)	-	(47,122,308)	(4,084,911)	2,349,366,015
Furniture and fixtures	16,030,553	1,350,143	(6,680)	-	(2,588,558)	-	14,792,138
Motor vehicles	6,803,894	1,459,174	(6,680)	-	(1,835,158)	(16,567)	6,404,663
IT equipment	26,989,547	13,316,952	(2,668,037)	1,399,978	(5,811,045)	-	33,227,395
Machinery and Equipment	5,042,731	2,085,234	(69,392)	-	(1,599,841)	(62,337)	5,396,395
	12,355,377	113,146	(96,712)	-	(2,659,662)	(40,712)	9,671,437
<b>Total</b>	<b>2,284,925,810</b>	<b>447,738,024</b>	<b>(5,955,304)</b>	<b>1,399,978</b>	<b>(66,396,041)</b>	<b>(4,204,527)</b>	<b>2,657,507,940</b>

**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

Audited  
By  
2024-11-30  
  
Auditor General South Africa  
Mmamabana Business Unit

**10. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2023**

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	114,447,700	-	-	-	-	-	114,447,700
Buildings	9,877,604	9,709,331	(2,625)	63,547	(355,475)	(47,983)	19,180,852
Infrastructure	1,744,461,775	289,342,998	(4,152,007)	(3,916,359)	(42,463,181)	(13,922,666)	1,977,482,473
Landfill site	25,179,132	-	(4,950)	-	(1,080,213)	-	16,030,553
Furniture and fixtures	7,483,531	1,051,575	(4,803)	-	(1,718,422)	(7,840)	6,803,894
Motor vehicles	19,324,176	11,146,520	(487,803)	-	(2,993,346)	-	26,989,547
IT equipment	4,098,768	2,278,696	(42,264)	-	(1,256,306)	(36,163)	5,042,731
Community	113,394,942	783,543	-	-	(3,982,027)	(3,603,775)	106,592,683
Machinery and Equipment	13,288,083	999,031	-	-	(1,928,439)	(3,298)	12,355,377
	<b>2,051,555,711</b>	<b>315,311,694</b>	<b>(4,689,649)</b>	<b>(3,852,812)</b>	<b>(55,777,409)</b>	<b>(17,621,725)</b>	<b>2,284,925,810</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

**Reconciliation of Work-in-Progress 2024**

	Included within Infrastructure	Adjustments	Included within Community	Included within Other PPE	Total
Opening balance	464,901,737	(17,378,648)	-	783,543	448,306,632
Additions	417,768,960	-	1,731,071	823,226	420,323,257
Completed	(362,338,228)	-	-	-	(362,338,228)
	<b>520,332,469</b>	<b>(17,378,648)</b>	<b>1,731,071</b>	<b>1,606,769</b>	<b>506,291,661</b>

**Chief Albert Luthuli Local Municipality**

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**Notes to the Annual Financial Statements**

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**10. Property, plant and equipment (continued)**

**Reconciliation of Work-in-Progress 2023**

	Included within infrastructure	Adjustments	Included within Community	Included within Other PPE	Total
Opening balance	511,654,489	-	3,603,774	3,252,553	518,510,816
Additions/capital expenditure	289,342,998	(17,378,822)	783,543	9,730,116	282,477,835
Impairment	(9,552,384)	-	-	(12,982,669)	(22,535,053)
Completed	(326,543,195)	-	(3,603,774)	-	(330,146,969)
	<b>484,901,908</b>	<b>(17,378,822)</b>	<b>783,543</b>	<b>-</b>	<b>448,306,629</b>

**Expenditure incurred to repair and maintain property, plant and equipment**

**Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance**

Maintenance of equipment	38,411,431	44,569,638
Maintenance of other assets	9,084,711	4,197,215
Maintenance of buildings	1,490,484	3,223,551
	<b>48,986,626</b>	<b>51,990,404</b>

**11. Payables from exchange transactions**

Trade payables	46,061,786	33,599,267
Unallocated deposits	531,395	2,372,716
Prepaid electricity	244,934	472,056
Consumer deposits	442,430	488,040
Income received in advance	33,299,670	61,221,573
Payroll accruals - 13th Cheque	4,791,017	4,313,493
Leave	20,249,516	18,480,412
Retention	59,267,605	54,030,742
Payroll provision	2,662,792	2,777,830
	<b>167,551,145</b>	<b>177,756,129</b>



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## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>12. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	4,514,367	1,339,139
- in second to fifth year inclusive	7,583,791	220,692
	12,098,158	1,559,831
less: future finance charges	(1,386,832)	(177,931)
<b>Present value of minimum lease payments</b>	<b>10,711,326</b>	<b>1,381,900</b>
<b>Present value of minimum lease payments due</b>		
- within one year	3,689,091	1,155,749
- in second to fifth year inclusive	7,022,235	226,151
	10,711,326	1,381,900
Non-current liabilities	7,022,235	226,551
Current liabilities	3,689,091	1,155,349
	10,711,326	1,381,900

The average lease term is 3 years and the average effective borrowing rate is 9%.

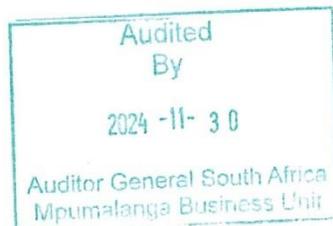
Interest rates are fixed at the contract date.

Some leases have fixed repayment terms and others escalate between 0% per annum. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

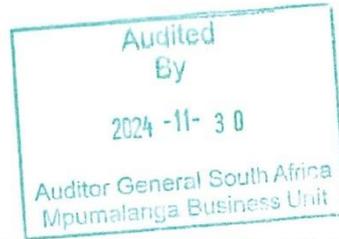
### 13. Unspent conditional grants

Unspent conditional grants and receipts comprises of:

<b>Unspent conditional grants and receipts</b>		
Disaster relief grant	11,922,000	4,050,000
<b>Movement during the year</b>		
Balance at the beginning of the year	4,050,000	7,414,728
Additions during the year	514,804,501	756,394,974
Income recognition during the year	(506,932,501)	(759,759,702)
	11,922,000	4,050,000



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024



**Notes to the Annual Financial Statements**

Figures in Rand 2024 2023

**14. Provisions**

**Reconciliation of provisions - 2024**

	Opening Balance	Additions	Reversed during the year	Total
Provision for rehabilitation	84,733,958	9,155,252	(73,551)	93,815,659

**Reconciliation of provisions - 2023**

	Opening Balance	Additions	Total
Provision for rehabilitation	82,049,138	2,684,820	84,733,958

**Provision for rehabilitation**

This report consolidates the provision of the final rehabilitation and closure costs for the landfills controlled by Chief Albert Luthuli Local Municipality for inclusion in the annual financial statements for the period ending 30 June 2024.

The following landfills are included in this consolidated report:

- Carolina (old)
- Empuluzi
- Ekulindeni
- Elukwatini
- eManzana
- Carolina (new)

**General Landfill Closure Costing Model**

ESS has developed a General Landfill Closure Costing Model (GLCCM) to estimate the final rehabilitation and closure costs for general landfills. The GLCCM is being updated in cooperation with Jones and Wagener Consulting Civil Engineers (Pty) Ltd, a company that is actively involved in rehabilitation and closure of landfill sites. The GLCCM standardises the determination of landfill closure costs between different landfills and for the same landfill over time. The GLCCM is based on the Minimum Requirements for Waste Disposal by Landfill of the Department of Water Affairs (1998), as amended by more recent regulations. The GLCCM provides a reliable best possible estimate of closure costs in terms of paragraph .49 of GRAP 19 or paragraph 36 of IAS 37

The liability calculated using the GLCCM includes costs associated with:

- Pre-closure planning and approvals (four cost elements)
- Final rehabilitation and closure (seven cost elements)
- 30 years<sup>1</sup> post-closure monitoring (seven costs elements)

Financial Assumptions used

**Unit Costs**

Unit costs for each of the cost elements are obtained annually by means of a commercial quotation. Details of this are provided separately.

**CPI**

The CPI2 is used for determining the future value of current costs in the year when the cost is projected to be incurred. The CPI figure used in the GLCCM is based on the three-month average CPI for the quarter that includes the financial year-end date. The average of the CPI for the last quarter amounted to 5.1704%.

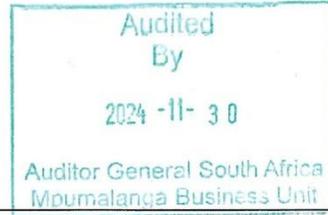
**Discount Rate**

GRAP 19 states that where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. In view of the long operational life of landfills, the time value of money is considered material.

# APPENDICES

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### 14. Provisions (continued)

GRAP 19 prescribes that the discount rate shall be the pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. Normally corporate bond rates are used to determine the discount rate. In line with GRAP 25 Defined benefit plans, government bond rates may also be used to determine the discount rate. The liability for this purpose is in most cases determined for a government entity (municipality).

Therefore, government bond rates are considered a more appropriate indicator of the risk associated with the entity than corporate bond rates to determine the discount rate. The government bond rate most consistent with the estimated term of the liability should be used. As inflation-linked RSA retail bond rates have longer terms than fixed RSA retail bond rates, inflation-linked rates are used

The rate most consistent with the remaining life of the landfills published at the end of the quarter that includes the financial year-end date was used.

- For landfills with an expected remaining life of three years or less, the rate associated with a maximum period of 3 years is used.
- For landfills with an expected remaining life of four of five years, the rate associated with a maximum period of 5 years is used.
- For landfills with an expected remaining life of more than five years, the rate associated with a maximum period of 10 years is used.

Additional text

#### Key financial assumptions

	For Carolina (old), Empuluzi, Ekulindeni and eManzana landfills	For Elukwatini landfill	For Carolina (new) landfill
CPI	5.107%	5.107%	5.107%
Discount rate	10.1704%	10.4204%	10.6704%
Net effective discount rate	5%	5.25%	5.5%
	<b>20</b>	<b>21</b>	<b>21</b>

#### Discounting of Closure Costs

The discounted value of the liability for the closure of the landfills is shown in the table below:

Landfill closure provision	93,815,658	84,733,958
Interest charge	9,155,252	7,880,664
	<b>102,970,910</b>	<b>92,614,622</b>

The landfill closure provision is calculated as the net present value of future cash flows.

The interest charge is calculated as the product of the provision calculated in the previous year and the discount rate used in the previous year for each landfill.

#### Current and non-current discounted liability for landfill closure costs:

Non-current liability	93,815,659	84,733,958
-----------------------	------------	------------

#### Disclosures

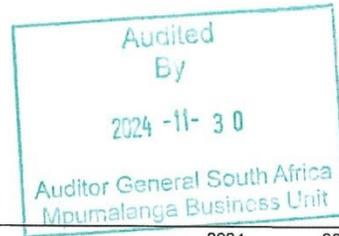
##### Disclosure in the Statement of Financial performance or the notes thereto

Change in landfill closure provision	(73,552)	(5,195,844)
Interest charge	9,155,252	7,880,664
	<b>9,081,700</b>	<b>2,684,820</b>

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Figures in Rand	2024	2023
<b>14. Provisions (continued)</b>		
<b>Disclosure in the statement of financial Position or the notes thereto</b>		
Opening balance	84,733,958	82,049,138
Change in landfill closure provision	(73,552)	(5,195,844)
Interest charge	9,155,252	7,880,664
	<b>93,815,658</b>	<b>84,733,958</b>

#### 15. Employee benefit obligations

##### Defined benefit plans - General information

##### Defined benefit obligation

No further employees are entitled to a post-employment medical aid subsidy

Continuation members and their eligible dependants receive a subsidy of 100%, except for two members who receive a 70% subsidy

The post-employment subsidies are not limited to a maximum Rand value/subsidy.

Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Notable benefit plan risks faced by the municipality can be summarised as follows:

##### Inflation

The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

##### Longevity

The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

##### Volatility of open-ended, long-term defined benefit obligation

The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.

##### Enforcement of eligibility criteria and rules

The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the municipality.

##### Future changes in legislation

The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the defined benefit obligation for the Municipality.

##### The amounts recognised in the statement of financial position are as follows:

Non-current liabilities	(8,699,000)	(8,406,000)
Current liabilities	(1,048,001)	(958,001)
	<b>(9,747,001)</b>	<b>(9,364,001)</b>

##### Changes in the present value of the defined benefit obligation are as follows:

Opening balance	9,364,000	9,787,000
Interest costs	986,000	1,022,000
Actuarial loss/ (gain)	315,806	(509,160)
Benefits paid	(918,806)	(935,840)
	<b>9,747,000</b>	<b>9,364,000</b>

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### Notes to the Annual Financial Statements

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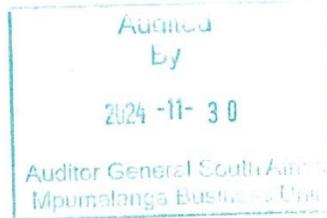
2024

2023

#### 15. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance are as follows:

Interest Cost	986,000	1,022,000
Actuarial loss / (gain)	315,806	(509,160)
	<b>1,301,806</b>	<b>512,840</b>



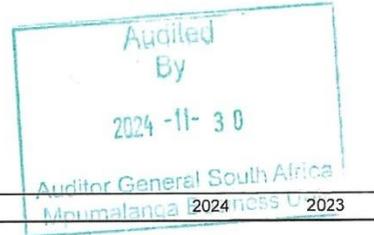
## Chief Albert Luthuli Local Municipality

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#### 15. Employee benefit obligations (continued)

##### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.83 %	11.08 %
CPI inflation rate	4.98 %	5.47 %
Medical aid contribution inflation rate	6.48 %	6.97 %
Net discount rate	4.09 %	3.84 %

##### Financial assumptions

It is difficult to predict future investment returns and inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at this valuation for the period over which the defined benefit obligation is to be settled.

##### Discount rate

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment DBO. However, where there is no deep market in government bonds with sufficiently long maturity to match the estimated term of the benefit payments, current market rates of appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 10.83% per annum has been used. The corresponding index-linked yield at this term is 5.10%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2024.

##### Medical aid contribution inflation rate

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A medical aid contribution inflation rate of 6.48% per annum has been assumed. This is 1.50% in excess of expected consumer price index (CPI) inflation over the expected term of the defined benefit obligation, namely 4.98% per annum. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 4.09% per annum which derives from  $((1+10.83\%)/(1+6.48\%))-1$

The CPI inflation assumption of 4.98% per annum was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the DBO (5.10%) and those of fixed interest bonds (10.83%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was thus determined as follows:  $((1+10.83\%-0.50\%)/(1+5.10\%))-1$

##### Demographic assumptions

Demographic assumptions are required to estimate the changing profile of retirees who are eligible for the post-employment medical aid subsidy.

##### Post-employment mortality

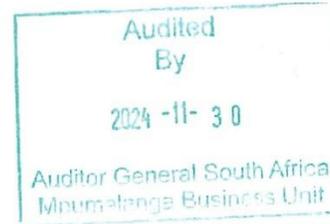
PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die, i.e. 1.99% is derived from  $[1 - (1 - 1\%)^2]$ , and so on.

##### Family profile

It has been assumed that female spouses will be five years younger than their male counterparts. Actual subsidised spouse dependants were used and the potential for remarriage was ignored.

##### Medical scheme option

It has been assumed that continuation members will remain on the same medical scheme and option.



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**15. Employee benefit obligations (continued)**

The basis used to determine the overall expected rate of return on assets, including the effect of the major categories of plan assets, is as follows:

**Plan assets**

Management has indicated that there are no long-term assets set aside off balance-sheet in respect of the municipality's post-employment health care defined benefit obligation.

**Other assumptions**

It was assumed that the municipality's health care arrangements and subsidy policy would remain as outlined in Section 3. Furthermore, it was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue.

**Sensitivity analysis**

The defined benefit obligation at this valuation was recalculated to show the effect of:

- (i) a one percentage point increase and decrease in the assumed medical aid contribution inflation rate;
- (ii) a one percentage point increase and decrease in the discount rate; and
- (iii) a one-year age increase and decrease in the assumed rates of post-employment mortality.

**Sensitivity analysis on the defined benefit obligation**

2024	One percentage point increase	One percentage point decrease
Medical aid contribution inflation rate	10,478,000	9,093,000
Discount rate	9,123,000	10,454,000
Post-employment mortality	9,365,000	10,132,000
<b>2023</b>	<b>One year age increase</b>	<b>One year age decrease</b>

The methods and assumptions used in preparing the sensitivity analyses and the limitations of those methods are [Provide details]

Changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes are [Provide details]

**Sensitivity analysis on interest cost**

2024	One percentage point increase	One percentage point decrease
Medical aid contribution inflation rate	1,066,000	914,000
Discount rate	1,000,000	968,000
Post-employment mortality	946,000	1,026,000

The following figures show the defined benefit obligation's maturity analysis for the next 40 years:

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#### 16. Long service award

As per government gazette an employee shall qualify for long service rewards in terms of leave days credits for the various periods of continuous service completed at the employer as follows:

- After 5 years of service - 5 working days
- After 10 years of service - 10 working days
- After 15 years of service - 20 working days
- After 20 years of service - 30 working days
- After 25 years of service - 30 working days
- After 30 years of service - 30 working days
- After 35 years of service - 30 working days
- After 40 years of service - 30 working days
- After 45 years of service - 30 working days

Long service benefits are awarded in the form of a number leave days awarded once the employee completes a certain number of years in service.

#### Valuation of assets

The long service award liability of the municipality is unfunded. No dedicated assets had been set aside to meet this liability

Notable benefit plan risks faced by the municipality can be summarised as follows:

#### Inflation

The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

#### Termination of service

The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

#### Volatility of open-ended, long-term defined benefit obligation

The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.

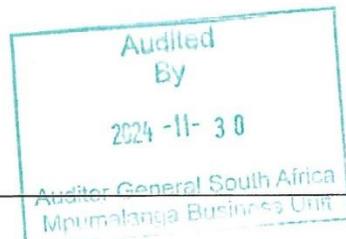
#### Enforcement of eligibility criteria and rules

The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the municipality.

#### Future changes in legislation

The risk that changes to legislation with respect to long service awards may increase the defined benefit obligation for the municipality.

Present value	12,205,000	11,397,000
<b>Changes in present value</b>		
Opening balance	11,397,000	10,917,000
Current service cost	1,072,000	1,000,000
Interest cost	1,197,000	1,131,000
Benefits paid	(1,627,619)	(1,516,109)
Actuarial loss/ (gain)	166,619	(392,891)
Change in policy valued	-	258,000
	<b>12,205,000</b>	<b>11,397,000</b>



# APPENDICES

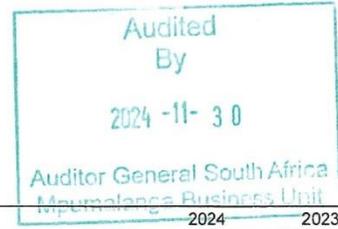
## Chief Albert Luthuli Local Municipality

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### Notes to the Annual Financial Statements

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#### 16. Long service award (continued)

##### Net expense recognised in the statement of financial performance

	2024	2023
Current service cost	1,072,000	1,000,000
Interest cost	1,197,000	1,131,000
Actuarial loss/ (gain)	166,619	(392,891)
	<b>2,435,619</b>	<b>1,738,109</b>

##### Key assumptions

Discount rate:	11.13%
CPI inflation rate:	5.28%
General earnings inflation rate:	6.28%
Net effective discount rate:	4.57%

Average retirement age 62

##### Financial assumptions

It is difficult to predict future investment returns and inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at this valuation for the period over which the defined benefit obligation is to be settled.

##### Discount rate

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the DBO. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve

Consequently, a discount rate of 11.13% per annum has been used. The corresponding index-linked yield is 5.09%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 28 June 2024.

##### Earnings inflation rate

This assumption is required to reflect the estimated growth in earnings of the eligible employees until retirement. It is important in that the LSA are based on an employee's earnings at the date of the award.

The assumption is traditionally split into two components, namely general earnings inflation and promotional earnings escalation. The latter is considered under demographic assumptions.

##### General earnings inflation rate

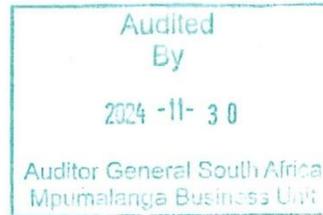
This assumption is more stable relative to the growth in consumer price index (CPI) than in absolute terms. In most industries, experience has shown that over the long term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The CPI inflation assumption of 5.28% per annum was obtained from the differential between market yields on index-linked bonds (5.09%) consistent with the estimated term of the DBO and those of nominal bonds (11.13%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). Therefore, expected CPI inflation is determined as  $((1+11.13\%-0.50\%)/(1+5.09\%))-1$ .

Thus, a general earnings inflation rate of 6.28% per annum over the expected term of the defined benefit obligation has been assumed, which is 1.00% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 4.57%.

##### Demographic assumptions

Demographic assumptions are required about the future characteristics of current employees who are eligible for long service awards



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**Notes to the Annual Financial Statements**

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**16. Long service award (continued)**

Promotional Earnings Scale

The annual escalation rates below are in addition to the general earnings inflation assumption of 6.28% per annum for all employees.

Age Band	Additional Promotional Scale
20-24	5.0%
25-29	4.0%
30-34	3.0%
35-39	2.0%
40-44	1.0%
45+	0.0%

Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's defined benefit obligation in respect of that employee ceases. It is therefore important not to overstate termination rates.

Plan Assets

Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the long service award defined benefit obligation.

Long service award arrangement assumptions

The municipality offers employees long service awards for every five years of service completed, from five years of service to forty five years of service, inclusive.

It was assumed that the employer's long service award arrangements would remain as outlined above, and that the level of benefits in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments.

**Sensitivity analysis on the defined benefit obligation**

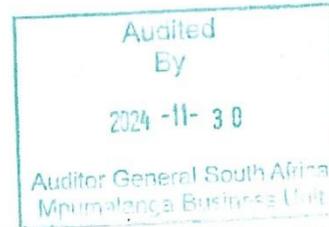
	One percentage point increase	One percentage point decrease		
General earnings inflation rate	12,925,000	11,546,000	-	-
Discount rate	11,539,000	12,944,000	-	-
Average retirement age	1,274,000	1,128,000	-	-
Rates of termination of service	9,782,000	13,808,000	-	-

**Sensitivity analysis on current service cost**

	One percentage point increase	One percentage point decrease
General earnings inflation rate	1,149,000	1,002,000
Discount rate	1,010,000	1,141,000
Average retirement age	1,147,000	987,000
Rates of terminations	797,000	1,266,000

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<b>16. Long service award (continued)</b>		
<b>Sensitivity analysis on interest cost</b>		
	One percentage point increase	One percentage point decrease
General earnings inflation rate	1,274,000	1,128,000
Discount rate	1,227,000	1,163,000
Average retirement age	1,313,000	1,069,000
Rates of termination service	937,000	1,372,000
Current portion	1,069,000	1,675,000
Non-current portion	11,136,000	9,722,000
	<b>12,205,000</b>	<b>11,397,000</b>
<b>17. Service charges</b>		
Sale of electricity	42,113,796	35,072,357
Sale of water	17,478,827	9,750,198
Solid waste	12,495,298	7,386,782
Refuse removal	9,622,743	8,458,125
Other service charges	22,814	167,293
	<b>81,733,478</b>	<b>60,834,755</b>
<b>18. Interest received- consumers</b>		
Interest received from exchange transactions- consumers	14,395,937	17,446,357
Interest received from non-exchange transactions- consumers	16,609,236	18,586,380
	<b>31,005,173</b>	<b>36,032,737</b>
<b>19. Other income</b>		
Building plans	659,817	379,079
Burial service fees	229,043	182,318
Clearance certificates	66,962	30,936
Connection fees	9,600	79,072
Fire brigade fees	357,799	271,859
Proof of residence	727,202	746,616
Sale of stands	93,652	96,496
Tender deposits	161,338	49,573
Administration and handling fees	1,074,637	122,386
Advertising	2,582	785
Valuation certificates	764	38
Cleaning and removal	68,486	53,581
Insurance claim	1,253,350	1,025,847
Proceeds from auction	1,259,442	-
Cleanest town award	25,000	-
Discounts	750	-
Landfill site - change in accounting estimate	-	1,410,007
Cash surplus	-	638
	<b>5,990,424</b>	<b>4,449,231</b>

**Chief Albert Luthuli Local Municipality**

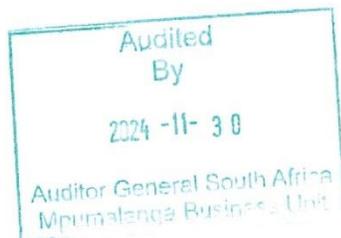
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**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>20. Fair value adjustments</b>		
Investment property (Fair value model)	(563,540)	1,197,600
• Investments	177,774	82,641
	<b>(385,766)</b>	<b>1,280,241</b>
<b>21. Property rates</b>		
<b>Rates received</b>		
Residential	13,832,044	14,900,644
Commercial	19,113,342	17,803,909
State	35,245,241	29,413,926
	<b>68,190,627</b>	<b>62,118,479</b>
<b>Valuations</b>		
Residential	2,457,415,700	2,455,625,801
Commercial	898,347,600	894,547,600
State	940,581,900	938,081,800
Municipal	556,951,100	557,221,100
Small holdings and farms	4,886,288,993	4,906,852,100
Other	147,073,300	147,473,302
	<b>9,886,658,593</b>	<b>9,899,801,703</b>

Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2020. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.



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<b>22. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	418,105,000	388,235,000
Data cleansing	-	7,414,736
FMG	2,000,000	2,000,000
EPWP	2,103,000	2,227,000
LG Seta	454,501	389,970
Disaster relief	7,928,000	4,100,000
	<b>430,590,501</b>	<b>404,366,706</b>
<b>Capital grants</b>		
RBIG	282,793,000	165,142,000
MIG	97,257,000	99,706,000
WSIG	104,937,000	72,745,000
INEP	9,460,000	17,800,000
	<b>494,447,000</b>	<b>355,393,000</b>
	<b>925,037,501</b>	<b>759,759,706</b>

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

#### Financial Management Grant

Current-year receipts	2,000,000	2,000,000
Conditions met - transferred to revenue	(2,000,000)	(2,000,000)
	-	-

The grant was intended to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

#### LG Seta Grant

Current-year receipts	454,501	389,970
Conditions met - transferred to revenue	(454,501)	(389,970)
	-	-

The grant is intended for sending staff of the municipality for training by corporate services.

#### Expanded Public Works Programme

Current-year receipts	2,103,000	2,227,000
Conditions met - transferred to revenue	(2,103,000)	(2,227,000)
	-	-

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The EPWP integrated grant for municipalities is intended to act as a supplementary source of funding for labour-intensive projects.

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**22. Government grants & subsidies (continued)**

**Water Services Infrastructure Grant**

Current-year receipts	104,937,000	72,745,000
Conditions met - transferred to revenue	(104,937,000)	(72,745,000)
	-	-

The grant was intended to fund bulk, connector and internal infrastructure of water services at a basic service level of service

**Municipal Infrastructure Grant**

Current-year receipts	97,257,000	99,706,000
Conditions met - transferred to revenue	(97,257,000)	(99,706,000)
	-	-

The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

**Integrated National Electrification Programme**

Current-year receipts	9,460,000	17,800,000
Conditions met - transferred to revenue	(9,460,000)	(17,800,000)
	-	-

The grant is intended to fund energy efficient lighting technologies in municipal buildings, streets and traffic lighting infrastructure.

**Regional Bulk Infrastructure Grants**

Current-year receipts	282,793,000	165,142,000
Conditions met - transferred to revenue	(282,793,000)	(165,142,000)
	-	-

The grant is intended for fund bulk, connector and internal infrastructure of water services at a basic level of service .

**Disaster Relief Grant**

Balance unspent at beginning of year	4,050,000	-
Current-year receipts	15,800,000	8,150,000
Conditions met - transferred to revenue	(7,928,000)	(4,100,000)
	<b>11,922,000</b>	<b>4,050,000</b>

Conditions still to be met - remain liabilities (see note 13).

The grant is intended to augment the resources of the municipality with regard to certain projects as per the request of the municipality supported by the provincial disaster management centre municipality.

**Data cleansing grant**

Balance unspent at beginning of year	-	7,414,736
Conditions met - transferred to revenue	-	(7,414,736)
	-	-

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand 2024      2023

#### 22. Government grants & subsidies (continued)

This grant is intended to assist the municipality to conduct data cleansing and a reconciliation of the valuation roll and billing system.

The municipality did not receive a data cleansing grant allocation for the 2023/2024 financial year.

#### 23. Donations

Creative Minds Day and After Care Centre	3,631,166	-
Silobela Market Stalls	2,744,999	-
ISUZU Fire Truck	1,399,978	2,791,350
GSDM Installation of boreholes	-	1,500,000
	<b>7,776,143</b>	<b>4,291,350</b>

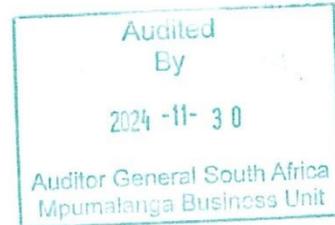
Creative Minds Day and After Care- Investment property donated by Northern Coal

Silobela Market Stalls- Investment property donated by Northern Coal.

Isuzu Fire Truck- Property, plant and equipment donated by The Department of Co-operative Governance and Traditional Affairs



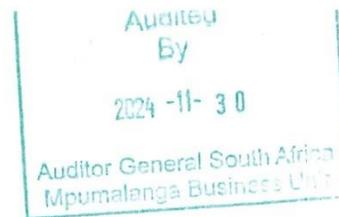
**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024



**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>24. Employee related costs</b>		
Basic	141,851,318	132,736,964
Bonus	11,599,420	10,990,543
Medical aid - company contributions	13,724,467	12,602,876
UIF	1,009,721	1,002,304
Bargaining council	64,139	61,323
SDL	1,966,459	1,836,300
Pension Fund	27,014,220	25,176,289
Interest cost on actuarial valuations	986,000	1,022,000
Provident fund	1,697,387	1,463,986
Travel, motor car, accommodation, subsistence and other allowances	15,606,696	13,389,331
Overtime payments	13,738,473	11,949,871
Long-service awards	1,627,619	1,516,109
Acting allowances	3,121,088	3,473,492
Housing benefits and allowances	1,484,465	1,473,456
Telephone allowances	840,680	812,057
Standby allowances	10,341,198	9,530,635
Pension payout	-	3,916,390
Long service award- service cost	641,381	872,891
Actuarial loss/ (gain)	482,425	(902,051)
Employee benefits- leave provisions	1,769,103	1,075,693
	<b>249,566,259</b>	<b>234,000,459</b>
<b>Remuneration of Municipal Manager: Thabethe M.E</b>		
Annual remuneration	1,028,424	907,688
Car allowance	180,000	180,000
Performance bonuses	149,462	133,763
Contributions to UIF, SDL, medical and pension funds	180,890	172,420
Cellphone allowance	24,000	24,000
Rural allowance	49,191	51,944
	<b>1,611,967</b>	<b>1,469,815</b>
<b>Remuneration of Chief Finance Officer: Sekgobela M.M</b>		
Annual remuneration	730,240	276,901
Car allowance	180,000	75,000
Performance bonuses	83,005	121,489
Contributions to UIF, SDL, medical and pension funds	211,903	84,880
Cellphone allowance	12,000	5,000
Rural allowance	43,266	17,293
	<b>1,260,414</b>	<b>580,563</b>
<b>Remuneration of Director Corporate Services: Sibeko S.S</b>		
Annual remuneration	764,251	490,065
Car allowance	186,000	115,000
Performance bonuses	142,786	85,042
Contributions to UIF, SDL, medical and pension funds	208,723	146,851
Cellphone allowance	12,000	8,000
Rural allowance	43,606	29,477
Leave paidout	-	217,633
Re-imbusement of S&Ts	24,939	-
	<b>1,382,305</b>	<b>1,092,068</b>

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand 2024      2023

**24. Employee related costs (continued)**

**Remuneration of Director Community Services and Public Safety: Malaza S.I**

Annual remuneration	904,089	733,884
Car allowance	96,000	88,000
Performance bonuses	114,131	98,610
Contributions to UIF,SDL, medical and pension funds	159,908	140,469
Cellphone allowance	12,000	11,000
Rural allowance	43,889	38,095
Acting allowance	5,141	4,159
Re-imbursment of S&T	17,842	-
	<b>1,353,000</b>	<b>1,114,217</b>

**Remuneration of Director Technical Services: Magubane M.P**

Annual remuneration	750,204	710,274
Car allowance	165,000	180,000
Performance bonuses	197,136	98,610
Contributions to UIF,SDL, medical and pension funds	187,856	186,932
Cellphone allowance	11,000	12,000
Rural allowance	32,226	47,985
Acting allowance	-	18,746
Leave Paid Out	205,196	-
	<b>1,548,618</b>	<b>1,254,547</b>

**Remuneration of Acting Director Technical Services: Thela B.P**

Annual Remuneration	902,180	-
Travel allowance	226,154	-
13th Cheques	57,118	-
Cellphone allowance	12,800	-
Acting allowance	27,600	-
Contributions to UIF, SDL, medical and pension funds	238,206	-
	<b>1,464,058</b>	<b>-</b>

**Remuneration of Director Planning and Economic Development : Motloung L**

Annual remuneration	670,843	582,083
Car allowance	180,000	165,000
Performance bonuses	103,542	98,610
Contributions to UIF, SDL, medical and pension funds	189,946	118,966
Cellphone allowance	12,000	11,000
Housing allowance	120,000	110,000
Rural allowance	43,889	38,095
Re-imbursment of S&T	27,510	-
	<b>1,347,730</b>	<b>1,123,754</b>

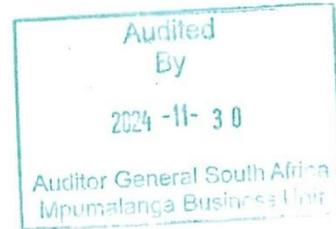
**Remuneration of Acting Chief Finance Officer: Hlophe O.G (September 2022- January 2023)**

Annual remuneration	-	270,958
Car allowance	-	67,922
Contributions to UIF, SDL, medical and pension funds	-	89,393
Acting allowance	-	126,401
Cellphone allowance	-	4,800
	<b>-</b>	<b>559,474</b>

**Chief Albert Luthuli Local Municipality**

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**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>24. Employee related costs (continued)</b>		
<b>Remuneration of Acting Director Corporate Services: Nkosi M.S (October 2022- January 2023)</b>		
Annual remuneration	-	216,766
Car allowance	-	54,338
Cellphone allowance	-	3,800
Acting allowance	-	100,889
	-	<b>375,793</b>
<b>Remuneration of Acting Director Community Services and Public Safety: Thabethe N.P (July 2022)</b>		
Annual remuneration	-	54,191
Car allowance	-	13,584
Contributions to UIF, SDL, medical and pension funds	-	15,136
Cellphone allowance	-	800
Acting allowance	-	18,746
	-	<b>102,457</b>
<b>Remuneration of Acting Director Planning and Economic Development: Thwala A.N (July 2022)</b>		
Annual remuneration	-	54,192
Car allowance	-	13,584
Contributions to UIF, SDL, medical and pension funds	-	14,384
Cellphone allowance	-	800
Acting allowance	-	18,746
	-	<b>101,706</b>
<b>Remuneration of Former Municipal Manager: Dlamini M.S - Backpayment (Contract ended April 2022)</b>		
Annual remuneration	16,950	17,333
Performance bonus	126,669	-
Contributions to UIF, SDL, medical and pension funds	1,783	1,366
Rural allowance	-	693
	<b>145,402</b>	<b>19,392</b>
<b>Remuneration of Former Chief Finance Officer: Mnisi M.G.T - Backpayment (Resigned August 2022)</b>		
Annual remuneration	32,787	166,430
Car allowance	-	27,657
Performance Bonuses	115,047	-
Contributions to UIF, SDL, medical and pension funds	1,928	20,678
Cellphone allowance	-	2,000
Rural allowance	227	8,350
Leave paidout	-	217,633
	<b>149,989</b>	<b>442,748</b>
<b>Remuneration of Former Director Community Services and Public Safety: Shabangu J.W - Backpayment (Contract ended March 2022)</b>		
Annual remuneration	15,255	11,500
Performance bonuses	134,883	142,436
Contributions to UIF, SDL, medical and pension funds	1,501	1,336
Rural allowance	-	460
	<b>151,639</b>	<b>155,732</b>

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

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### Notes to the Annual Financial Statements

Figures in Rand 2024 2023

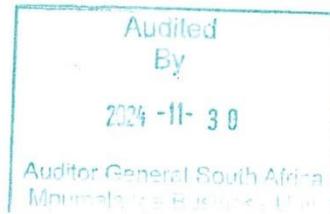
#### 24. Employee related costs (continued)

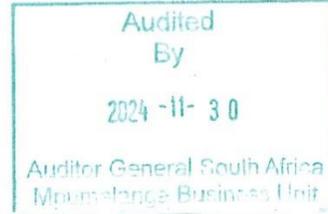
##### Remuneration of Former Director Planning and Economic Development: Lukhele T.A. - Backpayment (Contract ended March 2022)

Annual remuneration	3,390	2,834
Contributions to UIF,SDL, medical and pension funds	68	59
Rural allowance	-	113
	<b>3,458</b>	<b>3,006</b>

#### 25. Remuneration of councillors

Executive Major	976,267	995,843
Speaker	848,891	813,414
Chief whip	823,724	758,005
Mayoral Committee Members	4,874,139	4,535,787
Councillors	15,878,557	14,648,847
	<b>23,401,578</b>	<b>21,751,896</b>





**Chief Albert Luthuli Local Municipality**

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**Notes to the Annual Financial Statements**

Figures in Rand 2024 2023

**25. Remuneration of councillors (continued)**

**In-kind benefits**

The Executive Mayor is provided with a vehicle, driver, aid, secretary and chief of staff at the cost of the council.

The Chief Whip is provided with a personal assistant.

The Speaker is provided with a vehicle, secretarial support, personal assistant and a manager.

Members of municipal council should be remunerated within the upper limits as determined by the Department of Cooperative Governance and Traditional Affairs. Any deviations are disclosed as irregular expenditure.

**Remuneration of Councillors:**

The remuneration of the political office bearers and councillors are within the upper limits as determined by the framework envisaged section 219 of the Constitution.

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension & Medical	SDL	Total
Executive Mayor Nkosi D.P	809,832	300	45,379	113,121	7,635	976,267
	<b>809,832</b>	<b>300</b>	<b>45,379</b>	<b>113,121</b>	<b>7,635</b>	<b>976,267</b>

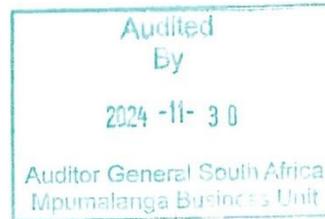
2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension & Medical	SDL	Total
Speaker Gininda S.V	465,182	198,126	48,708	130,033	6,841	848,890
	<b>465,182</b>	<b>198,126</b>	<b>48,708</b>	<b>130,033</b>	<b>6,841</b>	<b>848,890</b>

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Chief Whip Sidu L.L	447,923	211,614	48,708	109,078	6,401	823,724
	<b>447,923</b>	<b>211,614</b>	<b>48,708</b>	<b>109,078</b>	<b>6,401</b>	<b>823,724</b>

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Mayor Committee Members	-	-	-	-	-	-
Thomo N.G	451,960	213,739	48,708	101,079	6,314	821,800
Nkosi S.P	480,415	194,926	48,708	68,416	6,195	798,660
Zulu G.G	457,222	197,350	48,708	95,816	6,300	805,396
Dube S.N	480,415	228,685	48,708	68,416	6,195	832,419
Mathebula J.	480,415	211,459	48,708	68,416	6,230	815,228
Dlamini E.S	607,335	14,904	48,708	123,442	6,246	800,635
	<b>2,957,762</b>	<b>1,061,063</b>	<b>292,248</b>	<b>525,585</b>	<b>37,480</b>	<b>4,874,138</b>

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
MPAC Chairperson Motaung R.M	631,266	-	48,708	89,915	6,089	775,978
	<b>631,266</b>	<b>-</b>	<b>48,708</b>	<b>89,915</b>	<b>6,089</b>	<b>775,978</b>

# APPENDICES



**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
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**Notes to the Annual Financial Statements**

Figures in Rand 2024 2023

**25. Remuneration of councillors (continued)**

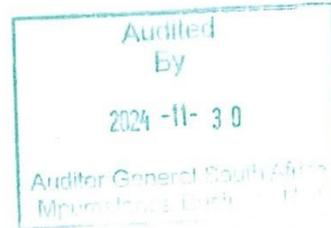
2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
S.79 Chairpersons						
Thomo G.P	264,123	104,897	48,708	37,620	3,628	458,976
Jele D	207,397	110,994	48,708	102,135	3,793	473,027
Lulane S.K	352,163	150	48,708	50,161	3,607	454,789
Nkumane M.J	352,163	7,134	48,708	50,161	3,607	461,773
Khumalo S.P	352,163	3,265	48,708	50,161	3,607	457,904
Nkosi P.Z	264,123	109,060	48,708	37,620	3,628	463,139
Hlatshwayo P.T	352,163	4,107	48,708	50,161	3,607	458,746
	<b>2,144,295</b>	<b>339,607</b>	<b>340,956</b>	<b>378,019</b>	<b>25,477</b>	<b>3,228,354</b>

2024	Basic Salary	Subsistence & Travel allowance	Cellphone allowance	Pension and Medical	SDL	Total
Councillors						
Sikhakhane NB	208,810	91,200	48,708	29,315	2,962	380,995
L. Van Der Walt	170,614	86,454	48,708	60,491	2,984	369,251
Matshaba KA	186,197	86,175	48,708	48,928	2,984	372,992
Zwane FC	174,683	82,139	48,708	60,440	3,015	368,985
Hadebe JCH	205,810	86,982	48,708	29,315	2,932	373,747
Mbuli TG	205,810	84,310	48,708	29,315	2,932	371,075
Nkosi DS	166,048	-	29,310	22,650	1,746	219,754
Masuku BM	205,810	81,807	48,708	29,315	2,932	368,572
Mbokane PS	225,105	76,379	48,708	31,690	2,930	384,812
Gininda O	274,414	4,759	48,708	39,086	2,915	369,882
Shiba XSG	274,414	-	48,708	39,086	2,915	365,123
Nkambule KV	274,414	7,591	48,708	39,086	2,915	372,714
Maisela SJ	274,414	850	48,708	39,086	2,915	365,973
Adams PP	205,810	88,542	48,708	29,315	2,932	375,307
Makene J	274,414	3,184	48,708	39,086	2,915	368,307
Mabuza VB	274,414	18,408	48,708	39,086	2,915	383,531
Nkosi AJ	274,414	850	48,708	39,086	2,915	365,973
Mauku BM	205,810	78,964	48,708	29,315	2,932	365,729
Manana BL	205,810	92,029	48,708	29,315	2,932	378,794
Phakathi FDM	274,414	4,381	48,708	39,086	2,915	369,504
Methula ZC	205,810	89,695	48,708	29,315	2,932	376,460
Nkosi NP	205,810	86,808	48,708	29,315	2,932	373,573
Mncina LM	274,414	4,180	48,708	39,086	2,915	369,303
Thwala SJ	274,414	-	48,708	39,086	2,915	365,123
Sithole BI	205,810	84,993	48,708	29,315	2,932	371,758
Hlophe MP	205,810	84,937	48,708	29,315	2,932	371,702
Nkambule T	205,810	79,938	48,708	29,315	2,932	366,703
Nkosi LNP	274,414	6,240	48,708	39,086	2,915	371,363
Hlatshwayo CS	205,810	81,571	48,708	29,315	2,932	368,336
Mbatha ME	205,810	88,245	48,708	29,315	2,932	375,010
Thambekwayo MT	211,089	76,478	48,708	30,106	2,929	369,310
Dlamini N	274,414	700	48,708	39,086	2,915	365,823
Mnisi TJ	103,314	350	18,466	15,497	1,118	138,745
	<b>7,414,358</b>	<b>1,659,139</b>	<b>1,557,724</b>	<b>1,149,244</b>	<b>93,764</b>	<b>11,874,229</b>

## Chief Albert Luthuli Local Municipality

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### Notes to the Annual Financial Statements



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#### 25. Remuneration of councillors (continued)

2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
Executive Mayor Nkosi D.P.	827,376	-	40,800	120,086	7,581	995,843
	<b>827,376</b>	<b>-</b>	<b>40,800</b>	<b>120,086</b>	<b>7,581</b>	<b>995,843</b>
2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
Speaker Gininda S.V.	444,954	189,335	40,800	124,722	6,385	806,196
Mngomezulu M.W. (Former)	5,363	1,788	-	-	68	7,219
	<b>450,317</b>	<b>191,123</b>	<b>40,800</b>	<b>124,722</b>	<b>6,453</b>	<b>813,415</b>
2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
Chief Whip Sidu L.L.	428,632	177,807	40,800	104,790	5,976	758,005
	<b>428,632</b>	<b>177,807</b>	<b>40,800</b>	<b>104,790</b>	<b>5,976</b>	<b>758,005</b>
2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
Mayoral Committee Members	-	-	-	-	-	-
Thomo N.G.	433,466	176,815	40,800	96,977	5,916	752,974
Nkosi S.P.	462,113	176,564	40,800	67,579	5,822	752,878
Zulu G.G.	438,155	176,564	40,800	91,537	5,891	752,947
Dube S.N.	462,997	172,702	40,800	67,579	5,800	749,878
Mathebula J.T.	459,461	175,680	40,800	67,579	5,789	749,309
Dlamini E.S.	582,797	-	40,800	119,923	5,794	749,314
Nkosi S.Z. (Former)	5,105	1,702	-	-	65	6,872
Mathebula N.V. (Former)	5,105	1,702	-	-	65	6,872
Magagula P (Former)	5,105	1,702	-	-	65	6,872
Mnisi-Nkosi N (Former)	5,105	1,702	-	-	65	6,872
	<b>2,859,409</b>	<b>885,133</b>	<b>244,800</b>	<b>511,174</b>	<b>35,272</b>	<b>4,535,788</b>
2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
MPAC Chairperson Motaung R.M.	598,663	-	40,800	87,423	5,593	732,479
	<b>598,663</b>	<b>-</b>	<b>40,800</b>	<b>87,423</b>	<b>5,593</b>	<b>732,479</b>

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## Chief Albert Luthuli Local Municipality

(Registration number MP301)

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Figures in Rand

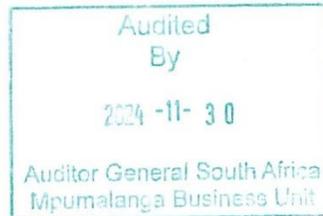
2024

2023

#### 25. Remuneration of councillors (continued)

2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
S79 Chairpersons	-	-	-	-	-	-
Thomo G.P.	248,618	95,065	40,800	36,578	3,319	424,380
Jele D	271,821	-	40,800	108,440	3,447	424,508
Lulane S.K.	331,490	-	40,800	48,771	3,276	424,337
Nkumane M.J.	331,490	-	40,800	48,771	3,276	424,337
Khumalo S.P.	331,490	-	40,800	48,771	3,276	424,337
Nkosi P.Z.	248,618	95,065	40,800	36,578	3,319	424,380
Mthombeni S.F. (Former)	2,723	908	-	-	34	3,665
Nkosi J.S. (Former)	2,723	908	-	-	34	3,665
Shabangu L.D. (Former)	2,723	908	-	-	34	3,665
Ngwenya R.D (Former)	2,829	-	-	-	28	2,857
	<b>1,774,525</b>	<b>192,854</b>	<b>244,800</b>	<b>327,909</b>	<b>20,043</b>	<b>2,560,131</b>

Audited  
By  
2024 -11- 30  
Auditor General South Africa  
Mpumalanga Business Unit



**Chief Albert Luthuli Local Municipality**  
(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

2024

2023

**25. Remuneration of councillors (continued)**

2023	Basic salary	Subsistence & Travel allowance	Cellphone allowance	Pension & medical aid	SDL	Total
Councillors						
Sikhakhane N.B.	196,379	74,960	40,800	28,502	2,710	343,351
Van der Walt L	166,587	74,960	40,800	58,293	2,795	343,435
Matshaba K.A.	176,978	74,960	40,800	47,902	2,765	343,405
Zwane F.C.	166,981	74,960	40,800	57,900	2,794	343,435
Ndebele J.C.H.	196,379	74,960	40,800	28,502	2,710	343,351
Mbuli T.G.	196,379	74,960	40,800	28,502	2,710	343,351
Nkosi D.S.	261,839	-	40,800	38,002	2,678	343,319
Masuku B.M.	194,257	74,253	40,800	28,502	2,494	340,306
Mbokane P.S.	259,010	-	40,800	38,002	2,649	340,461
Hlatshwayo P.T.	286,537	-	40,800	43,975	2,922	374,234
Gininda O	259,010	-	40,800	38,002	2,649	340,461
Shiba X.S.G.	259,010	-	40,800	38,002	2,649	340,461
Nkambule K.V.	259,010	-	40,800	38,002	2,649	340,461
Maisela S.J.	259,010	-	40,800	38,002	2,649	340,461
Adams P.P.	237,897	24,279	40,800	34,836	2,661	340,473
Makene J	259,010	-	40,800	38,002	2,649	340,461
Mabuza V.B.	259,010	-	40,800	38,002	2,649	340,461
Nkosi A.J.	259,010	-	40,800	38,002	2,649	340,461
Mauku B.M.	253,732	6,069	40,800	37,211	2,652	340,464
Manana B.L.	194,257	74,253	40,800	28,502	2,683	340,495
Phakathi F.D.M.	259,010	-	40,800	38,002	2,649	340,461
Methula Z.C.	195,672	72,839	40,800	28,502	2,686	340,499
Nkosi N.P.	194,257	74,253	40,800	28,502	2,683	340,495
Mncina L.M.	259,010	-	40,800	38,002	2,649	340,461
Thwala S.J.	259,010	-	40,800	38,002	2,649	340,461
Sithole B.I.	259,010	-	40,800	38,002	2,649	340,461
Hlophe M.P.	194,257	74,253	40,800	28,502	2,683	340,495
Nkambule T.P.	216,784	48,559	40,800	31,669	2,674	340,486
Nkosi L.N.P.	259,010	-	40,800	38,002	2,649	340,461
Hlatshwayo C.S.	194,257	74,253	40,800	28,502	2,683	340,495
Mbatha M.E.	206,228	60,699	40,800	30,085	2,680	340,492
Thambekwayo M.T.	259,010	-	40,800	38,002	2,649	340,461
Dlamini N.E.	253,353	-	40,800	38,002	2,593	334,748
Nkosi V.L. (Former)	2,121	707	-	-	27	2,855
Dludlu Z.M. (Former)	3,630	-	-	-	36	3,666
Nkosi A.D. (Former)	2,121	707	-	-	27	2,855
Lubhede E.J. (Former)	2,121	707	-	-	27	2,855
Ngubeni A (Former)	2,121	707	-	-	27	2,855
Cindi N.R. (Former)	2,121	707	-	-	27	2,855
Nkosi G.J. (Former)	2,121	707	-	-	27	2,855
Mbhele J.S. (Former)	2,121	707	-	-	27	2,855
Mthembu M.S. (Former)	2,121	707	-	-	27	2,855
Malaza M.A. (Former)	2,121	707	-	-	27	2,855
Nkosi B.G. (Former)	2,121	707	-	-	27	2,855
Nkosi T.S. (Former)	2,121	707	-	-	27	2,855
Nkosi T.B. (Former)	2,121	707	-	-	27	2,855
Shongwe J.D. (Former)	2,121	707	-	-	27	2,855
Jele J.J. (Former)	2,121	707	-	-	27	2,855
Nkosi J.T. (Former)	2,828	-	-	-	28	2,856
Nhlabathi N.C. (Former)	2,121	707	-	-	27	2,855
Khumalo M.J. (Former)	2,121	707	-	-	27	2,855
Mkhwanazi H.L.Z. (Former)	2,121	707	-	-	27	2,855
Ngoma Z (Former)	2,121	707	-	-	27	2,855
Nijana M.L. (Former)	2,121	707	-	-	27	2,855

# APPENDICES

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

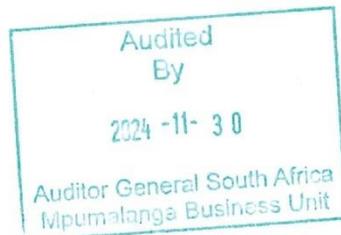
### Notes to the Annual Financial Statements

Figures in Rand					2024	2023
<b>25. Remuneration of councillors (continued)</b>						
Hlabathi P.Z (Former)	2,121	707	-	-	27	2,855
Zulu W (Former)	2,829	-	-	-	28	2,857
Mnisi S.T. (Former)	2,121	707	-	-	27	2,855
Kgwedi T.H. (Former)	2,121	707	-	-	27	2,855
	<b>7,665,099</b>	<b>1,049,024</b>	<b>1,346,400</b>	<b>1,206,421</b>	<b>89,028</b>	<b>11,355,972</b>
<b>26. Finance costs</b>						
Rehabilitation of landfill sites					7,731,558	7,880,664
Bulk purchases					45,415	10,701
Finance leases					346,038	549,111
Other interest paid					5,921,479	2,825,582
					<b>14,044,490</b>	<b>11,266,058</b>
<b>27. Bulk purchases</b>						
Electricity - Eskom					117,294,553	95,267,852

Electricity distribution losses are based on units per invoices received from Eskom and units sold per prepaid reports and conventional billing. The loss was determined to be R19 289 042.67 (2023: R26 794 427.78) and 17 743 008.67 units (2023: 16 364 069.70) which is 37.7% (2023: 46.52%).

The losses are as a result of technical losses due to aging infrastructure.

Water distribution losses are based on the kilowaters of water produced 11 158 050kl (2023: 10 477 358kl) and total water distributed 9 031 633kl (2023: 6 857 384kl) and the estimated loss is 2 126 417kl (2023: 3 619 974kl) which is 19% (2023: 39.31%).



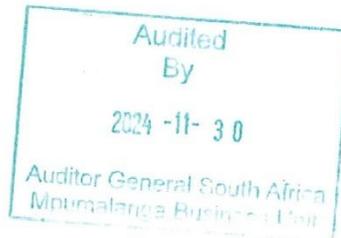
## Chief Albert Luthuli Local Municipality

(Registration number MP301)

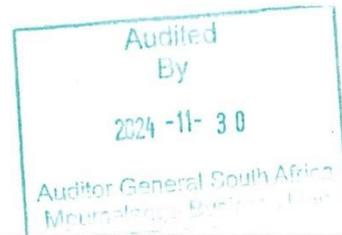
Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>28. Contracted services</b>		
<b>Outsourced Services</b>		
Burial Services	6,500	6,000
Business and Advisory	874,857	15,445,538
Catering Services	591,805	410,144
Meter Management	259,638	1,366,239
Medical Services	227,931	92,016
Mini Dumping Sites	-	1,470,518
Research and advisory	2,867,616	1,382,990
Professional Staff	4,612,914	20,479,059
Researcher	35,147	-
Security Services	28,178,374	23,615,811
<b>Consultants and Professional Services</b>		
Business and Advisory	13,748,012	10,622,136
Infrastructure and Planning	7,024,082	4,892,844
Information and Communication Technology	6,502,339	4,806,906
Legal Cost	9,742,037	9,154,188
Audit Committee	345,268	287,824
<b>Contractors</b>		
Bore Waterhole Drilling	1,529,360	6,835,008
Event Promoters	1,167,603	3,182,678
Fire Protection	29,135	1,500,391
Repairs and maintenance	48,986,626	51,238,529
Removal of Hazardous Waste	1,838,547	1,577,572
	<b>128,567,791</b>	<b>158,366,391</b>
<b>29. General expenses</b>		
Advertising	7,866,064	4,038,148
Auditors remuneration	6,992,043	7,592,409
Bank charges	563,505	550,884
Commission paid	2,015,993	14,904,526
Consumables	36,049,603	18,851,077
Entertainment	141,057	26,220
Hire	829,650	-
Insurance	2,249,542	2,009,261
Levies	-	6,756
Motor vehicle expenses	14,746,981	14,962,551
Printing and stationery	3,532,452	3,815,951
Protective clothing	6,749,842	8,743,351
Indigent relief	7,023,430	3,943,804
Subscriptions and membership fees	2,855,984	2,355,905
Telephone and fax	3,996,089	3,975,516
Transport and freight	461,572	3,263,950
Training	1,566,978	2,872,303
Travel - local	1,666,472	2,402,922
EPWP Expenditure	3,449,609	2,688,200
Interview costs	3,003,781	2,890,264
Assets less than capitalisation threshold	1,613,267	519,612
Committee costs	3,562,500	4,355,100
Refunds	-	25,065
Other expenses	-	1,039,920
	<b>110,936,414</b>	<b>105,833,695</b>



# APPENDICES



## Chief Albert Luthuli Local Municipality

(Registration number MP301)  
Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand 2024      2023

#### 30. Financial loss

Financial loss	(266,336)	-
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During the 2023/2024 financial year, the municipality experienced a financial loss amounting to R266 336 as a result of invoices presented to the municipality for work done with fraudulent bank accounts. An investigation was conducted by an external service provider, and the findings and recommendations were presented to the Financial Disciplinary Board.

Internal disciplinary processes are currently underway and there is no conclusion on this matter.

#### 31. Cash generated from operations

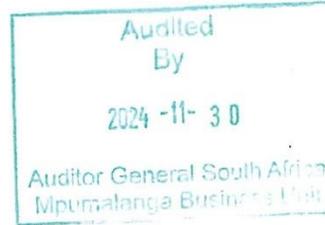
Surplus	371,851,843	147,009,279
<b>Adjustments for:</b>		
Depreciation and amortisation	66,396,041	55,777,409
Loss on disposal of property, plant and equipment	5,955,294	537,642
Fair value adjustments	385,766	(1,280,241)
Finance costs - Finance leases	346,038	549,111
Rehabilitation of landfill site	-	7,880,664
Actuarial gain	-	902,051
Net interest cost of employee benefit	-	1,022,000
Donations	7,776,143	(4,291,350)
Provision for leave	-	837,062
Long service award	-	1,131,000
Impairment loss	4,204,539	17,621,726
Debt impairment	41,201,783	79,633,472
Bad debts written off	-	3,644,058
Net current service cost	-	1,000,000
Movements in retirement benefit assets and liabilities	383,000	-
Movements in provisions	9,081,701	-
Inventories consumed	-	113,335
<b>Changes in working capital:</b>		
Inventories	(10,981,619)	(442,908)
Receivables from exchange transactions	(36,727,398)	(22,216,802)
Statutory receivables	13,438,211	8,660,618
Operating lease asset	10,451	32,396
Payables from exchange transactions	(10,204,984)	21,614,115
VAT	(11,377,230)	(8,576,783)
Unspent conditional grants	7,872,000	(3,364,736)
Long service award	(606,000)	(9,241,999)
	<b>459,005,579</b>	<b>298,551,119</b>

#### 32. Commitments

##### Authorised capital expenditure

##### Already contracted for but not provided for

• Infrastructure	427,526,191	207,707,196
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**Chief Albert Luthuli Local Municipality**  
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 Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>33. Contingencies</b>		
<b>Litigations in the process against the municipality relating to civil claims include the following:</b>		
Sifiso Thela	232,384	232,384
Minister of Water and Sanitation	4,500,000	4,500,000
303 Security Services & Cleaning Services (PTY) LTD	78,984,550	-
303 Security Services & Cleaning Services (PTY) LTD	7,388,438	-
Tlou Consulting	812,949	-
	<b>91,918,321</b>	<b>4,732,384</b>

The figures disclosed above are actual amounts as per the court summons and not the best estimate as the municipality has never had any similar cases to the ones disclosed in this note.

**Sifiso Thela**

Plaintiff is suing council in respect of damages suffered as a result of a motor vehicle accident that occurred between his car and that of the council. The potential liability is estimated at R232,384.00.

**Minister of Water and Sanitation**

The council is sued for R4,500,000 plus mora interest at a rate of 10.5% per annum from the date of issuing summons to the date of payment thereof, in respect of water use charges.

**303 Security Services & Cleaning Services (PTY) LTD**

The plaintiff is suing the council for R78 984 549.65 for failure by the municipality to honour its obligation to pay the plaintiff at the PSIRA rate and, the refusal by the municipality to link the annual escalation percentage to the inflation rate plus 2% interest on the aforesaid amount at the prescribed rate of interest from date of summons until date of full payment. The matter is before the High Court of South Africa Mpumalanga Division.

**303 Security Services & Cleaning Services (PTY) LTD**

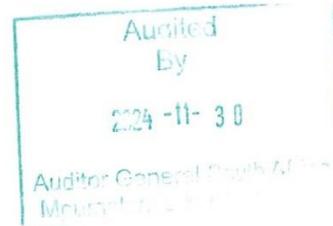
The plaintiff in this matter is suing the municipality for an amount of R7 388 438.48 for an extended employment contract of 74 security guards.

**Tlou Consulting (PTY) LTD**

The plaintiff in this matter is suing the municipality for an amount of R812 984.50 for work done under tender number ALMP12/2021.

**34. Related parties**

Relationships	
Accounting Officer	Refer to accounting officers' report note 24
Section 57 Senior Managers	Refer to accounting officers' report note 24
Executive Mayor	Refer to accounting officers' report note 25
Speaker	Refer to accounting officers' report note 25
Chief Whip	Refer to accounting officers' report note 25
Mayoral Committee Members	Refer to accounting officers' report note 25
Councillors	Refer to accounting officers' report note 25



**Chief Albert Luthuli Local Municipality**  
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 Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand 2024      2023

**35. Risk management**

**Financial risk management**

The municipality's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

**Liquidity risk**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

	2024	2023
Financial instrument		
Cash and cash equivalents	16,228,109	4,083,119
Receivables from exchange transactions	28,299,178	17,522,883
Other receivables from non-exchange transactions	309,717	309,717
Investments	5,624,303	4,948,390

**Market risk**

**Interest rate risk**

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality is exposed to equity securities market risk because of investments held by the municipality and classified on the statement of financial position as at fair value through surplus or deficit.

**36. Going concern**

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of 2,403,844,002 and that the municipality's total liabilities exceed its assets by 2,504,636,035.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**37. Subsequent events**

The investigation into irregular expenditure and fruitless and wasteful expenditure was concluded after 30 June 2024.

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>38. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	1,925	16,634
Eskom	7,830	10,701
SARS: Interest plus penalties	-	76
Less: Amount recovered - current	(7,228)	(25,486)
<b>Closing balance</b>	<b>2,527</b>	<b>1,925</b>

Council has investigated the fruitless and wasteful expenditure and recommended that fruitless and wasteful expenditure be written off after a comprehensive enquiry by MPAC.

### 39. Irregular expenditure

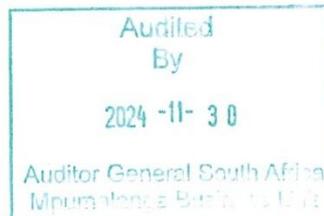
Opening balance as previously reported	2,493,298	273,244,582
Add: Irregular expenditure - current	1,907,634	42,672,831
Less: Amount written off - current	(3,487,641)	(313,424,115)
<b>Closing balance</b>	<b>913,291</b>	<b>2,493,298</b>

Incidents/cases identified/reported in the current year include those listed below:

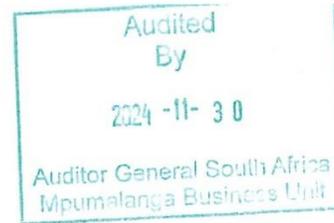
Bid adjudication committee not complying with Regulation 29(2)	-	290,528
Government employee	-	29,500
SCM process not followed	1,023,843	42,352,803
Invalid contract	883,792	-
	<b>1,907,635</b>	<b>42,672,831</b>

All amounts disclosed as irregular expenditure are VAT inclusive.

Council has investigated the irregular expenditure and recommended that irregular expenditure be written off after a comprehensive enquiry by MPAC.



# APPENDICES



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>40. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Current year subscription / fee	128,288	122,645
Amount paid - current year	(128,288)	(122,645)
	-	-
<b>Audit fees</b>		
Opening balance	5,301	10,514
Current year subscription / fee	8,046,151	8,755,708
Amount paid - current year	(7,999,965)	(8,760,921)
	51,487	5,301
<b>PAYE and UIF</b>		
Opening balance	(93,415)	8,228
Current year subscription / fee	42,887,867	39,040,535
Amount paid - current year	(42,888,867)	(39,048,764)
Unallocated receipt	-	(93,414)
	(94,415)	(93,415)
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	69,879,272	64,737,359
Amount paid - current year	(69,879,272)	(64,737,359)
	-	-

**Councillors' arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Van der Walt L	2,404	11,338	13,742
30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Van der walt L	2,448	15,968	18,416

**41. Deviation from supply chain management regulations**

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The municipality did not have any deviations during the year.

## Chief Albert Luthuli Local Municipality

(Registration number MP301)

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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#### 42. Segment information

##### General information

##### Identification of segments

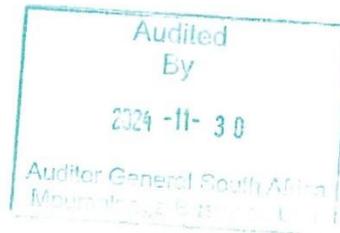
The municipality is organised and reports to management on the basis of three major functional areas: Community and Public Services, Economic and Environmental Services and Trading Services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and Public Services	Sports and Recreation, Public Safety and Community and Social Services
Economic and Environmental Services	Environmental Protection, Road Transport, Planning and Development
Trading Services	Water, Electricity, Waste Management and Waste Water Management



# APPENDICES

**Chief Albert Luthuli Local Municipality**  
(Registration number, MP301)  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**42. Segment information (continued)**  
**Segment surplus or deficit, assets and liabilities**  
**2024**

	Community and Public Services	Economic and Environmental Services	Trading Services	Total
<b>Revenue</b>				
Revenue from non-exchange transactions	21,035,143	18,069,148	1,846,057	40,950,348
Revenue from exchange transactions	636,344	645,297	81,549,807	82,831,448
<b>Total segment revenue</b>	<b>21,671,487</b>	<b>18,714,445</b>	<b>83,395,864</b>	<b>123,781,796</b>
Unallocated revenue/ non-segment				1,019,000,255
<b>Entity's revenue</b>				<b>1,142,782,051</b>
<b>Expenditure</b>				
Bulk purchases	-	-	117,294,553	117,294,553
Contracted services	28,796,544	10,016,939	42,922,641	81,736,124
Depreciation and amortisation	66,396,041	-	-	66,396,041
Impairment loss	4,204,539	-	-	4,204,539
Finance costs	346,038	-	-	346,038
Employee related costs	53,952,424	22,100,131	73,110,599	149,163,154
General expenses	8,025,411	15,866,443	21,694,803	45,586,657
Debt impairment	-	-	31,393,949	31,393,949
Loss on disposal of assets and liabilities	(79,998)	(40,954)	1,869,016	1,748,064
<b>Total segment expenditure</b>	<b>161,640,999</b>	<b>47,942,559</b>	<b>288,285,561</b>	<b>497,869,119</b>
<b>Total segmental surplus/(deficit)</b>	<b>(139,969,512)</b>	<b>(29,228,114)</b>	<b>(204,889,697)</b>	<b>(374,087,323)</b>
Unallocated expenditure/ non-segment				273,061,089
Total revenue reconciling items				1,019,000,255
<b>Entity's surplus (deficit) for the period</b>				<b>1,292,061,344</b>

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Witwatersrand Business Unit

**Chief Albert Luthuli Local Municipality**

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**Notes to the Annual Financial Statements**

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	Community and Public Services	Economic and Environmental Services	Trading Services	Total
<b>42. Segment information (continued)</b>				
<b>Assets</b>				
Segment assets	(91,667,394)	(131,206)	984,046,021	892,247,421
Unallocated assets/ non-segment				1,917,562,672
<b>Total assets as per Statement of financial Position</b>				<b>2,809,810,093</b>
<b>Liabilities</b>				
Segment liabilities	6,137,564	8,312,324	(28,435,163)	(13,985,275)
Unallocated liabilities/ non-segment				(291,966,855)
<b>Total liabilities as per Statement of financial Position</b>				<b>(305,952,130)</b>
<b>2023</b>				
<b>Revenue</b>				
Revenue from exchange transactions	8,168,600	-	-	8,168,600
Revenue from non-exchange transactions	473,160	379,079	40,441,188	41,293,427
<b>Total segment revenue</b>	<b>8,641,760</b>	<b>379,079</b>	<b>40,441,188</b>	<b>49,462,027</b>
Unallocated revenue/non-segment				894,789,220
<b>Entity's revenue</b>				<b>944,251,247</b>

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2024-11-30

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Mphahlele Business Unit

#### 42. Segment information (continued)

<b>Expenditure</b>					
Bulk purchases			95,267,852		95,267,852
Contracted services			71,658,309		109,597,480
Debt impairment		9,371,308	47,270,669		47,270,669
Depreciation and amortisation	(129,842)				(129,842)
Employee related costs	45,138,686	25,632,745	69,040,392		139,811,823
Finance costs				10,701	10,701
General expenses	6,363,328	3,157,986	14,691,889		24,213,203
Transfers and subsidies		13,541,310			13,541,310
<b>Total segment expenditure</b>	<b>79,940,035</b>	<b>51,703,349</b>	<b>297,939,812</b>		<b>429,583,196</b>
<b>Total segmental surplus/(deficit)</b>	<b>(71,298,275)</b>	<b>(51,324,270)</b>	<b>(257,498,624)</b>	<b>(380,121,169)</b>	
Total revenue reconciling items				884,789,220	
Unallocated expenditure/ non-segment				367,656,768	
<b>Entity's surplus (deficit) for the period</b>					<b>1,262,447,988</b>
<b>Assets</b>					
Segment assets	25,218,647	27,523,110	1,042,357,685	1,095,099,442	
Unallocated assets/ non-segment				1,318,856,262	
<b>Total assets as per Statement of financial Position</b>					<b>2,413,955,704</b>
<b>Liabilities</b>					
Segment liabilities	(1,201,008)	(9,257,276)	(1,800,407)	(12,258,693)	
Unallocated liability/ non-segment				(276,424,294)	
<b>Total liabilities as per Statement of financial Position</b>					<b>(288,682,987)</b>

During the review of management accounts, it was noted that segmented information was disclosed incorrectly. The disclosure has been updated to comply with the requirements of GRAP 18.

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### Notes to the Annual Financial Statements

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#### 43. Budget differences

##### Material differences between budget and actual amounts

###### Service charges

Higher than anticipated revenue as a result of increased revenue on prepaid electricity in the fourth quarter of the financial year.

###### Rental income

Lower than budgeted actual revenue on rental income due to poor payment levels.

###### Other income

Original budgeted figure included anticipated SARS VAT refunds which as per mSCOA are accounted in the secondary budget(balance sheet) as asset. The total actual amount of R 93 184 434,49 received from SARS VAT refunds.

###### License and permits

Higher than anticipated interest amounts received from call accounts investments of conditional grants allocations.

###### Property rates

Low revenue collection in respect of residential properties due to withdrawal of other credit control measures as per the approved credit control policy.

###### Donations

Unanticipated donations received: Fire truck, market stalls and building (Creche).

###### Remuneration of councillors

Budget estimated to ensure that it covers any adjustments that may be required as per upper limits directives

###### Depreciation and amortisation

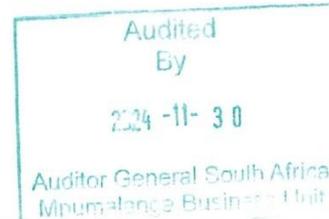
Substantial PPE additions during the year amounting to R 427 000 000 causing the depreciation amounts to rise resulting in differences between budgeted and actual depreciation.

###### Debt impairment

Differences due to revision of the debt impairment policy which focuses on individual Impairment of accounts. It identifies individual receivables that are overdue beyond the credit term and calculates impairment based on historical collection rates.



# APPENDICES



**Chief Albert Luthuli Local Municipality**  
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Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand 2024 2023

**44. Prior-year adjustments**

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

**Statement of financial position**

2023

	As previously reported	Correction of error	Restated
Receivables from exchange transactions	58,625,538	(41,102,655)	17,522,883
Statutory receivables	85,205,259	(29,195,604)	56,009,655
Inventories	4,975,140	(36,492)	4,938,648
Operating lease asset	45,409	7,597	53,006
Property, plant and equipment	2,285,445,930	(520,120)	2,284,925,810
Payables from exchange transactions	168,773,450	8,982,679	177,756,129
	<b>2,603,070,726</b>	<b>(61,864,595)</b>	<b>2,541,206,131</b>

**Statement of financial performance**

2023

	As previously reported	Correction of error	Re-classification	Restated
Service charges	60,992,144	(157,389)	-	60,834,755
Rental income	534,971	7,058	-	542,029
Interest received from non-exchange transactions - consumers	18,672,000	(85,620)	-	18,586,380
Property rates	63,126,967	(1,008,488)	-	62,118,479
Debt impairment	13,367,620	66,265,852	-	79,633,472
Depreciation	55,907,251	(129,842)	-	55,777,409
Bulk purchases	98,790,469	421,187	(3,943,804)	95,267,852
Contracted services	159,301,408	(935,017)	-	158,366,391
General expenditure	101,889,891	-	3,943,804	105,833,695
<b>Surplus for the year</b>	<b>572,582,721</b>	<b>64,377,741</b>	<b>-</b>	<b>636,960,462</b>

**Errors**

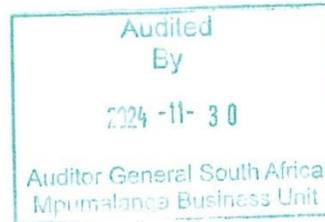
The following prior period error adjustments occurred:

**Receivables from Exchange Transactions and Statutory Receivables**

During the review of management accounts, it was noted that receivables needed an adjustment due to errors in own billing which was subsequently reversed.

In addition, the impairment methodology was revised and the calculation is based on the restated debtors figures.

This resulted in decreases of R41 102 655 in receivables from exchange transactions and R29 195 604 in statutory receivables.



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**44. Prior-year adjustments (continued)**

**Inventories**

During the review and assessment of management accounts it was noted that the water inventory calculation did not include all associated costs in line with GRAP 12 which states that specifies that inventory costs should include all costs of purchase, conversion and other costs incurred in bringing inventories to their present location and condition. The correction resulted in a reduction of R36 492 in inventories.

**Operating lease asset**

During the review and assessment of management accounts, it was noted that operating lease contracts that were 24 months were incorrectly recorded as 12 month contracts, as a result the lease income was not straightlined. This resulted in an increase of R7 597 in the operating lease asset and rental income.

**Property, plant and equipment**

During the review and assessment of management accounts, it was noted that VIP toilets were recorded at an inaccurate amount. The impairment was not aligned to the impairment methodology and there were assets that were not recorded in the asset register. This resulted in a decrease of R520 120 in property, plant and equipment.

**Payables from exchange transactions**

During conversion to Munsoft financial system, management carried out an exercise to confirm completeness of creditors through a manual reconciliation of purchase orders/invoices due at 30 June 2023, and it was noted that the balance as per stamped financial statements do not represent the actual payables as at 30 June 2023. Thus, payables were understated.

Management obtained all supplier invoices/statements that were due on 30 June 2023 and performed a test against the general ledger and age analysis that was converted, the variance that was noted was between the amount that was converted of R24 616 517 and the amount that was verified of R32 028 358.74

The error resulted in an adjustment to trade payables of R7 411 841.74

In addition, during the review and assessment of management accounts the following was noted that:

1. Bulk purchases expenditure had been captured in the incorrect financial year, which resulted in an increase of R421 187 in bulk purchases.
2. Contracted services expenditure had been incorrectly accounted for, which resulted in a decrease of R935 017 in contracted services (repairs and maintenance)

**Reclassifications**

The following reclassifications adjustment occurred:

**Bulk purchases**

A reclassification occurred between bulk purchases and general expenditure. Indigent relief expenditure had been recorded as bulk purchases. The reclassification resulted in a decrease of R3 943 804 in bulk purchases and an increase of the same amount in general expenditure.



**CHIEF ALBERT LUTHULI MUNICIPALITY**

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